

OPINION EDITORIAL

A Co-operative Way Forward: Co-Ops as a Response to COVID-19

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COVID-19 IN LATIN AMERICA

The COVID-19 pandemic has disrupted economies around the world, as governments heed the advice of epidemiologists and impose lockdowns and mandate the closure of 'non-essential' businesses. Although important to curb the spread of COVID-19 and save lives, the negative health, social, and economic impacts of these measures will be felt for years to come. Early data from the Cooperatives Europe Report suggests that cooperatives (co-ops) of all sizes have been negatively affected by the current economic recession [1]. In terms of health and social impacts, social distancing increased the extent and severity of addictive disorders [2]; stay-at-home orders increased reported incidence of child abuse and domestic violence [3]; and lockdowns in India led to extreme poverty for migrant workers [4]. These negative health, social, and economic impacts are particularly detrimental in regions such as Latin America and the Caribbean (LAC) where decades of austerity have gutted social supports and public health systems [5]. Throughout the 1980s and 1990s, in exchange for loans from the World Bank and International Monetary Fund, governments across LAC agreed to privatize social services, open their economies to foreign trade, and decentralize health care services [6–8]. The objective of these neoliberal reforms was to stimulate economic growth by limiting government spending, expanding economies to new global markets, and offsetting expenditures to regional health units. In countries across LAC, though, growth stagnated, unemployment rates rose, and poverty and inequality increased [6–8]. The destabilizing effects

of these structural adjustment programs continue to this day and are exacerbated by COVID-19. High rates of poverty and informal employment [5] mean workers cannot afford to take time off; densely populated urban centres and substandard living conditions lead to more rapid disease transmission; and weakened health systems hamper the effectiveness of COVID-19 containment measures [5]. As a result, the socioeconomic impact of COVID-19 has been greater in LAC than any other region in the world [9]. The disproportionate burden of COVID-19 borne by LAC countries and exacerbated by decades of austerity make it a propitious setting to explore the role of co-ops as alternatives to profit-driven workplaces.

CO-OPS RESPONDING TO CRISES

Building on a longer history dating back to the late 19th century, there has been a resurgence of co-ops in LAC over the past 30 years as part of broader collective struggles against globalization, neoliberalism, and structural adjustment programs. Co-ops are businesses which are owned, operated, and governed by workers, and driven by values of equality, solidarity, and democracy [10]. Workers vote on decisions affecting the co-op [11], enabling remarkable worker control over job conditions. Co-op movements are often also connected to labour movements, as well as peasant, feminist, and Indigenous social movements [12–15]. Worldwide, co-ops have demonstrated that democratic forms of workplace ownership and governance may contribute to economic stability and wellbeing [16]. During economic downturns, greater worker

control within co-ops has allowed them to preserve jobs through measures such as pay cuts, and save a portion of profits in case of a recession [17]. In the wake of the 2002 financial crisis in Argentina, for example, failing businesses were recuperated by workers and converted to self-managed co-ops, saving more than 13,000 jobs [18]. Similarly, unemployment rates in Spain during the 2008 global financial crisis were lowest in the Mondragón region, where the world's largest co-op network is located [19]. This is pertinent because in addition to providing economic stability, employment is also an important contributor to health and wellbeing [20]. Little is known, however, about how co-ops are responding to the combined economic and health dimensions of COVID-19.

A CO-OPERATIVE WAY FORWARD

Co-op movements first emerged in the United Kingdom in the early 19th century, gaining traction across Europe during the Industrial Revolution in response to rising poverty rates, food insecurity, and deteriorating working conditions [11]. Co-ops, therefore, emerged as a response to the rising inequality and exploitative labour relations accompanying the spread of capitalism. Renowned philosopher Karl Marx argued that capitalism is inherently contradictory, since those who own the means of production will always seek to maximize profits by cutting labour costs, while labourers will continuously seek higher wages [15]. Marx suggested that capitalism's contradictory nature leads to a sense of 'alienation' among workers due to their powerlessness over their workplace and separation from the products of their labour [21]. In contrast, in co-ops, workers own the means of production, and decisions are made on a one-member-one-vote basis, granting remarkable autonomy over workplace decisions. Now, early reports suggest that democratic governance structures are allowing co-ops to respond to COVID-19 in innovative ways to meet the needs of members and communities [22]. In the Philippines, credit unions donated food to volunteers; garment makers produced and donated make-shift masks, and financial co-ops donated four million pesos (approximately \$83,000 USD) to

support community relief [23]. In Costa Rica, the Coopecaja credit union offered 100 million colones (approximately \$160,000 USD) in subsidies for members to purchase computers for their children transitioning to online learning amid the pandemic [24]. In India, the Indian Farmers Fertilizer Cooperative donated personal protective equipment including masks, sanitizers, and soaps, as well as food rations [25]. By granting workers greater authority over workplace decisions and prioritizing people over profit, co-ops are responding to COVID-19 in meaningful ways.

CONCLUSION

The COVID-19 pandemic, and the economic shocks accompanying the spread of the virus, present yet another crisis of capitalism. Austerity measures implemented across LAC as part of structural adjustment programs have increased inequality and left health systems underfunded. As a result, the COVID-19 pandemic has hit LAC harder than any other region in the world. As social movements mobilize evermore against corporate greed, alternative workplace governance merits further exploration. The flexibility and adaptability of co-ops have allowed them to meet the changing needs of members, as evidenced during the 2002 financial crisis in Argentina, and the global financial crisis in Mondragón. Now, the health, social, and economic impacts of COVID-19 present a unique opportunity to explore the innovative ways in which co-ops are adapting to meet the needs of members and communities. The role of co-ops during the pandemic merits further investigation, and their role as alternatives to profit-driven workplaces should be further explored.

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