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The path to workers' control

Dario Azzellini
Communes and Workers' Control in Venezuela: Building 21st Century Socialism from below, Chicago, IL: Haymarket Books, 2018; 266 pp.: ISBN 1608468291, £8.09 (hbk)
Bruno Jossa
Labour Managed Firms and Post-Capitalism, Abingdon: Routledge, 2017; 256 pp.: ISBN 1138237566, £125.30
Catherine Mulder
Transcending Capitalism through Cooperative Practices, Basingstoke: Palgrave Macmillan, 2015; 191 pp.: ISBN 134957936X, £27.99 (pbk)

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What could the road to 21st century, cooperative socialism look like? Bringing these three very different books together provides the beginning of a step-by-step answer to this question. Indeed, by doing so, we start a journey taking us from present-day experiences with workers' cooperation within capitalism, through a cooperative revolution to a post-capitalist cooperative future. A former Amherst student of renowned Marxian economist Richard Wolff, Catherine Mulder analyses the successes, realities and struggles of workers' cooperatives within present-day capitalism. Dario Azzellini, an experienced

scholar of workers' control (e.g. Ness & Azzellini 2011), retraces the rise and mutations of socialism in Venezuela under Chavez, focusing on the revolutionary project of workers' control and the encountered obstacles in face of the state and capital. Finally, Italian Marxian theorist Bruno Jossa portrays a prospective cooperative socialism; its characteristics and superiority to capitalism, its conditions to achieve it, as well as the challenges now and in the future.

These three works are part of the latest wave of academic cooperative sympathisers passionate about a new socialism and the possibility of its emergence. The recent general revival of interest in workers' cooperatives stemmed directly from the disaster of the Great Recession, as it ripped through the social and economic bedrock of capitalist societies. This backdrop led to a batch of new texts on workers' cooperatives, identified as promising alternatives to neoliberal capitalism (e.g. Harnecker 2012; Harris 2016; Harrison 2013; Ranis 2016; Restakis 2010; Webb & Novkovic 2014; Wolff 2012). Each in their own way, the works of Azzellini, Mulder and Jossa are part of this academic surge.

Still, at first glance, they seem to have very different objectives. On one hand, Mulder wants to definitively establish that economic alternatives to capitalism exist, that they can struggle but above all that they can strive within capitalism, despite the disadvantages they suffer from under the latter regime (Mulder 2015: 7). On another hand, Azzellini seeks to study the Bolivarian revolution to know how people have taken fate into their hands, how this has changed their social, economic and political life, and what difficulties they faced (Azzellini 2018: 17). Separately, Jossa attempts to demonstrate that the only type of socialism achievable and necessary is one that will bring to life a fully fledged system of workers' cooperatives (Jossa 2017: 26).

But however different they seem, these three works are in fact born from the same following premise: only workers' control is worth considering in a 21st-century socialist project. The reason for that, they argue, is that the Soviet Union reproduced capitalism and other modes of production throughout history by failing to end workers' exploitation (Azzellini 2018: 14; Jossa 2017: 165; Mulder 2015: 12; Wolff 2012: 79). In Marx, exploitation strictly means that the surplus value produced by workers is appropriated by 'nonlaborers' (Mulder 2015: 12). Traditionally the latter are the capitalists; in the Soviet Union, it was the state. Mulder in particular draws directly on Wolff's work, which saw exploitation as the most critical feature of production modes, leading him and others to label the Soviet Union 'state capitalism', pointing out to a communist revolution that perpetuated a capitalist class structure within enterprises (Mulder 2015: 12; Resnick & Wolff 2002; Wolff 2012: 108–109). Azzellini doesn't justify or expand on this premise; Jossa however finds the term problematic. He points out that this does not accurately represent the USSR, a centrally planned system which did not strive for profit maximisation based on free competition between capitalists (Jossa 2017: 165). Furthermore, he recalls (Jossa 2017: 166) that capitalist states trade freely and have had to engage with globalisation, while the Soviet system barricaded itself by banning trade with foreign firms – thus forging what Georgi Derluguian called 'fortress socialism' (Wallerstein et al. 2013). Still, Jossa (2017: 65) argues for the same focus to be placed on exploitation and thus on surplus appropriation/redistribution.

This is where workers' cooperatives come in; they are the only form of economic organisation that achieve the end of exploitation, as workers collectively produce,

distribute and appropriate their surplus through democratic decision-making (Jossa 2017: 165; Mulder 2015: 6; Wolff 2012: 105). By making this conclusion, the Marxian thinkers here do not solely establish previous communist systems as capitalist – not in essence but in the class structure that they took in the economic realm – above all they establish workers' cooperatives as the only mode of production that can be equated with real socialism, via the end of exploitation (Jossa 2017: 65; Mulder 2015: 6; Wolff 2012: 105).

The focus on spotting and trying to end exploitation is the essence of Mulder's agenda, based on a rejection of unionism and reformism (Mulder 2015: 3). All this follows the Amherst school of thought, of which Wolff is the pivot; thus following his and Stephen Resnick's work she fleshes out a methodology (called New Marxian Class Analysis) to buttress her analysis (Mulder 2015: 20). Armed with it, Mulder takes us on an extensive fieldwork throughout the Americas and Europe. Her ethnographical examination of six enterprises seeks above all to give academics a methodological tool to identify genuine workers' cooperatives. In each case, she investigates the internal structure of the firm. Simultaneously depicting the life of these group of workers, the conditions of their existence, she observes if they have accomplished true economic democracy following her criteria of democratic surplus production, distribution and appropriation. The author finds that four of her six case studies are genuine workers' cooperatives in the strict sense of her methodology. In these situations, workers-members make all the decision collectively about surplus production, appropriation and distribution; they have thus achieved economic democracy. An example of contrarian model to the latter is the Green Bay Packers, the best and oldest NFL team, which has often been called a cooperative. Nonetheless, on close inspection, Mulder discloses the capitalist structure of the organisation; the football players are surplus producers but they do not appropriate or distribute it. They are exploited in the Marxian sense, as their wages are negotiated between their union and the NFL and their surplus are recuperated by the board of directors (Mulder 2015: 118). However, she still sees in the locally rooted, community-owned charity an interesting and unique model, a form of sustainability-driven (in contrast with profit-led) capitalism that has its own merit (Mulder 2015: 106–107).

Departing from the same academic and political agenda of ending capitalism and exploitation, instead of looking at surplus value, Bruno Jossa proposes an academic demonstration revolving around the capital–labour relationship and its reversal. The Italian scholar advocates for the establishment of a system of very specific cooperatives, Labour-Managed Firms (LMFs), in contradistinction with Worker-Managed Firms (WMFs). The reason for this is that they are, respectively, 'externally' and 'internally' financed democratic firms, in other words, capital-funded and self-funded. Being self-funded means that WMFs' total revenues are allocated to the same workers who are financial contributors; thus capital and labour incomes are not separated – this is the case of most workers' cooperatives today. On the contrary, being only capital-funded means that LMFs remunerate capital separately from labour, as workers are not financial contributors. The result is that only LMFs can give rise to a new mode of production (Jossa 2005: 14, 2017: 45). Indeed, only this specific structure can reverse the traditional capital–labour relationship: here capitalists 'switch places with workers', the former becoming 'fixed-income earners' and the latter turning into 'variable-income' entrepreneurs who are the only ones responsible

for their business activity and the appropriation of their surplus (Jossa 2017: 46). On the additional conditions that such LMFs are prohibited from employing hired labour, and the capital they borrow is remunerated at fixed rates of interests regardless of profits accomplished, then one can say that in these cooperatives, labour would now hire capital (Jossa 2017: 54, 98). This is the clear opposite to capitalism, where capital owners hire labour, pay it a fixed income and appropriate the surplus (Jossa 2017: 109).

This demonstration is the pivot and starting point of the author's most important objective, which is revealing how and why a system of cooperatives can be equated with socialism, the multi-faceted conditions and implications of this, and the reasons that makes the author believe it will happen (Chapters 1, 3, 7–13). An associated goal of Jossa's collection of essays is to sketch out how this system of LMFs would look, taking the form of market socialism (Chapter 2). Finally, his overarching aim is the demonstration that this system would be superior to capitalism on all counts: socially (e.g. revitalising of communities and social bonds), economically (e.g. growth, productivity, employment) and politically (e.g. a return to meaningful agonism and the development of local democracy) (Chapters 4, 5, 6). To accomplish all this, Bruno Jossa operates with an interdisciplinary array of tools, developing a rich and wide-ranging account. Indeed, he adroitly navigates and uses currently available theory and empirical evidence on cooperatives, historical perspectives on capitalism and the capitalist state, theoretical demonstrations relying on economic concepts and current economic trends, philosophical reflections as well as sociological considerations on human nature, class consciousness and class struggle. All of this is done by constantly drawing directly on the foundational texts of Marx and Engels. At the same time, Jossa does not forget to set the record straight on his positive views of cooperatives, while deconstructing recurrent classical and neo-Marxist critiques of cooperativism, building on his previous work (e.g. Jossa 2005).

Jossa's analysis of cooperatives as a new mode of production goes further than Mulder, but in fact one could say that her work finds its relevance elsewhere. In truth, she has maybe more to contribute to the struggles of cooperativism in present-day capitalism. Indeed, Mulder's other underlying academic project is to redirect the attention of cooperative scholarship to class struggle. Accordingly, she deplores the untroubled and repetitive consideration given to ownership of the means of production and to cooperatives' democratic character of decision-making, which she sees as an alarming fetishism diverting considerations away from the crux of the matter – that is, the endless obstacles that cooperatives face within capitalism, most of them expressed in class struggle (Mulder 2015: 9, 21). This is a welcome move, as the literature has largely failed to engage with the problems and limitations set by class struggle and in particular by the capitalist state – that is, the real reasons why cooperatives are still negligible elements on the margin of our economic world.

Catherine Mulder's wish to emphasise this comes from the epistemological and ontological underpinning of her methodology, which sees all processes in the social world as 'overdetermined'. This entails in particular that the production of commodities is overdetermined by a wide array of economic, cultural, political and natural processes (Mulder 2015: 14–15). That is why throughout her empirical examination, she often underlines the paralysing, sometimes fatal obstacles that capitalism regularly places in front of these groups of workers. For example, she depicts the hardships of a group of sex workers that tried to survive through a cooperative but who eventually failed; operating within US

neoliberalism meant facing the overwhelming weight of economic, political and cultural barriers. Unhindered rentier capitalism, the modalities of small business finance, problematic trades union legislation, cultural scepticism and other processes, all played a role in the ultimate demise of the cooperative project (Mulder 2015: 54–60).

Like his American counterpart, Dario Azzellini also focuses on workers and class struggle – rejecting classical Marxism's focus on capital – as a premise and an anchor point, and never lets his attention drift away from it throughout his analysis of the Venezuelan revolution (Azzellini 2018: 17). Doing so enables him to paint a picture of a popular socialist revolutionary movement coming up against ceaseless attacks from capital and the unending wall of the profoundly fractured, class state. While the Bolivarian project is often seen as coming from Chavez, Azzellini describes very well how Venezuela rather epitomised the ultimate Latin American revolution in what he calls a 'two-track process' that is simultaneously happening in a bottom-up and top-down fashion. Indeed, the movement, striving for the betterment of its socioeconomic and political worlds, became structured in a social front aiming for workers' control and community control as a whole, over all spheres of life. This took the shape of the council-socialist tradition, with the burgeoning of communal councils, communes and workers' cooperatives (Azzellini 2018: 3). In turn, the state and the government led by Hugo Chavez responded, trying to accommodate these communitarian developments and pursue the Bolivarian project in those terms (Azzellini 2018: 54). The author points out how in Chavez, the popular movement found its greatest ally, one that was willing to embrace and promote their path of community and workers' control. He would readily and constantly attempt to stir the state in the adequate direction.

But the state is a self-reproducing and discontinuous entity, divided along ideological lines as well as networks of power – and especially in the Venezuelan case, of corruption. As a result, in many places, the two-track process is impeded by the Venezuelan state. Indeed, the latter routinely seeks to replicate and strengthen its institutions and power structures rather than delegating power and resources to the people. Worse, it regularly counters popular plans, actively fighting its own bottom-driven recomposition while consolidating existing rentier capitalist arrangements. Everywhere Azzellini reveals this 'dilemma of the state' and the sometimes immovable limits it imposes on the Bolivarian undertaking. Institutional resistance becomes particularly critical for two-track socialism when coupled with other hazards. Indeed in many cases, driven by voluntarist decision-makers such as Chavez, it is the state that has provided the bedrock of workers' control, by offering technical and financial support as well as by nationalising industries. But entire parts of the state apparatus are ideologically, politically and financially threatened by nationalisation and workers' control. Thus, in collusion with Venezuelan capitalists and right-wing unions yearning for the status quo, these statal sections aggressively try to dismantle these measures to safeguard rentier and corruption patterns (see Azzellini 2018: Chapter 6).

The end result is that Dario Azzellini provides a comprehensive and multi-faceted picture of cooperativism and its class struggles, whereas Catherine Mulder is somewhat locked in her very narrow and specific choice of case studies as much as her focus is diverted by her insistent analytical targeting of exploitation and surplus value. In effect, she subordinates her class struggle analysis to her methodological project, thus only providing a piecemeal narrative of cooperative strife. In the end, this rushes her into

presenting no more than a few truncated reflections on the obstacles faced by cooperatives and the ways to overcome them (Chapter 7). In sum, Mulder's book sits in an uncomfortable position between strictly workerist and more post-capitalist literature. On the contrary, Azzellini never goes beyond his remit but this leads his argument to become repetitive. Although the book is a detailed painting of communitarian revolution characterised by polymorphic change and implications, the same argument about class struggle and the state comes back in circles, time and again – especially considering it has already been made elsewhere (e.g. Bruce 2008). Second, this implies that other areas are left untreated, making criticism easier. In particular, Azzellini's (2018: 16) remarks on Venezuela being a socialist project and not a socialist country or even state could have been expanded and solidified. This is veritably important as the economic context and nature of the twofold cooperative revolution have been analysed as problematic and limited in its socialist potential by many (e.g. Purcell 2011).

How a cooperative revolution would be impeded by intense class struggle is also a matter of concern in Jossa's theoretical projections (see Chapters 9, 13, 14). Pushed by the nature of his endeavour, here the Italian theorist goes further than the two other scholars by thoroughly examining current manifold problems and the challenges ahead (Chapters 1, 3, 7–13, and especially 14). He simultaneously considers the crushing ideological weight of capitalism in a Gramscian perspective, the history of capitalism and the essence and functions of the capitalist state by going back to Marx and Engels. This leads him to observe that on all levels, the current world is inimical to cooperativism. In a rejection of classical Marxism and of authoritarianism, his conclusion is that the only way forward is a workers' revolution which would lead the latter to democratically seize the state through the achievement of a parliamentary majority. In turn, this would change everything. Jossa argues that essential legislation would force a revolutionary transition with an ever-growing system of pure LMFs which would eventually sweep away capitalist firms, thanks to their intrinsic economic advantages and to external state support. The very accomplishment of such paradigmatic shift based on a parliamentary majority would also imply that the ideological weight of capitalism on culture and politics has been surmounted.

Here again, the problem does not lie in the conclusions. Those are particularly adequate in face of a cooperative literature that is completely mired into an inward-looking scholarship which only seeks to analyse cooperatives and cooperative movements in themselves, avoiding meaningful engagement with external factors. Books like Mulder's and Azzellini's are first steps away from this mind-set; Bruno Jossa goes one step further, and in a sense brings himself closer to post-capitalist literature. But the heart of his work is still more strictly part of cooperative scholarship; as a result he leaves the reader wanting more answers on how to achieve his post-capitalist project. Thus just like Mulder, Jossa finds himself in a difficult place between both kinds of literature, leaving some tensions unresolved. Although he recognises it, the most problematic one is the lack of answers on how the very revolution would be triggered and spread – especially against the heavy odds he properly describes (see Jossa 2017: 36). In contrast, the measures needed to be taken afterward through a worker-controlled state are much clearer. Perhaps Jossa does not regard this to be as critical as others would. Indeed, to him a cooperative revolution is not a speculation, but a 'material prospect' (see Jossa 2017:

111, 140). To Jossa, that is far from a quixotic proposition. Rather, he finds evidence in his interpretation of Marx's writings as well as his reflections and demonstrations on various topics such as human nature, class consciousness and economic trends. But even by counting for instance on his belief that class consciousness will be achieved, it is unclear how workers would build a cohesive counter-hegemonic project to capitalism that would eventually secure a political majority. Still, Jossa refuses to see his view as teleological or even deterministic. In the end, he perceives his scholarship as a scientific socialism which only supplies meticulous evidence that cooperativism is merely 'bound to become a reality' (Jossa 2005: 5, 2017: 107, 139). This prevents him from thinking in a dialectical way and from acknowledging many obstacles and contradictions that would arise during this process, both on political and economic levels (e.g. see Ollman 1998: Chapter 4). Only history will tell if he is right.

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