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What would Rosa do? Co-operatives and radical politics

Marisol Sandoval

Rosa Luxemburg was not a fan of co-operatives. Neither did she think of trade union politics as a particularly useful means of radical change. She felt that co-ops, as a 'hybrid form in the midst of capitalism', were bound to eventually succumb to competitive market pressures and either turn into mere capitalist businesses or dissolve completely.¹ Union politics, she argued, by focusing on the reduction of working hours and increases in wages, would merely contribute to the Sisyphean labour of regulating, rather than abolishing, capitalist exploitation ('Reform or revolution', p67). Citing England as an example, she argued that in many cases trade unions could not even achieve this goal, and remained limited 'to the simple defence of already realised gains' - and even that was becoming more and more difficult (p58). In sum: 'Cooperatives and trade unions are totally incapable of transforming the capitalist mode of production' (p83). Instead she proposed 'the seizure of political power by the proletariat, that is to say by a large popular class' (p95).

More than one hundred years later, Luxemburg's writings read as the product of a particular time and place, and not just because of its language. The idea of seizing power through a revolutionary act - certainly in Western Europe - is an idea that seems to belong to a different millennium. At a time when even defending trade union politics seems to be the height of political radicalism, Luxemburg's ideas seem outdated. Has her call for class struggle and conquering power lost all relevance, or is there still something here for us to learn today?

The fact that some parts of the left that formerly rejected organised party politics and the need to build power are now revisiting these questions is an indication that there might still be reasons for thinking with some of Luxemburg's ideas. For example, Jodi Dean has recently warned of the dangers of left politics getting lost in a 'long tail of micro-initiatives', or even of mirroring neoliberal decentralisation, flexibilisation and self-transformation, and giving up on the idea of radical social change.² She maintains that 'to advance, we need to organise', and argues for reclaiming the party as a way of confronting individuation and creating a terrain for collectivity and solidarity (p265). Nick Srnicek and Alex Williams make a similar argument, stressing that the left should not limit itself to what they call 'folk politics' that favour the small-scale, the everyday and the local over the strategic and structural, and that radical change requires organising a broadly populist left, 'building the organisational ecosystem necessary for a full-spectrum politics on multiple fronts, and leveraging key points of power wherever possible'.³

Co-operatives, as a form of prefigurative politics, could easily be characterised as reformist, as settling for the small-scale and the personal, and for local and immediate improvements, however limited they might be. Could it be argued that worker co-ops have indeed suffered the fate of co-optation and political irrelevance that Rosa Luxemburg predicted? Was she right to question their political potential, or can they play an active role within a radical politics for the twenty-first century? These are the questions I want to explore in this article. But first I will consider the undermining of their radical potential that occurs when entrepreneurial discourses frame co-ops merely as a superior business model.

Co-operatives - from politics to enterprise?

One of the earliest thinkers of the co-operative movement was the nineteenth-century British industrialist and utopian socialist Robert Owen. For Owen, co-operative villages were a response to the misery of the working classes in the early years of industrial capitalism. His project was decidedly political, aimed at replacing capitalism with a co-operative alternative. He believed in the possibility of transcending capitalism by expanding co-operative communities, without the need to claim institutional power. In the end, most of Owen's experiments failed, but they nevertheless inspired other radical thinkers and activists to envision and create social alternatives.

For Marx, for example, Owen's ideas confirmed the real possibility of worker self-organisation, and thus demonstrated that, 'like slave labour, like serf labour, hired labour is but a transitory and inferior form, destined to disappear before associated labour paying its toil with a willing hand, a ready mind, and a joyous heart'.⁵ But Marx also warned that, as examples of the emergence of a new form within the old form, co-ops would also reproduce all the defects of the existing system, 'and must reproduce them' (*Capital*, Vol 3, p571). For Luxemburg, the impossibility of escaping competitive market pressures was enough to disqualify co-ops as a means for radical politics: 'They are obliged to take toward themselves the role of capitalist entrepreneur - a contradiction that accounts for the failure of production cooperatives, which either become pure capitalist enterprises or, if the workers' interests continue to predominate, end by dissolving' (p80).

Looking at the contemporary discourses on co-operatives in the UK, it is hard to dismiss Luxemburg's objections out of hand. In 2014 the opening lines of the UK Co-operative Economy Report consisted of a quote from David Cameron describing co-ops as: 'A very powerful business model and one I admire'. Such endorsement is evidence of the integration of co-ops into neoliberal discourses of self-help, individual initiative and personal responsibility. Here, co-operatives are defined merely as a 'business model' rather than a political project.

Tara Mulqueen argues, however, that it was precisely the turn away from understanding co-operatives as a project of community, and towards framing them as businesses, that contributed to their depoliticisation: 'the process of institutionalisation for the co-operative movement was one in which they came to be defined as businesses, at the expense of their underlying political engagement'.⁶

It does sometimes seem that at present an entrepreneurial discourse on co-operatives is taking hold that not only confirms but even exceeds Luxemburg's predictions. Co-operatives are seen not as alternative political project but as a superior business model that yields benefits such as increased productivity, innovation, resilience and entrepreneurship.⁷ But this emphasis is nothing new. Already in 1889 the influential neoclassical economist Alfred Marshall was arguing that, because in a co-operative workers produce for themselves rather than for others, their work would be more productive and of better quality. More recently David Erdal built on this idea in his argument that co-ops could contribute to mobilising capitalism's full potential because 'people come alive as owners' (*Beyond the Corporation*, p173). For Erdal,

rather than transcending capitalism, co-ops are a means for creating more capitalists: 'capitalism is good at creating capital; it is lousy at creating capitalists' (p44).

Following a similar entrepreneurial logic, the 2015 Co-Operative Economy Report argued that sharing ownership 'boosts productivity', 'harnesses innovation' and 'drives entrepreneurship'.⁸ In this context the importance of co-operatives is sometimes justified by reference to a 'co-operative advantage'. Ed Mayo, Secretary General of Co-operatives UK, interprets the 'co-operative advantage' explicitly as competitive business benefit: 'The essence of the co-operative advantage is that the model of business ownership can in the right context be an enduring source of value creation and, in turn, competitive advantage. It is co-operating in order to compete'.⁹

Yet mobilising the idea of market competition as a way of promoting co-operation is a strategy that increases the risk of co-ops losing their radical political potential. It is tempting to counter arguments about the lack of viability of alternatives to capitalism by putting forward evidence about the innovation and productivity of co-ops, but stressing the ability of co-ops to compete their way out of a competitive economy is to take the first step on a slippery slope that opens them up to co-optation.

All this tends to support Luxemburg's dismissal of the co-operative form as a means for radical politics. Co-ops seem at best to be part of an effort to create a more 'ethical' capitalism, and at worst might be contributing to an expansion of neoliberal ideology by encouraging entrepreneurial initiative, self-help and individual responsibility. However, worker co-operation should not be abandoned as a political strategy before looking in more depth at some of the current practices within contemporary co-operative organisations.

Interrogating cultural co-operatives and workplace politics

In my own research, on worker co-ops in the cultural sector, I found discourses that were much more politicised than the one promoted by Co-operatives UK. In the following section I draw on this research to explore the potential role of politics in co-operative practices¹⁰.

The emphasis on business benefits - the 'co-operative advantage' - was largely absent from the motivations of the cultural co-operators I interviewed: alternative values and practices seemed to be the key factors that attracted them to co-operative organisational structures. Members of cultural co-ops expressed a profound dissatisfaction with working conditions in the cultural sector in particular, and a lack of equality and democracy in the economy in general. For example, one co-op member recounted how finding ways to resist precarity led her and her colleagues to explore co-operatives as a 'way of moving forward into a better place to be than where we were before ... working for other people or just constantly being super-precarious and super-dependent on everyone else'.

Reflecting on their frustrations with previous work experiences, co-operators frequently developed a clear vision about what they did not want their work to look like. However, the desire to improve one's own working conditions is not necessarily political in itself. The desire for financial security, for not having to work for someone else, for overcoming blocks to career advancement, and the appeal of start-up culture, self-determination, the balancing of work and family life, and increasing autonomy

and control - all these are common motivating factors among entrepreneurs and business founders. In capitalism, starting a business is a way of turning the tables - escaping exploitation and lack of self-determination by gaining control over others. As such it is part of a strategy of individual advancement and assuming a better place in the social (work) hierarchy.

Any distinctively political character for co-operative workplaces would thus have to go beyond the desire to improve individual working conditions. Radical politics are not inherent in the co-operative structure. As some participants in my research emphasised, the definition of co-operatives is ambiguous, and the politics of any co-op thus depend on the politics of its members: 'It's ... as different as you want to make it ... we could be pretty much identical to a Limited Company, legally the liability is the same ... we could take the same roles, we could have the same hierarchical structure, we could work the same ridiculous hours, we could do all of that ... it's just different if you want it.' As this interviewee was aware, politics is not a necessary by-product of co-operative organisational structures; it needs to be consciously developed and practised. But for many co-op members in this study, politics played an important role in their co-operative practice. As one co-operator stressed: 'It's a massive critique of structures of work, state and the economy'. This is because, unlike start-up businesses and other entrepreneurial projects, the idea of co-ops suggests a more collective approach to changing work. Not only do they aim to change who is in control: they reject the hierarchies of owner and non-owner, employer and employee, manager and worker. These principles challenge the lack of democracy and equality in workplaces in capitalist economies.

For many, what characterises co-operatives as a political project is precisely that they work both on an individual and social level. Co-operatives suggest a possibility of improving one's own working life while at the same time contributing to broader political change. As one participant put it: 'I definitely see it as a part of a bigger political project, but also I do see it as a way to directly benefit my own life in the immediacy'. Similarly, in the words of another interviewee: 'My idea is change through practice, but it's also about having an immediate effect now'. Co-operatives meet this desire for immediacy. Contrary to other forms of political activism, they seem to create the possibility of not only demanding change, but creating it: 'I got tired of campaigning and being angry. And I thought we have to start making it now'.

These statements point to two ways in which co-ops members relate to politics: it is seen as involving a politics of everyday economic practice and work relationships; and as a means and starting point for political action aiming at structural change. I will explore each of these approaches in more detail in the next two sections.

Co-ops as political practice

For the co-operators I interviewed, one main factor that sets co-ops apart from other businesses in terms of everyday practices was that decisions were made democratically, either through a voting mechanism or through consensus: 'no one comes in and barks orders and says this is what we are going to do now ... we discuss everything'.

A second key difference between co-ops and regular businesses stressed by co-op members was common ownership and equality of pay. Given that not all co-

operatives operate on this basis however, deciding that every member should be paid the same hourly rate is a conscious political decision. Politics is also seen as guiding how co-ops engage with business partners, not just their internal decisions. One common theme that was mentioned was a rejection of the profit-motive as driver behind decision-making: 'This is not about profit, this is about fair income and this is about people over profit. So, it's not about making more and more and more and more money and bursting'.

Many of the co-ops included in this study charge less when they do work for clients whose political purpose they want to support: 'We are not profit-driven the slightest ... We will charge a lot less but work for people we feel are actually contributing back to society'. Equally, some will decline work if they oppose a client's politics: 'I remember ... a Labour MP that asked us to do his website and then I looked at his record and he was very active in supporting the renewal of Trident. And I said, well, I can't work with this person ... the others backed me up in that.'

One participant, after telling a story about a new service the co-op wanted to offer that was unlikely to be financially successful concluded: 'It's not an economic decision, it's a political decision! Though we might regret it ...'. She expressed both an excitement about working in an organisation that privileges politics over profit and awareness of the economic risks that such a decision entailed. Clearly, co-ops need to generate enough income to sustain the livelihood of their members. But the fact that they are not interested in maximising profits creates some space for pursuing non-economic goals. As one participant argued: 'the wastefulness of competition is absent, so we can kind of indulge in other kinds of wastefulness ... efficiency is not the most important thing when you are not a profit-making company. We like to be compassionate, we like to treat people like human beings.'

The decisive rejection of a profit-logic seems important: it is a clear departure from businesses that advocate socially responsible conduct only as long as it does not conflict with profit goals. Some co-op members explicitly framed their politics as anti-capitalist: 'I think there is a lot wrong with capitalism and co-ops are part of the antidote to that ... in terms of how do we get towards the better society that we want. We've got to work within the system as it exists. There is no scope for a revolution, one of the only paths to work within capitalism to set up socialism in a small scale is to be yourselves co-operatives.'

Here, co-ops are understood as part of a radical prefigurative political project that aims to bridge the gap between immediate change and radical social transformation. As Sheila Rowbotham described it, for prefigurative politics the struggle for survival and control is part of the here and now. It can thus 'contribute towards the process of continually making ourselves anew in the movement towards socialism'.¹¹

The idea of co-ops as preparing the ground on which political practice is more likely to develop and grow hints towards the potential of reclaiming the economy as site of political struggle.

Co-ops as means for political struggle

One way in which co-ops can become a means for political struggle is by providing a politicised social environment that is supportive of political activism. A member of a

printing co-op emphasised the link between the co-op and political activism: 'We set up the co-op partly to be the printing thing, partly to get an activist space'. For him, co-ops were not necessarily in themselves an engine for change, but they provided the platform from where change could spring. 'They make the ground solid ... It gives you the support and the confidence, it gives you the firm basis from which to take action'.

Contemporary work cultures that glorify busyness and encourage individual success and achievement make it seem like a luxury to use one's time to contribute to the community or engage in political activism. Criticising the dominant work ethic, one participant commented: 'You've got to work 100 hours, 200 hours, a week, or you are not making it ... but for what? What are responsibilities in the wider community you are pushing aside for that?'. The challenge for co-ops here is to succeed in providing a regular income to their members while also leaving them with the necessary time and energy for socially meaningful and political work. If they can create a work environment that values concern for the community, activism and other forms of political work, co-ops can become an important tool for facilitating further political engagement.

A second way in which co-ops can be a means of political struggle is by contributing to establishing the economy as a political sphere: 'What I fundamentally care about is creating a more equal and sustainable world and for me it is in the economy, that's really where creating this alternative is going to come from' (Interviewee 6).

Here, co-ops are regarded not primarily as a form of economic organisation but as a means for politics. The workplace is redefined as a starting point for political change. This chimes in with the wider argument that economic and political struggles should not be seen as separate. The framing of certain questions - the distribution of wealth or access to the means of production - as technical and hence apolitical is itself an ideological manoeuvre. Co-ops can contribute to challenging this depoliticisation of economic life. One interviewee described the empowering experience of beginning to relate to the economy not only as a dominating external power, but also as a social practice that is made every day and can be re-made: 'People make the economy every day, and you think ... the economy is ... this set huge thing that you could never overcome ... But actually you can, you can make it, you can make the economy up, everybody is making it up every day. So I think that is one of the most empowering things about co-ops. Everybody else is making it up, and I can make it up too, and I can make it in the way that I want. I think they are incredibly empowering in the sense of coming together with others and seeing the power of collaboration.'

In this example the co-op served to unpick how the economy works, and to claim it as a political sphere. This experience of the economy as a social (power) relation reveals some of the processes that are hidden in traditional workplaces. Becoming aware of capitalism's historicity, and aware that there are alternative ways of doing things, is important for encouraging debates about visions for radical alternatives and motivating change.

Co-operative practice in the cultural sector thus shows the potential for co-ops as both a form of and a means for radical politics. However, it is also important to be aware of

some of their limitations, particularly those that become apparent in looking at the relationship between co-ops and traditional forms of workplace politics.

Co-ops and workplace politics

While co-ops can play a role in politicising economic life, they often lack what is traditionally understood as workplace politics, in terms of campaigning for better pay, shortening the working day and equal opportunities. They can be seen as part of the wider move away from trade union organising in the workplace that is particularly characteristic of much cultural work. The problematic relation to workplace politics is frequently apparent in newly founded co-operatives, which can be highly precarious in the sense that members need to work long hours for very little pay: while co-ops might be able to change internal processes, hierarchies and personal relationships, they still have to operate within a structurally precarious capitalist market economy in which access to resources is unevenly distributed. This can create difficulties in generating enough income to sustain co-op members without having to compromise on ethical principles and independence. Without access to necessary funding, newly founded co-ops often depend on a considerable amount of free labour - what Whellens calls 'sweat-equity'.¹² One interviewee explained her experience of working in a newly started co-op: '[We work] full time plus overtime. And we can't quite pay ourselves for this right now. Possibly later we can pay out something. We will see how it goes. But it is ours, and we decide what our work relationships are and we don't bully each other.'

Thus co-op members can find themselves in a situation in which they perpetuate the very working conditions - such as free labour and long hours for no or little pay - that they set out to overcome. This condition is further complicated by the fact that power relations are more opaque than in a traditional workplace - there is no manager, boss or employer from whom to demand better pay or a shortening of the working day. But that of course does not mean that working conditions are self-determined. Co-ops remain dependent on clients, customers, contractors and the fluctuations and pressures of capitalist markets in general. A key question for co-ops is thus how they can make demands for structural changes that would allow them to improve working conditions, and who it is that they should address such demands to. One participant stressed the attacks on trade union powers in the UK: 'you get less and less power to stand up for yourself as a worker in a normal workplace, not only monetarily, but on a personal basis'. This seemed to suggest that the decline of trade union power affects only 'normal' workplaces, and that co-ops inherently empower workers and thus do not depend on any additional worker organisation. But though it is true that members of co-ops will tend to have more control and decision power within their workplace, their ability to influence and change the larger economic structures remains very limited. There is a risk therefore that the absence of bosses may lead co-ops to abandon the idea that labour rights need to be protected and improved through political struggle. If co-ops settle for the relative degrees of autonomy and independence that can be achieved within co-operative structures, without connecting to other struggles for workers' rights and radical social change, their transformatory power will remain limited.

Towards a radical cultural co-ops movement

'That is my biggest worry, what if we just create a nicer version of capitalism? I am not really interested in that'

Inspired by the work of Rosa Luxemburg I have tried here to explore the role of politics in contemporary worker co-operatives. What would Rosa think about today's cultural co-ops? Are they any more than a distraction from more effective forms of radical politics?

It is important to note that in her writings Luxemburg was targeting a particular form of reformism within the German Social Democratic Party in the early twentieth century; she was not arguing against every social reform and all immediate improvements that could be achieved through co-operatives and trade unions. Her view was, however, that they would be of value not in themselves, but only in so far as they were used as means for the goal of social revolution. Her main concern was not about the right political means, but the right political goals. And the right political goal for her was not to create a better or improved version of capitalism, but to abolish capitalism altogether.

When Luxemburg was writing, Europe was being shaken by series of worker uprisings and strikes, and widespread social and political unrests. It is easy to see how in this situation the idea of becoming preoccupied with starting alternative 'businesses', rather than participating in the ongoing political struggles, must have seemed rather underwhelming as a political strategy. However, in her reflections on mass strikes in the Russian revolution of 1905, which led to the fall of the absolutist state and the introduction of a parliamentary system, Luxemburg argued that the question should not be either reform or revolution. Instead, both immediate improvements and radical transformation needed to be seen as components of one joint struggle. She stressed that there was 'only one class struggle, which aims at one and the same time at the limitation of capitalist exploitation within bourgeois society, and at the abolition of exploitation together with bourgeois society itself'.¹³

While Rosa Luxemburg's views on what counted as a promising political tactic would have changed depending on the circumstances, what would be constant would be her radicalism. She would not have been satisfied with a politics aiming merely to improve working conditions and reform capitalism. She would not have seen much value in co-ops solely as a form of prefigurative politics, but would value them if they could at the same time contribute to advancing the greater goal of building a radical alternative. The question remains as to whether co-ops are able to do that.

My research indicates that co-ops can contribute in many ways to confronting competitive individualism at work, bringing politics back to the agenda and thus preparing the ground on which bigger political action can grow. But going beyond the level of micro-initiatives and small-scale prefigurative islands requires building connections between individual co-ops in order to create a bigger co-ops movement. A radical co-ops movement could be a space for translating the politics of co-ops into political demands. Such a movement could be a form of collective representation for people working in co-operatives, and could campaign for structural changes - such as an unconditional basic income, reduction of working hours, or public funding support

for co-operatives financed through stricter corporate taxation. It could strengthen the collective voice of politicised co-ops and contribute to making the transformation of work and the critique of capitalism not just a matter of alternative practice, but also of collective struggle.

Creating a radical co-operative voice also requires building connections beyond the co-op world, mobilising strength from collectivity by, to quote Jodi Dean, ‘bringing the fragments together, making them legible as many fronts of one struggle against capitalism’.¹⁴ This means building alliances between both co-ops and existing radical co-op networks, activist groups, trade unions, left political parties and other radical and progressive organisations in order to formulate joint demands, create a stronger voice and make it heard. In the cultural sector for example, a radical co-ops movement would have to create links with groups such as the Artists Union, the Musicians Union, the Precarious Workers Brigade and the Freelancers Rights Movement.

Many things have changed since the time when Luxemburg was writing. Others haven’t. In particular, operating in a competitive capitalist economy is still precarious. Co-operatives are not perfect. They are limited by competitive market pressures and the need to generate a constant flow of income. They are not immune to long working hours, low pay and insecurity. But these problems do not confirm the deficiency of co-ops, but, rather, the deficiency of capitalism. Luxemburg’s radicalism is still needed today, and should be an inspiration for the co-operative movement.

Notes

1. Rosa Luxemburg, ‘Reform or revolution’, in *The Essential Rosa Luxemburg*, edited by Helen Scott, Haymarket 2008, p80.
2. Dean, Jodi. 2016. *Crowds and Party*. London, New York: Verso, pp25, 264.
3. Srnick, Nick and Alex Williams. 2015. *Inventing the Future: Postcapitalism and World Without Work*. London: Verso p175.
4. This research 25 I conducted interviews with members of 20 worker co-ops in the UK cultural industries The semi-structured interviews were conducted between August 2014 and June 2015. They were part of a larger project on cultural work and the politics of worker co-operatives. The co-ops included in this study are part of the following cultural sectors: media, acting, software and technology, music, film, graphics design, publishing, printing, arts, and architecture.
5. Marx, Inaugural Address of the International Working Men’s Association, 1863, *Marx Engels Collected Works*, Volume 20.
6. Mulqueen, Tara. 2012. When a Business Isn’t a Business: Law and the Political in the History of the United Kingdom’s Co-operative Movement. *Oñati Socio-Legal Studies* 2(2), 36-56, p44
7. See for example Erdal, David. 2011. *Beyond the Corporation. Humanity Working*. London: The Bodley Head (p73). Smith, Stephen C and Jonathan Rothbaum. 2014. Co-operatives in a Global Economy: Key Issues, Recent Trends and Potential for Development. In *Co-operatives in a Post Growth Era*, edited by Sonja Novkovic and Tom Webb, pp. 221-241. London: Zed Books.
8. Co-operatives UK 2015. . The UK Co-operative Economy 2015. <http://www.uk.coop/economy2015/uk-co-operative-economy-2015-report>, p5.
9. Mayo, Ed. 2015. *The Co-operative Advantage*. Co-operatives UK, p8.

10. The following section is based on 25 semi-structured interviews with members of 20 worker co-operatives in the UK cultural industries, conducted between August 2014 and June 2015. These were part of a larger project on cultural work and the politics of worker co-operatives. The co-ops were working in media, acting, software and technology, music, film, graphics design, publishing, printing, arts, and architecture. All the following quotations are taken from this research.

11. Rowbotham, Sheila. 1979. The Women's Movement and Organizing for Socialism. In Sheila Rowbotham, Lynne Segal and Hilary Wainwright. *Beyond The Fragments: Feminism and the Making of Socialism*, pp 21-155. London: Merlin Press, p140.
12. Whellens, Sion. 2014. *The Precarious Generation of Creative Workers*. Online <http://bethnalbling.blogspot.co.uk/2014/03/creative-workers-precarious-generation.html> accessed on February 5, 2016.
13. Rosa Luxemburg, 'The mass strike', in *The Essential Rosa Luxemburg*.
14. *Crowds and Party*, p25.