

A War of Position: Ideas on a Strategy for Worker Cooperative Development

Godfrey Baldacchino

WPDC, University of Malta

This paper explores briefly how the 'war of position' strategy advocated by neo-Marxist theoretician Antonio Gramsci may be construed as a model for the successful development of worker cooperatives. The approach can provide valuable theoretical support to the myriad pragmatic cooperative projects underway in different economic and sociopolitical contexts; it also justifies the crucial role of institutional, political and cultural supportive mechanisms in economically and democratically successful worker cooperative development. This framework identifies obstacles to worker cooperative promotion emanating from generalized First, Second and Third World scenarios. An assessment of the prospects of implementation of the Gramscian-inspired strategy (including potential pitfalls) concludes the paper.

Introduction

There is nothing more practical than a good theory. The basic confusion over what ideological and functional aims worker cooperatives purport to achieve may be convenient for drawing wide support for cooperative ventures, but, given such a primarily pragmatic scenario, there is a general dearth of theoretical justification for embarking on particular worker cooperative development strategies. Indeed, given the myriad independent and uncoordinated cooperative initiatives, there is very often *no* cooperative development strategy. This article proposes some hopefully provocative ideas intended to underlie a methodological framework for the analysis of worker cooperation and for the examination of key variables which determine the success or failure of cooperatives in specific contexts.¹

The proposed emergent strategy, couched in militaristic vocabulary, derives from what was originally intended as a neo-Marxist diagnosis

of the nature and location of power within a stable, advanced capitalist society, seeking the achievement of proletarian ascendancy. While the theoretical diagnosis is preserved, the project's ultimate beneficiary is redirected from that of the working class (with its many problems of contemporary identification), as intended by its proponent, to that of worker cooperation.

Coming to Grips with Degeneration

Many advocates of economic democracy have, over the years, concluded that their conception of a democratized work setting appeared more at home in the realms of utopian literature than in the actual workplace (Blumberg, 1968: 3; Clegg, 1960: 126; Cole and Filson, 1951: 440–3). The justification for such a move was easy to find. Firstly, worker cooperatives have all too often been victims of economic failure. Often undercapitalized, operating in risky and harshly competitive product domains, lacking or shunning managerial expertise and operating with diffuse authority and disciplinary structures, survival is usually short term only, with the worker members putting in excessively long hours for a subsistence wage. Indeed, often the results of rescues or conversions which are almost always due to serious economic difficulties, many worker cooperatives are, economically speaking, lame ducks from their very inception (Alchian and Demsetz, 1972; Bradley and Gelb, 1983; Fals-Borda et al., 1976; Jensen and Meckling, 1979; Meister, 1969; Oakeshott, 1978; Shirom, 1972; Thornley, 1981).

Secondly, and apparently paradoxically, worker cooperatives have also been victims of economic success. A successful worker cooperative will tend to expand, necessitating bureaucratization and, subsequently, measures of representative (in lieu of participatory) democracy (Meister, 1973; Michels, 1958). Additionally, as the size of the organization increases, a diffusion of responsibility may come about, leading to a decline of membership commitment (Ingham, 1970; Olson, 1965; Thomas and Logan, 1982: 35–6).

Such degeneration may come about as a result of economic success *per se*. Just as a hard and difficult life may stir the cooperative spirit, the urgency to cooperate may disintegrate once the hardship has been overcome. Economic prosperity also increases the incentive to limit membership and employ cheap 'second class' labour. Alternatively, the cooperative may become a target for private capital; lucrative

offers may encourage a buy-out — the cooperative could thus become infiltrated by non-working members via the transfer of share ownership. The effect is that the original cooperators are transformed into (or are replaced by) capitalist shareholders (Barkai, 1977; Roca, 1975). A similar process exists in centrally planned economies, where economically successful worker cooperatives are absorbed under state ownership (Oakeshott, 1978: 217).

In the context of this apparently inevitable destiny, it seemed quite natural to consider the few success stories as notable exceptions to notorious rules, of which some had already been posited in the nineteenth century.² This overwhelming disillusionment is, however, quite different from the contemporary scenario. The issue of worker cooperation has resurfaced on the agenda of workplace reform with renewed vigour and has gathered substantial momentum over the last decade. The resurgence of such pragmatic interest has forced a sharper, more critical analysis of success and failure of worker cooperatives. It has become all the more urgent and important to abstract from the evidence of so many different contexts, a general, theoretical understanding of the reasons for the degenerative tendencies in cooperative units. A sound, theoretical framework is required to establish a form of cooperative development which is both democratically and economically successful.

The Gramscian Tactic: A War of Position

One such strategy for social change has been described as a ‘war of position’ — a strategy based on a power model of society but which seeks an evolutionary sequence for transforming power relations and overcoming vested interests. The concept is of military extraction. It distinguishes the frontal attacks and manoeuvres characteristic of classical and heroic warfare from the trench-bogged techniques of superpower conflicts, of which the First World War (1914–18) is the most notorious example. The tactic is conditioned by the strength of the enemy. To formulate military strategy as a ‘war of manoeuvre’ when pitted against a powerful adversary is tantamount to a lethal and suicidal adventure.

The vocabulary and ideas come from the Italian Antonio Gramsci (1891–1937) — who may be construed as describing military strategy at face value. However, Gramsci was both political philosopher and activist; his arguments are developed at length, particularly in notes

and letters which he wrote while serving a prison sentence. It is likely, therefore (although the accuracy and direction of interpretation can never be absolutely certain), that the reference to physical warfare is a metaphor assumed to embody an otherwise abstract subject, as well as to evade the censorship of his fascist jailers.³

Gramsci applied Marxist theory to expose the mechanisms of bourgeois rule over the working class in a mature capitalist society. Initially, he placed great trust in worker cooperative production and other forms of worker management as being an educational means of introducing workers to socialism, serving as the incubators of a new social order. The 1919–20 Turin strikes, of which he was a major instigator, failed, however, to have the snowball effect he had hoped for and expected. Although thousands of factory workers followed the directives of the council movement and undertook industrial action which crippled major industries for weeks, the events were not the beginning of a total revolution, the collapse of the capitalist order in Italy nor a repeat of the yet fresh Bolshevik success in Russia. Rather, in retrospect, the dramatic threat of communism served to make the Italian public more prone to accept two decades of fascist rule (Anderson, 1968).

The painful rethinking occasioned by this turn of events led Gramsci to identify the importance of both sociopolitical and cultural support to the success of any initiative in workplace democratization. Thus, Gramsci points at the main-stream social conditions which do not tolerate the 'perverse activity' of non-capitalist phenomena. The degenerative pressures are seen to emanate from power relations established at the point of production. This leads to a social structure with an unequal distribution of power which is then defended, reproduced and legitimized by social institutions. These act to socialize individuals into the ethos of the status quo and to discriminate against non-conforming productive entities. Furthermore, social control becomes even more effective in the trappings of a dominant ideology which, via its fully-fledged cultural industry, fosters values which are alien to worker cooperation (Horkheimer and Adorno, 1975).

The great task of workers all over the world is not simply to combat repression and exploitation, they must primarily achieve victory in the terrain of the superstructure, escaping ideological incorporation. It is this which, in the Gramscian tradition, essentially enables the ruling class to enjoy cultural ascendancy and, therefore, to rule by consent. In this respect, Gramsci refined the use of the term

'hegemony', within the tradition of the sociology of knowledge, to become an explanatory tool for such cultural subordination, meaning power based on the control of consciousness, or rather the creation of common sense and ethical leadership producing *consent* rather than overt control:

An order in which a certain way of life and thought is dominant, in which one concept of reality is diffused through society in all its institutional and private manifestations, informing with its spirit all taste, morality, customs, religious and political principles and all social relations, particularly in their intellectual and moral connotations. (Williams, 1960)

Gramsci thus identified the superstructure as the depository of dominant culture and as the apparatus of hegemony, going beyond the classical and reductionist Marxist ascription of exclusive primacy to the economic sphere: the logic of domination is seen to transcend 'economism' and spill over into the terrain of culture and ideology. The capitalist system has its Kuhnian paradigm — a shared conception of what is legitimate and of what is possible — determined by a complex network of language, practices, day-to-day routines and institutions (of which the economic sphere is but one) which act as ideological mediators.

For such a logic and 'ecology' of domination to be eroded, it must be replaced to some extent by an alternative logic, a counter-hegemony. Indeed, the principle of hegemony itself has to be transformed from one which mystifies social conditions into one which exposes their inner workings (Femia, 1981: 53). This counter-hegemony must emerge from the mass organization of the working class under the banner of a political party which will invest in counter-hegemonic education and institution building.⁴ In this way, counter-hegemony seeks to pervade and conquer systematically all the institutional agencies of a civil society. In the Gramscian extended metaphor of warfare, the counter-culture would confront the established (for Gramsci, the bourgeois) hegemony in a war of position — the shifting of trenches representing the ideological struggle over both the consciousness of citizens and the social institutions operative in the same society. Only when the new superstructure has surrounded and absorbed the old would it make sense to take over state power (Carnoy, 1981). The leaders of the Turin strikes in Italy, the leadership behind the worker and student unrest in France (1968) and Allende in Chile (1970–3) may be understood, in the light of Gramscian theory, to have underestimated

the strength and pervasiveness of capitalist ideological and cultural domination by adopting a frontal attack strategy.⁵ Such an attack could only work in contexts where capitalism was not hegemonic. Thus tsarism in Russia, founded on ignorance, apathy and repression and not on the voluntary consent of its subjects, could indeed be overthrown by a frontal attack.⁶

A Generalized Application

A generalized application helps to explain how this theoretical framework promotes an awareness of the likelihood of success or failure of cooperative ventures in different contexts. In the industrialized market economies, the cooperative logic is subsumed by powerful socializing agents which transmit and inculcate the legitimacy of hierarchical and inegalitarian principles which fashion capitalist production relations. Prevalent among these principles is the acceptance of inequality in the distribution of power and wealth on the basis of private property; the consideration of labour as a dehumanized commodity and the selective deposition of knowledge among 'experts' (Illich, 1977; Marx, 1959; Šik, 1984). Democratic practice is also understood as essentially elitist in character, involving the dynamics of interest group representation within an institutionalized scenario, rather than signifying high and dynamic levels of civic participation (Pateman, 1970). Labour movements, where they exist, have been largely incorporated within this dominant ideology. Having accepted the rules of the game, they are constrained in both the range and style of their collective political action (Schuller, 1985).

It has also been suggested that the current growth of worker cooperatives in market economies, in the context of recession and labour surplus, should be critically assessed alongside the more spectacular growth of the so-called informal sector, where jobs are highly insecure and vulnerable because of the pressures of extreme competition and the lack of any legislative safeguards or trade union power (Mitter, 1986; Rainnie, 1989; Solinas, 1982). These new cooperative production units may be seen to perform a 'reserve army' role, forcing workers to exploit themselves and receive wages lower than the industry standard (Defourny, 1986:4; Estrin, 1985:353; Thornley, 1981:173-4). Like other small firms and informal producers, they tend to serve residual, highly unstable markets which

generate insufficient and irregular profits — and where the conditions are therefore unfavourable to stable wage-labour relations. Thus, in such areas, conventional capitalist firms would not be interested in setting up operations (Vanek and Espinosa, 1972). They would, however, be interested in utilizing the goods and services of these petty producers as inputs to their own economic activities. Thus, cooperators' self-exploitation works to the benefit of the larger capitalist producers who may thus recoup profits and maintain a competitive edge during periodic crises (Ramsay, 1977).

The operation of worker cooperatives in the Marxist–Leninist setting is strongly curtailed because of the institutionalization of democratic socialism which replaces market allocation by central planning. Worker cooperatives or similar self-managed initiatives cannot be condoned in such a planned economy because this would undermine the latter's authoritative and allocative functions (Galeski, 1977:22). Thus, while certain socially useful, cooperative forms of production are allowed to function, they are granted a limited measure of independence on sufferance of 'good behaviour', such as producing beyond the set production targets (Oakeshott, 1978:217). The recent, fresh winds of perestroika blowing across the Soviet Union and Eastern Europe are more supportive of collective self-employment given their implicit greater market responsiveness, the potential activation of workers' entrepreneurial spirit and, hopefully, the reintroduction of trading in goods and services previously in short supply — without discarding the crucial issue of social ownership. Nevertheless, certainly in the USSR, the cooperatives being established with the blessing of the new leadership are still subject to administrative measures of allocation and control (Nuti, 1989:324).

In the industrializing economies of the 'Third World', the potential for creating a wholesale 'third sector' may appear to be greatest. The idea is attractive to government leaders for its economic consequences (higher and market-oriented agricultural productivity, which therefore promotes capital accumulation), its ideological appeals (as an instrument for promoting desperately needed national consciousness), as well as for its political effects (avoiding a head-on clash with the peasantry while establishing structures of top-down influence). It was also thought that certain indigenous collectivist structures and traditions of mutual aid presented a natural breeding ground for modern worker cooperation (Adeyeye, 1978; Dore, 1971; Mandel, 1968:30–6). After many experiments, however, the outcome

has all too often been that the long sought for third alternative served rather to reinforce and consolidate existing power relations (Blair, 1978; Gosselin, 1970; Nash et al., 1976).

Why is this? Many producers remain locked in a small-scale, family-based subsistence rural economy with minimal division of labour, in conditions of mutual isolation and with an open option for self-sufficiency. There is, therefore, small concern for commercialized production and no incentive towards change. There also exists an autonomy which enables one to escape policy demands from distant sources — such as the state (Chambers, 1983; Foster, 1965). It is thus no wonder that overtures for cooperative organization are viewed with grave suspicion. Also, within many industrializing economies, there operate invisible networks on the basis of blood, kin, community and religion which pervade all spheres of social life. The maintenance and cultivation of an individual's position in this network of support and interaction is of important, personal concern. Cooperative structures can therefore easily fall victim to what would externally be diagnosed as mismanagement, corruption, nepotism and manipulation of rules, because such are perceived as legitimate or unavoidable within the operant 'economy of affection' (Hyden, 1983:Ch.1; Sandbrook, 1985). Concurrently, the adoption of institutional formality — such as managerial control, auditing, rational accounting and a legal-rational bureaucracy — could be seen as challenging the very bonds of trust and solidarity on which the community is based (Birungi, 1986; Worsley, 1971).

The Lesson to be Learnt

One lesson to be learnt, therefore, is that as long as minimal consideration is paid to the specific socioeconomic, political and cultural environment where the cooperative venture is to be established, then the cooperative is likely to fail — in democratic terms if not in economic ones. Worker cooperatives may be construed as alien products, foreign bodies in their environment and so it is no wonder that they suffer for it, even if they are economically successful. Where cooperatives have flourished, it was partly because they found a supportive institutional and cultural framework within which formal worker cooperation could become a normal, legitimate undertaking; or, following on from this, they have actually transformed their environment to the extent that it has become more supportive of their operations and ideology.

Once the issue is diagnosed in this manner, the importance of counter-institutional support for worker cooperation is highlighted. Given the fact that legislation, education, banking systems, research laboratories, public service bureaucracies, consultancy and accounting firms are geared, by their very nature, to operate in support of conventional (be they private-capitalist or etatist) organizations, then it is to be expected that they fail to support anomalous initiatives, such as worker cooperatives, to the same degree. Hence, there is a case for alternative laws, alternative schools, alternative banks and research laboratories, alternative support organizations, to supply their crucial services to worker cooperatives.

The second salient feature is the cultural condition. Social institutions, apart from providing the social order with required services, impart the dominant values to members of society and therefore contribute to the survival of the given social order by also ensuring the reproduction of its culture and legitimacy. A successful worker cooperative cannot neglect to have its own socializing/educating force, imbuing the worker cooperators with the values salutary to cooperative organization. Apart from the actual experience of work in a cooperative unit, which is in itself a very powerful socializing agency, a democratic consciousness, a spirit of collectivism and the existence of an 'occupational community' act to forge bonds of solidarity between present and would-be worker cooperators.⁷ This also distinguishes them culturally from non-cooperative members who therefore serve as convenient anti-referent groups, in a manner similar to the effects on labour perceptions of a confrontation between workers and corporate power (Carnoy, 1978).

Prospects for Implementation

Although some of Gramsci's followers have been criticized for focusing *exclusively* on the political and cultural aspects of proletarian domination, the Gramscian vision of social transformation cannot be properly understood without also considering the economic constraints involved. The flow of investment capital, exports and imports of goods and services and the location of the society within the international economic system appear to constrain any departure from the current hegemony significantly (Gagnon, 1976). However, cooperative environments have been created within other social contexts leading to a state of 'dual

power' with a cooperative sector alongside a non-cooperative one.⁸

What are the prospects of such an emergent bi-polar hegemonic condition? From the cultural perspective, some authors argue that the seeds for a counter-hegemony already exist since no society is completely structurally and culturally homogeneous (Aronowitz, 1981; Baudelot and Estabiet, 1971; Giroux, 1984; Gorz, 1982). In practically all cases of successful worker cooperatives, research has identified the existence of commitments to collectivist or democratic values, as well as strong support organizations.⁹ At the macro-level, it is this potential for a counter-culture which has been described as the seat of all emancipatory movements and of social evolution (Wertheim, 1974). A countervailing factor to cultural domination exists in societies having a strong working-class movement and/or party ideology; these can serve as nourishing environments for the advance of worker cooperation (Greenberg, 1983; Levin, 1980; Stephens, 1980). Nor need counter-cultural values emerge in dramatic, revolutionary (that is, in Gramscian terms, war of manoeuvre) scenarios. They may simply form a transposition of values beyond one site of social practice — such as the family, the neighbourhood or government, in which they are perceived as legitimate even by the dominant culture — to another (Bowles and Gintis, 1981). Such sites of social practice which do not harbour and reproduce the dominant (capitalist/etatist) ideology are also much more widespread than may be intuitively realized. Capitalism/etatism even in 'unmediated' societies without a visible countervailing movement do not pervade all areas of social activity. These conditions also find expression at the micro-level in ambivalent attitudes to power and authority or in what Gramsci called 'a contradictory consciousness' (Batstone et al., 1976; Parkin, 1982:95).

Returning to Marx's historical determinism, it may be suggested that the seeds of the downfall of the capitalist order are not located in the contradictions embodied in the economic sphere. There may indeed be discrete but powerful grave-diggers of capitalism at work in the field of culture and ideology. That societies, in particular liberal capitalist democracies, tolerate a war of position may be both their major strength and weakness. It is this tolerance which is (and continues to be) exploited by the social movements disposed towards evolutionary social transformation (Revans, 1981).

The prospects of a bi-polar hegemonic condition must also be assessed from an economic viewpoint. The existence of non-

hegemonic relations of production side-by-side with hegemonic ones has been a historical condition for many years in both etatist and capitalist economies. The general conclusion from analysis of the literature on such articulation of modes of production is that non-hegemonic modes of economic activity, including worker cooperation, enable a higher degree of labour exploitation and that such modes, while harbouring different social and technical relations, are effectively subservient to the dominant productive framework (Bennholdt-Thomsen, 1982; Meillassoux, 1972; Wolpe, 1980).

Whether circumscribed or paralleled by impersonal and commercial market transactions or by bureaucratized and centralized planning decisions, cooperatives can adapt in many ways without necessarily succumbing to the subservient condition implied by the major articulation theorists. Worker cooperatives can produce special products or services that meet demands which the ordinary market cannot or is unwilling to satisfy (Rothschild-Witt, 1979; Sandkull, 1984); they can and should establish backward and forward linkages in their production by building chains of loyalty among themselves and other social groupings (Jordan, 1986; Young and Rigge, 1983:Ch. 5). The affiliation to and the provisional support of social movements and/or the state could also serve as an alternative ready market for the cooperatives' products (Jones, 1986:278–9).

It has been suggested that the only viable economic strategy to counter a hegemonic economic system is to 'delink' from it (Frank, 1983; Frank and Fuentes, 1987). This is very difficult to execute or maintain, given the existence of entrenched commercial and political interests, persisting economic dependence and outward-pointing cultural orientations and aspirations. Nor is 'de-linking' to be blindly recommended given the even worse predicament of marginalization it may bring about. The articulation of unhappy bedfellows may, nevertheless, be mitigated if not overcome by a cooperative sector as economically and culturally self-sustaining as possible. Such are to be established and maintained, certainly during the process of cooperative maturation, by social movement support. Cooperation among cooperatives in various endeavours — counter-trade, mutual services, establishment of new cooperative ventures, pooling of finance, research and consultancy — serves to expand the cooperative enclave and, of course, increases the likelihood of viability and profitability by the advantages of economies of scale and the added value to be gained through the goods and services that the cooperatives themselves produce.

The case for 'dual power' also finds supportive, psychological indicators. The existence of an external, non-cooperative environment can act as an anti-referent group for the worker cooperators, fostering a sense of self-identity which strengthens the cooperative spirit, whether based on a collectivist ideology or on ethnic and cultural ties (Sherif and Sherif, 1961).

Voluntaristic and Structural Obstacles

Once the strategy for worker cooperation is posited as a vigorous reform of a given social structure, in both economic and cultural terms, the various obstacles to this strategy loom ominously. A number of these are voluntaristic, dependent on the willingness to decentralize decision-making, to expand participatory experiences, to bring about legislative and financial reforms to support worker cooperation. One critical choice faced here by the social movement is that between creating a genuine self-managed sector and promoting a proper 'culture of participation', where people are recognized as being the ultimate masters of their own development (Bernstein, 1976; Horvat, 1982) or manipulating and keeping people down, not necessarily because of Machiavellian principles, but perhaps out of paternal good will (Bonow, 1966; Inayatullah, 1972:270–1). Such a condition has the potential to degenerate into a dependence on charismatic leadership and is also vulnerable to political window dressing (Greenberg, 1983:217; Kester, 1980:16). The resolution of these and other problems depends considerably on the leadership of the social movement in question and on a masterful approach to the many pressures brought to bear upon it — from both inside and outside the movement.

There are also structural difficulties to be surmounted. Counter-hegemonic provisions are not exempt from their own pitfalls. One dilemma here is that social movements are themselves products of a given social fabric. The inputs they must rely upon, particularly people and institutions, are integral parts of the social system that the social movements are purportedly eagerly seeking to transform. How then to build a new social order when all the raw materials for the task are products of the old one and prone to trained incapacity? It is therefore no wonder that degeneration is a common occurrence among *all* those bodies and processes, not just worker cooperatives, which seek to challenge the established social order among their organizational goals.¹⁰

The classic witness to this is the case of counter-hegemonic education for worker cooperation. This is itself liable to degeneration, ending up reflecting, reproducing and, therefore, effectively reinforcing the established power relations and cultural traits it was meant to challenge. In view of its political long-term objective, counter-hegemonic education is meant to be the site of a battleground where different ideologies cross swords. Its objective is to develop a conceptual framework which challenges the dominant value system and which, at the same time, presents a comprehensible alternative. This is in a situation when all the ingredients available are themselves products of the dominant value system: the subject disciplines, the aids and technology, the teaching styles, the very teachers and students of the learning process. Even the language itself is a product of the dominant ethos, such that, for instance, the terms *teacher* and *student* embody unequal authoritarian power relations (Schuller, 1981). The Mondragon cooperative polytechnic and university are, however, evidence that such counter-hegemonic education *is* possible.

Conclusion

Rather than analysing worker cooperatives as oases in an arid hostile desert, lonely beacons of workplace democracy or islands in an alien (capitalist/etatist) ocean, this paper has proposed that an obsession with defensiveness is not the best way to promote the cooperative cause. Shoring up cooperatives against the inevitable forces of degeneration may be a viable proposition but only in the short term. The best form of defence is an attack, based on diluting or counteracting the sources of degeneration proper. It is very easy to forget that the essence of a hegemonic system is similar to the essence of a democratic and self-managed organization: the education, capacity and disposition of the human mind to accept a given social domain, a particular order of things and a specific distribution of knowledge (Barnes, 1988; Vanek, 1989). Taking advantage of local circumstances, particular socioeconomic enclaves may be (and have been) won for economic democracy, following a strategy of a war of attrition.

Whether worker cooperatives are salvaging capitalism, engaging in socialist transformation or creating a wholesale third sector may be important items for debate among academics. But, stripped of their

rhetoric, these distinct ideological goals may very well imply the same (alienating?) experiences and conditions for the incumbent workers and citizens. Even the widely acclaimed Mondragon cooperatives have opted for scientific management work practices (Spinrad, 1984:200). The major task for those interested in industrial democracy remains primarily to make it work, clarifying in the process those strategies available for overcoming specific constraints imposed by existing traditions and practices (Schuller, 1981:286). The concern of those sympathetic with workplace democratization ought to be addressed more towards the *processes* (rather than the ideological *outcomes*) by which workers at large are equipped with the knowledge, skills and cultural endowment which enable them to self-fashion a meaningful work environment.

Notes

1. I have applied the theoretical framework described in this article to the cooperative saga on the island state of Malta (Baldacchino, 1990). My thanks to staff members at the Institute of Social Studies, The Hague, The Netherlands, and at the Workers' Participation Development Centre, University of Malta, for contributing to the development of the ideas contained in this article. I am particularly indebted to Freek Schiphorst, Henk Thomas and Henk van Roosmaalen.

2. Oppenheimer's 'law of transformation' described in 1896 (paraphrased in Nash and Hopkins, 1976:17), suggests how a dominant economy brakes, arrests and remoulds anomalous production units to conform to the dominant model. Gide's famous paradox (1930:7) states that the more successful cooperatives are economically, the more liable they are to fail socially. Webb and Webb (1920:72) conclude that, even when professional management is enjoyed by a cooperative, the relationship between such management and rank-and-file members becomes an impossible one. Luxemburg (1970:69) condemns worker cooperatives to failure due to either liquidation or degeneration into pure capitalist firms.

3. A comprehensive, annotated bibliography of works in the English language by Antonio Gramsci and by others who interpret and assess Gramsci's ideas through 1980 is provided by Kaye (1981). A less complete, semi-annotated bibliography which, however, contains other references to shorter, not easily accessible items, is also available (Cozens, 1977). A more recent, recommended critique on Gramsci's political thought is by Femia (1981).

4. In fact, the term 'hegemony' was first used by Gramsci to explain the strategy whereby the vanguard party integrates various subordinate groups (peasantry, urban proletariat etc.) into an alliance or bloc under its leadership.

5. For an interpretation of the failure of Allende's peaceful revolution in Chile in the light of Gramscian theory, see Hoffman (1984:158-167).

6. Lenin (1950:Vol.2, 429) quoted in Parkin (1979:159-60) suggested that Russian tsarism was a much more transparent system of oppression than bourgeois democracy.

It was therefore a relatively easy matter to win over the Russian people to revolution (see also Femia, 1981:191).

7. An 'occupational community' refers to a cultural condition involving a strong sense of communal and occupational experiences among a group of workers which fosters a strong sense of fraternity and comradeship. It acts as a normative sub-system which not only serves as an effective barrier to the dominant social values but also produces an alternative value set to guide the sub-group members' behaviour (Lockwood, 1966; Parkin, 1967).

8. The notion of 'dual power' has been applied to the state of affairs in France during the May 1968 events (Glucksmann, 1968:104; Raptis, 1980:133). It is also discussed by Hyman (1971). It may be conceived as a structural relation between two coexisting and interdependent modes of production. For an overview of the literature on the articulation of modes of production see Foster-Carter (1978). For an application to worker cooperation see Ben-Porat (1989).

9. These include the strong presence of Scandinavian immigrants in the US Plywood Coops; East European Jews in Israeli kibbutzim; Italians in the San Francisco scavenger coops; Basque nationalists in Mondragon (Commission of the European Communities, 1981:28; Gamson and Levin, 1984:225-7; Russell, 1984).

10. Such degeneration is discussed with respect to trade unions, socialist parties and evangelical sects by Hyman (1971), Przeworski and Sprague (1986) and Wilson (1966), respectively.

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Godfrey Baldacchino

is Research Officer at the Workers' Participation Development Centre (WPDC) and part-time Lecturer in Labour and Development Studies at the University of Malta. His main field of interest is labour policy, worker education and industrial relations within developing economies.