

## Work and cooperative experience in cooperatives based on worker ownership

### - Sense of normative framework and normative issues<sup>1</sup>

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#### 1. Introduction

Since the economic crisis in 2008, the resilience of the worker cooperative model<sup>3</sup> has received increasing attention and there have been attempts to demonstrate this trend through empirical works. Particularly, several organisational features such as indivisible reserves, participatory governance structures, the group/consortium model and networks through federative bodies have been emphasised.(Roelants et al., 2012) However, do these organizational features *per se* produce positive effects on the resilience of the worker cooperative model? In a similar vein, another question could be asked: was worker cooperative model initially designed for this kind of resilience? The history of the cooperative movement reflects an opposite process. In many cases, the worker cooperative model as well as the cooperative model in general has developed to implement certain values and principles pursued by people in order to respond to unmet needs in specific contexts and different societies<sup>4</sup>. We could thus hypothesise that the positive effects of resilience against the economic crisis are secondary and even non-intentional results. Then, what do people intend to do through their daily work and life in cooperatives? What is the moral motivation which makes people work in worker cooperatives instead of conventional enterprises?

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<sup>2</sup> International Organization of Industrial, Artisanal and Service Producers' Cooperatives, a sectoral organization of the International Cooperative Alliance

<sup>3</sup> In this paper, we used data from worker cooperatives and social cooperatives mainly composed of worker members. To make explicit the fact that our work covers these two different types of cooperatives, the expression "cooperatives based on worker ownership" was used in the title. However, for the sake of convenience, we use the expression "worker cooperative model" in the text.

<sup>4</sup> An internationally agreed definition of cooperative as "*an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise*", as well as cooperative operational principles and underlying values have been formulated in the Statement on the Cooperative Identity, inserted in full in ILO Promotion of Cooperatives Recommendation, 2002 (n°193).

In this paper, we suggest that one among different possible strategies to understand the worker cooperative model could be to go back to the people who work in their cooperatives. Indeed, legislations or rules *per se* are not the element which makes cooperatives function but the very people who activate these institutional conditions and mobilise various symbolic sources in their daily work and life: it would thus be meaningful to understand how the people interpret and build their cooperatives. In this regard, we follow the assumption that people can be distinguished both from 'actor' who is supposed to behave following self-interest and from 'agent' supposed to be significantly affected by structural factors. They are considered as human beings with moral competences, able to organise their actions in complying with an appropriate normative framework in a given situation and, furthermore, able to attempt to change it into another one. More specifically, we focus on normative aspects stated and put into practice by the people, which rule daily work and life in their cooperatives. We expect that this focus on the normative aspects of work and life in worker cooperative can allow us to understand not only the normative meaning but also how normative issues can be brought about in cooperative life.

In the next two sections, we examine theoretical and methodological tools for treating normative issues which have often been considered as meta-physical issues or which have been implicitly presupposed by researchers' normative orientation. Based on the French pragmatism sociology, we analyse data from two empirical field researches in the fourth and fifth sections. In the first part, we use interview data from workers working in worker cooperative in Italy, Japan and the US. In the second part, we deepen our understanding through data from observations from internal meetings in a worker cooperative. In the conclusion, we summarise our findings and propose some points for developing further research on normative aspects of worker cooperative model.

## **2. Theoretical tools for analysis**

To understand the normative sense mobilised by the people working in worker cooperative, we borrow analytical concepts from the French pragmatism sociology<sup>5</sup>. Developed by Boltanski, Thévenot and researchers mainly in the GSPM<sup>6</sup> since the 1980s, the French pragmatism sociology

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<sup>5</sup> In French sociology, 'pragmatism' covers several different schools. Among others, the sociology of translation developed by Latour, Callon and others around the issue of sciences and technology, and the sociology of critique developed by Boltanski, Thévenot and others around the issue of social critique are the most significant schools. In this research, although we mainly rely on the works developed by the sociology of critique, we use the expression of the French pragmatism sociology because we focus more on a pragmatist approach and want to avoid possible confusions with the French critical sociology developed by Bourdieu.

<sup>6</sup> Le Groupe de sociologie politique et morale. This group was founded in 1980s by Luc Boltanski, Michael Pollak and Laurent Thevnot and is a research unit in *Ecole des hautes études en sciences sociales*, in Paris,

has elaborated theoretical frames for understanding how people put in practice their moral sense of justice/critique in situations of dispute or controversy. A situation can be identified as a state or as part of a sequence of states each of which can be analysed through the concept of 'regimes of engagement'. The regime of engagement means a kind of conceptual framework for clarifying the ways of making agreement on an appropriate action in a given situation (Thévenot, 2009. p. 41). Thévenot proposes four different regimes of engagement: *regime of justifiable engagement*, *regime of engagement in a plan*, *regime of familiar engagement* and, more recently added, *regime of explorative engagement*. These regimes can be analysed based on what kind of demands are formatted to coordinate people's actions with their environments. In the regime of justifiable engagement, the evaluative format involves some common goods so that people gain confidence when they can rely on certain conventional public landmarks. In the regime of engagement in a plan, the good relies on the satisfaction generated by accomplished actions within a functionally prepared environment. Personal and local convenience based on familiar usage is the criteria for evaluating action in the regime of familiar engagement (Thévenot forthcoming, pp. 3-4). Linked to strangeness and novelty, in the regime of explorative engagement, the good rely on the excitement of discovering something new (Auray, 2011; Thévenot, 2011. p. 51).

These regimes are closely related to the degree of publicity of focal situations. Whereas the regime of familiar engagement is the less public and often more personal one so that it is difficult to be grasped by social sciences as an object of research, the regime of justifiable engagement represents situations in which people participate in publicly exposed actions. Among others, dispute, controversy, justification and critique are exemplary situations of the regime of justifiable engagement, because people engaged in these situations have to make their grounds and produce justification in order to appeal to others by mobilising commonly acceptable evidence. The cornerstone of the French pragmatism sociology, "*De la justification*" (Boltanski and Thévenot, 1991) deals with different kinds of legitimate worth available to the persons in these situations (Boltanski and Thévenot, 1999, p. 365). Drawing both on fieldwork observations of disputes and critiques and on a reading of the classical literature in political philosophy, they identified six different orders of worth<sup>7</sup>: *market worth*, *industrial worth*, *domestic worth*, *civic worth*, *worth of inspiration and worth of fame*. (Boltanski and Thévenot, 1991; Lamont and Thévenot, 2000a, p. 4; Thévenot 2011, p. 44) Sometimes, different orders of worth can be expressed and exist in a compromised form: for example, the welfare state system is supposed to be based on a compromise between industrial worth and civic worth (Boltanski and Chiapello, 1999, pp. 288-289). One of important theoretical contributions of the French pragmatism sociology is the role of 'objects'. The analysis on the orders of worth is not limited in discourse analysis. Each order of

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France. ([www.gspm.ehess.fr](http://www.gspm.ehess.fr))

<sup>7</sup> Later on, Boltanski and Chiapello added another worth, called worth of connexion. (Boltanski and Chiapello, 1999)

worth has been invested in various forms, called 'objects' in the French pragmatism sociology, such as language, symbolic forms, institutions, material objects etc. When people in a given situation use these objects for coordinating their actions, they consciously or unconsciously activate orders of worth that the objects represent. Because each object has its prescribed mode of evaluation, when people put pretensions in a test by confronting them with objects, they can acknowledge the state of order of worth in a given situation. (Boltanski, 2009, p. 53; Thévenot, 2006, pp. 108-109)

More recently, Thévenot has developed another analytical dimension. Based on a series of comparative studies, he proposes three grammars of communality in the plural. In a society, most people seek assurance and security of living together in spite of the plurality of engagements. With *the grammar of plural orders of worth*, people try to aggrandise their personal attachment to worth as qualification for the common good. When they have to arrange the different voices to form a whole which can be referred to as communality, they criticise and try to remove different orders of worth in seeking communality based on a commonly accepted order of worth. Or they can compromise between different common goods. However, in the case of *the grammar of individuals opting in the liberal public*, people transform personal attachments into personal choices for options. Then, when people have to arrange differences, they negotiate between individual choices. Finally, in *the grammar of plurality of common affinities*, commonplace becomes common locus where people with different affinities which are difficult to be publicly exposed co-exist. Therefore, rather than specific orders of worth or personalised choices, commonplace is brought to the fore as a symbolic locus representing different kinds of personal affinities. As we will see later, these three grammars can help us understand different ways of constructing normative frameworks of cooperative model in different cultures.

### **3. Methodological considerations**

The concept of reality test in the French pragmatism sociology backs our methodological considerations. The qualification of orders of worth is not fixed but always put to the test by people. The way of putting to the test *par excellence* is a "case" (in French, *affaire*) in the sense of controversy. In the process of controversy, people try to make explicit their sense of justice in mobilising evidences. The French pragmatism sociology suggests situations of controversy as ideal objects of analysis. These situations can be accidental disputes among ordinary persons but also long-term debates deployed in public spheres. Whereas, in the former case, direct observation is probably the appropriate research method, in the latter case, analysis on corpus composed of various kinds of documents could be a more appropriate research method.

However, we can also find different kinds of reality test. For example, a situation of interview with social scientists could be one of those moments. During the interview, interviewees can make their normative framework explicit with a relatively high level of reflexivity organised retrospectively. In doing so, interviewees can justify their normative frameworks, criticise impurities

supposed to be inappropriate in the given situation or criticise other worth claimed by adversaries. Objects representing orders of worth can be identified in interviewees' discourses.

If the interview is an artificially organised situation, we can also observe the moment where people carry out certain practices without noticeable controversies. These practices can remind people of embedded normative consensus in a given group or community and, by doing so, reproduce agreed orders of worth, if necessary, with eventual modifications occurred during the practices. In this sense, these practices can be considered as 'constitutive rules' because they anchor other forms of practice and discourse in defining a social entity, in our case, cooperatives. (Swidler, 2001, p. 97-99) During observation, although all relevant objects are not verbally expressed, we can observe people's practices with certain objects and their environments equipped with certain objects which might be perceived by people in presence as situational constraints.

With these methodological considerations, we used two different research methods. Firstly, we analysed interviews with workers, particularly, worker-members in worker cooperatives in Italy, Japan and the US. These interviews are part of data collected during a study on employment in the cooperative sector carried out by a CICOPA research team in the framework of the International Summit of Cooperatives held in Quebec in 2014. Among interviews with workers in different types of cooperatives in ten countries, we selected those with worker-members in worker cooperatives in three countries<sup>8</sup>. During the interviews, we invited the interviewees to explain about their work and life in their cooperatives. To stimulate more explicit normative arguments, we asked them to compare their work and life in cooperatives with those in conventional enterprises. With these interviews, we also tried to understand cultural differences in shaping the sense of normative framework of cooperative model in different contexts.

Secondly, we carried out observation of several meetings in an American worker cooperative. The author participated in three Steering team meetings and one Board meeting which were held in May and June, 2015. During the observation, we tried not only to follow the contents of discussions but also to observe different kinds of objects in presence.

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<sup>8</sup> Three interviews with workers in three different American worker cooperatives, located in Madison, Wisconsin were carried out in English. Three interviews with Italian workers in two worker cooperatives and one social cooperative, all located in Emilia-Romagna were done in Italian. In the Japanese case, one interview was done with workers in the regional office of a worker cooperative consortium, another one was done with workers in an individual unit of a worker cooperative consortium. Another interview was carried out with worker in elderly persons' cooperative which is a kind of multi-stakeholder cooperative. All Japanese interviews were done with the help of a Japanese-English interpreter. The interviews were integrally transcribed in English (for the US and Japanese cases) and Italian (for the Italian case). All interviews were carried out from November, 2013 to February, 2014 by Hyungsik Eum (Japan and the US) and by Elisa Terrasi, development and studies officer, CICOPA (Italy).

#### **4. Normative framework of the worker cooperative model**

Every organisation is organised and operated according to specific norms. In a modern society, organisational forms and norms are intertwined and often institutionalised in various degrees. If the prime normative basis of private for-profit companies is profit maximisation (compromise of market worth and industrial worth), what is the normative basis of a worker cooperative? In using the theoretical tool of orders of worth, we try to understand how people construct normative framework of cooperative model and if any, whether there is any difference in making normative sense in different social contexts.

##### *Normative framework of cooperative model - specific state to be achieved*

Above all, it should be noted that the sense of normative framework is not always present, neither in workers' daily work and life nor in other stakeholders' perception on cooperatives. In many cases, the economic performance of cooperatives depends on the quality of goods and services which they produce rather than their legal status as cooperative. However, the specific normative framework of the cooperative model becomes more explicit through certain states. These states are described as official and as distinguished from unofficial moments, such as coffee break with colleagues. These states are not given but should be constructed by collective and continual efforts of members. Maintaining the normative framework of cooperatives is 'hard work'. People 'have to learn' it and have to 'take commitment to each other'. Compared to conventional business whose normative framework is so strongly supported by institutionalised forms that people living in present capitalist society feel as being very natural, people working in worker cooperatives need 'a lot of time for thinking'. Therefore, when the normative framework of worker cooperative is not sufficiently institutionalised, a range of processes for realising it in their work and life in cooperatives might become 'a lot of work', even 'additional work'. Certain forms of objects, such as legislation, statute, bylaws, and 'building of local federation' can make shorter the realisation of normative framework. However, even in these cases, the efforts should be continuously put to avoid a gap between the normative framework supposed to be embedded in those objects and the workers' real practices. When the gap is perceived by critics, the authenticity of objects could be suspected, and the normative framework of the cooperative model could then be accused of hypocrisy or of being a simple image.

##### *Normative framework of the worker cooperative model – compromise between civic worth and industrial worth*

What would be the normative framework of the worker cooperative model experienced and practiced by people<sup>9</sup>? In terms of the French pragmatism sociology, worker cooperative model has

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<sup>9</sup> In this section, we highlight in bold characters the main conceptions and objects found in interviews for describing the normative framework of the worker cooperative model.

developed as a compromise between civic worth and industrial worth<sup>10</sup>. If, in conventional private enterprises, workers are subordinated to absolute authority based on shareholders' ownership, the worker cooperative model breaks the relationship between power and the amount of owned capital, by introducing democratic authority based on people.

The form par excellence representing this compromise is '**process**'. Most of decisions are made through a series of processes. These processes are organised in efficient way but aimed at being examined and decided by members. They should be transparent not only for members, but in many cases, also for non-member workers. The most effective way of keeping **transparency** is producing **records and documents**. Important parts of processes are prescribed in bylaws or policies, and **the result of processes should be published**. We can observe that the role of technology, particularly, recent development of online systems becomes more and more important in these processes. In a larger cooperative, these processes should be much more supported and invested with human and material resources. In an American worker cooperative with about 200 worker members, these processes are supported through '**democratic participation wages**' which aim at paying the time spent for participating in democratic management activities, mainly various types of meeting. In an Italian worker cooperative with more than 300 workers, **the legal service team** is in charge of supporting many institutional meetings.

The compromise between civic worth and industrial worth can be crystallised in various forms of objects. With **legislation**, the compromise could be institutionalised to the highest degree. When the last word for confirming worker cooperative identity is given by legal processes such as the registration process, the normative framework could be seen as an external factor providing a symbolic sign. The role of experts, public officers and activists in federations is more important because they are considered as having authority based on knowledge of legislation and public policies and on their legitimate position in discussing them. The discussion on the normative framework of cooperative model can be forwarded to public spheres through these **spokespersons**. Sometimes, ordinary people also join the discussion through public consultations but the final process is usually managed exclusively by these spokespersons. **Statutes or bylaws of individual cooperatives** are another way of constructing objects reflecting the compromise between civic worth and industrial worth. In addition, we also find cases where well elaborated **written policies** are used for balancing those two different worth in daily management. **Governing structures such as the general assembly and the board of directors** are very common forms of objects putting in practice the normative framework of the cooperative model.

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<sup>10</sup> It is interesting that Saint-Simon whose book (*Du système industriel*, 1820-1823) is used as a grammar guide explaining 'industrial worth' (Boltanski and Thévenot, 1991, pp. 151-157) was one of the political philosophers who inspired the emergence of worker cooperative model. Philippe Buchez, who was the promoter of the first historically-recorded French worker cooperative, *l'Association des ouvriers bijoutiers en doré*, was also a Saint-Simonist.

In the US, **teams or committees** are often used for structuring daily participation of members in the management of cooperatives. **The role of president or general manager is often limited to coordinating different functions and to setting the agenda of meetings.**

#### *Civic worth and industrial worth*

Besides the compromise, we can also find several normative frameworks more related to each of those two worth respectively. Concerning the civic worth, **the sense of being part of a collective, self-esteem as independent and equal component of a collective and solidarity with others, particularly with the disadvantaged** are stated. It should be noted that these are not just subjective feelings but each is supported by institutionalised forms of objects (legislation, statute, bylaws) and by practices (meetings, votes, training). At the same time, they serve as normative bases for criticising for-profit enterprises. Whereas the compromise between civic worth and industrial worth emphasise more formal and official procedures, in smaller cooperatives which work mainly in the care service sector, we could find a different form of compromise (civic worth + domestic worth) for practicing democratic management. In these cooperatives, **trust resulted from long-term relationship and specific concerns on relational elements** are more emphasised. Rather than institutionalised objects put in processes, communicational practices among members are the main support for applying small group democracy. However, other types of compromise between civic worth and domestic worth are accused on the ground of arguments based on the industrial worth. Too much informal relationships in the name of freedom or equality might bring about disorder and managerial incapacity. Management based on personal relationship is also accused because it might be converted into just politics in the sense of a power game. On the other hand, **managerial competence, hierarchical and efficient structure, long-term planning rather than short-term benefit and the role of expertise** are accented by arguments based on the industrial worth.

It seems that the tension between the two orders of worth might bring uncertainty to the worker cooperative model. We can suppose that the most of efforts invested on different levels from public debates on legislations and public policies to decision-making during meetings in individual cooperatives, are made for dealing with this tension and that they result in more institutionalised forms of compromise.

#### *Domestic worth and market worth*

Other kinds of orders of worth can be found in the interviews as well. The domestic worth is present in the form of **paternalism** and of **close relationship based on common experiences**. In our data, the arguments based on the domestic worth are limited in small size of cooperatives with specific economic activities, mainly in the service sector. In these cooperatives, we can also find some **criticism against bureaucracy, anonymity, and division of functions** which are often the outcome of the industrial worth. On the contrary, in bigger cooperatives, mainly in the

industrial sector, the domestic worth has been excluded through the institutionalisation process. This does not mean that the *conviviality* of cooperative life has been reduced, but we can say that **the concern about the dichotomy between the official and the unofficial life in a cooperative becomes clearer.**

The market worth is often expressed as **a dominant logic of the world in which cooperatives have to struggle.** Cooperatives are not hostile to the market itself. The market is accompanied by **competition** and even **crisis** which constraint cooperative's work and life, and, in that sense, the market is accepted as an inevitable condition which should be dealt with by cooperatives. However, when the logic of market might invade cooperatives by **employing experienced managers who are not used to the cooperative model** or by **neglecting cooperative principles** such as cooperation between cooperatives, the market worth is criticised by people, particularly in our cases, inspired by the cooperative idea as a strong normative sign in itself. **Obsession of profit maximisation and its consequences in for-profit enterprises** are criticised as an obvious contrast to the cooperative model.

It is worth noting that there are two forms of compromise between the industrial worth and the market worth which are positively accepted in arguments. Firstly, **improving members' economic condition** through work and through the production of goods and services is seen as a kind of imperative or *raison d'être* of worker cooperatives<sup>11</sup>. Therefore, we could say that the market worth embedded in the worker cooperative model is strongly controlled by the compromise between civic worth and industrial worth. When the compromise becomes fragile, the market worth inside the cooperative might be activated in connexion with the market worth outside the cooperative. Another positive acceptance of the compromise can be found in an interview carried out in an American cooperative in the health sector. In this interview, the argument justifying the advantage of the worker cooperative model was that the worker cooperative can achieve **cost reduction by removing unnecessary bureaucratic layers of management.** This kind of argument takes an important place in the academic field, particularly, among economists who are trying to prove economic advantages of the cooperative model.

*The goods in themselves – community, priority in people, cooperative principles*

Although, for lack of space, we are not developing further this discussion, we wish to underline that we found that some strong normative concepts could immediately conclude disputes. As Dodier (2005) called these strong normative concepts 'the goods in themselves', they are considered as an undisputable good. However, given that their interpretations and articulations with other normative elements are different according to historical and social contexts, it would be interesting to follow their development in historically or geographically different contexts. In

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<sup>11</sup> It becomes clearer when we analyse legislation or statutes/bylaws of worker cooperatives. Improving economic and social conditions of members is often stated as the first and essential objective of worker cooperative in laws and statutes/bylaws.

the interviews, we could find that the concepts of **'community'**, **'priority in people'** and **'cooperative principles'** have this role in discourses. When people mobilise these concepts, they expect them to be accepted as obvious normative bases, at least in the context of cooperatives.

#### *Symbolic signs representing the normative framework of the cooperative model*

How do people working in cooperatives gain the sense of normative framework of the cooperative model? In almost all interviews, people stated that the process of learning what a cooperative is and what it should be is characterized by continuous work through experiences. The normative framework can be explained in a written form of texts such as books, brochures, website etc. and through various kinds of training programs. However, in the end, the sense of normative framework should be put in practice by people in their daily work and life.

Among objects supporting the normative framework of the cooperative model, it is interesting to see the symbolic role of certain objects. **National or local networks of the cooperative movement and events organised by them** seem to play an interesting role in reminding the normative framework of cooperatives and in realigning their normative sense practiced in their own cooperatives with more general perspective. **Historical memories on local experiences and success stories from other regions or foreign countries, and particularly, the case of the Mondragon group** are shown up in the discourses as a factor strengthening the normative approach of the cooperative model. **The political positions taken by international institutions such as the UN, the ILO or the EU** are also utilized as strong justifications for stating the normative framework of the cooperative model.

#### *Cultural differences in constructing normative frameworks*

In the analysis of data, we could also find some clues showing that the ways of constructing normative frameworks could be different in different national or regional contexts.

In the Italian cases, it was difficult to find normative statements. However, it is important to note that, in Italy, the normative framework of the worker cooperative model is integrated in a relatively well elaborated legal system and strong cooperative movement. Therefore, if a worker cooperative abides by legal conditions and if it belongs to the cooperative movement network, the normative aspects of cooperatives could be absorbed in daily official operations so that people do not need to make additional efforts to prove the normative framework of their cooperatives. Of course, it does not mean that the Italian cooperative model is less normative, but the Italian model is a very strongly institutionalised one not only in terms of legal aspect but also in terms of cooperative movement, which helps people reduce the uncertainty of the normative framework of the cooperative model. We can suppose that recourse to legislation can be interpreted as being close to the grammar of plural orders of worth, because the normative framework embedded in the legislation was constructed publicly in appealing to orders of worth. In this grammar, the cooperative movement becomes a more important actor as spokesperson

representing normative frameworks of cooperatives, because it has a privileged position able to participate in the process of creating or amending legislation. However, it is also interesting that there is discontent concerning the cooperative movement. Sometimes, people in cooperatives contest the normative framework represented by the cooperative movement because it looks too old-fashioned for them. Sometimes, they find a gap between the normative framework claimed by the cooperative movement and incompleteness or contradiction in its realisation.

This way of constructing a normative framework contrasts with the emphasis on procedure and participation of members in individual cooperatives, which is commonly found in the American cases. The Wisconsin cooperative law proposes several options that cooperatives can choose. So, cooperatives in Wisconsin can be formed with a wide range of normative orientations from a model strongly motivated by individual members' economic interest to more community interest oriented cooperatives with voluntary indivisible reserves. There is no specific article on worker cooperatives. Therefore, the construction of the normative framework in each individual cooperative relies exclusively on the latter. This openness is again restructured in the operation of individual cooperatives. Written policies, processes and committees structure work and life in worker cooperatives and presuppose equal opportunity for participation in running a cooperative as the most fundamental normative base. Other normative senses should be formulated in members' opinion in order to be integrated into processes. This seems to be very near the grammar of individuals opting for the liberal public.

The Japanese cases show a very unique way of combining different orders of worth which are usually in conflict. To understand it, we need to take into account the specificity of the Japanese worker cooperative model. In Japan, there is no legal status for worker cooperatives. The only possible way of claiming identity as a worker cooperative is to belong to the Japanese Worker Cooperative Union (JWCU)<sup>12</sup>. A specificity of the Japanese worker cooperative movement is that an important part of worker cooperative activities is carried out by one national cooperative, called 'Center Jigyodan', which has 5,940 worker members in 304 business units and has its national headquarter and 15 regional offices across the whole national territory<sup>13</sup>. Individual business units which carry out various economic activities belong to Center Jigyodan and many parts of administrative and financial works are centralised in the headquarters and regional offices. Although Center Jigyodan is controlled by worker members through general assembly composed of representatives from individual units, the daily management of administrative, legal and financial operations are managed at the higher level, and the relation between higher level structures (national headquarter and regional offices) and individual units seems to be hierarchical.

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<sup>12</sup> In Japan, there is another grouping of cooperatives based on worker ownership, called workers' collectives. They have developed from and in close relation with the consumer cooperative movement. They have their own network distinguished from the worker cooperative movement. In our present research, we are not including workers' collective cases.

<sup>13</sup> As of 2014. Information from communication with JWCU (Oct. 2015)

However, it does not mean that the relationship is bureaucratic or authoritarian. The authority of the headquarters and regional offices appears as being rather paternalistic and these entities are described as being protectors. Within the national structure, each unit has autonomy in the management of daily activities. In the interviews with workers in Japanese worker cooperatives, the civic worth seems to be replaced by the domestic worth which is expressed through the sense of familiarity. The civic worth seems to be delegated to the higher-level structures and, therefore, the objects reflecting civic worth, such as bylaws, official meetings, committee structures etc. are not present in the interviews. Instead, objects reflecting the hierarchical structure based on the industrial worth such as 'discussion with headquarter' and 'permission' appear in combination with the domestic worth. This kind of combination of orders of worth looks very unique and we presume that it can be explained not only by the specificity of the Japanese worker cooperative movement but also by the East Asian culture influenced by Confucianism.

## **5. Normative issues in a worker cooperative**

In this section, we analyse another moment of reality tests where we can observe the way people mobilise the normative sense. In most worker cooperatives, it is difficult to find the specificity of cooperatives in their daily economic activities, because the forms of economic activity are not so different from those in conventional enterprises. Of course, there might be some technical or managerial innovations coming from specificities connected to the cooperative model. Some specific operations promoted by cooperative movements and encouraged by legislations and public policies such as indivisible reserve, group and consortium allowing scaling up without losing cooperative identities, and well established cooperative movement networks as supportive environments are suggested as being innovations of that kind (Roelants et al., 2012). However, in this paper, we are focusing on the moments of meetings which typically reflect the specific governance structure of the cooperative model. The meetings are preceded in respecting prescribed or implicit rules. Participants put together different pieces of information, try to find common way of calculating the worth in issues at stake, and produce certain agreements which will serve as a new or renewed interpretation on the common normative framework in their cooperative. Therefore, we could hypothesise that the meetings are one of ideal moments of reality test where uncertainty in the situation can be clarified and the situation can be reorganised according to orders of worth which participants qualify as appropriate.

### *Empirical case – meetings in a cooperative*

Our empirical case is the observation carried out in two different types of meetings in worker cooperative A, a worker cooperative providing taxi services, based in Madison, Wisconsin, USA. Before analysing observed meetings, it should be noted that the actual state observed throughout meetings must be highly dependent on specific features of worker cooperative A. Worker cooperative A is one of biggest worker cooperatives in the US (230 members) and has a relatively

long history as a worker cooperative since 1979 when it was created by the trade union movement. Actually, it is the largest taxi operator in Madison and its economic performance has been stabilised in a relatively regulated market for taxi service which is often typical in small and medium-sized communities. The strong cooperative movement tradition in Madison has supported worker cooperative A, and worker cooperative A has also been actively engaged in the cooperative movement at the local level as well as nationally. We can suppose that these characteristics of worker cooperative A might have played an important role in shaping the forms and contents of governance structure and management style. However, in this paper, we do not try to find any causal explanation about it. It also should be noted that the case of worker cooperative A is neither a typical nor an ideal model of cooperative governance, but that our focus on the theoretical tools used in this study could help understand normative issues in worker cooperatives.

In worker cooperative A, there are various kinds of meetings. Whereas members' meeting open to all members has to be held at least once a year as Annual Member meeting or as Special Member meeting, the Board of Directors Meetings (hereafter, Board meeting) which are held twice a month take important decisions on daily management and cooperative life in worker cooperative A. Under the authority of the board, there are committees in charge of specific issues which should be examined more deeply and attentively. On the management side, there is a Steering team meeting where executive managers get together once a week in order to coordinate different activities carried out by different teams. Again, each team on the management side has their own meetings. One of specificities of worker cooperative A, and more generally of worker cooperatives in the US, is the fact that ordinary worker members can join committees or teams. Even in the Steering team meeting mainly composed of managers or supervisors on the management side, there are two 'at large' members who are co-opted from ordinary worker members in order to reflect diverse opinions and information, such as those of night shift drivers.

Our observation was carried out during three Steering team meetings and one Board meeting which were held in May and June, 2015. The researcher observed the meetings and made notes. Written agendas and minutes were provided and interviews for debriefing each meeting were organised mainly with two informants. Several interviews with participants of meetings also helped understand the context and issues at stake in the meetings.

#### *Meetings set up as a specific situation*

Above all, meetings are spatially and temporarily separated from ordinary space and time. In worker cooperative A, the start and end of meetings is officially announced by the facilitator of meeting. When the start of the meeting is announced, participants and their surrounding environment enter into a specific situation distinguished from daily life. The space and the objects

which are deployed in the space get different meanings in such situation. Meetings are held in a large hall called 'large drivers room' which is usually open to all workers for having a pause, drinking coffee, cooking and eating lunch, looking at information and advertisements on bulletin boards and using computers situated on a wall side. When a meeting starts, the space is set up as a meeting place which should not be bothered by other activities. In this specific situation, the configuration of space plays a symbolic role in assigning participants' official roles. For example, during the Steering team meetings, the main table is occupied by managers and supervisors who represent the management side. The president of the cooperative sits on a long chair located on the back side of the room with other observers. This positioning is totally changed during the Board meeting in which board members sit around the main table, while managers and supervisors sit on the back. The bulletin boards on which the Board of director, committees and teams post their previous meeting minutes, next meeting agenda and concerning documents, become better suited to this situation in reminding the previous meetings which should be taken into account in the ongoing meeting. Placards hung on a wall remind cooperative value and principles, the vision statement and the mission statement of worker cooperative A as main directions toward which decisions taken during meetings should be oriented. Although these physical objects are not explicitly mentioned by participants, they enter the situation as symbolic elements. In entering this situation, participants also obtain a different identity. They are asked to behave in following specific rules and in taking specifically assigned roles. They try to speak from institutional positions (president, treasurer, financial manager, HR manager etc.) or of certain groups of people whom they represent (night shift drivers, drivers, office workers, all workers in general etc.). Pursuing personal and particular interests seems inappropriate, and it should be subordinated to the more collective interest such as welfare of all worker members. In discussion, 'cooperative' is often mentioned as the incarnation of the collective interest.

During a discussion about 'reduction of percentage of revenue paid in commissions'<sup>14</sup> caused by foreseen economic difficulties, the increase of share retained by the cooperative was not considered as loss of drivers' share but as the way for making business sustainable and reliable. Given that all processes are transparent and fair, all members know that the performance of the cooperative would directly serve for maintaining workers' employment and, in the case of surplus, it will return back to them. It could be stated that the meetings in worker cooperative A are the specific moment where cooperative as general interest is activated and carried out in reality.

However, the Board meeting and Steering team meeting are different in their ways of formulating and operating meetings. The Board meeting is more strictly guided by rules. It seems that no other issue or value can be brought before democratic rules during the Board meeting. Even the president's actions are strictly guided by rules so that there is little margin for making personal

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<sup>14</sup> In worker cooperative A, a driver is paid a commission pay rate of the meter revenue the driver generates.

influence. This situation overwhelmed by democratic rules is supported by some observable objects, such as meeting documents in front of each board members, presence of managers who are ready to report specific issues or to answer to board members' questions, and among others, 'Robert's Rules of Order' on the table, with which the president consults to check whether procedures are appropriate, when the meeting encounters unusual situations. On the contrary, in the Steering team meetings, efficiency is emphasised as much as democratic rules. Given that the objective of the Steering team meeting is mainly to share and exchange information among different parts of management side teams, the meeting seems more pragmatic and less formal. Time pressure is much higher than in the Board meeting because the Steering team meeting is held during working time, at 13 o'clock on Wednesday, usually for one hour. This pragmatic aspect is well illustrated with some specific objects such as lunch which some participants eat during the meeting, laptop computers or tablets for checking meeting documents, e mail communications and policies on the website. If the Board meeting is more disconnected from the outside including the internet system, during the Steering team meeting, many participants are connected to the internet to work on the meeting or on other tasks. Sometimes, some participants send mails or files to other participants immediately after such decision has been taken.



### *Three dimensions of normative issues in worker cooperative*

Based on the observation, we can identify three different dimensions in which normative issues could be deployed during the meetings. Each dimension explains the grounds of different kinds of normative sense experienced by people.

The first dimension can be identified when the normative framework of the worker cooperative model should be presented in the public sphere as a taken position and encounter other partners, such as alliances or adversaries. Whereas this dimension can be better observed as a phenomenon under the form of controversy, it can be also observed in the meetings as one of the issues at stake. The meetings delegate the production of justifiable arguments to specific teams or committees, and validate their activities. In this dimension, the external relationships of cooperative are more salient. The normative framework of their cooperative and its activity is more explicitly rethought to be put in public. Whereas the contents of arguments might include various values, the process of developing arguments is subordinated to strategic and tactical logics in order to make their arguments more broadly acceptable. Although this dimension allows us to understand how macro issues are introduced into micro situation, we should be careful not to focus only on strategic and tactical aspects and at the same time, not to ignore other normative issues which would not aim at being directly publicised outside.

During the observation period, one of important issues was Uber. Uber was mentioned as a substantial and direct threat to the business of worker cooperative A for the last couple of years. However, Uber was accused to be not only a competitor but also a threat to drivers' working condition as well as clients' safety. In broader public debates deployed around the Uber issue, worker cooperative A worked with other taxi companies and especially the mayor of Madison who proposed to introduce city-certification system for taxi companies. Uber is accused of hiding the lucrative motivation of a handful of shareholders (accused of being based on the market worth) behind the image of the sharing economy. Such displacement from institutional regulations is one of problems which are destructing institutionalised rights and security of workers and citizens (Boltanski and Chiapello, 1999). This suspicion on Uber is reinforced by the fact that the conservative governor, who is strongly criticised as an extreme neo-liberalist, supported Uber by allowing state-wide access to Uber-style companies, called Transportation Network Companies (TNC). In worker cooperative A, a TNC team was set up in order to work on this issue. And during the research period, the board passed the 2015 strategic plan including the creation of the Political Action Committee under the Board's authority. However, given that all members are basically in the same position on this issue, most of strategic and tactical points were mandated to the team, and during the meetings, this issue was not treated in a controversial way but in the way of validating and sharing information and actions carried out by the TNC team. Therefore, if we only concentrate on the given situation of the meeting, this dimension of normative issue might escape from the scope of analysis and be reduced only to strategic and tactical considerations.

The second dimension is related to the question of what is the good which all participants should pursue during the meetings. It seems difficult to qualify most parts of these meetings with the regime of justification in terms of the French pragmatism sociology. On the contrary, from an observers' point of view, these meetings seem to be unfolded without the hot issue of controversy.

The agendas are prepared and distributed in advance. Because most agendas came from the result of other meetings such as committees, executive teams or informal discussions, they seem to have been already well prepared in a concerted way. Therefore, the actions taken during meetings aim to approve proposed resolutions, in the case of the Board meeting, or to share information, in the case of the Steering team meeting. In this sense, these meetings might be understood from the regime of engagement in a plan in which normal functionality is considered as a more important good (Thévenot, 2011, pp. 48-49). In this regime of engagement, the functional achievement of a planned process is a predominant good. People do not enter into the situation of dispute, but respect given rules in order to keep things going well as planned.

However, at a certain moment, the regime of engagement in plan can be in trouble. Firstly, the legitimacy of governing rules can be contested from inside logic, because these rules do not sufficiently meet their own normative framework, in this case, democracy based on the civic worth. Secondly, the legitimacy can be contested from different orders of worth, for example, as inefficient (from the industrial worth) or as a barrier in profit making (from the market worth). In these two cases, the regime of engagement in plan would be converted into the regime of justification to look for new collective conventions which will be able to finish the dispute. At least during the period of observation, there was no such dramatic situation where the dominant rules of democracy were put in trouble.

But we can observe other kinds of normative issues which might happen in the regime of engagement in plan. To keep functioning such a well organised democratic governance system, participants are supposed to have sufficient competence for projecting themselves successfully into the future, and for organising their behaviour in conformity with demands (Thévenot forthcoming, p.4). As we examined in the previous section, the normative framework of the cooperative model is not naturally given but is something for which people have to make hard effort to implement. Although worker cooperative A has a strong tradition and culture of democratic governance, we could observe some signals coming from this kind of difficulty, such as a non negligible number of worker members who are not willing to participate in cooperative life, burnout of some active members, tensions brought about by meeting participants with less communication skill or with less experience of the democratic process. Interestingly, it seems that a sufficiently substantial pool of active members and the relatively stable introduction of new members motivated by the cooperative model make it possible to manage this problem, for example, by the way that active members alternate stepping in and stepping back.

Finally, there is a dimension in which we can observe different normative frameworks enter into conflict with each other. In the strongly institutionalised situation such as meetings in worker cooperative A, these confrontations seem to be basically constrained by the prescribed rules. However, although all participants would agree to the predominance of democratic rules, they can mobilise different normative frameworks concerning the issues at stake. The confrontations

between different normative frameworks sporadically appear just like a small disruption rather than full scale controversy. In many cases, the confrontations are technically controlled to find more consensual conclusions including various kinds of compromises, without outbreak. However, it is important that at a certain moment when existing normative frameworks are not sufficient for interpreting normative uncertainty, it is always possible that this dimension puts in question the ruling normative framework commonly accepted until then. It is interesting to note that the symbolic objects (not only material or institutional objects but also discourses) representing specific normative frameworks produced and circulated in the first dimension can come back into this dimension.

During the observed meetings, there were few serious tensions between different normative frameworks. Among slight tensions observed, there was a case concerning a resolution to amend the Work Practice Policy during the Board meeting. The resolution was proposed in order to clarify the process for performing voluntary and forced layoffs during slack seasons. Because the result of the resolution could give more authority to specific staff positions, amended policy would have to clarify the process and orders in order that the staff could depend on transparent rule rather than his/her personal judgement. To deal with this sensitive issue, the resolution was examined by a special team composed of different perspectives and proposed that Human Resources Policy Committee would monitor the implementation of the amended policy. This resolution shows a typical compromise between industrial worth and civic worth for reducing the domestic worth. However, we could find potential uncertainty raised by the fiscal note commented by the Treasurer<sup>15</sup>. Technically written, the fiscal note does not directly express favour or critique on the resolution but makes explicit that additional revenues or expense occurred by adopting the resolution. Concerning this resolution, the fiscal note estimated additional expenses mainly produced by additional paid time for some of the team members who would work for monitoring the implementation of the amended policy. Although there was no explicit tension about this issue during the meeting, the confrontation between an initiative for strengthening the compromise between civic worth and industrial worth and concerns caused by fiscal constraint must have brought uncertainty in finding a common way of calculating and measuring normative criteria for their decision-making.

The distinction of three different dimensions seems to be important to understand normative issues in cooperative life. Whereas public arguments in favour of the cooperative model are put in public debates by experts and spokespersons with well elaborated discourses, we can also find that critics of the cooperative model often focus on the fragility found in the second dimension and its problematic consequences. On the contrary, justifications in favour of the cooperative model also mobilise the second dimension in idealising it as best practice or success story. The second dimension itself can be put in trouble as well. In the case that institutionalised settings are

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<sup>15</sup> All resolutions should be examined and commented both from policy aspect and from fiscal aspect before being put on meeting agenda as a resolution.

too strong, it is more likely to find a kind of stress caused by constant efforts to fill the gap between demanding institutional requirements and physically and mentally limited human beings. When the institutionalised settings are too fragile, different normative logics, mainly introduced through the issues at stake, could rock the loosely constructed conventions.

When we take into account these various issues on the normative sense experienced and practiced by people in cooperatives, we can reach a deeper understanding of sources from which specific aspects of the cooperative model could be generated.

## **6. Conclusion**

In this paper, we tried to understand work and life experienced and practiced by people in worker cooperatives. This research goal led us to mobilise theoretical tools and related methods from the French pragmatism sociology in order to be more attentive to people's moral competence and practices.

In the first part of our analysis, we tried to identify normative frameworks of the worker cooperative model through people's statements on their normative sense. With the compromise between civic worth and industrial worth as the central figure, we could identify various articulations of different orders of worth. In the second part, we focused on how different normative issues exist in cooperative life, particularly through the observation of meetings in a worker cooperative. Among these normative issues, while some are well elaborated and publicised in public debates, others have not been publicly recognised. The latter point has often been ignored just as functional triviality rather than real normative issues.

Among various theoretical approaches for understanding the worker cooperative model, we hope that this work will contribute to stimulate an approach which seriously takes into account people's normative sense and their practices concerning the worker cooperative model. Furthermore, although we did not develop sufficiently here, we think that the concept of object in this approach will be useful for connecting micro situations where we can directly observe people's practices with macro phenomena which are present in the situations through objects but which have their own dynamics in various public spheres. Rather than testing practices against prefigured theoretical hypotheses, this approach will allow us to explore diverse specificities of the worker cooperative model embedded in people's practices and in their interpretation of macro-level of conditions, which have not been sufficiently grasped by existing theories.

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