

# Cooperativism: A Social, Economic, and Political Alternative to Capitalism

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## A Social Theory for Cooperativism

Social systems may be likened to scientific paradigms. They become consolidated and extended; they are weakened by fundamental flaws; these are patched up in awkward, inadequate ways by authorities who have a vested interest in maintaining the paradigm or system; the weaknesses intensify and drive the paradigm or system into collapse; critics develop new systems or paradigms to replace failed ones.

Social transformations are as necessary and as justified as scientific revolutions are. They are the only way to solve the accumulating morass of problems that invalidate the existing system. (as the American Declaration of Independence states).

American capitalism is now collapsing to the point where it can no longer be patched up, and its fundamental principles must be critiqued and replaced by a new system of social, economic, political, and ecological principles.

Recommendations for social reform rest upon a host of assumptions about the structure and causes of the problems, ideals and possibilities for a better society, and even human nature itself. Recommendations for reform thus crystallize, or incarnate, an implicit world view. Arguments about reform itself are futile and unconvincing unless they address these broader, deeper issues.

I suggest that the myriad problems we face today—economic, health care, education, the environment, education, the water and food supply, mental illness, international conflicts, ethnic conflicts, crime, the stupefaction of the arts and entertainment, and the corruption of news, politics, and medical research—have a common basis in capitalist political economy. This is why they exist together and can only be solved together by

transforming their common basis from a capitalist political economy into a cooperative political economy.

My analysis of the *content* of our current problems and the *content* of their resolution is thus linked to an analysis of their *structure* or organization/interrelationship. It is because social problems are interrelated and have a common basis in political economy that the content of multiple social problems has a common content that reflects the political economy. This deep structure also leads me to recognize that the political economy must be changed toward a new content of cooperativism in order to correct the social problems.

If problems had a different structure, the analysis of their content would be different. If social problems were singular variables, each one's content would be distinct. If each problem had equal weight, none would be basic to the others; each would be correctable on its own. In these cases, it would make no sense to look at political economy as a central content to the panoply of social problems.

The structure of problems determines the form and content an effective solution must take. Interrelated problems must be solved in unison through transforming their common basis. They cannot be solved separately and independently because each is supported by the others. If we focus on one and ignore others, they will surreptitiously sustain the target problem and undermine our efforts to solve it. Ignoring or minimizing the base enables it to persist and resist efforts to change the surface problems.

The structure of social problems—which is vital to their analysis and solution—is depicted in figure one.<sup>1</sup>

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<sup>1</sup> Cf. Carl Ratner, *Cultural Psychology: A Perspective on Psychological Functioning and Social Reform* (New York: Erlbaum, 2006).

Figure 1  
Deep-Structural Social Analysis & Reform

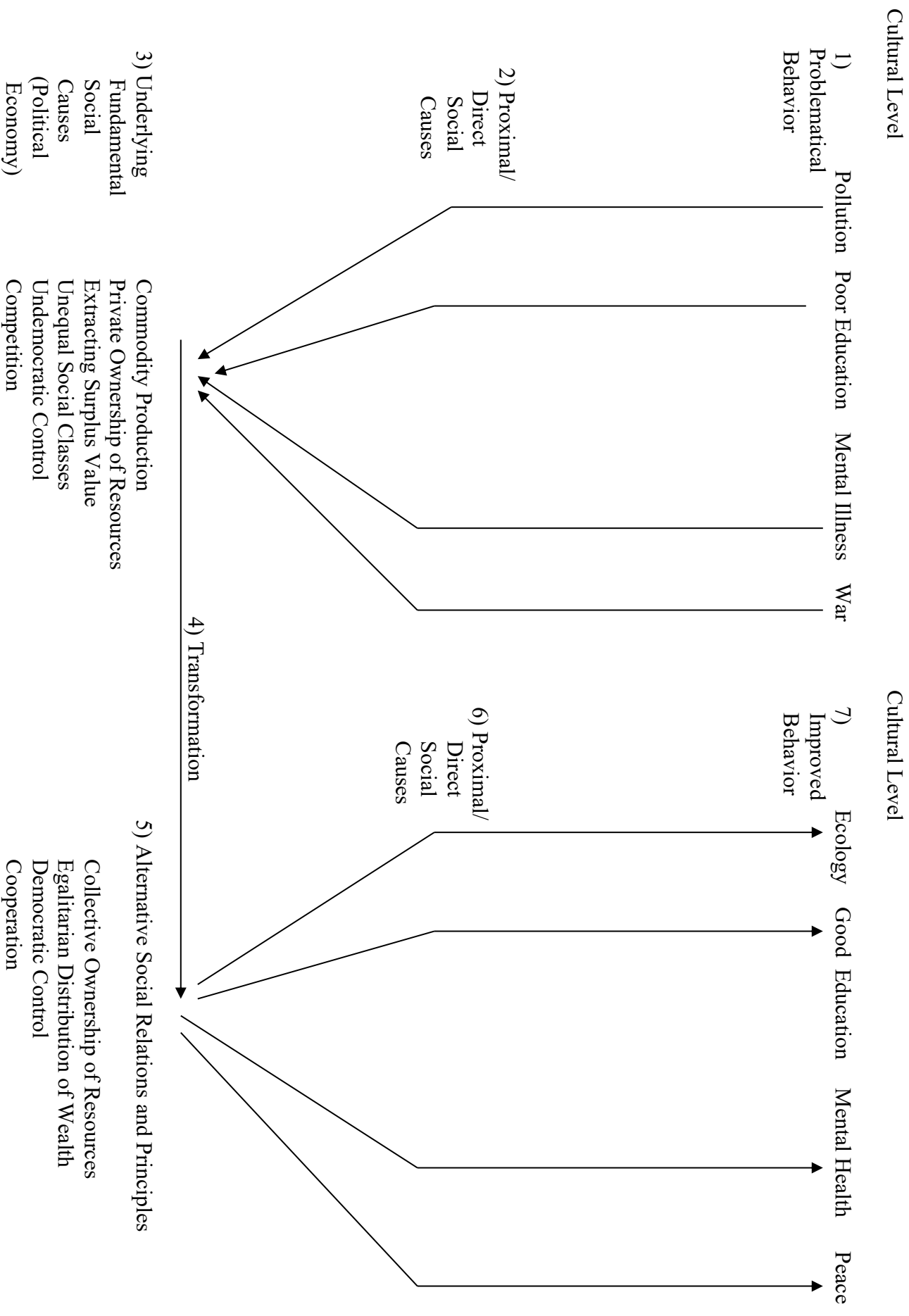


Figure one may be called a “deep structural model” of society. It depicts society as a cone with phenotypical problems structured together around the mouth of the cone, and being unified by the common stem of the cone deep beneath the surface. The problematical cone on the left side of figure one is replaced by a new cone on the right side.

The stem generates the array of phenomena in numerous ways which are creatively engineered and also contested by groups of people with vested interests. Moreover, the elements in the array act back on the stem in complex ways that promote it and sometimes retard it. The stem-mouth relation is not simple, automatic, mechanical, or unidirectional. However, the fact is that today, for example, capitalist commodity production obviously dominates virtually every sector of society from health care, to day care, to news, entertainment, politics, sports, international affairs, environmental regulation, food production, the courts and scientific research. The problems that plague all these sectors can only be due to their common core, commodity production.

Figure one shows that each social problem at level 1 is part of an interrelated system of problems at that level—pollution, health, and poverty are interrelated and reinforce one another. Each problem also has its particular causes (level 2) that must be understood and attacked. The ultimate explanation of level 2 and 1 is the small number of common distal features at level 3. Transforming level 3 to a new political economy that is cooperative rather than based on commodity production is therefore the ultimate solution to levels 2 and 1.

This model was proposed by Marx. He said, “The relations of production in their totality constitute what are called the social relations, society, and specifically, a society at a definite state of historical development, a society with a peculiar, distinctive character. Ancient society, feudal society, bourgeois society are such totalities of production relations...”<sup>2</sup> “The sum total of relations of production constitute the economic structure of society—the real foundation on which rise legal and political superstructures and to which correspond definite forms of social consciousness. The

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<sup>2</sup> Karl Marx, “Wage, Labor, and Capital,” In K. Marx and F. Engels, *Selected Works*, Vol. 1 (Moscow: Foreign Languages Publishing House, [1849] 1962b), p. 90.

mode of production in material life determines the general character of the social, political, and spiritual processes of life.”<sup>3</sup>

According to Marx, the political economic base of capitalism is the private ownership of the means of production and consumption, the profit motive to enrich these private owners, and the market economy of commodity production and exchange (in which labor is a commodity). Marx observed that this base, which supporters of capitalism consider to be the epitome of freedom, creativity, and respect for the individual, is actually a state of instability, unpredictability, uncontrollability, coercion, fragmentation, alienation, social disregard, and depersonalization. Private property is a form of, and expression of, alienation.<sup>4</sup>

Marx’s way of framing private property assumes that collective property is more conducive to human life and it is the primordial way that humans treated property. Private property is a negation of a more conducive, primordial form of collective property. Private property is a negative form of property according to Marx.

Marx explained how collective property could be restored via a class struggle to retake the property from the ruling class that had expropriated it from the people. “*Communism* is the *positive* abolition of *private property*, of *human self-alienation*, and thus the real appropriation of human nature through and for man. It is therefore, the return of man himself as a *social*, i.e., really human, being...”<sup>5</sup>

We shall follow and expand on Marx’s thinking. We begin with a detailed description of how commodity production and exchange are deleterious to social life and generate the overt problems of capitalism. This critique will provide a blueprint for what cooperativism must avoid and the alternative direction it must take.

## **The Political Economy of Capitalism**

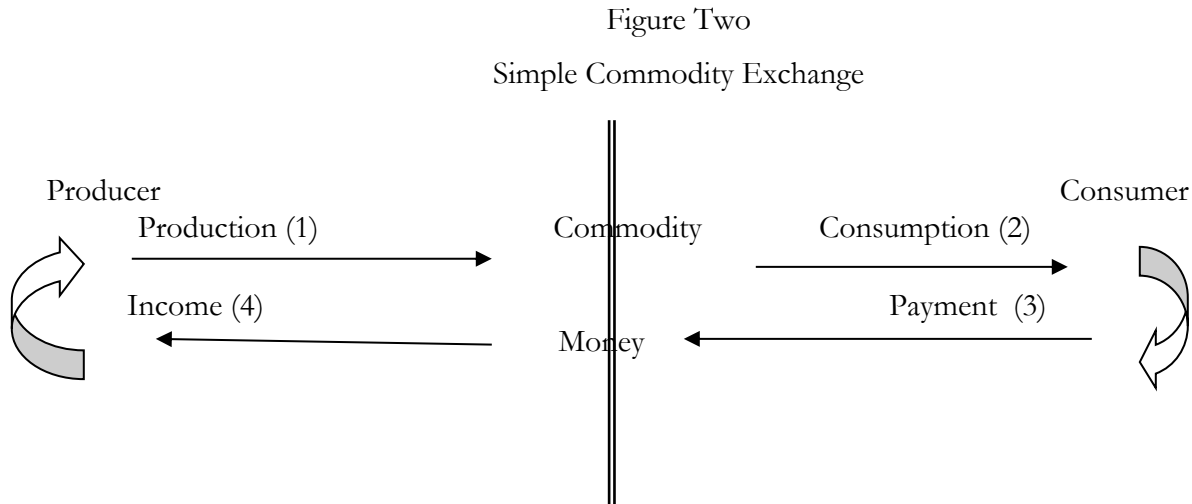
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<sup>3</sup> Karl Marx. *A Contribution to The Critique of Political Economy* (Chicago: Kerr, [1859] 1904), p. 11.

<sup>4</sup> Karl Marx, *Early Writings*, edited by T. Bottomore (New York: McGraw-Hill, [1844] 1963), p. 131.

<sup>5</sup> *Ibid.*, p. 155.

In capitalism there are two co-existing forms of commodity production that constitute level 3 in figure one.<sup>6</sup> One form is called simple commodity exchange. It predates capitalism but is incorporated within it and is altered by it. It is depicted in figure two.



Commodity production entails upon and promulgates the separation of production and consumption, payment and income, producer and consumer. The vertical line is an imaginary sales counter that separates the three relationships as the commodity and money move across it. A commodity reflects and embodies particular social relations and economic principles. It reciprocally positions producer and consumer as separate social actors with disparate interests.

In commodity production, the default position of producer and consumer—from which they begin and return from each transaction—is separation. Isolation is interrupted by temporary transactions across the barrier of a sales counter. As soon as the transaction is completed/terminated, the individuals revert back to their solitary state and await the next temporary, impersonal transaction. Isolated individuals are brought together on a temporary, contractual basis by business transactions. Social interactions hinge on exchanging commodities. And the exchange involves each individual (producer and consumer) pursuing antagonistic self interest (selling as expensively as possible, or buying as inexpensively as possible). Commodity production and exchange entail no real social togetherness even when people interact. These

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<sup>6</sup> Karl Marx, *Grundrisse: Introduction to the Critique of Political Economy* (New York: Random House, [1857] 1973).

transactions are temporary, contractual, circumscribed, self-interested, measured interactions without sustained, social interest in the separated other.

In simple commodity production, the buyer and seller are instrumental means for the other's happiness. I produce things for you so that I can earn money. I tend to have no intrinsic concern for your well-being. Conversely, you give me money so that you can acquire my product and be happy. You tend to not be genuinely interested in my well-being.

Simple commodity production is reciprocal instrumentality, or instrumental reciprocity. Producers and consumers do not help each other improve their skills; nor do they sustain and deepen relationships. Rather, they look elsewhere for a better deal for themselves and quickly desert their former other who is left to fend for herself. Life is a series of transient, circumstantial, circumscribed transactions.

In simple commodity production, short-term reception for self (figure 2, steps 2, 4) supercedes long-term production for others (steps 1, 3). The producer would prefer to receive money (4) with little or no productive effort for others (1). The consumer would prefer to receive goods (2) with little or no payment of money to others (3). Commodity production tends to produce a receptive, rather than a productive orientation.

The instrumental actor is not only alienated from other people but from her own activity and fulfillment as well. Production is not exercised to fulfill the producer; rather it is performed to obtain a reward for herself.<sup>7</sup>

Simple commodity exchange further impedes genuine social solidarity by converting social relationships into standardized, calculated interactions. One gives to other people in proportion to what one receives from them. If the other has little money to pay you, for example, you will give him little food, clothing, or shelter. This limits genuine caring about other people. Commodity production makes caring (and all social rewards including respect, health care, food and shelter) conditional upon productivity. Both the quantity and quality of caring are unequally apportioned to

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<sup>7</sup> Alfie Kohn, *Punished by Rewards: The Trouble with Gold Stars, Incentive Plans, A's, Praise, and Other Bribes* (New York: Houghton Mifflin, 1993).

more productive individuals. Contrary to popular myth, market society does not value each and every individual unconditionally and equally, for their humanity.<sup>8</sup> Experimental studies on decision making demonstrate that people are less altruistic when they are paid, or expect to be paid, for some behavior, compared to doing it as a community activity.<sup>9</sup>

Artifacts and property not only reflect social relations, they also structure social relations by positioning people in social interactions. The fact that an object is a commodity and is used as a commodity, places the buyer and seller in a definite social relation to each other. Being a commodity *means* that it is the private, exclusive possession of the owner, the other has no right to it without offering to exchange something of equal value which is the other's private, exclusive possession. Paying to park your car or use a bathroom or buy water tells you the parking space, the bathroom, the water are not yours, they *belong* to someone else, you have no *right* to them, and you must give the rightful owner something of value in order to temporarily use *her* object—and she can always refuse your payment and not allow you to use it—after which it reverts back to her.

Commodity production makes life a constant struggle to earn a relationship with water, food, shelter, clothing, and other necessities. We have no intrinsic relation with them, no right to them, no security about them. Our relationship with them is always tenuous and stressful because it depends upon our having sufficient wealth to buy them. Since we continually have to buy what we need from others who are not obligated to us, commodity society is not an “ownership society” as neo-conservatives claim.

Commodity production places buyer and seller in different and independent social worlds separated by the sales counter. The only way you reach the other is through your medium of exchange, usually money. Direct, personal appeals to use her good or service because you need it are futile. The commodity places you in an impersonal, external relationship with the producer/owner and with the commodity itself.

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<sup>8</sup> D. Foley, *Adam's Fallacy: A Guide to Economic Theology* (Cambridge: Harvard University Press, 2006). The law of supply and demand, which regulates commodity production and exchange, contradicts any moral notion of supporting people in need, for the more a commodity is needed, the more expensive it becomes and less readily is the need satisfied.

<sup>9</sup> Accordingly, the proposal to pay spouses for housework would introduce all the alienation and depersonalization of commodity exchange into the family.



Every transaction that involves commodities—every visit to the store, the doctor, the laundry, the music teacher, the hairdresser—inculcates the foregoing commodified social and psychological elements in individuals. Even the cognitive act of calculating an object’s (or service’s) price, outside the direct exchange of commodities, inculcates commodified social relations and sense of self; for the calculation is only necessary because goods and services are the private possession of separate individuals and are acquired and disposed of strictly in terms of their exchange value. Thus, price calculation incarnates, crystallizes, implies, and presupposes the social psychology of commodity production. We shall see how a different set of calculations and comparisons is necessary to measure productivity/efficiency regarding objects that are not treated as commodities.

The second form of commodity production in capitalism is dominated by capitalists. Capitalists own the means of production, the products and services that are produced in their companies, and the money supply. Workers are dispossessed of these resources—which they used to own before the capitalists expropriated them in a process called primitive accumulation.<sup>10</sup> Workers must apply to capitalists to be hired to work in the capitalists’ companies, receive money from the capitalists (wages) with which to purchase the capitalists’ goods and services. These social relations of capitalism are diagrammed in figure three.

**Figure Three**  
**Capitalist Commodity Exchange**

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<sup>10</sup> M. Perelman, “Primitive Accumulation from Feudalism to Neoliberalism,” *Capitalism Nature Socialism*, Vol. 18, No. 2, June 2007, pp. 44-61; K. St. Martin, “The Difference that Class Makes: Neoliberalization and Non-Capitalism in the Fishing Industry of New England.” *Antipode*, Vol. 39, No. 3, 2007, pp. 527-549.

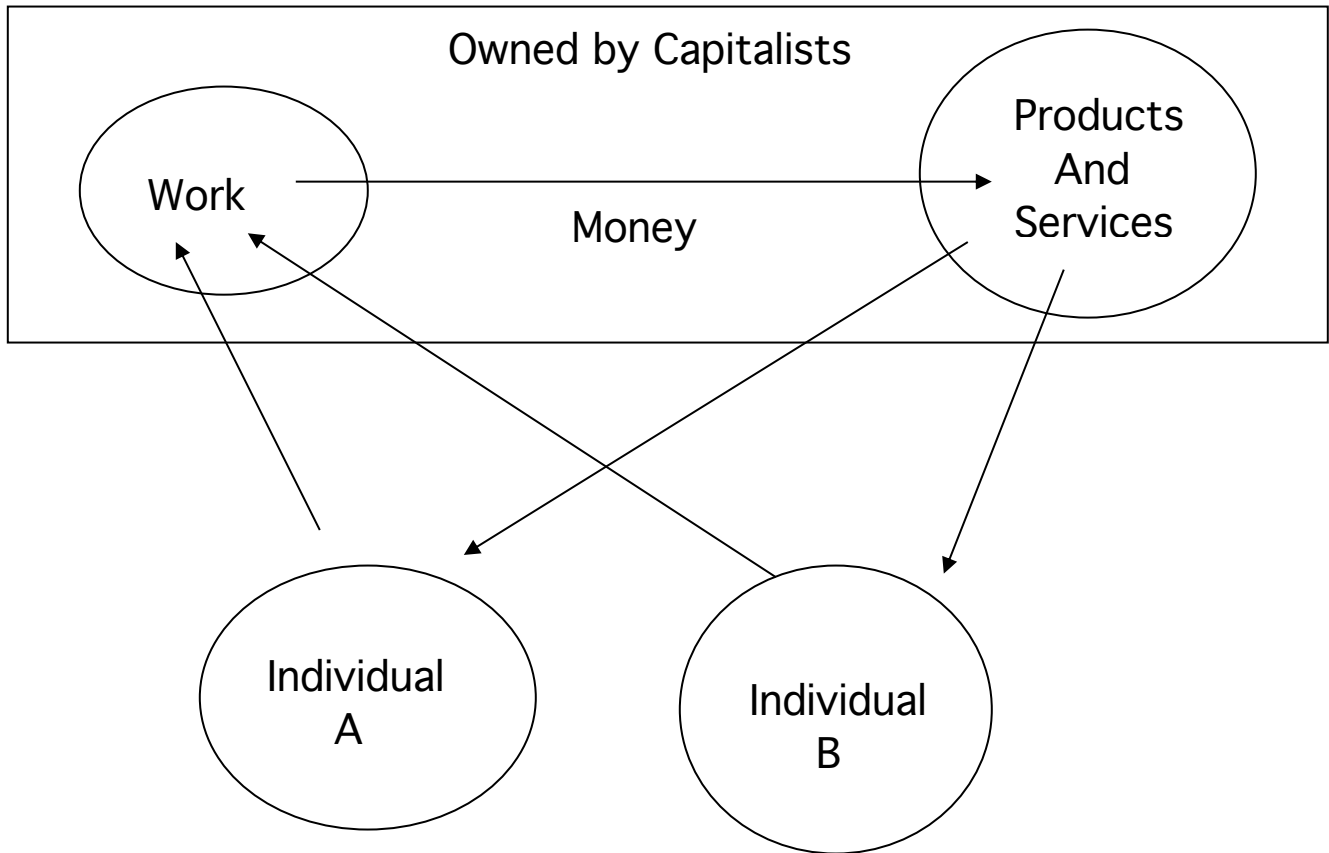


Figure three depicts two interrelated features of capitalist economics. Individuals are alienated from their work activity, the money supply, and the products they produce. And individuals are alienated from each other. Individual A engages in a circuit of selling his labor to the capitalist for money which he then uses to purchase goods and services for himself, and individual B engages in a separate circuit.

Capitalist commodity production introduces new social relationships that negate cooperative behavior. These include exploitation, autocratic management, competition, and greed.

In simple commodity production, the producer sells (alienates) his product to the buyer. In capitalist commodity production, the worker sells his labor power to the buyer (capitalist). He sells himself, as an object. He loses control over his own activity as the boss determines the rules of his labor. The boss then sells the workers' product (as his own) to the customer. The capitalist mediates

the producers' relation with the customer, whereas in simple commodity production only money mediated their relation.

Capitalist commodity exchange is also exploitive because the capitalist pays the workers a fraction of the value they produce, and he or she appropriates the remainder (surplus value) as profit. In the U.S., from 1972-2005 while productivity per nonagricultural worker almost doubled, average real wages of production workers declined 10 percent. From 2000-2005 profits as a share of gross domestic income increased 10% while wages and salaries declined 10 percent. For the first time on record, a larger share of income growth went into corporate profits than to wages and salaries.

Commodity production and exchange excludes input into the transactions from those who are not directly involved in a transaction, but who are gravely affected by it. Private production of cars, for example, excludes input from the billions of people who are affected by the effects of cars on the environment and on their health. *Private ownership is autocratic because it is impenetrable by the public.* It is internally autocratic in imposing working conditions on workers within the production process; it is also externally autocratic in imposing harmful conditions on people outside production.

In a system of private property and decision making, you only affect others' behavior indirectly, without talking to them, at a distance, by your own behavior in your own domain. You can shop at another store or start your own business and take business away from them. But you cannot directly affect their behavior through personal communication because you have no *right* to affect *their, private* behavior. Their right to their business and their behavior places you in an external, alienated social relation to them. Enforcing their right enforces your alienation.

### ***Capitalist commodity production and ecology.***

Capitalist commodity production is destructive to the environment for many reasons. The social estrangement of people from each other is recapitulated in the estrangement of humans from nature. Human's organic connection to nature is replaced by a separation whereby nature is a utilitarian object apart from the individual. Nature becomes a commodity to be bought and sold, exploited and discarded. It is a cost of production that must be minimized. This means reducing

costs with extracting and disposing of natural materials, and this translates into rapacious extraction and careless disposal of natural materials. Commodified nature is an instrumental resource for personal enrichment, it is not something to be respected and nurtured in its own right.<sup>11</sup>

This intense degradation of nature for short term profit makes cleaning up pollution in the future much more expensive than it would be now.<sup>12</sup>

Capitalism pollutes through the compound commodification of products. The more a simple, natural product can be processed and adulterated with multiple additives—each of which is a commercial transaction that incurs cost and profit—the more profitable it is, and the more energy is used and the more pollution ensues. Profit-driven planned obsolescence of goods also uses more energy and produces more waste and pollution in order to produce more goods.

Capitalism promotes economies of scale to augment profit, and this has deleterious effects on the environment. Industrial chicken, cow, and pig farms concentrate enormous waste that is difficult to dispose of; they also necessitate extensive transportation systems in contrast to small, localized operations which are close to the point of sales and easily recycle much smaller amounts of waste.

Finally, privatized life of capitalism fosters consumerism and waste. Next door neighbors buy their own newspapers, lawn mowers, leaf blowers, etc. This spurs enormous production and use of resources.

Pollution's causes are thus broad and deep, in the political economy of capitalism. Reducing pollution requires transforming this base.

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<sup>11</sup> A. Jorgenson, "The Transnational Organization of Production and Environmental Degradation: A Cross-National Study of the Effects of Foreign Capital Penetration on Water Pollution Intensity, 1980–1995," *Social Science Quarterly*, Vol. 87, 2007, pp. 711-730.

<sup>12</sup> R. Smith, "The Eco-suicidal Economics of Adam Smith," *Capitalism Nature Socialism*, Vol. 18, No. 2, 2007, pp. 22-43.

Market mechanisms such as pollution credits (which are emphasized in the Kyoto Declaration and the World Bank) cannot eliminate pollution.<sup>13</sup> This policy leads companies to become more concerned with their credits than with reducing pollution. Pollution becomes a commodity to be bought and sold to maximize profit. Companies gleefully pollute if they can buy credits from a non-polluter at a cheap enough price. Indeed, bankers encourage companies to purchase pollution credits from them rather than control pollution through costly, uncertain, building projects such as new wetlands.

Pearce (2008) says,

There's little doubt that free-market capitalism helped to get us into the mess we're in. As Nicholas Stern, former chief economist at the World Bank, puts it: climate change is "the greatest market failure the world has ever seen." The question now is whether capitalism is able to make amends." Most of the companies that want to buy carbon credits have no expertise in green energy projects—or indeed in buying and selling financial instruments as esoteric as carbon credits. So middlemen are moving in, closely followed by speculators. Some set up energy projects to earn carbon credits. Others buy these credits and sell them on. Still others buy options on credits not yet generated or which might be awarded by regulatory regimes that don't yet exist—such as the next phase of the European Emissions Trading Scheme, due to start in 2013. These speculators anticipate that rising prices for carbon permits will eventually deliver a juicy profit.

More than one-third of the official CDM [carbon credit] projects approved so far are for hydroelectric dams, mostly in China. The rationale is that by building dams rather than coal-fired power stations, the investors are reducing emissions and so are entitled to carbon credits. Maybe so. But International Rivers, an NGO that campaigns against dams, has shown that most of the dams issued with CERs [Certified Emission Reduction credits] were either completed or already under construction before the application for carbon credits was made - suggesting they were going to be built anyway, without the incentive of carbon credits. For instance, the Xiaogushan dam in Gansu province began construction in 2003. Later it qualified for carbon credits. Once sold, those credits will allow their purchasers, probably in Europe, to pump out some 3 million tonnes of CO<sub>2</sub> that they would not otherwise have been allowed to emit. [Carbon credits thus *increase* pollution in these cases!] Perhaps surprisingly, there is a widespread view among investors and politicians alike that this is perfectly acceptable.

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<sup>13</sup> Karen Bakker, "The Commons' vs. 'The Commodity': Alter-globalization, Anti-Privatization, and the Human Right to Water in the Global South," *Antipode*, Volume 39, No. 3, 2007, pp. 430-455.

Another danger of making a market in carbon emissions is the least discussed, but perhaps the most important: only a minority of emissions are covered by legal caps. Most industrial and transport emissions in developing countries remain outside the market. So too do most of the huge emissions caused by deforestation, draining wetlands and ploughing fields.

What that means is that market solutions to carbon emissions risk displacing the problem to activities and places where nobody is counting, and there are no penalties. Just as insidiously, it now makes market sense to cut your emissions in ways that cause much larger emissions from natural ecosystems. You can gain carbon credits for burning biofuels in Europe, even if the crops from which they are produced are grown in fields created by or cutting down forests. For some hydroelectric schemes, gains are more than outweighed by the rotting in the reservoirs behind the dams.<sup>14</sup>

As Smith observes (consistent with Rachael Carson), a new mode of production is necessary to reduce pollution, because as long as capitalism persists, its insatiable drive for profitable production and mass consumption will offset any technical reduction in pollution.<sup>15</sup>

We turn now to exploring a new mode of production, cooperativism, that can correct the social and environmental problems of capitalism.

## Cooperativism

Cooperativism is best understood as a goal that is reached through successive approximations. I shall enumerate three levels in order to explicate a telos or logic of cooperativism from minimal to maximal. This gives more of a sense of what cooperativism is than trying to define it in a single definition.

Not all acts of kindness and cooperation are forms of cooperativism. If I help you paint your house and you then help me paint mine, this is an act of cooperation (in the general sense) and reciprocity, but it is not cooperativism. In this act, you and I remain fundamentally independent with our own interests and property. We simply contract a temporary mutual aid to help each other fulfill

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<sup>14</sup> Fred Pearce, "Dirty, Sexy Money," *New Scientist*, Vol. 198, No. 2652, 2008, pp. 38-41.

<sup>15</sup> R. Smith, *op. cit.*

our individual interests. Our two houses coincidentally happen to need painting at the same time and we coincidentally each have enough money to individually buy the paint at the same time. Mutual aid or reciprocity does not represent any group praxis toward fulfilling collective interests/objectives.

Cooperativism is similarly absent in situations where several individuals utilize a common space for their own individual ends. An example is a farmer's market where individual farmers sell their crops in a public space provided by a city government. The farmers have no relation to each other. They do not aid each other. Of course, some of them contact the city government to plan the dates and format of the market. However the farmers participate as individuals. It is a misnomer to call such farmer's markets "community events." The farmers are plural isolations and the consumers are the same.

Even a buying club is not cooperativism. It consists of individuals pooling their money for a single shopping expedition in order to get a price discount on a bulk order. Each member is primarily concerned with how much money she personally saves. Of course, all the members benefit from pooling their money, however they do so as a sum of independent individuals. They simply combine their separate money for a few hours and then retreat to their default position as isolated individuals with their private resources and interests.

Cooperativism begins when individuals begin to give up their separateness, privacy, and self-interest, and contribute (integrate) their wealth, possessions, and rewards to a democratically run group in which they collectively decide how the resources will be used to benefit the members together. Group members develop group projects, identity, feelings, needs, motives, interests, and responsibilities. This group praxis results in social solidarity and support for the members. It also results in an active role for each member in shaping the activities of the group which affect his behavior.

### ***Level I Cooperativism***

If the farmers who participate in a farmer's market form an association and contribute \$100 each to it—for the purpose of advertising and beautifying the market—this is an initial level of cooperativism. This act pools small resources of individuals into a collective effort that benefits all

the contributors together, equally. The individual gives up control over his money—unlike the situation of the buying club—to the group. The group now decides how it shall be used on projects that will benefit all the members together.

Each farmer acts as a group member rather than as an individual. None beautifies only his individual stall in the market, or advertises on his own about it. The advertising and beautification promote the entire market, and the individual farmer benefits from his group membership. The combined money attracts customers to the market as a whole. Each farmer's contribution is magnified by pooling it, and each receives far more customers this way than he could have by spending \$100 individually.

This is a new form of distribution of benefits. Benefits (i.e., increased clientele) are not apportioned individually in proportion to one's individual monetary contribution in a quid pro quo. One benefits as part of the collective benefit, not in opposition to (competition with) the others. And one benefits more than he would alone. *Each benefits because he gives up his individualism (not his individuality)*. He gives his money to the group for the group. This collective structure leads each individual to identify with the group because it is the source of his expanded benefits.

An additional example of level I is farmers pooling \$1,000 each to collectively purchase a large, efficient machine for harvesting or processing their crops. Each farmer would take turns using this machine on his own farm. Giving up control of his money to the group yields greater benefits to himself than what he could purchase alone for his \$1000.

The benefits that each derive from the machine are not distributed according to his financial contribution to purchasing it. Each freely uses the machine regardless of how much money he contributed. One does not purchase a certain amount of benefit for himself.

Cooperativism at level one is a significant advance over commodity-mediated market interactions. It is an advance over mutual aid, buying clubs, and other groups that are composed of a sum of independent individuals. However, Level I remains primitive because it only bestows the advantages of cooperativism on a small domain of the farmer's socioeconomic life. Outside the small contribution to the group, each farmer remains independent, self-interested, alone, insecure,



and unsupported. He purchases and owns his farm, equipment, and supplies. He grows his crops by himself and for himself; he transports his goods to market. He competes with other farmers and becomes jealous at their success. These activities reflect and also promote isolation from others and impede fuller cooperativism and the benefits it provides to individuals.

Furthermore, the benefit each farmer receives from using the collective machine is proportional to the amount of crop he is able to grow and transport on his own. Disadvantaged farmers will process less crop and derive less benefit from the machine than advantaged farmers. Level I cooperativism favors the strong and wealthy, and perpetuates their privilege and dominance.<sup>16</sup>

### ***Level II Cooperativism***

More extensive cooperativism is achieved as individuals turn over more of their private possessions to the collective for group management and support. An example would be several farmers giving up part of their land and a large sum of money to form a commons on which they build a processing plant for their crops. This reduction in private ownership of land and facility leads to economy of scale, social support, and social knowledge on the collective land and facility. Each individual would vote for, or join, a collective management team which would free him from having to maintain his own smaller facility. The team would hire technicians to run the plant. A crew would collect each farmer's crop and bring it to the plant, relieving each farmer of the burden of buying his own truck and taking time to transport the crop to the plant. More activities would be collectivized and cooperativized in level II cooperativism.

In level II cooperativism, each farmer remains independent. Each retains his own farm, grows his own crops, and receives an output commensurate with this input. Level II continues to favor the strong and disfavor the weak. It keeps people divided and self-interested and not fully socially-minded.

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<sup>16</sup> Level I cooperativism is the level of corporate franchises. For example, Ace hardware stores are independent businesses which each contribute a fee to the national organization. It arranges for uniform production, labeling, and advertising of all Ace products. However, each store sinks or swims on its own. It does not receive financial or operational support from the others. The stronger local stores utilize the brand name more profitably than the weaker ones.

### *Level III Cooperativism*

Maximum cooperativism is achieved if farmers collectivize their entire farms (maintaining a small parcel for themselves) and manage them through democratic bodies—not by autocratic political leaders as in Soviet style collectivization. Collectivizing property objectifies and strengthens collective social relations, because forms of property are social relations.

In collective ownership of property, what I do for you simultaneously benefits me, and vice versa. When I produce a product or a service, you also own it—intrinsically, without having to exchange anything for it—and what you make with it is also automatically mine. When you use the tractor that I have helped build, you use it for a common good—to plow communal land—which includes me.

This is depicted in figure four.

Figure Four  
Communal Social Relations and Communal Property

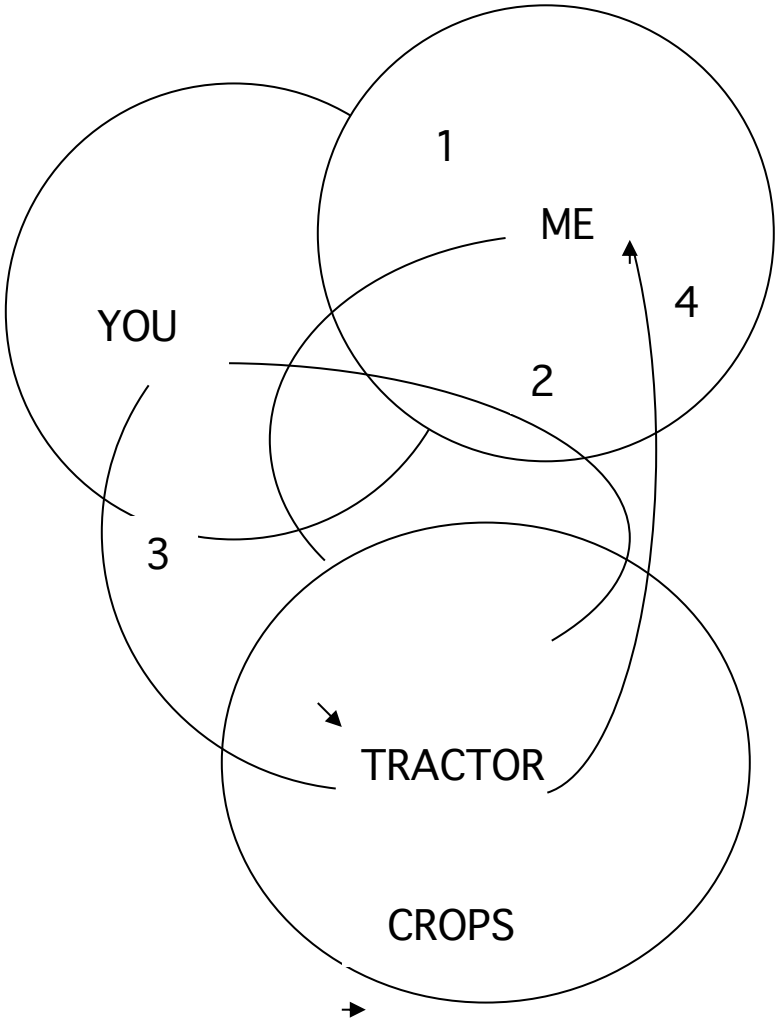


Figure four shows you, me, and the tractor integrally (internally) related. The tractor that I make (#1) belongs to you as well (#2). When you use *our* tractor to produce crops (#3), they belong to me as well as to you (#4). Our social integration and our collective ownership and distribution of resources go hand in hand.

In commodity production, I sell you the tractor and have no say about what you'll use it for or to whom you'll sell your produce. I have to go to the market to try and buy produce if you are willing to sell it to me. If you can find a higher bidder, I will not be able to buy it. I have no direct access to the product (tractor) that I built, or the product of that product, or to you. The commodity producer has little awareness of the effects of his product because he has no social relation with its new owner.

Cooperativism retains the personal relation of producer and product through the communal social relation of producer and consumer. Consumers will have a direct relation to the products they purchase because they are directly linked to the producers through the collective plan that they are all involved in. Collective ownership *means* that the producer is producing for the community that owns the means of production and makes up the production plan. The producer is not socially separated from the community of consumers and other producers as in commodity production. Collective ownership *embodies and ensures* collective participation. It is *built into* the form of collective ownership. It is not something that people have to petition for and beg the (independent) producer to listen to. Consumers will have knowledge of the work of the individual producers and how they are following the community plan, and this will deepen their appreciation of the products far beyond an appreciation of the physical styling of products that we are now limited to because we are alienated from the producers of our products.

A collectively devised plan has input from all affected individuals and can reciprocally address their needs. The plan may allocate a specially designed house to a family with a handicapped member. This *reversal* of quid pro quo is clearly more humanitarian than the principle itself. It is more humanitarian to gear support to need than to productivity as in quid pro quo. Quid pro quo punishes people for weakness and need by reducing their pay in proportion to their lower productivity. It excludes people from social support when they need it the most. It negates cooperation and forces individuals to solve their problems alone. Cooperativism provides people with extra social support that will bring them up to speed to be productive social members.

*Cooperativism is more personal than the market.*

Cooperativism means others include you in their ideas and activities, they support you, they care for you and about you. You do not have to struggle to assert yourself against an impenetrable, distant, independent, private other who works for her own self interest with her own resources that exclude you. In cooperativism, the resources she has are collective, which means they belong to you and you have a say in their use. Cooperativism is more personal and democratic in this sense than commodity production is.

This takes enormous pressure off you to fight for your place and your voice and resources you need. Resources are not beyond you, owned by others whom you cannot influence, or must plead to influence. Resources *belong to you because you are part of the community that owns them*. You do not go out and scramble to buy them on your own from others who own them apart from you. Instead, your needs are included in the production and distribution plan from the outset, and you are entitled to a distribution from your community of which you are a part.

Your voice is an intrinsic part of the plan. You have a right to express yourself because you are a part owner of the community that owns the resources and collectively decides how to utilize them. Others must solicit your opinion about the production, distribution and use of resources because you own them. Again collective ownership intrinsically gives you access to plans, decisions, and resources because you are automatically part of the community. You do not have to fight for your voice against other people's private ownership of resources and decision-making. They cannot dismiss you and exclude you and say it's none of your business. There is an intrinsic, organic social solidarity to collective ownership of resources.

Contrary to bourgeois ideology, you have *more* rights, access, decision-making, control, ownership and security than in commodity production. As an individual, you own *all* the resources of the community by virtue of your membership in the community. Under capitalism, your social being in the community does not even give you a right to a job or a place to live. You must struggle to acquire opportunities and resources on your own. The more one renounces individualism and accepts collectivism, the more one is fulfilled as an individual.

Of course, disagreements will arise about a plan, and more ambitious or articulate or selfish individuals may strive to have their desires met over others;'. Divisions of labor will exist and not all individuals will be actively involved in every domain. Individuals must be wary to express themselves fully and utilize their rights and opportunities as community members. Mediating bodies will have to exist to resolve disputes. However, the basic structure will be in place to include people in decisions and resources by virtue of their collective ownership. This is fundamentally different from capitalism where the structure *excludes* people from the outset and life is always a struggle to get what you need.

The family is a model level III cooperativism. It distributes goods on the basis of need. When a child enters a family, it automatically possesses all the rights to be taken care of by the family. It has a right to shelter, food, transportation to school, etc. because it is a member of group, not because it works or pays a quid pro quo. The child reciprocally works hard for the family out of love, respect, and duty.

Group insurance is another form of level III cooperativism. Individual premiums go into a collective fund that is used to help whomever needs it. If your house burns down, you receive a benefit that is far greater than your accumulated premiums. If your house doesn't burn, you receive nothing for your premiums.

Market relations may be retained within a collective system of ownership as adjuncts to that system. Such markets would function as they did in pre-capitalist societies. They were marginal, auxiliary mechanisms to a collective economy. The price, quality, and quantity of goods were regulated to benefit the community. Pre-capitalist markets were simple commodity exchange. Laborers were hired to repair things or to help a family harvest crops. There were no capitalists who

hired laborers to produce a product that capitalists would expropriate and sell for more than they paid the worker to produce it. This limited kind of market could function within the parameters of a modern cooperativist economy.

Cooperativism is a social relation of intrinsic, or organic, interrelatedness. Things and people are part of each other. When you make a tractor, you are entitled to the crops that others produce with it. “Your” tractor, “their” crops, “your” behavior, and “their” behavior are organically interrelated. Similarly production is coordinated with housing, education, and health care. Since all of these affect each other, they are integrated together so their effects can be coordinated. Your job entitles you to housing, education, health care, day care, old age care, etc. because all of these bear on each other. It is more rational and efficient, and humane to build these activities into a common system that can arrange them efficiently without conflict. The “externalities” are internalized together so they can be planned and coordinated effectively and humanely.

Long commutes and arranging child care for long hours far away from parents’ jobs creates stresses that directly affect work. They are not external to work. Commodifying them separates them and makes them appear external. But they are really interdependent. Cooperativism takes account of the actual interdependence of things and makes this explicit and rational.

This is exemplified in the case of environmentalism.

### **Cooperativism and Environmentalism**

Protecting the environment requires a social concern that transcends narrow self-interest. Social concern derives from a cooperative community that extends peoples’ concerns from themselves to the collective. In other words, a collective, cooperative social organization of people is necessary to extend their viewpoint to encompass the community and its long term interests, which include protecting its environment. *Environmentalism is an extension of cooperativism. Genuine environmentalism is impossible apart from cooperativism.*

Cooperativism integrates companies into the community so that the community can be integrated into companies and build a broader viewpoint into every level of their operations. Pollution would thus become an internal, collective matter (and cost) of the entire, integrated company-community. It would not be an “externalization” that workers and community members have to bear individually. Cooperativism brings pollution and the company within the purview of the community to be dealt with as a whole. This corrects the capitalist fragmentation of company, pollution, and community.

A cooperative system that incorporates ecological considerations requires a new accounting system that measures them and positively values them. Flores & Sarandon<sup>17</sup> incisively point out that cost-benefit analysis is predicated solely on the cost of production; it does not include external costs to employees, the community, or the environment resulting from production. Thus, production that is socially harmful and socially expensive may appear to be efficient and profitable according to cost-benefit accounting. Conversely, production that protects the environment, the community, and employees will be costly, unprofitable, and inefficient. Such expenses are a negative in this accounting system. *A capitalist political economy is built into cost-benefit accounting.*

A new accounting system is necessary that will 1) build these costs into production, and, most importantly, 2) value them positively rather than negatively. Flores & Sarandon attach value to sustainability, biodiversity, spatial diversity, local production and distribution, low pollution, natural materials, tillage, soil coverage, and workers’ satisfaction, employment, and health. These factors have no definite exchange value and cannot be measured in dollars. This is why they are not acknowledged in accounting. They are not something capitalists care about because they do not directly affect profit; therefore they are excluded from the accounting system altogether. Again, political economy is built into accounting. To bring them (back) into consideration—and positively—Flores & Sarandon assign ordinal values to ecological issues. For instance, high toxicity pesticides are assigned 1; low toxicity pesticides are 2; and no chemical pesticides are 3. No crop rotation is 1; scattered rotation is 2; planned, systematic rotation is 3. Less than 10 crops per year is 1; 10-15 crops is 2; more than 15 is 3. This ecological accounting system assigns higher weight to ecological protection. It reverses the cost-benefit valuation system of assigning it negative value in

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<sup>17</sup> C. Flores and S. Sarandon, “Limitations of Neoclassical Economics for Evaluating Sustainability of Agricultural Systems: Comparing Organic and Conventional Systems,” *Journal of Sustainable Agriculture*, Vol. 24, 2004, pp. 77-91.



the form of expense. On the ecological accounting system, organic farming receives a higher/better total score than commercial farming. Thus, different accounting systems presuppose different social and philosophical considerations. They are not neutral, universal systems amenable to all issues. To consider different social and philosophical considerations, different accounting systems must be devised.

Being concerned with the full well-being of people, cooperativism is a new mode of production and consumption that naturally protects the environment as an integral part of human health and well being. Environmentalism is not an extra cost that is minimized. It is a welcome cost because it enhances our well-being, just as education does. Again, the social concern of cooperativism naturally extends to protecting the environment. Cooperativism also socially shares consumer goods which reduces the depletion of resources for production. Cooperativism does not produce for profit so it has no interest in maximizing the processing and adulterating of food and other products which increases energy use and pollution. Finally, cooperativism builds socially integrated, organic communities that integrate production, shopping, and residence. This minimizes transportation costs.

### **Cooperativism and Politics**

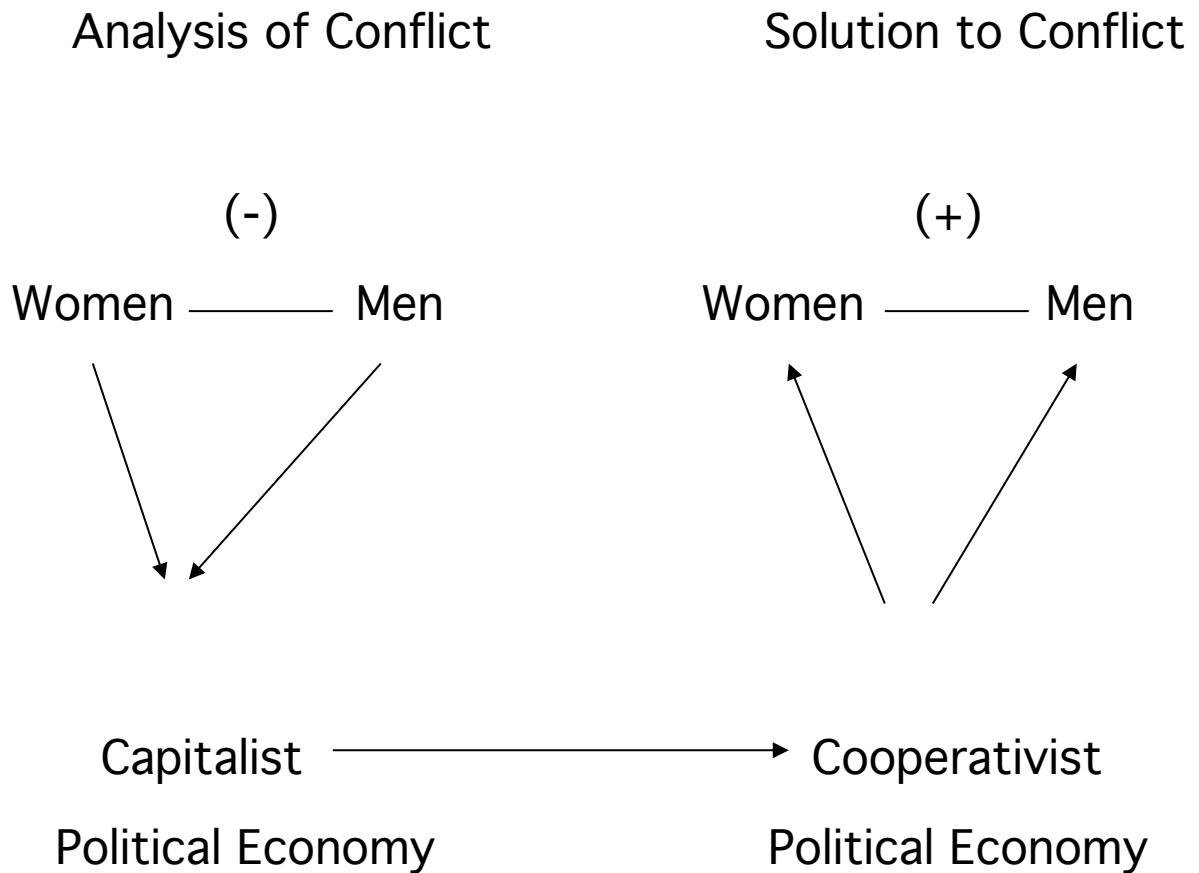
Cooperativism needs to be implemented through local organizations/enterprises and through national and international organizations that consciously move from step one to step three levels of cooperativism. Cooperative organizations will also lobby government agencies, and elect representatives to government bodies, to support coops. Cooperative organizations will propagandize cooperativism in outside organizations that are looking for improved ways to design housing, agriculture, fishing, finance, and manufacturing. This is the political strategy for transforming capitalism into cooperativism.

The political focus is to explain and implement the deep structural model of society in figure one. We explain level one problems as a cluster that is ultimately rooted in the capitalist political economy of commodity production and class rule which must be transformed. The focus will always be on relating particular problems to broader and deeper ones. The political advantage of this approach is that it expands the base of allies from those who are directly affected by a particular

problem at step one, to others who are affected by other problems at step one. Focusing upon particular problems at step one restricts the base of resistance to those who are affected by that problem; it does not attract other sufferers to unite in opposing common deeper causes of their problems.

For instance, men and women would recognize that gender conflict (step 1) is due to pressures from the capitalist political economy, not to intrinsic differences between men and women. Men and women would work together to understand these pressures and to eliminate them by developing cooperative enterprises that would promote gender harmony. This may be as in figure 6.

Figure 5  
Cooperative Analysis and Resolution of Gender Conflict



The conventional approach is to regard gender conflict as due to intrinsic incompatibilities between gender at step 1. All the attention paid to gender conflict and gender violence simply describes examples. It never attempts to explain this problem in terms of structural influences at the level of the political economy. This superficial, descriptive treatment of the conflict exacerbates it as inevitable and unresolvable, and it leads men and women to view each other with acrimony and suspicion. Level 1 analyses exacerbate the problem because they do not examine or attack its deep causes which plague men as well as women, and which should be the focus of their joint effort that can bring them together. Level 1 actions are ultimately conservative because they exempt the political economy of capitalism from critique and transformation. The powers that be delight in seeing women blame men and trying to punish men as harshly as possible, because this personal focus exempts capitalism from analysis, blame, and change.

The politics of cooperativism emphasize that gender relations (and other step one problems) can be improved through participating in cooperative social relations in cooperative institutions. They cannot be improved through individual efforts to “be respectful,” “communicate,” etc. Social behavior requires a social basis.

### **Cooperativism vs. Other Political Orientations**

Cooperativism is the most efficient solution to capitalism’s social and ecological problems because it analyzes the deep roots of social problems and transforms them. If these roots are not changed, they will continue to generate the problems, as depicted in figure one. Other political remain at more superficial levels of analysis and action and never reach levels 3, 4, 5. They thus never fully solve problems at levels 1 and 2. In this sense they are not only inadequate, they are harmful because they allow the root causes to persist and injure people. Of course many reformers at levels 1 and 2 are sincere. But their intentions are contradicted by the limitations of their political perspective. It is important to explain this in order to overcome these limitations (which block cooperativism) and to draw these reformers to the cooperativist political orientation where they can realize their intentions.

Let us identify some non-cooperativist analyses and solutions and explain how they differ from cooperativist, deep structural analysis and change.

1) Treating step 1 problems as separate and self-contained. Each is attacked on its own without drawing connections with other problems. Pollution, poverty, conflict, militarization, economic crisis, and mental illness are treated in this way. Laws are passed to reduce pollution without consideration of altering the profit motive that motivates businesspeople to pollute. Poverty is attacked by raising the minimum wage, without attacking the basic exploitive tendency of capitalism to cut costs by reducing wages. The economic crisis is attacked by “stimulating” the economy by pouring money into existing corporate forms, without attacking the corporate form itself. Mental illness and physical disease are treated by medication without considering social conditions that cause these problems. Conflict is addressed by techniques of negotiation (“communication”) rather than addressing root causes of the conflict.

2) Attributing social problems to individual causes such as individual short-sightedness. The current economic crisis is attributed to *greedy* Wall St. bankers and *crooked* money managers such as Madoff. Neither liberals (such as Bernie Sanders) nor conservatives mention the drive for private, short-term profit that is at the core of the capitalist political economy, and which needs to be transformed in order to generate socially responsible business. Debt and financial speculation are not caused by individuals’ greed, rather the reverse is true: short-term profit-motive for private wealth make managers greedy and desperate for profit any way they can get it. Nor is there any mention of deeper economic conditions such as the fact that the U.S. economy has been stagnating for several decades, and the only way profits could be generated was through extending debt to stimulate manufacturing, and financial speculation on specious paper financial commodities. Long term stagnation of capitalist economy is in turn due to the exploitive nature of capitalism that pays workers less than the value of what they produce so they cannot buy products and production slows. Now that debt and financialization have crashed as means for expanding the economy and profits, there are no other means available because the capitalist political economy has no real place to grow

(due to its endemic problem of stagnation from overproduction).<sup>18</sup> This is the root political economic cause of the economic collapse and is what needs to be transformed. It's not a matter of *stimulating* the existing economy, it's a matter of *transforming* the economy. Stimulating the economy is analogous to jump starting your car battery when it runs down. This presumes that the car engine is functional and just needs a quick, temporary infusion of energy to continue on its way. However, if the engine is broken, stimulating the battery will not help. This is the case with the economy which is fundamentally broken. Greed and corruption are only superficial appearances that serve to distract attention from the underlying problem and solution.

Another example of attributing social problems to individual weaknesses is Paul Krugman's statement about the causes of the Iraq war in the Dec. 4, 2006 *New York Times*: "Americans are fighting and dying in Iraq for no reason." The war was a mistake: Bush "made the mother of all mistakes." On Dec. 8 his analysis concluded the Iraq war was "a vast exercise in folly." This is as intellectually bankrupt and morally reprehensible as claiming that slavery, or the extermination of the American Indians, or McCarthyism, or the rape of Nanking, or the Tienanmen massacre were mistakes and happened for no reason.

### 3) Attacking social problems through individual solutions.

a) Helpful treatments for individuals. E.g., treat disease by medicinal treatment, or curtail disease through inoculation or individual eating habits. Treat social psychological disorders through individual therapy. Little emphasis is placed on preventive action such as eliminating social-environmental causes of disease such as pollution, and eliminating social stressors such as alienation at the social level.

b) Attack the perpetrators of problems, rather than social causes such as economic requirements and principles. Laws are passed prohibiting individual polluters, discriminators, abusers, thieves from engaging in level 1 behaviors, and if they persist, they are severely punished. Individuals are physically isolated from public life which is left intact. Incarceration physically

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<sup>18</sup> John Bellamy Foster and Fred Magdoff, *The Great Financial Crisis: Causes and Consequences* (New York: Monthly Review Press, 2009).

objectifies blaming the individual for misbehavior because it instantiates the notion that the individual is deficient and unfit to live in normal society.

4) Abstract demands for directly and immediately abolishing bad conditions. E.g., “abolish prisons,” “end war,” “end poverty,” “grow the economy,” “end violence against women.” Concrete proposals are not offered in this strategy, and certainly not proposals for reforming underlying conditions.

5) Focus on extreme forms of problems rather than their core, extensive features. For instance, extreme, illegal forms of torture are opposed, but widespread, normative, legal forms of spying and detention are not. Or the death penalty, which affects very few individuals, is opposed, but no outcry is raised against the normative imprisonment of millions of people. Or violent crime is targeted while the environmental causes of respiratory disease—that kills millions more people than violent crime does—are neglected. Extreme problems seem worse than normative problems because they are more violent and dramatic, however they actually affect far fewer people. In this sense, normative problems are worse than extreme ones.

6) Demands for civil rights, or equal opportunities and legal protections. This is certainly an important demand, however it does not challenge the fundamental exploitation of the capitalist political economy. Civil rights only allows everyone to participate within the laws of capitalism. But these laws of capitalism produce inequality because they legalize a small ruling class owning and controlling the means of production, which disenfranchises the majority of the population. Civil rights does nothing to transform this. It simply equalizes exploitation. Without civil rights, black workers will be exploited more than whites; with civil rights they will be exploited to the same degree as whites. Civil rights does not give black workers control over their working conditions, it does not give them job security, it does not guarantee them a house to live in, it does not guarantee them a livable wage, health insurance, and old age security, it does not protect them from pollution or war or exploitation or unemployment. Of course equal exploitation is better than unequal exploitation where blacks were exploited more than whites. However, civil rights does not address exploitation in general, it only addresses surplus exploitation. In this sense, civil rights is an example of attacking extreme problems but not normative problems.

Discrimination is defined as an affront to gender, age, sexual orientation, or racial background. It never includes social class. Managers can exclude workers from any management meeting, or decision-making, or executive privileges with no reprobation that they have discriminated against working class people. Capitalists may have to pay women workers as much as male workers, however, they are free to pay all workers a fraction of executive pay. Anti-discrimination laws never infringe on class discrimination which is the basis of the capitalist political economy. Again, they attack an extreme problem of surplus discrimination but they do not attack normative discrimination of working class people from executive decisions and privileges and life styles.

7) Solving social problems primarily, if not entirely, through technical solutions such as green energy, green transportation, organic food production, and medicine. No changes are proposed in the social relations of who owns and controls resources and the principles of production and distribution. These will always retard technical changes, and they need to be transformed in order to unfetter technical advances to be widely used.

8) Regard social problems as having abstract causes and solutions. E.g., pollution is a “man-made” problem. “Humans” have caused global warming. No specification of which humans are primarily responsible. “We’re all humans and we’re all in this together, and we must work together to solve our common problems.” The management of Exxon-Mobil is going to work with ecosocialists to craft energy policies.

Another abstract formulation is liberation psychology. It seeks to help oppressed people “develop modes of control of their lives.” What does it mean to control their lives; what is the form and content of this control? Does it mean local people telling school boards to ban sex education or evolution in classrooms? This would fall within the rubric of local people controlling their educational system. The terms of the solution are so abstract and nebulous that they offer no concrete direction that can solve problems.

Another abstract proposal for liberation is communication, contact, or diversity. The assumption is that if people simply communicate openly and have contact with each other, they will somehow naturally come to respect each other and live well together. Diversity is part of this

program, for it emphasizes the coming together of diverse groups. However, there is no content to this communication and contact. There is no politics, no particular socioeconomic relations that are specified (or even hypothesized) to draw people together in a cooperative undertaking. Therefore, mere abstract communication and contact and diversity will not solve any problems because people will continue to rely on established values and practices they have learned under capitalism. Diversity includes such notorious figures as Condoleezza Rice and Clarence Thomas, who would not promote social change. While respecting diverse culture is valuable, cultural practices such as language, songs, food, myths, and marriage customs are not sufficient to overcome deep political economic problems such as the ones facing us now.

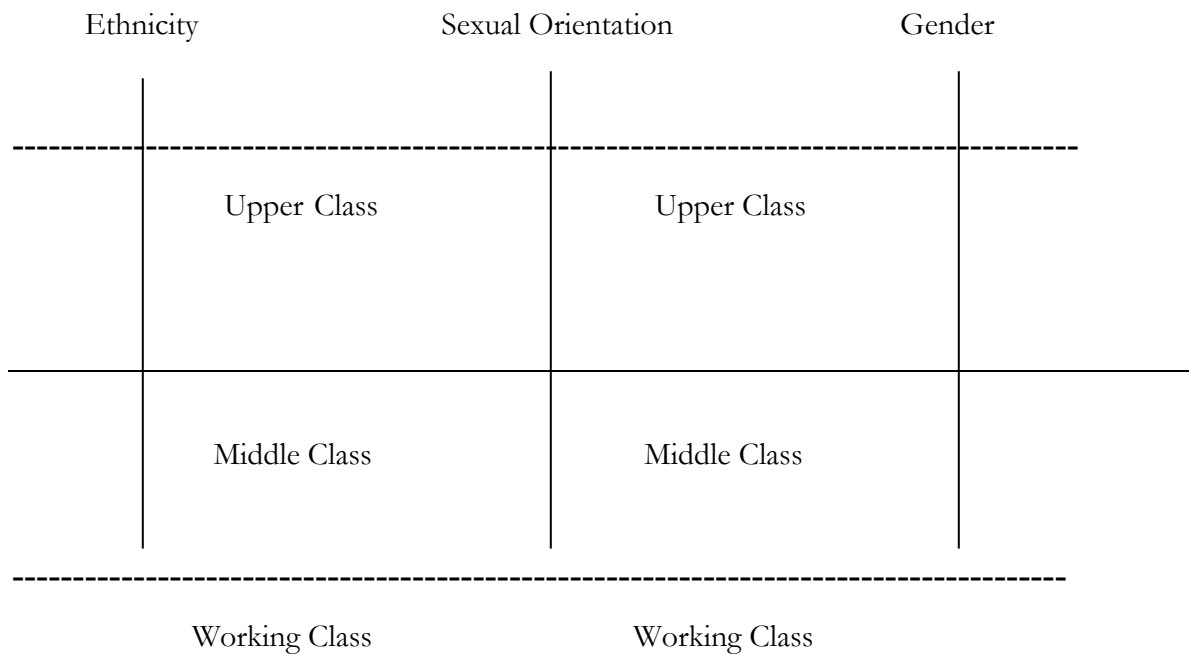
Diversity also has a negative tendency to *fragment and divide* people rather than bring them together. For each group in diversity privileges its own self interest. Each group wants to “do their thing,” practice their own customs, take pride in them, and demand that others respect their right to be autonomous. Women push for their self-interest, blacks for theirs, gays for theirs, handicapped for theirs. There is little emphasis on communal, collective, cooperative behavior that unites with other groups. Nor is there any emphasis on social class.

Group members regard their group as a unified whole. They do not recognize classes differences that fracture this unity and actually make some members of the group the exploiters of other members. Upper class women CEOs exploit women workers (and male workers) just as male CEOs do. To regard “women” as a coherent group is to mask class differences that divide it. The same is true for ethnic groups.

The different political orientation of emphasizing identity versus emphasizing class is diagrammed in figure six. It depicts three kinds of identity transected by three classes.



**Figure Six**  
**Class vs. Identity**



Identity politics emphasizes the vertical axes. Being a woman, for example, is more salient than the class of the woman. All women have something in common, according to identity politics. It does not matter if a woman is a queen or homeless. The same is true for other identities.

Identity politics *separates* identities from each other. Each identifies with members of its own identity in opposition to other identities (vertical axes). Women seek liberation from men, blacks from whites, gays from heterosexuals. Each explains its problems as springing from characteristics of its “counterpart” group—e.g., masculinity, homophobia, racism.<sup>19</sup> Identity politics construes a large percentage of the population as the adversary.

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<sup>19</sup> Marx’s *On The Jewish Question* remains the most incisive critique of the politics of self-interest.

Struggling against men, whites, or heterosexuals prevents establishing a society based upon cooperative social relations.

Identity politics also ignores political economy and leaves this pivotal cause of social problems intact.

A class analysis, in contrast emphasizes the horizontal axes. Working class and middle class women, men, gays, and blacks are oppressed by upper class members. A class analysis unifies diverse identities around their common problems within their common class. A class analysis and movement emphasizes that the diverse oppressions suffered by diverse groups (including middle class and working class) are really forms (appearances in Hegel's and Marx's sense) of a common exploitation organized by the dominance of the capitalist class.

*A class analysis involves cooperativism because it unifies all the members of the "working class" together (over 80 percent of the population) in a common struggle against a common foe (a small fraction of the population). A class analysis and politics increases solidarity amongst the population compared to its present fragmented state. A class analysis and political movement opposes essential elements of capitalism (fragmentation, competition, self-interest) while identity politics recapitulates divisiveness, competition, self interest, it prevents men and women from working together to develop cooperativism as a mode of production.*

9) Using elements of capitalism—as they exist under capitalism—to reform other, harmful elements of capitalism. I call this strategy “romantic” because it presumes that certain elements of capitalism are outside of and free of the harmful elements, and can negate the latter. If people simply rally to the positive elements, they will overwhelm the negative ones and the latter will simply fade into oblivion. It is not necessary to analyze the political economy of capitalism, nor is it necessary to take concerted action to transform it into a cooperative social base. All that's necessary is to appropriate one of the existing positive elements of capitalism and ride it, as it stands, for it is already liberated.

This strategy takes three forms:

a) Use elements of the capitalist economy such as tax rates, accounting procedures, minimum wage rates, prime interest rate, and government bailouts to solve economic problems. No changes are proposed in the social relations of capitalism regarding the ownership and control of enterprises, the principles of production and distribution.

b) Expand democracy. Democracy is touted as a central principle of capitalism, and it should be expanded to solve social problems such as exploitation and alienation. Bourgeois democracy can be used to counter capitalist exploitation and alienation.

This is certainly a worthy ideal that can generate improvement in social life. However, its limits must be exposed. The main problem with democracy in the abstract is that democracy is a process, not an analysis or a program. It is contentless. Formal economic democracy is merely a general process of decision making. It does not specify a particular form of socioeconomic organization. Therefore it does not necessarily lead to cooperativism. Voters may cast ballots for simple commodity production, or for a centralized, hierarchical management which, in fact, does not practice democratic management with the employees. In this case, formal democracy can lead to *undemocratic* institutions. Similarly, voters can vote to support locally owned commodity production and exchange, or level I cooperativism, which, we have seen, inhibit genuine economic democracy.

Bourgeois democracy is simply a formal right that is practiced once a year through casting ballots. It is thus far from genuine democracy. It is alienated democracy that presupposes and maintains individual separateness. From my experience as a director for nine years of California's largest food coop, I can attest that coop members who vote for directors do not act cooperatively. They remain separate individuals who individually vote and shop. Members often vote for a candidate because she is young and attractive, because she is a mother or a lesbian or any number of other reasons that have nothing to do with running a coop. Coop elections are as alienated as political elections: members know virtually nothing about the candidates, candidates are separate individuals who do not represent the membership and usually know little about the coop they are running to direct. These elections do not draw members into the everyday operation of the institution. The voters are not active participants in the institutions on an everyday basis despite the fact that they formally own it.

Democracy depends more upon the content of what people vote for than it does upon the act/process of voting. There must be a content to democracy, not simply a formal process. Cooperativism is this content.

Democracy is only realized within particular social relations. E.g., as part of the process of collective, cooperative practice. Cooperativism entails democracy in the process of a collective deciding on production and distribution issues. Democracy is not an abstract process that solves problems on its own. This is far more democratic than formal, alienated democracy. Cooperativism is the basis of democracy more than democracy is the basis of cooperativism. Therefore, *cooperativism is a stronger political platform than democracy is for achieving real social change and human fulfillment.*

Democracy is not a fixed, homogeneous, singular, universal variable that humanizes society, and emancipates and fulfills people by itself. Democracy takes different concrete forms in different modes of production. It perpetuates alienation in capitalism and it must be reworked as much as socioeconomic relations in order to be realized in a higher, cooperativist form that promotes (and reflects) cooperative society.

Cooperativism is a new and higher form of democracy. It is democratic in an organic sense that resources and enterprises belong to people in common. (Formal democracy is ownership as separate, alienated individuals.) Collective ownership of property entails collective decision-making and collective use. Democracy is inherent in the form of ownership and use of collective property. Individuals decide how to use collective property in their common activities with it. Democracy comes from being equally and collectively *engaged* in an activity.

c) Romantic liberation, or romanticizing the liberatory consciousness of existing groups.

Romantic liberation assumes that certain groups within oppressive society have avoided negative effects of capitalism and have achieved a “high level of consciousness” due to their marginal status which makes them more cognizant of oppression and solutions. For instance, some feminists claim that women’s social position has cultivated a deeper social concern and emotionality in women than in men. This superiority exists within capitalist society as it presently exists. Women

do not have to struggle to achieve a greater social concern for people, and deeper emotionality; they already have it by virtue of being women in capitalism.

Similarly, blacks and gays are deemed to have greater insight into oppression and ways to overcome it than whites, males, and heterosexuals who are less oppressed. Marginalized people are credited with already possessing these understandings within oppressive society. Marginalized people should be the leaders of social movements because of their superior insights.

These claims about identity politics are romantic because they claim that group membership within capitalism has transcended capitalism. There is no need to critique or transform capitalism, we can simply follow marginalized, liberated groups to fulfillment.

These claims are fallacious because they underestimate the oppressed and oppressive mentality of marginalized groups. These groups have experienced mistreatment. However, oppressed people are unlikely to have a deep understanding of the political economy that underlies their oppression—e.g., the dynamics of capitalism. Nor are they likely to envision a truly radical solution that involves feasible transformation of the political economy. Marginalized people have not developed a truly liberating, cooperative psychology, behavior, and social institutions. Women are certainly as capable of acting cruelly toward men and toward other women as men are. Contemporary mothers abuse and abandon their children as much as men do (simply in different ways). Women in slave holding families in the antebellum South taught their children racism and supported their husbands' slave holding. Nazi women taught their children to be Nazis and supported their Nazi husbands. Blacks commit more violence against other blacks than whites do. Marginalized people are forced to participate in the system that oppresses them.

These caveats apply to working class experience. It is erroneous to glorify the working class as agents of social reform simply because they experience exploitation directly and intensely. Mere experience with exploitation is no assurance that workers understand its causes or solutions. When Marx spoke of a working class perspective as the guide for social change he was not referring to contemporary outlooks by workers as comprising such a guide. He was referring to an objective, theoretical perspective that had workers interests at its core. It was a perspective that comprehended the political economic basis of the exploitation of workers, and the need for a new socialist political

economy that would solve this problem that afflicts workers. The Marxist perspective is working class in that it takes working class oppression as its target of analysis and solution. For the oppression of workers is the core of capitalism's problems and evils. The working class perspective is not the subjective opinions of contemporary workers. For subjective, naïve experience is no guide to understanding, explanation, or solution. Workers have to learn Marx's complex analysis of capitalism and socialism; they do not have this deep understanding simply by virtue of being oppressed. We may say that *the working class perspective is not the perspective of the working class* as currently constituted.

Romantic liberation romanticize the revolutionary potential of existing groups and thereby neglects truly revolutionary strategies directed at transforming the political economic base of capitalism.

Existing elements of capitalist are incapable of transforming it because they embody its political economic character. While certain elements are more positive than others, they continue to be elements of *capitalism*. Democracy, diversity, civil rights, and group identity therefore cannot be embraced as they stand. They must be transformed in accordance with cooperativist principles in order to be realized. Cooperativism realizes them, they do not realize cooperativism. Cooperativism must be the program that informs our politics.