

Episode 8.2 WORKER COOPERATIVES — Part 2: Islands Within a Sea of Capitalism

Della Duncan: This episode of Upstream was made possible with support by The Guerrilla Foundation.

[Upstream Theme Music – Lanterns: Hearth & Harvest]

[River sounds]

Men’s and Women’s voices: You are listening to Upstream.

Della Duncan: A radio documentary series that invites you to unlearn everything you thought you knew about economics. I’m Della Duncan.

Robert: And I’m Robert Raymond. Join us, as we journey upstream.

Men’s and Women’s voices: To the heart of our economic system and discover cutting edge stories of game-changing solutions based on connection, resilience, and prosperity for all.

[Sound of waves crashing]

Della Duncan: Imagine a vast expanding sea—a sea of global capitalism. Beneath the surface is a frightening place: a ruthless world filled with unyielding competition and greed. The logic of this ocean is *kill or be killed*. Every creature for itself. The prophets of this underworld are immense leviathans engaged in an endless hunt. They roam the depths, ceaselessly consuming.

But above the surface, islands dot the horizon. Green, lush sanctuaries. Islands of alternatives. Movements, organizations, and communities that are rethinking ownership, dismantling hierarchies, prioritizing cooperation and generosity, and putting people and planet before profit. The islands are there, if you know where to look for them.

[Music - Basque Music]

Della Duncan: Deep in the heart of the Basque region of northern Spain, in a valley surrounded by majestic mountains, sits the town of Mondragón. There’s a mythical quality that pervades this place—scars in the surrounding hills make palpable the legends of Medieval ironworkers who fought against invading forces, a fight characterized in contemporary times by the Basque separatist movement, heirs to the fierce autonomous values that carried their swordsmith ancestors to victory more than a thousand years ago.

Mondragón, looks similar to any other small European town: narrow streets, grand churches, bustling squares. Except for one thing: the walls of this town are covered with giant murals exalting workers, celebrating Basque solidarity, and denouncing the late fascist military dictator Franco.

Spain is one of the most unequal countries in Europe, but that's not the case in Mondragón. The Basque Country has the lowest unemployment rate, the lowest inequality rate, and one of the highest incomes per capita in all of Spain.

The region is also known for its worker cooperatives, of which there are about 2,000. The largest and most well known co-op in the region is the Mondragon Cooperative Corporation, a federated ecosystem of co-ops that is one of the largest economic actors in Spain and one of the most well-known examples of a large scale worker cooperative around the world.

We traveled to Mondragón to learn what we could about worker cooperatives, the Mondragon Corporation, and the role of the worker co-op in economic system change.

Izaskun Ezpeleta: My name is Izaskun Ezpeleta. I'm 51 years old and we are in the town of Mondragón.

Della Duncan: We wanted to speak with a worker in a Mondragon cooperative. Since the Corporation has such a strong presence in town, this was fairly easy to do. Walking into any tapas restaurant, cafe, or pinchos bar, it was likely that at least a couple of the folks hanging around would be Mondragon workers.

Izaskun Ezpeleta: I work in Fagor Electronics. We make TV circuit boards. It's a very beautiful job and the majority of us are women.

Della Duncan: We asked Izaskun if she enjoys working at a Mondragon cooperative.

Izaskun Ezpeleta: I really like it here in the cooperative. I mean, in a capitalist firm, I don't think I would have the right to speak. But here, I have the same opportunity as anybody else. I am equal. I have a vote, and I can give my opinion, and I can say what we need to get rid of, and what we're going to improve on. But in a capitalist firm the boss gives the orders, and you, you just shut up and work, and then you go home. Here you have opportunities to speak, to improve. They offer you a lot of ways to improve, and in the end, even though we're each in our own level, I believe it's a very different story than in a capitalist firm where the boss calls the shots, and you do your eight hours, and that's it—I believe we just have much better conditions.

[Mondragon PR Video]

Ander Exteberria: You are now are now at the Headquarters. This is headquarters of Mondragon.

Della Duncan: We took a tour of the Mondragon headquarters, the central support hub for the 101 cooperatives in the Mondragon network located in the Basque Country. It's located in a modern building, with a big stylized *m* logo in front. From the metal pipe handrails and sculptures to the ball-bearing jewelry worn by the secretary who signs you in, everything has an industrial chic essence to it.

Ander Exteberria: I am Ander Exteberria. I am from this town, and I am working in the corporation—Mondragon Corporation—since more or less twenty years ago. And now what I'm doing is cooperative dissemination. I try to explain [to] visitors what we are so we can be inspiring to replicate any way this model around the world.

Della Duncan: To understand how Mondragon came to be, we need to first understand the context out of which it arose.

[*Traditional Basque Music*]

Della Duncan: Between 1936 and 1939, an alliance of democratic Leftists fought in the Spanish Civil War against a monarchist, fascist constituency led by General Francisco Franco. These Leftist forces were in the process of implementing widespread progressive parliamentary reforms, when a series of military coups attempting to consolidate power back in the hands of the aristocratic classes resulted in widespread skirmishes that rapidly led to civil war. These were dark and tumultuous times. The people of Spain experienced incredible levels of material deprivation and violence, leaving hundreds of thousands dead and millions displaced. The Basque Country was heavily impacted during the war. In a strange coincidence, our visit to Mondragon Headquarters landed exactly on the 80th anniversary of the day that Guernica, a Basque town about fifty kilometers to the south of Mondragón, was bombed, leaving hundreds of civilians dead.

The left ultimately lost the war, leaving the fascists, under the leadership of the Franco dictatorship, in power for the next several decades. And it is in this post-civil war period that the Mondragon story begins with a priest...

Ander Exteberria: So, the beginning was a priest that was born near Bilbao, and his mission was to be a priest in the town of Mondragón since 1941.

Della Duncan: His name was Father José María Arizmendiarieta, and his mission was to build a movement of local resilience and to establish, as he put it himself, a “*flood of solidarity*” within the town of Mondragón. He strongly believed in the centrality of *work* in the development and betterment of the self and society.

Ander Exteberria: And Arizmendiarieta is going to say, if you want to change the world, you have two options. You can change it from the top to the bottom, and for that you have to be at the power. Or you can change it from the bottom up, and for that you have to change people. That was the option of Arizmendiarieta. He said, “We have to create a new person.”

Della Duncan: In Mondragón at that time, there was a private school run by the largest company in town, Unión Cerrajera, which provided high quality technical education but only to company workers and their male family members. Arizmendiarieta tried to get the company to open the school to the public.

Ander Exteberria: He said, “Please, open the school to everybody.” And the answer of Unión Cerrajera was, “No.” If the answer was yes, we finish[ed] [*laughs*]. And ‘No’ was for Arizmendiarieta the beginning of a process.

Della Duncan: A process that began with him establishing his own non-profit cooperative school in 1943—the Escuela Profesional—now called the University of Mondragon. A few years later,

in 1953, Arizmendiarieta would approach the same company and urge them to open up affordable shares and offer management opportunities to their workers.

Ander Exteberria: The answer of Unión Cerrajera was, “No” [*chuckles*]. The conclusion of Arizmendiarieta: it is not possible to change companies. What we have to do is our own company, with the ideas that we have.

Della Duncan: In 1956, Arizmendiarieta established the first industrial cooperative of Mondragon: Ulgor —now named Fagor.

Another thing that Arizmendiarieta did in the early years was to create a bank with the purpose of supporting the growing network of co-ops that would emerge over the next few decades. The bank, Caja Laboral, operates as a credit union and collects a reserve of money from the Mondragon members to provide a level of resilience for the co-ops themselves. Arizmendiarieta also created an independent social security system, giving cooperative members a degree of economic security that was not provided by the Spanish government.

[*Factory Sounds*]

We visited Fagor Ederland, an automotive parts factory, to speak with one of the workers there.

Della Duncan: So, what's your name?

Andoni: Andoni.

Della Duncan: And where do you work?

Andoni: I work in Fagore in a foundry. We make disc brakes out of iron.

Della Duncan: And it is a cooperative?

Andoni: Yes.

Della Duncan: And you are a worker-member?

Andoni: Yes, I will become a member this month.

Della Duncan: And what if I told you that there aren't very many cooperatives in the United States and California, what would you think of this?

Andoni: I think it is good to have cooperatives. In the perspective that you help each other, extend a hand to one another, if one isn't doing well economically, and the other is doing well, they help each other.

Della Duncan: What Andoni is referring to is the system of worker solidarity in the Mondragon Cooperatives where if one co-op goes bankrupt, worker-members will be reassigned to another company instead of being laid-off. Another example of solidarity is in the pay ratio. At Mondragon, the average difference between the lowest and highest paid worker is 1:6.

Compared to the United States, this is astounding. According to a 2018 report prepared by the staff of representative Keith Ellison titled “Rewarding or Hoarding,” the average CEO-to-median worker pay ratio in the United States has now reached 339 to 1—and that’s the median worker, not the lowest. We asked Andoni what he thought out this.

Andoni: [*Grunts*] Six to me is a lot already.

Della Duncan: Wow, yeah.

Andoni: To me six is a lot. Because if I am a worker in a factory, a peon, and I make x and my boss makes six times more, it feels exaggerated. Even though their responsibilities are greater, that seems like a lot. And 300 times?! I’m out of here! [Laughs]

Della Duncan: [Laughs] You would leave, if this was the case?

Andoni: Yeah, I wouldn’t like that.

Della Duncan: No, yeah.

Andoni: No, no, no.

Della Duncan: We don’t like it either.

Andoni: It should be more equitable. There shouldn’t be that much of a difference.

[*Music Break — The Johns*]

Della Duncan: The pay ratio is decided collectively by Mondragon’s worker-members. Democratic participation is key to the Mondragon mission. Each co-op holds one or two general assembly meetings per year. Decisions made at these meetings range from approving budgets to deciding to open new factories abroad. The assemblies also elect a general council where larger decisions are made including the approval or removal of the CEO. This council could be comprised of any of Mondragon’s worker-members: receptionists, machine operators, android experts. Mondragon cooperatives also have advisory bodies called social councils that serve as an intermediary between the workers and their managers. These are just some of the ways that democracy is enshrined in Mondragon workplace.

Gorka Espiau: Mondragon, as a cooperative, started after the Spanish Civil War, and for many years created this structure of education and training, et cetera. But it was actually during the eighties when the whole country transformed systemically—that was the moment when Mondragon really scaled up.

Della Duncan: Here’s Gorka Espiau, the Senior Fellow at Aguirre Center at the University of the Basque Country in Bilbao who we heard from in Episode 1.

Gorka Espiau: Only thirty, forty years ago, this area was in the middle of a huge crisis. Because it was the end of dictatorship, so it was the moment where forty years of dictatorship, that actually had declared these regions—both the region of Mondragón and Bilbao—traitor regions because they were fighting against fascism and Franco during the war. So after forty years of dictatorship there was a new democratic model emerging. But that moment of political instability was also happening when the whole industry collapsed, because the economy in this area was based on heavy industries, ship-building, manufacturing—a very similar story to many industrial areas in Europe and in North America as well.

Della Duncan: This was the beginning of the global neoliberal era of capitalism—marked by the deregulation of international markets—which disempowered workers and strengthened the power of capital around the world. How the Basque Country navigated these uncharted waters tells a story of both success and failure.

Gorka Espiau: Normally when you have a situation like that, you compare internationally, normally these areas just get worse and worse. It is really difficult to transform a society that is just suffering all those problems at the same time. But in the Basque Country, actually what happened was the opposite. In a very short time, the economy, the self-government, all the key elements of society were transformed in a very, very different way. So actually when the European institutions, and the whole world was saying, “Forget about industry and manufacturing and go for services. Forget about your own culture and own language and go for the mainstream ones.” When all these messages were being adopted internationally, in this area, the most important institutions, associations, and communities actually decided to do the opposite. And it was taking the decision to re-invest in manufacturing, but not only to re-invest in manufacturing, but actually to structure the companies following social economy models. And this was the moment where a lot of workers actually took ownership of companies that were collapsing. It was the moment where the Mondragon model started to scale up.

Della Duncan: The Basque Country’s alternative path of development throughout this period probably has something to do with the region’s underlying values of egalitarianism, self-governance, and solidarity, which formed part of the metanarrative, or overarching story of this time.

Gorka Espiau: This story was a story to say, “Well, we are living in a very difficult time. And we are Basques, and being Basques means creating a collective response in solidarity”. And we said, “We need to create a new model sustainable social and economic model, and nobody is going to help us. So, if we don’t do it, nobody is going to do it for us.” And that logic, that story, is the story that every single person from very, very different backgrounds and very different places, will tell you about why they did what they did twenty, thirty years ago. And that is crucial in order to understand how Mondragon operates, but also how Basque society in general has operated for a long time.

Della Duncan: Mondragon responded to the global economic crisis of the late 1970’s by implementing a number of defensive mechanisms that reflected its solidaristic values. For example, instead of laying off workers, they took collective pay cuts, consolidated management services, and relocated members whose businesses went under. Yet, although they were more resilient, this isn’t the whole story. It was during this crisis that Mondragon also began relying on certain defensive practices that resembled the responses of traditional companies. One of these responses was a shift towards more temporary, contract workers who are not worker-members.

Ander Exteberria: In the last seventies, in the early eighties, some of our cooperatives disappear and we had serious problems. And at that time, we decided, well, we are going to accept temporary contract workers. And first it was one, and then two, today more or less is fifteen percent.

Della Duncan: This was just the first sign of the Mondragon project getting knocked off kilter. Temporary contract workers have no right to vote or participate in decision making processes. And despite working alongside worker-members and contributing to the company just as other workers do, they don't get a share in the profits. The company has, in effect, added on a group of precarious workers whose numbers they can expand or contract based on market conditions. But this wasn't all. More cracks began to show in the 1990s.

Ander Exteberria: Thirty years ago, one of our suppliers telephoned us, "Hello, how are you?' 'Fine thanks'. 'You are my supplier?' 'Yes'. 'Do you want to continue being my supplier?' 'Yes, of course.' 'You have to be, with me, in Mexico, one hundred meters from my factory.'"

Della Duncan: Mondragon's first international factory was the Copreci production plant in Mexico. Its opening was the beginning of a trend that would lead to more than a hundred international production subsidiaries employing thousands of workers abroad. Although Ander explained to us that Mondragon did try to cooperativize many of these subsidiaries, there were either legal or cultural obstacles that stood in the way. As a result, none of these subsidiaries are cooperatives, and none of these international workers are members. Today there are actually more non-cooperative firms than cooperatives within Mondragon.

And finally, the third major blow to Mondragon's flood of solidarity has to do with their pay ratio. It's increasing. Slowly, but steadily. When Arizmendiarieta established the first co-ops, the maximum pay ratio was half of what it is today. It was 1:3.

Ander Exteberria: Today is not 1:3. 1:3 was Ulgor, and during twenty years was 1:3. Then the society changed, solidarity is not so present, and today is 1:6.

Della Duncan: The weakening of solidaristic values is not limited to the Mondragon Corporation. As it turns out, the Basque Country as a whole is experiencing a similar trend. Despite still being one of the most equal places Europe, inequality in this region is actually on the rise. We asked Gorka what he thought of this.

Gorka Espiau: The problem is that now, the story we are telling ourselves today is different to the story we told thirty years ago. So, therefore, we are actually taking decisions that are also different and in some ways we are doing what everybody else is doing. So, we are in some ways—we are forgetting who we are, or where we come from, and we are applying the same mentality that the rest of the developed world is applying. And the risk of that is that probably in ten, fifteen years, if we keep doing the same thing that the rest are doing, we will end up in the same place.

So there is at the moment a really interesting debate about the story that we tell ourselves about who we are now, and what type of society we want to create. In the case of Mondragon, this is also part of the Mondragon internal discussion as well. So is Mondragon just a normal company now? And they just need to operate as everyone else? Or is Mondragon something different?

Della Duncan: Well, we decided to ask Ander.

Della Duncan: So you mentioned some of the challenges. Can you talk a little bit about the pressures that Mondragon experiences competing with global capitalism and what is the narrative around that? Does Mondragon see itself as like a—a radical business trying to, you know, change the world into coops? Or trying to fight against this global capital—what's the story that Mondragon holds in the Basque region and in the world?

Ander Exteberria: First of all, we are companies, we are business, and we are doing our work. We are working in our businesses. We don't want to change the world because we can't. We are only one-hundred and one, yes? We want to change what we have close to us—our region. And we think that it has changed, thanks to us. And we want to be existing for that. To improve always the quality of life in the place where we are. And we are not competing with another system. But we are competing with other companies, yes? We are competing in terms of business but not in terms of philosophy. What we want is, if for the rest of the world we are inspiring, this is great, yes? But we are not taking part in conferences or in books or in research because we feel that we are going to change the world ourselves, but because we are going to be inspiring for the rest of the world and for people that are very active to change their place, their region. That's our aim.

Robert Raymond: So it's kind of this idea of leading through example almost. You're not actively campaigning. But surely you recognize—Mondragon recognizes that it is quite radical in what it's doing?

Ander Exteberria: Yes, that is a good question. But if you ask any of my colleagues, worker-members, of our cooperatives about that, they are going to say, "What are you saying? I'm working in a machine." Or, "I am working in the accounting department, and that—that's all." Yes? We, in general, we don't realize what we are.

Della Duncan: This lack of self-awareness was reflected in attitudes of the worker-members we spoke with. We asked Izaskun if she felt like she was part of a larger movement against capitalism.

Izaskun Ezpeleta: It doesn't go against, it's simply another work philosophy, but I don't think it goes against. It's another alternative, another option, but it's not against. Because there are always capitalist companies here too, so there are options for everyone.

Della Duncan: And here's Andoni again.

Andoni: Against capitalism? First I would need to know what we mean by capitalism. I don't know. I don't know if it is against capitalism. I don't know what to tell you.

Della Duncan: I guess what I mean is do you think what you are doing is part of a movement?

Andoni: No. Movement? No. I don't think so.

Della Duncan: So for you, working in a cooperative is just something normal?

Andoni: Yes.

Della Duncan: It's not special?

Andoni: No, no. I don't see it as something special, I see it as a job.

Della Duncan: And do you think that right now in the world, that we have an economic problem, that we're in a crisis?

Andoni: Yes, it has been here in Spain too.

Della Duncan: And what is the nature of the crisis in your opinion?

Andoni: That work has gone down, but it has benefited others. Those with more powers have benefited. The banks too, they never lose. But, when there is help, they don't help the poor, ultimately, they step on them.

Della Duncan: Yes.

Andoni: Step on the poor. Stepped on the workers. I see it that way.

Della Duncan: And our program is called Upstream—and it is a metaphor about going upstream in a river from the problems you mentioned to their root causes. So in your opinion, when you look at all these economic problems, and you go upstream, what do you see as the root causes?

Andoni: Well, we are worried about things that aren't important. Things that we buy don't have much value. And we are consumers and don't value what is actually important in life. And it is a vicious cycle. We always want more and more—a big house, a nice car. Capitalism, like we were talking about—this is the problem.

Della Duncan: And Mondragon, is it a solution?

Andoni: The solution is to provide work, right? And if you provide more work, then people can consume, buy their house, and their car, do what they want with their money, achieve the ideas they have, the dreams they have. But I don't know if it will get us out of the crisis, or address the root causes.

Della Duncan: So, it is possibly a little better, because it gives jobs and it is better to work in Mondragon than a place that isn't a cooperative, but at the same time, it might not address the root causes of the problems?

Andoni: I don't know, what profound questions! [Laughs]

Della Duncan: [Laughs]

Andoni: I do not think that much in the root causes that you speak about. I have a job, I work, I get out, and that's it.

[*Music Break — Will Stratton: Hemet Pine Singer*]

[*Phone ringing*]

Sam Gindin: Hello?

Della Duncan: Hello, is this Sam?

Sam Gindin: Yes it is.

Della Duncan: We made a call to Toronto, Canada to speak with Sam Gindin, a union organizer and writer who co-authored the book, *The Making of Global Capitalism*.

Sam Gindin: Mondragon is one of the most successful co-ops in the world. But as they got into globalization, and as they had to compete, they began to do a few things. One is, they began to hire workers who weren't co-op members. So they were in a sense exploiting those workers—lower wages, and less benefits, and had less rights—so already they started setting up a two-tiered system within their own company. And then they had trouble with one of their major operations—an appliance maker—and they decided to close it.

Della Duncan: When Fagor Electrodomésticos went bankrupt in 2013, 5,600 jobs were lost. Although the worker-members were relocated into other positions within the Mondragon Corporation, the 200 Basque temporary workers and the 3,500 wage-laborers working in Fagor Electrodomésticos' subsidiaries abroad were fired.

Sam Gindin: Well again, this began to make them look just like any other firm who's trying to compete and is lopping off whatever isn't quite productive. And it's not that these were bad people. You know, it's the president basically saying, "Look, we're operating under capitalism, and this is what you have to do if you want to save what you have."

Della Duncan: The decision to take on more temporary contract workers and open non-cooperative subsidiaries abroad were sacrifices Mondragon members would argue they had to make to adapt to the pressures of neoliberal capitalism. But these sacrifices have resulted in a multi-tiered system, where decent pay, job security, and workplace democracy for worker-members relies on the exploitation of others.

It's easy to criticize Mondragon for the direction it has taken, but considering the global economic pressures building over the last thirty years, what alternative was there? Without those sacrifices, it's quite possible that Mondragon would not exist today. And if we look more broadly, is this need to adapt or perish within global capitalism unique to Mondragon? Or is it a struggle that all cooperatives have to reckon with?

Sam Gindin: As long they have to compete with capitalism it pushes them to have to do certain things just out of being realistic. So this pressure of competition is really profound—if you ignore that, then over time there's all this pressure on you to just become like everybody else. Now in some circumstances you get escape it, and you can have these little islands of co-ops. You can have a restaurant that people like to go to because it's cool, and you know, and competition isn't that big of a deal. Or a coffee shop, or a bookstore. But in terms of making major inroads into

the economy, that's going to be pretty difficult. And while you're trying to do this, the rest of capitalism is just going on like it always does.

Della Duncan: Sam wrote a paper titled "Chasing Utopia, Worker ownership and cooperatives will not succeed by competing on capitalism's terms." In his paper, he laid out his argument that both for the sustainability of the worker cooperative model and for the democratization of the economy, cooperatives today must begin to see themselves as part of broader class-based, political movements to radically transform power structures.

He wrote, "In short, co-ops, once an integral part of radical political movements, are now largely integrated into the capitalist order. They may lobby for particular changes, but they no longer mobilize alongside those fighting capitalism."

Sam Gindin: As the Left is destroyed—this is critical to the whole story, the larger destruction of socialist parties and movements that happened really after the second World War, and continued, and has fact has gotten worse—that affects everything. Because that was the role of socialist parties—it was to integrate all of this into a larger context. Once that stops happening, your own perspective gets narrowed. If you're not part of a larger thing to transform society, you tend to just, kind of, just try to survive in your own little world. And that ends up institutionalizing these kinds of structures in a particular way. They become more bureaucratic, they become more concerned with, 'Well, how do we just survive as a business, because things have become more competitive'. So you're getting more integrated into the system, you're becoming more institutionalized as a business, and that's all a consequence of the defeat of the Left and your goals being reoriented to just survival within capitalism.

Della Duncan: The alternative world that Mondragon created in the 1950s grew out of soil scarred by a brutal civil war. The alliances on the Left were utterly crushed by Franco, and as a result, Mondragon had to tread lightly. Of course they probably shared much in ideology with socialists and other groups on the Left, but they chose to remain explicitly apolitical. This neutrality allowed them to survive under the shadow of a hostile fascist dictatorship. But as it turns out, there was another threatening shadow on the horizon: global, neoliberal capitalism.

Sam Gindin: It's states that have made globalization, it didn't just happen. And if we're going to take this on we're going to have to take this on at the level of the national state. Which means that protests and trying to find small alternative spaces, are important, but they're only important if they're actually linked to a larger project. Because otherwise they get absorbed into capitalism, or protests just come and go.

So that's the point. We have to think about this large political question about changing power relationships so we can make cooperatives work. And then the question is, well, how do you develop that power? And you can't do it if you're constantly just running around putting out fires and worrying about your own problems.

Della Duncan: When we analyze cooperatives through this lens of broader transformation, we can see how internally, co-ops reject much of the hierarchy and exploitation that marks capitalism, but on their own, are they a vehicle for systemic transformation? They can bring democracy to the workplace and help strengthen values of solidarity, egalitarianism, and cooperation within communities, like we explored in Episode 1—but do they inherently challenge the power structures that maintain the economic system and the rules that guide it? Rules that threaten their ability to survive and thrive? Rules that maintain private property, the

profit-motive, the logic of the free market, and above all, the capitalist-state which keeps these all firmly in place through laws—and violence when necessary. Sam argues in his paper that, “if the key to achieving a participatory economy lies in the capacity to change the rules of the game and transform the state, then the evaluation of...co-ops can’t rest on whether this or that enterprise is economically successful but whether they contribute to building a working class with the vision, confidence, class sensibility...and institutional strength to democratize the economy.”

Sam Gindin: Often cooperatives are formed, and it’s an alternative to actually challenging the whole system. Mondragon actually emerged during the fascist period, because the fascists saw it as an alternative to workers mobilizing to change the system, they could just focus on becoming a part of capitalism. Marx talked about this in the Communist Manifesto, when he was criticizing the Utopians. He was saying instead changing the world, you’re trying to go off, and create these little worlds, these little islands, but that just leaves all the power that exists as is. And no one’s bothered by you. Co-ops have to become part of a larger project which is changing the rules of the game. Right? That’s the point. You have to be part of a larger project, which means that you’re relating to social movements differently, you’re aware of the limits of what you’re doing and why you have to change larger things if you’re changing the rules of the game. You can’t just change the rules of the game by saying, ‘I’m going to be different’.

[Interlude]

Della Duncan: Islands of alternatives will always remain under siege as long as they exist within the global sea of capitalism, where competition rules. And because worker cooperatives have values and imperatives that go beyond blind growth and profit maximization, they are inherently less competitive within capitalism.

As Sam writes in his article, “What’s needed is to change the rules of the game so that the measure of success is not a “competitiveness” that undermines solidaristic and egalitarian values. Changing the rules of the game means constraining the disciplining power of competition — limiting rather than extending freer trade, and constricting the ability of capital to remove productive enterprises from the communities that enriched them.”

Sam Gindin: It is actually possible to have another world. And the question is, “Well, how do we get there?” So in terms of the question of co-ops my main argument is, co-ops have a role to play. Workers taking over factories when they’re frustrated or they see no alternative is fine as a defensive thing. But these things are only fine in terms of building something, if you see them as part of—as a part of a process which is leading to a different society with different values.

Unless you extend workplace fights to larger fights that include not just other workers and other workplaces, but your life in the community—because class is expressed in the community—unless you do that, you can’t build the kind of force that can change society. And you have to change society to really have a really true, relevant, economic democracy.

Della Duncan: So what does it look like when cooperatives are vehicles of a broader transformation, and not just islands of alternatives?

[Phone ringing]

Della Duncan: Hello?

Kali Akuno: Hello, may I speak to Della?

Della Duncan: Yes, this is she. Hi Kali, how are you?

Kali Akuno: I'm doing ok.

Della Duncan: Can you introduce yourself for our listeners?

Kali Akuno: My name is Kali Akuno. I'm the Director of Cooperation Jackson based in Jackson, Mississippi, which is an emerging network cooperatives in supporting Solidarity Economy institutions that we're working to have transform Jackson, its economy and the social relationships, starting with the establishment of more equity in the community. But overall trying to upend some of the old school, longstanding differentials in the power that exists in the economy here locally. But to also, kind of, transform—and be a model of the transformation—of more of a ecologically and regenerative way of doing production and putting the means of production directly in the hands of members of the community.

Della Duncan: And what's your background, and how did you come to do this work?

Kali Akuno: It really started in the early 2000s when I was the Director of the School of Social Justice and Community Development in Oakland, California. And I woke up just with a terrible nightmare in the—into the second year of that project. And the nightmare was: what was that preparing—you know the kids that I had recruited—what was really preparing for in terms of you know a job, in terms of some opportunity? Just kind of recognizing that, given the shift of the economy, that much of what we were preparing for was going to be rapidly becoming kind of obsolete and that this was a population that was going to become increasingly more and more disposable. So I just woke up feeling like I just kind of set a lot of kids up, and their parents up with kind of false hopes and false expectations. And I just couldn't live with that. And so I just started on a journey trying to figure out, you know, what could be done? What could working class people—particularly black working class people—what could we do to put more direct control and power in our own hands, toward shaping the economy, creating the economy that would serve us and suit our needs.

Della Duncan: This sparked a journey that would eventually lead Kali to Jackson, Mississippi.

[Music — Mississippi Sheiks: Please Baby]

Della Duncan: Cooperation Jackson is part of the same translocal movement as Cooperation Richmond, featured in Episode 1 of this series. The project, launched in 2014, is still in the early stages of development. Kali and others have been in the process of collecting research and gathering information in order to embed resilience and longevity into their movement from the start.

Cooperation Jackson came out of a shared vision called the Jackson-Kush Plan developed by the New Afrikan People's Organization, the Malcolm X Grassroots Movement, and the Jackson People's Assembly in the aftermath of Hurricane Katrina.

The plan has three fundamental pillars: Building people's assemblies, building a network of progressive political candidates, and building a broad-based solidarity economy.

Cooperation Jackson is the vehicle created to advance the third pillar of the plan, the solidarity economy pillar, and aims specifically to advance the struggle for economic democracy as a prelude towards the democratic transition to eco-socialism. It's the practical and project-based part of the plan and is led by the strategy of cooperative development. Cooperation Jackson will focus on strengthening the solidarity economy by creating a Mondragon-like federation of local worker co-ops, working to cooperativize entire supply chains in the city, developing a co-op incubator similar to Cooperation Richmond's, creating programs to democratize technology, and launching a cooperative financial system.

It's crucial to understand the context out of which all this is happening. Jackson is a progressive bubble within a Republican supermajority state dominated by the far-right Tea Party. The city is home to a State Capitol building that flies a Confederate battle flag and a City Hall built by slave labor. It's the largest city in Mississippi with about 200,000 people, over eighty percent of whom are black. Almost thirty percent of the population in Jackson fall below the poverty line, and unemployment hovers at around forty to fifty percent.

Kali Akuno: We've been living with the politics that everyone is now experiencing with the Trump regime, as we call it, the virulent racism, the outright misogyny, the viciousness. We've been living with that for quite some time. That has been the norm and order of the day here in Mississippi for well over fifty years. Not much has really changed in that regards into the politics. But what that produces a certain level of clarity that you have in the community's minds about what their interests are and who's opposed to those interests that I think has made some of the different aspects of the work that we've been trying to do, within the overall framework of Jackson-Kush Plan, somewhat simple. You know, the type of clarity that we are now seeing, you know, on a mass level with the Women's Movement with the Movement for Black Lives, I think that level of political clarity has been in Mississippi and within Jackson in particular for some time—which enables our work to really move, I think, in some way that may be a bit harder in other communities.

Della Duncan: Cooperation Jackson's vision has been significantly influenced and informed by Mondragon—particularly by Mondragon's relationship with the Basque movement for self-determination and sovereignty, which has a great deal of resonance with the movement for Black liberation that Cooperation Jackson is embedded in.

Cooperation Jackson's key values and operating principles draw on those of Mondragon's, and Kali believes that Cooperation Jackson is actually poised to become the Mondragon of the United States, given Jackson's industrial infrastructure, strategic location along several trade routes, and its association with historic cooperative developments in African American communities throughout the country.

When we spoke with Kali, we asked him about Mondragon's recent history including the challenges they've faced and sacrifices they've made.

Kali Akuno: There are a tremendous amount of lessons to be learned from what's going on in Mondragon that I don't think should dissuade people. I think it—we just need to view them from a critical eye. I think we will continue to give them support. I think we push upon them. Why are they doing certain things like the contract workers, and the, kind of, the wage inequality that is beginning to seep in.

We've been studying these kinds of shifts and development of Mondragon ourselves from afar and trying to learn all we can from them. We think that there's been some some strategic decisions that they have made which has led them to this, I think, really kind of a turning point for Mondragon, that is really, I think, within the course of the next couple of years—if my read is correct—they're going to have to really make a decision as to—to what extent can they actually remain cooperative, as opposed to just a kind of a new type of shareholder venture and enterprise.

And mind you, we took a lot from the Mondragon experience within our work because we felt that there were some parallels politically. You know not that Mondragon ever explicitly had a relationship to some of the more vocal Basque independence forces—we know there was always at different points in time some exchange. But they always had a key point around—their focus was employing the Basque people, right? And while we've always thought that that's a good baseline goal, our criticism that that goal didn't go far enough. And that we would have liked to have seen them articulate much more kind of anti-capitalist, if not all out kind of socialist constructed goals and aims. And that is what we've been trying to focus and work on.

Della Duncan: Arizmendiarieta's goal in starting the Mondragon Cooperatives was to create meaningful employment for the people of the Basque Country.

The overarching vision of Cooperation Jackson is to place the ownership and control over the primary means of production directly in the hands of the Black working class, but also, to build and advance the development of the ecologically regenerative forces of production, and to democratically transform the political economy of the city of Jackson, the state of Mississippi, and the entire southeastern region.

Even though Cooperation Jackson sees the importance of going local and building municipal socialism, they don't believe that economic democracy can be built in isolation on the local level, and instead that movements must have wider relationships and links. They feel the initiative to create a Solidarity Economy in Jackson cannot be divorced from a more general class struggle, and that self-determination for people of African descent—and the democratic transformation of Jackson and the state of Mississippi—is a necessary prelude to the radical decolonization and transformation of the United States itself.

Kali Akuno: We're not just trying to build cooperatives for cooperatives sake, but we're trying to build vehicles—very explicitly and very intentionally—of social transformation. And what we're trying to do is fundamentally change the relations of production in our community.

We have to build these vehicles with clear political goals in mind, and if they don't have clear political goals and intents in mind, they can't be vehicles of transformation. And we want to see them be vehicles of transformation. We think they need to be vehicles of transformation. And

that the form at its best, I think, could empower working class people. But it has to be done with a political focus and intent in mind.

[*Sounds of waves*]

Della Duncan: Cooperation Jackson is up against one of the most hostile state governments in the United States. The capitalist sea surrounding them is particularly choppy, and their struggle is a difficult one. It's possible that they too may have to make sacrifices—there's no guarantee of success. But their vision is powerful. They not only aim to strengthen their island, but to cooperativize the whole sea.

[*Music — Chris Zabriskie: I don't see the branches, I see the leaves*]

Della Duncan: Even as islands, it would be wrong to dismiss the transformative power of co-ops. As we explored in Episode 1 of this series, and as Michael W. Howard has written, “it is from these efforts that experience in democratic self-governance can be learned, dreams can be kept alive, and seeds of wider transformation can be sown, even if Mondragon-like federations cannot on their own bring about a gradual transformation to a post-capitalist system.”

No, perhaps not on their own. But despite a difficult history, the wisdom of Arizmendiarieta and the scale and strength of Mondragon remain an inspiration to much of the co-op world. And when cooperatives are a part of larger movements to challenge oppressive power structures, dismantle the logic that drives exploitation and greed, and grow workplace struggles into community, regional, national, and international movements for liberation, then not only can we better sustain the cooperative movement, but we can, as Kali Akuno says, “give birth to the new world waiting to be born.”

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