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Worker Cooperatives and Democratic Governance

by John Pencavel
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Abstract:

A worker co-operative is a firm that is owned and managed by those who work in it. This paper provides a selective review of research in economics on worker cooperatives. It concentrates on the volatility of earnings and employment in the co-ops compared with conventional capitalist firms; on the long-term viability of co-ops; on the relative productive efficiency of co-ops; and on problems of democratic governance within co-ops. Using modern empirical methods applied to large numbers of observations, recent research has substantially enhanced our understanding of worker co-ops.

Text: See [Discussion Paper No. 6932](#)



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