

## REVIEW

### Grassroots Economic Organizing Newsletter: Alternatives to the Global Economy

Reviewed by Richard Evanoff

The Grassroots Economic Organizing Newsletter is a bimonthly publication exploring local alternatives to the global economy. Increased globalization, based on neoliberal ideas of "free trade," deregulated markets, unrestricted investments, and "borderless societies," is having a devastating effect on the lives of working people worldwide. A global economy simply makes it easier for corporations and multinational enterprises to move their operations overseas to take advantage of lower labor costs, fewer taxes, less stringent environmental regulations, and the like.

Workers in first-world countries suffer as jobs are lost and entire communities are destroyed. Third-world workers meanwhile suffer from starvation wages, inhumanly long hours, poor and unsafe working conditions, and the repression of attempts to form labor unions. The rules of the global economy are being drawn by capitalist elites who profit enormously by forcing down living standards in both the first and third worlds in what has been called a global "race to the bottom."

*Grassroots Economic Organizing Newsletter* explores the role that alternative economic organizations, such as cooperatives and employee-owned enterprises, can play in revitalizing local, citizen-controlled economies that maintain both jobs and healthy communities. The international cooperative movement offers an alternative to both a capitalist economy which concentrates wealth and decision-making power in the hands of big business and multinational corporations, and a

socialist economy that concentrates privilege and authority in the hands of big government and a political elite. Instead, workers themselves own and manage their own companies. Employee ownership provides direct incentives for hard work and good management, since profits go not to outside shareholders but to the workers themselves. Studies have shown that employee-owned companies perform at, or above, conventional firms not only in terms of wages and benefits, but also in terms of efficiency and productivity.

There are also disincentives for worker-owned companies to relocate elsewhere, pollute the local environment, or lower health and safety standards, since it is the workers them-

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selves who will suffer the consequences. Worker-owned companies stimulate local economies since profits stay in the community (rather than being siphoned off by corporate headquarters or outside investors) and help communities to maintain a local tax base. They have won political support from both conservatives, who like the idea of increasing private ownership among citizens, and liberals who like the sense of empowerment that the employee-owned companies foster.

At present there are more than 10,000 enterprises in the U.S. having some form of worker ownership, including such well-known companies as United Airlines. The International Cooperative Association has an estimated 400 million members in 70 different countries. Food cooperatives are especially strong in Japan: there are approximately 670 different consumer cooperatives with a total membership of 15.1 million, comprising more than 10% of the entire population, with an annual turnover of ¥3 trillion.

*The Grassroots Economic Organizing Newsletter* reports on the activities of the worldwide cooperative movement, provides useful information about setting up and operating worker-owned enterprises, and facilitates networking in the international cooperative movement. Past issues have included reports on the Mondragon Cooperative in Spain and the Seikatsu Club Consumer Cooperative in Japan; advice on how to obtain technical assistance and financing; articles on efforts to educate people about worker-owned enterprises and the cooperative movement; and "vision" statements by various individuals on the directions they would like to see a cooperative economy moving in.

If you would like to receive a free sample copy and subscription information about *Grassroots Economic Organizing Newsletter*, please e-mail <evanoff@sipeb.aoyama.ac.jp> or write to: Richard Evanoff, 1933-8 Hazama-cho, Hachioji-shi, Tokyo 193-0941. Or you can send \$26.00 (by MasterCard/Visa, international money order, or check drawn on a U.S. Bank) for a one-year international sub directly to: GEO Newsletter, RR 1 Box 124A, Stillwater, PA 17878 U.S.A. You can also visit GEO's website at <www.geonewsletter.org>.