

# The Idea of Cooperativism from a Social-Theoretical Perspective with Particular Emphasis on Catholic Social Teaching<sup>1</sup>

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## Introduction

The global capitalist economy faces many serious problems. An adequate problem-solving process is therefore inevitable. The mainstream approach represented by the international institutions tends to provide radical solutions, such as those pushed forward by the International Monetary Fund to the Greek economic problems: widespread cuts to public finance, austerity programmes in social services and extensive privatisation.<sup>2</sup> However, just recently more and more experts' voices have been calling for the search for more acceptable alternatives and innovative approaches at the micro- and macroeconomic level,<sup>3</sup> but at the level of governance as well.<sup>4</sup> Some other scholars go even further and call upon turning "from the dominant conception of a market society to the conception of a plural economy, that means, an economy extending beyond the realm of the market to include several other economic concepts,"<sup>5</sup> despite the fact that in the globalization process "driven by the neoliberal utopia of a market society, the situation seems obviously difficult".<sup>6</sup>

1 This text came to being within the Science Development Program at the Charles University in Prague (PRVOUK), P17 "Sciences of Society, Politics, and Media under the Challenge of the Times" (*Vědy o společnosti, politice a médiích ve výzvách doby*), carried out at the Institute of Political Science of the Faculty of Social Sciences, Charles University in Prague. A previous version of this paper was presented at the "International Conference on Co-operatives: 170 Years of the Co-operative Movement in Slovakia" (Bratislava, 25 November 2015). I would like to thank two anonymous reviewers for their helpful and constructive comments and suggestions that greatly contributed to improving the final version of the paper. I would also like to thank Jozef Klinga for his proofreading and the editor of the journal for her patience and human approach during the peer-review process.

2 Cf. Damien CAHILL, Beyond Neoliberalism? Crisis and the Prospects for Progressive Alternatives, *New Political Science* 4/2011, p. 480.

3 Ľuboš BLAHA, Ekonomická demokracia: nádej pre budúcnosť? in: *Svet v bode obratu. Systémové alternatívy kapitalizmu. Koncepcie, stratégie, utopia*, eds. Peter DINUŠ & Ladislav HOHOŠ, Bratislava: Veda – Ústav politických vied SAV, 2011, pp. 70–103; Marián SEKERÁK, Zamestnanecká participácia ako inovatívny prístup v riadení podniku, in: *Podnikanie v konkurenčnom prostredí. Zborník príspevkov z vedeckého seminára*, Komárno: Ekonomická fakulta Univerzity J. Selyeho v Komárne, 2012, pp. 138–146; Naděžda JOHANISOVÁ & Stephan WOLF, Economic democracy: A path for the future?, *Futures* 6/2012, pp. 562–570; Naděžda JOHANISOVÁ, Alternatívy podnikání v nerůstové ekonomice, *Acta Universitatis Carolinae – Philosophica et Historica. Studia Sociologica* XIX 2/2013, pp. 59–77; Wendy HARCOURT, The future of capitalism: a consideration of alternatives, *Cambridge Journal of Economics* 6/2014, pp. 1307–1328.

4 Michael PIRSON & Shann TURNBULL, Toward a More Humanistic Governance Model: Network Governance Structures, *Journal of Business Ethics* 1/2011, pp. 101–114.

5 Jean-Louis LAVILLE, A New European Socioeconomic Perspective, *Review of Social Economy*, 61(3) 2003, p. 404.

6 Ibid. See also, Martin MURÁNSKY, Kapitalizmus a demokracia v čase európskej krízy, in: *Kritická teória Jürgena Habermasa v sociologickom výskume*, ed. Miroslav TÍŽIK, Bratislava: Sociologický ústav SAV, 2013, pp. 172–217.

Such a call seems to be a response not only to the above - mentioned crisis of the globalized economy, but it is also associated with the adversarial role played by the nation state. The State is directly “dependent on revenues derived from private property” and also “the State relies on that income. Consequences arising from the characteristics of the capitalist state show a major internal contradiction. On one hand, the State must support the process of capital accumulation and protection of property rights and on the other hand support the vision of the State as an impartial arbiter between class interests; in this way it legitimizes its own power.”<sup>7</sup> Put differently, together with jurist Jiří Přibáň: “National governments are weak face to face with globalized economic power structures and at the same time more and more hated and rejected by their own citizens because they feel themselves to be poorly protected against such an asymmetric globalization.”<sup>8</sup> There is, however, an exception to the rule – when thinking about alternative economic concepts we can recall those models which have been more or less verified in practice. Such models include the idea of cooperativism, which has been increasingly (re)emerging as one of the relevant and authentic models.

The idea of cooperativism has been the subject of extensive interest in both the Slovak and Czech academic area for more than 20 years. It has been examined quite thoroughly in terms of the history of economic thought,<sup>9</sup> history,<sup>10</sup> law,<sup>11</sup> and, last but not least, economics and management.<sup>12</sup> Nevertheless, research of cooperatives through the prism of social theory is significantly lacking.

Therefore, the aim of my paper is to provide a coherent (although not comprehensive) picture of the cooperative movement from the socio-theoretical perspective, with special attention paid to the Catholic Social Teaching (hereinafter, CST), as well as its comparison with the mainstream approach, represented by the EU and the UN. In the first part, I depict an elementary characteristic of the cooperative movement. Consequently, I aim at an illustration of two figures of the movement: one of its founders, the utopian Socialist Robert Owen, and the first revisionist of Karl Marx’s teaching Vladimir Ilyich Lenin, who referred to the cooperatives in one of his writings from the first half of the last century. Then, in the next part, I illuminate the mainstream

7 Branislav KOVÁČIK, Demokracia, korporatívny kapitalizmus a štát, *Politické vedy* 3–4/2008, p. 18.

8 Jiří PŘIBÁŇ, O bezmoci kritické teorie a expertního vědení v globální společnosti, in: *Krise, nebo konec kapitalismu?*, ed. Jiří PEHE, Prague: Prostor, 2012, p. 33.

9 Ilona BAŽANTOVÁ, *Družstevní a svěpomocné koncepce v českém ekonomickém myšlení*, Prague: Prospektrum, 2002.

10 Gabriela KORIMOVÁ, Z dějin národního hospodářstva a ekonomického myšlení na Slovensku: Lesné družstevníctvo na Slovensku v rokoch 1918–1938, *Ekonomický časopis* 12/1995, pp. 915–926; Roman HOLEC, 150 rokov slovenského družstevníctva. Víťazstvá a prehry, Bratislava: Družstevná únia Slovenskej republiky, 1995; Pavol MARTULIAK, *Stopäťdesiat rokov slovenského družstevníctva*, Nitra: Agroinštitút Nitra, 1995; Lidmila NĚMCOVÁ & Václav PRŮCHA, The Co-operative System in its Historical Perspective, in: *Twelfth International Economic History Congress, Sevilla 1998. Session B 13. The Cooperative Movement in Historical Perspective – its Role, Forms and Economic, Social and Cultural Impact*, ed. Lidmila NĚMCOVÁ, Prague: University of Economics, Faculty of Economics and Public Administration, 1998, pp. 7–40; Adriana ŠVECOVÁ, *Právne postavenie a činnosť potravných družstiev na príklade vybraných družstiev západného Slovenska v rokoch 1945–1952*, Šamorín: Heuréka, 2011.

11 Ivana ŠTENGLOVÁ (ed.), *Přehled judikatury ve věcech družstev*, Prague: Aspi, 2004; Dana ZAPLETALOVÁ & Jiří TUZA, *Odpovědnost družstva v obchodněprávních vztazích*, Tábor: University of South Bohemia in České Budějovice, 2005, pp. 117–121; František HELEŠIC, *Evropské a české družstevní právo*, Prague: Eurolex Bohemia, 2006; Tomáš DVOŘÁK, *Družstevní právo*, 3<sup>rd</sup> Ed., Prague: C.H. Beck, 2006; Juraj ŠPIRKO, *Zodpovednosť členov predstavenstva družstva*, in: *Vybrané otázky zodpovednosti za škodu spôsobenú nesprávnym profesijným postupom: všeobecná časť*, Košice: Pavol Jozef Šafárik University in Košice, 2010, pp. 123–130; Karel ELIÁŠ, Jarmila POKORNÁ & Tomáš DVOŘÁK, *Kurs obchodního práva. Obchodní společnosti a družstva*, 6<sup>th</sup> Ed., Prague: C. H. Beck, 2010.

12 Jarmila LAZÍKOVÁ & Anna BANDLEROVÁ, Agricultural cooperatives in Slovakia, *Studia Universitatis Babeş-Bolyai: Oeconomica* 2/2007, pp. 31–42; Jarmila LAZÍKOVÁ, Anna BANDLEROVÁ & Pavol SCHWARCZ, Agricultural cooperatives and their development after the transformation, *Bulletin of Szent István University*, Part II, 2008, pp. 515–524; Halina STARZYCZNA, Spotřební družstevnictví a jeho pozice ve vnitřním obchodě ČR po roce 1989, *Acta academica karviniensia*, 1, 2009, pp. 220–231; Elena ŠÚBERTOVÁ, Ekonomické a sociálne aspekty družstevného podnikania v SR, in: *Marketing, manažment, obchod a sociálne aspekty podnikania. Zborník recenzovaných príspevkov z 2. ročníka medzinárodnej vedeckej konferencie*, eds. Jana DZURIČKOVÁ & Barbora GONTKOVIČOVÁ, Bratislava: Ekonóm, 2014, pp. 45–50.

approach to cooperatives, represented by the International Year of Cooperatives, declared by the United Nations in 2012, and the Report of the European Parliament of 2013. In comparison to the aforementioned approaches, the CST offers its own thoughts on cooperativism, namely thanks to a doctrine of popes St. John XXIII, St. John Paul II, Benedict XVI and Francis, respectively. An introduction of the ideas of these significant spiritual figures of the 20<sup>th</sup> and 21<sup>st</sup> centuries will result in a conclusion on the current role of cooperatives from the CST perspective. Such an approach represents an original contribution to the theory of cooperativism and could notably enrich the mainstream one.

## The Main Traits of Cooperatives

Although the term ‘cooperativism’ has been sometimes identified with agriculture, the modern cooperatives are not based only on an agricultural basis. It can be said in general that cooperatives “are a special type of socio-economic organizations which are *associations* as well as economic units – *companies*”.<sup>13</sup> They can be characterized as “voluntary and open communities, democratically controlled, established for the purpose of self-help and the ensuring of economic, social or other needs of its members”.<sup>14</sup> The Council of the EU describes them as “groups of persons or legal entities with particular operating principles that are different from those of other economic agents. These include the principles of democratic structure and control and the distribution of the net profit for the financial year on an equitable basis.”<sup>15</sup>

In a broader social and political context they tend to be considered “small schools of democracy, schools of small business and the development of social capital”.<sup>16</sup> In the latest economic discourse they are described in connection with the so-called degrowth movement, solidarity economics and grassroots innovations.<sup>17</sup> The emergence and development of such ‘associations’, ‘enterprises’ or ‘schools’, to name a few of their characteristics, presupposes the existence and strengthening mentality eliminating individualism, selfishness and striving for cooperation, consensus and the pursuit of mutual benefit. In fact, as reminded by Carl Ratner, cooperativism begins,

when individuals start to give up their separateness, privacy, and self-interest and contribute (integrate) their wealth, possessions, and rewards to a democratically run group in which they collectively decide how the resources will be used to benefit the members together. Group members develop group projects, identity, feelings, needs, motives, interests, and responsibilities. This group praxis results in social solidarity and support for the members. It also results in an active role for individual members in shaping the activities of the group, and this affects their behaviour.<sup>18</sup>

These psychological aspects lie at the heart of cooperative entrepreneurship. This is also reflected in the cooperative principles defined by the International Co-operative Alliance (ICA). Although

13 COLLECTIVE OF AUTHORS, *Hospodářská demokracie v praxi. Jak funguje zaměstnanecká participace?*, Prague: KSLP – Česká společnost pro zaměstnaneckou participaci, o. s., 2008, p. 95; italics in original.

14 Ibid.

15 Council Regulation (EC) No. 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE), Article 7.

16 Magdalena HUNČOVÁ, *Ekonomický rozměr občanské společnosti*, 2<sup>nd</sup> Ed., Prague: Wolters Kluwer ČR, 2010, p. 215.

17 See, Naděžda JOHANISOVÁ, Ruben SURINACH PADILLA & Philippa PARRY, Co-operatives, in: *Degrowth: A Vocabulary for a New Era*, eds. Giacomo D’ALISA, Federico DEMARIA & Giorgos KALLIS, New York, London: Routledge, 2015, pp. 152–155.

18 Carl RATNER, Cooperativism: A Social, Economic, and Political Alternative to Capitalism, *Capitalism Nature Socialism* 2/2009, p. 55.

the “spirit” of such principles have remained the same for over 100 years, their specific wording from the 1930s has changed several times. Their current form, approved at the ICA Congress in Manchester in 1995 reads as follows:

- I. *Voluntary and Open Membership.* Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
- II. *Democratic Member Control.* Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.
- III. *Member Economic Participation.* Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.
- IV. *Autonomy and Independence.* Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.
- V. *Education, Training and Information.* Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.
- VI. *Co-operation among Co-operatives.* Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.
- VII. *Concern for Community.* Co-operatives work for the sustainable development of their communities through policies approved by their members.<sup>19</sup>

<sup>19</sup> Cooperative identity, values and principles (on-line), available at: <http://ica.coop/en/whats-co-op/co-operative-identity-values-principles>, cited 13. 1. 2016.

## Tradition of Owen and Lenin's "Alternative View"

The birth of the cooperative movement dates back to the 19<sup>th</sup> century – to the age of the Industrial Revolution, connected with changing methods of organization and the division of labour. People have ceased to be those who produce things; they were no longer owners of their working tools and not directly benefiting from their work.<sup>20</sup> It was this early form of capitalism, aimed at profit without any legal or ethical regulation, that encouraged the beginning of cooperativism.

At the beginning of the cooperative tradition in Slovakia was the "Economic Association in Sobotište" (in Slovak: *Gazdovský spolok v Sobotišti*) founded by Samuel Jurkovič on 9 February, 1845. The association became de facto the first agricultural credit cooperative in Europe and the world. The theoretical foundation for the cooperative movement in Bohemia was already laid in the mid-19<sup>th</sup> century, by a doctor of medicine, politician and civil society activist named František Cyril Kampelík. The credit cooperative movement in Central Europe took off in the mid 1850s and 1860s thanks to the work of German innovators Friedrich Wilhelm Raiffeisen and Franz Hermann Schulze-Delitzsch.

One of the main coryphaei of cooperative movement (together with theoreticians such as Ferdinand Lassalle, Louis Blanc and William Thompson) is considered to be a Welshman named Robert Owen, a social utopian, who devoted his life to cotton textile production in his own factory. Unlike other utopian socialists of the 18<sup>th</sup> century, for instance Saint-Simon and Charles Fourier, Owen regarded private property, exploitation of wage labour, religion and the form of marriage from those times as the causes of all shortcomings of capitalism. His social philosophy was inspired by an optimistic view of man. He believed that human nature can be enhanced by improving the circumstances in which it lives. Owen considered the factory to be the basic cell around which the whole society should be built, while a factory should be managed on a cooperative basis. He emphasized the role of education, for example that society should not be producing only material goods but manufacturers should also be provided with spiritual education.<sup>21</sup>

More than 100 year later "the theoretician of the death of the state"<sup>22</sup> and coryphaeus of the revolution, Vladimir Ilyich Lenin, fought over the underdeveloped conditions of the rural population in the newly created Soviet Union, but mainly at a theoretical level. His thoughts on cooperativism were put forward in a subtle and still little known work *On Cooperativism*, which he wrote on January 1923, and which was published for the first time on 26 and 27 May 1923 in the daily *Pravda* (Nos. 115 and 116).<sup>23</sup> Little knowledge of the work stems from the fact that after the Stalin's rise to power this text "fell into oblivion inside and outside the USSR," despite the fact that

20 Cf. Ladislav FEIERABEND, *Zemědělské družstevnictví v Československu do roku 1952*, Volary: Stehlík, 2007, p. 11.

21 Cf. Ernesto SCREPANTI & Stefano ZAMAGNI, *An Outline of the History of Economic Thought*, 2<sup>nd</sup> Ed., Oxford, NY: Oxford University Press, 2005, pp. 139–140; Milan SOJKA, *Dějiny ekonomických teorií*, Prague: Havlíček Brain Team, 2010, p. 97. For more on his thought, see Antonín PIMPER, *Křesťanský solidarismus*, Prague: Č.A.T. – Universum, 1946, pp. 27–30; Alexander BRÖSTL, *Dejiny politického a právneho myslenia*, Bratislava: Iura Edition, 1999, pp. 194–196; Noel THOMPSON & Chris WILLIAMS, *Robert Owen and his Legacy*, Cardiff: University of Wales Press, 2011; Vladimír NAXERA & Ondřej STULÍK, *Komparace sociálních utopií*, Brno: Václav Klemm, 2012, pp. 83–91; Naďa JOHANISOVÁ, *Ekonomičtí disidenti: kapitoly z historie alternativního ekonomického myšlení*, Volary: Stehlík, 2014, pp. 14–17; Pavel SIRŮČEK, *Polozapomenuté postavy ekonomického myšlení – Robert Owen*, *Acta Oeconomica Pragensia* 4/2015, pp. 78–85.

22 Bruno JOSSA, Marx, Lenin and the Cooperative Movement, *Review of Political Economy* 2/2014, p. 291.

23 Vladimír Iljič LENIN, *O družstevnictví*, Prague: Státní nakladatelství politické literatury, 1953. English version: Vladimir Ilyich LENIN, *Lenin's Collected Works*, 2<sup>nd</sup> English ed., Moscow: Progress Publishers, Vol. XXXIII, 1965, pp. 467–475; Robert C. TUCKER (ed.), *The Lenin Anthology*, New York: Norton, 1975.



it constitutes a “turning point in Lenin’s political thinking”<sup>24</sup> and can be seen as a sign of his “intellectual maturity”.<sup>25</sup>

It was the fruit of his reflections which regarded the principles of the New Economic Policy (*Novaja ekonomičeskaja politika*, NEP) as a direct response to the failed anti-Bolshevik Kronstadt uprising in March 1921. It was the NEP which enabled ‘state capitalism’ and allowed private business. Thanks to such steps the economy was stabilized, the industry and agriculture were stimulated, and it was no longer the government who directly ordained price levels of goods and services. The NEP and the related ideas of the cooperative movement were a pragmatic recognition of the economic and political reality, although still tactically embedded in the socialist ideological framework.<sup>26</sup>

In the above-mentioned document Lenin considered the cooperative system to be an ideal way of socialism for small farmers, accelerating the development of the economy and culturally uplifting the process of civilization and the people.<sup>27</sup> According to Lenin, at the stage immediately following the proletarian revolution (which was expected to start the period of building of socialism towards a communist society), there was a need to rely more on markets and cooperatives and to push aside the process of economic planning for some time.<sup>28</sup> In this type of transition economies, cooperatives had to achieve socialism and prevent the bureaucratization of the Communist Party.<sup>29</sup> Their economic reason was purely pragmatic and de facto reduced to the political level. Through the proletarian revolution and the subsequent collectivization of the means of production, suddenly everything would be expected to go in a different and better way, but this dream finally disappeared, as Benedict XVI commented on the Marxist-Leninist concept in one of his encyclicals.<sup>30</sup> Nor did it contribute to any implantation of cooperative ideas. On the other hand, Lenin rejected employee control and participation in decision-making in cooperatives within the meaning of the principles of economic democracy (workplace participation) because he considered such a project to be “syndicalistic”.<sup>31</sup>

Lenin reckoned with state support of cooperatives as a way of socialism-building: “Cooperation must be politically organized in such a manner that it will not only generally and always enjoy certain privileges, but that these privileges should be of a purely material nature (a favourable bank rate, etc.). The cooperatives must be granted state loans that are greater, if only by a little, than the loans we grant to private enterprises, even to heavy industry, etc.”<sup>32</sup> He absolutely refused previous ideas on the cooperative movement presented by Owen and considered them “fantastic”,

24 Bruno JOSSA, *Marx, Lenin and the Cooperative Movement*, p. 286.

25 Op. cit., p. 292.

26 For more about Lenin’s political thought, see Peter KULAŠIK, František BRIŠKA & Daniela JEŽOVICOVÁ, *Dejiny politických teorií: Od staroveku do současnosti*, Banská Bystrica: Faculty of Political Science and International Relations, Matej Bel University in Banská Bystrica, 2003, pp. 154–157; Neil HARDING, *Lenin’s Political Thought: Theory and Practice in the Democratic and Socialist Revolutions*, Chicago, IL: Haymarket Books, 2009 [1977, 1978]. About NEP see, for example, Roger William PETHYBRIDGE, *One Step Backwards, Two Steps Forward: Soviet Society and Politics in the New Economic Policy*, Oxford: Clarendon Press, 1990; Efim Gilevič GIMPELSON, *NEP: Novaja ekonomičeskaja politika Lenina – Stalina. Problemy i uroki (20-e gody XX veka)*, Moscow: Sobranie, 2004; Robert PAVLOUŠEK, *NEP jako pokus o tržní ekonomiku (Diploma thesis)*, Brno: Faculty of Law, Masaryk University in Brno, 2007; Lukáš VALEŠ, JZD Agrokombinát Slušovice – an example of efficiency in inefficient times, *Scientia et Societas* 4/2015, pp. 114–115.

27 Cf. Lidmila NĚMCOVÁ & Václav PRŮCHA, *K dějinám družstevnictví ve světě a v Československu*, p. 23.

28 Cf. Bruno JOSSA, *Marx, Lenin and the Cooperative Movement*, p. 288.

29 Op. cit., p. 291.

30 Cf. BENEDICT XVI, *Deus caritas est*, Trnava: Spolok svätého Vojtecha, 2006, § 27. For an erstwhile Czech academic critique of socialism from Catholic positions, see Alfred FUCHS, *Demokracie a encykliky*, Prague: Vyšehrad, 1936, pp. 33–37.

31 Charles E. LINDBLUM, *Politics and Markets: The World’s Political-Economic Systems*, New York: Basic Books, 1977, p. 338.

32 Vladimir Ilyich LENIN, *O družstevnictví*, p. 7.

“romantic, and even banal”.<sup>33</sup> The main reason is that such an older concept takes into account a peaceful transformation of “class enemies into class collaborators (...) by merely organizing the population into cooperative societies”.<sup>34</sup> On the other hand, Lenin stated, “socialism cannot be established without a class struggle for the political power and a state”.<sup>35</sup> Then, as one of the main goals of revolutionary socialists he considers the cultural work among the peasants; the economic objective of this work was cooperativism.<sup>36</sup>

## The Mainstream Approach to Cooperativism

A fruit of the global initiatives striving for the dissemination of cooperative ideas was the International Year of Cooperatives 2012, declared by the UN. Its motto was “Cooperative enterprises build a better world”. The International Year was launched at the 66<sup>th</sup> plenary session of the UN General Assembly on 31 October 2011. Even sooner, on 18 December 2009, the 64<sup>th</sup> UN General Assembly adopted resolution A/RES/64/136, which inaugurated the thematic year. In its Resolution the UN reiterated its longstanding support of cooperative ideas.

In the document the UN General Assembly recognizes and acknowledges that “cooperatives, in their various forms, promote the fullest possible participation in the economic and social development of all people, including women, youth, older persons, persons with disabilities and indigenous peoples, are becoming a major factor of economic and social development and contribute to the eradication of poverty”.<sup>37</sup> One of the weaknesses of such declarations emerging from the mainstream model is, among other things, that they do not accentuate the environmental and social dimension of cooperatives.

Thanks to the declaration of the International Year of Cooperatives the UN pursued mainly three goals: to promote the development of cooperatives, to improve the legislative conditions for their existence and action, as well as to raise public awareness about them. In its Resolution the UN General Assembly directly called upon governments of the member states to pay attention to the recommendations of the UN Secretariat relating to the promotion of growth of cooperative business forms, as well as to create favourable legal and administrative conditions for cooperative economic activities in their countries. The call was aimed at the area of close cooperation with national governments and international organizations concerned with the development and promotion of cooperative entrepreneurship.

The UN initiative of 2009 continues in the long-term support of cooperative ideas. During the second UN Development Decade (1971–1980) the United Nations attributed crucial importance to the cooperative movement in addressing the problems of the so-called Third World. UN General Assembly Resolution No 64/136 fits in line with previous resolutions of the 1960s and 1970s, which paid considerable attention to the development of cooperativism.<sup>38</sup>

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<sup>33</sup> Op. cit., p. 11.

<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> See op. cit., p. 12.

<sup>37</sup> Resolution, UN General Assembly No. 64/136: *Cooperatives in social development*, 18 December 2009.

<sup>38</sup> See, Lidmila NĚMCOVÁ & Václav PRŮCHA, *K dějinám družstevnictví ve světě a v Československu*, p. 11.

At the European level, the cooperative movement is being strongly supported by the European Union, especially as an integral part of social entrepreneurship and social economy.<sup>39</sup> Moreover, the EU facilitated cooperatives by making the legislative provision of a Statute for a European Cooperative Society in 2003. One of the strongest and latest impetuses came from the European Parliament (EP) three years ago. The EP issued its Report on the contribution of cooperatives to overcoming the crisis (2012/2321[INI]), dated 12 June, 2013. It was adopted via voting in the Committee on Industry, Research and Energy (a rapporteur was MEP Patrizia Toia from the Alliance of Liberals and Democrats for Europe). In the 51 points-long Report, positively-minded towards cooperativism, the EP states that

cooperatives, along with other social economy enterprises, play an essential role in the European economy, especially in time of crisis, by combining profitability with solidarity, creating high-quality jobs, strengthening social, economic and regional cohesion and generating social capital<sup>40</sup> [and that] the cooperative business model contributes to real economic pluralism, is a vital part of the ‘social market economy’.<sup>41</sup>

In light of the economic crisis the EP assumed that “cooperative societies were more immune to the crisis due to the special management model, which is based on joint ownership, democratic economic participation and control, organisation and management by member-stakeholders, and commitment to the community.”<sup>42</sup> In effect, the EP explicitly mentioned those characteristics of cooperativism which were highlighted as positive within the CST by the popes, as shall be clarified below.

## Popes on the Cooperative Movement

Heads of the Catholic Church, at least since the second half of the last century, are well aware of the flaws and threats of a capitalist economy, which were also criticized by the aforementioned V. I. Lenin. Therefore, they refuse to accept the neoliberal model considered and promoted by the mainstream economy for a long time as optimal.<sup>43</sup> On the other hand, it would be mistaken to claim that criticism of capitalism by the CST automatically means to accept Marxist premises as postulated by Lenin.

In his *opus magnum* “Introduction to Christianity”, the former cardinal Joseph Ratzinger (later Pope Benedict XVI) makes a fundamental distinction between Christianity and Marxism. He assumes that the Marxist approach rests in a positive idea of hope, like Christianity with its belief in Christ – the Redeemer, “because according to this teaching, a suffering proletariat is the redeemer of the World”.<sup>44</sup> However, this suffering of the proletariat “must be specifically implemented in the active form of the class struggle. Only then can it become ‘redemptive’ and lead to the disposal of the ruling class and equality of all people. If Jesus’ Cross is ‘suffering for someone’, then the suffering of the proletariat is (...) fighting against someone. If the Cross is a major work

39 EUROPEAN COMMISSION, *Social Economy and Social Entrepreneurship: Social Europe Guide – Volume 4*, Luxembourg: Publications Office of the European Union, 2013.

40 EUROPEAN PARLIAMENT, *Report on the contribution of cooperatives to overcoming the crisis* (2012/2321[INI]), 12 June 2013, § 1.

41 Op. cit., § 3.

42 Op. cit., § 7.

43 See, for example, Marián SEKERÁK, *Neoliberální ekonomická teorie a praxe a její recepce u sv. Jana Pavla II., Benedikta XVI. a Františka*, *Studia Theologica* 1/2015, pp. 108–132.

44 Joseph RATZINGER / BENEDICT XVI, *Úvod do křesťanstva*, Trnava: Dobrá kniha, 2007, p. 212.



of an individual for the benefit of the whole, then suffering of proletariat is primarily a matter of the masses organized in the party. Despite their initial nearness, both roads finally diverge in the opposite direction.”<sup>45</sup>

The popes do not only criticize capitalism, but also support functional alternatives such as the cooperative type of business. They come, of course, not from socialist ideology like Lenin, but rather from the CST. Its origins date back at least to Leo XIII’s encyclical *Rerum novarum* of 1891.<sup>46</sup> It became the first social encyclical, i.e. a binding document of Catholic doctrine aimed at social and economic issues.

Some causal remarks on the cooperative movement can be found in the encyclical of St. John XXIII, *Mater et Magistra*, specifically in §§ 72–77. In the text the Pope appreciates the cooperative type of business and lists a number of recommendations. The cooperatives should always adapt to new situations arising from progress in science and technology and also the changing needs and interests of consumers. They should be professionally organized as well. Furthermore, in relation to cooperatives, governments should “take the proper steps regarding their training, taxation, credit, social security and insurance”.<sup>47</sup> Finally, the Pope concludes his relatively vague and broad formulations by stating that cooperatives “are upholding true human values and contributing to the advance of civilization”.<sup>48</sup>

Three popes, whose pontificate was/is (partly or wholly) situated in the 21<sup>st</sup> century, namely St John Paul II, Benedict XVI and Francis have used various Vatican speeches to reflect on an issue of cooperatives. These were addressed to various cooperative organizations and associations. In fact, each of them referred to the values and ideas presented by Leo XIII in the aforementioned encyclical *Rerum novarum*. Their ideas are also derived from the Second Vatican Council and its conclusions, although the Council expressed its thoughts on cooperativism very modestly. Basically, a marginal remark can be found in one conciliar document, that is the Pastoral Constitution on the Church in the Modern World *Gaudium et Spes*, issued on 7 December 1965. The Constitution reads as follows:

According to the different cases, therefore, reforms are necessary: that income may grow, working conditions should be improved, security in employment increased, and an incentive to working on one’s own initiative given. Indeed, insufficiently cultivated estates should be distributed to those who can make these lands fruitful; in this case, the necessary things and means, especially educational aids and the right facilities for cooperative organization, must be supplied.<sup>49</sup>

In March 1984, John Paul II addressed the 3<sup>rd</sup> National Congress of the Italian Cooperative Federation. In his speech he referred to the CST, among other things, and pointed out that “human sol-

45 Ibid. Lenin is remembered by Ratzinger a few decades later: as the Pope mentioned in his encyclical *Spe salvi* the blind alley of Marxism, i.e. the lack of continuation of social order after the successful implementation of the proletarian revolution, what Lenin himself was well aware of as well; see, BENEDICT XVI, *Spe salvi*, Trnava: Spolok svätého Vojtecha, 2007, § 21. Also jurist A. Brösl confirms the Pope’s words in his comment on Lenin’s thinking on the State: “On the eve of the day when he reaches for power, Lenin predicts a long dictatorship of the proletariat, but admits that he does not know how to reach the aim after breaking the bureaucratic-military state apparatus”; Alexander BRÖSL, *Dejiny politického a právneho myslenia*, p. 247.

46 Cf. Lubomír MLČOCH, *Analýza a interpretace současné katolické sociální nauky z pohledu ekonomie*, in: *Katolická sociální nauka a současná věda*, eds. Petr FIALA, Jiří HANUŠ & Jan VYBÍRAL, Brno, Prague: CDK, Vyšehrad, 2004, p. 101.

47 *Dokumenty sociálnej nauky cirkvi*. Trnava: Spolok svätého Vojtecha, 2007. Encyclical *Mater et Magistra*, § 75 (online English edition at [http://w2.vatican.va/content/john-xxiii/en/encyclicals/documents/hf\\_j-xxiii\\_enc\\_15051961\\_mater.html](http://w2.vatican.va/content/john-xxiii/en/encyclicals/documents/hf_j-xxiii_enc_15051961_mater.html), § 88).

48 Op. cit., § 76 (online English edition on, § 89).

49 *Dokumenty II. vatikánskeho koncilu*. Prague: Zvon – České katolické nakladatelství, 1995. Constitution *Gaudium et Spes*, § 71.

idity and growth seen in its totality, in the economic, social and human sense, are the backbone of the associational cooperation system”.<sup>50</sup> Moreover, he highlighted, being aware of the rules and principles of cooperativism, he stated that a cooperative must balance the needs of its individual members and social services. The Pope noted that facilitating mutual human development and integration through cooperative enterprise reduced individualism and highlighted the diversity of institutions across sectors without jeopardizing their identity.

The Polish Pontiff addressed in June 1998 in Vatican the Central Institute of Italian Cooperative Credit Banks (It. *l'Istituto di credito delle casse rurali e artigiane*). He recalled that the concept of this type of bank has been rooted in Italian society for over 100 years and was “a stimulating experience of participation” and “an effective instrument for attaining a higher level of justice”.<sup>51</sup> It is interesting that the Pope explicitly mentioned the phrase “economic democracy”, when saying that activities of cooperative credit banks “seek to promote a real economic democracy with credit offered on a human scale”.<sup>52</sup> Such a highlighting of employee participation (in a narrow understanding of economic democracy) is undoubtedly not isolated, as evidenced by various other references to this concept, made not only by St John Paul II.<sup>53</sup>

According to him, the great importance of cooperatives rests upon the fact that they appreciate the role of an individual in the community and protect the legitimate interests of a person. The structure of cooperative credit banks as such “is based on a society of persons and not on capital”, which means – again in accordance with the cooperative principles – that “the main objective is not profit, but the satisfaction of social needs”.<sup>54</sup>

A similar rhetoric was used in December 2011 by the Pope Benedict XVI in his address to the members of the Confederation of Italian Cooperatives and the Italian Federation of Cooperative Credit Banks. He recalled that in the wider dimensions

[t]he fulcrum of cooperative experiences lies precisely in the commitment to attune the individual and community dimensions. It is a practical expression of complementarity and subsidiarity which the Church's social doctrine has always encouraged between the person and the State; it is the balance between the safeguard of the rights of the individual and the promotion of the common good in the effort to develop a local economy that responds more and more to the needs of the group. On the ethical level too it is likewise characterized by a marked sensitivity to solidarity, and with respect for the just autonomy of the individual.<sup>55</sup>

50 JOHN PAUL II, *Discorso di Giovanni Paolo II ai partecipanti al III Congresso nazionale della Confederazione Cooperative Italiane*, 30. 3. 1984 (on-line), available at: [https://w2.vatican.va/content/john-paul-ii/it/speeches/1984/march/documents/hf\\_jp-ii\\_spe\\_19840330\\_congresso-confcooperative.html](https://w2.vatican.va/content/john-paul-ii/it/speeches/1984/march/documents/hf_jp-ii_spe_19840330_congresso-confcooperative.html), cited 18. 11. 2015.

51 JOHN PAUL II, *Address of the Holy Father Pope John Paul II to Central Institute of Co-operative Credit Banks*, 26. 6. 1998 (on-line), available at: [https://w2.vatican.va/content/john-paul-ii/en/speeches/1998/june/documents/hf\\_jp-ii\\_spe\\_19980626\\_credito-cooperativo.html](https://w2.vatican.va/content/john-paul-ii/en/speeches/1998/june/documents/hf_jp-ii_spe_19980626_credito-cooperativo.html), cited 18. 11. 2015.

52 Ibid.

53 See, Marián SEKERÁK, *Ekonomická demokracia: Dejiny, teória a prax*, Banská Bystrica: Faculty of Political Science and International Relations, Matej Bel University in Banská Bystrica, 2013, pp. 70–79.

54 JOHN PAUL II, *Address of the Holy Father Pope John Paul II to Central Institute of Co-operative Credit Banks*.

55 BENEDICT XVI, *Address of His Holiness Benedict XVI to Members of the Confederation of Italian Cooperatives and of the Italian Federation of Cooperative Credit Banks*, 10. 12. 2011 (on-line), available at: [https://w2.vatican.va/content/benedict-xvi/en/speeches/2011/december/documents/hf\\_ben-xvi\\_spe\\_20111210\\_cooperative.html](https://w2.vatican.va/content/benedict-xvi/en/speeches/2011/december/documents/hf_ben-xvi_spe_20111210_cooperative.html), cited 8. 11. 2015.

In his speech, slightly more than in case of his canonized predecessor, references to Christianity and God are obvious. Benedict XVI reminded his audience, the members of cooperatives, to remember what characterizes Christian associations. He also urged them to remain faithful to the Gospel and Catholic teaching.

A considerably different spirit was present in Pope Francis' speech of February 2015. He addressed the representatives of the Confederation of Italian Cooperatives, but his rhetoric was substantially different from that which was typical of his two predecessors. While the ideas of St John Paul II and Benedict XVI have been characterized by their refinement, formality and universality with regard to the question of cooperatives, Francis' words are very straightforward, specific and come directly from his personal and explicitly expressed sympathy with the cooperative type of business.

Several levels of his speech can be highlighted. First and foremost, the Pope notices the hopeless situation of many people in contemporary society, not excluding the developed capitalist countries. In particular, he recalls the problem of unemployment and low-paid work: "It is routine today, I do not say normal, customary..., but too often one sees: 'Are you looking for work? Come, come to this company.' Eleven hours, ten hours of work, 600 Euros. 'Do you like it? No? Go home.'" Francis described<sup>56</sup> the harsh reality of the so-called labour market with an overly optimistic vision of wage conditions. Furthermore, he asked what to do in a world that operates in this way. Francis pointed to the exclusion of people who face discrimination in the employment-seeking process due to their age: "'What are you?' — 'I'm an engineer' — 'Ah, how nice, how nice. How old are you?' — '49' — 'You aren't needed, go on.' This happens every day," described Francis vividly.<sup>57</sup> Nowadays, the role of cooperatives is to fight with such a "throw-away culture" in which we live, a culture of throwing away seemingly useless people and food, a culture which "upholds the economic and financial policies of the globalized world, at the centre of which is the god of money".<sup>58</sup>

Referring to the Church Father and Doctor of the Church of the fourth century, St Basil of Caesarea and Francis of Assisi, the Pope reiterated that "money is the devil's dung". If money does become an idol, it controls a human being and makes him or her its servant: "Money at the service of life can be managed in a just way by a cooperative if (...) it is an authentic, true cooperative, where capital is not in command over men but men over capital."<sup>59</sup>

Similarly, he warned against the deification of money in his Post-Synodal Apostolic Exhortation *Evangelii gaudium*, where he stated that "we calmly accept its dominion over ourselves and our societies".<sup>60</sup> In the same document he recalled that "[m]oney must serve, not rule!"<sup>61</sup> For such reasons, the Pope called for the fight against fake cooperatives "which prostitute the very name of cooperatives, namely of a truly good organization, in order to deceive people with aims of profits contrary to those of true and authentic cooperation".<sup>62</sup> Authentic cooperatives, which the Pontiff was talking about, are characterized by activities not primarily aimed at profit-seeking,

56 FRANCIS, *Address of His Holiness Pope Francis to representatives of the Confederation of Italian Cooperatives*, 28. 02. 2015 (on-line), available at: [http://w2.vatican.va/content/francesco/en/speeches/2015/february/documents/papa-francesco\\_20150228\\_confcooperative.html](http://w2.vatican.va/content/francesco/en/speeches/2015/february/documents/papa-francesco_20150228_confcooperative.html), cited 18. 11. 2015.

57 Ibid.

58 Ibid.

59 Ibid.

60 FRANCIS, *Evangelii gaudium*, Prague: Paulínky, 2014, § 55.

61 Op. cit., § 58.

62 FRANCIS, *Address of His Holiness Pope Francis to representatives of the Confederation of Italian Cooperatives*.

but providing benefits for all of its members. While conventional profit-oriented enterprises “are pressured into creating demand for often spurious products or services, cooperatives (for whom profit is not a primary goal) can more easily satisfy real needs”.<sup>63</sup> Their typical feature is also broadening the scope beyond the economic sphere, for example towards the social or cultural area with an overlap of positive externalities into the local community or region of action.<sup>64</sup>

Apparently, some scholars such as sociologist Charles Derber believe that thanks to their participatory nature in the workplace and wider community, cooperatives are able “to nourish the civil society and economic dynamism”.<sup>65</sup> According to the Czech economist Magdalena Hunčová, the rate of acceptance of the reciprocity principle, which is something that authentic cooperatives are based on, may lead to two extreme situations. Firstly, to the “mummification” of the cooperative into the internal circuit of community autarchy – this happens in case of an absolute understanding of the principle of reciprocity. Secondly – if there is an atrophy of such a principle – the membership principle is suppressed at the expense of competitiveness. In this case a specific form of cooperative business loses its own *raison d’être*.<sup>66</sup>

The second level, mentioned by Francis in his speech, was the globalization of solidarity. This means, according to him, that “thinking about the spiralling increase of unemployed people, of the unending tears of the poor, of the need to resume development that is both a true, integral progress of the person who certainly needs income, but not only income!”<sup>67</sup> Therefore, cooperatives should move towards the existential peripheries, where a new hope must be re-discovered, and where the existing socio-political system appears to be “fatally destined to suffocate hope, to steal hope, increasing risks and threats”.<sup>68</sup> Here the Pope refers to various new social risks that the capitalist society finds almost impossible to avoid, especially with regard to the representatives of the middle class and the so-called underclass.<sup>69</sup>

The third level raised by Francis lies in some challenges and encouragements offered by himself. Firstly, the cooperatives must continue in being the engine leveraging and developing the weakest part of the local communities where they operate, as well as of the entire civil society. A mere sentiment is unable to do this.<sup>70</sup> The second encouragement, but not in terms of importance, is the challenge that cooperatives should become the active leaders in creating new solutions in the field of welfare, especially in that of health care.

The fourth encouragement deals with the economy and its relationship to social justice, human dignity and value of human being: “It is well known that certain liberalism (Italian, ‘*un certo liberismo*’) believes it is necessary to first produce wealth, no matter how, to then promote some policy of redistribution by the State.”<sup>71</sup>

63 Naděžda JOHANISOVÁ & Stephan WOLF, *Economic democracy: A path for the future?*, p. 565.

64 Cf. Magdalena HUNČOVÁ, *Ekonomický rozměr občanské společnosti*, p. 221. The latest case study of the relationship between local development and cooperatives on an example of Peru is offered by Małgorzata KURJAŃSKA, *A cooperative Peru: Is centralization of cooperatives better for local development?*, *Development in Practice* 3/2015, pp. 306–320.

65 Charles DERBER, *If not Socialism, What?*, *Peace Review* 1/1997, p. 104.

66 Cf. Magdalena HUNČOVÁ, *Ekonomický rozměr občanské společnosti*, p. 211.

67 FRANCIS, *Address of His Holiness Pope Francis to representatives of the Confederation of Italian Cooperatives*.

68 Ibid.

69 See Jan KELLER, *Nová sociální rizika a proč se jim nevyhneme*, Prague: SLON, 2011.

70 Similar considerations are presented by the sociologist Derber who wrote that “cooperativism (...) tightly links economic change and the remaking of civil society”; Charles DERBER, *If not Socialism, What?*, p. 107.

71 FRANCIS, *Address of His Holiness Pope Francis to representatives of the Confederation of Italian Cooperatives*. N.B. that in a similar vein in *Evangelii gaudium* he pillories such economic theories, “which assume that economic growth, encouraged by a free market,

The Pope's fifth encouragement is summed up as the challenge to assist the development, maintenance and strengthening of family life because the economy cannot develop when the population is aging and declining, but only if it is growing. The last encouragement surprised the Pope himself because it reiterates the need for money: "It takes money to do all these things! Cooperatives in general are not established by large capitalists, but it is rather often said that they are structurally undercapitalized. Instead, the Pope tells: you must invest, and you must invest well!"<sup>72</sup>

The aforementioned five encouragements have been supplemented by two more in September 2015. They were presented in his address to the staff of the Cooperative Credit Bank of Rome. The sixth encouragement in the series is, then, a call to form the economy of equitable growth "at a time in which the air of corruption is everywhere". The seventh and last is the challenge to "play an active role in globalization, in order to globalize solidarity".<sup>73</sup> Similarly, Francis urged the "globalization of solidarity" earlier, in his address to the participants of the World Congress of Accountants in November 2014: "If we want to deliver to future generations an improved environmental, economic, cultural and social patrimony, which we inherited, we are called to assume the responsibility of working for the globalization of solidarity. Solidarity is a demand that arises from the same network of interconnections which develop with globalization."<sup>74</sup>

The need for the "globalization of solidarity" was highlighted not only by Pope Francis, but already by his two predecessors. St John Paul II has contributed to the development of this concept in his message to the 17<sup>th</sup> General Assembly of *Caritas Internationalis* of July 2003:

Indeed, if solidarity is to become worldwide, it must take into account all peoples from all regions of the world. (...) Globalizing solidarity also means working in a close, steady relationship with international organizations, which are guarantors of rights, to create a new balance in the relations between rich and poor countries(...). Moreover, the desire to globalize solidarity is not just a question of adapting to the new demands of the international situation or to changes in the application of market forces, but is above all a response to the urgent demands of Christ's Gospel.<sup>75</sup>

Similarly, the necessity of spreading the globalization of solidarity to the whole world was stressed by Benedict XVI in his address to the then incoming Ambassador of Uruguay to the Holy See, Sir Mario Juan Bosco Cayota Zappettini:

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will inevitably succeed in bringing about greater justice and inclusiveness in the world. This opinion, which has never been confirmed by facts, expresses a crude and naïve trust in the goodness of those wielding economic power and in the sacralised workings of the prevailing economic system. Meanwhile, the excluded are still waiting"; FRANCIS, *Evangelii gaudium*, § 54. He similarly writes in a social encyclical *Laudato Si'*: "...we need to reject a magical conception of the market, which would suggest that problems can be solved simply by an increase in the profits of companies or individuals"; FRANCIS, *Laudato Si'*, Prague: Paulínky, 2015, § 190. Also the aforementioned Professor Derber pointed out a certain paradox in the case of free market. He observed that the market for its own existence needs trust and solidarity, but by its "religion of self-interest relentlessly chips away at all forms of social solidarity" the market is "sabotaging the conditions of its own survival"; Charles DERBER, *If not Socialism, What?*, p. 100.

72 FRANCIS, *Address of His Holiness Pope Francis to representatives of the Confederation of Italian Cooperatives*.

73 FRANCIS, *Address of His Holiness Pope Francis to the personnel of the Cooperative Credit Bank of Rome*, 12. 09. 2015 (on-line), available at: [https://w2.vatican.va/content/francesco/en/speeches/2015/september/documents/papa-francesco\\_20150912\\_banca-credito-cooperativo.html](https://w2.vatican.va/content/francesco/en/speeches/2015/september/documents/papa-francesco_20150912_banca-credito-cooperativo.html), cited 8. 12. 2015.

74 FRANCIS, *Address of His Holiness Pope Francis to participants of the World Congress of Accountants*, 14. 11. 2014 (on-line), available at: [https://w2.vatican.va/content/francesco/en/speeches/2014/november/documents/papa-francesco\\_20141114\\_congresso-mondiale-commercialisti.html](https://w2.vatican.va/content/francesco/en/speeches/2014/november/documents/papa-francesco_20141114_congresso-mondiale-commercialisti.html), cited 9. 12. 2015.

75 JOHN PAUL II, *Message of John Paul II on the occasion of the 17<sup>th</sup> General Assembly of Caritas Internationalis*, 04. 07. 2003 (on-line), available at: [https://w2.vatican.va/content/john-paul-ii/en/speeches/2003/july/documents/hf\\_jp-ii\\_spe\\_20030707\\_caritas-internationalis.html](https://w2.vatican.va/content/john-paul-ii/en/speeches/2003/july/documents/hf_jp-ii_spe_20030707_caritas-internationalis.html), cited 8. 12. 2015.



Today, the vast problem of poverty and marginalization is a pressing challenge to governors and those in charge of public institutions. On the other hand, the so-called 'globalization process' has created new possibilities but also new risks that must be faced in the larger concert of nations. It is an opportunity to go on weaving, as it were, a network of understanding and solidarity between peoples – without reducing everything to merely commercial or pragmatic exchanges – where there is also room for the human problems of every location(...).<sup>76</sup>

Francis' relatively good knowledge of cooperative functioning is demonstrated not only in the provision of the above-mentioned encouragements, but also in his outlook on various types of cooperatives named in his speech: from agricultural to those that provide housing for the homeless, from the social to the credit ones, from fisheries to industry, business and consumer cooperatives: "I am well aware that this list is incomplete, but it is rather useful in order to understand how precious the cooperative method is, which must go forward, be creative."<sup>77</sup>

The fact of his thorough knowledge of the problems of cooperatives is confirmed even by Francis' personal recollection shared in his video message to the participants of the third "Festival of the Social Doctrine of the Church" in North-Italian Verona in 2013. It was organized by the union of Christian entrepreneurs and cooperative foundations and associations, under the patronage of the Pontifical Council for Justice and Peace (*Iustitia et Pax*) with the motto "Less inequality, more difference". In his message the Pope said:

I remember — I was a teenager — I was 18 years old: it was 1954, and I heard my father speak on Christian cooperativism and from that moment I developed an enthusiasm for it, I saw that it was the way. It is precisely the road to equality, not to homogeneity, but to equality in difference. Even economically it goes slowly. I remember that reflection my father gave: it goes forward slowly, but it is sure (...).<sup>78</sup>

The fourth sphere raised by Pope Francis in his speech of February 2015 is that of the future role of cooperatives. In his already mentioned five encouragements he hinted at which direction the cooperative movement could take. He also stressed that the reason of cooperatives is quite prophetic, focused on the future. The Pontiff openly backed the movement called "*empresas recuperadas*", which means factories abandoned by their owners and occupied by their workers, who start functioning as the new owners. Workers occupy factories in order to keep their livelihoods. "I am a fan of *empresas recuperadas*," confessed Francis openly.<sup>79</sup> He indirectly expressed, like St John Paul II before him, his sympathy for employee (co)participation in the ownership and management of the company. This principle, or rather the movement, is sometimes perceived as an alternative to capitalism (while sustaining the principles of a market economy), and at other times

76 BENEDICT XVI, *Address of His Holiness Pope Benedict XVI to H.E. Mr Mario Juan Bosco Cayota Zappettini, Ambassador of the Oriental Republic of Uruguay to the Holy See*, 30. 06. 2006 (on-line), available at: [http://w2.vatican.va/content/benedict-xvi/en/speeches/2006/june/documents/hf\\_ben-xvi\\_spe\\_20060630\\_ambassador-uruguay.html](http://w2.vatican.va/content/benedict-xvi/en/speeches/2006/june/documents/hf_ben-xvi_spe_20060630_ambassador-uruguay.html), cited 8. 12. 2015. For more about the political and ethical dimensions of transnational (global) solidarity, see Janusz SALAMON (ed.), *Solidarity Beyond Borders: Ethics in a Globalising World*, London: Bloomsbury Publishing, 2015.

77 FRANCIS, *Address of His Holiness Pope Francis to representatives of the Confederation of Italian Cooperatives*.

78 FRANCIS, *Video-message of Pope Francis for the Third Festival of the social doctrine of the Church held in Verona*, 21.–24. 11. 2013 (on-line), available at: [https://w2.vatican.va/content/francesco/en/messages/pont-messages/2013/documents/papa-francesco\\_20131121\\_videomessaggio-festival-dottrina-sociale.html](https://w2.vatican.va/content/francesco/en/messages/pont-messages/2013/documents/papa-francesco_20131121_videomessaggio-festival-dottrina-sociale.html), cited 27. 12. 2015.

79 FRANCIS, *Address of His Holiness Pope Francis to representatives of the Confederation of Italian Cooperatives*.

it is viewed, within the “broad definition of capitalism”,<sup>80</sup> as “market socialism, under which the workers (...) participate through assemblies or councils in the decision-making of the (...) organisation and receive a share of its profits”.<sup>81</sup>

## Conclusion

This brings us to the end of the review of cooperativism and its role in the CST, in comparison with the mainstream approach represented by the UN and EU. Its distinction from Lenin’s excessive views is obvious as well. From the CST point of view, cooperativism is typical for its anthropocentric character as well as for its communitarian nature.

In his above-mentioned address, Francis highlighted, completely in line with his predecessors, that it was already in Leo XIII’s encyclical *Rerum novarum* that cooperatives were mentioned. Thus, official Catholic thinking on cooperatives is linked to the historical tradition, including the obsolete “Christian Solidarist School”, represented by Antonín Pimper in former Czechoslovakia or Heinrich Pesch in Germany.<sup>82</sup> Pope Francis reminded us that in Latin terminology the word “*cooperari*”, being the origin of the word “cooperative”, means to work together, to cooperate, to help, to contribute to achieving the aim.

Accordingly, Pope Francis urged his listeners not to be satisfied with the word “cooperative” without having the real meaning and spirit of cooperation in mind. Thus, in his thoughts he confirmed the contemporary tendencies of some social scientists who stress that the alienation inherent to capitalism should be substituted for socio-economic relations which support a formation of “cooperative society” and popularize cooperativism as a “new and higher form of democracy”.<sup>83</sup>

What distinguishes the papal approach to cooperativism from the mainstream one represented by the EU is that the popes do not place the primary emphasis on the economic benefits of cooperatives, but highlight community-building. From the perspective of Catholic doctrine, cooperatives serve to improve interpersonal relationships, to build a strong community based on shared values, and to fight against social injustice. This should not be understood in a sense of class unity, as Lenin believed. What is meant by common values here belongs to Christianity: a shared commitment of brotherhood and mutual help. The main tool in fighting for social justice is then not a class struggle or political revolution as advocated by Marxism, but mutual cooperation and human effort to work together, because “man’s work is a participation in God’s activity”.<sup>84</sup>

80 Dennis H. WRONG, Is Capitalism eternal?, *Critical Review* 1/2004, p. 26.

81 Ibid.

82 Antonín PIMPER, Křesťanský solidarismus; Heinrich PESCH, *Lehrbuch der Nationalökonomie*, Freiburg im Breisgau: Herder, 1905–1923 (5 Volumes). For more about the Solidarist movement see, e.g., Joseph N. MOODY, *Church and Society: Catholic Social and Political Thought and Movements, 1789–1950*, New York: Arts Inc., 1953; Franz H. MUELLER, Social Economics: The Perspective of Pesch and Solidarism, *Review of Social Economy* 3/1977, pp. 293–297; Randall F. BARRON, Solidarism and Heinrich Pesch, *The Forum For Social Economics* 1/1982, pp. 4–18.

83 Carl RATNER, Cooperativism: A Social, Economic, and Political Alternative to Capitalism, p. 70.

84 JOHN PAUL II, *Laborem Exercens*, § 25, in: *Encykliky Jána Pavla II.*, Trnava: Spolok svätého Vojtecha, 2014, p. 158.

## The Idea of Cooperativism from a Social-Theoretical Perspective with Particular Emphasis on Catholic Social Teaching

### Abstract

In the paper I elucidate the basic traits of cooperativism from the perspective of the social sciences. Its historical roots, especially in the thought of Robert Owen and V. I. Lenin, are described, together with the mainstream cooperative model presented by the UN and the European Union. Forasmuch as teaching on the role of cooperative entrepreneurship in the contemporary capitalist economy is an integral part of Catholic Social Doctrine, particular emphasis is placed on the teaching of the popes on cooperatives.

**Key Words:** Cooperatives, Catholic Social Teaching, Pope Francis

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