

The Cooperative Movement in Century 21

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Abstract

The cooperative movement was one of the first social movements of modern times, with roots at the beginning of the industrial revolution, and was an integral part of the early labour movement. The movement for worker cooperatives, workplace democracy, and social enterprises is resurgent around the world today. The cooperative movement of the present and near future operates primarily in the spaces that the corporate system cannot and will not fill. Cooperatives can provide a dignified living for the many millions who would otherwise be unemployed or marginalized. Grassroots social movements have turned to cooperatives in response to the depredations of globalism and the worldwide deep recession, to improve people's living conditions and to empower them. Many of the new social enterprises are arising from spontaneous initiatives of grassroots groups, and many are being organized, coordinated, and backed by non-profit development organizations, governments, and communities. Cooperatives and social enterprises are the world's best hope of achieving peace, prosperity, and social equity in this new century, and it is there that the eyes of the world need to turn.

There is nothing new under the sun.

~ Ecclesiastes 1:9

In 2002 the UN General Assembly recognized that cooperatives "are becoming a major factor of economic and social development," and urged governments to promote their growth by

utilizing and developing fully the potential and contribution of cooperatives for the attainment of social development goals, in particular the eradication of poverty, the generation of full and productive employment and the enhancement of social integration;... creating a supportive and enabling environment for the development of cooperatives by, inter alia, developing an effective partnership between governments and the cooperative movement.²

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In addition, the UN recently declared 2012 to be the International Year of Cooperatives.

The people of the world do not care what you call the economic system as long as it works. For the last century ideologists of both capitalism and state socialism have made extravagant claims and promises about the superiority of their economic ideas, but the proof was in the pudding. Neither one was able to bring peace, prosperity, and social equity to the world on a sustainable basis. That overarching goal could not be accomplished by either economic system, because neither was actually geared to bring it about. Social justice requires full employment, while capitalism structures unemployment and marginalization into the very bones of the system. Capitalism privatizes the world, transforms power and property into money, reduces people to labour or the marginalized unemployed, disempowers democracy, and crashes periodically with disastrous consequences. State socialism centralizes power in the hands of bureaucrats, planners, and party hacks, disempowers civil society, and rigidifies into a self-perpetuating overly-centralized establishment which inevitably makes monumental social planning blunders. The economics of the 21st century must be based on intense practicality, not false ideology.

The cooperative movement of the present and near future operates primarily in the spaces that the corporate system cannot and will not fill. Cooperatives can provide a dignified living for the many millions who would otherwise be unemployed or marginalized. Cooperatives build bridges between people in conflict, as they did between east and west after World War II and during the Cold War. Cooperatives played an important role in the formation of the European Union, and are continuing to build bridges today between Palestinians and Israelis, Bosnians and Serbs, and in conflict areas in Indonesia, India, and Sri Lanka.³ Cooperatives and social enterprises are the world's best hope of achieving peace, prosperity, and social equity in this new century, and it is there that the eyes of the world need to turn.

The movement for worker cooperatives, workplace democracy, and social enterprises is resurgent around the world today. Grassroots social movements have turned to cooperatives in response to the depredations of globalism and the worldwide deep recession, to improve people's living conditions and to empower them. People band together into cooperatives because they need others to share work, expenses, and expertise, and because they prefer working in a democratic situation. Many of the new social enterprises are arising from spontaneous initiatives of grassroots groups, and many are being organized, coordinated, and backed by non-profit development organizations, governments, and communities.⁴ Non-profits have turned to organizing social enterprises to fulfill social equity missions. Communities and governments have turned to them for economic development.

In the US today 85% of jobs (nongovernment and nonfarm) are in the service sector,⁵ and these are often best performed by small enterprises. Startups in this sector do not have to begin with expensive, cutting-edge technological equipment. It is here in particular that cooperatives and other social enterprises are able to successfully set up. This sector will continue to be fertile ground for cooperatives for the foreseeable future. In addition, small industrial and artisanal enterprises also do not require expensive technology, and that is another strong sector in which worker cooperatives and social enterprises operate successfully.

But as the size of the firm increases, maintaining direct democracy in the workplace becomes increasingly difficult and complex. Large modern firms based on sophisticated technology, expertise, and management do not lend themselves easily to direct democracy, and efficiency of scale often conflicts with democratic processes. However, worker cooperatives have functioned successfully in America in medium-sized enterprises.⁶ Mondragon, the world's largest group of worker cooperatives, centered in Basque Spain, has a workforce of over 92,000.⁷

Today's movement is not primarily focused on transforming large corporations into cooperatives, although it does put workplace democracy and social equity squarely on the table. Larger enterprises are the territory of the labour movement, which has been reduced to an extremely weakened state in the US; only when workers force changes in the labour laws will American unions win the space to put workplace democracy in large enterprises on the immediate agenda. I will not deal with the questions of workplace democracy in larger enterprises in this paper.

Cooperatives are both a natural formation of human interaction and a modern social movement. They are probably the most integral and natural form of organization beyond the family. Without simple economic group cooperation and mutual aid, human society would never have developed. On the other hand, the cooperative movement was one of the first social movements of modern times, with roots at the beginning of the industrial revolution, and was an integral part of the early labour movement.

A dynamic has always existed between cooperatives as a natural social formation and cooperatives as a social movement. The social movement is based on the natural formation, and on the widespread perception that modern society has interfered with and denied the natural work democracy that humans crave. Market capitalism lauds the employee system as the basis of human freedom but, as most employees understand, the system has also almost always been a tool of oppression and bondage. The cooperative movement aims for liberation from oppressive social stratification and alienation.

What makes the new resurgence of the cooperative movement different from what came before? To elucidate that question, we need to take a brief look at some of the history of the movement. Since I know the US movement best, I'll focus on that history. Since this is a worldwide movement, I'll also relate US history to some other developments around the world. There are many approaches to the history of the cooperative movement, and various visions of its goals and mission. Every country has its own equally important history. The saga is not simple.

To begin in a traditional American context, Thomas Jefferson wrote:

Whenever there are in a country uncultivated lands and unemployed poor, it is clear that the laws of property have been so far extended as to violate the natural right. The earth is given as a common stock for man to labor and live on.⁸

These were key concepts of Jeffersonian democracy, and the underlying basis for Abraham Lincoln's Homestead Act, which opened millions of square miles of land to people who were willing to work it. In today's world we cannot all be small farmers, but these concepts still apply inalienably to the varieties of work as we know it. These ideas form part of the legal and historical basis for the American government providing a supportive environment and enabling infrastructure for cooperatives.

An outline history of the cooperative movement in the USA⁹

In the US, worker cooperatives were organized by some of the very first North American labour unions in the early 1800s. The earliest unions came out of guilds, which included both masters and journeymen, and structured the industries. They were basically mutual aid organizations. At the point that masters became bosses, the journeymen broke away and formed separate organizations. These developed into what we know as unions. They too specialized in mutual aid. In many of the earliest strikes, the journeymen formed worker cooperatives, sometimes temporarily to support themselves during the strike, and sometimes to continue on a permanent basis. These cooperatives were facilitated by the fact that most industrial production was still done with comparatively simple hand tools.

Worker cooperatives became a modern movement with a broad social mission in the 1830s, in reaction to the injustices of the rising capitalist system and the concomitant impoverishment and disempowerment of the working classes. Worker cooperatives were promoted by the first national labour organization, the National Trades' Union (NTU). In the early 1870s, shortly after the Civil War,

the National Labour Union (NLU) renewed the American worker cooperative movement, and honed its mission. In the early 1880s worker cooperatives found their greatest manifestation in the labour movement in the Knights of Labour (KOL), the largest labour organization in the world at that time, which organized a network of almost 200 industrial cooperatives. This was the era of the domination of the great industrialist “robber barons,” enormous social strife, and the KOL cooperative movement was in the thick of it.

In the colonial era, America’s earliest governments were dominated by elites of large merchants, bankers, and plantation owners. These elites continued to control federal, state, and local governments during the first decades of independence. As the industrial capitalist system increasingly predominated during the 19th century, manufacturing and railroad magnates joined other privileged interest groups in asserting dominance over government for their own benefit. Under the control of these power elites, government tended to be, on the whole, antagonistic to the cooperative movement. Control of state and local governments varied throughout the national territory, and regional powers vied for a place within national power. Democracy for ordinary working people was mostly window dressing. People were treated as mere labour input in the economic machine. In colonial America, a large part of the early work force was made up of indentured servants, people who signed themselves into temporary bondage in exchange for passage to America. These were slowly replaced in the North by wage labour (which included child labour and prison labour) and in the South by slave labour. The capitalist system, the conquering ideology in the Civil War, which abolished chattel slavery and replaced it with “freedom,” was based on the wage system. The employer-employee relationship was a subtler form of bondage in which people rented themselves to other people for specific time periods and under specified conditions. Other forms of the same system included piece-rate production, sharecropping, tenant farming, and various forms of labour contracting. Poverty was the social mechanism used to compel enough people to rent themselves into this temporary bondage. The endless flood of immigrants to America provided a seemingly inexhaustible bounty of willing victims. The union movement was the revolt of the wage slaves.

By the decades after the Civil War, worker cooperatives had become integral to the overall strategy of the labour movement. At the same time as the Knights of Labour fought for higher wages and better working conditions, they were also attempting to construct a vast chain of cooperatives. Their mission was to abolish what they called “wage slavery” and replace the capitalist wage system with workplace democracy in what they termed a *Cooperative Commonwealth*. This concept arose autochthonously in America, parallel to the growth of the socialist movement during the same period, to which it was conceptually interrelated.¹⁰ The Cooperative Commonwealth vision was based

on free associative enterprises in a regulated market economy, with the government relegated to infrastructural and public utilities functions, such as maintaining and managing water systems, roads, railroads, etc. This concept was fundamentally distinct from the state socialist concept of the government running the entire economy with all workers as government employees. The Cooperative Commonwealth vision was Jeffersonian.

During this same period, between 1866 and the 1890s, American small farmers also organized cooperative movements with similar motivations, strategies, and ends. Thanks to Lincoln's Homestead Act, the rural US at that time was populated widely by freeholding farm families, who organized cooperative movements for purchasing supplies and marketing farm products. Their opponents were the railroads, bankers and middlemen. The main farmer organizations were first the National Grange (NG) and later the Farmers' Alliance (FA). Parallel to the union movement, the farmer cooperatives saw their mission as organizing an alternative economic structure that would supercede the existing one, a vast network of cooperatives that would be the lever of their liberation from economic oppression. Historian Michael Schwartz called the Farmers' Alliance Exchanges "the most ambitious counterinstitutions ever undertaken by an American protest movement."¹¹

As the worker and farmer movements developed, the consumer cooperative movement formed a third stream of the cooperative movement. The consumer store movement started independently in America at an early period, but was destroyed by price wars with capitalist competitors. Later consumer cooperatives achieved some success after adopting the British Rochdale system of keeping prices at around market rates and giving rebates to member customers. Cooperative stores run by farmer organizations and unions were notably successful. But the other side to the Rochdale approach was that stores were run managerially with workers as employees and not necessarily coop members. This approach was expanded into an alternative version of a cooperative commonwealth in which giant consumer cooperatives owned all the factories and farms, with the wage system universalized instead of abolished. By this twist the consumer cooperative movement abandoned what had been a core goal of the worker cooperative movement: workplace democracy and liberating workers from wage slavery.

The Knights of Labour was defeated in 1886-1887, in the wake of the national May Day strike for the 8-hour day in 1886 and the ensuing Haymarket riot and nationwide crackdown. The KOL worker cooperatives were destroyed at that time by the combined forces of the capitalist system and the government. This was the ultimate triumph of industrial capitalism in the US, and the end of the era when industrial workers thought they could defeat the system economically and supercede capitalism through peaceful competition by building an alternative

parallel cooperative system. As the KOL waned, the American labour movement continued on a different footing from the European movement. In most of Europe the socialist movement and workers parties had become an accepted part of the political landscape, while in America they were excluded from the mainstream. As historian Kim Voss wrote in *The Making of American Exceptionalism*, "American industrial relations and labour politics are exceptional because in 1886 and 1887 employers won the class struggle."¹²

In rural America the capitalist defeat of the cooperative system was completed a few years later, when the Farmers' Alliance likewise saw their cooperatives destroyed and their organization defeated by a coalition of bankers, wholesalers, and manufacturers who cut off their credit, supplies, and ability to do business.¹³

The FA and the KOL played one last card. Forming a "third party" alliance, they went into electoral politics and were instrumental in organizing the Populist Party, the most successful third party in American history. They ultimately joined with the Democrats and narrowly missed electing William Jennings Bryan to the presidency in 1896.¹⁴

After the demise of the KOL, the surviving American Federation of Labour (AFL) began its domination of the mainstream US labour movement. The AFL abandoned the idea of abolishing the wage system, and instead focused only on negotiating contracts and working conditions. Some unionists in the Industrial Workers of the World (IWW) and other organizations continued to fight for industrial freedom and workplace democracy, but instead of building cooperatives they looked to take over the existing industries.

In the 20th century the consumer cooperative movement became the dominant cooperative philosophy in the US, promoted by the Cooperative League (CL), the most important national coordinating and educational organization. For much of the century the CL excluded worker cooperatives and even farmer marketing cooperatives (farmer supply purchasing cooperatives were however acceptable to them).

The modern cooperative movement developed in other industrializing countries at the same time as the US movement. Every country had its own variation, related to its level of industrialization. France, first influenced by the ideas of Proudhon and then anarcho-syndicalism, was similar to the US in its focus on worker cooperatives, self-help, and solidarity. The movement in Germany focused on banks and credit for farmers, artisans, and small entrepreneurs. In Italy it was a diverse mix of worker, farmer, banking, and consumer cooperative experiments, with the Catholic Church ultimately organizing a parallel cooperative movement. The movement in Britain started around the same time

as the US, and in the 1830s involved thousands of artisans, farmers, and unions forming labour exchanges as part of the National Equitable Labour Exchange, with large warehouses in London and Birmingham. A parallel movement organized the Grand National Consolidated Trades Union, an umbrella organization which immediately became embroiled in labour struggles and came under harsh attack by employers and government. Under duress, both the labour exchanges and the union collapsed. When the British cooperative movement revived in the 1840s in Rochdale, it found great success as a consumer movement and carved out a niche for itself through its core compromise of not threatening the market and abandoning workplace democracy. The British success resulted in consumer cooperative philosophy dominating much of the international cooperative movement as well the US movement during the 20th century, while worker cooperatives and workplace democracy became relegated to the realm of impractical dreamers and radical groups.

The New Deal and the cooperative movement

When the economy collapsed, the "Self-Help" cooperative movement, stressing mutual aid and barter, quickly became widespread among the unemployed and underemployed. It was truly a spontaneous mass movement. These cooperatives produced a variety of goods for trade and self-use, and organized exchanges between labourers and farmers, in which people would work for a share of the produce. They sprang up in many locales around the country, and became a part of daily life for many people. Money was scarce. Scrip was sometimes used. By the end of 1932, there were self-help organizations in 37 states with over 300,000 members. A survey in December 1934 counted 310 different groups, about two-thirds of them in California, with over a half million members.¹⁵

The Great Depression of the 1930s and the New Deal changed the relationship between government and cooperatives in the US for a generation. While the movement had always had isolated supporters among elected officials, in general government was anything but supportive. With the New Deal the American cooperative movement won support at the highest level of government for the first time. The New Deal was also a great backer of the labour movement and adhered to strong government regulation of the capitalist system.

Roosevelt's programs provided enormous help to rural and farmer cooperatives. But urban cooperatives were not a significant part of the programs. Above all, industrial worker cooperatives were excluded. The New Deal drew the line at helping cooperatives that challenged the wage system.

One of the New Deal's first acts was to set up a Division of Self-Help Cooperatives (under the Federal Emergency Relief Act, or FERA), providing technical assistance and grants to self-help cooperatives and barter associations.¹⁶ The "community projects" program in California included cooperative industries such as a wood mill, a tractor assembly plant, a paint factory, and hosiery mills. However, the law stipulated that production facilities set up with FERA funds could not be used in money transactions, while self-help cooperative groups usually tried to include money in their exchange arrangements whenever possible, as well as producing articles for their own use. This provision seriously undercut many self-help coops' ability to function, since everyone needed cash badly. In some situations, FERA cooperators could receive pay, but only to produce articles for their own use.

The Farm Credit Administration (FCA) of 1933 set up Banks for Cooperatives, which had a very significant effect on the farmer cooperative movement. With a central bank and twelve district banks, it became a member-controlled system of financing farmer, telephone, and electric cooperatives. After having been set up with government seed-money, the FCA became self-supporting. The banks were not permitted to give assistance to consumer or industrial cooperatives. Banks for Cooperatives became an indispensable institution for organizing and stabilizing farm cooperatives for the rest of the century.¹⁷ The Farm Security Administration (FSA) of 1935, initially part of the Resettlement Administration, set up to combat rural poverty, helped organize 25,000 cooperatives of all types among about four million low-income farmers. The Rural Electrification Administration (REA) of 1935 promoted cooperative electrification in rural areas. Only about 10% of rural homes had service at that time but through REA loans, local electrification cooperatives served almost 300,000 households, or 40% of rural homes by the end of 1939.

While the New Deal's backing of farm cooperatives was instrumental in the rural recovery from the depression, the exclusion of worker and urban cooperatives helped only to maintain working people in a state of disempowerment and dependent on government relief or work programs.

Even though industrial production facilities were sitting idle around the country, the New Deal never supported the idea of workers taking them over with government backing and restarting them as cooperatives. The celebrated wave of factory seizures by workers, beginning with the Flint sitdown strike against General Motors in 1936-1937, in which strikers occupied several plants for 44 days and repelled attacks from the police and National Guard, had as its goal union recognition, and the Flint sitdown ended in GM's recognition of the United Auto Workers. A wave of sitdowns followed, with over 400,000 workers occupying plants and businesses around the country in 1937. The wave faded as the courts and the National Labour Relations Board held that sit-downs were

illegal and that sit-down strikers could be fired. In the following decades many other powerful tools that American workers used in the 1930s to unionize were taken away.

From the New Deal's beginning, reactionary forces worked tirelessly to stymie it, and succeeded in dismantling it piece by piece after World War II. Few cooperatives survived the war. Those that did were attacked by the dogs of McCarthyism, and most of these were purged of any connection to a social movement. Government regulations over capital, corporations, and the market were removed thread by thread, while worker organizations were diminished and hamstrung by new laws and regulations. Small farmer cooperatives found a fierce enemy in escalating corporate agribusiness.

In the 1960s and 1970s, a new generation rediscovered cooperation, collectivity, and communalism, creating their own structures and definitions, inspired by a new political opposition movement and, in turn, shaping that movement. In a unique way, the '60s gave new life to a vision of America that, unknown to most at the time, closely reflected the older cooperators' dreams. Like their forebears, the new coops and collectives struggled between their dual identities as "pure and simple" cooperatives and radical social movement. The most important milestone for mainstream cooperatives in that period was the chartering of the National Cooperative Bank under President Carter in 1978, to service all types of nonfarm cooperatives.

Shortly thereafter the country sunk into decades of a long rightward spin under the suffocating cloak of Reaganism and its false promises of prosperity through deregulated capitalism... until the bubble finally burst in 2008 and the economy came crashing down.

Urban homestead movement in New York City¹⁸

The most successful contemporary radical cooperative movement in the US is a local movement spanning the last four decades and led by an inspiring grassroots spirit of revolt: the building occupations of the urban homestead limited equity cooperative movement in New York City.

In the mid 1960s, many New York landlords in low-income neighborhoods abandoned their apartment buildings because they considered them not profitable enough, averaging 38,000 abandoned units a year by the end of the decade. The City foreclosed for non-payment of taxes and serious code violations, and assumed ownership as "landlord of last resort." In 1969 a group of neighbors on East 102nd Street in Manhattan, made up mainly of Puerto Rican families, took over two buildings by direct action and started rehabilitating them through sweat equity as cooperatives. That touched off a direct action tenant

movement in other neighborhoods. In 1970 groups of squatters took over vacant buildings on West 15th, 111th, 122nd streets, and along Columbus Avenue around 87th Street, proclaiming the community's right to possession of a place to live. The City reacted by evicting most of the squatters, but public outcry resulted in it granting management control of some of the buildings to community organizations for rehabilitation by the tenants themselves. Several cooperative development non-profits were formed, including the Urban Homestead Assistance Board (UHAB), which became the most effective organization. In 1973, 286 buildings were slated for urban homesteading, but funding obstacles undercut their efforts. Forty-eight of these buildings were actually completed as homesteaded low-income limited-equity cooperatives.

In the 1980s New York tenant groups led many squats, taking over abandoned buildings illegally at first and rehabilitating them. By 1981 the City had become the owner by foreclosure of about 8,000 buildings with around 112,000 apartments, 34,000 of the units still occupied. At the urging of housing activist groups, particularly UHAB, the City instituted urban homesteading programs to legally sell the buildings to their squatting tenants for sweat equity and a token payment, with a neighborhood organization or a non-profit development organization often becoming manager during rehabilitation. By 1984, 115 buildings had been bought as limited-equity tenant coops under the Tenant Interim Lease Program, with another 92 in process. UHAB provided technical assistance, management training, and all-around support. Autonomous groups of squatters continued to take over buildings, with an estimated 500 to 1,000 squatters in 32 buildings on the Lower East Side alone in the 1990s. Hundreds of Latino factory workers and their families squatted in the South Bronx. The City's response changed with the political winds. Some City administrations curtailed the homestead program and evicted many of the squats, but some squatter groups successfully resisted eviction. In the '90s the City renewed its support of tenant homesteading, and by 2002 over 27,000 New York families were living in homesteaded low-income coops. Over the last 30 years UHAB has worked to successfully transform over 1,300 buildings into limited equity cooperatives, and 42 more buildings are currently in their pipeline containing 1,264 units, most of them in Harlem and the Lower East Side.

The urban homestead movement is based in law on the concepts of *squatters' rights* and *homesteading*. Homesteading is by permission, usually on government-owned land or land with no legal owner. The homesteader--like the squatter--gains title to the land in exchange for the sweat equity of working it for a certain time period, usually 10 years. In many cases people who start as squatters become homesteaders. Squatters' rights and homesteading have been part of US and English common law for centuries and are deeply embedded in American history. With squatting--legally called "adverse possession"--the squatter takes possession of the land or building without

permission of occupancy from the legal owner. Squatters use adverse possession to claim a legal right to land or buildings. The idea is that a person who openly occupies and improves a property for a set amount of time is entitled to ownership, even though that property may have originally not belonged to them. For the first thirty days of occupation, squatters are legally trespassers liable to eviction without cause. During this time squatters are usually discrete about their presence, but open enough to be able to document their occupation. After thirty days, they gain squatters' rights--or tenants' rights--and in New York thereafter can only be evicted by a court order. At that time the squatters often openly begin to undertake major renovations or improvements.

The basic concept has been used beyond housing elsewhere in the Americas. The core idea of the Mexican Revolution (1910-1917) was "land for those who work it," and that concept was enshrined in the Mexican Constitution as the *ejido* system of communal property. The Brazilian Constitution (1988) says that land that remains unproductive should be used for a "larger social function."¹⁹ Brazil's Landless Workers Movement (MST) used that constitutional right as the legal basis for numerous land occupations. The largest social movement in Latin America today with an estimated 1.5 million members, MST has been peacefully occupying unused land since 1985, won land titles for more than 350,000 families in 2,000 settlements, and established about 400 cooperative associations for agricultural production, marketing, services, and credit, as well as constructing houses, schools, and clinics.

Recent factory occupations

The same core concept has been applied to production and business facilities by the recovered factory movement in Argentina, Brazil, Uruguay, Mexico, and Venezuela. Most of these started as occupations of shut-down or bankrupted factories and businesses by their workers and communities, and reopened as worker cooperatives. Many of them have received government recognition and support, particularly in Brazil, Uruguay, and Venezuela. In Argentina there are more than two hundred worker-run cooperative factories and businesses today, most of which started as plant occupations during the economic crisis of 2001-2002. Despite receiving less government recognition and support, Argentina's is the largest worker-recuperated movement in Latin America.

The recent wave of factory occupations was next taken up in Ontario in 2007 when Canadian workers occupied three plants that were shutting down, and forced the owners to honor their severance agreements; there was no plan to reopen these factories as cooperatives. The spirit arrived in the US in December 2008 in Chicago when over 200 workers, members of United Electrical Workers (UE), staged a factory occupation at the shut-down Republic Windows and Doors plant, demanding their vacation and severance pay and that the factory

continue its operations.²⁰ They were given only three days' notice of the shutdown, not the 60 days required under federal and state law, and the management refused to negotiate with the workers' union about the closure. After 6 days of occupation, the Bank of America and other lenders to Republic agreed to pay the workers the approximately \$2 million owed to them. Meanwhile, the workers explored ways to restart the factory, including the possibility of a worker cooperative, and set up a "Windows of Opportunity Fund" to provide technical assistance and study this and other possibilities for re-starting production. But, as a union representative has since explained, "the fact that no real movement of worker-run enterprises exists in the US makes this option much more difficult at this point."²¹

Instead of reopening as a worker cooperative, a firm specializing in "green" energy efficient windows bought Republic Windows in February 2009, and a union spokesman said the new owner would offer jobs to all laid-off workers at the reopened plant. Nonetheless, that the UE union at Republic seriously considered a worker cooperative is an excellent sign. Historically, many unions have feared their position would be weakened by worker cooperatives because they blur the line between workers and management. The labour movement, at least on the international level, has moved beyond that stasis. The International Labour Organization (ILO), affiliated with the UN, strongly supports worker cooperatives today as a strategy to achieve full employment, and is working closely with the International Cooperative Alliance (ICA), which represents the international cooperative movement. While the new cooperative movement is currently still embryonic in the US, it has the potential of becoming that "real movement" whose lack the worker at Republic Windows bemoaned.

A recent event of enormous promise is the collaboration, announced in October, 2009, between the United Steel Workers Union (USW) and Mondragon International. The USW is North America's largest union, and the Basque Country's Mondragon is the largest group of worker cooperatives in the world. According to USW International President Leo W. Gerard, they are exploring a partnership "towards making union co-ops a viable business model that can create good jobs, empower workers, and support communities in the United States and Canada...." Gerard continues: "Too often we have seen Wall Street hollow out companies by draining their cash and assets and hollowing out communities by shedding jobs and shuttering plants. We need a new business model that invests in workers and invests in communities." Mondragon president Josu Ugarte added that their "complimentary visions can transform manufacturing practices in North America. We feel inspired to take this step based on our common set of values with the Steelworkers who have proved time and again that the future belongs to those who connect vision and values to people and put all three first."²²

Today all over the US production and business facilities sit idle, while the sector of the unemployed swells. The government has mortgaged our grandchildren's future to bail out the banking system--for the most part those same banks that own title to the idle production facilities--with little in return. It would seem perhaps a small step for the US government to become "landlord of last resort," like the City of New York, and open tens of thousands of shuttered business, idle factories, and closed plants to worker cooperatives in exchange for sweat equity. That is a great stimulus plan that the economy sorely needs.

Conclusion

Today's cooperative movement has centuries of history behind it. At the same time it is also a new movement of a new generation. Like every social equity movement, the cooperative movement rises and subsides, and its deeper goals cannot be permanently achieved because society is always changing: all social goals must be constantly renewed, and all social movements must go through cycles of renewal.

In sum, here are some of the tendencies in today's movement that differ in several aspects from the cooperative movement as it was not long ago:

- (1) it has returned to its mission of democratizing the workplace;
- (2) it encompasses experimental structures of social enterprises;
- (3) it is included by diverse non-profits as part of their mission strategy;
- (4) it has increased its worldwide character, with the international movement having stronger influence over national movements;
- (5) it is re-forging a close alliance with the labour movement;
- (6) it has returned to direct action activism with housing, land, business, and factory occupations;
- (7) it is achieving the backing of government in creating a supportive and enabling environment for the development of cooperatives; and
- (8) it is part of an international strategy, supported by the UN, to reorganize the world economy with the cooperative sector a permanent part, helping to provide full employment for the unemployed and marginalized of the world.

Endnotes

¹ **John Curl** is a long-time cooperator and has been a member of various collectives and cooperatives. He is the author of *For All The People: Uncovering the Hidden History of Cooperation, Cooperative Movements, and Communalism in America* (Oakland, CA: PM Press, 2009).

² United Nations General Assembly. (2002, January 18). Resolution on cooperatives in social development. UN Resolution A/RES/56/11. <http://www.copac.coop/publications/unpublications.html>.

³ Rhodes, R. (1995). *The international cooperative alliance during war and peace, 1910-1950*, Geneva: International Cooperative Alliance; International Cooperative Alliance (ICA). (2006). *Peace-building through cooperatives*. Geneva: International Cooperative Alliance. <http://www.copac.coop/idc/2006/2006-idc-ica-en.pdf>.

⁴ For international examples, see the 11 case studies in: Birchall, J. (2003). *Rediscovering the cooperative advantage: Poverty reduction through self-help*. Geneva: Cooperative Branch, International Labour Office.

⁵ Cleveland, D.B. (1999). *The role of services in the modern US economy*. Washington, DC: Office of Service Industries, US Chamber of Commerce, International Trade Administration. <http://www.ita.doc.gov/td/sif/PDF/ROLSERV199.pdf>.

⁶ Current examples of successful worker cooperatives involving larger groups in the US include Sustainable Woods Cooperatives (Lone Rock, Wisconsin), Equal Exchange (West Bridgewater, Massachusetts), Arizmendi Association of Cooperatives (Bay Area), Cooperative Care (Wautoma, Wisconsin), Chroma Technology Corp (Rockingham, Vermont), Rainbow Grocery (San Francisco), Cooperative Home Care Associates (New York City), WAGES (Oakland), Big Timberworks (Gallatin Gateway, Montana), Union Cab of Madison (Madison, Wisconsin), and Isthmus Engineering & Manufacturing (Madison, Wisconsin).

⁷ See: <http://www.mondragon-corporation.com/language/en-US/ENG/Economic-Data/Most-relevant-data.aspx>.

⁸ Foner, P.S. (Ed.) (1943). *Thomas Jefferson: Selections from his writings*. New York: International Publishers (pp. 56-57).

⁹ A detailed survey of this history can be found in my book: Curl, J. (2009). *For all the people: Uncovering the hidden history of cooperation, cooperative movements, and communalism in America*. Oakland, CA: PM Press.

¹⁰ The extent of the worker cooperative movement was nationwide and regionally balanced. Early centers of cooperative growth were urban metropolises such as New York City, Philadelphia, Chicago, and Boston, followed by smaller cities including Cincinnati, Detroit, Milwaukee, Minneapolis, St. Louis, Baltimore, New Orleans, and San Francisco, as well as numerous small towns. Between 1865 and 1890, 72 worker cooperatives were opened in New

York State; 69 in Massachusetts; 61 Illinois; 48 each in Pennsylvania and Ohio; 24 in Minnesota; 20 in Maryland; 17 Indiana; 15 Wisconsin, Kansas and Missouri; 13 Michigan; 12 Iowa; 11 New Jersey; 10 Louisiana; 9 Kentucky; 8 Connecticut; 5 Virginia and West Virginia; 4 Georgia; 3 Maine, New Hampshire, Rhode Island, Alabama, Arkansas and Texas; 2 Tennessee, North Carolina, Oregon, Washington Territory, and District of Columbia; 1 each in Vermont, Delaware, South Carolina and Mississippi. New York City had the greatest concentration (38), followed by Chicago (27), Minneapolis (18), Philadelphia and Baltimore (16), San Francisco (15), Cincinnati (14), Milwaukee (13), Boston (11), St. Louis, New Orleans and Detroit (9). In addition 11 were in Canada, with 3 each in Montreal and Toronto. The leading trades (in descending order) were boot and shoe making, iron molding, printing-publishing, cigar making, coal mining, barrel making (cooperage), glass making, clothing manufacturing, furniture manufacturing, carpentry, and shipbuilding. See: Horner, C. (1978). *Producers' cooperatives in the United States, 1865-1890*. Unpublished Ph.D. dissertation, University of Pittsburg (pp. 229-243).

¹¹ Schwartz, M. (1976). *Radical protest and social structure: The Southern Farmers' Alliance and Cotton Tenancy, 1880-1890*. Chicago: University of Chicago Press (p. 217).

¹² Voss, K. (1993). *The making of American exceptionalism: The Knights of Labour and class formation in the Nineteenth Century*. Ithaca, NY: Cornell University Press (p. 232).

¹³ Curl, pp. 111-117.

¹⁴ See: Hicks, J. D. ([1931] 1961). *The populist revolt: History of the Farmers' Alliance and the People's Party*. Lincoln: University of Nebraska Press; Pollack, N. (1962). *The populist response to industrial America*. Cambridge, MA: Harvard University Press; Goodwyn, L. (1978). *The populist moment*. London: Oxford University Press.

¹⁵ Clark, K. & Harris, A. (1939). *Self-help cooperatives in California*. Berkeley, CA: Bureau of Public Administration, University of California (pp.135-38).

¹⁶ For the New Deal cooperative programs, see: Conkin, P.K. (1959). *Tomorrow a new world: The New Deal Community Program*. Ithaca, NY: Cornell University Press.

¹⁷ Knapp, J.G. (1973). *The advance of American cooperative enterprise: 1920-1945*. Danville, IL: Interstate Printers and Publishers (pp. 260ff).

¹⁸ Lawson, R. (1986). *The tenant movement in New York City, 1904-1984*. New Brunswick, NJ: Rutgers University Press; Urban Homestead Assistance Board (n.d.). Coop development. Programs overview. <http://www.uhab.org/programs>; Neuwirth, R. (2002, September/October). Squatters' rites. *City Limits Magazine*. <http://www.citylimits.org/>; Birchall, p. 32.

¹⁹ Frank, J. (2002, November). Two models of land reform and development. *ZMagazine*; Branford, S. & Rocha, J. (2002). *Cutting the wire: The story of the landless movement in Brazil*. London: Latin American Bureau; Movimento dos

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²⁰ Luo, M. (2008, December 11). Sit-in at factory ends with 2 loan agreements.

New York Times. <http://www.nytimes.com/2008/12/11/us/11factory.html>; Luo, M.

& Cullotta, K.A. (2008, December 12). Even workers surprised by success of factory sit-in. *New York Times*.

<http://www.nytimes.com/2008/12/13/us/13factory.html>.

²¹ Dangl, B. (2009, January 15). Firing the boss: An interview with Chicago factory occupation organizer. *Toward Freedom*.

<http://towardfreedom.com/home/content/view/1506/68/>.

²² Davidson, C. (2009). Steelworkers plan job creation via worker coops. *Znet*.

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