

Alleged Barriers to Cooperative Operation/Development

By Tim Huet

Tim Huet compiled this list as a basis for discussion/debate; it should be understood that he does not personally endorse the alleged barriers listed below.

BARRIERS TO START-UP

- 1) Individual entrepreneurs can get going faster
- 2) Individual entrepreneurs are not, as a matter of personality type, cooperators
- 3) Individual entrepreneurs are motivated by profit and wish to maximize their own gain rather than share
- 4) Existing institutions of entrepreneurship (business schools, chambers of commerce, *Entrepreneur* magazine, etc.) are geared towards capitalist businesses
- 5) Laws are geared toward capitalist businesses
- 6) Financial institutions favor capitalist businesses

BARRIERS TO CONTINUATION OR COOPS IN GENERAL

- 1) Aging of and departure of founder generation
- 2) Increased market/stock value restricts entrance of new members, causes business to devolve into a "cooperative" owned only by a few of the earliest members
- 3) Racism, sexism and multiple oppressions play themselves out in particular ways that inhibit democratic operation
- 4) Slowness/expense of cooperative decision-making
- 5) Cooperatives less flexible/adaptable because of time required for decision-making
- 6) Cooperative decision-making leads to worse decisions
- 7) Democratic operation promotes, and fails due to, lack of worker discipline (lack of accountability)
- 8) Workers will bleed company financially rather than reinvest (won't invest in research, etc.)
- 9) Workers as a group tend to be conservative/risk adverse as opposed to entrepreneurial and opportunistic
- 10) Costly need to invest in the overall business education of cooperative members

- 11) Lack of experts (accounts, lawyers, etc) versed in cooperative principles
- 12) Lack of educational institutions (business schools) for cooperative management and development
- 13) Competition/selfishness, not cooperation, is human nature
- 14) U.S., and developed capitalist countries, are too individualistic for cooperatives to thrive
- 15) Costly need to re-educate workers brought up in competitive, individualistic culture (and perhaps against human nature)
- 16) Democratic organizations tend towards factionalization/fiefdoms
- 17) Less aggressive in meeting customer needs
- 18) Lack of knowledge/research regarding democratic management
- 19) Difficulty in recruiting/retaining good managers
- 20) Cooperatives operate below optimally efficient scale

BARRIERS TO GROWTH

- 1) Growth leads to occupational diversification and class divisions
- 2) Growth diminishes work-reward feedback loop
- 3) Potential growth opposed by workers as threatens feeling of community
- 4) Potential growth opposed by workers as threatening diminishment/dilution of democracy
- 5) Clannishness, unwillingness to compromise group autonomy for sake of cooperation among cooperatives
- 6) Potential growth opposed by some workers and customers due to antipathy against organizations that are large and/or "corporate"
- 7) Lack of cooperative financial incentive to grow, particularly relative to capitalist businesses
- 8) Growth creates alienation, animosity between line workers and management
- 9) Lack of access to investment capital
- 10) Difficulty of training/acclimating members during rapid growth
- 11) Worker cooperatives don't let workers go when market discipline dictates; in consequence, cooperatives are also hesitant to hire as soon as they should