

# Co-opted?

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VENEZUELA, A MODERATELY PROSPEROUS nation with rosy relations with both the United States and global capital, was an unlikely setting for a socialist renaissance. The 1998 election of Hugo Chávez appeared to be nothing more than a parliamentary victory for a bombastic social democrat, surprising but hardly epochal. During his campaign, Chávez stood for a reorientation of the state oil company *Petróleos de Venezuela (PDVSA)*, a "third way" alternative to neoliberalism, an increased minimum wage, constitutional reform, and a government clampdown on corruption. A discontented electorate warmly received the outsider's rhetoric, giving him 56.4 percent of the popular vote.

"Watch what Chávez does, not what he says," was the U.S. State Department line, referring to politically expedient wealth redistribution promises that seemed bound to collide with reality. A decade and change later we can note the lack of foresight, but the Left should take the advice. Following what Chávez says is a march through the generations and across the political gamut. Keynes is summoned with reverence at one moment, but he's not a Keynesian. Import substitution and denunciations of "the Empire" evoke Perón, but he's not another Caudillo. There are austere outbursts against materialism and globalization, but the ex-military officer would stick out on the G20 protest circuit. Chávez's background is marked by his disconnect from the organized working class and the historic institutions of the Venezuelan Left. It's fitting then that bits and pieces of everyone from Bolívar to Keynes to Che flow from his largely improvised communiqués.

But it is also a mark of the Western Left's own detachment from a working class subject and the Marxist structural critique that analysis of a decade plus of the Bolivarian Revolution have focused on deciphering what Chávez says, and where his sentiments are, rather than the impact of his policies or the historical context of the movement he helms. The scope of such a task is beyond this limited space, but one particular claim — about the explosion of Venezuelan cooperatives and their anti-capitalist character — deserves examination.

Held up as the model of the cooperative movement, the MONDRAGON Corporation, a network based in Basque territory, is well-known. It represents some of the best that a worker-controlled archipelago amid a sea of capitalism can do. Since its founding in 1956, the federation has sprawled far beyond the town of Mondragon and today employs over 85,000, standing one of the leading business groups in Spain. The complex stands as proof that efficient enterprises, even corporations with tens of thousands of employees, can be structured democratically and that a dynamic economy can thrive without capitalists. With the success of a worker-owned management research center (SAIOLAN), the entrepreneurial role of "productive" capital has been socialized. The corporation's banks provide capital and technical expertise for expanding existing cooperatives and new affiliates, key in a world still in need of growth and development, and a prototype for civic investment.

And yet, the limits of this venture are impossible to ignore. As Sharryn Kasmir notes in *The Myth of Mondragon*, there is something striking about the way MONDRAGON fits with the spirit of post-'68 capitalism. She sees the cooperative's workplace complementing, not challenging, a flexible, "team oriented" post-Fordist capitalism.[1] Furthermore, a coordinating class of managers and professionals mean the division of labor is very much alive within the corporation and the entity is hostage to the whip of the world market. Kasmir cites survey data that indicate the majority of workers don't feel like their firms belong to them. But, in the least, the venture shows the John Galts of the world can "go Galt" without taking the trappings of civilization along with them.

Venezuela, a country with state funding and logistical support for the cooperative sector, would

seem poised to replicate the success of MONDRAGON on a large scale. The number of cooperatives registered in Venezuela has risen from the hundreds to the hundreds of thousands over the past decade. Some have proclaimed them to be an anti-bureaucratic form of socialization, not only superior to state directed nationalization, but the germ of a new society and a cornerstone of participatory democracy. However, the reality beneath the rhetoric of "endogenous development" is less than inspiring. Out of the over 220,000 registered cooperatives, only 70,000 are active — a failure rate of 70 percent. Most of the viable cooperatives are in the service sector, hardly producing commodities for a 21st century socialist society.

Far from vehicles of worker empowerment, cooperatives have in some respects institutionalized black market work without improving conditions. Many rely on state contracts, replacing public sector union posts with temporary work. Cooperatives are free from national labor laws and their workers often paid less than minimum wage. As equal "partners" in a firm, groups of workers who feel hyperexploited within their workplace cannot engage in industrial action. This feature makes them attractive to large capitalist firms that outsource work to cooperatives, many of them staffed by unemployed ex-union members, to minimize their reliance on combative permanent workers — post-Fordist "flexibility" at its most developed. In the short-term, Venezuela would be well served by legislation that marks cooperative "associates" as workers, free to organize and collectively bargain within their workplace, but even this seems inadequate.

For all its contradictions, the MONDRAGON initiative was instigated and grew from below. The Chávez government has promoted cooperatives from above through a restrictive legal framework that undercuts existing working class organization and the prospects for self-emancipation. Building a grassroots cooperative movement in concert with, and not counterpoised to, the labor movement and that movement's party could be an important part of a revolutionary movement. Atomized cooperatives, manipulated by capital, sometimes mirroring the worst features of capital, are far from this.

Progressives would do well to remember that stripped from a wider movement, cooperatives have not always been subversive. They were welcomed by Franco in Spain and Mussolini in Italy, regimes that found their non-confrontational relations between labor and management and weakened class identification a complement to corporatism.

The Venezuelan cooperatives, all "220,000 of them," have taken on a mythic quality in many circles. Criticisms of them have been derided as academic, vulgar, or "objectively counterrevolutionary." It's also worth recalling then Leszek Kolakowski's assertion that the Left based its prospects on the experience of history, whereas the Right was the mere expression of surrender to the situation of the moment.[2] The Left can have political ideology; the Right has nothing but tactics. Electing a charismatic populist ambassador for 21st century socialism, taking his intentions as fact, and dismissing critiques from the Left as "ideological" does not bode well for that socialism's prospects.

## Footnotes

1. Kasmir, Sharryn. *The Myth of Mondragón: Cooperatives, Politics, and Working-class Life in a Basque Town*. (Albany: State University of New York, 1996), 194.

2. Leszek Kolakowski, "The Concept of the Left," *New Left Reader*, ed., Carl Oglesby, (N.Y.:Grove, 1969), 144-58.