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Abstract

This special issue of *Organization* treats cooperatives as alternative forms of business and organization, focusing on worker-owned-and-governed forms. In reviewing extant research and considering the seven articles in this special issue, we treat five main challenges that workers' cooperatives face: (1) the organizational resources, structures, and dynamics allowing for social as well as economic resilience for worker cooperatives; (2) the complex types and roles of leadership in worker cooperatives and related organizational forms; (3) the capacity of and obstacles to the reinvention of democracy within cooperatives; (4) the relationships between cooperatives and organized labor, the state, the community, and the larger financial system; and (5) the pursuit of cooperative values and policies within international market and environmental contexts. The examination of these challenges in relation to the worker cooperatives specifically

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can inform new projects in employee ownership and governance as well as perhaps assist with democratic organizational transformations in other firms and sectors.

Keywords

Alternative organization, economic solidarity, global economic crisis, Mondragon Cooperative Corporation, worker cooperatives

The cooperative model as an alternative beyond the global economic crisis

The crisis that developed in the United States in 2007 and spread rapidly across the world has revealed structural problems as well as perturbations in global financial and market systems. Among those fundamental problems are the way risk is created, engaged and managed; widening gaps in compensation; information use and misuse; and many instances of fraud and corruption.

The narrowing of the vision of strategic planning in many industries, along with increasing pressures within international financial markets, has further distanced the most common forms of capitalism from the concerns of community, including attention to employee welfare, attachment to place, and overall social and environmental progress. Still, within the public debates that have ensued, there has been surprisingly little consideration of forms of firm governance outside of the investor-owned model (Atzeni, 2012; Parker et al., 2014).

According to Stiglitz (2009), who has written extensively on the problems of the predominant form of corporate globalization, it is crucial to broaden our notions of productivity, including formal measures such as the gross domestic product (GDP), to incorporate aspects of well-being and connections to the community and the environment. Such a transformation in thinking can also affect practice at the levels of regions, communities, industries, and firms.

Cooperatives, including worker-owned enterprises, have important roles to play in reimagining and reconfiguring the economy as a whole as well as bringing to the table alternative forms of governance. In fact, the results achieved by cooperatives in the current economic crisis, together with the rise of ideas of democracy in organizations, have awakened interest in cooperativism in both academic and community circles (Alperowitz, 2013; Restakis, 2010; Vieta, 2012; Webb and Cheney, 2014). The year 2012 was declared by the United Nations to be the International Year of Cooperatives, highlighting the contribution of cooperatives to social and economic development by generating employment, reducing poverty, and fostering social integration. During that year, there were numerous conferences, reports, and academic articles on worker cooperatives and related forms, collectively manifesting a great deal of energy and reflection.

There is a wide variety of classification schemes for cooperatives. Distinctions are based on financial structure, tax laws, type of membership, decision-making structure, and sometimes size. The nature of work also figures into many of these schemes. The categories are blurred by the fact that some firms function virtually as cooperatives (such as highly democratic ESOPs, or employee stock ownership plans). Also, some firms that call themselves 'cooperatives' or 'collectives' do not necessarily involve a substantial amount of shared equity by employees or other types of members. Among the major ones, generally recognized types of cooperatives are worker-owned, consumer, producer, community-owned, and cooperatives for housing. There are also multi-stakeholder and solidarity cooperatives involving different types of membership and attendant variations in voting rights and influences on policies. In large systems of worker cooperatives, such as those found in the Basque Country of Spain and the Emilia-Romagna region of Italy, and in areas where there are

vibrant clusters of cooperatives, we find 'second-tier' or second-order cooperatives providing financial and social services to their members who are other cooperatives (see, for example, Webb and Cheney, 2014).

Among all types of cooperatives, the worker cooperatives tend to enlist the highest level of participation from employees because all employees contribute both labor and capital. Workers' stake and involvement takes two primary forms in a worker cooperative: shared equity, including individual accounts and dividends, and participation in decision making and even policy making. Most worker cooperatives adhere to principles developed by the Rochdale Group in 19th-century Britain and elaborated by Mondragon and the International Cooperative Alliance. These principles include open admission, democratic organization, the sovereignty of labor, the instrumental and subordinate nature of capital, participatory management, payment solidarity, inter-cooperation, social transformation, universality, and education. For example, social transformation is exemplified by the fact that most worker cooperatives devote a certain percentage of profits to community investment and projects. Especially important is the educational mission of many worker cooperatives (Redondo et al., 2011). In addition, some worker cooperatives have begun to embrace principles of environmental sustainability (Azkarraga et al., 2014).

Traditionally, worker cooperatives are concentrated in sectors such as agriculture, fishing, non-capital intensive professional services, and small-scale manufacturing and construction (Dow, 2003). Cooperatives that compete in capital-intensive sectors such as domestic appliances and industrial machinery, such as Fagor in the Mondragon federation and *Società Anonima Cooperativa Meccanici Imola* (SACMI) in Emilia-Romagna, are fewer in number (Dow, 2003) but are nevertheless significant on the world economic stage. Today, the number of worker cooperatives is growing in many sectors, including finance (Birchall, 2013), health care (e.g. Direct Care Alliance, 2014), marketing and advertising, engineering, law, and information technology. Importantly, technology itself allows for many cooperatives, like other businesses, to rely heavily on virtual forms of collaboration.

In certain ways, The Mondragon Cooperative Corporation represents the breadth of worker cooperative possibilities: it has a presence in the industrial, financial, distribution, technology, and educational sectors. The Mondragon cooperatives are committed to market success through democratic work practices and unwavering dedication to their local communities.¹ The Mondragon group has expanded almost continually since its inception in 1956; it has successfully weathered economic recessions and internal challenges. Today, the Mondragon cooperatives consist of 110 worker cooperatives in four major areas: industry, retail, finance, and distribution. Mondragon is the foremost business group in the Basque Country and the 10th largest in the Spanish market. Mondragon currently employs more than 80,000 people (representing a decrease from a high nearly 100,000 before the global economic crisis). The corporation is present, in one form or another, in 41 countries through subsidiaries or corporate delegations, and it has sales in more than 150 countries (Mondragon Cooperative Corporation, 2013).

Mondragon has been able to adapt to changing markets, from its beginnings in the relatively closed economy of Spain in the 1950s, to the challenges of the incorporation of Spain into the European Union during the period 1986–1992, to competition in global markets. Through various stages of development, the Mondragon cooperatives have experienced tensions (1) between attempts to sustain democratic principles *and* technocratic tendencies, (2) between local knowledge *and* imported managerial regimes, and (3) between maintenance of core social values *and* the demands of market globalism. The Mondragon experience has built upon organizational characteristics and a distinctive management model grounded in the basic cooperative principles. Besides a dual decision-making structure with both elected leaders and appointed managers, the organizational structure of Mondragon includes the aggregation of cooperatives with a democratic

decision-making structure (per the Cooperative Congress); the development of instruments of intercooperative solidarity including intercooperative funds for redistribution; the reallocation of workers as needed; the inclusion of educational and research centers in the corporation; elaborate financial and welfare institutions; and of course, a wage-differential scale that is, even today, much narrower than that found in the market as a whole: approximately 1:9, including the top-level managers (Altuna, 2008; Irizar and MacLeod, 2010).

The Mondragon case has contributed new elements both to the traditional form of organization of worker cooperatives and to the so-called alternative organizational forms in general. The particular organizational features of Mondragon have allowed the cooperatives to adapt to changes in the market and become competitive companies in their respective markets, while making real its objectives of workers' control of the companies and generation of employment. Thus, employment increased from 19,669 workers in 1986, to 30,634 in 2006, and to 83,569 in 2011 (Altuna, 2008; Mondragon Cooperative Corporation, 2013).

Despite these long-term successes and adaptations, however, the Mondragon system has experienced a significant crisis, beginning in October 2013, or more precisely, in the several years leading up to an October 2013 decision, in effect, to declare the bankruptcy of the descendant of the founding industrial cooperative, Fagor Electrodomésticos. Without going into the complexities of this case here, involving not only the Basque and Spanish governments but also plants in several other countries, we should observe the symbolic as well as material impact of this crisis, where a no-longer-profitable manufacturer of home appliances was effectively closed by the Mondragon Cooperative Corporation, which refused to infuse more funds into the faltering co-op.

The principle of intercooperation translates into a complex formula for shared profits and losses among a group of cooperatives in the same sector. Following the declaration of effective 'bankruptcy' for the home appliance manufacturer, results included large public protests, challenges to state policies in terms of bailouts, and threats to the image of secure employment in the cooperatives. It was also clear that the Corporation did not have a comprehensive communication plan in place, especially in light of the global attention commanded by the Mondragon cooperatives. The international press has for the most part taken the opportunity to question the resilience of Mondragon and of the cooperative model in general; however, many of these commentaries have been simplistic. As we write, 900 of about 1500 displaced workers have been reassigned to other cooperatives under the umbrella of the Corporation. At the same time, however, the internal debate over the question of autonomy versus common responsibility for the cooperatives will no doubt continue.

It is important to note parallel problems and debates in other parts of the world. The United Kingdom's Cooperative Group, for example, suffered significant losses in 2013 and lost controlling interest in the Cooperative Bank.

The analysis of the organizational models of successful cooperatives such as the Mondragon Cooperative Corporation can help us to better understand the complex interplay of economic and social factors in worker cooperatives and related firms, moving beyond fairly simplistic binary assessments of success or failure.

Challenges and balances in the pursuit of the worker-cooperative model

To help to frame the set of articles in this special issue and to look towards future research, we would like to highlight these five challenges: (1) The organizational resources, structures, and dynamics allowing for social as well as economic resilience in worker cooperatives. (2) The changing roles of leadership in worker cooperatives, considering for example the interplay of various

forms of leadership from charismatic to ethical to collaborative. (3) The capacity of and obstacles to the reinvention of democracy within cooperatives, including means to manage and solve conflicts between different goals, sectors, and constituencies (e.g. concerning the relationship between worker-member-owners and temporary workers). (4) The relationships between cooperatives and organized labor, the state, the community, and the larger financial system, especially in the context of heightened global competition. (5) The pursuit of cooperative values and policies within international market and environmental contexts.

First, further research is needed *on the resources, structures, and practices that contribute to the resilience of worker cooperatives*. The study of inter-cooperation among firms, and not only cooperatives, is of growing academic and practical interest. The competitiveness of worker cooperatives with firms that can be more flexible with respect to the workforce continues to be investigated and debated (Erickson et al., 2003). Recently, the idea of increasing democracy within organizations also appears as a trend in management to be discussed and analyzed, based on the assumption that group-based decisions that challenge the economic efficiency of hierarchical models reduce organizational problems associated with capitalism. For instance, Johnson (2006) stresses that the debate on democratization and economic efficiency should go beyond the typical business case. Thus, it is necessary to identify which worker-owner cooperative organizations are successful, with special interest in those competing in the global markets, such as Mondragon. At the same time, it is important to identify the features and experiences that are transferable not only to other worker cooperatives but also to other organizational forms (Pencavel, 2013).

Burdin and Dean (2009), for example, compared behaviors of worker cooperatives and traditional capitalist firms, such as differences in wages and employment levels. They found that the adjustment mechanisms for employment and wages are different for worker cooperatives than for capitalist firms. While traditional capitalist firms showed a negative relationship between levels of wages and employment, worker cooperatives showed the opposite trend. The two types of firms also responded differently to recession periods: although in both cases, wages and employment were negatively affected, the loss of jobs was much greater in capitalist firms than in worker cooperatives. In this sense, according to Ben-Ner and Jones (1995), cooperatives also take advantage of employee ownership, which is associated with two types of rights: one pertaining to returns, the other to control. The system allows in many cases for collective decisions about sacrifices in wages and benefits that have the important result of maintaining jobs. Extensive research has shown that these rights, especially as understood in terms of voice and autonomy, have an impact on individual motivation and performance (e.g. Freeman et al., 2007).

The second challenge to be addressed is *leadership*. *Entrepreneurial leadership* on the part of managers features strategic planning, but with an eye towards creativity and shared problem solving. *Social leadership* frequently resides with councils and boards, including, for example, a governing body and one charged with the interests of workers. In the Mondragon system, for example, the cooperators have ultimate control over appointed management through the deliberative process of the general assembly which is based on a principle of one member, one vote. Furthermore, the Mondragon cooperatives feature a social council that aims to balance managerial direction with employee-owners' concerns. The vitality of all these organs is critical to the health of the cooperative (Madinagoitia, 2005).

Ethical leadership is a third and very important type of leadership for cooperatives, especially against the backdrop of excesses and abuses in the larger financial system. This type of leadership features social values that ultimately aid the firm in weathering financial and other crises (Cheney, 2008). Avey et al. (2012) explore ethically oriented leadership through two specific indicators: psychological welfare and workers' satisfaction. The first dimension is characterized by giving voice to employees' value-related matters as well as regular organizational policies. Thus, ethically

driven leaders offer consideration and support to the employees, which in turn have a positive impact on their self-esteem and sense of meaningfulness (Shamir et al., 1993, in Avey et al., 2012: 25). The second dimension is promoted by what is known as *psychological ownership*, which is the feeling of efficacy, accountability, and belongingness among workers about making a difference in their firm. Thus, the participation of workers in the management structure also entails a redefinition of traditional leadership models, which are grounded in the figure of charismatic and authoritarian leaders, towards solidarity-based, dialogic, and democratic values where the group is the key level of concern.

This is in contrast with much of the literature that places a stress on individual, charismatic leadership for value-based organizations including cooperatives. In a sense, the issue harks back to Weber's (1978) analysis and raises the practical as well as theoretical question of how to institutionalize an approach to leadership that is at once shared and highly energizing. The matter also raises the question as to whether different qualities of leadership (e.g. the ability to enlist and maintain mutual commitment and shared decision making) should be added to the standard list of such things as the ability to organize, to inspire, to communicate effectively, and so on (Peredo, in press).

A great deal of research, especially in recent years, supports collaborative leadership grounded in democratic management principles to face the difficulties associated with scarcity and sacrifice. Several successful examples exist in the agricultural sector (Lins and Pires, 2011), where common features of collaborative leadership include active participation of workers in the management of the enterprise and shared leadership based on the group.

The third and related challenge that cooperatives need to address is *how democratic values and the participation of workers are changing and being reinvented*. In cooperatives, ownership of the means of production is by all workers and not a small group of investors or manager-owners. One of the main features of a worker-owned cooperative is a set of core democratic values that are part of practice on at least three levels: capital provision, surplus redistribution, and general management. In most worker cooperatives, democratic governance is institutionalized through core principles, by-laws, and statutes. Structures of democracy must be accompanied by commitments to democratic process, which ultimately means openness to new definitions and practices of democratic organizing itself (Azkarraga et al., 2012). There is now strong empirical support showing that shared equity, accompanied by high levels of participation, has positive effects on working environment and relationships (Avey et al., 2012). This is especially the case when the system is characterized by a high degree of transparency.

An ongoing debate concerns whether organizational democracy and flatter organizational structures can survive and be successfully transferred to traditionally less democratic firms. To a great extent, the same question has been leveled at a variety of interventions in organizational structure, from participatory management in the 1940s and 1950s to quality circles in the 1970s and 1980s to total quality management (TQM) in the 1990s to semi-autonomous work groups more recently (Cheney et al., 1998). Bernstein's (1976) oft-cited formulation of workplace participation helps us to consider, with any system of participation, how far it goes towards the democratization of work. Briefly, the three considerations are (1) the degree or extent of control that can be exercised by employees, (2) the range of issues over which they have influence, and (3) the levels of the organization at which employees are able to have an impact. These features of a well-functioning worker cooperative contribute to the overall strength of what many call 'an ownership culture'. The ultimate strength of such culture relies heavily on participation as well a healthy mixture of individual and collective incentives.

It is also important to consider the relationship of internal democratic practices to the external environment of a firm. There will inevitably be tensions, but there can also be points of

consonance. Pateman's (1970) classic work drew attention to the multiple levels of society at which participation can occur, thereby enlarging the notion of democracy in practice. Of course, as Hanappi-Egger (1996) observed, many democratic interventions in businesses and other organizations are made without a broader perspective on the merits of participation. Moreover, even when both economic and social democracy are present, as in a combination of shared equity and governance, there will be contradictions felt by employee-owners between the firm's practices and those of the larger capitalist society, especially at a time when the gap between the rich and the poor is widening in many parts of the world. However, this tension does not necessarily impede organizational democratization (Varman and Chakrabarti, 2004). At the same time, as is now part of the new strategy for training and education in a number of the industrial cooperatives of Mondragon, active participation inside the firm can indeed spill over into more active community engagement by members alongside community investment by the cooperative as a whole.

Relationships with multiple sectors and the larger financial system is the fourth challenge for research. According to Bhowmik and Sarker (2002), support from the state, availability of tax incentives, public education, and access to facilities all play significant roles in cooperative start-ups. Support for training in firm conversion and ownership succession is important for the democratization of established firms. In some communities around the world, centers of entrepreneurship offer space and technical support for cooperatives. We are also witnessing a rapprochement of organized labor and worker cooperatives, given their common goals of employment security and worker voice; this trend, too, has been a positive by-product of the global economic crisis (Bhowmik and Sarker, 2002; Thornley, 1981, 1983). In fact, there are now a variety of approaches to worker-cooperative financial and organizational structure, including succession planning, as well as start-ups, incorporation of unions especially through the vehicle of social councils, and multi-stakeholder investment models (Witherell et al., 2012).

At the same time, worker cooperatives have traditionally been closely tied to their host communities. While traditional capitalist companies tend to reduce staff and outsource functions to reduce costs, cooperatives tend to be more rooted in the local community and are therefore more likely to prefer other strategies (Clarke, 2005).

Nonetheless, according to Dahlggaard-Park and Dahlggaard (2012), some cooperatives tend to expand and grow in the current situation of economic downturn by adopting established mainstream management programs, such as TQM and Just-in-Time Inventory, as a strategy of survival. This has been the case intermittently at Mondragon (Cheney, 1999, 2002). Resisting such temptations is but one reason why support networks of worker and other cooperatives can be important in terms of sharing knowledge, expertise, and establishing clusters of social-economic success.

Underlying questions about relations with the state, the non-profit sector, and local communities is a fundamental issue of how, or even whether, cooperative enterprises are to operate in the globalized economy dominated by large, highly competitive multinational corporations, many of them supported by national governments. The failure of the large worker cooperative, Fagor Electrodomesticos, highlighted this issue for many (e.g. Alperovitz and Hanna, 2014). The globalized market in which large corporations—and including some cooperatives—function is set by large, investor-owned transnationals, with little or no commitment to cooperative values. *The Wall Street Journal* (Bjork, 2013) was not alone in seeing the Mondragon cooperative failure as due in large part to inability to compete with firms that make cheap labor a pillar of their global strategy.

The fifth and final challenge concerns *organizational structures and policies of worker cooperative networks within international market and environmental contexts*. In some cases, worker cooperatives become transnational through a process of acquisition or creation of new subsidiary firms. Usually, the main cooperative corporation owns the capital, and the employees are salaried but are not worker-owners. A key issue for research and practice is whether and how such

subsidiaries can be converted into cooperatives, recognizing not only national and cultural differences but also preferences of the employees themselves.

In addition, one of the ongoing discussions connected to management models is whether policies and practices of worker-owned cooperatives are transferable also to other subsidiary firms, totally or partially. Obviously, the question begs a complex answer, depending on cultural and economic context as well as values and strategies of the parent company. The pursuit of these questions can deepen analyses of values as well as financial performance, particularly as cooperative firms expand across regional and national boundaries, and considering ways to resist the tendencies towards *degeneration* (Cornforth, 1995).

In this regard, a recent study about the internationalization of Mondragon cooperatives shows that the cooperatives of the Group that have become internationalized have actually generated more employment in the home area than those cooperatives that have not experienced internationalization (Mondragon, 2012). In fact, cooperatives have been always considered as a factor promoting the economic and social development of the communities where they are located (United Nations General Assembly, 2013). This has been the trend even in times of crisis, where the cooperatives have largely succeeded in preserving employment while also transforming a number of conventional firms in crisis (Birchall and Ketilson, 2009). At the same, the matter of conversion of subsidiary firms is further complicated by their own national, local, and organizational-cultural contexts.

In the context of the current global economic crisis, it is easy to dismiss worker cooperatives and other democratic business forms as being unable to deal with the magnitude of challenges facing peoples, nations, and markets. Yet, interest in such experimentation is rising all over the world, in part because of a recognition of how short-term economic thinking needs to be replaced with a more robust model of business structure and performance that takes into account employee satisfaction and security, the full participation of employee-members, the welfare of a community, and the sustainability of a business or industry in the larger environment (Birchall, 2013). Worker cooperatives represent one response to such dynamic instability and insecurity in the labor market (see, for example, Pencavel, 2013). Indeed, the highly influential ‘stakeholder theory’ of who counts in considering organizational impact (Freeman, 2010) can be a valuable heuristic for multi-faceted assessments of cooperative embeddedness and functioning.

However, recent events in Spain and the United Kingdom remind us of not only of the importance of scale and even support networks but also the need for adaptability by cooperative firms. In part, long-term resilience can be achieved not simply by following markets but also by creating and then leading them, as can be the case with still-emerging environmentally oriented products and services.

Worker cooperatives, along with a variety of other types of organizations, are becoming parts of regional sustainable economic development strategies. For example, in the Brazilian region of Araguaia/Tocantins, the higher education course in Indigenous Intercultural Education of the Goiás Federal University (Universidade Federal de Goiás—UFG) has demonstrated that, even on the margins of the capitalist system, different options can be developed in terms of sustainable lifestyles. Launched in 2007, the course has 230 students from 16 indigenous peoples from four Brazilian states: Goiás, Maranhão, Mato Grosso, and Tocantins. One of the greatest challenges of the course has been to find ways that lead to building a truly differentiated indigenous education, in which indigenous knowledge contributes to the reinstitution of sustainable lifestyles in the indigenous communities, lost throughout the colonization process of their lands, and knowledge, including practices linked to the indigenous way of enacting cooperativism.

Initiatives in the organizing of indigenous peoples are arising in other parts of Brazil, for example, in the Amazon region, where rubber production and consumption are being reconfigured to some extent on a grassroots level (Monte, 2000).

These experiences have helped to guide the planning of sustainable development projects and education about them. This is but one example of multi-dimensional and creative projects around the world that are bringing together principles of social entrepreneurship, local control, and environmental sustainability.

In sum, these challenges can be seen in terms of tensions and attempts to manage or balance them. Importantly, these tensions are both internal, for example, in terms of how to reconcile managerial objectives and employee-owner needs and external in terms of relationships to industries, the market, and the environment. In every instance, the economic and social domains are interrelated, and indeed that is one of the lessons of cooperative history as well as commitment. In the articles of this special issue, we find in-depth case studies and broader reflections on such tensions.

The articles in this special issue

We are pleased to present seven articles with analyses of important contemporary issues regarding worker cooperatives. Each of the articles delves deeply into one or more cases, at the same time illuminating key theoretical issues and posing important practical questions. Two of these papers deal with the case of the John Lewis Partnership in the United Kingdom; three of them focus on Mondragon; two treat cooperatives in Brazil; and a final article considers the entire cooperative context in Romania.

The special issue begins with an essay by Paraque and Wilmott because it captures some of the micro- as well as macro-related tensions in alternative capitalist forms. Using the concept of critical performativity and applying it to the famous case of the John Lewis Partnership in the United Kingdom and its evolution, the authors reveal the tensions, contradictions, and possibilities with respect to membership governance and control. In revisiting classic issues in economy and society, this article sets the stage for the examination of competing structures, values, and objectives for businesses that attempt to function both within and on the margins of contemporary capitalism. This case analysis makes clear the need for nuanced treatments of the interplay of economic ownership and democratic control in cooperatives and related types of organizations.

The degeneration thesis—the view that worker cooperatives will have to adopt the same organizational forms and priorities as capitalist business in order to survive—has both economic and social forms and aspects. Using a comparative case study approach, Storey, Basterretxea, and Salaman consider both the John Lewis Partnership and the Eroski supermarket chain of the Mondragon cooperatives to illustrate the different ways that degeneration may be addressed. The article thus offers a much closer look at the mechanisms of economic and social dimensions of degeneration and *regeneration* than is typically represented in the literature. In particular, the study shows how contradictions between key principles and objectives are confronted by managers and to some extent reconciled over time, including through some unexpected policies.

The study by Heras Saizarbitoria considers cooperative principles and in particular their transformations in the Mondragon experience. Methodologically, the article focuses on the understandings and applications of the cooperative principles by *socios*, worker-owner-members. The research reveals not only the decoupling of many of the principles from daily work and business activities but also an overriding concern for secure employment—thus revealing the profound effects of the global economic crisis on the current crisis of the Corporation. The study is relevant not only to the Mondragon experience and future but also to other cooperatives and cooperative systems aiming to maintain core social values in a competitive and turbulent international market.

In another study of Mondragon, Flecha and Ngai attend more to external relationships, especially on the internationalization policies and efforts of the Corporation. The article considers the

tensions surrounding the roles and structures of Mondragon's foreign plants and delegations, including the vexing current question over the degree of 'cooperativization' of the international holdings, and the nature of representation by foreign workers in the Mondragon system. The study examines in depth the options of creating mixed cooperatives and the extension of the corporate management model in international cooperative holdings. Like the other studies of Mondragon in this special issue, this one offers important considerations for other cooperatives that seek to expand their base and influence in the global market.

The roles of universities in incubation efforts for cooperatives and economic solidarity are the subject of the article by Leca, Gond, and Barin-Cruz. A network of educational institutions and a variety of initiatives were examined to illustrate the challenges and opportunities for such programs. Incubated cooperatives are seen as 'critical performativity engines' that are both generalizable in certain aspects and capable of local reinterpretation and reinvention. The model developed by the authors is sensitive not only to the 'translation' of ideals by individuals and groups moving from one sphere or set of principles to another but also to how boundaries between alternative organizational forms and the market may be negotiated by educational institutions engaged in assistance to worker-owned and related enterprises.

The article by Meira also focuses on Brazil, looking closely at how the concept of 'liminal organization' applies to a case of a company assumed by the workers. The case analysis illustrates how tensions between different structural issues are ongoing and must therefore be continually confronted and managed. The classic anthropological tension between structure and *communitas* is employed to understand the process by which a company is converted from a traditional capitalist firm to worker ownership. However, the longitudinal study shows that the tensions can be managed contingently and not resolved in any definitive way. The article reminds us therefore of the need for periodic collective self-reflection within cooperatives and related organizations.

The final paper considers the past, present, and future of worker cooperatives in Romania, especially in comparison with other national contexts. The paper gives attention to the Eastern European context for cooperative development, which has had comparatively little coverage in recent years. The authors, Petrescu and Lambru, review the array of factors enabling cooperatives and highlight the necessary state-based support mechanisms that are needed for the cooperative sector to flourish. This analysis also underscores the need for familiarity with cooperatives across sectors in order to help to create policies to enable them to arise and grow. The authors offer suggestions for the establishment of a cooperative economy when that is relatively new to the institutional context of a nation.

As a set, these articles chart most of the major issues facing worker cooperatives and the larger cooperative sector today. The analyses are detailed and probing, eschewing simple responses to matters such as structural barriers for cooperative success, the demands of internal management and participation, and webs of relationships between co-ops and a variety of stakeholders. We are pleased to present this group of articles from a larger set of very strong submissions and look forward to further discussions as well as to the growth of cooperative research around the world.

Note

1. <http://www.mondragon-corporation.com/CAS/Cooperativismo/Experiencia-cooperativa/Cultura-Cooperativista.aspx#mision>

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