

Preface

The Need for a Cooperative Social Paradigm

This book seeks to meet a desperate need felt by most people in the world to find a solution to the crises and conflicts that wrack their lives. This book proposes that the solution lies in cooperation as a tendency of human nature, a social relation among individuals, a mode of organizing social institutions, managing resources, and as a belief system, set of moral values, and psychology (emotions, perceptions, cognitive processes, motivation, and self-concept). Cooperation in this broad form of multiple components generates (or structures) harmonious, personal, supportive, trusting, democratic, socially responsible, and ecologically responsible behavior. A social-psychological system based upon these cooperative features will avoid the conflicts and crises that are fomented by self-interest, cut-throat competition, individual ownership of resources for self-aggrandizement, exclusion of non-owners from input into administering private resources, and social interactions being dependent upon/mediated through money.

Only a structural, fundamental, social, and psychological transformation toward cooperation can solve the crises and conflicts that confront us. The intensification, proliferation, and intransigence of crises and conflicts cannot be managed by conventional technical means—such as governmental regulations, tax policy, fiscal policy, adjusting mortgage rates, international trade and financial organizations, international environmental conferences, or international mediating bodies such as the United Nations. Nor can our crises and conflicts be solved by good intentions, cognitive interventions, interpersonal conflict resolution, better/faster communication, better technology, or civil rights laws (a black American child born today is less likely to be raised by both parents than a black child born during slavery; today, 72 % of black babies are born to unwed mothers; in the capital city of Washington, D.C. three out of four young African American males are expected to serve time in prison; less than half of black students graduate from high school; 40 % of black teenagers are unemployed; decades of civil rights legislation, a black American President, several black Secretaries of State and Supreme Court Justices have done nothing to correct this situation).

Conventional reformist solutions do not address or change basic causes of crises and conflicts. These causes have become so extensive, damaging, and uncontrollable that they cannot be contained or reformed; they must be eradicated/transformed. A new social organization is called for that makes cooperative social relations central to social life. Cooperation cannot merely be an auxiliary technique for *mitigating* crises of a non-cooperative social system after they occur.

Social problems are so acute that traditional solutions are now naïve, impractical, unrealistic, and obstructionist, while utopian ideals of cooperation and communitarianism are necessary, realistic, practical solutions. Utopianism must become the new pragmatism because the existing pragmatism has been rendered utopian (naïve, unrealistic, impossible to implement).

Given the failure of conventional, technical means to predict, understand, or resolve social catastrophes within the existing social paradigm, calling for a new social paradigm is the only logical and scientific approach to take. It is how scientists deal with failed scientific paradigms.

The philosopher of science, Thomas Kuhn, tells us that science works by constructing paradigms from theories and empirical data. These paradigms are powerful for explaining things and advancing knowledge. However, they are always incomplete due to the vastness and complexity of their subject matter. New facts inevitably are discovered that are problematical for a paradigm. Scientists first attempt to salvage it by introducing auxiliary constructs that attempt to explain discrepant facts within its rubric. However, these attempts ultimately fail, and the paradigm is exposed for being inadequate. Then, a radically new scientific paradigm is constructed which is able to parsimoniously and logically integrate the new data and concepts.

Social systems follow an analogous pattern. The existing social paradigm has generated cascading, intensifying, intractable crises and conflicts; it cannot explain them, solve them, or prevent them. Extraordinary, auxiliary, emergency measures (such as bailouts, stimulants, austerity measures) are unsuccessful, just as they are in the case of collapsing scientific paradigms. A new cooperative social paradigm is called for that is based upon new constructs (see Ratner 2012d, Ratner 2013b, c, d; Marsella, 2012). Instead of trying to bailout the current system, we should bail out from it.

One example illustrates this point. Today, liberal economists are calling for increased government employment as a means for ending the recession that is superior to conservative calls for austerity measures. Liberals point to the fact that increased government employment helped ameliorate previous recessions. However, increased government employment only helped briefly. It blunted the 1981 recession in America, only to give way to another recession in 1990. Then, boosting government employment helped briefly, only to give way to another recession in 2001. Then government employment helped, only to give way to the Great Recession six years later, which is the one that liberals are currently saying can be ameliorated by increased government employment. They say that this strategy successfully ameliorated previous recessions, but they fail to notice how inadequate this strategy was and how often it had to be invoked. They also fail to mention that previous

recoveries were extremely weak and produced very little recovery of lost jobs and incomes for working people. Each recession and recovery also produced a skewing of jobs toward low-skilled, low-wage occupations. Furthermore, each succeeding recovery took longer for employment to turn around: employment turnaround only took two months in 1982. In 1991, employment fell for 18 months past the trough before turning around; employment did not reach its pre-recession level until five years later, in 1996. In 2001, employment fell for 23 months past the trough before turning around; it did not return to its pre-recession level before the subsequent recession hit. Following the Great Recession of 2009, employment again took 23 months to begin recovery and it will not reach its pre-recession level before the next recession hits, very soon (http://papers.nber.org/papers/w18334?utm_campaign=ntw&utm_medium=email&utm_source=ntw). In addition, GDP grew slower in each succeeding recovery than the one before (see footnote 24).

An economy that careens from one recession to another, despite employing all known rescue measures—which become less effective over time and produce less recovery—is clearly unsustainable (Kliman 2011; Norfield 2012; Ratner 2012d, pp. 294–305). It is necessary to abandon reformist strategies and find fundamental solutions such as cooperative economics that eliminate social problems at their base.

I present cooperation as a social order, or social paradigm, for eliminating and preventing the crises and conflicts that threaten social and natural life. This position is inspired by the lofty ideals of some of the founders of cooperatives. Jose Arizmendiarietta, the founder of the Mondragon Cooperative, said, “Cooperation is an authentic integration of a person in the economic and social process that will shape a new social order.” “Cooperation is incompatible with any degree of human servitude.” Cooperation is not simply amicable interpersonal relations. It is a socio-economic-political-psychological system. Cooperation is necessary for providing food, water, shelter, health, education, and security to the world’s people; it is necessary for maintaining a viable natural environment for ourselves and other forms of life; it is necessary for achieving peace; it is necessary for human security, and for psychological and spiritual fulfillment.

This book explains how to achieve cooperation on a broad scale that encompasses society and individual interactions. This book articulates cooperation as a broad *praxis* rooted in a firm social philosophy, economic theory, political theory, and psychological theory. The book explains what kind of social relation cooperation is and can be, what its general and concrete features are, why it is essential for human survival and fulfillment, how it is “life-affirming” and promotes human connectedness, how it is rooted in human nature, what kind of human organism is necessary to practice it, the psychological competencies involved in cooperative culture, how cooperation is central to human development (i.e., how human development depends upon it, how cooperation humanizes us, how humans must cooperativize themselves to become human), how it has been successfully practiced in the history of humanity, how it can prevent problems such as war, economic collapse, poverty, and ecological destruction, what cooperation’s current social and psychological obstacles are, and how they can be overcome.

I shall demonstrate that the human need for cooperation and potential for cooperation must be realized first and foremost on the macro cultural level, especially in social institutions, cultural concepts, and social artifacts. These are the cornerstones of our social life and our humanity. They are the human survival mechanisms and fulfillment mechanisms. The macro level is where cooperation must be analyzed and practiced, first and foremost. It is the level at which we understand what is necessary to practice cooperation, what its obstacles are, how they need to be and can be eliminated in order to enhance cooperation. This is the level that structures micro level, i.e., interpersonal and personal, cooperative behaviors. Of course, micro level cooperation is necessary to sustain macro level cooperation; however, cooperation cannot be understood or practiced *as* a micro level phenomenon, i.e., as originating in interpersonal and personal acts, or as produced by individual and interpersonal mechanisms. Human behavior is a top-down phenomenon that originates in and takes the form of humanly constructed macro cultural factors and processes. Human behavior is not a bottom-up phenomenon that originates in individual mechanisms and then expands to interpersonal and institutional processes. This, of course, is not the usual view of human behavior, but it is an accurate perspective, as I have demonstrated in my work on psychology, and as I shall demonstrate in Chap.1.

The macro perspective on cooperation leads to examining its success and failure in macro cultural institutions as cooperative enterprises.

Cooperatives have achieved great success in overcoming some of the social, economic, and environmental crises that have beset the capitalist macro cultural order. Co-ops did not contribute to the economic collapse of 2008, nor did they suffer its ravages. In financial terms, co-ops have performed better than most of all the corporate businesses. For instance, credit unions have not experienced failures, and they have *increased* their lending 36 % in the past six months and lend money at the same rates with the same collateral requirements as in previous years. During the financial crisis, credit union mortgage delinquencies have only increased 0.78 % while bank delinquencies are up 2.7 %, a four-fold difference.

In addition, co-ops are acclaimed to be better work places than privately owned companies.

Although co-ops have been marginalized by the American corporate media and schools (which teach practically nothing about the economics, management, social organization, theory, and history of co-ops), they are a vibrant social force that is officially recognized and supported in Europe. There is a European Committee of Cooperatives, Mutuals, Associations and Foundations. In 1998 it issued a communication proposing that the “orientating principles” of the social economy should include “the primacy of the individual and the social purpose over capital” and “the coincidence of the interests of user members and the public interest.” The aggregate income of all the co-ops in the world equals that of the 10th largest economy in the world! Over 120 million Americans (close to 1/2 of the population) belong to co-ops of one kind or another! The U.S. has about 30,000 cooperatives of various types (housing, consumer, worker-owned, business co-ops). Annual income from those co-ops is 1 % of the U.S. GDP, or \$654 billion. More than two million

jobs and \$74 billion in salary are generated by these co-ops. The European Union countries have 160,000 cooperatives that have 123 million members and employ 5.4 million people. These European co-ops have formed a European cooperative Society (2003) which is based in Brussels. Two European co-ops are ranked among the *Fortune* 500 companies. The Japanese Consumers Cooperative Union (founded in 1951) serves 25 million members, 31 % of all Japanese households. The Catalan (Spain) Cooperative Confederation produces about 6 % of Catalan Gross Domestic Product (GDP) and represents 2 % of employment in Catalonia. In China, the Law on Specialized Farmers Cooperatives was passed by the National People's Congress and came into effect in July 2007. The Ministry of Agriculture reported a total cooperative membership of 35,700,000 households by the middle of 2011, representing 14.3 % of China's rural population and an average size of 80 households per cooperative. (Chinese co-ops are restricted to rural farming and production; the law does not cover consumer co-ops, health co-ops, housing co-ops, credit unions, or urban worker co-ops.) Between 2003 and 2009 the Ministry of Finance supported cooperative development with a cumulative total of 1.375 billion RMB, while provincial Finance Bureaus provided an additional 1.82 billion RMB in financial support over the same period. In 2011 the Ministry of Finance provided an additional 750 million RMB in financial support, and provincial finance departments provided a further 1 billion RMB.

These important accomplishments are the result of *structural changes in the ownership of enterprises, investment in enterprises, the purpose of the enterprise, and the nature of the individual investor.*

- Instead of ownership depending upon the amount of money one invests in purchasing stock shares, every member has equal ownership and control through the principle of one member, one vote.
- Investment is transformed (redefined) from a share that changes value according to enterprise earnings/profit, and that can be bought in quantity, to a single share that retains a fixed value and which is altruistically invested in the enterprise without generating any personal return to the investor.
- The enterprise is transformed (redefined) from an instrument that increases the personal wealth of investors, to an organization devoted to providing good products, good working conditions, and good contribution to the community and environment.
- The individual investor is transformed from a person defined by how much wealth she invests and desires to earn for herself, to an individual that is equal in monetary value and power to every other individual. Each investor has no means for increasing her own financial value (since her single share retains constant value) and is thus directed toward increasing the value of the enterprise.

These four structural changes equalize individuality and power by expunging their identification with—subordination to—monetary wealth. These structural changes promote genuine democracy among equal individuals, and personal interactions whereby equal individuals express and refine their views unmediated by money. Status will be a function of personal contribution to the group rather than a function of one's wealth.

Macro cultural changes such as these have the potential to realize our potential for cooperation and our need for cooperation to make life secure, harmonious, healthy, enriched, and fulfilling. Such macro changes bring people together as individuals on an equal level (uncorrupted by differences in shares owned) who altruistically invest in order to grow the enterprise rather than privately enriching themselves. All of this facilitates working together as equals having a common interest in the enterprise's well-being which further unifies people in cooperation.

While these cooperative principles and practices would seem to galvanize wide-ranging, deep, supportive, fulfilling cooperation, their success cannot be assumed; it must be ascertained and assessed. This book examines how our historical and contemporary co-ops have sought to realize our potential and need for cooperation. I examine their specific social philosophy and their practices. I demonstrate that their philosophy/theory and practices have produced mixed results. On the one hand are important successes in democratizing ownership and management, equalizing income, and providing individuals with a common interest in advancing their collectively owned enterprise. Yet many lapses in cooperation are also prominent in co-ops. These lapses appear in the social philosophy of cooperation and lead to lapses in cooperative behavior. For example, very few Chinese co-ops have been able to practice a cooperative style of management with real decision-making power in the hands of cooperative members. It is much more common to find cooperatives that have been co-opted by enterprises, government officials (who may appoint co-op leaders) or a small group of entrepreneurial villagers, and used to promote their own self interest. I shall explain and document these theoretical and behavioral lapses in cooperation that is practiced in cooperative organizations. I conclude that a new cooperative social philosophy, or paradigm, is necessary to structure macro cultural factors in a new way, and to structure psychology/subjectivity/consciousness/agency in a new way that will animate more complete, supportive, fulfilling cooperation.

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