

Développement coopératif et solidarité ouvrière: une perspective néo-Gramscienne sur la lutte mondiale contre la néo-libéralisation

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Résumé

Cet article replace dans un contexte historique le rôle joué par les coopératives dans le développement moderne et souligne la présence contemporaine de ces institutions aux niveaux local, national, régional et mondial. L'auteur démontre à quel point, en mettant l'accent sur leurs membres dans une logique de solidarité, les coopératives participent à l'économie mondiale et l'influencent. Il remet donc en question la vision dominante d'une économie mondiale rivée aux entreprises transnationales et au capitalisme mondial pur et dur. Il fait également valoir que l'économie coopérative représente une alternative au modèle néo-libéral d'accumulation primitive. Un rôle central est réservé, dans cet énoncé, aux défis posés par l'alliance entre main d'œuvre et mouvements coopératifs dans le but de faire progresser des politiques anti-hégémoniques.

Cooperative Development and Labour Solidarity: a Neo-Gramscian Perspective on the Global Struggle Against Neoliberalization

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Abstract

This article historicises the role of cooperatives within modern development and highlights the contemporary presence of cooperatives in local, national, regional and global spaces. The article emphasises the extent to which the people-centred character and the logic of solidarity within these institutions also constitute and shape the global economy, thus challenging the dominant image of the global economy as anchored around transnational corporations and 'pure global capitalism'. Moreover, the article highlights the case for cooperatives and the cooperative economy as an alternative to the neoliberal model of primitive accumulation. Central to this argument are the challenges this poses for an alliance between labour and cooperative movements to advance counter-hegemonic politics.

There are times when, because the social order is collapsing, realism consists not of trying to manage what exists but of imagining, anticipating and initiating the potential transformations inscribed in present changes.

André Gorz²

Introduction

Due to the crisis of the Fordist accumulation regime in the 1970s, the system of inter-state political economy was transformed from a national to a global political economy. This structural shift was a result of a paradigm shift favouring neoliberal market relations, often referred to as the rise of "market civilization". Emerging out of this experience of global neoliberal restructuring are new forms of monopoly capital operating at a transnational level, which have fundamentally changed production and consumption patterns. This post-Fordist accumulation regime has not adjusted global development in such a way that

national economies benefit from global restructuring, but instead has reproduced and deepened patterns of uneven development and world inequality. For labour, this process of neoliberal restructuring has engendered new forms of labour market control and has undermined national capacities for social reproduction in developed and developing countries. At a common sense level, which is also mediated through the deployment of neoliberal ideological perspectives, global capitalist restructuring is mystified and presented as an inevitable process devoid of agency. In a word, it is the result of “globalization”. Such a conception of global capitalism denies the possibility for alternative forms of development co-existing, contesting and even surviving interstitially.

This article challenges this perspective of a “pure global capitalism” by locating the development of cooperatives within the complex and differentiated development process that emerged in the twentieth century. It provides a brief historical overview of the role of cooperatives in the development process from early industrial capitalism through the vicissitudes of twentieth century Western capitalism, state-centric socialism, and postcolonial economies. The second part of the article frames the current global political economy context in which cooperatives have to survive, develop and take root. In particular, I foreground the development failures of the mainstream neoliberal model of primitive accumulation and its impact on state-society complexes, particularly as it relates to poverty, inequality, increasing human insecurity and ecological crisis.

Despite the devastating effects of neoliberal development on human beings, the global expansion of capital has not diminished nor has it ceased to subordinate human needs to capital accumulation. This brings into focus the global struggle to protect the solidarity-based relations and people-centred identity of cooperatives and the role that labour has played in this struggle. In particular, I highlight how neoliberalization has attempted to subordinate cooperatives to the rules and discipline of competition and profit maximization. Finally, I conclude by highlighting the challenges facing labour. I argue that labour must go beyond a Polanyian “double movement” of reaction and social protection and pursue a counter-hegemonic and transformative practice that advances cooperative relations of production and consumption as one of the many bridges to a post-capitalist world order.

Cooperatives and Development

Many social scientists and thinkers, in particular Marx, have understood how capitalist social relations are premised on the necessity for labour to work, because labour is dispossessed of the means of production and subsistence. As a result, workers must sell their labour power for a wage to capital. Hence, labour is not “free” and the value it creates within capitalism is subject to a logic of accumulation guided by one fundamental objective: amassing and concentrating wealth for the owners of the means of production. Capitalism is not driven by concern for the well-being of humanity or for ecological concerns. For this reason, capitalism’s class hierarchy can easily enlist racial, ethnic, gender and development hierarchies in the world order to ensure its reproduction and the constant movement of its logic of accumulation. Hence, class struggle is characterized by attempts by workers and human beings generally to place their needs at the centre of societal development as opposed to capitalism’s need for accumulation.

This struggle against the logic of capital accumulation gave birth to the utopian ideas and experiences that have served as the basis for cooperative development for two centuries.³ Modern cooperatives emerged during the tumultuous social changes brought about by the industrial revolution. The initial inspiration for cooperative development can be attributed to Robert Owen (1771 –1858), who attempted to establish self-governing “villages of cooperation” in which workers could meet their basic needs for food and clothes. Many of these early attempts at cooperative development did not succeed. While this was the case, these antecedents and the impulse they carried to confront the poverty that came with the formation of wage labour and the dispossession wrought by private ownership of the means of production continued to inspire cooperative endeavours.

Another important cooperative experience that laid the basis for modern cooperative development was the experiment of the Rochedale pioneers (28 weavers and artisans) in 1844 in England. This cooperative was formed as a consumer cooperative and enabled workers to institutionally pool their market power and ensure consumption goods were bought in bulk and at discounted prices. The famous Rochedale principles developed in this experience served as the foundation for subsequent cooperative development. Financial cooperatives, better known as credit

unions, also evolved in Germany in 1849 as rural credit cooperatives and later evolved into an urban credit cooperative movement (Shaffer, 1999: 1-39).

In the West, this tradition of cooperative development continued into the twentieth century and had a coterminous relationship with Fordist mass production systems. In various Western industrialized economies, cooperatives played a crucial role within the development process and many of the leading industrialized countries boasted powerful cooperative sectors. However, in the 1980s many of these large cooperatives with professional management structures and huge market share lost their cooperative self-identity: who owned and controlled them became uncertain (Birchall, 2004: 14-16). Interestingly, cooperatives also played a part in the early colonial political economy with colonial regimes introducing legislation that supported the development of cooperatives.

Cooperatives were also affected by the emergence of the Soviet bloc and the processes of post-World War II decolonization. In this period, cooperatives were used as part of national development projects to organize production and consumption. However, many of these cooperatives in the Soviet bloc and the post-colonial development projects failed due to excessive state control. In most instances, these enterprises were extensions of the state and subject to bureaucratic rationalities of state planning or were locked into patronage systems that fostered dependencies on post-colonial elites. In the Soviet Union, for example, Stalin nationalized all the consumer cooperatives, which were the main providers of essential supplies to urban populations. Similarly, agricultural cooperatives were abolished and replaced with collective farms (but ironically were still called “cooperatives”) (Birchall, 2004: 16). With the collapse of the Soviet Union in the late 1980s many of the cooperatives were not able to survive the transition to open national economies.⁴ The pressures of global competition and the lack of dynamic efficiencies forced many of these cooperatives to collapse in many Soviet bloc countries. In many post-colonial countries the adoption of structural adjustment programs forced a reallocation of fiscal resources away from national development priorities, which undermined patronage support systems, and in many instances cooperatives.⁵

Cooperatives exist in most parts of the world, but are often not recognizable due to the wide range of terms used to de-

scribe them. For example, “self help” group, mutual society, building society and association are all used to describe a cooperative entity. Essentially, cooperatives are member-owned and democratically controlled institutions. They are not-for-profit in the sense that voting in a cooperative is not based on the number of shares owned, but instead on the universal principle of one member, one vote. While cooperatives make a profit, it is subjected to the logic of member needs - the essence of the cooperative. A cooperative might originate with particular member needs as a priority but this could change and inform adaptation in the cooperative. Due to these institutional features, cooperatives have a distinct identity separate from joint stock companies, which are owned by shareholders, public enterprises, which are owned and controlled by the state, or philanthropic organizations, that provide for a target group. Cooperatives are user and member centred.

Today close to a billion people are affiliated with cooperatives. This is reflected in the 227 member organizations, from 91 countries, that make up the International Cooperative Alliance (ICA) – the global apex body representing cooperatives in the world.⁶ In a recent study conducted by the ICA the top 300 cooperatives and mutual associations in the world are identified.⁷ This study affirms the extent to which cooperatives are an integral part of the national and global political economy. These cooperatives span a range of sectors including agriculture, financial institutions (e.g., insurance, banking, credit unions plus diversified financial organizations), retailing, wholesaling, manufacturing and services (e.g., health, education and electricity supply). Many of these cooperatives are over 100 years old, with approximately 80 per cent forming since the 1980s. As member-based and needs-driven institutions, cooperatives stand in contrast to the ever-changing and short lifespans of the fortune 500 companies in the world. For the ICA Global 300 research project, this is an important distinction between cooperatives/mutual societies and privately owned business enterprises, which are mainly privately capitalized and not really concerned with employment creation and, most importantly, with the long-term imperative of employment maintenance.

The contribution made by these social enterprises to the world economy cannot be ignored. The data shows that together these enterprises share an annual turnover of approximately

\$1000 billion (\$US), which dwarfs the GDP of many developing countries put together and even some developed countries. For example, Canada, the ninth largest economy in the world, according to the World Bank, had a GDP of \$979 billion in 2004 (Global300.coop, 2006: 2). The GDPs of South Africa and Brazil are \$159.9 billion and \$ 492.3 billion respectively (Economist, 2006: 26). Thus, the combined GDP of South Africa and Brazil is far smaller than the annual turnover of the top 300 cooperatives. The Global 300 research also reveals the reach of these hidden giants and the breadth of their economic activity. For example, among these enterprises are “Switzerland’s largest employer, France’s largest bank, a New Zealand-based business with a third of the international dairy trade, India’s largest food processing business, the top healthcare provider in the Netherlands, North America’s market leader in canned and bottled juices and juice drinks, and the largest Canadian-owned multi-product insurer” (ICA, 2006: 2).

Finally, the Global 300 cooperatives are located primarily in the North, mainly: USA, France, Italy, UK and Japan. The top five countries that have the largest per centage of GDP coming from GLOBAL 300 turnover are: Finland, New Zealand, Switzerland, Netherlands and Norway (ICA, 2006: 6). In short, in today’s globalized world cooperatives play a pivotal role in organizing economic activity. Ironically, many developed economies are supported by the output and contribution made by these institutions. Even in modern China today cooperatives and village enterprises are the backbone for agricultural production. Without these cooperative enterprises, food security would be seriously compromised in the Chinese giant (Du, 2006).⁸ Hence, “pure global capitalism” simply driven by private relations of production and transnational corporations is a myth. Contending logics based on human need and solidarity are also shaping, constituting and determining the nature of the global political economy. In this regard cooperatives in local, national, regional and global spaces are also important. These social enterprises constitute a cooperative global economy which ranks as the tenth largest in the world (ICA, 2007).

Global Restructuring, Neoliberalization and Primitive Accumulation

It was Karl Polanyi in his understanding of the *Great*

Transformation of industrial capitalism who observed that the disembedding and deterritorialization of the market, assisted by the state, constituted the first leg of a “double movement”. He also observed how a “self adjusting” market implied a stark utopia. Such an institution, for Polanyi, could not exist for any length of time without annihilating the human and natural substance of society; it would have physically destroyed *human beings* and transformed *their* surroundings into a wilderness (Polanyi, 2001 [1944]: 3). In this sense the ideological unleashing of the market on society is irrational and represents a form of primitive accumulation.

For the past 27 years, the neoliberal global restructuring process has also disembedded the market from national economies, very similar to a Polanyian movement. However, the ideological hegemony of neoliberalism is too easily reduced to a policy agenda (privatization or liberalization) or misrecognized as a “post” neoliberal departure in the context of the 9/11 war on terror and ballooning fiscal expenditures of the US state. Moreover, with the emergence of poverty reduction discourses many easily trumpet the emergence of a “post-Washington consensus” and hence the emergence of a post-neoliberal period. Part of the reason for this misrecognition by analysts and commentators has to do with a failure to understand how global consensus is forged in a world order that does not have a global state. According to Robert Cox, the practice of “governance without government” entails a process of transnational consensus formation amongst the caretakers of the global economy (1994: 49).

Cox argues that:

this process generates consensual guidelines, underpinned by an ideology of globalization, that are transmitted into the policy-making channels of national governments and big corporations. Part of this consensus – formation process takes place through unofficial forums like the Tri-lateral Commission, the Bilderberg conferences, or the more esoteric Mont Pelerin Society. Part of it goes on through official bodies like the OECD, the Bank for International Settlements, the IMF and the G-7. These shape the discourse within which policies are defined, the terms and concepts that circumscribe what can be thought and done. They also tighten the transnational

networks that link policy-making from country to country (1994: 49).

A rough typology reveals several varieties of neoliberalism inhabiting various institutional spaces in the power structure of the global order (See Table 1).

Table 1: Varieties of Neoliberalism

Neoliberal Ideology	Main Policy Thrust	Global Institution/s
Free Market/ Conservative	Corporate self-regulation, global <i>laissez-faire</i>	International Chamber of Commerce
Washington Consensus	Liberalization, deregulation and privatization	US State and WTO
Post-Washington Consensus/ Institutional Neoliberalism	Poverty focus ultimately fix imperfect markets	World Bank and various UN agencies
Structural Neoliberalism	Global competition and tackling obstacles	World Economic Forum

All of these articulations of neoliberalism come together in a global hegemonic bloc which has influenced all mainstream perspectives and models of development. Many of these development paradigms have adopted the imperative of ensuring the “security of capital” over human security (Bakker and Gill, 2003).

The structural adjustment programs imposed on national economies and various regional economic arrangements like NAFTA and European Union monetary integration have all contributed to a market-led paradigm of global development. In this globalized process of market restructuring, national economies have been locked into global markets and there has been a reinvention of primitive forms of “competitive” and “possessive” in-

dividualism (Ong, 2006: 11). The flipside of this reality is a program for the methodological destruction of collectives (Conway and Heynen, 2006: 19). In short, global neoliberal restructuring has set the stage for a new phase of global primitive accumulation in which the majority of human beings and the ecological basis of the planet would be subordinate to the structural power of transnational capital and its imperative of surplus extraction.

Numerous empirical studies highlight the consequences of neoliberalization on the world and its disciplinary mechanisms to ensure primitive accumulation. In the first place, the promise of development offered by neoliberal restructuring has not materialized for most countries outside of the post-industrial, hi-tech centres. Most developing countries and the 50 least developed countries have broadly been integrated as primary commodity exporters or exporters of cheap manufactured goods (UNCTAD, 2005). According to De Riviero, this archaic integration corresponds to the first capitalist industrial revolution, typically intensive in its use of raw materials and abundant unskilled labour (2001: 126). This is most vividly displayed in Africa, with over 400 million people living in poverty, and with capital flows concentrated in extraction enclaves rich in oil and minerals (Ferguson, 2006). Compounding this situation are major demographic trends in most of the low technology economies with their populations expected to double by the year 2020. Moreover, as peasants and subsistence food production is displaced by the monopoly and hi-tech productivity yields of transnational corporations (Amin, 2003: 2), urbanization is expected to increase in major cities in Africa, Asia and Latin America. Most of these mega-cities will have populations in excess of ten million, which will place immense pressure on the environment and on the survival capacity of most of these urban spaces (De Riviero, 2001: 115). In short, neoliberal restructuring has placed the low-tech economies of the world in a global division of labour not just characterized by dependent development, but by a new historical phase of primitive accumulation in which most of these economies will remain trapped in a state of non- or mal-development.

These dynamics are further reflected in the labour market conditions faced by labour under neoliberal restructuring. Central to this is the new international division of labour, which has located low-tech manufacturing within numerous developing countries (but mainly in Asia and parts of Latin America). The export

orientation achieved in most of these open economies has also subjected them to intense international competitiveness and hence cheap labour has become the main determinant for securing or capturing market share (Chossudovsky, 1997: 75-98). Huge reserve armies of unemployed, together with the mobility of capital in this context, exacerbates the race to the bottom, with global outsourcing or relocation as important means to discipline labour. At the same time, structural adjustment programs in most developing countries have also resulted in deregulated and fragmented labour markets. The underbelly of the global labour market is best depicted in the insecurity endured by undocumented migrant workers and the emergence of a global sex trade. The disproportionate affect of poverty on women reveals the reprivatization of social reproduction and the intensification of exploitation (Bakker and Gill, 2003: 34).

The primitive accumulation model of neoliberal capitalism has effectively rolled-back the collective provisioning capacity of many developing states with regard to public services (like health and education) and ensuring food security. In the developed centres many welfare-based reforms have been eroded, eating away at state provisioning to ensure appropriate support for social reproduction. According to Bakker and Gill, this reflects an emerging contradiction between the global accumulation of capital and the provisioning of stable conditions for social reproduction (2003: 27). They explain this as the consequence of neoliberal new constitutional governance and the extent to which it has contributed to the fiscal crisis of the state. For example, they argue that the:

new constitutional mechanisms associated with unrestricted free mobility coupled to the offshore world of tax avoidance may not only be destabilizing for (national) economic policy as a result of volatile flows of capital, but they may also enable large holders of capital and wealthy private investors (and to an extent highly mobile, professional, elite labour) to be free of the need to contribute substantially to the collective costs of social reproduction (for example, through taxation, training of workers, or other provision of social goods). Partly as a consequence, UN agencies point towards a growing crisis of social reproduction, most acute in poor developing countries (2003: 28).

They further argue that there are identifiable and quantifiable consequences reflected in fundamental changes within household social relations. Bakker and Gill point to: (a) a full commodification of the household wage; (b) growing individual/family indebtedness; and (c) new strategies of survival, including the feminization of survival (2003: 34).

In short, while neoliberal restructuring has concertedly attempted to build a seamless global market – integrating states and classes – it has at the same time transformed state-society relations such that citizens are much more vulnerable, poverty stricken and exposed to the vicissitudes of a facile market. In this context, the cooperative model with its emphasis on human needs provides an alternative solution for organizing social, economic and cultural activity.

Neoliberalism's Offensive Against Cooperative Forms

Since the late 1970s neoliberalism has been the ideological battering ram of transnational capital. Its ascendancy has fundamentally affected capitalism - it has actually produced a form of transnational accumulation. At the same time, the different varieties of neoliberalism at a global level all share in common the need to enhance the structural power of capital, particularly finance capital, and ensure the extension of the commodity form (i.e. human needs are best met in the process of capital accumulation) (Van Der Pijl, 1998). This penetration and expansion of capital and its commodification of social life has also been promoted as the approach for cooperatives. This is happening in local, national, regional and global spaces. With most cooperatives, cooperative complexes and movements in the world capitalized through social solidarity and largely outside the “laws of motion of capitalism”, this makes it difficult to bring cooperatives within the logic of the concentration and centralization of capital on a world scale. However, neoliberalism wants to end this and for finance capital particularly it means subjecting the collective assets and social provisioning capacities of cooperatives to commodification.

At various levels of the global political economy, the neoliberal paradigm has attempted to subject cooperatives to the discipline of competitiveness and profit maximization. One of the neoliberal prescriptions that has emerged strongly in the global policy discourse and championed by the World Bank re-

lates to how cooperatives should adapt in order to deal with liberalization, privatization and deregulation. It is argued that the transition to open market economies in various Third World countries and the former Soviet world affords cooperatives an opportunity to reclaim their autonomy from the state (Braverman et al, 1991; Fazio, 2000). The end of state control and intervention in the economy inaugurates a new balance between state and market. However, the neoliberal intervention engineering this “new constitutionalism” tilts the restructuring process towards the market. It is prescribed that “genuine cooperatives should be considered a particular segment of the private sector” (Braverman et al, 1991: 28; see Hussi et al 1993 and Rajapatirana, 1998). The discourse legitimating a “cooperative sector” or “third sector” is jettisoned and the economic viability and the general orientation of cooperatives are conflated with the market and ultimately cooperatives are meant to be subordinated to the power of capital.

Another neoliberal intervention that has challenged the authentic identity of cooperatives as member-based institutions that are voluntary, collectively owned and democratically managed to meet member needs is the attempt to change the ownership structure of cooperatives. This has happened in three ways. First, there have been attempts to hybridize cooperatives with companies and allow for external investor shares in cooperatives. This happened in South Africa in 2000-2001 when the first draft of a new Cooperatives Act was presented by the government for public discussion.⁹ A similar attack has been launched against the cooperative model in the context of European Union integration. According to Roelants, “some components of the European Commission are exerting pressures on cooperatives for them to be more ‘flexible’ in the interpretation of cooperative principles and, in particular, in relation to their openness to external shareholders, brandishing competition law and the right of establishment in the internal market” (2006: 25).

The second attempt to transform cooperatives into typical business enterprises has been done through providing for cooperative conversion to companies in national legislation. For example, the new Cooperatives Act 14 of 2005 in South Africa provides for such conversion and hence cooperatives are easily understood as stepping stone institutions that nurture a new cadre of South African capitalists who will eventually find their place in the “first” or private sector segment of the economy.¹⁰ A third

attempt at commodifying the ownership structure of cooperatives rests on the argument that a new kind of management is necessary in cooperatives to ensure they are globally competitive. Some cooperative experts are arguing for the end of “worker control” and “self management” and instead talk about the promotion of a new kind of cooperative manager who operates with the values of cooperatives but who understands the efficiencies of the market (Davis, 1996). In addition, Davis argues that managers should be given voting (and possible ownership) rights in boards. In other words, it is argued that only through embracing this new kind of incentivized cooperative management paradigm, can cooperatives deal with the global market and the necessary challenges of economic adjustment.

Central to the neoliberal attack on cooperatives has been an attempt to redefine state-cooperative relations. The neoliberal prescription is about a minimalist state policy for cooperatives, which merely provides a simple legislative framework, preferably in plain English, and which is ‘enabling’ (Hussi et al, 1993; Fazio, 2000). Policy incentives (such as lower taxation levels), protective measures to ensure cooperative-led infant industry models develop and other training supports from the government are decried. In the context of many developing countries, like on the African continent, it means cooperatives as part of civil society must increasingly be nurtured as an alternative to the “neo-patrimonial state.”

It further means that building a market democracy in a developing country should be about “self help”: development is merely about letting the market do its thing unencumbered so the masses can capture opportunities and pull themselves out of poverty traps. Put differently, there is an attempt to remove from view the systemic realities facing a developing country, particularly the extent to which the structure of its economy is shaped by external forces. In practice, what this means for cooperatives is that they become the conveyor belts for donor programs and agendas. In many developing countries cooperative movement apex bodies are being re-engineered to become “business incubators” for external interests rather than autonomous, mass-based movements working strategically with national governments to build people-centered capabilities for thoroughgoing structural transformation.

From the standpoint of the basic principles of coopera-

tives, the neoliberal attempts at appropriating cooperatives into the globally competitive market, commodifying their ownership structure, reducing the developmental role for strategic state support and introducing typical managerial prerogatives, opens the way for degeneration. It also closes off the possibilities for an alternative logic of accumulation based on human needs and the requirements of nature.

The Defence of Cooperatives in the Global Political Economy: the International Cooperative Alliance (ICA) and Labour's Response

Karl Marx observed the dialectic of immanent opposition to capitalism when he claimed that capitalism creates its “own grave diggers”. For the Italian Marxist, Antonio Gramsci, this was an essential starting point, but he further argued that class forces had to engage in a “war of position” on the terrain of civil society to be able to capture the state. In other words, a long, engaged ideological and cultural struggle had to be waged to raise consciousness, secure consent for alternatives and ensure a proper institutional basis for “counter hegemony” – a transformative project led by the working class. Polanyi, on the other hand, recognized a “double movement” in late nineteenth and early twentieth century capitalism, when society responded to market forces to ensure its protection against the commodification of land, labour and money. For Gramsci the opposition to capitalism was grounded in the realm of production, while for Polanyi it was in the realm of exchange (Burawoy, 2003). Given the extent to which cooperatives have developed over the past two centuries and contribute to member needs, the defence of cooperative forms in the global political economy against the neoliberal attack is happening at both levels.

However, it is important to characterize this struggle against the neoliberalization of cooperative forms appropriately. Is it a shallow double movement responding to the negative consequences of disembedding the market or is it counter-hegemonic? In the current conjuncture the response by many cooperatives is merely a reaction or a double movement against the negative impacts of market-based development. At a global level, the neoliberal attack has prompted a double movement from the side of the international cooperative movement, represented by the ICA and labour, mainly through the International

Labour Organization. While the ICA is solely a body made up of cooperatives from various countries and sectors in the world, the International Labour Organization (ILO) is a tri-partite body including government and business. Hence the struggle to defend the people-centred identity of cooperatives and its distinctive logic of accumulation has also been a battle within the ILO.

In the ICA there have been three crucial areas of “double movement” against the neoliberalization of cooperatives and for their protection. The first has been the affirmation of a universal definition, principles and values for cooperatives. This occurred at the 1995 Congress of the ICA during its centenary celebrations with the adoption of a *Statement on Cooperative Identity*. For countries in which cooperatives were an appendage of the state or in capitalist economies in which their identity was swallowed by taking on the characteristics of a profit maximizing business this statement helps reclaim the autonomy and identity of cooperatives. In this regard, it opens space for the development of genuine cooperatives that are an “autonomous association of persons, united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise” (McPherson, 1995: 1). This conception is further bolstered by 7 principles and certain necessary values that should inform the practice of cooperatives and cooperation.¹¹

The second crucial response from the ICA was to engage the United Nations’ multilateral processes dealing with cooperatives in order to secure recognition for the universal identity of cooperatives. In 1995 at the UN World Summit for Social Development, held in Copenhagen, the role and contribution of cooperatives to poverty eradication was acknowledged (United Nations, A/60/138, 2005: 3). With engagements from the ICA, the UN also subsequently tabled before member states and adopted *Draft Guidelines for Creating a Supportive Environment for the Development of Cooperatives* in 2002. These guidelines further affirmed the distinctive role cooperatives could play in national and global development. Subsequently, the UN has continued to foreground the role of cooperatives on the global development agenda.

The third and most important initiative for the ICA with regard to labour has been an attempt to build a global alliance with the ILO to promote cooperatives worldwide. However, from

the side of the ILO and labour it has to be recognized that cooperatives have been on the global agenda for a long time, going back to 1966 with the adoption of ILO Recommendation 127 concerning the *Role of Cooperatives in the Economic and Social Development of Developing Countries*. This labour standard was a product of its times and encouraged governments of developing countries to utilize cooperatives as a development tool, leading to various distortions and abuses of the cooperative concept within national development efforts. Subsequently, the ILO initiated a process to rethink its approach to cooperatives in 1999.

This process took three years to finalize and was internally highly contested, particularly by employers (Roelants, 2006: 25).¹² However, the outcome of this battle has been the adoption of ILO Recommendation 193 concerning the *Promotion of Cooperatives* in 2002. This recommendation attempts to address the bias in Recommendation 127 of 1966 with regard to its developing country focus and its government driven approach to cooperatives (Levin, 2002). The recommendation also attempts to take on board new cooperative forms and enterprise structures in developed countries. However, the recommendation reinforces the role of the state as an extension of the market¹³ and also prescribes treatment for cooperatives “no less favourable than those accorded to other forms of enterprise and social organization” (Recommendation 193, Section (6) (c) & 7(2)).

However, despite the tilt towards a market-led development approach in the ILO Recommendation 193, the ICA and ILO have gone further to build and deepen their relationship in order to foreground the role of cooperatives in development. This is expressed through the adoption of a common cooperative agenda committing the ILO and ICA to joint action. This convergence was solidified with the signing of a Memorandum of Understanding in 2004 and expressed through various joint activities over the past three years. This includes championing of the global *Cooperating Out Of Poverty* campaign and developing a joint focus on how to develop cooperatives on the African continent.

In the end, the defence and protection of cooperatives against neoliberalization reflects a compromise and a particular conjunctural balance of social and political forces globally. On the one side, the autonomy and the distinctive identity of cooperatives have been secured formally. On the other side, cooperatives

have been placed back on the global development agenda, post cold war and post collapse of the Soviet Union, but within the “global market” and as a “competitive business enterprise.” In this context it is imperative to deepen the double movement into a counter-hegemonic shift which attempts to build a political will and consensus from below in global, regional, national and local spaces for cooperatives to be part of an alternative logic of accumulation in which human needs and the requirements of nature prevail over the logic of capital accumulation.

Challenges For Labour Solidarity To Ensure Counter-Hegemonic Cooperative Development

In the *Prison Notebooks* Gramsci does not speak of “counter-hegemonic” contestation, but instead uses the military metaphor “war of position” as the basis to argue for the active construction by the working class of an alternative historic bloc of social forces and an alternative hegemony. While I use the term “counter-hegemonic,” I build on Gramsci’s understanding. Following Cox (1993: 64-65) I argue that the starting point for building a counter-hegemonic bloc is the national arena, but must also include the global political economy, which operates at the regional and global levels. Cooperative movements and labour organizations have also organized themselves at these various levels. Hence a counter-hegemonic bloc, while rooted in the national, has to be projected externally to contribute to changing the world order at its various levels.

However, while the arguments laid out thus far makes the case for cooperative alternatives to neoliberal globalization and development, the actual content that cooperatives bring to a counter-hegemonic bloc has to be defined more clearly. What does the global cooperative movement bring into a counter-hegemonic alliance with labour? What does labour solidarity achieve in a relationship with the cooperative movement?

Cooperatives and cooperative movements in the global political economy are according to the ICA principles, values and definition inherently against and disrupt the advance of neoliberal hegemony. Instead of affirming the social Darwinian prescriptions of greed and individual gain in the market place, which is at the heart of neoliberal ideology, genuine cooperatives affirm the opposite norms: human solidarity, economic democracy and collective endeavour. In short, the ideology of cooperatives and co-

operation challenge neoliberalism directly. Second, genuine cooperatives are not part of the relations of production that drive capitalism. Instead, cooperative relations of production and consumption exist alongside and articulate with capitalist relations. This provides an important departure point for practically reorganizing social life and reproduction. More sharply, genuine cooperatives provide the potential for a parallel and post-capitalist economy to be built in the present. Third, cooperative movements exist in civil society and can harness their structural power, movement power, and direct power to shape the “extended modern state” and redirect national and global accumulation processes.

However, for these counter-hegemonic ideological, economic and social capacities of cooperatives to be harnessed labour has to proactively build counter-hegemonic alliances with cooperatives and cooperative movements. In South Africa this is already happening with the Congress of South African Trade Unions (COSATU) shaping the content of ILO Recommendation 193 in national policy-making and legislative processes regarding cooperatives. COSATU has intervened in macro-policymaking processes and in parliament to argue for cooperatives to be treated as distinct institutions guided by their own principles and values, has pushed for the building of a national cooperative movement and for the state to provide special and strategic support for cooperatives as part of “Broad Based Black Economic Empowerment” (COSATU, 2003 and 2004). In addition, the European Trade Union organization (ETUC) and the organization representing worker cooperatives, social cooperatives and participative enterprises in Europe (CECOP) met and jointly declared to defend, promote and strengthen the development of worker cooperatives as part of an alternative to the economic crisis afflicting their societies (ETUC & CECOP, 2006).

These examples are crucial and lend support to the need for labour across the world to locate the implementation of ILO Recommendation 193 (Promotion of Cooperatives) within a counter-hegemonic political project to globalizing capitalism. More importantly, it means labour has to build the capacity in national, regional and global spaces to cement a counter-hegemonic historic bloc with cooperative movements and other progressive social forces.

Conclusion

Through a historical perspective this article has situated cooperatives within the global political economy. It has also argued that cooperatives represent an alternative logic of accumulation and have the potential to challenge the structural dominance of transnational capital. The urgency of bringing cooperatives into the struggle against global neoliberalization is also affirmed by the threat that neoliberal restructuring poses to the reproduction of human societies and the sustainability of the natural environment. At the same time, it has been underlined that cooperatives are not exempt from the primitive accumulation of globalizing neoliberal capitalism. In fact, cooperatives forms are under attack and a global struggle is underway to defend and protect the solidarity and people-centred character of cooperatives from deepening neoliberal commodification. In this regard, labour has played a crucial role in global processes to affirm the distinct identity of cooperatives. However, this struggle through the ICA and ILO has been merely protective and not counter-hegemonic. This article argues that labour needs to deepen the shallow counter-movement of protecting cooperatives into a counter-hegemonic struggle. This requires the development of counter-hegemonic blocs in national, regional and global spaces. Central to these counter-hegemonic blocs is an alliance between labour and cooperative movements.

Endnotes

1. PhD Candidate in the International Relations Department, University of the Witwatersrand and Executive Director of the Cooperative and Policy Alternative Center (COPAC). E-mail: copac@icon.co.za.
2. This article is dedicated to André Gorz, one of the best Marxist Utopian thinkers of the twentieth century and from whom we have a great deal to learn. While revising this article I heard of his passing away. He committed suicide, at the age of 84 with his wife on 24 September 2007. The quote above is taken from his *Paths To Paradise- On the Liberation From Work* (1985). London: Pluto Press: vii.
3. A strict chronology would go further back to the 1750s when Cheesemakers' cooperatives were established in France, making these the world's first producer cooperatives. See Shaffer J. (1999) *Historical Dictionary of the Cooperative Movement*. Lanham and London: The Scarecrow Press Inc.
4. The ILO and World Bank have conducted numerous studies about the impact of the transition to market economies on cooperatives.

5. Zimbabwe and India are interesting examples in this regard.
6. See www.ica.coop.
7. Accessible on the ICA website at global300.coop. This study is being complimented by a similar study on the developing world.
8. See the summary of proceedings from an international conference hosted by the Cooperative and Policy Alternative Center, (2006) *Co-operative Alternatives to Capitalist Globalisation – Building Human Solidarity to Sustain Life*, Johannesburg, June 8th –10th Conference Publication.
9. This marriage of cooperatives to companies and the financing model of external investment shares in cooperatives was challenged from below by various parts of civil society and the cooperative movement and it was ultimately removed from the new Act passed in 2005.
10. This also the dominant understanding of broad based Black Economic Empowerment in South Africa.
11. These principles are: (1) voluntary and open membership; (2) democratic member control; (3) member economic participation; (4) autonomy and independence; (5) education, training and information; (6) cooperation among cooperatives and (7) concern for community in ICA and values are : self-help, self-responsibility, democracy, equality, equity, and solidarity. In the founding tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others in ICA (1996) *Co-operative Principles for the 21st Century*, ICA Communications Department: Geneva : 1.
12. According to Bruno Roelants, General Secretary of CICOPA, the process leading up to the adoption of the new ILO Recommendation 193 was biased in favour of business organizations, “ whose objective throughout the following negotiation was to generate a new world definition and set of principles for cooperatives, and to thus establish that cooperatives needed no specific promotion or regulatory policies.” Contained in Cooperative and Policy Alternative Center, (2006) *Co-operative Alternatives to Capitalist Globalisation – Building Human Solidarity to Sustain Life*, Johannesburg, June 8th – 10th Conference Publication at p.25.
13. While the ILO Recommendation 193 affirms the universal principles, definitions and values that inform the identity of cooperatives, in numerous parts of the recommendation there is an attempt to frame cooperatives as “businesses” that must develop their “business potential” rather than their capacities to meet their member needs. It also argues for the strengthening of the “competitiveness” of cooperatives as opposed to building solidarity and cooperation between cooperatives in a movement, sector and global economy.

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