



Building a Cooperative Solidarity Commonwealth

By Jessica Gordon Nembhard

The next system that we need, and that hopefully we are moving toward, is a cooperative commonwealth within interlocking local solidarity economies. Such a system is created from the bottom up, building upon multiple grassroots cooperative enterprises, and democratic community-based economic practices. These networks collaborate and federate from the local to municipal, regional, national, and international levels.



What is a Cooperative?

Before defining a cooperative commonwealth, it is important to describe its major features. Cooperatives are companies owned by the workers or the people who use their services. These member-owners form the company for a particular purpose: to satisfy an economic or social need, to provide a quality good or service (one that the market is not adequately providing) at an affordable price, or to create an economic structure to engage in needed production or facilitate more equal distribution. Cooperatives are jointly-owned and democratically-controlled enterprises that range from very small in size to large corporations. A cooperative enterprise is based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity, as well as accountability and transparency. And, it must operate democratically, according to a set of principles—set by the International Co-operative Alliance—that include open membership, equal voting rights for each member regardless of how much is invested (“one person, one vote”), returns based on use, continuous education, and concern for the community.¹ Cooperatives are classified into three major categories, depending on the relationship between the member-owners and the cooperative’s purpose: consumer-owned, producer-owned, or worker-owned (or some combination of the three).

What is a Cooperative Commonwealth?

By a cooperative solidarity commonwealth, I mean a system of interlocking cooperative ownership structures in all industries and all sectors of the economy, where cooperatives and other community-based enterprises support one another by building linked supply chains, collaborating on projects, and sharing funding. These interconnections start locally but build into regional, national, and international interlocking structures, as needed (and as is rational).

For example, in a cooperative commonwealth, a credit union helps to develop worker cooperatives, provides financial services to cooperative members and low-interest loans to cooperative stores (to buy a building, for instance) and housing cooperatives. The cooperative store deposits its money in the credit union, and increases its reserves so it can make more community loans. The housing cooperative members



run their own management, security, and maintenance companies as worker-owned cooperatives that also service the credit union and the cooperative store, and use the credit union for their financial services. The residents also own cooperative sewing factories, catering enterprises, childcare centers, and home care facilities, which sell to, and use the services of, the other cooperatives. The model can also encompass industrial cooperatives in recycling, alternative energy production, laundry services, and manufacturing. The links are made wherever member-owners use the services of, or buy supplies from, other cooperatives and community-based enterprises. In this system, everybody is part of several different, but interlinked, cooperatives. The interlinked cooperatives also help one another out and work together on issues of social need. For instance, in the case that one cooperative goes through financial challenges or additional affordable housing is needed in the community, some of the surplus from a profitable cooperative can be directed towards these needs. Bartering, gifting, and fair trade relationships are all incorporated into these activities and exchanges (see below under solidarity system).

What is a Solidarity System?

The term cooperative can be loosely defined to include any kind of economic cooperation in a solidarity system, but my definition privileges cooperative ownership and cooperative enterprises. By solidarity system, I mean a non-hierarchical, non-exploitative, equitable set of economic relationships and activities geared toward the grassroots—that's of the people (people before profit), indigenous, participatory, based on human needs, humane values, and ecological sustainability.² In the solidarity system, surplus, or profit, is shared in equitable ways, through democratic decision making, and used for the common good. Risks are collectivized, skills are perfected, learning is continuous, and economic practices are sustainable (both ecologically and from a business point of view), bringing collective prosperity. Capital is democratized and widely owned or controlled. In this system, capital is subordinate to labor, as in David Ellerman's sense (labor rents capital rather than capital renting labor);³ and returns go to labor rather than to capital.⁴ In a solidarity system, we follow the guidelines of seventh generation thinking and are stewards of the commons, mother earth, and our ecology.⁵



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It is also a system where marginalized and oppressed people use their sense of solidarity (gained from experiencing similar racial, social, political, cultural, and/or economic domination and exploitation) to motivate them to join together economically to combat their oppressions and economic exclusion and exploitation. The sense of solidarity also helps to keep the group together, and is a basis for establishing trust within the group.

A solidarity system recognizes the evils of racism, sexism, and patriarchy and deliberately addresses oppression and exclusion by developing values, policies, and practices to mitigate them. It aims to give voice and power to those who are usually without them.

The notion is that there is not any one group, or one person, running off with all the “spoils.” The wealth and prosperity are truly recirculating in the community. And community members, especially those who do the work and need the resources to live, are the ones who decide what happens to the resources. In a system that includes shared prosperity, shared decision making, and collective economic activity, economic democracy spills over into other social and political spaces, and enriches civil society, as well as family and individual wellness.



Social Energy

Of particular importance, but that we don't talk about enough, is the fact that resources are not solely financial. It's not just about market relationships. In fact, we should be able to do away with the price system, as African American scholar W.E.B. Du Bois hoped. Very early in the 1900s, he wrote that African Americans should be at the forefront of creating intelligent cooperation that would dismantle the price system and set up an economy based on the common good, supporting the common good.

It is now our business to give the world an example of intelligent cooperation so that when the new industrial commonwealth comes we can go into it as an experienced people and not again be left on the outside as mere beggars. ... [I]f leading the way as intelligent cooperating consumers, we rid ourselves of the ideas of a price system and become pioneer servants of the common good, we can enter the new city as men and not mules.⁶

And so this system that I'm describing would not be so dependent on market forces and a price system, but would be more about human need and human relationships—an economic cooperative ecology of caring community. This would include not just whether you bring capital to an economic venture, but what other resources and agency you bring, and how you participate with others (social capital).

One of my colleagues, Curtis Haynes at Buffalo State University, uses the concept of social energy, which was inspired by Du Bois.⁷ Haynes explains social energy as not just sweat equity—where you earn equity because of the work you put in, the in-kind work—but also the other kinds of energies, such as the enthusiasm, caring, and the persistence that you put in to support the business and keep the business going. Social energy is about the quality of social interactions cooperators put in, and the support they provide for the good of the enterprise and for their fellow cooperators. It's a type of social capital, according to Haynes. So much of the productivity in, and success of, cooperatives and solidarity economy relationships results from that kind of energy and the quality of social relationships, the trust and leadership that are built. It's not just the money put in or the hours worked but, more importantly, it is about this energy—the



connections made with other people, how we work together to solve problems, make decisions, and how and when we take leadership (agency). Understanding that this social energy is just as important as financial contributions is another way to think about “the new system,” and another way to think about how we democratize capital. It’s about enthusiasm, caring, persistence, and concern for community. We need democratic, people-centered, community-based, collective, sustainable economies that produce prosperity for all and protect mother earth.

1. Core Goals

The core goals of a cooperative solidarity commonwealth are to: create sustainable economic prosperity for all; eliminate poverty, billionaires, economic inequality, racism, sexism and discrimination; and increase local democratic control over economic activity, capital, and collective wealth. The aim is to develop a cooperative solidarity economy that embraces the following:

- ✿ economic democracy;
- ✿ humane social and economic values;
- ✿ just, non-exploitative relationships;
- ✿ democratic participation;
- ✿ diversity;
- ✿ equity;
- ✿ ecological sustainability;
- ✿ the dignity of work;
- ✿ the visibility of invisible productivity (particularly child rearing, elder care, and home making);
- ✿ democratic control over capital; and
- ✿ collective asset ownership, wealth accumulation, and distribution of assets and wealth.

2. Major Changes

To achieve a cooperative solidarity economy, we need more cooperative ownership and democratic governance of economic enterprises. We need widely-available



information, education, and training about how to run an enterprise democratically and how to start a cooperative. Then we need to develop interlocking supply chains and federations among cooperative and community-owned enterprises, to strengthen and stabilize them. Other elements that will contribute to creating a cooperative solidarity economy are wage solidarity and living wages, profit sharing, affordable housing, criminalizing subprime and predatory lending, and providing free higher education. Wage solidarity means equitable wages and salaries in a workplace, such that there is little difference between the highest paid and the lowest paid employees. A wage ratio of six to one, or less, is optimal. All wages and salaries must be living wages with full benefits and include profit sharing, if not actual ownership. Without these features a solidarity economy cannot exist. Many cooperatives and networks of cooperatives feature these elements and, where it is already a practice, cooperatives will be more competitive and the step to increasing the number of cooperatives will be shorter.

In addition, it should be illegal to use subprime or predatory lending practices (for interest rates greater than 3 percent above prime, for example), and engage in debt peonage (such as share cropping). These practices keep people in poverty by keeping them in debt or preventing them from accessing capital. Indebtedness and lack of capital are two of the greatest reasons for low wealth and poverty. Furthermore, we need access to non-predatory capital to help people finance their economic endeavors and contribute their equity to cooperative businesses or cooperative housing. Along with prohibiting predatory lending, the society should privilege community development credit unions, cooperative banks, non-exploitative community development financial institutions, and regional public banks, as the preferred financial institutions. Historically, these institutions have provided affordable financial services, recirculated capital in communities, been organized with community boards, and practiced democratic governance.

Housing should not cost more than 20 percent of income, since those who pay more than 30 percent are considered “burdened” (in the 1940s affordable housing policy required that no one pay more than 20 percent of their income in housing costs).⁸ Truly affordable housing is essential, and really, housing should not be



commodified. Housing should not be part of speculative real estate. Again this would help to eliminate poverty and increase economic stability, but also would free up people's income to feed their families, buy their equity share of a cooperative business, or to invest in cooperative business education and development. If all housing were 30 percent of income or less, we would not need limited equity housing cooperatives, but people could still use housing cooperatives as one model for home ownership.

Since education is so important, a BA degree should be free, with a stipend that covers the cost of living for anyone enrolled as a full-time student. Here, again, if a college education were free, not only would more people obtain a BA, but also most student debt would be eliminated. With little to no debt, people could afford to buy their share in a cooperative business and invest in their communities. Free education could be paid for by taxes on drugs, alcohol, tobacco, and marijuana. In addition, we need to require cooperative and solidarity economics literacy from kindergarten to college. There should be a core curriculum at each grade level for appropriate content and practical experience with cooperative economics and solidarity economic principals.

We also need to change our focus from a consumer society to a producer society—producing goods and services to satisfy needs not for mere consumption, and not for profit solely. This will mean producing and buying things locally as much as possible. Also, there will be no need for advertising, especially not aggressive advertising. Marketing will be more about the sharing of information, so that people can learn about and judge what products are best for them and their family or company, and coordinate trade, exchange, and transportation of goods and services. With a focus on education, knowledge, and the common good, there will be no need for superficiality and the stretching of the truth that has become the hallmark of advertising. And since advertising makes us (and especially our children) feel that we not only want, but need, things that we don't really need and/or can't afford, without advertising, we can concentrate on teaching the values of a solidarity economy and the skills to engage in democratic economic participation.



3. Principal Means

Universal cooperative laws and enabling legislation, along with many of the policy changes mentioned above, would go a long way to helping us to expand cooperative ownership and implement a cooperative solidarity economy. Public bank development, and public bank and credit union loans for cooperative development, are necessary. Wealth tax and foreign transaction taxes are some of the ways to reduce wealth inequality and increase monies available to the new public banks. Non-predatory interest rate policies (as discussed above) are essential. Models such as the Mondragón cooperatives in Spain used the credit union not only as the major banking institution, but also as the driver of cooperative development, in terms of business development strategies and financing.⁹ And very early on the Mondragón credit union, Caja Laboral Popular, sponsored research and development for cooperative businesses.¹⁰

As mentioned above, widespread cooperative and solidarity economics education, at all grade levels, in all educational institutions and through community-based cooperative academies, is essential. We must all know and understand cooperatives and the solidarity economy better than we understand capitalism. Cooperative solidarity economic exchanges must be considered the norm for how we relate to each other economically.

The strategy to implement cooperative ownership should start with local grassroots solidarity economic practices that connect with each other and with cooperative businesses, suppliers, procurers, and regional associations. We also need to develop and strengthen sector associations, and regional, national, and international federations. We will increasingly need policies that support solidarity economy entity development (business, financial, investment, and educational). All this will lead to more formal and larger cooperative enterprises that interlock and supply each other. Through the practice of local economic democracy and cooperative ownership, we will develop more of such enterprises and increase the demand for enabling and supportive policies and legislation. Moreover, converting existing businesses into worker cooperatives is another strategy that does not require starting from scratch. Organizations such as the Democracy at Work



Institute have focused on developing scalable models and policies to support this practice.¹¹ In the case of converting an already-existing business into a cooperative, employees already know how to run the business. What they need is more exposure to the model, training in running a democratic business, and support in converting to a worker-owned economic organization. This can happen organically, as owners decide to sell to their employees, or through education initiatives that encourage workers to buy businesses in which owners are set to retire soon.

4. Geographic Scope

This model will start in the United States, especially with low-income people of color and their allies, progressives, and labor. However, many other countries are farther ahead than we are, and provide strategies and models that we can use. Therefore, better connection to the cooperative solidarity economies that already exist is also important. My focus here, however, is on how we can transform the United States into a cooperative solidarity economy, since it's the belly of the beast of neocolonialism, economic inequality, discrimination, and oppression. Even in this context, we have pockets of solidarity economy practices and initiatives in the United States that should be continued, strengthened, and expanded, such as: the **Democracy at Work Institute**, the **Southern Grassroots Economies Project**, the **Union-Coop Initiative** with the United Steel Workers, the **One Worker One Vote initiative**, and **Cooperative Economics Alliance of New York City**.¹² Also, to help in our efforts, we need to build alliances, and develop trade connections, with the global solidarity economy and cooperative movements.

5. Temporal Scope

Much of what I propose is immediately practical because we understand how to develop cooperatives; they already exist. There is a strong solidarity economy and, at least on the small scale, this model can exist within the current system. What we need is more visibility, more capital devoted to cooperative development, and more policies to support cooperative business ownership. We also need more exposure to these models and more education about them. So, while we have the way, we do not necessarily have the will, or at least not the awareness. And we



aren't strong enough, yet, to engage in wide-scale implementation. All this is still somewhat idealistic. Realistically, we need twenty to thirty years to slowly develop more cooperatives, through conversions and bottom-up development, and to strengthen and widen the solidarity economy. We need cooperative enabling laws. But, as more cooperatives develop, we will start to change laws because people will better understand what they need to create a fuller system, and will demand more transparency and support for the cooperative solidarity economy.

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6. Theory of Change

The theory of change behind this model of a cooperative solidarity commonwealth is that the more people that **practice** economic democracy, collective ownership, and economic transparency, the more they will come to expect to see these practices in the rest of their lives. People will work to make the changes necessary to enact this system. This is a model of change from the bottom up, based on practicing local economic solidarity and collective ownership. We spend at least eight to nine hours a day at work (spending more time at work than anywhere else each day). If we spend it engaged in economic democracy, we will transform our economic relationships and be more involved civically, as well as know more about financial choices, asset building, and collective decision making. More people will have skills to operate in, and manage, democratic workplaces. And they will expect, and work for, true democracy in all areas of their lives. More people will develop leadership skills and take leadership in economic, social, and



political arenas. They will run for office in order to promote cooperative ownership and enact policies that will support the cooperative solidarity economy. More people will have prosperity, and this level of comfort will spill over into social and cultural benefits. Impediments include: financing cooperatives, reducing wealth inequality, and the undue influence and wealth of corporations and the rich. How will we reduce their influence and stranglehold enough to let these other activities flourish?

7. Some Specifics: Economy

(a) How are productive assets and businesses owned? Does ownership differ at different scales (community, nation, etc.)? Do forms of ownership vary by economic sector (banking, manufacturing, health care, etc.)?

Some of this is answered above. In the current solidarity economy, barter is relatively widespread and, where appropriate, would continue. Cooperative ownership and decision making by community residents will be the preferred ownership and governance structure. As explained above, the goal is interlocking cooperatives, second level cooperatives, and federations of cooperatives at regional and national levels, but no national ownership except for public banks and public utilities.

(b) How are public and private investment decisions made?

The investment model will focus on collective and cooperative investment through clubs and associations by community residents and community groups. Public banks and credit unions will be the brokers. Capital will be democratized as decisions about it are made through consensus by those who create and need the wealth.

(c) What is the role of private profit and the profit motive? Who owns and controls economic surplus?

This is basically a not-for-profit system, where economic activity and decisions will be based on need and supporting the public good. Using the term *surplus*, instead of profit, highlights that a viable business will create surplus but profitability is not the main purpose of economic activity. And the surplus—like the land, capital, machines, and supplies—will be owned and controlled by workers/members for the common good. It's a system based on people's needs, not profit.



Surplus will be used to enhance the common good, and ensure prosperity for all. It will eventually be illegal in this system to be a billionaire (to own excess wealth), and to charge excessive interest and rents. There will be wage and capital solidarity.

(d) What is the role of the market for goods and services? For employment? Other?

Markets will slowly become less influential, and pricing will be based on need, affordability, and the common good. Everyone will be paid a living wage with full benefits based on wage solidarity. And as owners, everyone in each collective enterprise would decide on what to do with the surplus. Enterprise-level decision making will be the major mechanism for balancing economic activity.

(e) What is the role of planning in your model? How is it structured? How, if at all, made democratic?

Democratic planning by workplace, with regional and national meetings of representatives by sectors and geography, will be used to coordinate individual enterprise planning at municipal, regional, and national levels. This is an approach that operates from the grassroots up, and the decisions, as well as policies, develop out of local participation, interests, and needs as much as possible. Good planning is essential, but coordinated decentralized planning is the goal.

(f) How are the international economy and economic integration handled?

Fair trade values and policies will operate. Another goal will be the elimination of multinational corporations, to be replaced by national and international federations of cooperatives and solidarity enterprises. There will need to be global inter-cooperation and international accords, particularly between secondary cooperatives and national federations, but also in the realms of business and industrial regulations, laws, and policies.

(g) How do you address economic localization, globalization, decentralization, 'glocalization,' and similar issues? Where is the primary locus of economic life?

As noted above, the primary locus of economic life will be at the local level, among grassroots community residents, who will then federate at larger municipal,



regional, national, and international levels. But we do need to think globally while acting locally. There will eventually need to be global inter-cooperation and international accords so that fair trade abounds, and capital flight is reduced (if not eliminated).

(b) How do economic competition and cooperation play out?

This will not be a competitive system as competition is currently understood. This will be an economic system based on solidarity, nonexploitation, cooperation, and antioppression. In this system there will be healthy competition among colleagues, coworkers, and across sectors, so people will be encouraged to do their personal best, to serve their fellow cooperative members and citizens well, and to solve society's problems. Everyone will be held accountable to the public good; competition will be about providing for the common good and solving problems in ways that benefit the most people in the best ways. With the profit motive mitigated or geared toward the common good, and without advertising and commercialization, traditional competition will decrease, if not disappear.

(i) Do commodification, commercialization, and the commons surface in your analysis?

Further development, and stewardship, of the commons will be essential. Community land trusts will be needed to diffuse speculative real estate. And again, a not-for-profit economy based on use and equity, with laws to support these principles, will be built. There is no room for commercialization or commodification, human need and concern for the common good will rule this economy.

(j) How is private property handled in your analysis?

Collective ownership, common lands, and community land trusts will be the preferred ownership models; stewardship of land will be the predominant value. Collective investment, as mentioned above, will be the preferred way to handle investment if there is still need for it. Community land trusts will be run by democratic non-profit community boards that own the land and the development rights of land. They will help to end real estate speculation and keep land affordable for renters and homeowners and in the hands of the community. Housing cooperatives and worker cooperatives will also be mechanisms for property



ownership, and they will give communities access to public spaces. Some worker cooperatives will own collective vacation houses in addition to their own factories and stores, so the worker owners wouldn't need to own their own individual properties. The notion of the commons and stewardship of the land, as well as democratic decision making about land, will gradually predominate.

(k) What mix of business enterprise sizes do you envision?

Small enterprises with 1000 employees or less, owned cooperatively, will populate the economy. Most will be small in size, with 100-250 employees, or even fewer than 100 employees. To start, there will still be a mix of capitalist corporations, but these will decrease and eventually become unwanted and unnecessary (and perhaps illegal), as the cooperatives and solidarity economy develop more and become stronger.

(l) How do you envision the future of the large corporation and what specific measures do you envision for corporate governance and control, internal and external?

Large corporations will be eliminated, as it will become illegal for small groups of people to own very large corporations (especially those with budgets larger than a medium-size municipality or state budget). The ratio of employees to board of directors will increase, as many corporations convert to worker cooperatives, decentralize, and operate more closely with their local communities. Instead of large corporations, federations and regional and national associations representing cooperative solidarity enterprises will develop.

(m) What role do you see for innovative corporate forms, coops, public enterprise, social enterprise, and public-private hybrids?

Exciting and innovative forms will coexist or be part of this new system. There will be room for lots of new forms of economic activity and business ownership, but the system will be based on solidarity economy values and on cooperative ownership. All forms will operate with similar values and principles of democratic ownership, including: shared voice, democratic decision making, grassroots ownership, antioppression, nonhierarchy, prosperity for all, and support for invisible work.

(n) What is the evolution of the workweek (hours worked, say, per year)?



The workweek will move from thirty-two to forty hours per week to twenty hours per week as the full-time standard that comes with living wages and full benefits. This system will employ more people and guarantee that everyone has a decent income. Work will include public works, community organizing, and labor that is currently invisible, such as childcare and in-home care of the elderly, so there will be enough work for all. And with profit sharing there will be enough money to pay everyone a living wage.

(o) What is the envisioned future of organized labor?

Organized labor will operate together with cooperative ownership (as it did back in the 1880s with the Knights of Labor). The Union Cooperative model will be expanded and unions will support worker-owners, helping worker-owners to focus on their needs and issues as workers, and balancing those with their needs as owners.¹³

(p) What are the roles of economic growth and GDP as a measure of growth in your system? What is the priority of growth at the national and company levels?

Growth will not be a priority, but need will be. Cooperative enterprises will grow and expand to address additional needs (and some opportunity). But instead of increasing the size of any one enterprise, there will be planned growth that includes increasing the number of worker-owned and community-owned enterprises rather than any one enterprise growing bigger. This will maintain wage solidarity and democratic governance among smaller units. Big will not necessarily be good. The Gini coefficient will be a more important measurement.¹⁴ We will measure if everyone and every family is prosperous, has a place to live, can feed themselves, has good health, has leisure time and some disposable income, and is not discriminated against.

(q) How is money created and allocated?

Money will be created and allocated by credit unions, cooperative banks, and public banks—these financial institutions will use tax revenues to fund the development of the cooperative solidarity economy and thus expand the money system by enabling and expanding economic activity. They will practice non-extractive



lending. They will charge overhead or fixed fees on loans rather than outright interest, and/or engage in profit sharing with the lender, which will increase returns and thus create new money, rather than the traditional model of earning interest on loans to create new money.¹⁵ Community boards will govern these financial institutions and study ways to effectively practice non-extractive lending.

8. Some Specifics: Society

(a) How do you envision the future course of income and wealth inequality? What factors affect these results? How do you envision the future course of economic poverty? What factors affect these results?

As mentioned above, with living wages, joint ownership, wage solidarity, and strong anti-oppression practices, poverty and inequality will be eliminated.

(b) Are special measures envisioned to protect and enhance children and families? To advance the underprivileged? To promote care-giving and mutual responsibility?

Yes, these are included in the principles discussed above. Social cooperatives will also address these issues.

(c) How do racial, ethnic, and religious justice figure in your work?

Affirmative antioppression, and antiracism actions and policies, and non-hierarchical practices as mentioned in the description at the beginning of this piece, will be essential. We can't have economic democracy in a racist and sexist society. So working on oppression, discrimination, and hierarchy within the economic democracy framework will be an imperative. It will also be part of the principles and purpose of the cooperative solidarity economy to eliminate oppression, racism, sexism, and hierarchy.

(d) What role do gender and gender issues play in your work?

Gender inequality, sexism, patriarchy, and privileging certain sexual orientations are also oppressions this model addresses and will eliminate. We will not achieve economic democracy unless we address these oppressions and discriminations—and eliminate them. I consider myself a womanist, with a human rights framework for addressing sexism, patriarchy, and gender inequality.



(e) What, specifically, is the role of community in your model? What measures and factors affect community health, wealth ('social capital'), and solidarity, and how central are local life, neighborhoods, towns, and cities?

Community will be central. This is a community-centric model, based on grassroots economic organizing, grassroots agency, and the assumption of power by grassroots community members, especially those who have usually been marginal, voiceless, and impoverished. All action and practice will start at the grassroots, from the bottom up. Its purpose will be to create community-level prosperity and wealth that is democratically controlled and distributed.

(f) Do you envision a change of values, culture, and consciousness as important to the evolution of a new system? If so, how do these changes occur?

Yes. A change in the ruling elites' values will be imperative, but also, more importantly, we have to change the values of grassroots community members who do not know, understand, or practice the values of the solidarity economy. We must make this knowledge, these values and these practices more universal. With the new model, the aspiration will no longer be to be an elite. Thus, in the final version of this model there are no ruling elites. We will learn and show by doing—by practicing/engaging in democracy and economic justice. We will need more public education to expose people to this model and these values; and to teach people a new way of thinking and acting. The change in values, culture and consciousness will occur most, and best, through practicing economic democracy.

(g) What are the roles of the consumer, consumerism, and advertising in the system you envision? Self-provisioning? Sharing, renting, and bartering?

Public education about caring community, cooperation, and solidarity will be necessary. The solidarity economy includes bartering, gifting, and sharing in nonexploitative ways. The system will work for the common good, to cover all needs. So, consumerism and advertising will not be necessary and will be a waste of resources. Local control, people-based, community-owned goods, services, and enterprises will address consumer needs. Consumers are owners, workers, and community decision-makers as well. There will be no major difference or



distinction between these groups, and therefore, no need to attract or engage consumers as a separate class, to be duped.

(b) How do “leisure” activities—including volunteering, care-giving, continuing learning—figure in your work?

The point of the work will be to have time for caregiving, volunteering, and continuous learning. And participating in a democratic solidarity system will require continuous learning. The cooperative solidarity commonwealth will depend on volunteering, social energy, caregiving, and continuous learning; and the system will not prosper without these values and activities. It will be based on them to provide for the common good in ways that also produce economic outcomes. In other words, to create economic activity out of addressing the common good and common needs. So, the system will be about creating a society that gives back to the community, while continuously learning so it can do things better, and providing for all its members. The shortened workday (twenty hours per week) and democratic ownership and decision making will also increase time available for leisure, productive leisure, and community activities.

9. Some Specifics: Environment

In your work: (a) If your system addresses environmental concerns, how do you conceptualize “the environment”? Do you envision the economy as nested in and dependent on the world of nature and its systems of life?

Yes, the cooperative solidarity commonwealth will require a healthy natural environment and assumes that the economy is nested in, and dependent on, the natural world and its systems of life. Economic democracy, as explained here, will be sustainable for humanity and the ecology. Built into the system is an understanding that sustainability must include Mother Earth and all meanings of community. Environmental sustainability is in the definition and principles of a solidarity economy, as previously described.

(b) Do you address a rights-based environmentalism (e.g. right to clean water) and the idea that nature has legal rights? Do we have duties to other species and living systems? Are any of your goals non-anthropocentric?



This model does not specifically address rights-based environmentalism, but rights-based environmentalism is understood in the triple bottom line goals of solidarity economies, and my notion of a cooperative solidarity commonwealth.

(c) Do you envision addressing environmental issues outside the current framework of environmental approaches and policies (e.g. by challenging consumerism, GDP growth, etc.)?

The health of Mother Earth is implicitly necessary to this model, and the local community focus of economic activity is in part to help address, and ensure, environmental health and ecological sustainability.

(d) How do you handle environment-economy interactions, trade-offs, and interdependencies?

There will not have to be trade-offs once the system is in full swing. Both will be mutually pursued. If the economy is people- and community-based, then the economy will be dependent on the best interests of the community, and thus of the Earth upon which communities depend.

10. Some Specifics: Polity

(c) How does your model address questions of political and institutional power?

Power will be in the hands of grassroots community residents; equity requires ensuring that voice and power are given to the marginalized. Economic democracy is the basis of this model and democratic economic participation will be essential. Democracy and economic democracy are not possible without attention to white privilege, racism, sexism, and all kinds of exploitation.

(d) How does your model deal with problems of scale? How much decentralization does it include for large systems? How would decentralization be structured?

Decentralization will be important and supported, but partnered with democratic grassroots planning and federation (organizing municipal and regional representative organizations). Large will not be as revered as good, except where it is natural. The focus will be on interlocking local small systems, which federate and collaborate to reach (or benefit from) scale.



(f) At different political levels, what polity and what political conditions are implicit or explicit in getting to success?

More pure democracy and consensus building are the necessary political conditions for this model. They grow out of economic democracy and community-level justice.

(g) There is an ongoing critique of representative government and exploration of direct, "strong," and deliberative democracy. Does any of this figure in your framework? If so, how?

Yes. But democracy will start in the economic sphere in this model. We can't achieve political democracy without economic democracy. This system will focus on establishing and institutionalizing grassroots economic participation, democratic governance and non-hierarchical and non-exploitative relationships, that will then bubble up to other levels and other systems.

(i) How central is government in the future you envision, both in getting there and staying there?

Government will follow the lead of communities and democratic workplaces. Eventually, government will be controlled by members of the local cooperatives who will assert their leadership by engaging in legislative activity at the municipal, state, regional, and national levels, after learning democracy through practice in cooperatives and the solidarity economy.

(j) In the system you write about, what are the appropriate levels of government expenditure or government as a share of the economy and how are these levels achieved?

There will be a role for public resources and revenues to be used to support cooperative development. Education (public education in particular) about solidarity and cooperative economics, and strong policies to promote this model, will be necessary to encourage people to pursue and sustain the next system. Also, there will be a role for public banks to store public revenues and use them for the public good, and to support the cooperative solidarity commonwealth.

(k) Do you envision social movements as important in driving political change and action? If so, can you elaborate on how this happens?



Social movements will need to direct change, but democratic economic practices will train and engage people so that they will constructively engage and act in social change. Economic democracy will be integral to sustaining, supporting, and sometimes initiating, social movements. In my book *Collective Courage*, for example, I find that the African American cooperative economic movement was integral to the long civil rights movement. Many African Americans realized that fighting for political rights was not enough, they also needed to practice solidarity and cooperative economics for survival, economic stability, and full liberation. Moreover, often without economic democracy and economic independence, those who struggled for civil and political rights were targeted, undermined, and retaliated against more effectively. So, there is not true democracy without economic democracy, and the fight for economic rights goes hand in hand with the fight for political and civil rights. In addition, I also find in *Collective Courage* that many African American civil rights leaders were first trained in the cooperative movement and/or practiced or advocated for cooperative economics. So that their civil rights work, organizing, and leadership (social movement building) were often forged in the cooperative movement or developed, at least in part, from practicing cooperative solidarity economics.

11. Real-World Examples, Experiments and Models

(a) Are there specific real-world examples or experiments you can point to that embody your model or system or exemplify important elements of your approach?

There are some examples that incorporate many elements of the cooperative solidarity commonwealth I describe. The Mondragón Cooperative Corporation in Northern Spain, the Emilia Romagna region of Northern Italy, and the state of Kerala in India all are examples that include many of the elements of the model I described: small local worker cooperatives, interlocking systems, and networks of cooperatives supporting one another with strong financial systems and strong enabling policies.

Also, the five year plan of the Young Negroes' Co-operative League in 1930 (during the height of the Great Depression) is another example of the beginnings of a cooperative solidarity commonwealth—but it was never realized.



The YNCL pamphlet outlined the five year plan:

- ✿ Five thousand charter members, paying a \$1 initiation fee, by March 15, 1931.
- ✿ A council in each community where there are five or more members, that then establishes a weekly forum to discuss economic problems of the Negro and study consumers' cooperation.
- ✿ A cooperative enterprise where each council exists, by March 15, 1932.
- ✿ A cooperative wholesale establishment in each state by March 15, 1933.
- ✿ A cooperative bank in each community where there is a council by March 15, 1934.
- ✿ Factories to produce such necessities as clothing, food, and shelter by March 15, 1935.¹⁶

(b) Are there other models that you see yourself aligned with or close to yours?

World Social Forum models of the solidarity economy are similar because they focus on grassroots, informal, nonexploitative economic relationships and activities. Other notions of a cooperative commonwealth are similar because they discuss interlocking and networked cooperatives. However, they do not connect as directly with solidarity economy values, and do not necessarily address race and other exploitations.¹⁷ The Southern Grassroots Economies Project is beginning to put together a comprehensive vision to build cooperatives, especially worker cooperatives, in the South, based on racial equity and solidarity economy values.¹⁸

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Notes:

- 1 See International Co-operative Alliance, "Co-operative identity, values and principles," ica.coop/en/whats-co-op/co-operative-identity-values-principles.
- 2 See The US Solidarity Economy Network, ussolidarityeconomy.wordpress.com/about.



- 3 David P. Ellerman. *The Democratic Worker-Owned Firm* (Boston, MA: Unwin Hyman Inc., 1990), 206-207. The “new assets and liabilities created in production” in a worker cooperative accrue to the residual claimants (workers) (207). “The relationship between the worker and the firm is membership, an economic version of ‘citizenship’, not employment” – the employment relationship is abolished (206).
- 4 The Mondragon Cooperative Corporation uses slightly revised cooperative principles that include: sovereignty of labour, instrumental subordinate nature of capital, participatory management, payment solidarity, and social transformation. “Labour is the main factor for transforming nature, society and human beings themselves.” “Capital is considered to be an instrument subordinate to labour, which is necessary for business development.” “The willingness to ensure fair social transformation with other peoples by being involved in an expansion process that helps towards their economic and social reconstruction and with the construction of a freer, fairer and more caring Basque society.” See The Mondragon Corporation, “Our Principles”: <http://www.mondragon-corporation.com/eng/cooperativeerative-experience/our-principles/>.
- 5 Seventh generation thinking suggests that people live, work and make decisions for the benefit of people seven generations into the future. It is thought of as a way of life that centers on stewardship of the planet and a focus on ecological and environmental concerns. For more on the concept and its origins with the Iroquois tribe, see: *Seventh Generation Thinking, “An Iroquois Perspective,” American Indian Environments: Ecological Issues in Native American History*, Christopher Vecsey and Robert Venables, eds. (New York: Syracuse University Press, 1994).
- 6 William E.B. Du Bois, “Where do we go from Here? (A Lecture on Negroes’ Economic Plight).” An address delivered at the Rosenwald Economic Conference, Washington, DC. May 1933. First published in *The Baltimore Afro-American*, May 20, 1933. Reprinted in Andrew G. Paschal, ed., *A W.E.B. Du Bois Reader* (New York: Collier Books, 1971), 162-163.
- 7 See Curtis Haynes, Jr., “Du Bois and Economic Cooperation,” Mimeo, unpublished working paper (Buffalo, NY: Buffalo State College, 1999); and Curtis Haynes, Jr., “An Essay in the Art of Economic Cooperation: Cooperative Enterprise and Economic Development in Black America,” unpublished Ph.D. dissertation (Amherst, MA: University of Massachusetts, 1993).
- 8 Paying more than 30 percent was defined in the 1937 Housing Act as “housing burdened.” However, the “maximum rent standard” of the 1940’s required that no one pay more than 20 percent of their income in housing. See Mary Schwartz and Ellen Wilson, “Who Can Afford To Live in a Home?: A Look at Data from the 2006 American Community Survey,” *US Census Bureau*, <http://www.census.gov/housing/census/publications/who-can-afford.pdf>.
- 9 For example, Race Mathews explains this role of the early Mondragon credit union (Caja Laboral Popular) in, “Mondragon: Past Performance and Future Potential.” Paper in honor of the late Professor William Foote Whyte, to be presented at the Kent State University Capital Ownership Group Conference Washington, DC, October 2002. [http://cog.kent.edu/lib/MathewsMondragon_\(COG\)_rtf.htm](http://cog.kent.edu/lib/MathewsMondragon_(COG)_rtf.htm).
- 10 Karen Thomas, “Lessons of Mondragon’s Employee-Owned Network,” *Owners at Work* 12, 1 (Summer 2000): 5-9.
- 11 See Democracy at Work Institute, “Workers to Owners,” <http://institute.coop/workers-owners>.



- 12 See The Democracy at Work Institute, www.institute.coop; The Southern Grassroots Economies Project, www.sgeproject.org; The Union-Coop Initiative, www.cincinnatiunioncoop.org; 1worker1vote, www.1worker1vote.org/about; Cooperative Economics Alliance of New York City, www.gocoopnyc.com/home.
- 13 See 1worker1vote, www.1worker1vote.org.
- 14 Gini Coefficient: “Measure of the deviation of the distribution of income among individuals or households within a country from a perfectly equal distribution. A value of 0 represents absolute equality, a value of 100 absolute inequality.” World Bank, “World Development Indicators 2013,” Washington, D.C.: World Bank. <http://data.worldbank.org>.
- 15 For more on non-extractive finance, see The Working World, <http://www.theworkingworld.org/us/>; For more on the Islamic banking model of interest free loans see, Ahmad Ziauddin, *Islamic Banking: State of the Art* (Jeddah: Islamic Research and Training Institute, Islamic Development Bank, 1994). Available, http://www.isdb.org/irj/go/km/docs/documents/IDBDevelopments/Internet/English/IRTI/CM/downloads/IES_Articles/Vol%202-1..Ziauddin..ISLAMIC%20BANKING.pdf.
- 16 See Jessica Gordon Nembhard, *Collective Courage: A History of Cooperative Economic Thought and Practice* (University Park, PA: The Pennsylvania State University Press, 2014), 113-114.
- 17 See Grassroots Economic Organizing, “The Cooperative Commonwealth,” <http://www.geo.coop/story/cooperative-commonwealth>.
- 18 See Southern Grassroots Economies Project, <http://sgeproject.org/>.



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Jessica Gordon Nembhard is a political economist and professor of community justice and social economic development in the Africana Studies Department at John Jay College, City University of NY; and author of *Collective Courage: A History of African American Cooperative Economic Thought and Practice*. She has numerous publications on cooperative economics, community economic development, credit unions, wealth inequality, community wealth, and Black political economy. An affiliate scholar with the Centre for the Study of Cooperatives, University of Saskatchewan, Canada, she is a member of the Grassroots Economic Organizing (GEO) newsletter and collective, as well as the US Federation of Worker Cooperatives, the Eastern Conference for Workplace Democracy, the Southern Grassroots Economies Project, the Federation of Southern Cooperatives/Land Assistance Fund, the Association of Cooperative Educators, and the US Solidarity Economy Network. Gordon Nembhard is also a member of the shared leadership team of Organizing Neighborhood Equity (ONE) DC (a community organizing entity in Washington, DC). Jessica is a proud mother and grandmother, of daughter Susan and son Stephen, and grandchildren, Stephon and Hugo.



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