

# Cooperative Practices: Survival Strategies, “Alternative” Movements or Capitalism Re-Embedding?

HOSARALMO COLLECTIVE<sup>1</sup>

## COOPERATIVE PRACTICES IN A CAPITALIST WORLD

Cooperative practices are the backbone of social reproduction in human society. Notwithstanding neoclassical discourse - accompanying the propagation of capitalist market economy - has overshadowed the importance of these practices. The enthronement of the ‘homo economicus’ disguises the existence of other kinds of logics, practices and subjectivities which challenge the very axioms of this scientific

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**1** We have decided to publish this paper as HOSARALMO Collective in order to avoid the competitive academic guidelines and maintain certain coherence with the contents of the research. It is a pen name shared by the four authors with the same representativeness for all of them: Patricia Homs, Diana Sarkis Fernández, Raquel Alquézar and Núria Morelló.

paradigm: maximization of profit, individual choice and competition for scarce resources.

Nevertheless, human history is full of examples where reciprocity, cooperation and/or solidarity are at the core of economic practices aimed at ensuring the livelihood of the people and, in more abstract terms, the reproduction of life. Economic anthropology has deeply analysed this topic, questioning the reification of the “rational man” and underlining the existence of other logics of exchange and circulation different from “competition” in the so-called “free market”.

Two prominent figures of economic anthropology, Mauss (2005) and Polanyi (1994), focused their studies on reciprocity, redistribution, communitarian systems, non-capitalistic markets and the historic evolution of the capitalist system. Different studies on the coexistence of different moral frames, rationalities and forms of relationship between economic praxis have been carried out by authors such as Gudeman (2001), Gibson-Graham (2008) and Laville (2013). Other authors, such as Godelier (1967), Narotzky (2004), Narotzky and Smith (2010), Roseberry (1989), and Lipietz (2002) have continued this debate, highlighting the conflict between opposed historical economic logics, as well as the dialectic relationship between this conflict and the accumulation of capital. Moreover, Federici (2013), a radical Marxist feminist, proposes to understand the cooperation and solidarity amongst the subaltern classes as forms of resistance to capitalist subsumption.

From an ethnographic perspective, we have Lomnitz's (1975) classic study on the survival strategies of the excluded sectors in Mexico City, or Stack's (1975) ethnographic work on afro-descendant poor neighbourhoods in the USA, which showed how reciprocity and exchange networks between kin and neighbours constituted real economic forms driven by logics of collective and moral obligations, solidarity and mutual support to make a living.

Our contribution to this long debate considers the creative and conflictive dimensions of practices documented in the current social context from an ethnographic approach. In this context, while the ongoing capitalist restructuring in terms of accumulation/dispossession (the so-called crisis) strengthens many forms of cooperation which are essential for people's daily lives, certain institutional discourses celebrate this expansion and claim a “re-embedding” of economy (see for instance the United Nations literature on sustainable

development).<sup>2</sup> On the other hand, other organisms such as the World Bank have incorporated the concept of social capital in their economic analysis in order to highlight the importance of social networks in 'fighting' poverty.<sup>3</sup> In this sense, in the last years we are observing an institutional recovery of "extra-economical" aspects in order to integrate poor and excluded populations. More recently, even the World Bank is trying to integrate the *social and solidarity economy* approach in its interventions.

At the same time, in the terrain of theoretical discussions, the epistemological paradigm of economic pluralism (Gibson-Graham 2008) tend to confront the neoclassic perspective by representing cooperative practices as "other economies" or "diverse economies" which coexist with the capitalist world. In this article we interrogate some of these perspectives from two approaches:

1) Are these practices merely reactive and functional responses to the growing precarity and the shirking of responsibility by the state?

2) Can the different forms of cooperation that emerge from unequal positions be standardized under academic and institutional rubric of "diverse economies" (Gibson-Graham 2008) or "plural economies" (Laville, 2013)?

We will respond to these questions through the analysis of two ethnographic cases in Catalonia (Spain). The first case examines the discourses and practices that emerge in local food provisioning networks around economic exchanges between the consumers' food cooperatives and the small-scale organic food producers. The second one examines a financial cooperative, Coop57, and its organization structured by values that promote labour relations based on the principles of autonomy and participation of workers in the production of goods and services.

We defend that none of these cases can be understood solely in terms of mere survival strategies in times of crisis, neither in terms of a functional response to institutional discourses trying to integrate these practices in the dominant socioeconomic structure. Finally, we argue that these cooperative examples actually show the impossibility of coexistence of diverse economic praxis in a real world which is violently "capitalocentric".

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**2** For a "friendlier" discussion of Human Development approach, see Elson (2001).

**3** For an institutional approach, see Bebbington, Guggenheim, Olson, Woolcock (2004) and for a critical approach, see Fine (2001), Bretón (2010) and Narotzky (2010).

LOCAL FOOD PROVISIONING NETWORKS:  
CONSUMERS' FOOD COOPERATIVES AND SMALL-SCALE  
ORGANIC FOOD PRODUCERS

The first case analyses local food provisioning networks composed of consumers' food cooperatives and small-scale organic food producers where different forms of cooperation and reciprocity articulate socioeconomic exchanges.

Although there is a wide variety of consumer food cooperatives, this study refers to relatively small collectives, composed of approximately 15 to 30 consumer units. Each of these units can be a family, a group of friends, people who might not know each other, and so on, and on average they are composed of three people. These food cooperatives are set in an urban context, they are self-managed, and everyone may participate in the decision making through assemblies. The study also examines small-scale organic farmers who cultivate vegetables in peripheral urban areas, and organic artisan bakers. All of these projects are organized horizontally in teams of approximately three to six people.

Farmers cultivate small amounts of land –some two to three hectares–and distribute their production directly in vegetable boxes, which they often call “closed boxes”. With this strategy, consumers cannot decide what they want to acquire weekly, instead, the farmers decide the quantity and diversity of the content of the boxes. Moreover, “closed boxes” have a fixed and stable price over time. This is a way to ensure that there are no surpluses in production and that farmers receive a fair amount of money throughout the year, independently of possible seasonal or accidental variations in food quantity and quality. With a similar objective, bakers propose equal prices for different kinds of breads to promote the consumption of old varieties of wheat. These breads would be more expensive due to the laboriousness involved in sustaining old varieties of wheat in a low biodiversity agricultural landscape, and as a result of the lower productivity of these varieties. In addition, bakers pay a fixed and stable price for flour all year round, thus ensuring a stable income for cereal producers. These kinds of strategies guarantee that there are no surpluses and that capitalist accumulation is avoided.

Within these food networks, producers and consumers maintain close and direct relationships, with no intermediaries, based on commitment and trust. Farmers and bakers distribute their products directly to the food cooperatives and decisions are made collectively between producers and consumers.

The economic aspects are intimately linked to the social relationships existing between all the participants. Therefore, this is a consciously embedded economy that subverts the neoliberal fallacy that renders economy and society as separate spheres (Booth 1994: 661).

A specific example of this conscious embeddedness is the co-determination of prices through member assemblies. In the establishment of prices, agents take different factors into account: the incomes, the number of people working, the surface of the cultivated land, the number of boxes distributed, the economic difficulties among consumers, the investments on land, the tools or other inputs such as fuel, rotation of crops, and so on. All these factors can be understood as environmental, social or economic aspects, and each of them contributes to the global “viability” of these socioeconomic networks. “Viability”, as informants define it, is a wide and dynamic concept which is constantly being redefined among the participants. Hence, it includes more items than just mere market economy factors, although these are not totally absent.

Furthermore, relations of production are consciously considered in these provisioning networks. Thus, contrary to what occurs in a capitalist market, where commodities seem to have their own life and the labour that has produced them is ignored or hidden, in these experiences, products reflect the labour of the farmers and the bakers, as well as the relationships that exist between them. Moreover, the relationships established with nature are also considered throughout the production-distribution-consumption cycle (Garrido Peña 2007: 36).

Marx defined commodity fetishism as the perception of the social relationships involved in production as merely economic relationships among objects, between commodities, rather than relationships between people (Marx 1999 [1867]: 36-47). Therefore, we argue that these provisioning networks subvert the commodity fetishism.

If we shift our attention to the political aspects of these socioeconomic networks, we see that there is no uniform political positioning. However, politicization processes often emerge organically in relation to collective practices rather than as an a priori individual abstract framework. Therefore, these groups do not present an alternative model for social change. Instead, practices change people and transform such daily activities as eating, buying, decision making, and so on. One of the most relevant changes among the consumers participating in food cooperatives is a modification in their personal motivation for participation in these collectives. Indeed, most people get involved in a food cooperative in search of cheaper and healthier food. Nevertheless, after some time as members of the group, they redefine

their motivations and interests in political terms, with regards to the kind of relations of production or the importance of collective self-provisioning of food.

The subtle political dimensions of these collectives include specific strategies for “growing”, that is, for expanding the scope of the practices. The collectives “grow” through the multiplication of groups rather than through enlargement. Every project studied has a maximum number of participants which has been decided depending on multiple factors: the size of the room, the number of members, the cost of the rent, and so on. Therefore, the “model of growth” is based on supporting the creation of other autonomous groups and resisting capitalist accumulation. Finally, the uncertain legal status of the majority of food cooperatives, and the rejection of official certification of their organic farming, can be interpreted as an opposition, a resistance to processes of expropriation, bureaucracy and standardization of these projects. Often, formalisation processes are perceived as specific strategies to ensure integration of these groups into the dominant agro-food system.

Nevertheless, organic farming has already been totally integrated into hegemonic agro-food systems and these provisioning networks try to resist the interstices of the capitalist market.

#### COOP57, A COOPERATIVE OF ETHICAL AND SOLIDARY FINANCIAL SERVICES

Coop57 is a cooperative of financial services located in Barcelona whose members are local cooperatives, associations and charities who ask for credit to finance their activities. The money for these loans comes from the savings of the entities who are co-owners of the cooperative and the people engaged ideologically with the project. While the funds are managed according to ethical principles based on the transparency of the origin and the destination of the money, and on values such as solidarity or self-management, it is a small cooperative which currently reunites 700 members and 3,358 savers, and has about 30 million Euros in funds, out of which 11 million are deposited in loans.

Coop57 was created in the context of the economic crisis of the 1980's, when Spain suffered a restructuring of the productive sector that provoked a high unemployment rate. A group of workers started a struggle within their enterprise, which ended in the court. With the

money that they got as compensation for their protest they created a financial tool aimed at the workers who wanted to start a self-managed cooperative. This idea of collectivizing the monetary outcomes of their struggles with the aim of financing small self-managed cooperatives (which have always had problems in getting credit), illustrates the ideological position of this financial cooperative, coinciding with the principles of the Social and Solidarity Economy.

An ideological position which involves an attempt to finance those entities that organize their activity with other logic than the capitalist one. In this sense, Coop57 does not prioritize entities working with the logic of maximization of benefits, growth and competition, but rather entities which focus on *work* (understood as value)<sup>4</sup> to support their economic viability. The majority of these entities are small<sup>5</sup> and cooperate with other small enterprises based in the local area, they are managed through praxis guided by socioeconomic principles such as: collective ownership, assessments taken by assemblies with equal rights of participation and election, absence of discrimination based on reasons of gender, age, origin or handicap, and redistribution of the earnings, usually reinvested in the cooperative.

Nevertheless, Coop57 is aware that the financed enterprises sell products or services within the conventional market. The intention of Coop57 is thus to put limits to the logic of accumulation. In this vein, it only finances enterprises with collective ownership where participation is not based on the investment of capital but on the investment of work or services, and where the redistribution of profits is between all the shareholders, a practice which breaks with the principle of the individual accumulation of the capitalist system. This focus on the redistribution of wealth creates a space of resistance within the capitalist market; a space where the quality of work relations is more important than the pursuit of growth and maximizing profit. The most visible example of this attitude can be observed during the periods where the cooperative has been exposed to growth in terms of funds, savers or members. For example, in 2005 the financial

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4 Here we turn to the Marxist idea of a continuous tension between capital and work, where work generate value which is appropriated by the capitalist. In the case of the cooperativism, the figure of the capitalist is replaced by the collective legal structure of the cooperative). Coop 57 focuses on the work of judging the viability of the activities that it finances, stressing the post-Fordist paradigm where productive industry displaces speculative activities (Harvey 2007; Castillo 1998; Ferrer 2009; Hart 2000; Graeber 2001).

5 Although the majority of the financed entities do not have more than 10 members, some of them, such us charities or cooperatives of 2nd grade, can rise big structures of up to 50 members.

cooperative refused to start a process to grow and become a bank instead of a cooperative: Coop57 decided to remain a cooperative under the local laws of cooperativism and not to lose their values of autonomy and self-management, which would have been a direct consequence of accepting the state laws for banking under the central authority (the Spanish Bank). However, Coop57 established a commitment of cooperation with other entities that were working to become banks, such as FIARE. That is the meaning of the concept of cooperation for Coop57. Another example that can help us understand Coop57's logic of "resistance" is the fact that since the beginning of the global crisis in 2008, Coop57 increased their capital fourfold. Meanwhile the cooperative realized that growth only in structure implies a decrease in some values such as participation, cooperation and proximity of the members. Therefore, Coop57 decided to limit the income money, but not the number of members, and reinforced the funds of the cooperative to secure the availability of money to finance the entities' needs.

These examples show us that the aim of Coop57 is to operate inside, or in the interstices of, the market but with other values and principles than accumulation and growth; namely those of the reproduction of life in an expanded sense, based on the quality of work as the centre of the generation of value, and hence as a kind of "resistance" against the pure logic of accumulation of capital dominating the hegemonic socioeconomic system.

However, the values that make up the praxis of Coop57 are also claimed by the conventional financial entities. Values such as solidarity, participation or trust, are used as strategies to increase the sale of products or campaigns. The big enterprises use this 'social side' of the capitalist logic without questioning the bases and the tradition of the inherent values. However, the effort of Coop57 is to implement these values as a political way, more than in a philanthropic way, with the aim of denouncing the capitalist logic based on speculation and individuation; this example showing an alternative way to structure the praxis of productive relationships that implies redistribution of wealth as against capital accumulation. Its ideological project includes the creation of a network with other experiences in the area of consumption, production and distribution of products and services. This network of entities that work inside, or in the interstices of, the market has as its objective to limit the power of the conventional market in accordance with the traditional principles of social transformation and social justice considered in the history of Social Economy.



Both of the ethnographic examples undermine the neoclassical axiom that the logics of competence and maximization are the universal foundations of human economic action.

Nevertheless, this challenge to the capitalist moral economy (Thompson 1971, 1973; Booth 1994) does not mean that these cooperative practices are autonomous from the capitalist structuring forces which dominate the global economic scenario. We are in fact faced with a relation of opposition, resistance and articulation. Capital is always a menace to any opposition due to its tendency to subjugate every domain of human life through destruction or integration.<sup>6</sup>

The dialectics between destruction and integration leads us to conceptualize these cooperative experiences as an ambiguous and bi-dimensional phenomenon. At first, they appear as an enclave for the *struggle for life* flourishing in the interstices of capitalist hegemony. Second, they are the object of capitalist policies of integration of labour's counter-hegemonies in its expanded accumulation project. We will examine both dimensions in the following lines.

Alongside the provision of credit or food, these cooperative experiences reshape the contours of the economic practices from a political-moral framework the aim of which is not the *simple* reproduction, but the improvement of the conditions of life and work. In the case of Coop57, the specific forms of work (self-managed, non-speculative) and the horizontality, determine the access to credit. While the search for an improvement of food provisioning (in terms of health, work relations and environment) is the aim of the consumption's and agro-ecological production cooperatives. In both examples, subaltern classes<sup>7</sup> express and perform their political project of expanded reproduction of life. In contrast to the logics of expanded *reproduction of capital*, we use the notion of *expanded reproduction of life* (Coraggio 2004)

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6 "In a compromise, integration allows the counter-hegemonic group to retain certain non-threatening signs but only if it is completely subject to hegemonic basic requirements" (Narotzky 2004: 249).

7 Our definition of the subaltern class is based on the reconceptualization that Gramsci did of the Marxist concept of the proletariat (see Gramsci 2010; Marx 1999 [1867], particularly Chap.IV). The Gramscian use of the concept of subaltern class underlines the continuum existing between peasants, petty producers, and industrial workers (and even sometimes petty bourgeoisie) in the capitalist structure of class. In this sense, the author undermines certain reductionism which reduces proletariat to the industrial worker and the capital accumulation processes to the phenomenon of real subsumption (Federici 2013). In our ethnographic cases, we are dealing with people from middle-class strata who, in the last decades, have been suffering processes of growing precarity and dispossession.

in order to highlight that in their economic practices, subaltern classes are not in pursuit of simple reproduction, but improvement of their lives.

Furthermore, these projects perform economic relations consciously in opposition to the capitalist ones: as the assemblies for deciding food prices against the agro-industrial speculation, or the limitation of the liquidity fund's growth that prioritizes the provision of credit to social projects over the *maxima* of expanded reproduction. In our opinion, this *continuum* between everyday practices of better reproduction, the development of a critical conscience and an alternative project (under construction) of a common world, invalidates a lecture of these experiences in terms of *pure* survival strategies.

However, sometimes public or private capital institutions gobble up the language of these experiences of resistance, hollow out their concrete meaning, and use it in order to mediate their antithetical project of society. When it happens, they destroy the unity between theory and praxis, and between immediate goals and common aim. See for instance the *ethical banks*, or how conventional banks include key words such as 'cooperation', 'social value' or 'solidarity', in their slogans. On the other hand, we observe the deployment of a new and lucrative market of so-called 'ecological and fair' food in which these two concepts are reduced to forms of added monetary value. This kind of re-appropriations diversifies the language of capitalism and pluralizes its moral economy, while unifying the concrete world under the capital domination of wealth and labour force.

We defend that the concepts of conflict, articulation, integration and hegemony crystallize, better than those of diversity or pluralism (Gibson-Graham 2008), the nuances of this double movement of re-appropriation and resistance.

On the one hand, because the history of capitalist hegemony disputes the idea, implicit in the concept of diversity, of the world as an open space for the emergence and coexistence of different economic practices. In this sense, we could mention the violence used by the agro-food industry or financial capital to dispossess people from some of their fundamental means of livelihood, such as food or housing. On the other hand, the notions of conflict, integration and articulation connect these *other economic experiences* with the ideas of social struggle and resistance to dispossession and exploitation. Even more, insofar as an important part of the subjects involved do not tend to conceptualize the practices in terms of incompatibility or contradiction with a systemic or structural critique.

Thereby we put economy back into the field of politics, that is, a domain of struggle between opposing (and not simply *different*) projects with regards to the social organization of the relations between people,

and between people and the socio-natural environment. Projects that are not only opposed in their purposes, but which oppose the interests of different classes of people unequally situated and structurally confronted.

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