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How Successful Cooperative Economic Models Can Work Wonderfully... Somewhere Else

July 23, 2013 |

Years ago food critic Ruth Reichl declared, “There is no bad food in Italy.” She was right. Within Italy, the Emilia Romagna region is thought by many to offer the best food of all.

But that is by no means its only distinction. What I did not appreciate until a recent trip to Bologna, is that major components of the entire economy are organized as co-ops. That includes global market manufacturing businesses, facilities management, social services, transportation, food and wine production, banking and other financial services and food sales from small markets to nationwide supermarkets and hypermarkets (similar to Meijer).

Capitalism rests on a foundation of myths. One of them is that capitalism somehow “invented” entrepreneurship. Another is that capitalism provides the only “market” economy. Then there is the self-proclaimed virtue of capitalism that only capitalism is compatible with “self-reliance” and individual responsibility. (The reality of course is that most people are utterly dependent on capitalists for jobs, financing, education, transportation, health care, shelter and just about everything else.) Capitalism also presents itself as the model of “efficiency,” when in truth it generates enormous waste of all kinds.

Finally, the biggest whopper of all is that *There Is No Alternative*. All of this is nonsense. The economy of the Emilia Romagna region of Italy and its largest city, Bologna, is living proof.

Even though Emilia Romagna has a “leftist” history, co-ops did not arise as an “anti-capitalist” phenomenon. Many of the largest and most successful co-ops trace their origins back to the 19th century. Understanding that markets—a place where buyers and sellers meet—were in existence for thousands of years before capitalism privatized ownership of the means of production, co-ops offer a different way of organizing economic activity.

Production co-ops empower workers to create products and services. The manufacturers of Emilia Romagna make industrial machines, ceramic tile and many other products. They are multi-billion-dollar businesses that compete successfully in the global market. Likewise Manutencoop, from its art-filled and architecturally spectacular headquarters in Bologna, coordinates facilities management (janitorial, security, building maintenance etc.) for schools,

hospitals and shopping malls throughout Italy.

Many co-ops contract with the government to provide various services. While this is similar to “outsourcing” as we would describe it in the US, the result is very different because the intent is not to drive down the wages, benefits and working conditions of those doing the work.

Co-ops can also offer innovative solutions to social and government problems. A co-op in Rome composed entirely of ex-offenders offers waste management services to private sector and government clients. (I learned in Italy that returning citizens in Springfield, Massachusetts who have upholstery skills are in the process of setting up a co-op to organize and market their services.)

While comparable in scope and economic impact to for-profit businesses, co-ops are fundamentally different from them. Their values and economic relationships between managers, workers and communities are not driven by the obligation to deliver enormous wealth to top managers and distant shareholders. While many of the larger co-ops have employees in the traditional sense, as well as members who are the owners of the business, they all share common facilities such as cafeterias. Managers are strictly limited in how much more they can make than workers.

Of course co-ops face their own challenges in competing within a dominant capitalist global economy. Challenges of governance, especially of large co-ops, innovation and theoretical development are actively under discussion. Without exception, however, every co-op member, manager or employee we met emphasized the importance of the common good. In Italy, co-ops are seen as kind of second or

third economy. They are strongly supported in Italian law in part because they provide a check on and a balance to the built-in excesses of cutthroat for-profit businesses.

As Detroit citizens struggle to invent a new economy to replace dysfunctional capitalism, co-ops are worth considering for two reasons. First and foremost as new technology makes community production of goods, services and food easier, co-ops are a good way to organize those economic activities. Second, co-ops demonstrate that *There Is An Alternative*.