

Cooperators Confront the “System Problem”

by Thomas M. Hanna and Andrew McLeod

Ever since the Great Financial Crisis of 2008, more and more people have concluded that the current economic and political system is profoundly dysfunctional. Public concern grows over increasing disparities of wealth and income, as well as the dangers of vesting power in large hierarchical organizations – whether private businesses or government agencies. There has never been a better time for activists and organizers to present alternatives to the current system and status quo.



But while public sentiment may be more amenable to economic challenges than in the past, the fact remains that challenges to business-as-usual have not yet seized the opportunity. Specifically, the co-operative sector, which forms a basis for many visions of a more just, egalitarian, and sustainable society, remains quite small – vanishingly so when considered in relation to the corporate-dominated economy as a whole. Despite the boost that economic inequality issues received as a result of the Occupy movement, that energy has not, by and large, been converted into the creation or strengthening of co-operative businesses.

Moreover, recent events elsewhere in the world have demonstrated that even when cooperatives and cooperative networks reach a larger scale, significant challenges remain. For example, Fagor Electrodomésticos was, until recently, one of the largest appliance manufacturers in Europe: part of Spain's [Mondragon Corporation](#), a group of 289 worker-cooperatives and businesses employing over 80,000 people. Because of its high profile, Fagor's recent bankruptcy has been the occasion for a good deal of self-analysis, criticism and soul-searching on the part of the cooperative community. Meanwhile, the UK's [Co-operative Group](#) struggles through a series of crises that has already cost it control of its bank and forced it to sell off numerous assets. It faces a debt load that may threaten the existence of the massive co-op that is the direct descendent of the original Rochdale Pioneers.

In this Theme, the GEO Collective joins with guest editors Thomas Hanna and Andrew McLeod to present a big-picture, systematic look at the present and future of the cooperative movement. The following articles begin a conversation that, we hope, will help to better define some of the pressing questions and offer ways to address them. We encourage readers, especially co-op practitioners, to comment on these articles and make their voices and experiences heard.

Go to the [Scaling Up the Cooperative Movement theme page](#)



Thomas M. Hanna is Senior Research Associate with The Democracy Collaborative. Hanna's areas of expertise include public ownership, nationalization, privatization, and banking, among others. He has published articles in popular and academic journals including *The Nation*, *Truthout*, *The Neoprogressive*, and *The Good Society* as well as providing research support for numerous articles that have appeared in such publications as *The New York Times*, *Alternet*, *Dissent*, *The Review of Social Economy*, *Solutions*, and *The Ecologist*. Hanna assisted on the Collaborative's contribution to a report for the United Nations 2012 Rio+20 Conference and worked closely with Gar Alperovitz on his recent book *What Then Must We Do? Straight Talk About the Next American Revolution*. He received his M.A. and B.A. degrees in History from Virginia Commonwealth University.

Andrew McLeod is a cooperative development consultant who holds the [Master in Management – Cooperatives and Credit Unions](#) graduate degree from the Sobey Business School at St. Mary's University in Halifax, Nova Scotia. He is a founding member of [Collective Seeds Consulting Cooperative](#).

He has been involved in the cooperative movement since 1992, including two years as editor of the *Cooperative Business Journal*. His interests include democratic processes, the intersection of cooperative economics and religion, community-based food production and distribution, international models for power-sharing, and cooperative disaster recovery techniques.

Andrew is the author of [Holy Cooperation!: Building Graceful Economies](#), a book that explores cooperative elements of Christianity. He has also presented a paper on common cooperative tendencies found in Judaism, Christianity and Islam; his more recent research includes a focus on 19th Century Mormon economic organizing.

He also maintains [another blog](#) on faith-based cooperation.