



Cooperatives Confront Capitalism: Changing the Neoliberal Economy. By Peter Ranis

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Cooperatives Confront Capitalism: Changing the Neoliberal Economy

By Peter Ranis

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In his latest book, *Cooperatives Confront Capitalism*, Peter Ranis provides a comprehensive and powerful set of arguments as to why states and citizens should embrace worker co-operatives to create more equal societies, and to strengthen local communities and regional economies. The publication makes a compelling case for workers to embrace co-operatives to control their work environments, rather than selling their labour in return for a wage while working in capitalist firms.

Peter Ranis, professor emeritus in Political Science at the University of New York, is a pre-eminent scholar in various fields of the social sciences, specialising in class and labour politics in North and South America. The insights he has gained, over several decades, from conducting research in South America and Cuba have enriched this book enormously.

The author aims to illustrate that there are effective alternatives to the inherently exploitative and hierarchical relationship between capitalists and workers which prevents a significant proportion of workers securing a reasonable living for their families. He fulfils this aim by outlining how the working class are building a vibrant worker co-operative movement across North and South America and Europe. In doing so, Ranis asserts that worker co-operatives serve as a bulwark against neo-liberalism.

The opening chapter traces the historical roots of worker co-operatives. Ranis draws on Karl Marx's writings to demonstrate that he believed worker co-operatives enabled workers to become free of the exploitative wage relationship between workers and the capitalist class. Indeed, Marx asserted that co-operatives provided the 'germ' for class consciousness. However, Marx reasoned that the state would aim to undermine worker co-operatives, because its own interests were aligned to those of the capitalist class. The author then cites Gramsci, who argued that worker co-operatives could contribute to the generation of a working class hegemony which eventually would provide the working class with belief in the need to seek societal change. Moreover, Ranis highlights how Gramsci viewed worker co-operatives as a core component of 'passive revolution'. The opening chapter challenges Marxists and others on the left to place greater emphasis on worker co-operatives in their struggle to replace the dominant capitalist economic entity.

The second chapter outlines the corrosive effects that neo-liberal capitalism is having on the working class. Ranis calls for states to loosen their links with the capital class. He maintains that there needs to be a societal reevaluation of how work is organised so that the working class do not have to work in low-paid employment.

Chapter 3 examines the sectors of society that would benefit most from participating in worker co-operatives. Ranis believes that the precariat, comprised of skilled labour, and the traditional working class would benefit most from worker empowerment obtained by participation in worker co-operatives. The author calls for public policy to support alternative enterprise entities and for communities and social movements to coalesce in demanding for this shift in public policy. He asserts that co-operatives share core characteristics:

- They are formed to address a shared need, be it unemployment or the economic marginalisation of their communities.

- They entail participatory involvement in the management of enterprises.
- Their worker-owners learn to take responsibility for their own actions.
- They promote economic equality, because the pay differentials between senior management and ordinary workers are significantly lower than in capitalist firms.
- They have the potential to weaken the two-tier wage system which discriminates against women, immigrants and low-skilled workers

Ranis believes that worker co-operatives have the potential to strengthen working class consciousness and solidarity. Citizens would no longer see themselves as passive, atomised, consumers who have no option but to accept the dictates of the capitalist class. Co-operative workers tend to be committed to participating in wider struggles against repressive state policies.

One of the main strengths of the book is the way it describes, in detail, how worker co-operatives have challenged neo-liberalism in South and North America. Another of its important features is the chapter outlining the rise of worker-co-operatives in Cuba. These are stories that many individuals in Europe and indeed North America tend not to receive up-to-date information on.

With regards to Argentina, Ranis asserts that:

Argentina provides one of the most important examples of co-operative development within global capitalism and a major influential model of worker empowerment.

Ranis believes that the alliances between Argentinian worker co-operatives and civil society groups and influential individuals may result in a social movement whose objective is to influence state institutions to introduce more supportive legislation towards co-operatives. These social movements are also required to protect the nascent worker co-operative movement against adversarial interest groups such as employers' organisations and conservative trade union bureaucrats. Over time, a mutually beneficial relationship often emerges between co-operatives and communities in which the co-operatives are based. The potency of this relationship was exemplified in the case study of the Zanon worker co-operative in Buenos Aires. Moreover, the co-operatives can contribute to strengthening egalitarian values among the body politic. Ranis emphasises the importance of Eminent Domain (the expropriation of private property for public benefit) in providing fledgling worker co-operatives in South America and the USA with the opportunity to secure the assets required to continue the manufacture of products formerly produced by investor-owned companies. These often profitable capitalist firms move their operations to destinations with lower labour costs. Public policy needs to enshrine eminent domain in law to prevent capitalist firms moving their operations and leaving communities economically decimated.

According to the author, Raul Castro will facilitate the formation of worker co-operatives as one mechanism to protect the social benefits that have been so assiduously created by the Cuban revolution. Worker co-operatives in Cuba have the potential to transform the economy from being state-controlled to worker-controlled. It will be interesting in the coming years to see the impact of the range of state support for worker co-operatives, and if it curbs the influence of the silent resistance against the revolution emanating from within Cuba.

The role of the trade union movement in the USA is critiqued in the book's final chapter. Ranis believes that it is in the interests of trade unionism's survival to support workers in their attempts to establish worker co-operatives. This will be a challenge for trade unionists to undertake, as it will require them to supplement their function in collective bargaining with employers with a role as animators of co-operatives.

The book has a number of shortcomings. First, the author focuses only on co-operatives that are established to address crises. Briscoe and Ward (2000) referred to this cohort as "children

of distress". However, the book fails to examine the factors that lead to the establishment of "children of vision" (Briscoe and Ward, 2000), co-operatives that are established by co-operators who are ideologically motivated. Second, Ranis does not include the economic rationale for the state to embrace worker co-operatives, in that there is research which provides evidence that worker co-operatives are as productive as capitalist firms (Craig and Pencavel, 1995). Third, the author uses polemical language which would appeal to many on the left, but could alienate readers who are interested in learning more about co-operatives and who do not hold a socialist perspective.

The book offers a significant contribution to covering an economic alternative to the dominant neo-liberal model which views capitalist firms and the unregulated market as being sacrosanct. It challenges states to become less infatuated with the corporate sector and to implement public policy that nurtures the co-operative sector. For civil society organisations, the author challenges the sector to embrace worker co-operatives. Finally, for Marxists and adherents of other hues of socialism, it clearly demonstrates that worker co-operatives have the potential to curb the influence of neo-liberalism.

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The Reviewer

Gerard Doyle is secretary of the Society for Co-operative Studies in Ireland. He is currently doing a PhD on social enterprise and the green economy in Ireland. He is a social researcher and assists community organisations to develop social enterprises.