A Socio-economic System for Affect: Dreaming of Co-operative relationships and affect in Bermuda, Preston and Mondragón

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Abstract

The post-global financial crisis era has presented sharp economic challenges to businesses and communities, accompanied by doubts about democratic processes and distrust of "facts' amid the retrenchment on economic, environmental and social aspects of citizen's lives. In this context, co-operative organisations – with their emphasis on principles of mutual governance – present models of alternative organisational systems for a post-growth future.

This paper examines the co-operative sphere to draw out how 'affect' and 'relationships' in co-operatives may radically alter the sense of working democratically. It draws on methods of social dreaming and free association to examine co-operative development in three cases at different developmental stages: in Bermuda; Preston, UK; and Mondragón (Basque Country). It examines evidence of the way relationships and affect may emerge in organisational systems that place a focus on participative democracy as opposed to hierarchical structures. We draw from intensive work in these cases to consider the distinctive background and contextual features that may be present within co-operative development processes. The paper concludes that co-operative working can foster developmental relationships and present distinctive expressions of the affective realm over time.

Introduction

The co-operative as an organisation is defined by its adherence to agreed principles and an engagement with participatory democracy as a central pillar to its governance structure. It differs greatly from the traditional workplace in the developed world. The co-operative principles - Open and Voluntary Membership; Democratic Member Control; Members' Economic Participation; Autonomy and Independence; Education, Training, and Information; Cooperation Among Cooperatives; Concern for Community – are both governance structures and social, ethical and emotional containers for the organisation. The organisational form of the co-operative as a way of structuring economic and social and relations between people and has existed in parallel with capitalism since the 18th century. Within Britain, the Fenwick Weavers (from 1769), William King in Brighton (1820s), Robert Owen's model factories (from 1800) and the Rochdale Pioneers (1844) present important milestones in the development of relational ways of interacting at work. These milestones represent developments rather than ideals. Naturally, social experiments like those of Robert Owen were not exempt from a philanthropic paternalism typical of the age (Siméon 2017). Similar alternatives also emerged elsewhere. In Germany, the credit unions were pioneered by Franz Hermann Schulze-Delitzsch from 1852 - and there are notable

examples too within ‘l'economie social’ from France, and similar processes in Italy, the Americas and Africa. In these examples, there is an emphasis on inter-relational emotional wellbeing as well as economic and social developments. Our focus in this article is on the latest developments of this model today and in the future. We discuss people’s dreams for co-operation, from their social dreaming in Bermuda, to their struggle to realise dreams in Preston and the dreams that have come true in Mondragón. We build upon recent work by Long and Manley (Manley 2018b; Long and Manley 2019) that further develops the field by considering social dreaming as a particular expression of affect.

Our research is situated in the long shadow of the post-global financial crisis of 2008. This not only led to austerity measures affecting public services but also to doubts about the value of democracy and, by 2016, distrust of ‘facts’ presented in traditional mass media sources (Lazer et al. 2018). Further, according to Gilens and Page, (cited in Chomsky 2017, p. 2), economic elites and groups representing business interests had 'substantial independent impacts on U.S. government policy, while average citizens and mass-based interest groups had little or no independent influence’. This points to the exaggerated influence of remote elite groups over democratic institutions and local decision-making.

In this article we focus on some of the underlying affective dimensions that prompt and infuse co-operative working and ask if such relational structures might hold clues to a new social organisation to counter the nefarious influences described above. No pretension is made that such processes represent a perfect model. Rather, we draw attention to the internal dynamics of some current co-operative initiatives with particular attention to the ideas and emotions of actors involved in such initiatives. We draw on our engagement as researchers and practitioners in co-operative systems to consider where these initiatives may offer inspirations or cautions concerning the affective realm within co-operative practice. We then draw preliminary pointers as to the role such actions and behaviours may play in pre-figuring future affective dimensions within organisational and decision-making structures. We focus on engaged action research work with co-operatives in Bermuda, Preston and Mondragón and we draw on psycho-social insights elicited through social dreaming (Lawrence 2005), coupled with Deleuzian theory (2019; 2018b), and Free Association Narrative Interviewing (Hollway and Jefferson, 2013). We borrow from different epistemologies at different levels of the analysis in order to move from the micro – or intimate – individual experience, through to the group or matrixial experience and on to the macro or social reality of the world that these co-operatives inhabit.

Context and approach

The context for this study is the period following the global financial crisis of 2008 where the bones of the neo-liberal project protruded sharply into the public gaze. Broadly, 'Neo-liberalism', believes that ‘free markets in which individuals maximise their material interests provide the best means for satisfying human aspirations, and that markets are…to be preferred over states and politics…’ (Crouch, 2011:vii).

According to Crouch, the puzzle was that despite the crisis the neo-liberal project appeared strengthened, not dismantled. Meanwhile, the apparent mismatch between the reality of recession and the fiction of an ever-strengthening market has coincided with a distrust of 'fact' and a confusion of 'truth'. According to Lazer et al (2018) 'General trust in the mass media collapsed to historic lows in 2016', with opinions based on false or fake news becoming more important to people's beliefs than verified truth (Lazer et al 2018:1094-1095). It seems that the influence of democracy to make significant changes in state policy has paled. The decline of empowered suffrage and agency of the commons has, according to Varoufakis, become an accepted part of the European Union's governance structure: 'democracy had indeed died the moment the Eurogroup acquired the authority to dictate economic policy to member states without anything resembling federal democratic sovereignty' (Varoufakis 2017, p. 237). At a social level, the post WWII consensus, such as a democratic state-endorsed welfare system, is now questioned, and with this comes a sense of imminent collapse of what had once been a common feature of economic and social structures, (Raworth 2017; Mason 2016; Varoufakis 2017; Piketty 2014; Wilkinson and Pickett 2009, 2018; Trebeck and Williams 2019; Klein 2014). One way or another, these authors are now challenging the capitalist system of economics that is based on the principle of infinite financial growth.

From a psycho-social perspective it appears as if the realisation of an imminent failure of the economic system or a rapid social collapse through climate disaster, as Bendell (2018) suggests, has emerged from a place of repression and denial. In the face of undeniable but unpalatable facts, such as climate change and simple statements that point to the finite nature of resources on the planet (and therefore the impossibility of continuous capitalist growth), new organisational systems are emerging or re-emerging. These alternative structures, including co-operative ways of organising in the workplace or community, are becoming more commonplace. Spectacularly, this can be seen in the brusque emergence of movements like Extinction Rebellion (XR). Salient to XR is an organisational structure that claims to be 'participatory, decentralised, and inclusive' (XR 2019) – not unlike a co-operative – and a demand that the Government be guided by 'citizen's assemblies'. It appears as if a substantial tranche of society may have grasped the unreality of an economic system based on perpetual growth but has, until now, opted to keep this knowledge subdued or repressed for fear of spoiling the immediate satisfactions of rapid and increasing wealth and the comfort associated with capitalist systems. This fear of loss is accompanied by a denial of the root problem of inequality. Wilkinson and Pickett (2014: 76) argue that, 'Like inequality between societies, large differences in consumption within those societies means that the more urgent needs of the poor go unmet while productive resources are squandered on conspicuous consumption by the rich'.

There is a beguiling simplicity in significant tenets of the new economists but there is a denial of these by people in significant political and social spheres of influence. For example, it would seem undeniable to

state that human beings live on a planet with increasing populations and finite resources as argued by Trebeck and Williams (2019). Yet, for many, infinite growth (and the system that accompanies it) is still invoked as the only plausible way forward. In these circumstances, this is almost tantamount to denial. Once denial is perceived – as at the moment of realisation of what had been repressed – the truth can take on a monstrous appearance. This is terrifyingly described by Walter Benjamin in his description of a painting by Paul Klee:

> 'There is a painting by Klee called Angelus Novus. An angel is depicted there who looks as though he were about to distance himself from something which he is staring at. His eyes are opened wide, his mouth stands open and his wings are outstretched. The Angel of History must look just so. His face is turned towards the past. Where we see the appearance of a chain of events, he sees one single catastrophe, which unceasingly piles rubble on top of rubble and hurls it before his feet… a storm is blowing from Paradise, it has caught itself up in his wings and is so strong that the angel can no longer close them. The storm drives him irresistibly into the future, to which his back is turned, while the rubble-heap before him grows sky-high. That which we call progress, is *this* storm.'
> (Benjamin, 2003: 392)

According to Monbiot (2017: 3), 'So pervasive has neoliberalism become that we seldom even recognise it as an ideology'. This would explain or even represent the denial in question: the self- evident truth of the impossibility of progress equated with growth is hidden behind the veneer of another 'obvious' (but false) truth, namely, that neoliberalism is only 'natural' as opposed to being a chosen construct. Some earlier texts analysed society as if the collective whole could be suffering from mental illness - such as Fromm's *The Sane Society* (2002[1956]) or *Fear of Freedom* (1942) and Freud's *Civilization and its Discontents* (1985 [1930]). Hence, the current neoliberal paradigm could be identified as a neurotic defence against the admittance of an 'objective' social reality, that is to say of actual human and social needs being identified and distinguished from perceived or fantasised needs and desires. Once this defence is breached, the social collective is faced with the reality of actual existence and the uncovering of a collective insanity. In this case, such insanity is the insatiable search to satisfy the Freudian 'pleasure principle' through infinite consumerism and growth. This is similar to Spinoza's analysis that greed and ambition are in actual fact insane:

'But if the *greedy* person thinks only of money and possessions, the *ambitious* one only of fame, one does not think of them as being insane, but only as annoying…But *factually* greediness, ambition, and so forth are forms of insanity, although usually one does not think of them as 'illness'' (Spinoza, quoted in Fromm 2002 [1956] p.16. original italics).

When applied to the social whole, following Fromm (2002), the neoliberal pursuit of happiness through consumerism would be an 'opiate' used to satisfy a 'socially patterned defect'. Fromm concludes: 'If the opiate against the socially patterned defect were withdrawn, the manifest illness would make its appearance' (Fromm 2002[1956] p. 17). This 'appearance' may be like the monstrous realisation of Benjamin's depiction of the painting described earlier where the piles of rubble grow at our feet. When 'facts' are taken away, such as the taken-for-granted 'facts' of the capitalist system, certainties are 'reduced to rubble' and not immediately replaced by alternative 'facts'. Instead, there is a social and organisational need to search for new systems and structures.

It is this search that we believe is directly relevant to the new 'social formations' that need to be developed beyond the neoliberal paradigm. This is what we posit as developing in the Preston Model (Manley, 2018a), with the Mondragón experience and similar initiatives as its early adoptive precursor. We suggest that the Preston Model is an example of this search for a new socio-economic paradigm and that this is also reflected in our case studies in Mondragón and Bermuda. We are aware of the need to acknowledge our 'progressive' value base. We feel passionately about our subject. We hope that our awareness of our emotional attachment to the ideas developed in this research can act as an appropriate caveat to ourselves and our readers as we develop our arguments.

Our story explores the precursors of post-neo-liberal formations, Our gaze is upon episodes that may act as a prefiguration of alternative ways of feeling and doing that sidestep – or contest – dominant configurations of work and profit. These, we suggest, may be organisational configurations that emphasize the relational and human aspects of work, that aspire to human 'work', in the sense of Arendt's (1998:98) meaning of purposive or creative activity.

Methodology and rationale for the three sites studies

We use three sites to provide organisational examples from distinctive contexts and examine examples of those engaged in some variety of human service work within co-operative settings. Thus we draw on principles of case study design (Yin, 1994; Stake, 1995; Wood, Reason, and Egan, 1999) to guide the work of examining incidents in three settings.

The three sites illustrate differentiation by country, culture and economic circumstances: Bermuda (a developing island country); the UK (a highly centralised and industrialised developed country but with high regional deprivation in places) and the Basque Country (a highly developed autonomous region within Spain, still emerging from the shadow of fascist rule). It was hypothesised that these three case examples might offer differential sites to illustrate the affective and relational realm in relation to historical and cultural differentiation; organisational longevity and formality; and some distinctions (due to local governance or economic features) as well as some similarities (common co-operative principles).

The following specific organisational units were selected: (a) the early development of a co-operative project in Bermuda; (b) the continuing recent work of the Preston Model in the UK; (c) an established typical medium-size co-operative in Mondragon in the Basque Country. These cases compare three stages of development: new, recent and long-established projects.

We investigated the relevance of affect to new collective paradigms through the use of different psycho-social methods which we considered apposite to the stage of development and the circumstances of each case study. First, 'social dreaming' (Lawrence 2005; Manley 2018b) was used to explore the ‘associative unconscious’ (Long 2019, p. 13) of local community groups when considering new initiatives in socio-economic development for the Bermuda Economic Development Corporation (BEDC) in Bermuda. The use of social dreaming was chosen as appropriate for the three community groups who volunteered for the study in Bermuda as a means of accessing shared community affect for initiatives that were only just beginning. Social dreaming allowed the participants to contribute less focused, non-judgmental initial thoughts and feelings without a need to commit to specific ideas at this early initial stage. The participants in Bermuda were unlikely to have well developed thoughts about the potential of co-operatives in their communities. Instead, social dreaming provided a Winnicottian ‘potential space’ (Winnicott 1991) within the social dreaming matrix for a free-flowing imagining of a future through the stimulation of shared possibilities and as yet undiscovered ‘unthought knowns’ (Bollas 2018).

Second, we examined the continuing process of action research and semi-structured interviews that are currently underway in Preston (Manley 2018a). The Preston case study is in development, neither a dream for a future, nor completed. We felt that the continuous and on-going use of simple interviews were appropriate in this case, recording the lived experience of stakeholders in the midst of developmental work. The process continues as we write, and the interviews are to be repeated at regular intervals in order to map progress.

Third, Free Associative Narrative Interviews (FANI) (Hollway and Jefferson 2013) were used with senior managers in the Mondragón case study. The FANI work was chosen for Mondragón in order to elicit the emotional knowledge of significant post holders in the sample co-operative. They were already, as individuals, knowledgeable experts in the work, without a need for the future imaginings of the social dreaming work and this allowed an in-depth individual focus. Unlike the semi-structured interviewees of the Preston case study, the workers in the Mondragón study were in a position to express deep, affective and historical reflections about their co-operative. It was felt likely that rich layers of complexity could be unveiled through FANI interviews, through the opportunity for free association which is central to the method.

Social Dreaming in Bermuda

In Hamilton, Bermuda, co-operativism is an idea that is attractive to the BEDC as a means of tackling the challenges of an area of the city that suffers from crime, poverty and neglect. A co-operative project is not among the BEDC's core objectives, summarised as 'to assist the Government in encouraging economic growth for Bermuda's local small and medium sized businesses.' (BEDC, 2019). Rather it is 'in the air', and gives potential meaning - similar to Winnicott's 'potential space' (Winnicott 1991) - to the idea of human relations in community being linked to new forms of business.

Figure 1 Space in BEDC offices waiting to be filled (Photo: J. Manley)

The human and creative potential waiting to emerge is more than the creation of 'local small and medium sized businesses', it is the potential of an integrated common relevance, a direction, purpose and inspiration. It is through dreams and associations that three different communities in North East Hamilton – Business, Resident and Non-Profit/Donor groups – were invited to contribute to three social dreaming sessions.

The social dreaming sessions yielded insights into the potential for co-operative culture in Bermuda. The dreams and associations resisted casual investment and celebrated the uniqueness and diversity of the area which, despite its state of current decline, was still was able to capture the strength of eclecticism and diversity of peoples and culture. The associations presented to the matrix by the dreamers wove real-life memory and nostalgia with future dreams. For example, the gardens that used to thrive in the area, we were told, were not gardens of leisure but gardens for growing food that could be shared. The area was, and to an extent still is, distinguished by 'vibrant colours'. What was in reality special to the community in the past in these associations was combined with dreams of what might be special in the future. Just as Bermuda is defined by water, so one of the dreams linked this directly to Hamilton with a dream about streets turning into canals and cars being replaced by gondolas. Through this dream, Hamilton becomes a place where the potential authenticity of Bermuda as an island can be reflected and celebrated as part of island culture. The dreams pointed to the need for preservation of associations to the past - such as the architecture, the kite flying events that once took place there, the smells and life in the streets - as much as regeneration or future imaginings emergent in the dreams. One of the dreams, of an old steel pan, combined past association with future aspiration and a sense of relational affect among communities that should not be lost. The dreamer describes how she dreamt of her old steel pan and the music that came from it in performance with others and, as a result, of the dream she decided not to throw it away:

> My steel pan, I did have a dream of me playing the steel pan, in this dream I remembered my teacher, students, and how I had fun … and I decided I'm going to keep my steel pan. (Residents' Social Dreaming Matrix)

In another dream, a dreamer drives up unknown streets in the area to discover new things. In the context of co-operative development, the social dreaming sessions therefore emphasized the affective need for retaining the old (with associations to vibrant community), while simultaneously looking for the new. In this sense, a co-operative approach would seem to be more apt than a simple business start-up approach. The meanings emerging from the social dreaming pointed clearly to the need for a rich bonding of diversity that is a feature of the area. It is this focus on pride in place and looking to improve the local in a collaborative and shared fashion that resonates with the pride of togetherness that we will see articulated shortly in both Mondragón and Preston cases.

It is clear that there is a long journey ahead for the BEDC to convert such insights into actual co-operative businesses. We do not claim that these dreams and desires of community stakeholders are 'golden bullets' or business plans tied to some future co-operative success. We are interested in the vitality of the memories of community and how these can persist in the active imagination of community groups. Such expressions of deeply held affect are as valid, in terms of indicators for future development, as economic factors on their own.

From dream to actuality in Preston, UK

The 'Preston Model' (PM), project is still developing. This is indeed a feature of the PM: the work in Preston is largely bottom-up, and bases itself on the sharing of ideas and inspiration above financial input. This is not entirely a choice. As a result of UK Government austerity policies and a lack of funds in Preston since the collapse of an inward investment programme in 2011, money has been in short supply. Preston has had to rely on creativity. Although there are many aspects to the PM, and no space here to do them justice, the two main pillars of development have been and remain: (1) the encouragement to increase local spending by 'anchor institutions' (those large organisations that are 'anchored' in Preston and have big budgets and influence on the local economy); and (2) the development of a network of worker-owned co-operatives. These are conceived as filling in the economic gap as identified by the limits to local anchor institution spend, i.e. where such anchor institutions are unable to spend locally for lack of local providers. Other important developments in the PM, such as the work to create a regional community bank along co-operative principles and the development of a co-operative education centre as part of a forthcoming Co-operative University (Co-operative University, 2019) are centred on serving the development of co-operative businesses. The emphasis on co-operative businesses is key to understanding the PM. Since the presentation to Preston City Council of a report on the potential for co-operative development in Preston (Manley and Froggett 2016), there has been a concerted effort to work towards a co-operative community in Preston, not only for financial reasons but for social reasons too. That is to say, co-operative values and principles chime

with the current political and social aspirations of the City Council and major stakeholders. It is as much a social transformation of Preston as a community wealth building project, and as such adheres strongly to the 7th international co-operative principle 'Concern for Community'.

In the case of the encouragement of co-operative principles, it is clear from the very beginning that an economic imperative is also a social and therefore affective necessity:

> Social network theory and its application to co-operatives as hybrid forms of business organisations… rely not only on market exchanges and hierarchy, but also – by their very nature as member associations – on social interactions.'
> (Novkovic and Holm, p. 58, 2012, quoted in Manley and Froggett 2016)

In Preston, feedback from interviews showed how stakeholders are able to conceptualise a future based on a combination of hope, aspiration and practical realities which go beyond 'market exchanges and hierarchy'. The extracts below show how this is a common expression among many different stakeholders in Preston, For the Council, it's no longer only a question of policy, but of the quality of affect. For the Anchor Institution, it's no longer only focussed on increasing wealth, but about social justice. For the worker-owned business, it's no longer just about profits, but about participation:

> 'The Preston Model is not a policy; it's a mindset really, a force and an inspiration' (Preston City Council)

> 'I feel that the principles of the Preston Model are at the heart of a better economy, more democratic; and a better society, more just' (Anchor institution)

> 'For me, the Preston Model is a means of re-balancing and resisting the gravitational pull that exists in the UK from London and beyond that, from a globalized casino-capitalism; we need new ways of doing things; more participatory ways!' (Worker-owned business)

In this way, the Preston Model attends to an economic reality that is that of 'market exchanges and hierarchy', but emphasises the qualities of social interchanges, the web of relationships in community and the sense of pride of place in a city like Preston. This maintains a tension between the existing system and the system to come, which is held in people's dreams and aspirations. Unlike the system in Mondragón analysed below, there is no tried and tested alternative. Nevertheless, the dream of change is more of a reality than dreams of co-operation in Bermuda.

A dream come true? Mondragón, Basque Country

In this sample taken from a medium size co-operative located in Mondragón, the reasons for working in the co-operative were never simple. Although making money was always important, it was never the prime goal. When asked what made working in a co-operative worthwhile, the Managing Director put it like this:

> It's worth finding a meaning in what you do, to discover and realise that there might be an option that includes being part of a human working collective and being part of a number of people working together, while still receiving a salary.
> (Interview 1)

In another interview, a second respondent struggles, through metaphor, to explain that motivation is achieved through a sense of relationship and cohesiveness in teamwork and maybe this counts for more than outcome:

> In these moments [moments of tension at work] thinking of the basketball game I saw yesterday, I'm sure that they were happy when they became champions, but before then I'm sure that they were motivated by defending, and in that moment there's an effort that comes from fear. I suppose that with effort comes tension and what I would say is that it is after this that comes the happiness. I was also thinking about the basketball semi-final, which was very tense and the team worked hard, and even in losing they must have been happy… so the actual process can be as decisive as the final, or, all things being equal, maybe not.
> (Interview 2)

This searching, complex expression 'puzzles out' a response. The metaphor attempts to express a complex constellation of affect. The fact of happiness being derived from winning is immediately dismissed as obvious. More importantly, the response then enters into the complexity of the need for effort generated by 'fear', (which in other moments in the interview were connected to the fear of losing a business contract), and a necessary tension, all of which lead to a different assessment of 'happiness', i.e. happiness achieved through a process of shared teamwork consisting of combinations of negative and positive co-existing affect. Then the possibility of happiness even in losing is expressed, emphasising the reward of co-operation, which finally is left inconclusive in the faltering doubt of 'maybe not'. This complex response demonstrates, through the use of figurative language, a searching for meaning at work that is based around complexities of human interaction. It brings together disparate parts of the meaning of co-operating and attempts to make them whole. As in poetry, it is a complexity that resonates with human experience rather than with the reduced nature of the achievement of simple goals through simple incentives, such as status through hierarchical promotion or increase in salary. As is demonstrated in Interview 1, salary comes last. Nevertheless, as part of a recognition of human complexity, this factor is never forgotten or treated lightly and may represent a necessary pre-condition for the recognition of affect**.**

All the Mondragón interviews expressed significant emphases on the transformative nature of working in co-operation, both in the business and in family or community, with Interview 1 describing this as a cathartic process, moving from the individual to the collective:

> [At some stage] you might have ended up thinking that you had friends that you didn't need, that I was self-sufficient, and then you re-encounter them, you do more things in common, more than just having fun, you share experiences that in some way you were not prepared to share before. But There's has been a catharsis produced in me that has led me to inter-relate everything. My way of being in life has changed.
> (Interview 1)

At this point in this 'inter-relating' of everything, the affective nature and the value of co-operation is revealed in the change of the quality of the relationships with the interviewee's friends. The deep human aspect of this quality is further emphasised when taking into account that the respondent is discussing relationships at work, but also combining this with all relationships.

The way affect and relationships bind work and community and family was also stated in Interview 3, where the affective sense is strongly expressed as a consciously perceived social transformation:

> And I still get emotional when I hear about all that we have been able to do for our surroundings, for the society of this valley in these last 56 years, transforming the reality of then… so that the world of today, which before was the world of tomorrow, is different from other areas which have not had a co-operative movement, for example the schools, the universities… I get emotional: We have done it ourselves as co-operatives, even if I myself am only a grain of sand. This is a powerful lever to say that' 'if today we have this because others have achieved such things, then we should do the same for those who will be here in the future.'
> (Interview 3)

The sense of solidarity, thus expressed in a deeply affective fashion, perceives progress in terms of a solidarity and co-operation that has meaning as a structure of design ensconced in a structure of time. In the role of interviewer, I [Manley] felt the intensity of emotional transference embedded in the interviewee's response which, as indicated by the repetitions of 'I get emotional', almost felt unbearably cherished and simultaneously anxiety-provoking in attachment and value. The deeply existential nature of these responses indicated a value that reached well beyond the consideration of material objects as achievements. Although the school and the university are mentioned, the focus is on the relational processes that have led to the achievements. Furthermore, the objects that have been chosen as examples of progress are themselves processes (education, teaching and learning) before they are objects.

In the case of Mondragon, years of development have embedded affective relationships into the structures or systems of work and life. As one of the interviewees said, it was now difficult for him to distinguish between the meanings and the actual lived reality of the system. Living in co-operation has

been converted from a system of workplace organisation into the whole system of life in family and community:

> Maybe co-operativism is very much part of my life. These are examples of life. For example, my children went to the nursery from a very early age, 6 months, and in this nursery there is an educational project that is embedded within the co-operative movement. I was the President [Chair of Governors] of this nursery school and in one way or another you are involved in the development of co-operativism.
> (Interview 4)

Discussion: analysis and reflections

The BEDC in Bermuda, as a younger initiative faces a long journey towards integrating insights concerning co-operative principles and affective dimensions into actual co-operative businesses. Without over-claiming, the significance of these insights, it is interesting to note how the community groups express authenticity in terms of affect in ways that indicate the essential value of affective relationships in community, strongly suggesting that such indicators for the future development of businesses in community should be seriously taken into account.

In the emerging Preston Model the different affective sense of meaning is important. Critics sometimes accuse it of being 'protectionist', yet, the affective reality of the success of this initiative so far lies precisely in what it means to people locally to participate. The PM serves to highlight the affective quality of living in Preston, and brings to light the links between social engagement and business entrepreneurship. By joining individuals in the local social area and increasing the value and quality of relationships –with the consequent effect of multiplication and amplification that comes through participation and co-operation – there is a sense of a strengthening of the social fabric. Similarly, it could be argued that the internationally agreed co-operative principles are themselves a reflection on the meanings of affect. It is true, as discussed by Heras-Saizarbitoria (2014), that such lists of principles are not in themselves an action or experience and that there is always a risk of these becoming formalities as opposed to truly affective experiences. However, it is clear that potentially the principles represent more than mere modes of governance and can act as encoded values to draw from.

In Mondragón, there is particular evidence of 'Concern for Community' and 'Cooperation among Cooperatives', with the latter having now been adopted as a focus for the regeneration of cooperative values and principles. Following the recent demise of one of the flagship co-operatives, Fagor Electrodomésticos, Mondragón has turned its attention to those principles that focus on co-operative 'culture' to re-balance profit making with attention to the social: 'the development of a culture and an identity that is in accord with the basis and the demands of the co-operative paradigm seems to be one of the most urgent tasks facing the co-operatives of Mondragón' (Ortega Sunsundegi and Uriarte Zabala

2015: 28 (our translation)). Carrying forward those values over time via reflection and dialogue within organisational spaces is never a finished journey: 'values are not things' but tacit or articulated beliefs about the organisation which are 'recognised, acknowledged, acted out, or responded to in varying degrees by organisational members' (Aiken, 2002:9). From a Frommian perspective, as quoted above, the individual possesses herself and her business which is shared with other individuals in the same situation. The shared affect gives meaning to the democracy of governance: it is equitable, it supports curiosity and learning, it is democratic in a participatory manner, it is co-operative in the sense that individuals and groups collaborate with each other, and it is 'concerned' with community.

We are not suggesting that the principles represent ingredients for a utopian future, but we *are* suggesting that a future based on co-operation, and therefore on attention to quality relationships and workplace democracy are viable alternatives to the current economic and social crisis. The actual experience of building and reproducing the structures and experience is hard, dilemmatic and can be uncomfortable - it can be experienced as harder than competitive models in the actual practice. Whatever happens in these co-operative endeavours is framed and bound by capitalist structures. Operating co-operative practices and agency within a workforce presents economic as well as practical challenges. However, this does not negate the assertion that the co-operative system offers latent power to establish different modes of affective inter-connectivity and relationships among people within a co-operative, and between co-operatives and communities.

Co-operativism as a system presents opportunities for participants to switch from a consumer system of objects or 'things' as described by Baudrillard (1988) to a system of human relationships and affect. In doing so, affective and relational structures are created to replace a structure of objects. An 'affective, relational structure' is necessarily ambiguous. It is a quality to be experienced rather than objectified or proved. In that sense it remains both figurative, sensual and even - from a capitalist rationale - possibly irrational. Such a prioritising of affect and relationality is what is meant by Baudrillard in his discussion of the loss of meaning in a capitalist society. For Baudrillard, and, we argue, for those who are involved in the development of co-operative relationships and attitudes at work and in community, the meanings engendered through systems that generate affective relations -reflected or stimulated by modes of thinking and feelings that are akin to poetry and dreams - are the very 'substance of life':

> The substance of life, unified in this universal digest [of abstracted things], can no longer have any *meaning*: that which produced the dream work, the poetic work, the work of meaning, that is to say the grand schemas of displacement and condensation, the great figures of metaphor and contradiction, which are founded on the lived articulation of distinct elements, is no longer possible.
> (Baudrillard 1988 [1970], p. 35)

The search for meaning and the 'substance of life' that underpin the system changes implied in the co-

operative models have been essential concerns that we have wanted to open up in this paper.

The contribution of this study

We began this article by locating sites that exhibited aspects of the affective and relational realm as expressed in co-operative projects. We have been examining the tacit challenges that emerge through co-operation and we have been considering whether changing organizational structures might be a precursor to a more profound social change.

We have pointed out that co-operation is not in itself an easy option. Even in Mondragón, it seems that in order to keep the co-operative model progressing, there is a requirement on the worker-owners to accept the burdens of worker ownership responsibility and a sense of what they regard as personal 'sacrifice' to ensure the success of the businesses that are so vital to them in terms of cultural identity as well as financial necessity and to think and feel in complex terms beyond the individual, towards the relational and in favour of the collective.

In the UK, co-operative enterprises, have been struggling within a macro-capitalist system. The Mondragon case represents co-operation at every level in a way that begins to challenge the system. At a micro level, there are individuals and their families whose personal lives have been linked to place, tradition and custom that predates formal 'co-operativism'. At the meso level, there is the development of a network of co-operatives working to co-operate - rather than compete - and thus creating a self-sustaining system. At a macro level there is a struggle between the macro as represented in the tolerant approach adopted by the autonomous Basque region and the less tolerant global market. The latter has been causing difficulties for the Mondragón co-operative system, with global development as yet unable to adopt or adapt to co-operative values and principles.

We have been concerned with the part that 'affect' has to play in organisational life and the dreams of what it means to work co-operatively. The central systemic idea of our study presents an alternative to the capitalist discourse that emphasises economic growth and competition between individuals above all other considerations. Although the authenticity of the co-operative system in Mondragón has sometimes been challenged (Kasmir 1996), our research indicates the importance of affect and relationships in this success story and points to specific qualities of systemic relationships at work and in community that seem to be distinct from what is often expected or taken for granted in the current neoliberal system that dominates the developed world.

In terms of the simple objective of making money, the co-operative way may not the most 'logical' in

the sense of simple object achievement. However, it could be the most satisfying and fulfilling. The 'logic' resides in the affective reward, mostly ineffable and intangible, although this sense of satisfaction and fulfilment can sometimes be associated to generational transfer, from the Mondragón co-operative Primary School, to the co-operative university and finally in co-operative work that gives back to the community and to future generations in a cyclical fashion. In this case, the value of the affective realm can be clearly perceived as long term satisfaction as opposed to a short term 'fixe' that could be associated with the rewards of the capitalist business paradigm.

Signs of this affective realm were evident in Bermuda too. When the residents of Hamilton became nostalgic about a recent past and somehow wanted this history to be recreated in the present, the question was not whether this was realistic in terms of objects (for example, nobody asked: 'who will pay to renovate the traditional architecture?'). What counted was the affective importance of this act and how it needed to find a future voice. This is also true of developments in Preston, but in a more reflexive and conceptualised fashion. The language used by different stakeholders in Preston to describe the socio-economic change as represented by the Preston Model combines reality with aspiration, pragmaticism with dreams.

We can almost trace a journey from Bermuda to Mondragón: (1) Bermuda and the dreams of a future based on a knowledge of the past, establishing an imperative to combine the thoughts associated with actual economic development (for example a realistic business plan) with the affective and relational realities that may be harder to identify but are no less powerful in their possible application. (2) Preston, where dreams are informing concepts that go beyond dreams and start to become realities. While (3) in Mondragón dreams have become realities and this living combination is starting to feedback into itself in a virtuous cycle of affect and economics over time.

Conclusion

Our research follows on from the important work of Jussila et al (2012). Their work established the theoretical importance of considering the value of affect in co-operatives, and our research provides some evidence for this. In addition, our research, from a psycho-social approach, adds 'flesh' to the 'bone' of theory and seeks to delve into the nature and quality of affect through its expression in dreams, aspirations and free association. While Jussila et al conclude with advice for managers, thus giving their work a utilitarian sense, we have preferred to honour the essentially abstract and ineffable nature of the affective and relational realm. For example, Jussila et al argue that:

> It seems that the member's desire to stay can be promoted through increasing member

> identification with the co-operative, co-operative-based self-esteem, and psychological ownership for the co-operative, which again have their own antecedents that can be managed (e.g., organizational justice, communication of shared identity, organizational support, control, knowledge, and self-investment as well as face-to-face transaction, and member education). (Jussila et al 2012, pp. 7-9)

We do not believe that the 'desire to stay' should be a managed quality, and indeed we doubt that such management could be effective if applied directly and consciously. In Mondragón, for example, member identification with the co-operative is a subtle affective connection with place, community and the generational cycle. The extent to which this can be "managed" is questionable. The most one can hope for is an increased awareness of what it means for the success of a co-operative venture to pay attention to, and privilege, the qualities of affect and relationship at work, through participation and facilitation.

We believe that the shift from an emphasis on financial capital to human capital (prioritising the latter but without separating the two), as exemplified in our examples, can lead to in-depth transformations at work and in society. We also believe that work in Preston is at the forefront of this transformation that is, at least to some extent, suggesting an inevitable change that societies will have to adapt to in the face of the terminal decline of the sense of the neoliberal paradigm. Maybe this is indicative of a necessary revolution of thought and feeling. This is what Deleuze means in the following extract, and this is what may be defining the quiet revolution taking place in Preston and beyond

> The revolutionary lives in the gap which separates technical progress from social totality, and inscribes there his dream of permanent revolution. This dream, therefore, is itself action, reality, and an effective menace to all established order; it renders possible what it dreams about. (Deleuze 1990, p. 59).

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