Could “The Cleveland Model” or the “Mondragon model” work within New South Wales? Exploring the possibilities of Distributist political-economies in New South Wales.

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Doctor Cameron McAuliffe
Statement of Authentication

This work has not been submitted for a higher degree at any other institution, and the work is original and a result of my own research endeavour

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Table of Contents

Doctor Cameron McAuliffe .................................................................................................................. 2
1. Abbreviations................................................................................................................................. 6
2. Abstract........................................................................................................................................... 7
3. Thesis Summary and Introduction................................................................................................. 8
   Thesis Proposals ............................................................................................................................. 8
   Methodology and Approach .......................................................................................................... 9
   Findings ......................................................................................................................................... 12
4. Political-Economy: The economy is more than the market ......................................................... 15
   Political Economy as a discursive field ......................................................................................... 15
   Political-Economy analysis ........................................................................................................... 15
   Political-Economy terms ............................................................................................................. 15
   Cui bono? ..................................................................................................................................... 17
5. Globalised-neoliberalism ................................................................................................................ 18
   The Global Neoliberal Consensus ............................................................................................... 19
   Liberalism’s First-Order Principles ............................................................................................... 20
   Summary of global neoliberalism’s core components ............................................................... 30
   Critique of Global Neoliberalism ............................................................................................... 30
   Liberal economics: Concluding statement .................................................................................. 37
6. Distributism: an analysis ................................................................................................................ 39
   Distributism – context and synopsis ......................................................................................... 39
   Distributist epistemology ............................................................................................................. 41
   Summation of Distributist epistemology: Conservatism ............................................................ 46
   Mondragon: Distributism manifested .......................................................................................... 47
7. What is Mondragon (MCC)? ......................................................................................................... 48
   MCC context and philosophy ....................................................................................................... 50
   MCC sub-cooperative example – Irizar ....................................................................................... 54
   MCC critiques and counter-critiques ............................................................................................ 56
8. What is The Cleveland Model (TCM)? .......................................................................................... 62
   TCM’s political-economy context ............................................................................................... 62
   TCM and The Evergreen Cooperatives ....................................................................................... 66
   Concluding remarks on TCM ...................................................................................................... 71
   Potential issues arising from TCM implementations ................................................................. 71
1. Abbreviations

ACU – Australian Catholic University
MCC – Mondragon Corporacion Cooperative
NSW – New South Wales
TCM – The Cleveland Model
2. Abstract

This paper explores the possibilities of the political-economy theory, distributism, both as a form of analysis and as a practical source of cooperative economy ideas. Regarding analysis, in this paper distributist thought will be used to analyse the currently hegemonic political-economy theory, globalised neoliberalism, and offer that the historical critique of liberal derived economic theories which reference their internal priority disorders is still pertinent and valid. The paper will then explicate the underpinning anthropocentric concepts of distributism – the person, the common good, the good life, subsidiarity, and familial and community sources of authority – and how these can help manifest technologically dynamic, participatory, egalitarian, stable, sustainable, localised political-economies. To demonstrate this, the integrated and coordinated cooperative economies of Mondragon Corporacion Cooperativa (MCC) and The Cleveland Model (TCM) will be analysed and contextualised, and the critiques of both models discussed. Furthermore, the debates regarding distributism and cooperative economies more generally will be explicated, so too the apparent strengths and failings of the Australian cooperative political-economy terrain. Finally, it will be suggested that due to its already distributist nature, the Catholic Archdiocese of Sydney appears to be a pertinent research direction for deeper explorations into the applicability of distributist economies in New South Wales.
3. Thesis Summary and Introduction

N.B. The below introduction uses a similar format to Ridley-Duff (2010)

Thesis Proposals
This preliminary research will propose that the distributist-type economies of 
Mondragon Corporacion Cooperativa (MCC) and The Cleveland Model (TCM) are 
sustainable, anthropocentric models that could be applied to a New South Wales (NSW) context. Both MCC and TCM comprise mostly of semi-
autonomous, sub- cooperatives that are integrated and coordinated through 
overarching cooperative bodies. Regarding TCM, this integration also includes 
likeminded anchor institutions, from which local cooperatives leverage off job 
contracts (Alperovitz 2013). This thesis will further propose that the Sydney Catholic organisation and network terrain, the Catholic Archdiocese of Sydney, 
appears as a strong candidate for future research into the NSW viability for 
either TCM or MCC. This assessment stemmed from the already distributist 
nature of the Archdiocese’s network, as well as from the network’s ostensibly compatible anchor institutions.

Moreover, this research involved an explication of the political-economy theory 
distributism, which directly influenced the formation of MCC, and by extension TCM. This paper will offer that distributism’s clear anthropocentric principles have the potential to manifest person centred, family vesting, egalitarian, 
locality specific economies of great dynamism (Mathews 2003, 2007, 2008 [A]).

Regarding its origins, distributism is an outcome of 19th Century Catholic social justice thought, and theorists such as Mathews (2003, 2007, 2008 [B]) have called for its reincorporation into political-economy discussions. Indeed, this paper is partly a response to that call.

Furthermore, part of this paper’s purpose was to analyse the current 
hegemonic political-economy theory, globalised neoliberalism, (Ralston-Saul 2005) using distributist epistemology. Distributist epistemology places 
emphasis upon explicating underlying theoretical assumptions; or said differently, highlighting a theory’s first-order priorities (Chesterton 1910; 1927). And through highlighting liberalism’s theoretical priorities
(neoliberalism's source and basis) (Chang 2014), the paper hopes to demonstrate that historical critiques of liberalism, which argues that its first-order priorities are disordered (Devas 1892), are still valid and pertinent. This paper will also offer that this disordering inevitably manifests broad sustainability issues, and perhaps relates to neoliberalism’s current vociferous global opposition (Bremmer 2017; Klein 2014; Mead 2017). Moreover, this paper proposes that distributist theory speaks to neoliberalism’s priority disorders, and may provide workable and sustainable alternatives at least at the local level.

Nevertheless, I offer that distributist-type political-economies appear to require determined coordination from powerful change agents, such as authoritative, civic-minded institutions. Such political-economies also appear to emerge within locales forsaken by substantial capital flows, but in which there are still civic-minded institutions. And without coordinating organisations and institutions, I would propose that distributive-type economies do not emerge organically or spontaneously, and that the historically disparate NSW cooperative terrain appears to confirm this. From this apparent need for coordination, I chose to explore relevant coordinated organisation terrains within NSW from which a MCC or TCM could emerge. A result of this, was that the Catholic Archdiocese of Sydney was identified as an appropriate focus for future research into the viability, or not, of distributist political-economies in NSW.

**Methodology and Approach**

The research sits within the *academic field of political-economy*, and uses *theoretical first-order assumptions* (Devas 1892; Wolin 2004) as a basis for enquiry into differing theories. Moreover, the researcher chose a *qualitative literature review method* to help illuminate such assumptions. This method could also afford a solid base for future research, by providing demonstrable theoretical links between the research and prospective participants.

**The epistemological approach I chose was distributist**. This approach was chosen for two main reasons: firstly, when considering cooperative political economy theories, I would argue that distributism, and the Catholic political-
economy tradition generally, had the most developed epistemology; and secondly, it was both the theory and tradition which most influenced the creation of MCC (Geoghegan 2017; Mathews 2008 [A];). Moreover, MCC directly influenced the creation of TCM (Schwartz 2009), and thus, this paper places TCM within the distributist orbit. A salient point is that TCM theorists such as Alperovitz (2013), and cooperative theorists such as Bowman & Stone (2004), do not appear to reference distributism directly, and instead focus upon MCC’s organisational successes. Whether this absence is due to distributism’s Catholic heritage, or an unawareness of the theory, is not within this paper’s remit to decide. Nevertheless, this paper will concur with Mathews (2003, 2007, 2008 [A]) in viewing distributism as a rich epistemological source of cooperative ideas from which analyses and potentialities can be drawn.

Regarding distributism, the theory argues that an egalitarian, sustainable, wealth producing, and technologically sophisticated political-economy could emerge via the use of first order principles (Belloc 1946; Chesterton 1927). I have surmised these principles as being: the person, the common good, the good life, subsidiarity, and socio-familial sources of authority. These first-order principles require manifestations through second-order principles (or methods and mechanisms) which focus upon creating dispersed, broad scale capital ownership and control within voluntary and democratically coordinated, cooperative networks (Mathews 2003, 2008 [A]). Perhaps the most obvious example of these are localised cooperatives integrated within broader cooperative networks of finance, trade, supply, retail, logistics, and political support (Mathews 2003, 2008 [A]). TCM extends this network concept to cooperative integration with local businesses, civil society organisations, government bodies, and anchor institutions (Alperovitz 2013; Howard 2012). Such combinations are thought to enable dignified work, family, and community relations (Alperovitz 2013; Howard 2012; Matthews 2003, 2008 [A]).

In fact, dignified relations are central to distributist thought, as well as the necessity for stable and secure environments for both families and local communities (Chesterton 1927; Mathews 2003). This is arguably in
contradistinction to neoliberal theory, which ostensibly grants centrality to the requirements of the market, and to the state institutions and private corporations which enable it (Robbins 2011). Rather than the market or the state, distributism views the person and the family as society’s premier and authoritative institutions. And for a political-economy to better reflect these sources of authority, distributists suggest that persons should mostly own, hire, and control capital in empowering, localised, and meaningful ways, rather than the reverse which is arguably the norm under liberal derived economic systems. This too relates to the distributist emphasis upon personal dignity, since distributism views the ability to say no to market based coercions as an important part of personal dignity. And such an ability is thought to be largely dependent upon secure, meaningful capital ownership and strong familial and community relations. Similarly, distributists argue that persons should never be viewed as production costs and inputs, as this is conflicting with personal dignity; rather, persons should be viewed as collaborators and potential teachers (Belloc 1946; Chesterton 1927).

Regarding distributist analysis, I would argue that it trains the analyst to ask questions such as: “what is the anthropocentric point of the process or theory?”; “what is the scenario to which the theorist wants society to “progress”?”; and “what is the ideal or preferred scenario from which the theorist’s critique or prescriptions are implicitly drawn from?” (Chesterton 1908; 1927). Such questions invariably return to explorations of first-order priorities and assumptions, and from these emerge, arguably, the bases of all political-economy theories (Devas 1892; Wolin 2004). Of note, is that both liberal and technocratic theorists have historically argued that their respective systems-based outlooks render first-order priorities superfluous, since a political-economy’s primary role is to maximise production of commodities (Devas 1892; Wolin 2004). Not surprisingly, distributists such as Belloc (1946), and political-economists such as Alperovitz (2013), hold such arguments are specious, and counter-argue that liberal-technocratic systems both reward and asymmetrically empower capital owning and controlling elites at the expense of working persons’ security and dignity. Furthermore, a
distributist analysis would require a question at the end of every prescription for maximum production of commodities: “for what anthropocentric purpose?” (Chesterton 1927). The answer to which would inevitability lead back to first-order priorities.

Findings
This paper will put forward three sets of research findings. The first set propose that a lack of coordinated cooperation amongst cooperative organisations has been (ironically) the main failing of the broader cooperative movement both within Australia and abroad. And this dynamic helps explain why individual cooperatives, whilst often being able to match and better their capitalist and technocratic rivals, have not been able to coalesce into broader, distributist-type movements. Nevertheless, where cooperatives have cooperated and integrated (such as with MCC and TCM), there have emerged noteworthy successes (Dubb & Howard 2012; Mathews 2003). This argument is not new (Mathews 2003, 2008 [A]). However, I would propose that such levels of coordinated cooperation appear to emerge best within localities wherein capital flows have avoided, but in which there is still a strong institutional presence. For instance, MCC emerged (1956) in what was an impoverished region of Spain, but one which still had the institutional presence of the Catholic Church, and it was this presence which initiated and helped facilitate the MCC enterprise (Mathews 2003, 2008 [A]). Regarding TCM, it emerged in the economically depressed American “Rust Belt” city of Cleveland; a city which had nevertheless managed to keep its noteworthy range of anchor institutions off which cooperative work contracts could be leveraged (Alperovitz 2013; Howard 2012). An extension of this finding, I would suggest, is that regional, integrated cooperative political-economies do not appear to emerge spontaneously or organically. Rather, these networks seem to require help from capable and sympathetic organisations and institutions to initiate, coordinate, and develop them. Furthermore, without these cooperatively minded overarching bodies and networks, it appears that individual cooperative type organisations are more vulnerable to capitalist predation, unofficial business boycotts, and market manipulations (Balnave & Patmore
That said, once such networks have been established they have proven themselves robust (Alperovitz 2013; Mathews 2003)

This apparent requirement by cooperative networks for established and sympathetic institutional supports, led me to explore possible sources of such support within NSW. A result of this was the research’s second set of findings, which offers that the institutional and network terrain of the Catholic Archdiocese of Sydney appeared a strong candidate for a possible activation of a MCC or TCM. TCM seemed especially plausible due to the presence of seemingly compatible institutions within the network. However, the overall reasons for this assessment included the terrain’s philosophical compatibilities with distributism, its already extensive manifestations of distributist-type organisations and networks, its integrated nature, and its potential to manifest an overarching cooperative body or bodies. The research also looked at the secular overarching cooperative organisations within NSW, and surmised that their capacities and missions did not appear favourable to playing such coordination roles. From this, the report surmised that the Sydney Catholic organisational and network terrain appeared promising for future research into MCC or TCM applications.

The third and final set of findings proposes that the success of MCC and TCM have, in effect, meant that the historical critiques of both cooperatives and cooperative economic models are neither as damning or as pertinent as they once were. For instance, historical liberal critiques arguing that cooperative economies lack capitalist dynamism and require excessive worker conformity (Devas 1892) are, in effect, rebutted by both MCC’s and TCM’s cutting-edge dynamisms and worker diversities (Dubb & Howard 2012; Mathews 2012; Trattner 2017). Similarly, liberal arguments insisting that cooperatives are not normative because they are not what ordinary persons want (Epstein, Block & Woods Jnr 2007), are most likely contradicted by the negligible worker-owner turnover and the revivifying, empowering worker-owner experiences noted at both MCC and TCM (Forcadell 2005; Howard 2012). And whilst cooperatives, such as those at MCC, have not proven immune to technocratic processes
(Kasmir 1999), there also appears evidence that such trends are reversible and not inevitable (Forcadell 2005; Ridley-Duff 2010). And finally, the successes of both TCM and MCC perhaps render the perception that cooperative economies are no longer relevant, as perhaps no longer valid (Alperovitz 2013; Mathews 2007).

**Thesis Originality and Value**

Key contributions of this exploratory thesis include the sets of criteria related to the emergence of distributist-type political-economies, and the supposition that within NSW the Sydney Catholic organisational and network terrain appeared capable of manifesting a MCC or TCM, or at least further research into the matter. The report also re-examined what are arguably neglected political-economy fields of research; namely, the efficacy of distributist political-economies, and the efficacy for distributist epistemology both as a form of analysis and as a source of anthropocentric, sustainable possibilities. Finally, this exploratory thesis hopes to modestly contribute to the venerable field of political-economy, with special regards to distributism and cooperatives.

With regards to the last point, the below section will discuss the discipline of political-economy to better illuminate and locate this preliminary research project.
4. Political-Economy: The economy is more than the market

Political Economy as a discursive field
In this paper, political economy will signify a form of enquiry which uses demonstrable political theories to show their impacts, or potential impacts, upon socio-economic phenomena (Chang 2014, pp. 451 – 460; Wolin 2004, pp. 3 – 4). A salient point is that whilst the relationship between an economy and its political theory are intertwined (Abercrombie, Hill & Turner 2006, pp. 293 – 294; Chang 2014, chap. 4), the two can be separated, and it will be argued that an economy mostly follows its operative political theory (Chang 2014, chap. 4; MacKinnon & Cumbers 2007 p. 14; Wolin 2004, chap. 1). This point is relevant since it contradicts the current hegemonic economic theory and its antecedents, neoliberalism and liberalism respectively, which mostly view the economy as a singular force which politics should habitually conform to (Chang 2014, pp. 115 – 127; M & R Friedman 1990)

Political-Economy analysis
Most political economists hold that former theories can still powerfully analyse current situations, thus, making them no less relevant. Similarly, former theories can also insightfully critique au courant theories (Chang 2014, chap. 4; Wolin 2004, p. xxii). This is significant to this paper, as distributism is considered somewhat of a “former theory”; or at least not a current one (Mathews 2003, 2007). Nevertheless, this paper will differ from most political-economy definitions (such as Abercrombie et al [2006] and Chang [2014]), in that it will trace the origins of political economy discourse back to Plato rather than to Adam Smith (the more usual starting point). This too is significant since this paper will reference concepts which pre-date Adam Smith (1723 -1790) with regards to distributism, whose precepts claim Medieval heritage (Belloc 1946; Epstein et al 2007).

Political-Economy terms
In this paper, the term political will mean what is public, since politics deals with matters, functions, ideas, and theories common to all, and that political
decisions affect all persons directly or indirectly. Practical political matters may include law and order, legalities, social contracts, defence, publicly provided goods and services, and government regulations; whilst political theories may cover concepts regarding the roles of persons, families, communities, nation-states, businesses, and governments. Similarly, political authority claims to speak for society in its common quality, and political membership signifies membership to life’s common involvements. With regards to the term politics, this will be defined as an activity centred on the ‘quest for competitive advantage between groups, individuals, or societies’ within situations of relative scarcity. This in turn produces public scale consequences (Wolin 2004, pp. 3, 4, 11).

In contrast, economic matters pertain more to the countless mostly private transactions centred upon the exchange of goods and services. These exchanges help the polity to exist. However, for these exchanges to be stable, effective, or even possible, private transactions require political rules and publicly provided goods and services. Similarly, political rules require political institutions (for example, law courts and parliament) for enforcement. When these institutions and rules are combined to form settled, deterministic practices they then form the political terrain from which an economy can operate (Edwards 2002, pp. 10 – 18; Wolin 2004, pp. 3-4).

In this paper, the term economy will mean the free actions of persons bound together for their individual and collective subsistence and continuance (Devas 1892). An economy can include money and financial products (symbols which allow persons to make claims on society’s resources), employment, economic transfers (ranging from parental care, help from friends, charity, public education, progressive taxation, and the welfare state), and the production and consumption of goods and services (Chang 2014, pp. 21 – 26). Thus, in this paper, the economy will signify a social construct bigger than just “the market” (Chang 2014, pp. 455 – 456).

The combination of the political terrain and the economy forms the political-economy, from which necessities, wealth, power, and authority can be generated. And a settled political economy can play a significant role in the
order, direction, and outcome of human behaviour (Edwards 2002 pp. 10 – 18; Wolin 2004, pp. 3 – 4, 7). This point is salient to the thesis, since distributists argue that anthropocentric needs should order and direct otherwise coercive market processes (Chesterton 1927), whilst liberal theorists view capital and market “freedoms” as being concomitant with, and reflections of, consumer desires and even political freedoms (M & R Friedman 1990, Chap. 1).

**Cui bono?**

One of the most significant questions a political-economist can ask is “*Cui bono?*” (“for whose benefit?”). From this it can be argued that no set of economic data or policy prescriptions are value or power neutral (Chang 2014, pp. 451 – 452). The question also illuminates a political-economist’s own predispositions, in that it shows his or her perceptions on what are societal benefits (or what is “good”?), who should receive them and how (or what is “the good society”?), and what are the cumulative effects of these processes (or what is “the good life”?). And it is this paper’s contention that such first-order priorities determine (consciously or otherwise) the thought architecture of political-economy theories (Chesterton 1910; Wolin 2004). Following this argument, this paper will analyse below what I have determined to be liberal economics’ first-order premises. This analysis is necessary since liberal economics (re: globalised-neoliberalism) is hegemonic (Edwards 2002; Klein 2014; Piketty 2016), and as such, it requires consideration *vis-à-vis* this paper’s later exploration of distributist alternatives.
5. Globalised-neoliberalism

This thesis’ exploration of distributism is set against the hegemonic political-economy theory of globalised-neoliberalism (Edwards 2002; Ralston-Saul 2005). Presently, this ideology is experiencing vociferous resistance which appears both global yet disparate, with manifestations ranging from the election of President Trump, to Brexit, to the rise of “populist” (left and right) parties across Europe (Bremmer 2017; Brooks 2016; Goodhart 2017; Mead 2017). Partly in response, the report will later explore a set of alternatives, namely, distributist-type political-economies such as MCC and TCM, and argue for their validity. However, the report will firstly set forth an analysis of globalised-neoliberalism, using distributist epistemology (see introduction) to better determine neoliberalism’s historical and theoretical structures.

This paper will argue that globalised neoliberalism continues to operate, consciously or otherwise, off classical liberalism’s theoretical assumptions (first-order principles) regarding the person, the society, the economy, the environment, and societal progress. According to Edwards (2002), these assumptions are rarely argued for publicly, since they differ decisively from the broader public’s views. More salient to this report, however, is that liberal economic assumptions often and arguably manifest contradictory political-economy phenomena. Perhaps the primary contradiction is that competitive, individuated, subjectivist, liberty seeking consumers appear to require standardised, authoritarian, technocratic, and corporatist controlled resource allocation systems to satiate (and even generate) consumer desires (Robbins 2011, chap. 1 & pp. 80 – 88; Wolin 2004, chap. 10). Historical critiques of Liberal economics view such contradictions as unsurprising. These long-standing critiques argue that the foremost liberty of liberal economics is not the liberty of persons per se, but the liberty of competitive and masterful capital controlling elites to construct circumstances best suited for the generation and exercise of socio-economic power. And that technocratic resource allocation systems provide such circumstances (Healy 1967, Robbins 2011, chaps. 2, 3; Uzawa 2005, pp. 1 – 3). However, liberal theorists such as Epstein et al (2007)
and M & R Friedman (1990) dismiss such assertions, claiming instead that the success and normativity of liberal economics stems from the willing participation of consumer-minded citizens. Moreover, liberalism’s supporters point to political Liberalism’s historical extension of individual rights, societal liberalism’s consistent ability to peacefully absorb unfamiliar persons and cultures, and economic liberalism’s (capitalism’s) consistent ability to produce profuse goods and services (Ahmari 2016, pp. 41 - 47; M & R Friedman 1990). Considering these arguments, this thesis will offer that liberal economics asymmetrically rewards significant owners and controllers of capital, whilst sideling the anthropocentric requirements of most working persons (Robbins 2011, chap. 2). Moreover, it will be argued that this is achieved via a hegemonic consensus that is built upon contentious assumptions.

The Global Neoliberal Consensus
This paper offers that the unofficial global neoliberal manifesto was, in effect, stated at the Davos World Economic Forum of 2017, and appears to follow three broad precepts: maximum border openness for capital flows and markets; maximum rights and opportunities for global labour movement; and maximum development, integration, and uptake of new capitalist technologies (Bailey 2017). The prescriptions are concise, and their Davos adherents remain determined to implement them despite vociferous global opposition (Bailey 2017). The Davos formula also rests upon neoliberal prescriptions progressively adopted by governments globally since the 1980’s. These prescriptions stress that governments should: “float” the dollar; keep market interference and regulations to a minimum; sell public assets and services to private interests (privatisation); enforce controls on labour organising; lower corporate tax rates; provide infrastructure necessary for commerce; determinedly enforce copyrights, property rights and commercial contracts; slash tariffs; weaken labour solidarity and power through increased business access to global labour; and reduce the provision of social services (Edwards 2002, p. 9; Ralston-Saul 2005, pp. 15 – 25; Robbins 2011, chap. 3; Smith 2017, pp. 34 - 38). Neoliberals have argued that these standardised prescriptions (whatever the social, political, economic, and locality circumstances) should be applied to spur
competition, increase consumer choice, generate vast economies of scale, and create economic growth (Bailey 2017; Edwards 2002, p. 9; Ralston-Saul 2005, pp. 15 – 25; Robbins 2011, chap. 3; Steger 2013). However, the true desiderata for neoliberal prescriptions, as argued at Davos, is their ability to generate unprecedented production and distribution efficiencies. These efficiencies are thought to produce technological amazements, unprecedented abundance of goods and services, and material satisfactions for the worlds’ citizens (Bailey 2017; Edwards 2002, chap. 5). However, for these efficiencies to be realised, the global neoliberal project needs to be controlled and guided by technocratic experts, with government market interventions kept to a minimum (Bailey 2017; Edwards 2002, pp. 77 - 78). Nonetheless, the simplicity of neoliberal economic prescriptions veil contested historical and theoretical assumptions (Chang 2014, Robbins 2011; Wolin 2004).

**Liberalism’s First-Order Principles**

Historical critiques of Liberal economic theory dating to the early 1800’s (Devas 1892, pp. 537 – 548; 552 – 558; *New Catholic Encyclopedia* JUD - LYT 1967, pp. 701 – 707; Wolin 2004, chap. 9) argued that liberal economic theory confused first and second order theoretical principles. First-order principles cover moral premises, ideals, and interpretations of persons and societies from which actions and policies derive. Moreover, first order principles are neither quantitative or scientific facts, but rather bodies of rules for reaching morally and societally based goals. Second order principles comprise of technicalities, policy details, and plans of action which are all subservient to first order principles (Devas 1892; Wolin 2004, chap. 9). A salient point is that classical liberal theorists such as John Locke (1632 – 1704) and Adam Smith (1723 – 1790) reasoned that liberal economics rendered first order principles redundant (Devas 1892, pp. 537 – 542, 552 – 558; Wolin 2004, chap. 9). This research paper will argue that liberal reasoning on this is spurious, and that it effectively veils the power motivations of those who benefit most from its precepts, namely significant controllers of capital (Healy 1967; Robbins 2011, chap. 3; Wolin 2004, chap. 9).
Considering the before mentioned, I will submit that liberal economic precepts can be divided mostly into five first-order assumptions:

1. **The “consumer” is an accurate account of the person, and as such, should form the basis of any political-economy**

It would be a mistake to underestimate the concept of the individuated consumer; Liberalism’s most influential interpretation of the human person (Chang 2014, pp. 121 – 122; Edwards 2002, pp. 39 – 40; Robbins 2011, chap. 1). To emphasise this, McCracken (1988) argued that the consumer represented a first in human history: a non-religious agent allowed to wholly transform society on a continual and systematic basis over a sustained period. What is more, the consumer helped enable, sustain, and grow liberalism’s primary economic manifestation, capitalism, and its later variant, globalisation (Chang 2014, pp. 115 – 127; Robbins 2011, chap. 1; Steger 2013, pp. 75 – 77, 88, 135).

The concept of the consumer can, arguably, be traced to Locke’s epistemological premise that a person’s interior world was impossible to fully know or understand; however, we could quantify his or her actions and purchases (Wolin 2004, pp. 268 – 269). Thus, through demonstrable consumption we could best gage not only a person’s needs and desires, which Liberal economic theory assumed were endless (or could be made endless), but also the resources and the markets available to best satiate them (Chang 2014, pp. 121 – 122; Edwards 2002, pp. 53 – 63; Robbins 2011, chap. 1; Wolin 2004, pp. 268 – 269).

Nevertheless, consumer norms initially represented far-reaching departures from traditional Western social norms (which were still evident into the 20th Century), such as contentment, frugality, modesty, self-denial, avoidance of waste, and a desire for self-sufficiency (Robbins 2011, chap. 1). In contrast, the Liberal consumer represented a “rational”, self-centred “pleasure seeking machine” that possessed an anxious, free-floating desire for commodities. Moreover, consumerism transformed commodities from utilitarian items into signifiers of richer, more fulfilling lives (Chang 2014, pp. 120 – 121; Edwards 2002, pp. 53 – 63; Robbins 2011, pp. 18 - 20). Whilst no number of...
commodities could satiate the consumer, the act of accumulation and consumption could prove temporarily therapeutic, and this anxious process helped to create a continual consumption cycle (Robbins 2011, chap. 1). Thus, the role of the consumer became vital to the liberal capitalist project, particularly due to liberal capitalism’s non-negotiable requirement for continual growth (Hamilton 2003, pp. 1-13; Harvey 2011). And the fact that consumerism had to be consciously and persistently promoted by marketers, advertisers, government agents, public relations’ departments, academics, economists, celebrities, and journalists, amongst others, did not dissuade liberal theorists from their belief that the consumer was an accurate account of the human person (Robbins 2011, chap. 1).

Liberal epistemology also contended that there was no stable reference point from which either the consumer, or consumer society, could claim firm identity. Rather, both the consumer and society were in constant revolutionary flux, and as such, it was best for both to embrace never-ending action, change, and (unsurprisingly) consumption (Wolin 2004, chap. 9). Under the influence of such views, inventive progress and novelty became valorised, whilst traditional societal or environmental limits became obstacles to overcome. However, exactly what society was supposed to progress towards was left purposely undetermined, since determination points implied expansionary limits, and “static” limits in liberal theory were harbingers of societal crises (Hamilton 2003, pp. 1-13; Robbins 2011, chap. 3; Wolin 2004, chap. 9).

The protean yet one-dimensional character of the consumer appears to fit well within the system’s focus of liberal economics (see Technocratic theory below) (Wolin 2004), especially since resource allocation systems within global capitalism need to be swiftly adaptable (Waitt, McGuirk, Dunn, Hartig & Burnley 2000, chaps. 8, 9). However, the consumer archetype also seemed to avoid first-order anthropocentric needs for dignity, trusting cooperative relationships, healthy surrounds, and secure and stable domestic environments (Belloc 1946, Klein 2014, pp. 449-466; Uzawa 2005 pp. 1-14). This represents, arguably, a confusion of theoretical orders; meaning, a confusion between uniquely anthropocentric goals, and the technocratic methods of
enabling them (Chesterton 1910, 1927; Edwards 2002, part 3). Moreover, a system’s focus implicitly requires attention upon system’s management, rather than on the human-centred purpose for having a system (Edwards 2002, chaps. 3, 7; Wolin 2004, chaps. 9, 10). This disorder appears to reoccur throughout Liberal economic thought.

(2) **That fluid, competitive, and intersectional aggregations of individuated choices are self-correcting, efficient, and of first-order importance**

The baseline of Liberal economic thought can also arguably be traced to Locke’s (1632 – 1704) epistemological arguments insisting that society had no outside “prime-mover” force (such as God) to necessarily consult or oblige (Wolin 2004, chap. 9). As such, everyone was, in effect, his or her own prime-mover, and that it was aggregations and intersections of individuated prime movers that drove society (*A Dictionary of Philosophy* 1996, pp. 240, 241 – 245; Chang 2014, pp. 115 – 119; Edwards 2002, chap. 5; *The Cambridge Dictionary of Philosophy* 1995, pp. 437 – 440). Liberal economic theory also contended that when individuated forces were left relatively alone, they naturally counter-balanced one another to form ordered, self-adjusting, and “natural” societies. In addition, a society driven by multitudinous self-interests had authority, since it most accurately and efficiently reflected its members’ needs and wants. Moreover, competitive processes ensured that there were meritocratic and impersonal allocations of resources, and that such method were, thus, “fair” (Allmendinger 2002, chap. 5; Chang 2014, pp. 115 – 119; Edwards 2002, pp. 19 – 28, 39 – 43, 64 – 65; Wolin 2004, chap. 9). In contrast, collectives of persons and civil-society groupings such as unions, religious groups, community groups, or even democratically elected governments who intervened into aggregated individuated processes “disturbed” them. Such interventions were “unnatural”, and, thus, a threat to the fairness and efficiencies found within political-economies organised through aggregates of individual consumers (Allmendinger 2002, chap. 5; Chang 2014, pp. 115 – 119; Edwards 2002, pp. 19 – 28, 45; Wolin 2004, chap. 9). Nevertheless, it also seemed that liberal economic theory marginalised the needs of persons for civil society and
political groups to begin with, as well as the needs for those groups to intervene into the political economy (Edwards 2002, pp. 65 – 68).

(3) **The economy is an authoritative, efficient, stand-alone entity of first order importance**

Classical liberal theorists, such as John Locke and Adam Smith, were awed by how regularised, competitive, contractual economic relationships created rhythmical social order in a “non-coercive” manner, and often within confined times and spaces. They were further awed by how “natural” competitive market interdependencies “correctly”, efficiently, and “cooperatively” (re: contractually) allocated financial capital, workers, tasks, remunerations, workplace norms, and social prestige (Allmendinger 2002, chap. 5; Chang 2014, pp. 115 – 127; Edwards 2002, pp. 38 – 46; Wolin 2004, chap. 9). For liberal theorists, the cumulative effect of these actions seemed alchemic, since a competitive free market together with economic contracts could take such diverse actions and persons, and transform them into disciplined aggregates of social power which entrepreneurs could then exploit (Wolin 2004, chap. 9).

The result of such veneration was that for the first time the competitive market system was seen not as a construct and servant of the socio-political world, but as a stand-alone entity. This epistemological manoeuvre soon meant that the roles became reversed, with the socio-political world being seen as dependent upon the economy, and with managers of the economy having rights to intervene into civil and political society (Chang 2014, pp. 115 – 127; Edwards 2002, p. 9 & part 3; Wolin 2004, chap. 9). This epistemological manoeuvre further propelled liberalism’s multiple arguments against democratically led market interventions. For instance, Locke argued that political knowledge of communal desires and needs was impossible to demonstrate or quantify (Wolin 2004, p. 268). However, individual desires and needs could be quantified through competitive market transactions and contracts, thus making the market, and not the government, the most efficient and precise mechanism to manifest consumer-citizen desires (Edwards 2002, pp. 53 – 63; Wolin 2004, chap. 9). Liberal theory further argued that both the number and complex nature of societal relationships made it impossible for policy makers to ever
effectively craft policies to encompass them. Thus, purposive political action could never accurately account for societal diversity, and by default, the individuated, competitive, contractual and consumer based market system was the only effective social ordering and wealth generating mechanism (Allmendinger 2002 chap. 5; Chang 2014, pp. 115 – 127; Edwards 2002, pp. 2 – 28; Wolin 2004, p. 269). All of which meant that some consumer-citizens were able to much better satiate their needs and desires, as well as exercise a lot more “market democracy” and societal input (control?), than others (Edwards 2002). However, such power asymmetries appear to not overly concern liberal theorists such as M& R Friedman (1990).

(4) Technology, science, and technocratic method are authoritative, efficient, stand-alone entities of first order importance

Technocratic theory appeared central to the historical “success” of liberal economics on two fronts. Firstly, it helped draw decisive capital reserves towards leading controllers and owners of capital and away from distributed, localised sources; thus, helping to create unprecedented economies of scale and new production and distribution “efficiencies”. Secondly, these new efficiencies enabled the manufacture of mass commodities to satiate an increasingly aggregated yet individuated consumer class (Epstein et al 2007; Wolin 2004, chap. 10). Nevertheless, these same processes also helped to fracture traditional, localised Western political-economies and cultures (Belloc 1946; Wolin 2004); political-economies to which distributists partly takes stimulus from, and argue for their dynamism and continued relevance (Belloc 1946) (see Distributism: an analysis).

Regarding technocratic (or organisational) theory, its leading theorist was Henri de Saint-Simon (1760 – 1825), who viewed society mostly as a terrain of utilitarian and integrated social functions which if properly coordinated could generate great material wealth and power. That is, power for both state and corporate controllers of capital. For de Saint-Simon, proper coordination meant conforming and centring societal relations around the most efficient business and organisational processes. Once this was achieved, societal planners and controllers need only take command of strategic “control-points”
to redirect an entire society. This efficient control was thought necessary,
firstly, to counterbalance the anarchic tendencies of liberal subjectivism, and,
secondly, to help ensure that entire societies could remain competitive within
globalised capitalism (Wolin 2004, chap. 10). However, the core case for
technocratic theory both at its inception and now, is that only technocrats (or
"experts") possess the requisite knowledge and skills to engineer societal
stability and prosperity amidst a world of constant technological and scientific
revolutions. In contrast, localised democratic mechanisms were thought
incapable of managing complex global systems of information, production,
distribution, and consumption (A Dictionary of Philosophy 1996, p. 377;
707; Wolin 2004, chap. 10).

Technocratic theory’s antidemocratic strains were, and are, multiple and deep
10). Included was its wholesale adoption of scientific theory, which held that
democratic society had no right to intervene into scientific or technological
progress, and that scientists, engineers, and technologists were best able to
help society when left alone. de Saint-Simon and later technocrats openly
acknowledged that such a theory was inherently elitist, and could prove
coercive. Furthermore, de Saint-Simon supposed that for technocracy to work
it required passivity and servility from non-elites. de Saint-Simon, however,
thought worker passivity to be a positive since “the masses” preferred material
well-being to fractious political and managerial involvements (Wolin 2004,
chap. 10). Moreover, technology and science were impersonal forces, and as
such, did not impinge upon personal liberties. Thus, for technocratic theorists,
and especially de Saint-Simon, technological and scientific progress
represented an authoritative, impersonal force in which to shape society (A
Dictionary of Philosophy 1996, p. 377; Wolin 2004, chap. 10) - the same
qualities which liberal theorists had earlier authored to “the market” (Wolin
2004, chap. 9, 10). These two “impersonal” forces soon coalesced seamlessly
within liberal theory. In fact, by the late 19th Century, the singular combination
of the market, science, and technology appeared “natural” within liberal
economic theory, and as such, this combination was considered a “neutral” and powerfully authoritative, first-order political-economy force (Wolin 2004, pp. 337 – 339).

Technocratic theory also shared liberalism’s assessment of the person as consumer; however, it extended liberal theory, by arguing that only large technocratic organisations could adequately cater to large aggregations of individuated, subjectivist consumer choices (A Dictionary of Philosophy 1996, p. 377; The Cambridge Dictionary of Philosophy 1995, p. 707; Wolin 2004, chap. 10). Technocratic theory, intentionally or not, also generated the concept of the masses. Theorists such as de Saint-Simon argued that technocracy required workers’ expediency and conformity to production processes; not individuality or cultural norms. Moreover, the largely standardised and aggregated roles of worker and consumer subordinated local civil-society identities, traditions, social structures, and cultures. And these emerging roles required neither loyalty or consensus, much less studied deliberation or debate (New Catholic Encyclopedia QAT to SCR 1967, p. 948; Wolin 2004, chap. 10). As a result, the non-elite class appeared (and still appears) mostly formless in technocratic theory, and this contrasted with traditional, Medieval political-economy models with their distinctive trades, guilds, and regional peasant cultures (Belloc 1946; Wolin 2004, chap. 10). It also contrasted with the increased specialisation and sharper definitions assigned to the roles within the technocratic elite, whose individuation and status became clearer as the status of non-elites became opaquer (Ralston-Saul 1992, pp. 471 – 486; Wolin 2004, chap. 10).

With regards to the technocracy itself, it was (and is) based on technocratic efficiency. Efficiency in the technocratic sense is an effective coordination of different operations for a prescribed end, in an environment where participants make the “best” decisions regarding the needs of the organisation (Allmendinger 2002, chap. 3; Wolin 2004, pp. 367 – 368). Note that worker consensus and deliberation are not essential; or even required. Moreover, technocratic theorists have argued against participatory processes, seeing them as inefficient and even fractious (Allmendinger 2002, chap. 3; Lipman & Stokes 2008; Wolin 2004, chap. 10). In contrast, technocracies were thought to

A salient point is that de Saint-Simon’s technocratic theories are thought as applicable to Keynesian-nationalist political-economies as to liberal/neoliberal globalised political-economies (Stork 2010; Wolin 2004, chap. 10). Whilst acknowledging John Maynard Keynes’ (1883 - 1946) vital importance to political-economy theory, this paper will not explicate Keynesian political-economy, apart from stating that Keynesian theory reasoned that aggregations of individual decisions could in no way be trusted to properly steer a political-economy; and as such, both regular government intervention and class based wealth redistributions were vital to ensure national fiscal solvency, full employment, industrial competitiveness, and societal harmony (Chang 2014, pp. 145 – 151, 168). However, theorists such as Stork (2010), and Wolin (2004) have noted that technocratic theory, no matter the political-economy model it permeates, still rests upon the consumer archetype and its desire for maximising consumption. Thus, technocratic efficiency appears not to reference anthropocentric purposes such as the needs of familial domesticity or the need for dignified, participatory work relations (Chesterton 1927; Wolin 2004, chap. 10). From this conclusion, it has been argued that if maximum and efficient production is the technocratic goal, and not the manifestation of distinctly anthropocentric needs, then shifts in political-economy models can be easily justified if newer models can be shown to generate more commodities, almost regardless of the societal impacts (Edwards 2002). And it has been contended that this occurred, when from 1979 onwards multiple Keynesian-nationalist economies determinedly switched to globalised neoliberal economies, in large part because the later was supposed to produce more commodities (Chomsky 1994; Edwards 2002; Ralston -Saul 2005). Thus, viewing technocratic efficiency as a first-order priority, such as the attendees at Davos appear too (Bailey 2017), appears nonsensical, since technocratic
method does not speak to uniquely anthropocentric concerns, but rather to system maximisation concerns. Technocracy also arguably presents as “systems’ efficiency for efficiencies sake”, and that the system itself is a priority to which workers should conform, rather than the reverse.

(5) Economic growth is of first order importance, even when this entails considerable negative externalities

This is arguably Liberal economics most contentious first order priority (Hamilton 2003; Larson 2012). Negative externalities are when the costs and impacts of a monetary transaction fall upon an unrelated party or parties, whilst those same parties gain no benefit from the transaction. If negative externalities were included in the transaction costs, most commodities would be more expensive, and profit margins more modest (Bowman & Stone 2004; Larson 2012). Thus, negative externalities effectively provide either a social or environmental subsidy (or both) for the global market economy. Nevertheless, liberal economics, and the utilitarian arguments of M & R Friedman (1990) particularly, appear to view negative externalities as unavoidable, solvable, short-term accoutrements to consumer market and societal growth (Klein 2014; Larson 2012).

This utilitarian marginalisation of negative externalities, and the near negation of moral responsibility towards affected societal members and the environment, is not new to Liberal theory; indeed, the tradition appears venerable. Locke himself argued that society and nature were hostile environments, and as such, their favours had to be forced from them. Locke viewed such force as a positive, however, since nature was destitute of value without entrepreneurial exploitation, and society required entrepreneurial incursions to remain dynamic (Wolin 2004, chap. 9). Whilst few would openly make such arguments now, this report would propose that liberal economics has, nevertheless, retained some of its original buccaneering spirit with its relaxed manner towards negative externalities (Klein 2014). Similarly, liberal economics two main manifestations, capitalism and economic globalisation, both have non-negotiable structural requirements for growth, if either are to avoid financial collapse (Coe, Kelly & Yeung 2007, pp. 59 – 86; Hamilton 2003,
Given this, it is perhaps unsurprising that negative externalities within liberalist rhetoric are often noticeable for their absence (for example, Macdonald-Smith [2013] and The Economist [2013, pp. 22 – 24, 58]). A result of this considerable theoretical disorder is that an accounting schematic for negative externalities has either not yet been properly developed within Liberal theory; or has not yet been universally accepted and incorporated into global resource allocation cost structures (Chang 2014; Larson 2012; Lawrence, Richards & Lyons 2013; Uzawa 2005).

Summary of global neoliberalism’s core components
Neoliberal global leaders, such as the attendees at Davos, seemingly draw from an historical set of assumptions which reason that: persons are mostly individuated consumers; markets are independent, efficient, and fair distributors of wealth and power; science and technology are rightful societal change agents; technocratic elites are rightful managers of political-economy processes; contractual and competitive relations are better means to order society than cooperative processes; negative externalities are broadly justifiable when considering the benefits of economic growth; and that when individuated, subjectivist freedoms are joined with market freedoms both material and social prosperity ensue. This powerfully totalising belief structure will be analysed below.

Critique of Global Neoliberalism
Self-identifying liberal, Ahmari (2016), argues that despite liberalism’s multiple issues, such as eye-opening social and financial inequalities (Alperovitz 2013; Piketty 2016), the history of Liberalism ’has been the story of rights extended to ever more people’ (p. 41). In addition, Liberalist consumer identities have helped create capitalist markets, and these in turn have helped grow society’s material wealth. A salient point is that even Liberalism’s critics acknowledge its ability to produce multitudinous commodities (Hamilton 2003; Robbins 2011). However, for Ahmari (2016), consumer identities are not trivial, since they help grant visibility to otherwise marginal individuals and groups, and this process helps the peaceful societal absorption of new and diverse groups and
individuals (Ahmari 2016, pp. 46 – 47). Ahmari (2016) continues that Liberal individuation has helped blunt destabilising and conflicting group ambitions, and even mitigated revolutionary movements. In contrast, Ahmari (2016) argues that collectivist attempts to reorganise society have yielded mostly ‘blood and fire’ (p. 55 - 56).

Ahmari’s (2016) argument is elegant, and this paper will argue that clear and concise narratives have historically been a strength of both liberal theorists and leaders (Thatcher 1995). However, part of this elegance derives, perhaps, from liberal economics’ considerable theoretical lacunas. For instance, Ahmari’s (2016) implicit assumption that persons find fulfillment within individuated consumer identities. Furthermore, Ahmari (2016) and liberal theorists such as Epstein et al (2007) do not appear to provide evidence to support the link between consumerism and life-satisfaction, apart from the normativity of global consumerism. And according to Robbins (2011, p. 83), arguments such as Ahmari’s (2016), and neoliberal policy prescriptions more generally, assume: that persons are primarily motivated by material self-interest; that aggregations of self-interested actions together with the corporations which service them operate in society’s best interest; that competitive behaviour is better than cooperative behaviour; and that human progress is best measured by commodities produced, consumed, and accrued. It also ignores the capital centralising, elitist nature of the Liberal political-economy project (Edwards 2002, pp. 19 – 28, Rothkopf 2008; The Economist 2015, p. 9). And significantly, it also appears to ignore the pre-Enlightenment, Christian pro-social heritage which Bowman & Stone (2004), Devas (1892, pp. 537 – 542), Haidt (2012, pp. 246 – 273) and Wolin (2004, chap. 4 & pp. 300 - 307) all argue has consistently mitigated and subsidized Liberalism’s potentially chaotic individuated subjectivities.

Regarding Liberalism’s first-order assumptions, the historical arguments against these are manifold. Starting with the liberal archetype of “the consumer”, both Robbins (2011) and Devas (1892) have argued that the archetype is not only ahistorical, but unproven and even nonsensical. According to Devas (1892, p. 547), the consumer norm effectively means that ‘all men at all times’ and in all
situations, have the single-minded ‘characteristics of the members of the London Stock Exchange...’. However, the contrary arguments presented by theorists such as Edwards (2002) and Hamilton (2003), which detail a person’s needs for dignified, community based, pro-social relationships appear more convincing. From these arguments, this report contends that, at best, consumerism is a second-order means which may enable first-order pro-social, dignified relations and life satisfactions. However, removed from these first-order needs, consumerism may generate the reverse, and manifest socially ambiguous, materialistic, and selfish behaviours (Hamilton 2003, pp. 14 – 15, 33 – 46).

Another challenge to Liberal reasoning has been the doubts cast upon the theory that aggregations of competitive, individuated consumers operating within globalized “free-trade” economies produce comparatively self-correcting, satisfied, and cohesive societies (M & R Friedman 1990; Wolin 2004, chap. 9 & pp. 587 – 590). Sociological research has cast doubts on such assertions, especially with regards to the mental, social, and physical health outcomes of working-class persons in such settings (Case & Deaton 2015; Okie 2010; Whitmore-Schanzenbach, Nunn & Bauer 2016). One example of such research, was the nation-wide enquiry done by the Merck Family Fund in the United States (1995) into societal attitudes towards consumerism (Hamilton 2003, pp. 14 – 15). The researchers found broad societal consensus that consumerism propelled materialistic, greedy, and selfish social relationships, whilst marginalizing pro-social behaviours that assisted families, friendships, and social care. Furthermore, participants saw the competitive ‘lust’ for commodities as the primary cause of crime, marital breakdown, drug addiction, and environmental degradation. And whilst participants commonly admitted to consumerism, they also admitted to conflicts of conscience regarding the fact (Hamilton 2003, pp. 14 -15, 33 - 46). These behaviours appear to be the converse of self-correcting.

Similarly, all previous economic interpretations (including liberalism’s antecedent, mercantilism) argued that private interests more-often-than-not ran contrary to public interests, and ‘that divers persons might seek their own
singular profit to the common hurt and damage of the people, and regard more
their own private lucre than the common weal and surety of the realm’ (Devas
1892, p. 551). Moreover, liberalism’s high regard for the rationality of the
consumer has itself been argued as irrational (Hamilton 2003) (for example,
consumer demands for smoking and gambling); so too the consumer’s ability to
harmonize “its” interests with local, national, and international interests (for
example, the U.S sub-prime loans crisis, or ocean plastics’ pollution crisis)
(Alperovitz 2013, pp. 1 – 21, Klein 2014; Piketty 2016).

Liberalism’s high regard for individuated social and economic freedoms also
overlooks the fact that the most powerful, competitive, combative, conspiring,
articulate, and exploitive often seem to work best within competitive
individuated environments. In contradistinction, broad-based, communal, and
democratic interventions are often the only means for the less powerful,
competitive, and articulate to contest socio-economic processes (Edwards
2002; Klein 2014). In addition, Bowman & Stone (2004) and even John Locke
himself (Wolin 2004, chap. 9) have argued that both liberal economics and
liberal individualism is reliant upon a widespread dispersal of pre-
Enlightenment, Christian, pro-social morality for them to work; or to be even
considered possible. As such, these pre-Enlightenment, pro-social, traditional,
Christian behaviours have provided an inestimable, and mostly
unacknowledged subsidy towards the entire liberal project (Bowman & Stone
2004; Devas 1892; Haidt 2012, chap. 11; Wolin 2004, chap. 9).

This often unacknowledged and arguably enormous subsidy of pro-social,
Christian heritage also better allowed Classical Liberal theorists, such as Adam
Smith and John Locke, to theoretically separate the economy from politics and
society (Devas 1892; Wolin 2004, chap. 9). This theoretical manoeuvre, which
took widespread cooperative behaviours for granted, effectively placed the
economy above not just politics, but also society. From this position it became
logical to insist that neither government or social interventions into the
economy were justifiable. Thus, liberal theory, arguably, obfuscated the
personal, familial, cultural, and societal first-order reasons for having an
economy to begin with and made the economy seem necessary for its own sake (Devas 1892, pp. 537 – 544; Edwards 2002).

The arguments against these theoretical moves are persuasive. For instance, liberal theorists have historically overstated the “natural” spontaneity of the market, and, contrariwise, understated the vast regulatory and social framework that any market needs to survive. The modern market economy could not exist without the constructed orders of limited liability companies, central banks, intellectual property laws, government trade agreements, and zoning regulations etc. In fact, market “order” is as much dependent upon socio-political boundaries and interventions as it is private transactions. What is more, the market itself is a social and moral construct. ‘It is based on deliberately designed rules and regulations that prohibit certain things (for instance, crystal meth), discourage others (for instance, cigarettes) and encourage still others (for instance, OH&S training). In addition, the boundaries of the market are socially and politically drawn and redrawn with regularity’ (Chang 2014, pp. 140 -141).

Moreover, the successful examples whereby societies and nations have made the economy the servant of societal goals are numerous (Edwards 2002, pp. 11 - 14 & chap. 2; Watson, Buchanan, Campbell & Briggs 2003, chap. 2). An example is the Australian Settlement project from 1901 till approximately 1980, in which consecutive national governments used a range of tools such as infrastructure projects, tariffs, training, and industry subsidies to consciously build a “workers’ paradise” of low unemployment, dignified work, good wages, egalitarianism, strong social bonds, and a high standard of living for all classes (Edwards 2002, p.11 – 14; O’Neill 2010; Watson et al 2003, chap. 2). In fact, post-World War II migrants were attracted to Australia using these claims. And whilst the Australian Settlement project was not faultless (and perhaps not “paradise”), it was broadly successful, and a valid rebuttal to the claim that only neoliberal free markets produce prosperity and social harmony (Edwards 2002, p.11 – 14; Watson et al 2003, chap. 2)

Moreover, modern theorists as diverse as Alperovitz (2013), Edwards (2002), Hamilton (2003), Klein (2014) and Stiglitz & Charlton (2005) have argued that
most citizens view the economy as a second order principle/means to help
achieve first-order personal, familial, and common goals. And as such, the
broad societal view of the economy remains stubbornly pre-Enlightenment era.
And historical theorists such as Devas (1892, p. 551) further argued, that
liberalism represented not just a philosophical break from all previous
interpretations of economics, where the economy was viewed as a facilitator of
the common good, but a degradation of economics into an art focused upon the
maximum production and consumption of commodities.

Regarding technological progress and technocratic processes as first-order
priorities, perhaps the clearest view of such reasoning can be seen in the
current arguments of self-professed techno-anarchists, techno-freedom-
futurists (Bartlett 2017), and Silicon Valley technology futurists (such as
Weinstein [2017]). Such technology advocates and apologists continue de
Saint-Simon’s 18th Century views (A Dictionary of Philosophy 1996, p. 377;
Wolin 2004, chap. 10) largely unaltered, and argue that technological and
scientific progress are propulsive and unstoppable, and that nationalist
attempts to intervene are futile. They further argue that modern technologies
must be accepted on the “tech-savvy” experts’ terms, and that only experts can
properly understand and navigate these ever-changing and complex global
technocratic systems. These “facts” necessarily sideline popular political
participation, as well as entrenching the wealth and power of technocratic and
entrepreneurial elites. However, these new elites will also produce an
abundance of commodities and technological amazements, although to what
purpose is unclear. More menacingly, the same theorists do not rule out the
possibilities for dystopic transitional periods, in which, according to Bartlett
(2017), ‘millions of economically valueless citizens’ are left scraping ‘out an
existence as a (precarious) client class’ to a ‘small number of tech mega-
monopolies and crypto-anarchist geniuses...’.

Arguably, such menacing predictions derive from technocratic theory’s
discernment of societal members as mostly systems’ components which must
be enacted upon, rather than persons to be collaborated with (Chesterton 1927;
Wolin 2004, chap. 10). These discernments appear to rest upon the
contentious belief that aggregations of consumer desires, serviced by corporate controlled resource allocation systems, are the most efficient means to produce both personal satisfactions and common goods (Bailey 2017, Edwards 2002, chap. 5; Wolin chap. 10). Regarding common goods, these appear to be mostly technological amazements, personal identity freedoms, and multitudinous goods and services (Bailey 2017; Hamilton 2003). As such, democratic interventions which respond to concerns over time and stability requirements for families, or pro-social community relations, or desires for cooperative and participatory work relationships (Uzawa 2005, pp. 1 – 5; Glover 2015; Watson et al 2003, chaps. 2, 3), may appear not only superfluous, but hazardous to technocratic systems’ efficiencies (Bartlett 2017). It is these theoretical discernments which, arguably, help explain why technocratic and liberal theorists frame the economy as a protean resource allocation system which the broader public must suffer and serve (Ralston-Saul 2005, chap. 5; Robbins 2011, chaps. 2, 3), rather than a social construct and a means to foster citizen empowerment and the common good.

Finally, much liberal economic rhetoric, (for instance, Macdonald-Smith [2013], Potter [2013], and The Economist [2013, pp. 22 – 24 & 58]) appears to omit or downplay the impacts and costs of negative externalities. Moreover, liberal theorists (for instance, M & R Friedman 1990) seem to have not devised an externalities accounting schematic, or at least not one that is broadly accepted and implemented, and instead appear to mostly frame negative market externalities as short-term, solvable issues (Larson 2012).

A converse view comes from environmental scientists (Larson 2012) who view negative externalities as first-order issues, because of their widespread pervasiveness and daunting, inter-connecting, and unpredictable cumulative impacts. These accumulations (such as global warming and the ocean plastics’ pollution crises) have the capabilities to create global scale environmental failures. This minimisation of negative market externalities upon social and environmental structures is, arguably, liberalism’s most pressing principle disorder (Klein 2014; Larson 2012 pp. 3 – 16; Lawrence, Richards & Lyons 2013).
Liberal economics: Concluding statement

This paper proposes that liberal economic theory effectively assigns first-order status to aggregated and subjectivist consumer demands, technocratic processes, economic growth, and technological and scientific innovations (Hamilton 2003; Robbins 2011; Wolin 2004). Within this framework the political-economy’s key role appears to be a producer of goods, services, and technological amazements. From a distributist analysis, however, these are all second-order means which may enable first-order priorities and are, thus, not “good” in and of themselves. Nevertheless, historical liberal theorists such as Locke (Wolin 2004, chap. 9) and modern liberal theorists such Epstein et al (2007) and M & R Friedman (1990), have essentially argued that these products enable individuals to manifest their own interpretations of the good life, and aggregations of these good lives create good societies. In response, this thesis offers that there are noteworthy lacunas in this reasoning. These include the first-order, anthropocentric and societal needs for healthy environments (Klein 2014), stable familial domesticity (Watson et al 2003), dignified and participatory work relations (Bowman & Stone 2004; Glover 2015; Howard 2012) and confident, trust-worthy, pro-social, participatory, and cooperative civil-society interactions (Uzawa 2005). These are all mostly gained, or at least enabled, through broader collaborative, societal processes that extend past the individual and technocratic market mechanisms (Alperovitz 2013; Klein 2014). Thus, from distributist and other historical political-economy viewpoints (Chesterton 1910; Devas 1892), liberal economic priorities are disordered, and this syndrome inevitably produces broad sustainability issues no matter the theory’s transmutation (such as, neoliberal globalisation).

This apparent confusion of priority sets also, arguably, manifests weighty contradictions, with perhaps the most obvious being that subjectivist, individuated consumers seem to require objectivist, technocratic, command and control, corporate, global resource allocation systems to satiate and initiate wants and needs (Robbins 2011). Such systems inexorably centralise power and capital away from most individuals and communities (Alperovitz 2013; Piketty 2016). Evidence of which includes the neoliberal era eye-opening
increases in global economic inequalities, whereby asymmetrical wealth growth by capital controlling elites appears to mostly track implementations of neoliberal economic reforms (Alperovitz 2013; Piketty 2016). Further evidence includes the neoliberal global trade and governance structures which appear to circumvent, or even negate, both local and national democratic and civil-society processes whilst rewarding capital controlling elites (AFTINET 2015; Gleeson, Lopert & Moir 2014; Public Citizen 2014).

Thus, whilst technocratically produced commodities have been distributed widely, though unevenly, via liberal economic systems, empowering capital control appears to have been deeply concentrated (Alperovitz 2013). None of which is perhaps surprising if a political-economy is focused upon “efficient” commodity production and delivery systems (or second-order priorities) and not so much upon uniquely anthropocentric requirements (first-order priorities) (Chesterton 1927).

This paper’s next section explicates a theory which claims to address the hegemony of liberalism and its priority disorders; namely, distributism. Its economic and organisational prescriptions stem from its conception of first-order priorities, and ones in which market mechanisms, whilst vital, are subservient to anthropocentric needs (Chesterton 1910, 1927; Belloc 1946). Its theorists also argue that the main problem with the liberal free market is that it is not free enough; meaning that most persons have not the capital to engage (or not engage) in the economy in an empowered manner, and this produces servile rather than dignified economic relationships for the majority (Chesterton 1927; Belloc 1946). As such, the concept of empowered ownership and control of capital, together with economic models which refer to first-order priorities, are central to distributist theory (Chesterton 1927).
6. Distributism: an analysis

Distributism – context and synopsis
The Distributist manifesto is the 1891 papal encyclical *Rerum Novarum* (Mathews 2007, 2008 [A]) which was written by Pope Leo XIII as a response to, and a refutation of, Marx and Engels’ *Communist Manifesto*. However, it was equally a refutation of liberal economics and epistemology, which was then, as now, the hegemonic global political-economy discourse. Pope Leo XIII argued that liberal individuated “freedoms” had primarily manifested freedoms for volatile capital controlling elites to impose ‘misery and wretchedness’ upon working-class majorities. This was partly a result of the implementation of Adam Smith’s individuated, contractual based political-economy model. A model which, the encyclical stressed, nowhere near allowed for the diversity of human relations, especially civil society and familial. A salient point is that Smith’s model also ignored the pro-social and common capital (see *The Common Good* below) which subsidised and allowed such contractual relationships to be at all viable (Uzawa 2005, p. 1). Pope Leo XIII further argued that materialist systems focused on the maximum production of consumer commodities (whether capitalist or socialist) inevitably failed to address first-order human needs, such as human needs for dignity, respect, family stability, harmonious and strengthening relationships, meaningful civic participation, and the ability to say no to either market or bureaucratic coercions (Belloc 1946; Uzawa 2005, pp. 1 – 3).

In response to *Rerum Novarum*, distributist theorists emerged (Chesterton and Belloc being the principal ones) (Mathews 2007) who argued that the main issue was inequitable access to capital, and that labour should own, hire, and direct capital; and not the reverse. Capital in this paper will mean an accumulation of excess wealth derived from previous production which has been stored, or is looking to be stored, in safe and profitable settings for both present and future use (Belloc 1931, p. 13). Capital is mostly thought of as financial, however, it can also include the means of production, material assets, as well as
social prestige, influence, aesthetic tastes, and social and work skills. 
(Abercrombie, Hill & Turner 2006, pp. 35 - 36) For distributists (and others besides), capital is a necessity of any political-economy system, and, moreover, that political and social power typically follows capital power, or the controllers thereof (Alperovitz 2013, Chesterton 1927, Grattan Institute 2010; Minnery 2007). As a result, distributists argued that capital should be widely controlled, owned, and distributed, as well as family and community focused (Chesterton 1927; Chojnowski 2011; Belloc 1946; Medaille 2011; Schmude 2016). In fact, Chesterton (1927) reasoned that capitalism should be renamed proletarianism, since the systems’ most obvious manifestation was a proletariat majority without meaningful ownership of, or access to, capital. And whilst distributists conceded the need for state-owned enterprises, they dismissed the claims of egalitarianism made by state-socialists, since democratic-socialist models were thought to invariably require control by elite technocrats (Chesterton 1927; Belloc 1946; Blond 2009; Storck 2010).

Either way, distributists argued that both capitalism and state-socialism suffered from the same first-order principle disorders; meaning that both were focused on maximum production of consumer goods and services, rather than on the persons and the society they were meant to serve. This disordering resulted in policies where most persons were primarily viewed as either resource inputs or consumers, and where society and the environment were primarily viewed as resources for entrepreneurs and managers of global resource allocation systems. In contrast, distributism remained determinedly qualitative in focus, emphasising the need for dignity and respect for persons, and the needs for dignified relationships (especially within the family) and a sense of civic membership and order (Chojnowski 2011; Schwindt 2016; Sibley 2016; Stork 2010, 2011, 2012). And, arguably, like all political-economy foci, these stemmed from an epistemology.
Distributist epistemology

I will propose that distributist epistemology can be divided into five first-order principles, and these I have organised below.

(1) The Person

In both distributist epistemology and in its Catholic epistemological source, a person is an individual with inherent rights, obligations, and dignity which the law, the economy, and the broader society are obliged to recognize and secure. There is also solidarity between persons that constitutes a form of “corporate personality”; however, this does not equate to ‘any form of collectivism that reduces the human person to a means’ (New Catholic Encyclopedia 1967, pp. 170 – 171). Distributists (Chesterton [1908] especially) further stressed the importance of the human personality and its distinctiveness and autonomy from the natural world. Distributists also emphasised human qualities such as spirituality, self-consciousness, morality, freedom, rationality, purposefulness, initiative, and responsibility (Chesterton 1908, 1910; New Catholic Encyclopedia 1967, pp. 172 – 174).

A further distributist concept is *Panis Humanis*; which is the right possessed by all persons to acquire the necessities of life, and that part of life's necessities is human dignity and dignified social relationships (Belloc 1931, p. 220). A dignified life axiomatically includes the ability to vigorously negotiate work contracts for just recompense and conditions. However, the ability to vigorously and fairly negotiate largely rests on the ability to resist market based coercions. As such, the ability to say no to market mechanisms is linked to *economic self-sufficiency (at least for survival), confidence in one's social networks, and a keen sense of self and moral self-worth* (Belloc 1931, p. 220; Belloc 1946). It is perhaps a unique political-economy feature of Distributism that it places such emphasis on personal dignity.

In contrast, distributists argued that liberal market based coercions produced mostly servility and subservience, and that both qualities were inimical to Personhood (Chesterton 1927; Belloc 1931; Blond 2009; Sibley 2016). In fact, distributists contended that within a well-functioning distributive society, one
would ‘marvel at the insolence of the poor... at the rebellious, vigorous personalities discernible upon every side’ (Belloc 1946, pp. 114 – 115). And whilst both liberal and technocratic theories seemed to view labour as mostly formless material to use or work upon, distributists viewed labour as persons to both collaborate with, and learn from (Belloc 1946, p. 121).

Another core component of distributist personhood is the freedom and ability to bind oneself; that is, to express passionate loyalty to, and identification with, cultures and beliefs that are locality linked and developed over generations (Blond 2009; Chesterton 1905, 1927). Such qualities have historically been linked to working-class culture, and as such, have arguably been perceived by technocrats and capital controllers as barriers to the smooth allocation and maximisation of labour resources, within fast changing resource allocation systems (Hamilton 2002, pp. 98 – 121, 147 – 173; Goodhart 2017; Robbins 2011, chap. 2). Chesterton (1905) and Goodhart (2016, 2017) have also argued that many capitalist, academic, and technocratic elites have rarely felt, or seen much need for, such attachments, and as a result are often cool and dismissive towards working class loyalties. Nonetheless, it has been argued that working class attachments to communal groups, traditional norms, familial security and safety, and familiar localities can act as bulwarks against liberalist needs for workplace plasticity, location flexibility, and a harried globalised workforce (Chesterton 1905; Goodhart 2017; Robbins 2011, chap. 2).

Furthermore, it appears that in distributist thought the ability to bind oneself is intimately linked to the ability to participate in work, community and national affairs (Chesterton 1905). Participation in work or community life generally is thought crucial to the well-being of the person (Warhurst 1996). However, for participation to be orderly and fruitful, distributists and others have argued that it requires stable, pro-social institutions (such as stable families, Church groups, and civic institutions) to perform the acculturation processes needed for participation. A salient point is that the right to participate does not require people to do politics or civic participation well, merely that they do it for themselves (Chesterton 1910). In contrast, global market mechanisms, technocratic efficiencies, and globalist-consumerist goods have been argued as
inadequate replacements for civic participation and attachments (Hamilton 2003; Sinclair 2017; Warhurst 1996). Thus, distributists argued that a person’s requirements for dignity, loyalty, familial stability; fruitful social participation, spiritual development, and the ability to say no to market-based coercions (see the Good Life below), all required definite and stable pro-social characteristics together with political-economy structures that respected and enabled these (Belloc 1946; Chesterton 1908, 1927).

(2) The Common Good

For traditional distributists such as Chesterton (1908) and Belloc (1931), their conceptual common good would have subscribed to the Catholic equivalent, one which embraced ‘the sum total of conditions of social living... (in which all persons could) more fully and more readily... achieve their own perfection’ (Mater et Magistra in New Catholic Encyclopedia 1967, p. 762). It is on this point that the epistemological differences between liberalism and distributism are plainest; since the liberal common good embraces a political-economy terrain in which competing political, social, and economic ideas can rationally interact, compete, and justify their respective positions. Moreover, the common good in liberalism is thought to be a doubtful concept, and one that is better for the individual to decide for themselves (Abercrombie et al 2006, p. 132; Wolin 2004, Chapter Nine). Yet, even at the individual level the two theories differ. An example would be a liberal economic analysis of the good regarding a bought sandwich; this analysis would focus primarily on the most efficient production methods, consumer desirability, and profit potential; in contrast, a distributist analysis would focus primarily on the benefits to the person who ate the sandwich, and the good (or otherwise) it generated for the environment and wider community (Chesterton 1935; Schwindt 2016; Uzawa 2005)

Apart from widely distributed financial capital (see The Good Life below), the distributist common good would contain a developed social common capital; a concept which includes the regenerative health of the natural world, the viability of public infrastructure both social and material (public transport, roads, potable water, sewage, hospitals, police, judiciary, education etc.), and
social capital such as intangible networks of trust, reciprocal altruism, stable familial domesticity, social aversion to corruption, free exchange of information, pro-social traditions, confidence with democratic processes, and tangible assets such as artwork and valued historic buildings (Uzawa 2005, pp. 1 – 5; Warhurst 1996). Nevertheless, distributists (such as Chesterton [1910]) would also acknowledge that deciding the preferred composition of the common good is a contentious process; so contentious, they argued, that political-economists and sociologists have historically settled for identifying socio-economic-environmental “issues”, rather than explicating the ideal scenario from which they implicitly draw their critiques. As an example, Chesterton (1910) argued that commentators and academics have at times agreed upon what constitutes abject poverty; but not on what constitutes dignified, healthy, and sustainable poverty. Because of such contentions, distributists and others have argued that liberal theorists have often withdrawn into second-order, economic growth focused task sets, rather than craft policies aimed towards clearly explicated societal and environmental objectives (Hamilton 2002; Chesterton 1927; Uzawa 2005).

(3) The Good Life

The good life in distributism is part of a broad Catholic discourse relating to the qualities of virtue (Compendium of the Social Doctrine of the Church 2004); however, this paper will focus on the three political-economy aspects of the good life: the economic supports of capital ownership; the importance of work arrangements which foster family and community relationships; and the importance of social commonalities. With regards to the first point, Belloc (1946, p. 87) surmised that a capital owner in sickness or repose is no more productive than an unemployed citizen. However, a capital owner’s ‘life is balanced and regulated by his reception of rent and interest as well as wages. Surplus values come to him, and are the fly-wheel balancing the extremes of his life and carrying him over his bad times’. Thus, for distributists, the ability to survive at least temporarily off capital assets and social supports, and not be servilely dependent upon government systems or precarious wage contracts, is a cornerstone of the good life (Belloc 1946; Chesterton 1927).
Regarding the second aspect, the rights of domesticity appear central to the distributist good life, and that political-economy structures should consciously factor in, and prioritise, the time and requirements necessary to foster strong familial relations (Chesterton 1927). The third aspect emphasises that large political-economy structures should focus upon requirements common to all, and that such a focus could be resource efficient and help foster social trust (Uzawa 2005). The Australian Settlement project from 1901 till 1980 was perhaps a successful example of this, whereby built infrastructure and wages, employment, social services, and industry policies were directed towards building broad social trust, cohesion, and wellbeing (Edwards 2002; O’Neill 2010; Watson et al 2003). Distributists, and others, further argue that for most persons the good life cannot be left to global market mechanisms alone, and it thus requires frequent democratic interventions into the economy (Blond 2009; Edwards 2002; Watson et al 2003).

(4) Subsidiarity

Subsidiarity emphasises the roles and duties of respective societal groups. A core part of subsidiarity is that larger corporate bodies, whether public or private, should not appropriate duties or tasks that could be better done by communities, families or individuals. Similarly, the broader political-economy should enable smaller societal units to take charge of the roles closest and most appropriate to them. Such an allocation of roles is thought to deter servility, and foster personal and familial dignity. Nevertheless, subsidiarity still requires larger public policies, infrastructures, supplements, supports, and regulations; however, such laws and provisions would need to be aimed towards the empowerment of communities, families and individuals (Pontifical Council for Justice & Peace 2005, pp. 93 - 95).

Subsidiarity emerged as a reaction to 19th Century and early 20th Century Liberal society, whereby Catholic theorists such as Belloc (1946) and Chesterton (1910) argued that capitalism had largely evaporated the cooperative protections of traditional guilds, extended families, and community groups, and replaced them, for the most part, with working class individuals, powerful market players, and newly powerful governments. The argument
continued that without the bulwarks of the traditional, localised societal groups and networks, the government was left as the primary defender of working class persons against capitalist exploitation (New Catholic Encyclopedia SCU -TEX 1967, pp. 762 – 763). However, Catholic theorists such as Chesterton (1910) and Belloc (1946) further argued that this often led to invasive government interference into both working class families and communities, and resulted in widespread servile, fearful dependencies upon government supports. Moreover, in distributist thought the entire process was disordered, since the family was society’s most important and central institution - not the government or the market – and this centrality should have been reflected within employment and socio-political structures (Chesterton 1927; Mathews 2008; Pontifical Council for Justice & Peace 2005, pp. 93 - 95 &).

(5) Authority

Distributists never subscribed to the liberal belief that market mechanisms, together with consumer demands, held societal authority (Chesterton 1908; Belloc 1931). However, what could claim authority were familial requirements, democratic processes, and social, economic, and environmental goods aimed towards civic minded ends (the common good) (New Catholic Encyclopedia AZT 1967, pp. 1111 – 1113). The theory continued that if authority was severed from common participation and common goals, it would begin to fragment society and take on an arbitrary and incoherent nature. What is more, it could allow group desires for power and domination to go unchecked, and to even become valorised (Kozinski 2012; Schwindt 2016; Stork 2010, 2011).

Summation of Distributist epistemology: Conservatism

Distributism and Catholic political-economy thought more generally appear to have a socially conservative, pre- “Enlightenment” epistemology which could be best surmised as ‘the extra-political claims of the soul’ (Wolin 2004, chap. 4). In the Medieval European worldview, this meant that all relationships should be aimed at helping persons reach heaven and stay out of hell, and that persons had the right to reconfigure the political-economy around this perceived (and urgent) necessity (Wolin 2004, chap. 4). As such, it would be better if relationships were primarily dignified, cooperative, civic minded, respectful,
traditional, and family and locality centric, and only occasionally competitive, individuated, and consumerist (Belloc 1931,1946; Chesterton 1910, 1927). Alternatively, a secular interpretation of distributist conservatism could include: the rights to family domesticity; the centrality of dignity, respect, and participatory civic membership; the centrality of cooperative, pro-social relations and traditions; and the centrality of social commonalities from which solidarities might be built (Blond 2009; Mathews 2007, 2008 [B]; Uzawa 2005; Warhurst 1996).

In contrast, liberal conservatism appears to reference the centrality of market mechanisms, the rights of individuals to decide for themselves what is good, and the centrality of aggregated consumer demands (Epstein et al 2007; M & R Friedman 1990; Thatcher 1995, pp. 565 – 601; Wolin 2004, chap. 9). Not surprisingly, both sets of respective theorists seem to view their counterparts with suspicion (Epstein et al 2007; Wolin 2004, chap. 9), which is perhaps inevitable, since the two epistemologies are irreconcilable. Nevertheless, this is not to argue that policy compromises could not be reached between the two, but rather that the differences cannot be underplayed.

**Mondragon: Distributism manifested**

A salient point is that Belloc (1946) had emphasised the importance of cooperatives and cooperative networks that enable broadly dispersed capital ownership and control. This emphasis derived in part from his explication of Medieval political-economies (*The Servile State*), and the distributive, sophisticated, and wealth producing possibilities that these alternative “free-market” models possessed (Belloc 1946). And whilst Chesterton (1927) and Belloc (1946) did much to develop distributist theory during the first half of the 20th Century, it was parish priest and distributist, Father Arizmendierietta (Fr Arizmendi for short), (Mathews 2003, 2008 [A]) who most successfully manifested it in practice through his establishment of the *Mondragon Corporacion Cooperativa* (MCC). And it was through MCC, in part, that distributism’s links to cooperatives and cooperative networks became cemented (Mathews 2003).
7. What is Mondragon (MCC)?

As of 2017, the *Mondragon Corporacion Cooperativa* (MCC) was comprised of 276 worker-owned and democratically operated cooperatives, with approximately 75,000 worker-owners, as well as approximately 10,000 employees outside of Spain mostly employed through MCC owned private businesses (Geoghegan 2017, p. 24). The largely autonomous MCC cooperatives vary notably in their output, and this product multiplicity has helped MCC mitigate and counterbalance economic downturns, as well as provide diverse opportunities for growth (Mathews 2003, 2008 [A], 2012; Bowman & Stone 2004). Nevertheless, all the co-ops and private enterprises are linked and coordinated via an overarching, democratically elected body, the *Mondragon Corporacion Cooperativa* [MCC]) (Schwartz 2009). All MCC co-ops fall into one of four categories: finance (banking and insurance); industry (including automotive, machine tools, appliances and electronics); distribution; and knowledge (including primary, secondary and tertiary education, plus 12 technical schools) (Azkarraga-Etxagibel, Cheney & Udaondo 2012, p. 76).

Furthermore, MCC is presently (and has been for decades) the largest private firm in the Basque country (both in term of employees and sales) and one of largest firms in Spain (Geoghegan 2017; Ridley-Duff 2010).

Integral to MCC’s success has been its ability to maintain reserve funds for expansion, and to avoid all dependencies upon capitalist finance and outside shareholders. For a global organisation, this fact alone is extraordinary. Furthermore, MCC’s financial independence has been key to its success, since outside shareholders and creditors have been shown consistently to either bankrupt or corporatize mutual organisations and cooperatives (Matthews 2003, 2008 [A]; Bowman & Stone 2004). MCC’s reserve funds have also been used to cover the losses of struggling co-ops whilst they undertook necessary restructuring (Forcadell 2005). As a result, few co-ops have experienced bankruptcy or worker lay-offs during recessionary years (Davidson 2012; Matthews 2012; Whyte 1999). In fact, as of 2012, ‘less than 6 of the one
hundred and twenty co-ops have failed over fifty years’ (Davidson 2012, p. 233). Moreover, during the Global-Financial-Crisis (GFC) no co-op failed, salary reductions were modest, and retrenchments were limited to trial period workers. MCC also soon recovered from the GFC (despite Spain’s deep and protracted downturn), and began to expand once more (Davidson 2012; Mathews 2012).

In addition, control over its own finances has allowed MCC to loan successful worker-owner applicants (usually after a 6-month trial period) the monies for the share acquisitions necessary for membership. These loans can typically be paid back incrementally and at no interest. A salient point is that retiring or leaving workers must "cash-out" their shares to prevent outside share ownership; however, these considerable “cash-outs” are also a reminder of the distributed capital ownership and financial security of MCC workers. Moreover, this is capital that workers control and receive dividends from whilst remaining at MCC (Davidson 2012; Geoghegan 2017; Matthews 2003, 2008 [A]; Whyte 1999). This paper would argue that such a combination in part manifest’s Belloc’s “fly-wheel” of capital ownership, and represents substantial financial security for worker-owners.

With regards to MCC’s democratic policy, it is strictly one-worker-one-vote, with salaries being democratically decided and taken as a share of business profits (that is, workplace democracy controls the internal wage market; whilst the market controls general level of wages) (Davidson 2012; Ridley-Duffy 2010). Community contributions (compulsory for cooperatives under Spanish law) are also democratically determined. The remainder of business profits are set aside for repairs, capital purchases, health care, pensions, emergencies, and non-member salaries (Davidson 2012). A relevant point is that co-op members are not workers, but associated producers, who vote their managers in and (if needed) out. Nevertheless, those voted out of managerial roles do not have to leave; they merely return to non-management roles. This point relates to the fact that MCC worker-owners cannot be fired, (although employees of MCC private companies as well as MCC trial members can be fired) (Davidson 2012).
Of further significance is that MCC has long been a successful exporter (since the mid-1970s) (Whyte 1999) which is remarkable considering that MCC competes against neoliberal multinationals less concerned by negative socio-environmental externalities. These externalities effectively provide a subsidy and a competitive advantage to many of MCC’s competitors (Bowman & Stone 2004). Bowman & Stone (2004) and Alperovitz (2014) have also reasoned that localised cooperatives, like MCC, are less likely to pollute the localities in which their worker-owners and families live, than would neoliberal corporations with geographically far removed share-holders and controllers. Nonetheless, MCC’s commitment to ethical human and natural resource use, has meant that its cooperatives have had to focus on both innovation and human development to out compete their global technocratic competitors (Davidson 2012; Forcadell 2005; Geoghegan 2017; Ridley-Duff 2010). An important outcome of this has been MCC’s noteworthy and skilled leadership, in an organisation where the largest pay-differential between executives and workers is a mere five to one (Geoghegan 2017, p. 24). Not surprisingly, with smaller management remunerations, MCC's workers enjoy above average wages, as well as higher than average levels of work satisfaction, and negligible worker turnover (Davidson 2012). The consistent growth of the cooperatives has also meant higher dividends and levels of financial capital for workers (Davidson 2012; Matthews 2003, 2008 [A]). And of further note has been MCC’s ability to either maintain parity with, or surpass, current capitalist managerial, technological, and organisational efficiencies (Forcadell 2005; Geoghegan 2017; Davidson 2012; Matthews 2008, 2012).

**MCC context and philosophy**

The first Mondragon cooperative was started in 1956 by a distributist Catholic priest, Father Don Jose Arizmendiarreta (or Fr Arizmendi) in the town of Mondragon in the Basque region of Spain. MCC was started in response to the continuing poverty in the Basque region after the complex Spanish Civil War (Geoghegan 2017; Mathews 2003, 2008 [A]). Amidst this ensuing regional economic depression, Fr Arizmendi used Catholic Social Teaching and distributist principles to start a community credit union, and connected
cooperative stove factory and polytechnic school (Davidson 2012; Geoghegan 2017; Mathews 2008 [A]). The credit union provided the start-up funding for the polytechnic school and later stove factory, whereupon the polytechnic school provided the needed expertise for the stove factory, and the successful stove factory provided jobs and, by extension, wealth for the community. Thus, at MCC’s inception, Fr Arizmendi established the three-tier strategy that formed the basis of MCC’s consistent growth: (1) ensure education and development of worker-owners so as to facilitate their dynamic participation within democratic cooperatives; (2) ensure that projects are self-financed so as to maintain independence from coercive liberal capital flows and finance chains; (3) ensure both cooperative development and efficient production of high quality, in-demand products (Davidson 2012; Mathews 2003). This paper will also theorise that these processes, in part, help manifest distributist principles of the person (worker development and participatory cooperation), subsidiarity (worker control of management processes), the good life (capital ownership, employment security, and freedom from coercive liberal capital chains), the common good (community member capture of business profits and the presence of localised, “green”, stable industry), and authority (democratic, labour derived authority rather than authority derived from powerful capital owners and remote shareholders).

Moreover, as “hard-nosed” and business savvy as the worker-owners of MCC have been, MCC has always been an ideological project (Davidson 2012; Geoghegan 2017; Ridley-Duff 2010; Schwartz 2009). This fact partly stems from Fr Arizmendi’s initial influence. For Fr Arizmendi, the establishment of the Mondragon cooperatives was part of a broad project to restore religious and social order in the economically depressed Basque region (Geoghegan 2017). This point appears to be consistently omitted by both secular and academic MCC commentators (for example, Alperovitz [2013]). Whether this is due to MCC’s Catholic origins which may play awkwardly within secular academia, or an unawareness of the fact, or it is of no interest to most commentators, is not within the remit of this paper to decide. Nevertheless, Fr Arizmendi saw his primary role as making church and distributist teachings
“real”, and part of that role was to help establish work environments in which human dignity and solidarity could flourish (MCC’s motto is “Humanity at Work”) (Geoghegan 2017; Mathews 2003, 2008 [A]). Fr Arizmendi also ‘sought to form “co-operators” rather than “co-operatives”, although the latter was an inevitable result of the former’ (Geoghegan 2017, p. 24).

According to Davidson, however, (2012, p. 232 - 233), Fr Arizmendi’s ‘most important intellectual contribution to MCC… was the formulation of… ten governing principles, which are firmly held and practiced throughout’ MCC. These are:

1. That admission into the co-ops should be open and non-discriminatory
2. That one-worker-one vote participatory democracy should be the norm throughout the organisation
3. That labour has both sovereignty and primacy over capital, both within the organisation and in the adjacent communities (perhaps the core precept of distributism - that labour should own and hire capital and not the reverse)
4. That capital is only an instrument to be used for first-order, democratically decided goals
5. That all workers should be supported and trained so they can exercise self-management
6. That pay solidarity should exist throughout the organisation, with pay differentials decided democratically
7. That otherwise autonomous cooperatives need to integrate with, and conform to, democratically decided network wide strategies and goals
8. That cooperative social transformations of neighbouring communities should take place to help foster economic stabilisation and localisation
9. That solidarity be given to the entire labour movement
10. And that worker education, empowerment, and knowledge sharing be consistently fostered (Davidson 2012)

Implicit within Fr Arizmendi’s list is that persons are not isolated, individuated beings or technocratic process “inputs”; and instead are persons linked to shared values, norms, and goals. Similarly, the list asserts that cooperation,
rather than neoliberal competition, should form the basis of an organisation and, if possible, the local political-economy. The list also implicitly dismisses the liberal arguments for the “rights and freedoms” of capital, which historically have been shown to either conceal or justify often self-serving and exploitive actions by powerful capital owners. And by placing labour and democratically determined goals at centre, the list implicitly refutes the liberal first-order claims for both market centrality and neutrality (Ridley-Duff 2010; Tam 1999). Within the list there is also an implicit emphasis upon responsibility (towards other workers, democratic processes, and the community), which is thought essential to the success of cooperative processes (Etzioni 1995). In summary, within Arizmendi’ list it would appear that the anthropocentric requirements for comradeship, cooperation, solidarity, social rather than contractual relationships, significant control within one’s workplace and over one’s capital reserves, and responsibility towards others (Geoghegan 2017; Mathews, 2003, 2008 [A]; Ridley-Duff 2010) all appear central to MCC. These workplace methods differ considerably from de Saint-Simon’s technocratic model, with its insistence upon meritocratic, command-and-control management, and its requirements for worker passivity. Furthermore, it would appear that by using its cooperative, democratic, and person-centred model, MCC has been able to out compete many of its globalised technocratic rivals (for example, see Irizar section) (Forcadell 2005). And such results perhaps put into question the normalcy of globalised-neoliberal-technocratic systems.

An effective sign of MCC’s commitment to cooperative and democratic processes has been its training of elected managers and leaders. Whilst coaching in communication, leadership, and decision-making skills are widespread throughout MCC, it is important to note that MCC only provides specific management training after worker-owners have been elected to their posts. The rationale for this is twofold: firstly, the policy seeks to prevent situations whereby only those who have undergone requisite training can run for elections, and this opens candidate processes to all worker-owners; and secondly, it seeks to prevent an elite, managerial “acculturation” process occurring whereby course requirements are used by managerial elites to vet
candidates. In contrast, all MCC worker-owners are encouraged to apply for leadership roles, and time spent in such roles is viewed as part of the responsibility and duty of all worker-owners (Ridley-Duff 2010). Regarding these points, below is an example of a MCC sub-co-op which took to worker management in a sweeping manner.

MCC sub-cooperative example – *Irizar*

The MCC sub-co-op, Irizar, is noteworthy for its sales successes, recognised quality of products, environmental standards, management capabilities, and its deep levels of participatory, egalitarian democratic processes. Irizar's business is chiefly the assemblage of luxury coaches from components sourced from both MCC co-ops and its global businesses. Over the decades it has garnered a crowd of awards (e.g. Guipuzcoa Award for Best Company of the year 2017, *Irizar i6S coach 2017 Coach of the Year* [Spain], *National Business Award for the Environment Spain 2016, Coach of the Year Award 1994* [UK], *Gold Worldwide Transport Award 1998* [coaches], *Coach of the Year 2004* [Europe], *European Quality Prize 2000, & Economist Intelligence Unit most efficient coach builder in the world 2000*) (Irizar 2017; Forcadell 2005). Irizar started in 1889 and was incorporated into the Mondragon federation in 1962 (it had become a co-op in 1956). It’s long-standing global competitiveness partly stems from its innovative and flexible knowledge management and manufacturing systems. This combination has allowed the co-op to more easily adapt to multiple global market requirements, as well as to diverse national and regional safety regulations (Forcadell 2005).

Nevertheless, Irizar, in effect, went bankrupt in 1991, and had it been a capitalist organisation it would have ceased operations in that year (or as early as 1980). However, MCC stayed true to its “better to die than to close” maxim, and allowed Irizar to restructure in 1991 and provided funding to help accomplish this. As part of that transition, Irizar made its sales focus the global markets and made luxury coaches their sole product (they had also previously built urban public transport busses). However, it was Irizar’s organisational restructuring that was most profound. Members formulated and agreed upon an organisational system with almost no hierarchy, in which members
subscribed to shared values and objectives, and in which all worker-owners took responsibility to help direct, coordinate, communicate, innovate, and lead where needed. Whilst the new level of responsibility for worker-owners was unprecedented, so too were the new levels of shared, egalitarian, revivifying, creative, and empowering work experiences (Forcadell 2005).

Decision power was mostly devolved to 180 mostly autonomous shop-floor teams, and there was a concomitant development of worker leadership, knowledge translation, cooperation, and technical skills. Apart from having to both design and execute the most efficient task sets to produce the best possible required item or service, these work-place teams also had to coordinate their functions with other co-op divisions, product suppliers, and customers. A salient point is that it was not just production requirements that were collectively set by the shop-floor teams, but also marketing directions, work targets, and decisions on what to produce; roles traditionally reserved within capitalist-technocratic firms for elite management (Bowman & Stone 2004; Forcadell 2005). And according to Forcadell (2005), what held these multitudinous, non-centralised, highly dynamic units tightly and efficiently together were shared vision, raised levels of social (not neoliberal-contractual) trust, shared experience, effective knowledge flows, shared learning, broad empowerment, enthusiastic participation, and a tolerance of mistakes.

Worker enthusiasm for the Irizar project can be measured by the fact that over 20% of worker-owners have been leaders at some stage, and that the Annual General Meetings routinely attract 100% attendance. It should be noted that there is no financial reward for attending such meetings. And for a substantial global manufacturer, the pay scales at Irizar are remarkably flat, with a 3 to 1 ratio between top management and worker incomes (Forcadell 2005). In total, Irizar’s decentralised, “bottom-up” restructuring appears to be a profound overall example of the distributist concept of subsidiarity, whereby those most affected by decisions have a key say in them (Cornish 2017). Irizar’s success is also perhaps a substantial challenge to the neoliberal “top-down” management model, whereby technocratic systems’ needs are given powerful priority over worker needs for participatory dynamism (Robbins 2011)
An important sign of Irizar’s success, and by extension the MCC model, was that from 2014 Irizar had returned to making urban transit busses, many of which are now used on public transport routes in European cities. Irizar has also developed a network of global factories, including plants in Brazil, Mexico, Morocco, and South Africa (Irizar Group 2017). Nevertheless, such global growth within the MCC network has generated both external and internal criticisms.

**MCC critiques and counter-critiques**

This paper will argue that critics of MCC have focused mostly upon two issues: firstly, that the overall organisation has not been immune to technocratic processes and, secondly, that there are inequalities between worker-owners and MCC private company employees. There also appears to be an academic consensus that these issues stemmed from MCC’s attempts to survive economic globalisation (Bowman & Sone 2004; Kasmir 1996, 1999). Although MCC survived and even managed to grow through Spain’s 1982 and 1989 recessions, as well as through Spain’s 1986 entry into the European Union and its later integration into the global economy, it was not without cost to MCC’s founding principles. From the mid-1980’s and through the 1990’s, Mondragon began to mimic its corporate rivals by centralising decision making as well as using non-member, non-voting labour (Bowman & Stone 2004, Kasmir 1996, 1999; Whyte 1999). Kasmir (1996 & 1999) and Bowman & Stone (2004) have argued that this non-member labour was frequently used in a capitalistic and exploitative manner, relative to other MCC members. However, MCC members were not immune from technocratic exploitation either, with MCC governing council members increasingly ignoring their social councils’ advice on work conditions. The result was frequent introductions of stressful, capitalist factory production methods for MCC members, whilst management conditions appeared to remain true to MCC’s pro-social ethos. Not surprisingly, through the 1990’s factory worker alienation and contempt towards management became widespread, and many workers feared that Mondragon would degrade into a market based, technocratic corporation (Bowman & Stone 2004; Kasmir 1999).
However, Kasmir (1996; 1999) took her critique further. She argued that Mondragon became a postmodern manifestation of capitalism, whose cooperative, democratic processes were managerially dominated and mostly *pro forma*. As a result, MCC’s drift towards neoliberal technocracy was argued to be inevitable. The argument continued (somewhat contradictorily considering the previous point) that the MCC model was indigenous to the Basque region of Spain and strongly reflected that region’s unique cooperative traditions. Therefore, it could not be easily replicated elsewhere, despite claims to the contrary by optimistic cooperativists. However, the main point of contention for Kasmir (1996, 1999), appeared to be MCC’s implicit anti-unionism, and that its claims to working-class solidarities were thin (Kasmir & Wilson 1999).

MCC’s defenders responded that the core democratic structures of MCC survived the initial decades of globalisation, and provided members powerful means to reclaim the organisation’s original intent (Bowman & Stone 2004), and that this appears to have significantly happened since 2000 (Davidson 2012; Geoghegan 2017; Ridley-Duff 2010; Forcadell 2005). This report would further argue that the example of the Irizar sub-co-op group (see previous section) seems to strongly contradict Kasmir’s (1999) normative assertions that MCC had developed into a technocracy; especially since much of Irizar’s egalitarian, empowering, and deep democratisations occurred during the time Kasmir was conducting her analyses (Forcadell 2005). Moreover, whatever criticisms Kasmir’s (1999) participants had of MCC, *nobody* she interviewed appeared to want to leave to go work for a capitalist firm (Davidson 2012). Kasmir’s (1996, 1999) analyses also appeared to align with others (Davidson 2012; Matthews 2007, 2012), in that MCC had proven itself a community stabilising and wealth producing force for the Basque region no matter how dire the rest of the Spanish economy (Davidson 2012). Similarly, and significantly, at *no stage* did the MCC workforce consider selling out to investors to become a standard corporation (Bowman & Stone 2004; Davidson 2012). And even during the stressful transitional period of the 1990’s, MCC still
attained, on average, superior results over corporate rivals over all levels of organisational assessment (especially lifespan) (Bowman & Stone 2004).

It would also appear that MCC sits uneasily within Kasmir’s (1999) ostensibly Marxist analysis. For example, her disapproval of MCC worker-owners who resist trade-union militancy. Kasmir’s (1996, 1999) appears to view MCC workers-owners as workers, who have essentially the same interests and affinities as capitalist workers. However, according to Davidson (2012) such an analysis is inappropriate. Co-op worker-owners are not wage labour but associated small producers. This means that they do not have external owners alien to the production processes; rather, they have democratically elected worker representatives that sit on both governing and social councils. Thus, when capitalist workers go on strike (or on sympathy strike with others) they place pressure upon external managers and capital owners; however, when MCC workers go on strike they only subtract from their own material interests. Counter wise, if MCC workers vote to work longer hours, it is to their own benefit, and not to the benefit of external owners (Davidson 2012). The latter point is significant, since according to Davidson (2012), Kasmir (1996) criticizes the often-long hours that MCC workers democratically elect to do.

Nevertheless, Kasmir (1996, 1999) is perhaps correct to argue that the level of solidarity given by most MCC worker-owners does not match Fr Arizmendi’s goal for universal solidarity with the labour movement; but does that solidarity require MCC worker-owners to join sympathy strikes with fellow Spanish workers? This paper would offer that such actions are easier to suggest than to enact.

As mentioned above, Kasmir (1996,1999) also argued that Mondragon’s participatory processes were mostly pro forma, effectively making MCC a veiled technocracy. However, it is difficult to reconcile Kasmir’s (1996, 1999) bleak assessment with the one hundred percent attendance rate at the non-compulsory, unpaid Irizar annual general meetings, as well as Irizar’s radically democratic and egalitarian governance structure (Forcadell 2005). Moreover, Davidson (2012) and Ridley-Duff (2010) have argued that even worker-owners who are often apathetic or even cynical towards MCC’s democratic processes
still view them as participatory or at least superior to neoliberal alternatives. Ridley-Duff (2010) further argued that MCC’s democratic processes do in fact prevent management from dominating work processes, and that worker-owners do exercise means to prevent their exploitation. And evidence of MCC’s participatory and cooperative ethos can arguably be seen in its culture of innovation, its higher than average wages for workers, its egalitarian wage distributions, its worker development programmes, its small management requirements, its quality control procedures, its unrivalled worker productivity, and it’s renowned professionally serious but relaxed work ethic (Davidson 2012; Forcadell 2005).

With regards to both MCC’s use of non-member labour and ownership of overseas limited liability corporations, MCC’s defenders argue that Kasmir’s (1996, 1999) broad-brush claims of exploitation are not accurate. Firstly, the core cooperative societies still form the vast bulk of the MCC businesses (Geoghegan 2017). Secondly, MCC has reasoned that to “cooperativize” many of its private companies would not work since many of the companies’ respective countries do not have legislation to enable (or even allow) cooperatives. Similarly, MCC has argued that even within countries with cooperatives’ legislation, it is often too expensive and challenging to start cooperatives; thus, making company buy-outs a logical option for global growth (Forcadell 2005; Whyte 1999). Forcadell (2005) also noted, that MCC executives have reasoned that not all cultures have cooperative traditions and values, and that it would be inappropriate to impose them. Nevertheless, according to Forcadell (2005), MCC’s Distribution Group has introduced democratic mechanisms into its overseas limited liability companies, and demonstrated that it is possible to treat non-member employees at least similarly to members (Forcadell 2005). Moreover, where “cooperativisation” has been possible, MCC has been swift to enact it. A successful 1990’s example of this (which Kasmir [1999] failed to include in her critical analyses) was MCC’s purchase of the struggling supermarket chain Eroski. Employee ownership-share purchases were soon offered to its employees with no trial periods, along with interest-free, five-year loans for those unable to purchase
shares upfront. Within two months 74% of employees had taken up the offer, and Eroski went on to become the fastest growing consumer cooperative in Spain (Whyte 1999). Thus, whilst worker-owner and employee alienation had occurred at MCC during its transitional 1990's period, it appears erroneous to argue that such alienation was normative; similarly, to argue that MCC’s business buy-outs were as exploitive as those of capitalist multinationals appears unsubstantiated (Forcadell 2005; Whyte 1999).

However, from a distributists viewpoint (such as Chesterton’s [1910]) perhaps the most problematical aspect of Kasmir’s (1999) analysis was that at no point did she provide an outline of a political-economy that she would like, and thereby did not explicate the ideal (or merely preferred) political-economy model from which her critique is implicitly drawn. For distributist thinkers such as Chesterton (1908), this is not only obscurantist, but an academic power-play, which grants the analyst power of judgement but with considerable protection from scrutiny. Nevertheless, whatever Kasmir’s (1999) preferred model, as per Davidson’s (2012) critique, it would most likely include broad-based militant trade-unionism, along with strong socialist parties derived from union organising. However, according to political-economists such as Wolff (2012) and Alperovitz (2013), the return of widespread, politically powerful, militant trade-unions to the West is unlikely. In addition, distributist and other cooperativist theorists argue that trade union militancy is unlikely to address the structural issues of concentrated capital ownership (Alperovitz 2013; Blond 2009).

In summary, both critics and supporters of MCC would probably concur that the truer sub-cooperatives remain to their first-order principles, the better they do when measured against a broad range of criteria including social, economic, and environmental outcomes (Bowman & Stone 2004; Forcadell 2005; Ridley-Duff 2010). An example of this is the profound success of the sub-cooperative Irizar, which took to person-centred, democratic, cooperative, empowering, subsidiary processes in a radical manner. And these processes have helped Irizar produce globally in-demand, high quality, technologically sophisticated, environmentally sensitive products and manufacturing processes (Forcadell
Similarly, both MCC’s critics and supporters would most probably concur that MCC helped to facilitate one of the most socio-economically cooperative and self-managed regions in the world - the city of Mondragon - with its unparalleled community structures and organisations. This cooperation and subsidiary type self-management extends to the promotion of responsible consumption, local culture, civic education, and migrant integration (Azkarraga-Etxagibel et al 2012). Nevertheless, the foremost obstacle to the spread of models such as MCC, appears not to be outside competition, but a lack of global cooperative networks. The result is that even a large cooperative “island” like MCC struggles to remain true to its pro-social, distributist ideals within a capitalist ocean (Bowman & Stone 2004, p. 278). Thus, for theorists such as Wolff (2012), Alperovitz (2013), Matthews (1999, 2003, 2007), and Bowman & Stone (2004), the goal for cooperativists and distributists is to increasingly replace coercive neoliberal trade networks with voluntary cooperative networks. And it was both the MCC model and the “replace and displace” theory that influenced a derivative of MCC, and by extension distributism, The Cleveland Model (Alperovitz, Howard & Williamson 2010).
8. What is The Cleveland Model (TCM)?

The non-profit institutions which helped form *The Cleveland Model* (TCM) in the American city of Cleveland, Ohio, were directly inspired and influenced by the success of MCC (Schwartz 2009). They adapted MCC’s distributive principles to the context of Cleveland (see below), and developed a new cooperative political-economy model whereby industrial-sized, worker owned, and community benefitting cooperatives and enterprises provided goods and services to nearby “anchor institutions” (Alperovitz 2013; Howard & Williamson 2010; Schwartz 2009). The term “anchor institutions” refers to large, prestigious, asset and income rich urban organisations tied to their respective localities. These stand in contrast to large private corporations which can opportunistically move headquarters or “hive off” production to global contractors. Examples of anchor institutions include universities, hospitals, technical colleges, public utilities, council chambers, large sporting facilities, large religious organisations, and large galleries and cultural institutions (Wright, Hexter & Downer 2016). Although a hybrid model, TCM still follows the basic structures of MCC, with autonomous sub-cooperatives being coordinated, financed, and integrated through an overarching cooperative body, which in Cleveland’s case is *The Evergreen Cooperative* (Alperovitz 2013; Schwartz 2009).

**TCM’s political-economy context**

Cleveland is one of the clearest urban casualties of globalisation, and one of the first Western cities to find itself on the losing side of the 1980’s neoliberal revolution. Previously, Cleveland had benefitted from the growth of large, technocratically run corporations and especially those focused on heavy industry and manufacturing. In fact, up until the 1970’s, Cleveland had been an important producer of iron, steel, steel products, machine tools, construction equipment, petrochemicals, auto-parts, and electrical machinery. And as a pivotal centre of U.S industrial interests, it was especially tied to the roles that publicly traded corporations played in America (Stapleton 2017).
From 1910 onwards, corporations in the U.S began to acquire roles performed mostly by the state in other Western nations. This fact can be traced to Teddy Roosevelt’s 1910 “New Nationalism” speech, where The President stated that the centralising, oligopolistic propensities of technocratic capitalism were unstoppable, and that it was best to try and harness these propensities for the public good, rather than combat them. This speech set the U.S. progressive political-economy agenda for decades, and resulted in U.S corporations taking on four distinct roles: the production of goods and services; the provision of stable employment; the provision of social welfare through health insurance and pension plans; and the provision of safe locations for investments, especially those related to retirement plans (Davis 2013). Indeed, the corporate roles of medical and retirement providers were uniquely prominent in the U.S. (Davis 2013; Irwin 2017). Moreover, during the 20th Century the corporation in the U.S. became a *sine qua non* for the market economy (Davis 2013); which it is not, especially when considering Germany's robust, export orientated economy which has relatively fewer corporations and far more mid-sized, family own businesses (the “Mittelstand” system) (Bulkeley 2011; Davis 2013). Nevertheless, through corporate funded social services, good wages, and stable promotion opportunities, communities were at least partially able to capture the wealth generated by the organisational behemoths in their midst. However, this fact also made American working-class communities expressly vulnerable to disturbances within the broader, global corporate culture (Davis 2013; Irwin 2017).

Such disturbances were manifested by the neoliberal “share-holder values” movement (Davis 2013), along with new abilities to offshore production (Coe et al 2007; Harvey 1990; Leyshon 1995). The first was enabled by changes to U.S. legislation during the 1980's which allowed leviathan sized corporations to be subjected to “hostile” takeovers, whereupon the target corporations were usually asset stripped, divided, and sold off. “Those corporations that remained often voluntarily restructured, selling off or closing peripheral businesses to focus on a core set of industries’ (Davis 2013, p. 287). These processes alone closed innumerable centres of production. This “share-holder” movement also
made investments in corporations, ironically, more volatile. In fact, Davis (2013) has estimated that between 2000 and 2012 a person's retirement savings would have been better invested in credit-union savings accounts, instead of diversified mutual funds. And yet most U.S retirement funds were invested in diversified corporate stocks/mutual funds. A further irony was that shareholder capitalism lead to an unprecedented loss of control over investment monies for all except the most powerful shareholders. Investment institutions (such as BlackRock) garnered unprecedented control over investors' monies, and new-economy corporations (such as Google and Facebook) created super-voting rights for their business founders, with some corporate founders claiming up to 150 votes per share in perpetuity. This combination helped render most investors passive and disinterested (Davis 2013). With regards to Offshoring, dozens of large companies turned to generic manufacturers, distributors, and information systems' providers, mostly in China and India, to perform what were once core corporate functions. The corporate roles that remained were often contractual, and mostly managerial, design, and brand management related. In addition, the colossal global expansion of generic producers and distributors allowed enterprises to both rapidly scale up and scale down production, depending upon volatile market demand and rapid technological change. Not surprisingly, stable, long-term corporate employment within such an economy, especially for working class persons, became mostly obsolete (Coe et al 2007; Davis 2013; Irwin 2017; Leyshon 1995; MacKinnon & Cumbers 2007)

The before mentioned has led journalists such as Irwin (2017), and political-economists such as Davis (2013) and Alperovitz (2013) to argue that the corporation in the U.S. is now unsuitable to play its traditional roles of stable employer, provider of social welfare, and investment space for long-term, reliable retirement returns. Its core roles now appear to be providers of consumer goods and services, and generators of wealth and power for corporate owners and controllers (Alperovitz 2013; Davis 2013). The socio-economic ramifications of this transition could be argued as threefold:
(1) That relatively stable, well-paying, entry level corporate jobs with prospects for promotion have been mostly superseded by casual, contractual, and self-employed work (the “gig” economy) with little opportunity for promotion (Alperovitz 2013; Davis 2013; Irwin 2017; The Economist 2015, p. 7). In fact, American studies have shown that working class male entrants into the new-economy of the 1990’s were more likely to remain caught in precarious entry level jobs than their predecessors in the 1960’s and 1970’s (Bernhardt, Morris, Handcock & Scott 1999). However, it is not only working-class applicants whose prospects narrowed, with many computer science and engineering graduates discovering that their skills within a globalised workforce were neither as rare or remunerative as they thought (Davis 2013, p. 295; Irwin 2017).

(2) That U.S. government social security and health care systems were partially built around the assumption that corporations would help provide such services, and this fact helped create a relative paucity of U.S. government social services compared to analogous nations. Thus, the corporate flight from communities (such as Cleveland) together with a new self-focused corporate culture created not only economic vulnerabilities, but also deep gaps in social and health care services (Davis 2013; Irwin 2017).

(3) That disappearing corporate pension plans, combined with modest state provisions for the elderly, and a working population with over half their retirements savings invested in unstable mutual funds, generated retirement anxieties and insecurities for working class persons. In addition, such investors had next to no influence on the companies in which they were invested (Davis 2013; Alperovitz & Dubb 2012).

These changes to American corporate culture were, in part, a stimulus for groups like The Democracy Collaborative (part founders of TCM) to look towards MCC for alternatives (Workplace Democracy 2014; Schwartz 2009). These groups determined that any political-economy alternative would need to provide means for nearby communities to capture some of the wealth.
generated by the large businesses and organisations in their midst, but on a deeper scale than was done previously (Wright, Hexter & Downer 2017). Similarly, new businesses would need to offer long-term, stable working-class jobs with living wages, along with good prospects for promotions and professional development (Alperovitz 2013; Dubb & Howard 2012). Businesses would further need to be safe spaces for workers to invest money, and where workers’ voices were not superfluous. And the new political-economy model would need to have businesses tied to their locality and community, and make sure that they employed and developed local citizens, as well as use local small businesses and contractors (Alperovitz, Howard & Williamson 2010; Dubb & Howard 2012; Howard 2012). TCM further incorporated into its mandate that these objectives should be done in some of the United States’ poorest neighbourhoods, using the most sustainable and cutting-edge work and production methods, and offer empirically superior products and services along with competitive long-term contracts (Alperovitz & Dubb 2012; Howard 2012; The Democracy Collaborative 2016; Wright et al 2017). And this report will argue that the Evergreen Cooperatives in Cleveland, a direct manifestation of TCM, were able to achieve these goals.

TCM and The Evergreen Cooperatives

Although once a prosperous and important city, by the time the GFC began in 2007, Cleveland was already experiencing poverty rates of nearly 30% along with localities of social destitution and long-term unemployment. Nevertheless, groups such as The Democracy Collaborative noted that through Cleveland’s long socio-economic decline, many of its anchor institutions remained and thrived (Alperovitz 2013; Howard 2012). Cleveland’s powerful institutional presence was mostly due to its industrial past and the related requirements for industrial research and development (Stapleton 2017). A salient point is that whilst production centres became easily transportable through the processes of globalisation, advanced research and development infrastructures often remained locality bound (Coe et al 2007; Harvey 1990, Leyshon 1995; MacKinnon & Cumbers 2007). In fact, Cleveland’s research
capabilities continued to grow through its economic decline, and added medical science and technology to its list (Stapleton 2017). These same research and education institutions, however, were mostly surrounded by poor and blighted neighbourhoods, with the latter benefiting little from the wealthy organisational behemoths in their midst (Alperovitz 2013; Wright et al 2017). Not surprisingly, there was little contact between the respective institutions and their fellow residents. And institution work contracts mostly went to globalised firms whose workers, shareholders, and head-offices were geographically far removed. The instigators of TCM noted these issues (Alperovitz 2013; Dubb & Howard 2012), and determined that if local cooperatives could supply goods and services to neighbouring institutions, local communities could begin to capture some of the wealth generated by these institutions. What is more, local communities would begin to experience not only the multiplier effects of stable local employment, but also the social benefits of the cooperative and democratic traditions instilled within local worker-owners (Alperovitz & Dubb 2012; Alperovitz, Howard & Williamson 2010; Howard 2012). The respective institutions would also benefit through more meaningful connection with their locality (Wright et al 2017).

The vehicle used to enact TCM was The Evergreen Cooperative Initiatives that began in 2007. Rather than trickle-down economics, according to Howard (2012), Evergreen focused upon:

‘... economic inclusion and (on) building a local economy from the ground up. Rather than offering public subsidy to induce corporations to bring what are often low-wage jobs... the Evergreen strategy is catalysing new businesses that are owned by their employees. And rather than... (train residents) for jobs that are largely unavailable to low-skilled and low-income workers, the Evergreen Initiative first creates the jobs and then recruits and trains local residents to take them’ (p. 210)

Moreover, Evergreen’s focus was for its employees to build both capital reserves and wage derived wealth through cooperative ownership mechanisms, which would in turn help strengthen and stabilise their
communities through the multiplier effects of spending, as well as through the pro-social influence of newly empowered residents (Howard 2012).

Nevertheless, the platform of TCM is leveraging off the resources and wealth contained within anchor institutions. And in the case of Cleveland, its concentration of anchor institutions within the ‘Greater University Circle’ district, to which Evergreen Co-ops directly leverage off, is noteworthy. In fact, participating TCM anchor institutions include The Cleveland Foundation (an important driver of TCM and a long established and powerful change agent within Cleveland), The Cleveland Clinic (a globally important medical teaching and research centre), University Hospitals, Case Western Reserve University, The City of Cleveland-Health Tech Corridor, Cleveland State University, and other smaller institutions besides (Wright et al 2016). Such anchor institution concentrations may be atypical, and thus, may affect the applicability of TCM in other urban settings. Nevertheless, advocates of TCM have seen possible applications for the model in American cities as diverse as Atlanta, Baltimore, Pittsburgh (Alperovitz, Howard & Williamson 2010), Denver, Rochester, and even Preston in the U.K. (Sheffield 2017)

In Cleveland’s case, nonetheless, its prominent circle of institutions was, and is, surrounded by mostly lower socio-economic suburbs. The usual American institutional responses to such social geography is either gentrification of the surrounding areas with rent-market driven removal of poor persons, or, an isolationist stance crafted by the institution in response to its locality (Wright, et al 2016). In contrast, The Greater University Circle Initiative (a further component of the Evergreen initiative) sought to ‘reweave (and engage) community networks… (and) improve the quality of life in surrounding neighbourhoods, and to give residents a greater voice and connection to the resources of the anchor institutions’. This could be summed up with the TCM slogan ‘Hire Local, Live Local, Buy Local, and Connect’ (Wright et al 2016, pp. 2 – 3).

This paper will briefly describe how four of the Evergreen sub-co-ops manifest these initiatives. The first is the Evergreen Cooperative Laundry (ECL), which is arguably the “greenest” industrial sized laundry service in Ohio, and has been
growing steadily since its inception in 2007 (Alperovitz, Howard & Williamson 2010; Dubb & Howard 2012). Its initial market comprised of the multiple hospital related institutions within the Greater University Circle, but the co-op has also diversified to laundering the linen of hotels and nursing homes (Evergreen Cooperative Laundry 2017; Howard 2012). The second is Ohio Cooperative Solar, one of the largest and most technologically advanced solar panel providers in the Mid-East of America, which also owns, operates, and maintains the vast solar panels of Cleveland State University and other anchor institutions besides. That said, home solar panel provision is still a key part of the cooperative’s business (Alperovitz 2013; Dubb & Howard 2012; Evergreen Cooperatives 2017). Thirdly, the Green City Growers’ cooperative is one of the largest urban food production greenhouses in the United States, and is located at the centre of one of Cleveland’s poorest localities. Its cutting-edge production techniques provide fruits and vegetables to local institutions, restaurants, markets, and supermarkets (Trattner 2017; Evergreen Cooperatives 2017). A salient point is that all three sub-cooperatives have consistently employed and incorporated into ownership persons who were: long-term unemployed, former prisoners with slight job prospects, as well as vulnerable refugees, migrants, and community members (Alperovitz 2013; Sheffield 2017; Trattner 2017; Evergreen Cooperatives 2011). The fourth example is Evergreen Business Services which appears to have successfully provided concept-to-implementation services for TCM styled cooperative start-ups, as well as back-office support and accounting services (Evergreen Cooperatives 2017). When combined, these sub-co-ops arguably represent not only a notable, sustainable, and successful cooperative political-economy project, but a successful employment and community wealth producing project, and all within one of America’s poorest cities (Alperovitz 2013; Howard 2012).

Nevertheless, that still leaves the former American corporate roles of social service providers, and safe space for financial investment to be filled. Evergreen Cooperatives appear to offer the standard array of corporate social service provisions as well as benefits such as credit management, mortgage assistance, bonuses, substantial business equity, and added savings bonuses for
retirement (Evergreen Cooperatives 2011; Howard 2012; Trattner 2017). Moreover, part of the Mondragon (MCC) project is the provision of cooperative, high-quality health care to its worker-owners (Davidson 2012; Geoghegan 2017), and with the initial success of TCM it is plausible that the same could occur with TCM. With regards to the provision of safe investment spaces, TCM has yet to develop a cooperative banking system like that of MCC; nevertheless, its investment spaces are already considerable. Firstly, worker-owners have shares in their respective co-ops, and it has been estimated that within eight years ‘a typical Evergreen worker-owner could possess an equity stake in their company of about (U.S.) $65,000’ (Howard 2012). It should be noted that in 2009 the average annual median income in the surrounding suburbs of Cleveland’s University Circle was a mere (U.S) $18,500 (Alperovitz, Howard & Williamson 2010; Schwartz 2009). Thus, such financial capital represents a considerable, stable capital asset, especially when considering that the Evergreen model is based around long-term contracts with wealthy and stable anchor institutions (Howard 2012). Moreover ‘research from the (United States’ based) National Centre for Employee Ownership released in May (2017)’ showed ‘that employee owners have a household net worth that is 92% higher than non-employee owners’ (Kesler 2017, p. 1). And, in addition, worker-owners would most likely have more say in the running of their business than would an investor in a managed fund (Alperovitz 2013; Evergreen Cooperatives 2011). Persons could also invest into the Evergreen Cooperative Development Fund which invests only within existing Evergreen co-ops and co-op start-ups. The fund’s investors include philanthropic foundations, municipal and federal governments, banks, and universities. Moreover, each Evergreen co-op must place 10% of their pre-tax profits back into the fund to help expand and strengthen the Evergreen projects. Nevertheless, an investor’s expectation would need to conform to the development fund’s cooperative, pro-social, and poverty alleviation goals, and as such, an investor could not expect speculative, short-term, high returns (Evergreen Cooperatives 2017). That said, as a form of steady and stable investment it appears safe and promising.
Concluding remarks on TCM

This report would argue that TCM appears to respond well to the socio-economic gaps left by the neoliberal abandonment of the traditional U.S roles for publicly traded corporations (Davis 2013). For example, the Evergreen Cooperatives appear to address community needs for a provider of: stable, dignified employment; tailor made social services; stable capital ownership and control; and stable investment space for retirement. TCM also speaks to distributist concepts relating to:

the person; by providing dignified, cooperative workspaces and often for those unable to “break into” the neoliberal job market;

the common good; by helping build sustainable, egalitarian localised economies;

the good life; by providing capital ownership and control to enable relative independence from state and global-market coercions;

subsidiarity; by facilitating “bottom-up” and cooperative solutions to local economic needs;

and authority; whereby local community needs for employment and wealth-capture have priority over global capital needs.

Moreover, TCM appears to allow communities to “capture the wealth” of nearby institutions in a more effective manner than either the Keynesian or globalised-neoliberal models were able to (Alperovitz 2013). This paper would further offer that this represents a practical and empowering case of distributed wealth, and that TCM’s anthropocentric (rather than technocratic) focus seems to have manifested in Cleveland a practical source of personal, familial, and community stability and well-being (Alperovitz 2013; Howard 2012).

Potential issues arising from TCM implementations

Ironically, it is the potential for success with TCM that leads to many of its criticisms. For instance, a successful manifestation of TCM could cause gentrification processes, such as rent increases. Meaning, that businesses and upwardly mobile residents might move to TCM areas to take advantage of the new dynamism and initially low rents; which then might generate rent
increases. Such dynamics would need to be counteracted by anchor institutions and local governments through rental assistance, inclusionary zoning, and assisted housing. These policies might better allow poor persons - the ones meant to benefit most from TCM – to remain in their neighbourhoods (Dubb & Howard 2012).

Another challenge is ensuring that anchor-based co-ops create jobs that low-skilled workers can be “trained-up” for. An obverse arrangement would mean that skilled workers would need to be brought in from outside of the local community, and such hiring practices might then exacerbate income and social divides. This in turn could accelerate gentrification and even generate local resentments towards the (albeit well-meaning) participating anchor institutions. A means to avoid this might be creating businesses that require numerous entry level positions (such as industrial laundries) as happened with the Evergreen Cooperatives in Cleveland (Dubb & Howard 2012).

Other issues include defining exactly what is the community being targeted; for example, is the community purely locality based, or socio-economically based? Similar challenges relate to defining “first order” priorities; for instance, why exactly is the institution engaging in the TCM process? Is it economic and social-geographic inclusion? Or to create opportunities for poorer persons? Or to reduce carbon emissions? Or a belief in distributive-cooperative concepts? Or a belief in localism and community engagement? These first-order questions are important, since they will most likely affect how targeted community members and institutions construct policies and programs together (Dubb & Howard 2012; Harkavy et al 2009).

Other challenges would include making sure that targeted groups are involved with the setting of both cooperative network goals and means of assessment (Harkavy et al 2009). The obverse would be having such goals and means of assessment set by the anchor institutions and paternalistic/maternalistic cooperative bodies, and then trying to find communities to comply with them (Dubb & Howard 2012). Such a dynamic could be especially contrary to
distributist principles, since these emphasise that cooperative economies are only valid if they are done with person, and not done to persons (Chesterton 1927).

Importantly, the cooperative relationships would need to be institutionalized within the institutions (Harkavy et al 2009), otherwise a change in leadership could lead to a jettisoning of an entire TCM-type program. Such institutionalisation might include consistent and recurring long-term funding of network requirements, as well as linking cooperative networks to educational, health, training, research, teaching, and learning missions (Dubb & Howard 2012).

In summary, for a successful implementation of TCM, both Dubb & Howard (2012, p. 23) and Harkavy et al (2009, p. 160), reason that project coordinators would need to:

‘(1) (have) clear objectives in terms of local investment, local purchasing, hiring in low-income communities, business incubation, green job development, and wealth creation; (2) (have) clear delineation of how economic development objectives will connect with core institutional programs – e.g., education for universities and health care for hospitals; (3) (have) indication of institutional support at the CEO/presidential level and of a commitment of internal funds and in-kind support; (4) (have) evidence of state and local government support; (5) (have) inclusion of community development corporation and other local community groups in the development of goals and objectives; and (6) (use) clear metrics to track the impact anchor institution investments in community building have over time’.

This thesis would argue, however, that to coordinate the before mentioned appears to be no small task, and would require considerable determination, desire, and goodwill by all parties. It could also be argued that it would require more conscious cooperation than might a single-minded drive for profit. And whilst this report maintains that cooperative models have proven themselves competitive, profitable, efficient, innovative, and sustainable, the broader
criticisms of distributist-cooperativist models pertaining to their organisational and network complexities are long-standing; and as such, need addressing.
9. Critiques and counter-critiques of Distributive and Cooperative political-economies

The first set of critiques to be discussed are structural in nature, and derive from liberal viewpoints. A salient point is that liberals have critiqued cooperative economies since the mid Nineteenth Century (Devas 1892), and this paper would argue that many historical critiques are still pertinent.

For instance, Devas (1892) argued that an affectedly remunerated entrepreneurial class was essential for societal wealth creation, and that egalitarian cooperative processes were incapable of generating both the innovations and wealth that a buccaneering elite could. However, this paper would argue that the cutting-edge efficiencies, research and development prowess, and commercially desirable products of both MCC and Evergreen Cooperatives (Alperovitz 2013; Forcadell 2005) substantially contradict Devas’ (1892) claims.

However, a more nuanced criticism by Devas (1892) is that authoritarian capitalist organisations, counterintuitively, better allow for the employment of workers with diverse and clashing worldviews. Devas (1892) contended that diverse views barely impact the top-down, technocratic, authoritarian methods of capitalist organisations. And whilst technocratic, profit driven forces may be used to unify workers, such demands appeared slight when compared to the ‘great uniformity in views and habits’ (p. 473), and the purposeful training and education required to unify cooperative organisations. Devas (1892) similarly reasoned that cooperatives also required an elevated level of good will and pro-social behaviour, in contrast to capitalist organisations who could simply impose codes of conduct and be content with superficial compliance. This paper will contend that Devas’ (1892) arguments on these points are mostly specious.

Firstly, Devas (1892) profoundly underestimated the impacts upon persons of having to conform to technocratic, profit driven systems. One example of the processes used to enforce neoliberal workplace compliance, according to
Derber & Magrass (2016), is workplace bullying, which is often disturbing and deep in its personal and societal effects. Derber & Magrass (2016) argue that schoolyard bullying is mostly an outgrowth of the pervasive bullying found within neoliberal workplaces, and that bullying is endemic to such organisations regardless of the respective management psychology. Their argument continues that neoliberal-capitalism requires workplace bullying to “help” workers accept the “naturalness” of the radically asymmetrical neoliberal social order. And, moreover, acceptance of, and resistance to, socio-economic bullying often manifests within workers feelings of inferiority and anger respectively, and that such feelings represent deep wounds of social class battles (Derber & Magrass 2016). These are hardly superficial psychological impacts, and most probably contradict Devas’ (1892) historical assertions.

Secondly, Devas (1892) underestimated the diversity of persons and opinions that can be found within successfully functioning cooperatives. For instance, The Evergreen Cooperatives have successfully incorporated persons who at “face-value” appear to have little in common, such as refugees, ex-prisoners, and university educated professionals (Evergreen Cooperatives 2011, 2017; Trattner 2017). Moreover, the education and training processes at either MCC or Evergreen Cooperatives do not appear invasive and indoctrinating (Evergreen Cooperatives 2011; Ridley-Duff 2010); in fact, the highly innovative and radically democratic Irizar MCC sub-co-op has shown that such training can prove dynamically empowering and transforming for working persons (Forcadell 2005).

Nevertheless, Devas (1892) further argued that the free-market best represented persons as they really were, which is prone to selfishness and not naturally cooperative. However, Devas (1892), contradicts himself profoundly on this point. Devas (1892) (like Locke before him [Wolin 2004]) also argued that the selfish subjectivism inherent within liberal-capitalism meant that it would have soon turned anarchic had it not been for its Christian, pro-social and cooperative social inheritance. Thus, capitalism is arguably more dependent upon idealistic, pro-social behaviours than its cooperative counterparts, if only to prevent its anarchic potentialities (Belloc 1946; Bowman &
This argument perhaps renders liberal theorists’ claims of being able to accommodate and harness human selfishness (such as M & R Friedman 1990) as duplicitous, since these claims are wholly dependent upon most people (and especially workers) at most times not acting selfishly (Belloc 1946; Bowman & Stone 2004).

Other neoliberal structural critiques of cooperativism include those of Epstein et al (2007), who argued that since the onset of the Industrial Revolution most persons in developed nations have consistently and voluntarily chosen to work for capitalist or technocratic organisations, and have not risked working for themselves, or risked establishing with others cooperative enterprises. For Epstein et al (2007), this fact alone means that cooperative economies cannot be something ordinary persons want. In addition, Epstein et al (2007) have argued that distributist desires for both socio-economic stability and personal empowerment are nonsensical, since life is inherently insecure and unstable. However (the argument continues), capitalism has been able to harness such anxieties by creating products and services to address them, and this in turn has created overall higher living standards. Epstein et al (2007) have also argued that the consumer in a capitalist society is already empowered; in fact, the consumer “is king”. And a sign of that empowerment is the consumer’s ability to take advantage of technocratic capitalism’s economies of scale and efficient productions of multitudinous goods and services.

This paper counter-argues that Epstein et al’s (2007) arguments are thin. As both Robbins (2011) and Belloc (1946) have argued, the transition in Europe from a distributive-cooperative Medieval economy to a liberal-industrial economy was determined, and violently coercive. And rather than simply “volunteering” to work in often nightmarish factory conditions, the liberal project left working persons so vulnerable, that employment by capitalists often appeared as the only option (accept for destitution). Similarly, before the liberal Industrial Revolutions, capitalist work arrangements for most working persons seemed either unimaginable or threatening (Belloc 1946; Robbins 2011). Regarding Epstein et al’s (2007) argument that social instability is a primary generator of innovation and wealth, both the MCC and Evergreen
Cooperatives have demonstrated that stable work environments and communities can innovate as well as any unstable capitalist system (Alperovitz 2013; Forcadell 2005). Moreover, Epstein et al’s (2007) argument does not consider the deep distress that economic instability renders for working persons (Case & Deaton 2015; Derber & Magrass 2016; Glover 2015) and that such arguments are generally made by academic and financial elites secure in their social and financial positions (Goodhart 2017; Mead 2017). What is more, the “consumer is king” hypothesis arguably renders persons as passive selfish beings, without desire for deeper social and political engagement (Hamilton 2003). And like their liberal antecedent, Locke, (A Dictionary of Philosophy 1996; Wolin 2004) Epstein et al (2007) provide no evidence to validate their claims that consumers in their daily acts of consuming feel majestic, in control, and at the apex of their personal and societal powers. However, there is much evidence to the contrary (Hamilton 2003) (also see Critique of Global Neoliberalism above).

The next set of cooperative critiques deal with failings specific to Australia, as well as detailing aspects of the Australian cooperative political-economy terrain.
10. **Australian cooperative political-economy terrain**

It is important to firstly note that cooperativist penetration of the Australian political-economy is already considerable, with eight out of every 10 Australians being members of co-operatively or mutually owned enterprises (mutuals). Mutuals in this paper will mean organisations that are cooperatively centred around the benefit of their fee-paying members, and where profits are directed towards member services as well as organisational growth and betterment (BCCM 2017). Nevertheless, ‘only three in ten Australians could name a co-operative or mutually owned enterprise and only 16 per cent of Australians believe that they are a member of one’ (Denniss & Baker 2012, p. 1). And despite the ‘widespread membership of co-ops, and the size and economic significance of the sector, community awareness of the sector runs far behind community reliance on the sector’ (Denniss & Baker 2012, p. 1). Nevertheless, according to Denniss & Baker (2012), such widespread membership would suggest that co-ops and mutuals offer services and goods superior to their for-profit equivalents. Examples of common Australian cooperative organisations include credit unions, farmer owned agri-businesses, community banks, and trade suppliers, whilst mutuals include RSL Clubs, leagues clubs, health insurers, and car service suppliers (BCCM 2017). Another sign that Australians may be predisposed towards cooperative alternatives is a widespread suspicion of liberal corporatism. For instance, ‘Australians believe that privately owned for-profit companies are more interested in shareholder profit than customers (90 per cent), that large shareholders have too much influence (88 per cent) and that corporate executives are overpaid (92 per cent) (Denniss & Baker 2012, p. 2). Nevertheless, the strongly contradictory combinations of: widespread membership and use of cooperative organisations; widespread ignorance of cooperative organisations (and even ignorance of being a member of one); and widespread community suspicion of corporations to which Australian cooperative organisations appear little
interested in taking advantage of, all together represent a set of peculiar failings of the Australian cooperative movement (Denniss & Baker 2012).

It would appear that the core of this peculiar failing, is that whilst for-profit organisations vigorously and ingeniously promote both their “brand” and their community contributions, cooperative and mutual organisations mostly try to maximise returns to their members, as well as donations to the community, partly through not spending on advertising. The effect of this is that corporations are comparatively well known for their brands and relatively modest community contributions, whilst cooperative organisations are comparatively unknown for both their brands and relatively generous community contributions. Community members are also less likely to know about the lower running costs of cooperatives, and that cooperative organisations consistently rate higher in terms of customer satisfaction. In fact, it has been argued that the effectiveness of cooperative organisations has been demonstrated by their success in attracting and keeping members despite their lack of advertising, (Denniss & Baker 2012). Denniss & Baker (2012) suggest that a way to help remedy this information gap is for co-ops and mutuals to start explaining their organisational structures and benefits to their members. They further suggest that a central registry of community organisations be created to help coordinate and fund individual and broader cooperative campaigns, as well as garner political support. However, cooperation amongst Australian cooperative organisations has, ironically, been historically problematic (Balnave & Patmore 2012; Mathews 2008 [A]).

Throughout the 20th Century, a consistent failure by the disparate Australian cooperative movements has been an inability to unite around common goals (Balnave & Patmore 2012, Mathews 2003, 2007, 2008 [A]). The divides between cooperatives have been many; however, an important divide appears to have occurred between the powerful agricultural-producer cooperatives and the smaller, mostly consumer co-ops. An apparent cause of this was that large agricultural cooperatives tended to view their natural “allies” (at least in terms of legislative and infrastructure requirements) as being large, for-profit producers, rather than fellow cooperative and mutual organisations. A
manifestation of this was when large agricultural co-ops, much like their for-profit rivals, refused to accommodate the wholesale purchase requirements of consumer cooperatives. And there appeared little interest by the agricultural co-ops to resolve such matters for the sake of the broader cooperative project. In fact, pre-WWII attempts to form a cooperative "peak-body" with a mandate to promote, defend, and assist cooperatives were principally scuttled by the large rural producer co-ops. Their main contention was the adoption of the strongly democratic Rochdale cooperative principles, which were supported by most smaller cooperative organisations. The large rural producer co-ops even opposed government legislation that defined cooperative organisations along Rochdale lines (Balnave & Patmore 2012).

There were also damaging divides external to the cooperative movement throughout the 20th Century. Arguably the most damaging were the antagonisms between the cooperative movement and both the union movement and the Labor party (Balnave & Patmore 2012; Mathews 2007). Despite multiple consumer cooperatives extending credit to striking workers, as well as co-ops honouring union closed shop agreements, Australian trade-union leaders suspiciously viewed cooperatives as part of the capitalist project. They also viewed cooperative worker-owners as little different to capitalist-employees. Moreover, during the inter-war period, cooperative movement calls for unions of co-op employees angered both trade-unionists and members of the Labor party. The cooperative movement also refused to choose party sides during elections, as well as during the bitter Democratic Labour Party-Australian Labor Party split of the 1950’s. This political neutrality seemed to entrench suspicion of the movement within both Labor and Liberal parties (Balnave & Patmore 2012).

Nevertheless, the cooperative movement did have support from the Country Party (now National Party) (Balnave & Patmore 2012; Mathews 2003, 2007), and the Country Party was instrumental in the watershed NSW Co-operation Act of 1924, which set rules to assist the formation of cooperatives. Nevertheless, the Country Party’s support of cooperatives was questionable, since their primary loyalty appeared to be towards the large farmer producer
co-ops. In fact, The Country Party regularly sided with both large agri-business co-ops and agribusinesses against the interests of the broader cooperative movements (for example, by supporting cooperative movements which did not wish to adopt the Rochdale principles). In response, smaller cooperative movement members accused the large rural producer co-ops of remaking themselves around the needs of a pro-big-business Country Party (Balnave & Patmore 2012).

Apart from these external and internal divides, Australian cooperative and mutual organisations suffered from coordinated supplier boycotts initiated by rival for-profit businesses (especially supermarkets) (Balnave & Patmore 2012). In such cases, large for-profit businesses refused to do business with wholesalers who supplied co-ops, which then lead to the wholesalers ceasing their business with the co-ops. Consumer co-ops also felt a virtual boycott regarding finance credit, and with the advent of supermarkets and shopping malls, very few consumer co-ops could access credit to fund building and infrastructure upgrades to compete. Moreover, globalisation hollowed out traditional, stable, and locality based working-class communities (especially mining and rural) and so too loyalties to local co-ops (Balnave & Patmore 2012). Other issues included technocratic colonisation of cooperatives and mutuals (Mathews 2007), financial mismanagement, and poor strategic planning (Balnave & Patmore 2012); although these are hardly unique to cooperatives. Nevertheless, such trends meant that by the 1970’s co-ops and mutual organisations began turning to standard business models and even outside corporatist managers. However, this common “knee-jerk” strategy rarely (if ever) worked (Balnave & Patmore 2012; Mathews 2007). In fact, multiple theorists have argued that the further cooperatives stray from their initial missions, the greater the chance they will experience demutualisation, deregistration, business failure, corporate predation, member squabbling, and loss of membership (Balnave & Patmore 2012; Oczkowski, Krivokapic-Skoko & Plummer 2013; Matthews 2007; van Oorschot, de Hoog, van der Steen & van Twist 2013).
Concluding statements regarding the Australian cooperative political-economy terrain

The cooperative business model appears to be able to match and even out compete its for-profit equivalents. Moreover, Denniss & Baker (2012) argue that once citizens are familiar with cooperatives in one sphere, they are far more likely to join or engage with cooperative processes elsewhere. However, what appears to prevent this most is an inability by cooperatives to form mutually agreed upon regional support networks of trade, promotion, and finance (Balnave & Patmore 2012; Mathews 2003, 2007). This paper would argue that in the Australian context this fact cannot be blamed solely on the recalcitrance of the large agricultural cooperatives (Balnave & Patmore 2012), since both MCC in Spain and Evergreen Cooperatives in Cleveland were able to develop strong regional networks without large cooperatives on-board (Alperovitz 2013; Mathews 2008 [A]). Nevertheless, both those models did seem to require at least initial backing by authoritative bodies – in MCC’s case it was the Catholic Church (Geoghegan 2017), whilst Evergreen Cooperatives used a coordinated array of anchor institutions, cooperative think-tanks, and powerful philanthropies (Wright et al 2017). It should also be noted that both TCM and MCC required central promotional and coordinating bodies to initiate cooperative processes and coordinate the necessary production, trade, finance, and logistical requirements (Alperovitz 2013, Mathews 2003). Such bodies need not be national; however, it appears that they would need to be at least regional. A salient point is that Australia does have a national representative body of cooperatives (Business Council of Co-operatives and Mutuals [BCCM]) as well as New South Wales equivalent (Co-ops NSW). However, it appears that the activities of both organisations are mostly centred upon lobbying government on behalf of their members, and providing both legal advice and information to both members and to those wishing to start a co-op or mutual organisation (BCCM 2017; Co-ops NSW). However, broad cooperative movements appear to require considerable and determined coordination and support from overarching cooperative bodies and institutional backers, and without these, the evidence suggests there is little possibility for such well-integrated
networks to emerge organically and spontaneously (Alperovitz 2013; Mathews 2007).

In response to this, this paper conducted an analysis to determine whether there existed in NSW an institutional terrain which could theoretically initiate a coordinated and cooperative business network like MCC or TCM. And it determined the Catholic Archdiocese of Sydney to be a viable candidate.
11. Why Choose the NSW Catholic Organisational terrain for Analysis?

Catholic institutions and networks were chosen for analysis for four main reasons. Firstly, both distributism and cooperative concepts are firmly part of the Catholic philosophical, social justice, and organisational traditions (Belloc 1946; Mathews 2007). Thus, there was synergy between the Catholic organisational/network terrain and the research epistemology. Secondly, there appeared an already strong distributist-like network of Catholic anchor institutions and organisations, with a potential for enacting distributist-type economic models (or at least research into the matter). Thirdly, the Catholic organisational and network terrain was easily bounded for the purposes of research. Similarly, and lastly, the report concluded that there appeared to be no obvious constellation of secular organisations and networks from which to conduct preliminary analyses, or at least not ones with obvious connections to the research’s distributist epistemology. Therefore, it will be argued that this combination of theoretical and organisational synergies, means that the Catholic organisational terrain is a potentially productive place to start an exploration of the possibilities in NSW for a TCM or MCC equivalent. However, this focus is not to negate research possibilities regarding secular cooperative networks, especially since secular groups like The Democracy Collaborative and The Cleveland Foundation were successful in adapting distributist principles to secular contexts (Alperovitz 2013; Wright et al 2017). In fact, this report argues that research into Catholic organisations and cooperative economies might hopefully open research into secular equivalents, by providing possible pathways and insights.
12. Terrain Review Analysis Schematic

Research Theoretical Approach: Distributism
See introduction

Methodological Approach: Qualitative
According to Abercrombie et al (2006, p. 314), qualitative research involves the interpretation of social phenomena in ways not dependent upon mathematical or statistical quantifications. For this report, the baseline qualitative interpretation technique upon which concepts, dimensions, indicators, hypotheses, and methods (Alston & Bowles 2012) were based, was the Australian Catholic Social Justice Council's (2017) three-step process for “reading the signs of the times”. The first step was seeing, which meant intentionally examining primary data and naming both what you saw and what concerned you; the second step was judging, which meant theoretically analysing and reflecting upon the flagged data before making an informed assessment; and the last step was acting, which meant acting only after establishing what to do, how do it, and with a view to enabling dignified, pro-social transformations aimed towards the common good.

Methods
The research method used was a literature review of the relevant Catholic organisations’ mission statements, executive summaries, “about us” statements, and social justice statements. The relevant organisations included anchor institutions, official business networks, social justice organisations, and overarching bodies that coordinated health-care and education respectively. With regards to social justice organisations, these were only included if there was a commercial or jobs training aspect to their mission.

Analysis concepts and their elements
According to Alston & Bowles (2012), concepts contain clusters of related elements, and this is significant since the literature review sought to identify
clusters of elements corresponding respectively with the five distributist first-order principles. Below are the analysis concepts used regarding the organisational analyses along with their respective elements:

*Regarding the organisation’s assessment of the Person, the researcher looked for:* a professed concern for human dignity; a belief that human dignity is best manifested through pro-social, cooperative inter-personal and communal relations; an active opposition to situations that violate personal integrity or dignity (Belloc 1946; Cornish 2017); an emphasis on self-worth; an emphasis upon strong familial, social, and employment networks (Belloc 1946; Chesterton 1927); promotion of civic engagement (Warhurst 1996); a belief that ‘everyone has the right to access the goods of creation to meet their needs’ (or *Panis Humanis*) (Belloc 1931; Cornish 2017, p. 2); and a professed belief in solidarity ‘which means that we are all ... responsible for each other. It is not... a vague sort of compassion ... but ... a determination to commit oneself to working for change so that everyone will be able to reach their potential’ (Cornish 2017, p. 2).

*Regarding the organisation’s assessment of the Common Good, the researcher looked for:* an understanding that ‘the collection of social conditions’ should ‘make it possible for each social group and all their individual members to achieve their potential’; and a belief that ‘the rights and duties of individuals and groups must be harmonised under the’ common good (Cornish 2017).

*Regarding the organisation’s assessment of the Good Life, the researcher looked for:* a belief in the rights of familial domesticity; an emphasis upon the importance of dispersed capital ownership and self-sufficiency; and a belief in the importance of meaningful participation both within the workplace and the community (Belloc 1946; Chesterton 1927; Cornish 2017;).

*Regarding the organisation’s assessment of Subsidiarity, the researcher looked for:* a belief that the ‘people or groups most directly affected by a decision or policy should have a key decision-making role’ (Cornish 2017, p. 2).

*Regarding the organisation’s assessment of Authority, the researcher looked for:* a belief that the requirements of personal dignity, familial requirements,
community needs, environmental necessities, and democratic processes have authority over *narrow* market or bureaucratic/technocratic requirements, but with an understanding that every business still needs a market for its products, and that organisational methods remain powerful and indispensable means to deliver prosperity (Belloc 1946).

The **indicators used** for identifying research concepts were rhetorically based rather than key-word based, since the chosen organisations did not necessarily use the same terminology as this thesis. However, organisational claims and intentions could still align with the above research concepts. The combination of organisational rhetoric, infrastructure and financial assets, and personnel abilities were then subjected to the tests of **plausibility, authenticity, and insightfulness** (Guba & Lincoln 1994). For instance, it was asked whether it was *plausible* that the targeted organisation would wish to participate in future research; and whether its organisational rhetoric appeared *authentic* when compared to its output; and finally, did the organisation have noteworthy *insight* regarding distributist related concepts. All three methods of judgement were used in the final determination of whether an organisation should be approached for future research participation. Nevertheless, the literature review did not seek to definitively prove a relationship between the chosen organisations and the research project’s distributist concepts. Rather, that one could not rule out a relationship (Alston & Bowles 2012). This link, and the steps behind it, could then be shown to prospective participants and hopefully create for them interest in the research.
13. Catholic Organisational Terrain Review

Summary

The review was divided into two overarching sections: Catholic anchor institutions and organisations; and Catholic organisational networks. These networks, organisations, and institutions varied respectively regarding their connections to distributist concepts. Nevertheless, there were examples of organisations with strong conceptual links to the research, and most notably Australian Catholic University (ACU) (2017). This example is significant because cooperatively minded anchor institutions were pivotal to the success of TCM (Wright et al 2017).

The terrain review also noted sophisticated, well developed, distributist like organisational networks. These cooperative networks often extended to outside organisations such as secular universities, government departments, and other faith based groups. Cooperative banking as well as organisational and human resource development bodies were also part of the Catholic organisational terrain, which is significant because such bodies were pivotal to the success of both TCM and MCC (Alperovitz 2013; Mathews 2003, 2008 [A]).

In fact, the basic building blocks of a MCC or TCM seemed present, including the presence of an overarching coordinating body, the Catholic Archdiocese of Sydney. However, what was not clear was whether the Archdiocese could perform or delegate such a role within a local TCM or MCC adaptation. This would be a key area of future research, since central coordinating bodies appear central to the success of cooperative networks. And whilst links to, and explications of, distributist and cooperativist theories were mostly nascent in the literature (excepting ACU), there seemed enough demonstrable commonalities for a researcher to engage organisational representatives in future research. In summary, the Catholic organisational and network terrain appeared to hold considerable possibilities for research into MCC and TCM adaptations.
Institutions and Networks Reviewed

The Catholic anchor institutions reviewed were Notre Dame University, Australian Catholic University, and St Vincent’s Hospital, and the organisational networks reviewed were Sydney Catholic Business Network, The Catholic Archdiocese of Sydney’s Aged Care & Health Care Networks, Catholic Schools NSW, and Catholic Cemeteries and Crematoria. Additional organisations reviewed were the Catholic Commission for Employment Relations, Reach Human Resources, Catholic Development Fund, Australian Catholic Superannuation, and Catholic Archdiocese of Sydney Conference Centre. A salient point is that all the before mentioned fall under the auspices of the Catholic Archdiocese of Sydney; however, it appears that the individual bodies possess considerable autonomy under the Archdiocese’s authority.

Regarding the anchor institutions, Australian Catholic University (ACU 2017; Agencies Guide 2017) seemed to relate most strongly to the five distributist first-order principles (and especially subsidiarity and authority). Moreover, it had well developed cooperative links across civil society, government, and business spectrums (ACU 2017; IACE 2012). Because of these strong research relevancies, ACU presented as the foremost candidate for future research.

Regarding The University Notre Dame Australia (Notre Dame), its strongest commonalities regarding the research were its desires to develop and manifest Catholic philosophical teachings. Notre Dame also had strong links to the business community (through its business studies programmes) as well as to St Vincent’s Hospital (through its School of Medicine and Nursing) (Agencies Guide 2017; The University of Notre Dame Australia, 2016, 2017 [A, B]). These points are relevant since it was the leveraging of work contracts off hospitals which played a pivotal role in the development and success of TCM, and business development is core to the success of cooperatives (Howard 2012).

Nonetheless, Notre Dame’s links to distributist precepts were neither much developed or obvious (in contrast to ACU), but its Catholic philosophical tradition, business development studies, and extensive business and medical networks respectively (The University of Notre Dame Australia, 2016, 2017 [A, B]), ranked it as a potential research partner. In contrast, the focus of St
Vincent's Hospital appeared mostly inwards towards its patients, and especially towards patients who were societally marginalised. And whilst St Vincent’s Hospital did rate strongly across values regarding the person, subsidiarity, and authority, its desires for broad community development or connection appeared limited (Agencies Guide 2017; St Vincent’s Hospital Sydney 2017). As such, it was determined that any contact with St Vincent’s Hospital would be done after connections had been made with more likeminded organisations and networks, since St Vincent’s Hospital seemed an unlikely early, proactive research participant.

Regarding the Catholic network structures, these appeared noteworthy for their stable, developed, cooperative, and sophisticated nature, as well as for their sense of mission. They were, arguably, examples that refute the arguments made by neoliberal theorists such as M & R Friedman (1990) that competitive, contractual, and profit driven resource allocation networks are necessarily the best means to organise political-economy models. Of special note were the vast aged care, healthcare, cemetery, and school networks, which could be viewed respectively as aggregated anchor institutions from which work contracts could be leveraged. And whilst there appeared to be little reference to Distributist concepts within their respective literatures, the actual manifestations of distributist organisational and network principles presented as research significant (Agencies Guide 2017; Catholic Archdiocese of Sydney 2017). An additional network was the Sydney Catholic Business Network (2017) (Agencies Guide 2017), which appeared to have strong principles regarding the common good and member solidarity (part of the distributist good life). Its extensive networks linking Catholic organisations and member businesses, together with the network’s desires to manifest charitable activities and to contribute towards the common good, arguably have potential to help foster, develop, and trade with cooperative start-ups. Thus, whilst not having strong, obvious theoretical links to the research, the before mentioned networks do possess strong cooperative manifestations from which future research could gather data.
Further organisations reviewed included the Catholic Commission for Employment Relations (2017) and Reach Human Resources (2017) (*Agencies Guide* 2017). Apart from references to the importance of workplace dignity and justice, there were no obvious links to distributist theory in their reviewed literature. Nevertheless, human relations and administrative organisations were pivotal to the success of both MCC and TCM (Alperovitz 2013; Mathews 2008 [A]), and, thus, their strong presence within the Catholic organisational terrain bodes well for research. So too the inclusion of the Catholic Development Fund (CDF) (2017) (*Agencies Guide* 2017), which acts as an internal network banking and finance mechanism. Such mechanisms were integral to the success of TCM and especially for MCC (Alperovitz 2013; Mathews 2003, 2008 [A]). Moreover, CDF mimics considerably the cooperative finance mechanisms of MCC. The literature review, nevertheless, revealed neither evidence of financing or facilitating of cooperative start-ups. This is despite the potentials for this, and the fact that cooperatives are part of the Catholic organisational tradition (Belloc 1946). The same appeared true regarding the Australian Catholic Superannuation (2017) (*Agencies Guide* 2017) literature. Whilst acknowledging this absence, the said organisations’ modes of operations strongly aligned with distributist principles, and for this reason it is plausible that organisational representatives may wish to take part in future research.

**Catholic organisational terrain review conclusion**

The combination of Catholic anchor institutions, organisations, and networks that both reference and effectively manifest distributist related concepts, bodes well for their involvement in future research. In fact, it could be argued that most of the organisational and networking infrastructure required for an MCC or TCM network is already present, and merely requires “activation”. Such optimism, however, might be the result of having only conducted the first stages of research, and subsequent research may render such views mistaken. Nonetheless, the Catholic organisational and networking terrain appears favourable for the conduct of research into the possibilities of enacting TCM and MCC within a NSW context.
By way of contrast, the research also reviewed the two-main overarching secular cooperative bodies in NSW, *Business Council of Co-operatives andMutuals* and *Co-ops NSW*. 
14. Literature review of overarching cooperative bodies – *Business Council of Co-operatives and Mutuals and Co-ops NSW*

The Business Council of Co-operatives and Mutuals (BCCM) appears to be the pre-eminent national body for Australian co-operatives and mutual enterprises, and its role appears to be mostly a networking platform for large commercial co-operatives, as well an advocate for their members vis-à-vis the government. Considering that BCCM’s members include some of the largest private businesses in Australia (for instance, CBH Group, HCF, Devondale Murray Goulburn, and Queensland Sugar) (BCCM 2017), BCCM’s activities appear modest. For example, its last newsletter was published in September 2016 (more than a year from the time of writing), and its media releases appear to focus mostly on the successes and interests of its largest members. In contrast, concepts such as the broad coordination and integration of the co-operative movement, or the broad-scale facilitation of co-operative start-ups, did not appear as prominent issues. Thus, from its website literature alone, BCCM’s capacity to play a deeper coordination role, such as played by MCC, appeared as not significant (BCCM 2017).

Similarly, Co-ops NSW did not appear to be seeking a coordinating role within an integrated, cooperative political-economy project. And like BCCM, it appeared somewhat inactive; for instance, its last AGM report was from 2015 (two years from the time of writing). Nevertheless, Co-ops NSW’s cooperative philosophy appeared more *insightful*, proactive, and developed than BCCM’s (Co-ops NSW 2017). It also listed cooperation amongst cooperatives as one of its guiding principles (Co-ops NSW). However, the point did not appear to be much emphasized, or at least not in terms of advocating for determined, coordinating cooperative bodies. Thus, this report would argue that it did not appear *plausible* that either body would lead research into a MCC or TCM, or
not in comparison to the already cooperatively integrated Sydney Catholic network terrain.
15. Report Conclusions

The first set of conclusions pertain to *research directions stemming from the report*. These include researching localities with conditions like those in which successful, integrated and coordinated cooperative projects have emerged. This paper would argue that such conditions include locality failure to attract or keep investment capital, whilst still being able to retain anchor institutions and organisations (Alperovitz 2013). The relevant institutions would also need to be willing to engage proactively in their locality’s economy, as well as be open to cooperative concepts, and perhaps even take on coordination and facilitation roles (Dubb & Howard 2012; Wright et al 2017). These are, perhaps, uncommon sets of conditions within NSW, and there may instead exist differing sets of conditions applicable for the activation of integrated cooperative economic models within the state. Future related research may also return the verdict that political-economy terrains such as NSW are generally unfavourable for such projects. This result would still be valuable data, especially since organisations like Co-ops NSW (2017) have emphasised that there is a lack of academic research into co-ops generally, and that greater insight is needed.

This report would offer, however, that a more immediately productive vein of research would be an investigation into the cooperative possibilities within the Catholic Archdiocese of Sydney’s network terrain. The Archdiocese’s terrain appeared coherent and coordinated, and its member’s philosophies and organisational methods seemed to align with the methods and underlying philosophies of MCC and TCM. Of further significance, was the presence within the network of anchor institutions from which TCM like cooperatives could possibly leverage off long-term work contracts (*Agencies Guide* 2017; Catholic Archdiocese of Sydney 2017). As such, *the coordinated organisational terrain of the Catholic Archdiocese of Sydney seemed to possess possibilities for an activation of a NSW variant of MCC or TCM*. By comparison, the NSW secular cooperative and institutional terrain appeared disparate, and its central bodies seemed to be mostly advocates and information providers, rather than
coordinators and integrators of cooperatives (BCCM 2017; Co-ops NSW 2017). Moreover, this research project found multiple commonalities between the reviewed Catholic organisations’ philosophies and goals, and this paper’s guiding precepts and goals. These commonalities could help provide grounded, demonstrable reasons for approaching targeted Catholic organisations for future research, as well as help shape research questions and research directions.

The **second set of conclusions address this paper’s modest contributions towards the academic field of political-economy**. Regarding these, this paper argues that the first-order assumptions of liberalism, and by extension neoliberalism, have never been person, family, and community centric (Chesterton 1927); rather, they have centred on aggregations of consumer activities and control over resource allocation systems (Wolin 2004). The argument continues that these assumptions manifest themselves in propulsive political-economies that prioritize social power relations (Robbins 2011), contractual relationships (Bowman & stone 2004; Mathews 2003), technocratic mastery, select control over resources (Wolin 2004), and prioritizing economic growth above anthropocentric concerns (Hamilton 2003). This critique of liberalism is not new (Belloc 1946; Edwards 2002; Hamilton 2003). However, this paper further argues that the apparent decoupling of the liberal political-economy from broad anthropocentric requirements (for example, personal dignity, the ability to say no to market coercions, familial domesticity, local culture, and self-sufficiency) (Belloc 1946), in preference for systems’ requirements and individuated subjectivities, creates sustainability issues not only socio-politically, but also environmentally and economically (Klein 2014).

In response to these issues, the report reviewed distributist theory and its most prominent manifestation, the vast integrated and cutting-edge cooperatives or MCC (Mathews 2007). The review emphasised the differences between what it saw as the first order assumptions of liberalism and distributism, and how each manifest different political-economies. The paper then contended that distributism’s first order priorities of the person, the common good, the good life, subsidiarity, and the personal, familial, and local sources of authority,
favour political-economies in which capital ownership and control is widespread and locality focused, as well as being mostly cooperative rather than mostly competitive. Moreover, distributists have historically argued that their economic models are no less “free market” than the liberal-capitalist equivalents (Belloc 1946), and that the innovative and efficient dynamism of MCC perhaps proves this point (Forcadell 2005). The report also looked at a successful derivative of MCC, the anchor institution based model of TCM, and how both models have been able to organise economic arrangements in comprehensible, worker empowering, technologically innovative, cooperative and community wealth producing ways (Alperovitz 2013; Mathews 2003). Nevertheless, the report also identified that both arrangements do not appear to emerge spontaneously or organically, and appear to require determined coordination by authoritative organisations and change agents (Geoghegan 2017; Dubb & Howard 2012). Additionally, such cooperative economies have not been immune from technocratic infiltration (Kasmir 1999), and similarly, without both determined mutual support and coordination mechanisms cooperatives have been shown to be vulnerable to neoliberal business predation (Balnave & Patmore 2012; Mathews 2003, 2007, 2008 [A]).

Nevertheless, this report concludes that constructing distributist political-economic alternatives, whilst seemingly complex (Dubb & Howard 2012), is possible, and that these appear to better provide for anthropocentric requirements such as capital ownership and control (Howard 2012), dignified and cooperative work relationships, work security (Davidson 2012; Howard 2012) and localised economies (Alperovitz 2013). And that such political-economies seem to offer qualitative and sustainability advantages over their liberalist-capitalist rivals (Alperovitz 2013; Bowman & Stone 2004). As such, this paper argues that both cooperative economies and distributist derived theories deserve more research, especially since there appears to be an academic lacuna regarding such areas (Co-ops NSW 2017).
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