

COOP57



Constellation
of the Commons

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Barcelona

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COOP57

Name of the interviewee
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Where are you located, what is your name, and what is your relationship to this project?

My name is Xavi Teis, I'm in Barcelona, and I'm a working partner at Coop57. I've been working with this cooperative for seven years.

When and where did Coop57 originate?

Coop57 came into being in Barcelona in 1995, but the process started taking shape ten years before that. As far as its origins, you could say it's the child of a workers' struggle that was taking place in 1986, when a publishing house called Burguera closed down. It was an important publisher in Spain and in Europe as a whole, I think the third most important publisher in Europe. As part of an expansion process, and in the context of an industrial crisis, the publishing house had to close, leaving almost a thousand workers jobless. Some of these workers refused to settle for a simple closure and compensation agreement, so they fought for the factory. They wanted to take back the factory as a co-op, but it was in the hands of the National Bank. They couldn't get it back at first, but they fought intensely for three years, and in the end they won. They received a series of reparations, but they decided not to keep the money and to instead give it back to the community, who had shown them solidarity during the struggle.

They divided the funds into three parts: They gave a portion to the Sandinista movement, which at that time seemed the most relevant to them. They put another portion toward efforts taking place in Spain, particularly the Andalucía Field Workers' Union, a day laborers' movement against large landowners for the right to land access. That movement had a really strong base and a powerful framework, and the creators of Coop57 had a close relationship with them, so they wanted to repay the solidarity that that collective had shown them. The third part of the funds was distributed locally; the workers said, "We're going to create a fund, sort of like a piggy bank, to support people in situations similar to ours." In other words, for people harmed by closures, or who are trying to initiate a recovery process in the form of a co-op, or who are creating new cooperative projects altogether. The idea was that if a self-managed co-op needed money, they could take some from the piggy bank. What the creators wanted was to stop working in capitalist businesses that depended on employers.

This idea of a piggy bank full of initial capital was the seed that became Coop57. Starting there, and working in conjunction with the Ronda Collective, a group of labor lawyers who helped them a lot, they worked out a structure and ultimately created Coop57, a financial services cooperative. In the beginning it only served to fund work that followed a cooperative model.

Can you explain what a financial services cooperative is?

Legal status as a cooperative is pretty uncommon in the financial sector. There are credit co-ops, but they're more banking-oriented legal entities. Coop57 is a financial services cooperative and not a bank; it's a service-based cooperative, similar to other service-based co-ops in other fields, it's just that in our case the services are financial.

We set it up like this because doing so allows us to carry out this type of financial activity. In other words, Coop57 has never wanted to act as a bank, provide banking services, or do retail or commercial banking. Rather, it serves to finance entities that align with a social and solidarity-driven economy. You don't have to be a bank to carry out this type of financial activity. To be a financial services co-op means that legally, you're subject to cooperative law and not banking regulations. This can be limiting, but it still gives you the capacity to self-manage and a much greater freedom to determine how you want to function. And in the case of Coop57, which serves as a counter-institutional instrument, having that capacity to collectively decide how we want to function is valuable, and that's why we chose this format.

How does a collective or a cooperative access a loan from a financial services cooperative like Coop57? What requirements do they need to meet?

To access Coop57's financial services you first need to be a partner in the co-op. In other words, within Coop57 we don't have traditional clients. We have partners who share ownership of the co-op. The entities that need funding are what we call "services partners," since they receive financial services from Coop57, which is the primary partner, the communal partner. For clients to become services partners, we've designed what we call the social evaluation process. During the evaluation, we try to get to know the entity, to see what it does and if we believe that their activity has any additional value to us, and if their activity contributes to a process of social and economic transformation. If the answer is "yes," the entity can become a partner in Coop57, and once they're a partner, they can ask for funding. Then we complete a financial, technical, and viability assessment. Suppose you need 50,000 euros for a certain investment. We need to see how you're doing financially, if it's feasible to give you that loan, and if you'll be able to pay it back in the future. We do a pre-screening of the entity as a whole. We aren't interested in whether the specific loan is socially interesting or not because that can create incoherence for us. For example we could fund a business that wants to install renewable energy sources, which sounds good as far as energy transition, but maybe the company has an unfair contract with its workers, or a contract that doesn't respect workers' rights. If we only looked at the specific loan, we could give the ok, but we would be funding a project that, for us, isn't transformative. That's why before we analyze a loan, we want to understand the entity as a whole and see if it fits with the social values of Coop57.

Coop57 has ties to ethical finance and social and solidarity-based economics. Can you explain what this economic model entails?

A social and solidarity economy is a proposed alternative to the current economic model. It's not an economic sector within the capitalist economic model. People often call it "the social economic sector," and I really oppose that expression because we don't want to be a sector of a capitalist economy. We want to transform the economy. Transforming the economy to a social and solidarity economy means moving toward a model of economic democracy, toward just distribution and

commercialization, toward responsible consumption, and toward ethical finance. Ethical finance is the basis and the framework for this model. Many say it's the oil that helps turn the gears of what's called the social market. All economic interactions, the entire business cycle, should abide by the principles and values of community-based solidarity economics, economic democracy, solidarity, environmental sustainability, respect for one another—all the values that this model puts forward. Ethical finance is a tool we can put to the service of that goal. It never is an end, and we often repeat this; Coop57 is never an end in itself. It is simply a tool at the service of a goal—which is to help this alternative economy take shape.

Are there other tools similar to Coop57?

In the financial sector there are some other tools, apart from Coop57, that are part of what we call the ethical finance system. In our field there are a handful of entities, some smaller and more informal. The most important ones are two banking entities, Fiare Ethical Bank and Triodos Bank, which work within our field, in ethical finance. Each one has its own distinct models and projects, but they have certain foundational components in common. There is also another co-op called Oiko Credit, which also works in the field of ethical finance. There are also networks and spaces that promote, publicize, or create new tools for the solidarity economy. In Catalonia, we have the Economic Solidarity Xerxe, the Network of Solidarity Economy. At the national level in Spain there is REAS, which is the Alternative and Solidarity Economy Network. New tools are being created in the context of REAS: social audits, designing collaborative maps, etc. In Catalonia, there's a tool, Pam to Pam, which tries to identify all of the economic solidarity institutions, so people know where to shop since they have access to a map. There are also entities like FETS, which are also a part of this environment and run education and sensitization campaigns. There's actually a whole ensemble of elements working together to energize the entire realm of social and solidarity economics.

When the transformation to a new understanding of the economy is discussed in the public sphere, people tend to raise questions about growth, progress, and profit. How does Coop57 understand these concepts based on its economic proposal?

I think that these are interesting, profound, and sometimes philosophical debates. Often certain things get confused, like when people conflate a social and solidarity economy with good-natured people from NGOs that assist the poor. That's the perception of those who are unfamiliar with social and solidarity economics. Like I was saying before, social and solidarity economics proposes an alternative economic model that we want to bring to bear on every aspect of the economy. We want to do business, and for there to be companies that produce goods and services, but instead of serving profit margins, we want those companies to serve people's needs. That doesn't mean that an entity within a social and solidarity economy, or a cooperative, which is a business that follows this model, is at odds with economic benefit. In fact, if there isn't any economic benefit, the project isn't sustainable, and thus is not viable. What you have to ask is how do you generate wealth, and once it is generated, how do you distribute it? That's what is truly transformative, and that distinct vision is what cooperativism proposes. Now Coop57's objective is to end the year with a small profit. We want a small profit for two reasons: One, when we generate profits, we are not dividing up dividends. Rather, we are strengthening an entity's financial structure and with that strengthening their project. And two, we want to generate trust. If you want to invest in or work with a business, it's important to see that this business is solvent,

that it has the capacity to sustain itself over time. But we want the profits to be small because for us, if we earn big profits, that means we're asking people for too much money and need to make adjustments accordingly. There's no need to demonize the concept of profit. But it's important to take into account, like I was telling you, how that profit is generated--and when it's being generated, what gets done with it.

We have seen that Coop57 is, on one hand, a financial tool available to other co-ops and social collectives and, on the other hand, a cooperative network divided into regional branches --Coop57Andalucía, Coop57Barcelona, Coop57Aragón, Coop57Galicia, Coop57Asturias, Coop57Madrid, etc.-- How many co-ops are part of this network?

Coop57 really is a network made up of many different entities, and there are two dimensions to this: There's the network of entities and partners involved in the co-op, and then there is the organizational structure of Coop57 itself. I'll start with the second dimension, Coop57's organizational structure. Like I was saying at the beginning, Coop57 started in 1995 in Barcelona, Catalonia, and in the year 2005, a handful of social and solidarity economic entities in Aragón, another region, wanted to become part of a financial tool like Coop57. There was a big debate about what to do. I'll summarize because the debate lasted for years. In the end they decided to make a Coop57 in Aragón because that aligned with certain principles that are very important to Coop57: proximity, trust, and rootedness in the community.

Those three principles are really important: knowing the community, knowing its realities, knowing its difficulties and advantages, and being able to support and grow that community. You can only do this work locally, from a place of proximity, which is exactly how we operate. In other words, Coop57 doesn't open delegations in random places because it wants to expand its network of clients. The region itself says, "I want to be equipped with a financial tool that meets my needs and operates within a social and solidarity economy."

During that debate it was also decided that there should be one sole legal entity. There had been, in Italy for example, instances where various different entities, over the years, had gone on creating their own separate paths. Coop57 wanted to maintain a coherent set of values, principles, and ways of working, so they decided to become one singular but decentralized entity. That's horizontal growth, distinct from vertical growth, and it created Coop57Aragón. Afterwards, this was replicated to create Coop57 in Madrid, Andalucía, Galicia, Euskal Herria, and Asturias. Like I was telling you, it's always the community that creates the tool. From there, the tool helps or accompanies these communities. There are a handful of core services that are common to all of the communities, but each one determines its own partner entities, the loans it gives, and its own democratic and participatory structures. This form of organizing ourselves allows us to work as a network. That sums up the organizational network of Coop57.

Within this network, as I was saying, Coop57 is a cooperative made up of partner entities. There are currently 1,000 partner entities within Coop57. About 600 of them are cooperatives, and the rest are associations, some of which are nonprofit employment agencies. And this is what basically makes up Coop57's base. These cooperatives are all connected to a specific community. And then there are various people who are also partners of the cooperative. We call these people collaborative partners because they collaborate with Coop57 to finance projects related to the social and solidarity economy; they collaborate by contributing capital. If you want to give

out loans, you need money. We say that whoever has the capacity and the luck to save money should put it towards ethical finances as opposed to putting it in a bank. The explanation is very simple: If that money is saved with Coop57, it will be used to finance this other economy. That's what guides and gives shape to Coop57, which currently, like I was telling you, is a network of some 1,000 entities and more than 4,500 people.

What lessons have you learned from being part of a network like this?

Actually, being part of a network is a challenge because it is so complex. In more hierarchical organizations everything is much more clearly defined, but this does not seem like the best way for us to function. So we decided to operate as a network, which has its difficulties in the sense that it complicates coordination between the different communities--which have different needs, speeds at which they can develop, and, generally speaking, different histories with the concept of a social economy. Coordinating all of that obviously involves a lot of extra effort, but it's worth it, and we recognize that each community is different.

There is something called New Municipalism in Barcelona. What is the relationship like between Coop57 and the Municipal Administration?

Administration is another complexity. Historically, Coop57 has been a proudly self-managed project. Coop57 has always fought for its independence and for its capacity of self management and self-financing among its partners. And the relationship with the Administration has been relatively conflictive, scarce, or even nonexistent in some cases. The Administration hasn't always been a friendly space in our view. It's true that a few years ago, in certain local governments some people came into power who put forward a different kind of discourse. And it's true that we've been able to work with them a bit more. We have no desire to take on an active role within the public administration, for example sitting on roundtables with them or being interwoven with them, because we want to maintain our independence and autonomy.

We need to remember that these councils showed up a few years ago, while Catalan cooperativism started in 1850 and comes from a long line of activism. In other words, there's a very well-rooted cooperative culture here. At the end of the 19th century and beginning of the 20th century, there was a well-developed consumer cooperative movement in Barcelona. In Catalonia, the agricultural sector was practically 100 percent cooperative. In other words, cooperativism is not a recent phenomenon. That said, it's also true that recently a handful of administrations more receptive to the development of a solidarity economy have come about, supported a number of entities, and opened up lines of communication that had previously not existed. But we would be making a mistake if we put all of our hopes in a public administration like that because the culture of solidarity economy is still not widespread. For example, Canada's social economy is much more tied to the public sector than ours. Here the social and solidarity economic model has always existed on the margins or gone against public administration because the public sector favors the interests of the powerful and not of the working class, and cooperativism has always defended the working class. So it's a delicate balance: We think that if we act upon shared principles of wanting to develop a social and solidarity economy, we can find common ground and collaborate, but we will never be subjugated by the desires of an administration, and we are going to continue doing our thing; whether they join us or not, we're going to keep doing what we do.

Is cooperativism a way out of capitalism?

Cooperativism as the only way out of capitalism is not enough. That said, cooperativism is a legal status. It's a tool to be able to do things concretely. What really matters are the values and principles you're working with. There are many types of cooperativism. There is what we would call transformative cooperativism, and there's non-transformative cooperativism. In other words, falling under the umbrella of cooperativism does not necessarily make a project post-capitalist or anticapitalist.

That's why it's important to pay attention to the "what are you doing" and the "how are you doing it." Those two things have to go together, and they have to contribute to this process of transformation. Moreover, you have to add many other elements, for example responsible consumption. We have to fight for an environmentally sustainable economy because if we don't, in the end it doesn't matter what economic model we have when the planet is destroyed. In the end the climate emergency will be the last crisis we see because we won't live to see anything else. So for many cooperatives, if we don't pursue sustainability, we won't go anywhere. As you can see, there are many things that have to change. Cooperativism, in our understanding, can be a potent and transformative tool, but it's a tool that has to be connected with many other things.

Do you think that cooperative culture is well-received in Spain?

I think that in our environment, cooperatives have a good reputation. In fact, there are businesses that don't really fall within the realm of the transformative cooperativism that we've been talking about, but in their marketing campaigns highlight the fact that they're a co-op. This shows that in our context there is a good perception of cooperatives.

Coming out of a decade with a lot of economic strife, with the global economic crisis of 2008, there were destructive job losses. On the other hand, cooperativism didn't destroy any jobs and actually created new ones. And from there, I think it gained a good reputation. Yes, there are cases that favor the other side, like when an important cooperative has to close for whatever reason, and people say cooperativism doesn't work. Meanwhile Anonymous Societies (AS) and Limited Societies (LS) close every day and their models are never questioned. So it's true that there's a good public perception of cooperativism, but we still have to explain and justify our model all the time, even though capitalist entities don't have to explain themselves, and they surely have many more negative consequences than cooperatives.

Is Coop57 invited to universities to discuss cooperativism and social and solidarity economics?

Not often. As far as educational settings, formal and not, we do receive sporadic invitations to share our experiences and give a few talks. But it's like there's that one day in college, or high school, or in a certain class, where some strange person comes to explain the folklore that is cooperativism and social and solidarity economics. And all the rest of the classes are about neoliberalism, so to speak. So there is a problem there.

I studied economics in college, and no one told me about social and solidarity economics for the four years I was there. It's been a few years since I got my degree, and I don't think that much has changed. This is a big educational problem because the plurality of economic thought that they teach you as part of a degree program

is basically zero. I took a course called "the History of Economic Thought," but that was just one course within the whole major. In the other courses, there wasn't any plurality of thought at all because they only talked about one model. They teach you to think almost exclusively within the current model, which is problematic.

The role of Coop57 is not to train and shape universities. The change has to come from curriculums and the people who write them. This curricular change is also tied to the global societal change that we need, and to the need to teach the economy and money as tools, rather than ends in and of themselves. There is a long way to go.

Is Coop57 a political project? If so, what kind of politics are we talking about?

Yes, of course, Coop57 is a political project. It's hard to summarize what kind of political project it is because it's made up of so many different projects at the same time. All in all, the shared desire at the base of everything is to work toward a social and economic transformation, to create an economy that's of service to the people. This is the political project of Coop57, of social and solidarity economics, of a transformative economy. So many different sensibilities fit within these frameworks. We can't narrow it down that much. But we do have a critical vision of our reality: We don't like the current economic model of generation and distribution of wealth. We want to change all of that logic, so that the center of gravity shifts from capital to people.

We want projects that respect their context, other people, the environment, sustainable living, and that place people and life at the center. And in the end, this isn't just Coop57's political project, or a social and solidarity economics project. There also are feminist movements that are teaching us every day to place life on center stage. There are antiracist projects that explain to us how we have to fight against distortions of class and race. There are many pieces that have to fit into the puzzle of social transformation, and economic transformation is just one of them. Of course the economy needs to be part of this transformation, but I'll say it again: the economy is a tool that serves a greater social change. As a political project, we want our response to be that--to put ourselves to the service of that transformation.

What do you think keeps this type of collective work going?

Feeding the dream and maintaining optimism becomes almost like a duty for people who want to transform things because if it didn't become a duty, we'd give in and sink. The dream has to preside over what we do. Often we talk about how we have to do things a certain way in order to be happy, and sometimes when a financial entity says this, it sounds weird. And no, we aren't some hippies in a commune saying that we want to be happy. We mean this in the way that in Latin America people make reference to "*el buen vivir*": "the good life," or a life worth living. The end goal is to work toward this notion, and at Coop57 we have the privilege of helping to make things happen. In other words, of putting in place the mechanisms or the tools that allow these ideas become projects, then facts and realities. Being able to facilitate this is crucial. I mean, seeing that a project has a high social value and that you've helped actualize it is worth everything. And seeing that it's not just one project, but hundreds of projects, or when someone writes to you saying, "Thank you for the work that you do," or "I'm happy to be here," or "I want to be part of this," then you start to see that that network we were talking about before really exists, and you can see the expansion of that network, though it's still small because there is a lot of ground to cover. Seeing all that makes you want to keep fighting a little more every day.

Would you link Coop57's work to the cultural paradigm of the Commons?

Of course. All in all, the commons is that, it's sharing projects, sharing life and sharing a vision of how things should be, and doing all this not for individual gain, but rather for the common good. In the end, it's thinking that way, being able to develop a project that serves the majority of people and not a minority of people who benefit from the extraction of resources from that majority. It's fighting for that, fighting for a society that allows the majority of people, if not all people, to lead a dignified life.





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