

## If capitalism is failing, does cooperation come next?

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Can capitalism still organise society for the common good? That was the question I put to John Christensen. What we discovered is that the answer lies not in abstract theory but in practical experience. Mutuals, co-operatives and democratic institutions already shape our lives. The Nationwide building society, the Co-op, mutual insurers, some energy suppliers, pension funds and some phone providers prove that another way of organising the economy exists.

In this video, we discuss why shareholder capitalism has produced monopolies, failing utilities and democratic erosion, and why cooperation may be the basis of a politics of care.

If capitalism is failing, the question is not whether change will come, but how.

<https://www.youtube.com/watch?v=NhZn4PBY66k?si=hHZwDjvrUg2MIfiN>

This is the audio version:

[https://www.podbean.com/player-v2/?i=25ded-1a55b3a-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=auto&logo\\_link=episode\\_page&btn-skin=c73a3a](https://www.podbean.com/player-v2/?i=25ded-1a55b3a-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=auto&logo_link=episode_page&btn-skin=c73a3a)

There is no transcript for this discussion as it would be too long. This is, however, a summary of what we said:

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“Can capitalism still organise society for the common good?” That was the question I put to John Christensen when we sat down to talk, and it was not a theoretical question. It came out of frustration with the world we are living in, which is a world where giant corporations exercise enormous power with little accountability, where privatised utilities fail to deliver, and where institutions that were meant to serve the public seem increasingly remote from the people who depend on them.

John was the perfect person to have that conversation with. Like me, he has spent decades critiquing the way capitalism has evolved. Neither of us set out to defend or denounce a system in the abstract. What we wanted to know was something simpler and more practical: if capitalism is failing in key areas of life, what comes next?

The answer we kept returning to was cooperation.

We began with the obvious reality that some parts of the modern economy are no longer delivering public benefit. I mentioned the technology monopolies that now dominate communications and information. They rely on our data, our labour, our creativity, and yet they operate beyond meaningful democratic control. They shape politics, distort markets, and extract rents from society without giving proportionate value back.

John’s point was that this outcome is not accidental. It flows from the way capitalism has been structured in the last half-century. The modern joint-stock company is designed to maximise returns to shareholders. That idea was reinforced by economists like Milton Friedman and Michael Jensen, who insisted that directors have no responsibility beyond profit. Once you accept that doctrine, everything else follows – the squeezing of wages, the cutting of investment, the creation of monopolies, and the relentless search for short-term gains.

That is capitalism as we now know it. And it is not working.

But what struck me most in our conversation was how quickly we moved from critique to alternative. John reminded us that cooperatives and mutuals are not some marginal curiosity. They have existed for centuries, and modern cooperative movements were born here in Britain. Thinkers like Robert Owen and John Stuart Mill saw them as practical ways to combine efficiency with fairness.

I realised as we talked that we both live our lives surrounded by mutuals. My pension savings are with a mutual provider. I bank with Nationwide. I shop at the Co-op. I have insurance with a mutual. John added that he buys his energy and phone services from co-ops. These are not fringe organisations; they are everyday institutions.

That matters because it shows cooperation is not a dream. It is already embedded in our economy. We have simply forgotten how powerful it can be.

John described the difference between a joint-stock company and a cooperative in very human terms. In a joint-stock company, ownership belongs to investors seeking profit. In a cooperative, ownership belongs to members, whether they be customers, workers, communities and the organisation exists for their benefit. Voting is democratic and is based on one vote per member. The person, not their capital, matters. Likewise, dividends depend on use, not capital.

In other words, the institution serves people, not shareholders.

Once you see that, new possibilities open up. We began to imagine where mutualisation could be applied today. Water companies came up quickly. They are natural monopolies. Everyone depends on them. Yet in the UK, they have been stripped for dividends while infrastructure decays. Why should that sector not be owned by its users?

Energy companies are similar. So, perhaps surprisingly, is the BBC.

The BBC became our test case. It is a public institution with huge cultural value, but it suffers from declining trust and political interference. What if licence fee payers became members of a mutually owned BBC? What if governance were genuinely democratic?

That idea is not about privatisation. It is about protecting public institutions by making them accountable to the public.

Of course, we were not naïve. Mutuals can fail. I mentioned voting against a very high executive salary at Nationwide, only to discover the vote was advisory. Cooperatives can decay if members disengage. Democracy requires participation.

But that does not undermine the model. It simply reminds us that institutions reflect the people who run them.

Another issue we discussed was funding. Critics often ask where the capital would come from. The answer is that mutuals can raise finance just like any other organisation, through retained earnings, loans, bonds, or government support. The difference is that capital serves the members rather than controlling them.

That idea connects directly with themes I have written about on Funding the Future for years. Finance should be a public utility. Savings should support real investment. Institutions should be designed around care and sustainability, not extraction.

What I found most powerful in our conversation was the sense that this is not merely an economic debate. It is a moral one. John said at one point that humanity faces a choice between cooperation and barbarism.

That sounds dramatic, but it captures the moment we are in. We can continue down a

path of inequality, monopolies, and democratic erosion. Or we can rebuild institutions around shared ownership and shared purpose.

That is what mutualisation offers.

It will not solve every problem. But it is a practical way to restore accountability to the economy. It reconnects people with the services they rely on. It restores the idea that economic institutions should exist to serve society.

For me, this links directly to the politics of care that I have been trying to describe in my work. Care is not just an attitude; it requires institutions that embody it. Cooperatives, mutuals, and democratic public organisations are ways of doing that.

At the end of the conversation, I asked listeners to tell us what they thought. Because this debate has to move beyond two economists talking. It has to become a public conversation about how we organise our economy.

We have built cooperative institutions before. Building societies, mutual insurers, and consumer co-ops were once central to British life. There is no reason they cannot be again.

And if capitalism as currently practised is failing – as I believe it is – then cooperation is not just an alternative. It is a necessity.

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## **Poll**

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