

From Chicago to Buenos Aires: A Reflection on Cooperatives, Movement-Building and Systems-Thinking

Erica Swinney
Manufacturing Renaissance
Cooperative Charitable Forum
July 2015

In the six weeks leading up to the Buenos Aires trip in March of 2015, it was a whirlwind period of time in my day-to-day work. A recent convergence of non-profit management challenges, a shifting political landscape while working in a resource-poor community on the West Side of Chicago threatened to overshadow the methodical, incremental work at hand.

My role at Manufacturing Renaissance (MR) has transitioned over the last couple years. I used to work day-to-day serving youth directly in a program MR created, Manufacturing Connect, which helps youth access career paths into the manufacturing sector as part of a larger strategy for community development. The program has expanded over the years and today my role is primarily in the management of this program, providing support to my staff that now serve these youth and are doing the program's best work to-date.

Working with youth was always my favorite part of the job. My new role limits the amount of time I spend with them. A bigger proportion of my job requires more time with the external elements, engaging with the more cynical, self-serving actors in local politics and bureaucracy and the like who, in some shape or form are agents of keeping things just as they are in the face of great injustice, educational and economic disparity. Though I recognize my new role is necessary to support, protect and advocate on behalf of the program, it has been at times isolating and overwhelming. It had begun to tap my sense of well-being such that I worried for my own ability to keep the cynicism at bay. In the face of such dysfunction, it can be difficult to see a way through the morass.

It was at this point that I stepped onto the plane to Argentina to go learn about their cooperatives. Although I've learned a lot about cooperatives over the years and recognize the potential they have for economic and community development, it's not currently an active part of my work agenda. Beyond the opportunity to take a break and spend time learning from colleagues, it was not clear at that point in time what I would take back from a trip like this that relates directly to my day-to-day concerns.

The Cooperative Charitable Trust (CCT) sponsored this trip. CCT is a small trust started by Bob Giel and Suellen Tcherepin nearly 20 years ago. Bob had made some money from the sale of a

technology company in the early 1980s and with it, formed the Trust to support an issue important to him, worker cooperatives. Bob invited a small group of co-op development practitioners to meet twice a year to network and share best practices for supporting and expanding worker cooperatives in the United States.

My father, and boss, Dan Swinney, was one of the early participants in the CCT's annual Cooperative Charitable Forum (CCF). Dan's work then called the Midwest Center for Labor Research (MCLR) and now called Manufacturing Renaissance (MR), was considered a national leader in strategic analysis, critique and critical thinking on issues of labor and community organizing. MR's early work was documented largely through the *Labor Research Review*, and advocated for organized labor to embrace worker ownership drawing inspiration from both the Mondragon and Emilia Romagna examples. MCLR used employee and cooperative ownership as an option to plant closings in its practical work as well as the use of "capital strategies" by labor in several campaigns against plant closings. The CCT funded Dan to write what is still our organization's most central philosophical underpinning, *Building the Bridge to the High Road*.

About seven years ago I began working for MR. I had moved back to Chicago after starting my career in California first as an ecologist, then as a community organizer. Systems' thinking was something I came to appreciate early on in my career. Ecology was an obvious career choice as there seemed to be no end to the number of fascinating, intricate interactions between and amongst organisms and their environment. I was interested in both the macroscale, like the sum of interactions that occur on the scale of a prairie grassland, as well as the microscale, like the sum of interactions that occur in a handful of soil.

The ecological theory of *feedback* was the framework for my master's thesis; specifically the role of the soil community in determining plant biodiversity in a given area. In summary, the prevailing dynamics of the microbial community in the soil can serve to enhance plant biodiversity or to suppress it, which in turn have multiple levels of implications for the environment at large. As fascinating as all that was, ultimately the lure of working with *people* in the systems-context of communities won out in my career aspirations over working with *microbes* in the systems-context of potted-plants in the greenhouse. However the fascination of how all the micro pieces fit together to create conditions for macro changes have stayed with me and continue to serve as the lens for how I understand what is happening in the world around me.

In 2010, I went to my first CCF meeting with Dan. I started matching the faces to the names that helped shaped some of Dan's core tenets of thinking over the years. Though neither my father nor I would characterize ourselves as cooperative development practitioners, like my

father, I quickly found this to be a rare place where debate, critical thinking and mutual respect amongst the participants stimulated my own thinking and I always emerged from these meetings percolating with ideas to infuse in both micro and macro ways into my work at home.

Brendan Martin joined the CCF shortly after I did. As founder and Executive Director of The Working World, Brendan's work represented an unprecedented approach to cooperative development: providing access to capital through small loans to worker-recuperated factories in the direct aftermath of the 2001 economic crisis in Argentina. CCF members were intrigued albeit initially skeptical of Brendan's work. Brendan generously offered hosting a trip to learn about the cooperatives and his organization's work first hand. Soon talk of organizing a CCF trip to Buenos Aires was underway.

Our small delegation of ten people arrived at *La Base* offices on Sunday, March 22nd, to begin the first two days of orientation. *La Base* is what The Working is called in its Spanish-speaking domains of Buenos Aires and Nicaragua, (The English translation for "The Working World" is not, however, quite as elegant). The *La Base* staff consists of four *Porteños* (hailing from Buenos Aires), Julian, Alejandra, Mari-Eva, Mariano, with an additional group of volunteers and contractors who support program operations in various ways. Julian began work for *La Base* since Brendan's arrival to Buenos Aires in 2005 (and who worked as the translator for Avi Lewis and Naomi Klein's documentary film *The Take*) was our in-country guide and primary translator for the trip. Julian and the team pulled together a mix of academics, cooperative developers and advocates to orient us to the Argentine modern history, politics and economics and the cooperative movement.

Argentinian History

Argentina is the eighth-largest country in the world and Buenos Aires is one of the top-ten-largest cities in the world (at over 13 million) with 32% of the entire Argentine population living in Buenos Aires. In the early part of the 20th century, Argentina was one of the wealthiest and most developed countries in the world, yet had slipped into underdevelopment after the 1930s due to significant political and economic instability.

Juan Domingo Peron was a populist first elected to the presidency in 1946. His brand of politics known as Peronism, influenced to a large degree by his wife Eva's populism, still has a deep resonance today. Though Peron gained popularity with the working class by improving wages and working conditions, nationalizing several industries, and nearly achieving full employment, he had fascist sympathies in Europe. As the economy declined in the 1950s, in large part due to

over-expenditure, Peron became vulnerable to counter-political elements--especially the military-- which overthrew him in a coup in which he fled to Spain.

Over the next several decades Argentina suffered under a fast-swinging pendulum of presidents whose politics were either to the left or right of Peron inevitably followed by a military coup. The cycle repeated multiple times over. Peron returned in 1973 again as President amidst thick controversy. With his sudden death in 1974 his third wife Isabel Peron assumed power. She is responsible for initiating the policies that began to crack down on political dissidents known as the "dirty war."

She was ousted in a military coup in 1976 at which time the military dictatorship escalated the rate of persecution of its own citizens. Between 1976 and 1983 an estimated 30,000 leftist activists, trade unionists, and anyone thought to be associated with socialism were "disappeared," tortured and killed by the Argentinian government. Many of those we met with on our trip were directly or indirectly impacted by the state-sponsored terrorism and were subsequently politicized by that period of time.

Democracy returned to Argentina in 1983, along with skyrocketing national debt. Carlos Menem was elected president in 1989 and implemented sweeping neoliberal economic policies on top of an already vulnerable economic situation. Policies included privatization of nearly all national assets and pegging the Argentinian peso 1-to-1 to the dollar. Unemployment more than doubled as thousands of workers were downsized due to the privatizations. Public debt soared as the International Monetary Fund and World Bank lent the country billions of dollars. Corruption scandals became commonplace. The majority of top corporations were sold to foreign investors, and inflation soared as local currency became increasingly devalued.

As an economic crisis loomed, Menem stepped down in 1999, and Fernando de la Rúa was elected. However it was too late to change Argentina's economic fate. It all came to a crisis on December 19, 2001, when \$40 billion in cash disappeared overnight. Banks froze; the country erupted into riots and protests. Three days later, Argentina defaulted on its debt and went bankrupt. Fifty percent of the country fell into poverty. "*Que se vayan todos*" (All of them out) was the protest chant that characterized this time, referring more to the economic system than to any specific politician, although Argentina saw five different presidents in the three week aftermath of the crisis. These are the conditions that led to the emergence of the *fabricas recuperadas*, recovered factories a.k.a. worker-occupied factories.

Recovered factories emerged after the crisis when many owners of capital fled the country. These owners left behind their factories shut down and locked, leaving their employees

suddenly without employment. After weeks and months, even years of waiting for the opportunity to return to work, some workers reentered the factories to resume production as a way to make some kind of living in desperate economic times. What began as a spontaneous response out of need for work turned into an organized and deliberate decision to revitalize a business important to workers and the economic health of local communities in spite of police threats, forced evictions and uncertain legal status. Since the time of the economic crisis, workers have occupied 311 factories, and the numbers are still growing.

The Taxonomy and Physiology of Today's Argentine Cooperatives

The recovered factories are the most recent and the most visible of a longer history of cooperatives in Argentina. The first cooperatives were established organically among European immigrants as a means to provide mutual economic support and services within ethnic and cultural communities. They have evolved to become malleable economic entities that may manifest in response to its members' economic, social and even political needs. During our trip, we witnessed and learned about a range of these manifestations.

Though the word "cooperative" has various connotations and implications, as complex as the Argentinian people themselves, they all seem to respond to the needs left in the gaps between the public and private domains. They are shaped by the mix of stakeholders and tendencies that either support or threaten them, and they in turn support and threaten other stakeholders and tendencies.

The first law institutionalizing cooperatives came in 1926. Cooperatives are now regulated under the Ministry of National Social Development through the INAES, the National Institute of Association and Social Economy. The purpose of the INAES is to determine who and what is a cooperative. It recognizes and regulates the firms who register as cooperatives to ensure they adhere to specific structures and activities.

INAES is governed by a Board with seven seats, consisting of three government-appointed officials, two officials from the mutual firms and non-profit sector and two officials representing cooperatives. There is a national INAES board and each province has their own regional INAES board. According to this regulating body, there are 29,000 mutual and cooperative firms in Argentina, 23,000 of which are considered worker-owned cooperatives (including roughly the 311 recovered factories), about 2000 are cooperatives that have been initiated by the government. These cooperatives collectively represent about 10% of the national Gross Domestic Product.

Like any legal regulating body, the INAES has its supporters and detractors from within the cooperative community. Some feel the regulations and bureaucracies (10 different forms of co-op activity documentation required) are too costly and inhibit the formation of new cooperatives (there is about \$8,000 in administrative fees/costs required in the first year of establishing a new cooperative business). However it does allow formalization of this distinct business model that allows for cooperatives to receive financial services and be formally recognized in the local and national economy.

In the last ten years, the Argentine government has also become active in the sector as a cooperative operator in addition to cooperative regulator. A government program called “Argentina Works” is responsible for starting 2,000 cooperatives across the country. The government sees cooperatives as a preferred vehicle for distributing welfare and workforce development dollars to those who are chronically unemployed and need training and education to reintegrate back into the economy. Cooperatives facilitated by the government are formed and then hired by the government to work on different local service or infrastructure projects (hired at lower wages than the government would pay for government employees or contractors to do the same work). Presumably through working and training provided through these projects, Argentines will have enough skills to move into non-government subsidized work.

University of Buenos Aires Professor Mirta Vuotto, provided further clarification as to how cooperatives can be distinguished:

- **Integrated:** represents what may be considered the classic approach to cooperatives, a group of people with shared values who come together to start a cooperative business, a business explicitly driven by those values.
- **Dissidents:** represent the 311 recovered factories, those who took over their places of work as a way to preserve their rights as former workers before the economic crisis. Among the recovered factories there is a real mix of awareness and adherence to cooperative values and principles like you would find in the *integrated* group.
- **Induced:** cooperatives which are those 2000 cooperatives that have been formed by the Argentine government, that are based solely on the need for work and a means to provide government welfare and workforce development subsidies.

Cooperatives as Movement Builders

Besides the cooperatives themselves, there is an interesting mix of stakeholders who subscribe to the idea that in addition to meeting the immediate needs of a specific group of individuals, cooperatives can be vehicles for building a movement for expanding the socially equitable economy. In the early days of Argentina's economic crisis, neighborhood assemblies formed spontaneously in response to a failed state and economy. Beyond providing forums for residents to address their immediate needs, neighborhood assemblies played an important role in either starting new cooperatives or supporting the worker-occupied cooperatives, a direct act towards building the kind of local economy that best serves local residents.

Today though there are few if any of these neighborhood assemblies left as the national state and economy recovered. Several of the leaders we spoke with referenced the neighborhood assemblies as formative influences in the both the development of cooperatives as well as their own political consciousness. Universities and academics have also stepped up to play an important role in supporting the cooperatives-as-businesses and cooperatives-as-movement-builders largely through providing technical assistance and training to worker-owners.

There are also now a vast array of cooperative federations and associations representing different kinds of cooperatives, in different sectors across different regions representing different politics. It was a running game for us neophytes on the trip to see if we could remember all the different acronyms and which represented who (that complexity was confounded further by trying to understand who were the Peronists who seemed to be both left and right of the political spectrum). The federations are most concerned with the policy and activities related to expanding the political power and legitimacy of cooperatives and cooperative workers.

We had the opportunity to sit down and talk with one leader of one of these cooperative federations, Jose Luis Orbaiceta, President of the Cooperative Confederation of the Argentine Republic (COOPERAR). COOPERAR started in 1962 with the goal of promoting and consolidating the cooperative movement in Argentina for economic development and social equity. COOPERAR represents 59 enterprises from across different sectors that impact 10 million people through consumption, energy, production, health, tourism, agriculture and other sectors.

Mr. Orbaiceta has a compelling personal narrative, coming from a community where there were eight *desaparecidos* and one person murdered by the Argentine government. He still goes home each year to commemorate their tragic disappearances and deaths. He started his

career working in the railways but due to his political activism during the time of the dictatorship, he helped start a printing cooperative. In the late 70s, fearing for his life, he was able to get political asylum in Winnipeg, Canada, where he was grateful to find work in a local print shop until he felt it was safe enough to return home in 1984.

Mr. Orbaiceta talked candidly about his political orientation in context of the challenges the cooperative movement faces. In particular, he was concerned in overcoming the “culture of capitalism” which he regards everyone as being “born into.” He feels that most people lack the consciousness and the confidence that regular people can rely on themselves to solve their problems instead of big private corporations or the government. He sees the top strategic priorities for the cooperative movement to be:

- **Expand leadership and political power for cooperatives:** For example, the largest company in Argentina is a cooperative, yet most people aren’t aware of this. The second largest company is a private firm yet it has far more access to the President than the largest cooperative company does. He provided this anecdote to exemplify the cost of the political splintering among the various cooperative factions. He feels co-ops need to work harder to create a cohesive lobby that can be more powerful across the political landscape. Only 20% of cooperatives are affiliated with any federation.
- **Expand media and education on cooperativism:** There should be more effort and coordination to build greater public awareness of cooperatives in newspapers, television and other media outlets. There are now 1000 elementary school cooperatives in Argentina, and he wants to see more. He thinks cooperativism should be taught at all levels of public education. Only recently can teachers earn professional development credits to teach cooperativism, which means a move towards formalizing the process of teaching cooperativism and not simply depend on teacher volunteerism and uneven instruction of the subject matter.
- **Expand research, development, and financial instruments to support the cooperative sector:** He recognizes the importance that La Base has played in creating a new model of financing for the recuperated factories that are not eligible for traditional finance, as they may not yet own the buildings and machines they are working on. There needs to be a wider variety of supports made available to cooperatives, similar to their privately-owned counterparts, so that they can be more competitive in the market place.

He concluded our discussion talking about the challenges of “solidarity in solitude.” Those who are active in the cooperative sector and movement are still finding their place in the global

economy. At this moment in time he described the cooperative sector as being the “ambulance picking up the injured and disregarded workers of a global capitalist system.” He further described some cooperativists are comfortable operating in a capitalist system and some are not, but regardless, he feels there is an imperative to connect across national borders to contend for more power and more visibility in a global economic system.

Another domain for consideration in this burgeoning idea of cooperatives-as-movement-builders that we were only able to scratch the surface of during this trip is the dynamic tension between labor unions and cooperatives. This is a universal and long-standing tension, such as explored in the Spring 1985 issue of the *Labor Research Review*. It’s a tension that can lead to strategic alliances such that between the Steel Workers Union and Mondragon in 2009 or its one that can lead to subversion and sabotage as we heard stories of on the trip.

The relationship between unions and co-ops were described by a couple different people we met in which sometimes there’s collaboration, sometimes indifference, other times hostility between the two entities. The first worker-recuperated cooperative we visited, Crometal, got a lot of help from the Metalworkers Union (Unión Obrera Metalúgica) that represented the workers before the occupation. The worker-members, like Americo Gomez, a solderer at Crometal that I had the pleasure of conversing with over lunch, are still active in the union today. We heard of another case in which the union members broke into a closed factory to destroy the equipment so that it would not be recovered by its own workers. This is a relationship that demands further investigation, one that is ripe for its next level of development in Argentina, the United States and internationally with the potential of exposing more working people to the ideas about cooperatives and ultimately to be more involved in the starting, owning and running of businesses in their communities.

Snapshots of Cooperatives in Argentina: A summary of where we visited and what we learned

1. Crometal

- Business: manufactures of industrial shelving.
- Worker occupied since: 2005, 30 members.
- Strengths: active partnership with their union, Unión Obrera Metalúgica (UOM)
- Challenges: equipment is very old and breaking down, maintenance and capital improvements costs prohibitively expensive especially without legal title. Foreign industrial shelving competitors now also a factor.
- Status: still in expropriation, goal is to be designated as legal owners of the business.



La Base's Julian Massaldi, our excellent guide and translator, listens to one of the members talk about their struggle to gain control through multiple evictions by the local police.



Our BBQ lunch that included many different delicious meats, washed down with "vino y coka". Americo Gomez, a solderer at Crometal, tells me about how their existence as a cooperative is an important part of resisting the "hegemony of capitalism."



CCF visitors and Crometal workers

2. IMPA (Industria Metalurgica & Plastica Argentina)

- Business: manufacturers of industrial tubes and containers.
- Worker occupied since: 1998, considered the first worker-occupied factory in Argentina, 90 members.
- Strengths: a lucrative business, in part due to market protections by the state so they have a significant profit margin for their products due to no local competition
- Challenges: Market protections are dependent on the national government which they believe make decisions capriciously. There is an upcoming presidential election. They are concerned that they may not enjoy these protections depending on who wins the presidency.
- Status: They are legal owners of the business.



Eduardo Murua, a well-known lawyer who is known for helping certain cooperatives gain legal status through expropriation. Murua shows us his office at IMPA where he currently has a leadership role in the management of the coop. He sees the coop as a form of resistance, by putting labor's interest above all other priorities. IMPA pays wages 3x higher than other factories, they feel they can afford to and it's part of making up for what workers lost during the crisis and the exploitive conditions before the factory was owned by its workers.

Worker-members in production of the metal tubes, like toothpaste tubes.



The mural in the entrance to the factory. Along the top of the mural: "We are the forbidden history." MNER refers to the federation also started by the IMPA leadership.

3. Chilavert Artes Graficas

- Business: printers
- Worker occupied since: 2002
- Strengths: robust community support and active community engagement demonstrated through housing an alternative school program for disenfranchised youth and adults to earn their high school diploma at the factory site.
- Challenges: equipment is very old and breaking down, maintenance and capital improvements costs prohibitively expensive especially without legal title.
- Status: still in expropriation, goal is to be designated as legal owners of the business.



Matias tells us the story of how they locked themselves inside the factory during the initial occupation. The frame on the wall on the top of this picture covers a hole neighbors blasted with dynamite so that they could sneak out their publication to sell in order to make money to support the workers.



This classroom is the site of an accelerated high school program, taught by a cooperative of university educators. Students, youth through adult age, learn traditional high school subjects plus cooperative education and about print production processes. The final projects require students to come up with project that connects core subject areas including Spanish, research methodology and cooperativism, which often includes issues relevant to production at Chilavert. Some workers

in the factory volunteer as teachers. Students are also expected to participate in monthly cooperative assemblies.

4. CECOPAF

- Business: Multi-stakeholder coop for cooperatively produced agricultural products as well as retail workers
- New cooperative business started in 2009
- Strengths: Close relationships with a variety of producer cooperatives, significant expertise to help producers get their products directly to market.
- Challenges: They have a very small retail operation and small customer base



Pedro, co-op president, has 30 years experience working on farms and is deeply committed to supporting farmers and cooperative values.

5. El Alamo

- Business: waste recyclers
- New cooperative business since 2001, 80 members
- Strengths: robust community support, started out of the neighborhood assemblies that spontaneously formed after the economic crisis. Partially responsible for helping Argentina start a formalized recycling industry.
- Challenges: limited government policies relative to how waste is managed in context of large privatized waste-management businesses. Recyclers not recognized as government workers, and limited markets for recycled materials.



Inside the Alamo sorting facility
Photo credit: Rebecca Bauen



Roberto, co-op president, tells us his story about becoming a recycler after he lost his job during the economic crisis. The only way he could support himself was by finding recyclables on the street and selling it. Recycling was initially illegal because waste was considered being owned by the state. Law passed in 2003 that legalized the activity of recycling. There are 12 recycling coops in Buenos Aires. Recycling started as filling an economic need, but a growing environmental awareness serves to legitimize their cooperative activity. They see the actions of large NGOs in Argentina, and specifically

GreenPeace as obstructive to their work because they were lobbying the government to start curb-side recycling which directly competes with their business. They are currently advocating for a law that defines recycled materials as being owned by recyclers like themselves.

6. Zanon Ceramics/FASINPAT (Fabrica Sin Patron, Factory without a boss)

- Business: Ceramic factory located in Neuquen, AR
- Worker occupied since: 2002, currently 430 members
- Strengths: community support, strong brand recognition throughout Latin America
- Challenges: equipment is very old and breaking down, maintenance and capital improvements costs prohibitively expensive especially without legal title.
- Status: were just granted legal ownership of the business by the government.



La Base's Brendan Martin and Scott Trumbull meeting some of the FASINPAT workers.

Finished product, ceramic tiles sold all over the world

Brendan in front of huge atomizing equipment that sprays the mixture of pulverized clay and water.

Zanon was an Italian company established in Argentina in 1979, during the dictatorship, with a gift of land from the government. The factory paid relatively high salaries and it was unionized, but the union leadership was corrupt and rubber stamped whatever changes the owner wanted to make. As the economic crisis worsened the owner made increasingly difficult demands for concessions from the workers. The factory employed 700 workers until 1998, but by 2001, it was down to 300, when the owner declared bankruptcy. He made plans to sell off the company assets. 5,000 community residents came out in support of the workers who occupied the factory to prevent the equipment from being taken. In 2004, the expropriation process began earn legal title to the factory which they just finally earned in 2014. However they also inherited a 9 million euros debt accumulated by the former owner and the government has refused to extend a line of credit to fix old machines. FASINPAT leadership have struggled with balancing the need for supporting fellow workers through employing them and running a viable business. When we spoke with them in March, they hadn't paid themselves in two months.



7. Neuquen Ceramica

- Business: ceramics manufacturers
- Worker occupied since: 2014, 70 workers
- Strengths: newer machinery and same output as FASINPAT, strong community support
- Challenges: still new and learning the business, learning to operate as a cooperative.
- Status: still in expropriation, goal is to be designated as legal owners of the business.



Coop president, Pablo, in the green shirt above, shows us around. Umberto maintains the state-of-the art ceramic oven behind him. Inspired by their FASINPAT neighbor's struggle 14 years ago, they occupied the factory after a 3 month strike in 2014. They are lesser known, but their newer equipment gives them an advantage in sustaining and growing their business.

Concluding Thoughts

In communities like the West Side of Chicago, there is a tragic normalcy of unsustainable socio-economic conditions. Conditions include 25% unemployment, where barely half of the students who start high school graduate. More than half of those who attend high school do not achieve reading or math comprehension at their corresponding grade levels. Violence, police brutality, incarceration and recidivism, teen pregnancies, drug abuse, obesity, food insecurity and eroding social services are all normal realities of the community environment in which the Manufacturing Connect program operates.

Economic activity is depressed. Tell-tale signs of a community impoverished apparent at most intersections, reflected through the same assemblies of businesses; check-cashing, liquor stores, fast food, store-front churches, with a smattering of non-profits and social service agencies. Like the *feedback* concept in ecology, when a decrease of biodiversity in plant life gets to a certain point there is a change the soil conditions such that it perpetuates the lower biodiversity condition until a disturbance upsets the balance of the new status quo.

I suspect that the conditions I just described are not just the result of disenfranchisement, but have now become the conditions that sustain disenfranchisement. In this current context the bar is very high for the average individual to overcome the conditions of their environment, to

“break free” and the whole “pull yourself up by your bootstraps” lore. Society loves to celebrate these kinds of extraordinary individuals that in comparison relegate their peers to becoming almost the opposite--lazy welfare queens and the like.

Most of us living or working in this context are so consumed by reacting to the crises of the individual rather than proactively working to address the underlying causes or figuring out how we disrupt the conditions sufficiently to set the stage for transformative change on a scale beyond the *talented tenth*. We are all stressed with limited resources and deep emotional connections to those we live with or work with in these conditions. How can we not be completely focused on putting out the fires of immediate need and distress?

There seems to be a similarly narrow focus in the cooperative development movement. The primary focus seems to be on how to build more individual coops, the focus on the individual unit or entity obscures the environmental conditions that may inhibit or enhance any particular individual cooperative’s chances for success.

What I took away from our visit to these cooperatives in Argentina, is that there was a culture and history around cooperatives before there were regulating bodies, laws or technical assistance provisions. Cooperatives were clearly about fulfilling needs like jobs, or providing services like waste recycling, as much as they were about expressing a political world view. Those who worked for or as part of a cooperative were drawn to them for different reasons and coming from different political stripes.

Clearly cooperatives can become useful socioeconomic laboratories and have the potential of becoming economic development vehicles for our communities. Unfortunately, cooperatives in the United States are relegated to economic novelties, largely isolated and often outside the conventional discourse of traditional economic development. What I observed in Argentina was often these entities occupied a space bridging between public sector and private sector interests and to which extent was determined by the need by the members in addition to that of the surrounding community.

Currently in the United States, there is wide gap between public sector and private sector actors. On the public sector side, aside from government agencies, non-profits are the extension for distributing smaller and smaller amounts of public-investment dollars. Their efforts divided between competing with each other through a patchwork of grants and individual donations to serve an often narrow and piecemealed social mission. On the private-sector side, businesses are seen as the life-blood to the economy and communities alike.

Business owners are revered as employers and in the best cases, benefactors to charitable causes.

Few practitioners in the public and private sectors alike know anything or enough about cooperatives to promote the ideas much less act upon them. Individual cooperatives that develop in this context may find themselves in resource poor environment with few traditional public sector service frameworks or private sector services (especially banks) who really know little of how to serve the unconventional business structure. The co-op sinks or swims. If it swims it is usually so grateful to be alive that it allocates little into community relations or politics that could elevate the cooperative business profile and the status-quo continues.

I believe cooperatives could be the disruptor in the socio-economic environment in communities like the West Side of Chicago that dislodges the status-quo sufficiently enough to catalyze measurable, large scale change. If individual cooperative businesses are the seeds, there will be only fragile germination unless conditions in the surrounding community are sufficient to nurture it. It may be time in the fledgling cooperative movement in the United States to prioritize more time and effort in grassroots community engagement with the focus on not solely helping people start cooperatives, but simply exposing and educating people to what cooperatives are. The two efforts of course go hand-in-hand. You can tell someone about cooperatives, but they also must ultimately experience it.

However much can be done in just normalizing the concept through a variety of activities short of starting a cooperative. We must accept this work is as much about building a culture as it is about building business, and the time scale is much longer than many funders are comfortable investing in. Especially working with youth, the expectation isn't necessarily that we should help youth start cooperative businesses, but cooperative development could encompass activities like summer camps, college scholarships, game aps and other social media tactics.

Among adults there could be more done in educating personnel at social service agencies, business service agencies and the like through events as well as through one-on-one outreach with multiple touches over time. The results of these activities will initially be difficult to count and difficult to measure impact. However I believe these kinds of activities are essential to creating the conditions, a sense of normalcy and even inevitability over time such that when a group of individuals are ready to embark on a specific cooperative business plan in a particular community, its met with encouragement instead of skepticism. Similar to every social or technical advance in our society, after years, even decades of tedious, incremental work by countless actors, a breakthrough moment happens then suddenly it will seem like we've been surrounded by cooperatives for years.

By comparison and despite the candid accounts of all the challenges by those we met, the cooperative sector in Argentina is definitely far more advanced than in the United States. They have their own history, culture and politics. It would be an interesting discussion to talk about what their breakthrough moment was that led to the original regulating laws in the 1920s and clearly the recent economic collapse was another moment that catalyzed a still unfolding stage of cooperative development. However Argentines would identify those moments, there were certainly conditions in place that made those breakthroughs possible.

The cooperatives we visited in Argentina were places of work as well as community service providers existing somewhere in the middle of public and private interests. I suspect this is a key characteristic in expanding the influence and reach of the cooperative into the community at large. Those who benefit from the existence of the cooperative aren't just cooperative members. These were places where community residents could find both jobs as well as equity. If there was need for a classroom to serve those excluded by the traditional school system, then the local cooperative factory would be a great place to locate it.

I believe the conditions for thriving communities could be created if there became a common agenda created from among cooperative movement leadership and their community-based allies for grassroots outreach programs that seek to raise awareness, familiarity and connection to the concept of cooperatives in communities at large. Outreach initiatives working in coordination with those pioneers who develop startups or co-op conversions could enhance each other's efforts through identifying ways to extend and communicate the benefits of a new cooperative in a given community.

Cooperatives should claim the space between the public and private sector and lead the charge in eroding those confining silos while also using this space as a platform for gaining a wider sphere of influence and visibility. Cooperative pioneers and their investors should dive head first into every sector to develop and prototype new kinds of business plans and structures that are socially and technically innovative. We are in a time and place in our history with unprecedented access to affordable technologies that can maximize engagement of a diverse array of human and other forms of underutilized resources. Grounded in community-based values, cooperatives are in a unique position to convert these underutilized resources into engines of equitable development that contribute to solving the biggest problems of our time. Most of these new kinds of businesses will fail, but some will succeed. If equal effort is put into building awareness among youth and key public and private sector actors in the community at large, it will inspire and provide lessons to help guide the next generation of social and technical entrepreneurs.

Although most of my day-to-day work over the last seven years has been consumed in the myriad of complicated details necessary to develop a viable manufacturing career pathways program for youth in context of a struggling high school and public school system, I believe this work could someday ultimately contribute to supporting the cooperative movement. The design for the high school itself, Austin Polytechnical Academy, which Dan and MR lead in its establishment, was inspired by the original technical high school that ultimately led to the founding of the Mondragon Cooperative Corporation. Mondragon, in the Basque Region of northern Spain, represents the largest and most successful cooperative business model in the world. Mondragon represents a cooperative business conglomerate of 147 companies employing 80,000 people, around Spain and around the world primarily in the manufacturing and technology sectors.

Due to the political and cultural context in which Austin Polytech currently exists, having an explicit, institutional focus on cooperative development has been untenable. By necessity the primary focus of the work at Austin Polytech has been to get young people on to career paths that could take them out of poverty. We believe that to be the prerequisite condition for any other transformative community change to be possible.

However as community development practitioners, Dan and I have worked hard to prioritize youth leadership development, building a network of young people who understand and share the values of what Mondragon represents. Informally, we have been planting the seeds, the ideas in young people's minds of what is possible when the conditions are ready for a more rapid expansion of these kinds of ideas and practices.

Since the school and the subsequent Manufacturing Connect program work began, we took a group of nine students and two teachers to visit Mondragon in 2009 (also thanks in part to support from the CCT). In the last three years we have worked with small groups of different students to plan and start up a manufacturing business called Mech Creations, organized using a cooperative framework. We are also working with a group of Austin Polytech alumni who call themselves the Young Manufacturers Association. They are now in the manufacturing field and know about Mondragon and what it represents. Together we are working to build a more active grassroots leadership development organization that is seeking to engage youth and young adults at-large around these same ideas.

Granted each of these initiatives has been small and represent various degrees of success. For example, I think I was the one on the Mondragon trip who was most excited to be there for the social vision it represents, the young people and even the teachers were just happy to be on an

international trip. Mech Creations has had to be essentially started over three times. For some reason cooperative business development as a reason for staying hours after school every day could not compete with the lure of getting ready for prom and all the other senior-year activities a perfectly sane young person typically cares about.

However small proportion of my work, these are the activities I find ways of sustaining over time and will seek opportunity to expand upon when the conditions are appropriate. For all of us involved in community-based work, we are often overwhelmed by scale of system dysfunction that drive the individual crises that are too commonly expressed in low-income communities. I would welcome becoming a more explicit part of a larger effort to animate new dimensions in how communities build power and contend in the market place to expand and diversify economic and community development opportunity.

The Argentinian experience offers us inspiring examples of how co-ops and their communities and can work together to help local economies weather difficult economic times as well as promote a model that can be key part of transforming the global economic system.

I am deeply appreciative to the CCT and La Base/The Working World for the opportunity to visit and be inspired by all those working to be part of the solution. Thank you. Special thanks to Rebecca Bauen, Dan Swinney and Rick Stryzinski for editing support.