

Why Are Worker Cooperatives Important?

In examining the importance of cooperatives, I will begin by noting just what are cooperatives and what makes them unique. Cooperatives are “people-centered enterprises jointly owned and democratically controlled by and for their members to realize their common socio-economic needs and aspirations.” They are enterprises driven by values and principles that refute the notion that people are subordinate to capital and which give priority to creating fair and egalitarian organizations that are sustainable businesses providing stable jobs which share justly the fruits of the ventures.

A look at the current state of our economic reality shows why these cooperatives are needed. Inequality of income and wealth are now seen as one of the defining challenges of our time, according to public policy experts. Data analysis by a UC Berkley economist revealed that currently in this country, the top 10% receives more than nine times the income of the bottom 90%. This disparity has been growing for more than 30 years and shows no signs of abating. The ratio of workers' pay to CEO was 21-to-1 in 1965; in 2019, the ratio was 320-to-1 as the middle-class shrinks from 61% of households in 1971 to 51% of households in 2019. Wealth inequality is even more egregious. Upper income families saw an increase in their share of wealth from 60% to 79% from 1983 to 2016, while middle income families saw a decline in their share from 32% of the US wealth to 17%, and the lower income families share fell from 7% to 4% during the same period. Racially, the wealth gap between Black and White America is so intractable that a recent study concludes that it will take 225 years to close the gap that exists today.

These inequalities that exist and persist reveal systemic faults in our economy that are not only unjust but are also oppressive. These faults exist in a system which not merely tolerates injustice but perpetuates it. It is a system in which wealth begets political power which begets wealth while democracy unavoidably erodes. A recent study by Northwestern and Princeton concluded that the US is no longer a democracy but is an oligarchy in which the relatively few wealthy and powerful people and corporations control policy.

Life for workers in a system such as this is one of diminishing opportunities and of the American dream deferred or lost. For too many workers who fail to make a living wage, the prospects of having to work two or even three jobs just to survive is a form of economically forced servitude, not unlike the situation described in Leviticus which spoke of those who were compelled by economic circumstances to sell themselves into slavery if they were to survive. For too many workers and too many people of color who suffer the oppression of this system, liberation and the proclamation of good news is desperately sought. Cooperatives are one means of obtaining this liberation from the Egypt of corporate capitalism that views profit maximization as the highest priority and places people and their labor as subordinate to capital.

Cooperatives are democratic enterprises at which one worker has one vote and are truly egalitarian organizations. The worker-owners control the distribution of the fruits of their labor. It is through this democracy that we escape the tyranny of wealth and oligarchy. When we consider that spillover benefits of democracy at the workplace positively impact our civic lives, we have cause for hope. While we are repulsed by the prospects of autocratic leaders in government, we have been conditioned to tolerate them in the workplace, but this need not be.

I am reminded of Jesus' admonition to his followers regarding hierarchical authoritarianism in organizations. Mark 10:42...:

“You know that those who are considered leaders over the Gentiles lord it over them, and their great ones exercise authority over them.⁴³ Yet it shall not be so among you;...”

The typical practice was rule by domination and authoritarianism which expected the subordination of others, but Jesus wanted his organized followers to operate differently. He expected an egalitarian organization in which leadership was a role of service, not a position of authority. Such is the nature of the cooperative organization.

Worker cooperatives are needed to counter the harms and injustices of our current economic system that has failed in its function of fairly distributing and

sharing the fruits of the abundance which we have been provided in this country. Through its values-based principles and democratic commitment, the diverse needs of people, community and planet are elevated to balance and temper the drive for profits. The direction we are going without cooperatives is perilous; together, people and community can build a better world.