

Co-operatives as Spaces of Cultural Resistance and Transformation in Alienated Consumer Society

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The co-operative movement has always had uneasy relationship with Marxist philosophy and tradition that concentrated on state ownership. Yet co-operatives are socially owned and operated organizations that operate, theoretically at least, on a non-profit basis, driven by member needs and not capital. For instance, worker co-operatives would not accumulate the “surplus labour” in Marx’s labour theory of value, leaving them immune to accusations of exploitation and worker alienation. This paper critically examines the concept of alienation, particularly in light of a modern consumer society, and the capacity for co-operative enterprises to act as spaces of cultural resistance against global capitalism, and as agents of socialist transformation.

Specifically, Habermasian theory is demonstrated to be both insightful and yet limited in living up to its original emancipatory project owing to an inadequate articulation of alienation.

Historically, Marxism both Marx and Lenin wrote specifically on the topic of co-operation. Marx on several occasions clearly endorsed the co-operative movement, although sceptical of what he considered, at least in the *Manifesto*, as half measures in addressing systemic problems in capitalism (Marx and Engels, 1848). Co-operatives, Marx wrote, are an emergence of a new form, that while they naturally reproduce defects of the existing system, are where “the opposition between capital and labour is abolished... even if at first only in the form that the workers in association become their own capitalists” (Marx, 1894).

Writers such as Jossa (2005) argue that when the totality of Marx’s writings about co-operatives are examined in light of new economic theory (Vanek, 1977), it is clear orthodox Marxism’s

interpretation as co-operatives as an intermediate form between capitalism and “socialism” as opposed to genuine socialist enterprises is mistaken. He instead maintains criticisms of co-operatives arise from difficulties co-operative movements had in the late 19th century, Kautsky’s turn to centralised statism, and an undertheorizing of the economic theory of co-operation. Yet in terms of the domination of labour by capital, Marx wrote of the co-operative movement.... “By deed, instead of by argument, they have shown that production on a large scale... may be carried on without the existence of a class of masters employing a class of hands; that to bear fruit, the means of labour need not be monopolised as a means of dominion over, and exhortation against, the labouring man himself” (Marx, 1864; cited in Jossa, 2005).

Lenin, during the New Economic Policy (NEP) in a 1923 work, went so far as to equate co-operation with socialism, not only as a transitional stage to socialism but saying that co-operation is socialism (Lenin, 1923). Indeed there are places where Lenin advocates a society of cooperatives, a decidedly more decentralised vision of socialism. Lenin stated, “On Co-operation,” that “[not] all comrades realize how vastly, how infinitely important it is now to organize the population of Russia in cooperative societies.” Lenin argued that co-operatives play an important educational role in developing class-consciousness, or developing *civilised co-operators*. Lenin goes on to conclude that the “system of civilised co-operators *is* the system of socialism.”

Throughout the cold war, both sides in the global struggle viewed co-operatives as transitional stages toward either a full-fledged market economy or toward a centrally planned economy. Both sides saw co-operatives as “primitive structures.” In the west this saw articulation as governments viewing co-operatives as tools or vehicles of regional economic development in “developing” full-fledged competition and entrepreneurs. In the Soviet bloc, what resembled

independent co-operative ownership gradually decreased year after year to be replaced by state run structures as evidence of an evolution in the march toward real “socialism.”

Prima facie, co-operatives have liberating potential as forums of democratic participation. As democratic organizations, based on free and open voluntary membership and one member one vote, co-operatives, in form at least, espouse many of the democratic principles we hold as emancipatory. A Habermasian perspective is useful in thinking about co-operatives because his articulation of legitimation crises in modernity has, as I have argued elsewhere (Dobrohoczki, forthcoming), particular implications for co-operatives in an era of globalisation. If democracy confers legitimacy where custom and tradition have lost normative power, as Habermas argues, then co-operatives are in a unique position in the global economic power struggle of citizens, consumers, and workers with multinational corporations and their client corporatist states. As citizens become alienated from the global capital that increasingly control their lives, they need new kinds of intellectual and, in Bourdieu’s words, seek renewed co-operation to help “[win] back democracy from technocracy” and counter forms of forbidding fatalism (Bourdieu, 1998: pp.26, 96).

Habermasian theory fundamentally calls for greater democracy. His theory throughout the 1970’s and 1980’s critiqued not only Soviet style socialism, but market capitalism as well. Habermas, a student of Horkheimer and Adorno, rebuts them as a defender of rationality and enlightenment. Like his predecessors, he is a Marxist re-visionary. Habermas takes the post-modern linguistic turn and applies it to Marx’s conception of alienation of labour. For Habermas, alienation is intrinsically tied to the capacity not of man as a producer of labour but as language user. For Habermas, Marx’s failure to account for the knowing subject, man as language user, leads to determinism and scientism, the naturalistic fallacy, and ultimately to the rigidities of

scientific socialism (Habermas, 1968). In his work, the *Theory of Communicative Action*, (Habermas, 1984) he develops a conception of reason and rationality intrinsically tied to language. Turning against a vision of rationality as strategic or instrumental rationality such as Horkheimer and Adorno (1972) and Michel Foucault (1979) prescribe to, that see reason in terms of power relationships, Habermas argues there is another kind of reason. For him, communicative action, rationality aimed at understanding, or practical discourse, is central, for it is central to humanity, to the transmission of culture, and to democracy. In many ways Habermas is the last great defender of the enlightenment, the defender, contra most post-modernists and deconstructionists, of an emancipatory conception of reason. Keeping in mind Habermas's early attempts to synthesise Marx and Freud, with the post-modern linguistic turn in philosophy, for Habermas overcoming alienation is about finding new ways of articulation and understanding through discourse, it is therapeutic.

On a societal level, important to Habermasian legitimation theory is the colonisation of "system" over "lifeworld." The "lifeworld" is society engaged in communicative rationality: the means not only by which rational discourse, debate, and democratic will formation is conducted, but also how culture is transmitted through generations. When instrumental reason through its medium of power or money (the state or the market) dominates society, the result is a crisis of legitimacy (Habermas, 1975). The fall of Soviet communism is an example of this, but so too is the growing angst over free trade and global corporatism as is manifested in the anti-globalization movement. In Capitalism the market through the medium of money dominates the system. In Communism the system was dominated by the state through the medium of power. A healthy socio-cultural system is one in which there is a robust public sphere with real democratic participation and debate.

The importance of the public sphere lies in its potential as a mode of societal integration. Public discourse...[and communicative action] is a possible mode of coordination of human life, as are state power and market economics. But money and power are non-discursive modes of coordination... they offer no intrinsic openings to the identification of reason and will, and they suffer from tendencies toward domination and reification. State and Economy are thus both topics for and rivals of the democratic public sphere. (Calhoun introduction to Habermas, 1991: 6)

Habermas's theory contrasts with orthodox Marxist theory that reduces the dynamic of society to the societal economic substratum of class conflict. Conversely it does not hold an idealist or hermeneutic vision that reduces the dynamic within a society to mere meanings and ideas. Crisis tendencies in advanced capitalist societies are in essence, dialectical between all three systems of state, market and socio-cultural.

For this reason, co-operatives are uniquely situated vis-à-vis Habermasian theory. Neither state nor market controlled organizations; their primary modus operandi is neither the pursuit of profit nor state action. They serve member needs, and typically arise in niches where neither market nor state meet these needs. Co-operatives act as bridges. They are both democratic organisations and market structures. They are both economic enterprises but have social mandates. They both are part of the circuits of capitalism but also resist against its dominant forms. They have the capacity to negotiate between lifeworld and system, contributing to the public sphere in terms of being a democratic venue and a means of empowerment.

Habermas, particularly in his work on law and democracy (Habermas, 1996), increasingly calls for political democratisation, yet seemingly addressing only one side of the system. The concept of Marxist alienation begs a critical examination of Habermasian theory. To what extent does alienation still exist as a conceptual category? Habermas, one could argue, sees alienation as legitimisation crises, domination by state or market. It is an alienation from the real modes of

communication and discourse through which culture and society come together, distorted by market structures in capitalism, through the pervasiveness of market influence in everyday life. Yet his theory remains insufficient without a deeper articulation of an economic theory of organising the means of production to enable the predominance of “lifeworld” over “system.” The call for democracy must be not only for the state, but also for markets. Without addressing *market* democratisation, the emancipatory potential of his original project is lost.

In his seminal work *The Structural Transformation of the Public Sphere*, Habermas (1989) was critical of the public sphere, ideally the forum of free debate and discourse, being distorted by commercialism and public relations. Recently he has highlighted the importance of the manifestation of new social movements. Yet only the co-operative movement proposes a new economic ordering of production.

Alienation implies an alienation from some something, a false consciousness, but we must be wary of totalities. What do we mean by false consciousness (as opposed to correct consciousness)? Cultural theorist Stuart Hall, in discussing ideology and alienation in Marx, gives a working interpretation: that we mean only that people are alienated only when they can not understand their situation given the conceptual categories that they possess.

The falseness therefore arises, not from the fact that the market is an illusion, a trick, a sleight of hand, but only in the sense that it is an *inadequate* explanation of a process. It has substituted one part of the process for the whole – a procedure which, in linguistics, is known as ‘metonymy’ and in anthropology, psychoanalysis and (with special meaning) in Marx’s words, as *fetishism*. (Hall, 996: 37)

In Marxist theory, commodity fetishism is an inauthentic state where social relationships are confused with their medium, the commodity. Marx’s use of the term fetish is an ironic comment on the “scientific” or “rational” mindset of capitalist societies as the word was primarily used

then in the study of primitive religions. For Lukács, "ideology" is really a projection of the class-consciousness of the bourgeoisie, which functions to prevent the proletariat from attaining a real consciousness of its revolutionary position. Reification is where, due to the commodity nature of capitalist society, social relations become objectified, precluding the ability for emergence of class-consciousness. Hall writes that:

In a world saturated by money exchange, and everywhere mediated by money, the 'market' experience is the most immediate, daily and universal experience of the economic system for everyone. It is therefore not surprising...the mass of working people don't possess the concepts with which to cut into the process at another point... and reveal what overwhelming facticity of the market constantly renders invisible. (Hall, 1996: 38)

How does commodity fetishism manifest itself in globalised world? Personal identity, authenticity, is increasingly a matter of choice, a paradox Charles Taylor labels the malaise of modernity (Taylor, 1991). Choice confers value, an idea that is premised on a moral notion of mutual respect. But in a capitalist society, choice means consumption: a bundle of utility preferences, in economic jargon. It was George Bush (Sr.) who espoused the new world order of free markets, free speech and free elections, conflating market freedom with freedom itself, or seeing it as a necessary condition. Individualism leads to increasing homogenisation with superficial difference in consumer culture (Slater, 1997). Freedom to consume masquerades as freedom and underlying structures of power are reinforced, both of market power, but also of the state. Consumers acquire manufactured identities, where relations and self-identity itself are reified in commodity fetishistic behaviour.

Zigmunt Bauman explores the modern consumer identity in globalisation as a dichotomy between "tourists and vagabonds," those who have the freedom to consume and those who do not. The vagabond is the failed consumer. "Both the tourist and the vagabond have been made

into consumers, but the vagabond is a flawed consumer.... their crime is nothing more than to wish to be like tourists – while lacking the means to act on their wishes the way tourists do” (Bauman, 1998: 96). Bauman, like writers such as Rifkin (1995), the positions of each in our culture are tenuous: the vagabond, “is the *alter ego* of the tourist.... [But] Just as no life insurance protects the policy owner from death, none of the insurance policies of the tourist’s life-style protects against slippage into vagabondage” (Bauman, 1998: 97).

And so the vagabond is the tourist’s nightmare; the tourist’s ‘inner demon’ ... The sight of the vagabond makes the tourist tremble – not because of *what the vagabond is* but because of *what the tourist may become*. While sweeping the vagabond under the carpet... the tourist desperately, though in the last account vainly, seeks the deportation of his own fears.... *A world without vagabonds is the utopia of the society of tourists*. (Bauman, 1998: 97)

The public sphere is increasingly dominated by corporate media with immense market power like Fox, Time-Warner, Disney. Corporate branding and the expropriation of counter culture play an increasing role in colonising the cultural public sphere (Klien, 2000). Similarly increasing market colonisation occurs in education (Soley 1995; Tudiver, 1999; White 2001). Society, even government, is increasingly caught in the drive for economic efficiency along market lines (Stein, 2001). While *lifeworld* is being colonised by markets, political democratisation, at a time where states are withering in power and relevance (Featherstone, 1990; 1995; Korten, 1995) *via-a-vis* global capital, seems a misplaced call.

Overcoming reification processes and the fetishism of consumer commodity, of a realisation that both tourists and vagabonds, in Bauman’s language, are different but interchangeable products (manufactured identities) of the same machine driven by the circuits of capital. How is this alienation to be overcome? Is it, as Habermas implies, through democratic discourse and dialogue? Yet how is this to come about in a society dominated increasingly by market structures

and consumerism? How are we to overcome Gramscian cultural hegemony when market influence increasingly commodifies and expropriates culture and counter-culture alike?

As Foucault said, “there are no power relations without resistance” (Foucault, 1980), and as Polanyi postulated, there is no great transformation without resisting forces (Polanyi, 1944). It is here that co-operatives play a role as a space of resistance. In being motivated by member needs, rather than profit, because they are democratic they have the capacity for greater accountability, consumer protection (Sommer, 1991), and trust (Ole Bergen, 2001) at a time when global capital faces increasing legitimacy crises. Driven by member needs, they are more prone to developing sustainable modes of production and consumption, rather than over-production and over-consumption that fuels market capitalism (Kettell, 2004).

To do so co-operatives must distinguish themselves as *democratic*, as community focused, as constructing new identities against the dominant hegemony to recapture legitimacy. In so doing, co-operatives can act as agents of transformation: they have an educational role to play in building capacity and class-consciousness: in giving individuals new conceptual frameworks with which to analyse the existing economic and cultural hegemony. Belonging to a co-operative creates new consumer identities, identities controlled by communities. Co-operatives build wealth in communities and unite various classes and social strata together as member-owners: where tourists and vagabonds can focus on community rather than commodity.

Yet Habermasian theory fails to acknowledge the intrinsic connections between economy, consumer identity, culture, and how this domination is reproduced, re-inscribed, and ultimately, resisted in the structure of capitalist economies. In so failing, the transformative potential of Habermasian thought, his original project of recasting the concept of the alienation of labour and

its liberation, is lost. Habermasian theory needs to re-examine democracy in market structures and incorporate the co-operative model of resistance. Co-operatives, situated between the market and the state, may act as spaces of resistance for communities against dominant modes of production, consumption, and coercion. Co-operatives focus on members needs, not profits, and may act as a space of resistance against commodification and reification.

There was once another vision of socialism that held a large role for co-operatives. Co-operators in England theorised the movement's guiding Owenist philosophy more thoroughly as co-operatives developed into the early 20th century. The Fabian Society Socialists, including such writers such as Beatrice Potter (Webb) and Sydney Webb, a movement that included such notables as H.G. Wells, and George Bernard Shaw, espoused a vision of socialism with a large role for co-operative enterprises: a "co-operative commonwealth." The co-operative commonwealth held a large role for what we now call the "third sector" or the "social economy," those economic and social enterprises that are neither state, nor profit driven. The very same social enterprises that have had to shoulder the withdrawal of the welfare state.

As prevailing wisdom grew in government about the role of the state in society post World-War two, the old vision of the Fabians, of the co-operative commonwealth lost its place. In the first socialist government elected in North America for instance, 1944 Saskatchewan, the Co-operative Commonwealth Federation (CCF), a party rooted in this vision, gradually turned toward statist policies while in office in nationalisation and joint public-private ventures as opposed to co-operative organisation. But in a 1943 CCF pamphlet, "Socialism and Co-operatives" it was argued: "the socialist looks to the co-operative movement as an invaluable safeguard against the danger of too much concentration of power in one place... A widespread vigorous, and constantly expanding co-operative movement will here be an enormous help" (Co-

operative Commonwealth Federation, 1943). Co-operatives have the potential to act as a bulwark between state and market.

As Lenin wrote about the co-operative movement, “[it] is one thing to draw out fantastic plans for building socialism through all sorts of workers associations, and quite another to learn to build socialism in practice in such a way that *every* small peasant could take part in it” (Lenin, 1923). Co-operatives, situated between the market and the state, have potential to act as spaces of resistance for communities against dominant modes of production, consumption, and coercion.

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