



BY DAVE GUTKNECHT

Shared Co-op Values, Multiple Stakeholders

Are cooperatives ready for new challenges? They are receiving greater attention as a democratic means for addressing social and economic needs—and those needs are growing. Along with record levels of food stamp recipients, the number of citizens lacking work is at an all-time high, with total unemployed plus underemployed at nearly 18 percent of the workforce (shadowstats.com).

Hard times frequently have generated expanded opportunities for consumer cooperatives and worker cooperatives. Previously as well as today, different kinds of co-ops have worked together. How can these possibilities be realized? These thoughts stem from reading a book on co-op history and from news of a groundbreaking cooperative alliance.

As stated in their values and principles, cooperatives attempt to share the responsibilities and rewards of enterprise. They aim to democratically control capital and its uses. Indeed, fairness and democracy are themselves strong social needs and are keys to sustaining cooperatives.

What drives co-op success is meeting member needs through sound management and strong member linkage. A business based on close ties with its owners and customers should have advantages stemming from that. Few businesses outside cooperatives can offer democratic ownership based in the community of those using its business services.

Yet linkage with member-owners is only a co-op advantage if it is dynamic and continuously guides the co-op. Competing businesses—call them “conscious capitalists”—can mimic the co-op’s services, pressuring the co-op to improve or change. Cooperation, like democracy, must be an active verb.

In helping sustain the business, a co-op’s ownership structure can be a means for success or stagnation, for innovation or indecision. Stories related here usually fall on the side of success and innovation, and today’s food co-ops, many in their fourth decade, have attained a solid market position. However, business and social environments are changing, and maintaining that position is not a given.

Historically, many consumer cooperatives have thrived but later lost market share to private capital. In parallel fashion, many worker cooperatives have been launched with great solidarity and success but have not maintained democratic ownership beyond the founding generation. Yet the need for cooperative democracy persists, and opportunities are all around.

There is another wave of consumer food co-ops being launched, and we may soon see a new era of worker co-op formation as well. Reporting on an exciting opportunity for expanded worker ownership, Erbin Crowell comments on the alliance between United Steelworkers, the largest industrial union in the U.S., and Mondragón Cooperative Corporation, the world’s largest cooperative complex. Based in Spain, Mondragón has more than 100,000 worker owners in over 200 enterprises, domestic and international. The new alliance will explore establishing industrial cooperative ownership in North America.

A new book, *For All the People*, by John Curl, covers the long and uneven history of efforts in the U.S. to establish worker-owned businesses and cooperative communities, from the 1800s to the New Deal and beyond. Stuart Reid discusses Curl’s book and some questions it provokes.

Today’s food co-ops face a changing environment. Along with growing awareness of the food and health connection, there are record numbers in the U.S. who lack food security. Volatility in supplies and costs can be anticipated. Grocers operate at a very competitive and challenging nexus.

Retailing calls for continuous improvement, which suggests reconsideration of assumptions and services. In addressing new issues and allies, community-based cooperatives will want to draw on their strengths of democratic ownership and recognition of multiple stakeholders. Whether stable or growing, cooperatives can draw on shared values, trust and organizational transparency, and roots in the local community.

Examples of leveraging these strengths, and lessons learned, are found in two reviews of store expansion lessons from Wheatsfield Co-op in Iowa and Wheatsville Co-op in Texas. Modeling transparency, one of our oldest consumer cooperatives societies, Co-op Food Stores of Hanover and Lebanon, N.H., discusses its practice of open book management. The result of expanded and systematic sharing of financial information has been improved performance and motivation among co-op staff.

And since improvement seldom occurs without difficulties, especially in organizations designed for democracy and transparency, you’ll find key issues addressed by two other contributors: model grievance procedures are summarized by Carolee Colter, while Michael Healy reviews how to plan board of directors meetings for effective governance. ■

CONTRIBUTORS IN THIS ISSUE



Terry Appleby is general manager of the Co-op Food Store in Hanover and Lebanon, N.H. (terry@coopfoodstore.com).

PAGE 14



Carolee Colter works with CDS Consulting Co-op (caroleecolter@cdsconsulting.coop).

PAGE 17



Erbin Crowell currently works with the Cooperative Fund of New England and in collaboration with groups such as Neighboring Food Co-op Association and the Valley Alliance of Workers Co-ops. He also serves on the board of the National Cooperative Business Association (erbin@cooperativefund.org).

PAGE 8

Dan Gillotte is general manager at Wheatsville Food Co-op in Austin, Texas, and also wore the hat of project manager for the Wheatsville expansion (dangillotte@gmail.com).

PAGE 22



Michael Healy is a member of CDS Consulting Co-op and contributes to its Cooperative Board Leadership Development (michaelhealy@cdsconsulting.coop).

PAGE 24



Steve Miller is the Hanover store manager for the Co-op Food Store in Hanover and Lebanon, N.H.

PAGE 14

Michael Owens is a former board member at Wheatsville Food Co-op in Austin, Texas. (mhowens@gvtc.com).

PAGE 22

Stuart Reid manages Food Co-op 500, a program assisting startup co-ops throughout the U.S. (stuartreid@cdsfood.coop).

PAGE 10

Mari Roseman is a marketing programs specialist at the National Cooperative Grocers Association (mari.roseman@ncga.coop).

PAGE 20

Thanks to our sponsors for their additional support

Alvarado Street Bakery
707/283-0300 • www.alvaradostreetbakery.com

CDS Consulting Co-op
802/387-6013 • www.cdsconsulting.coop

CROPP Cooperative/Organic Valley
608/625-2602 • www.organicvalley.coop

Frontier Natural Products Co-op
319/227-7996 • www.frontier.coop

Once Again Nut Butter
888/800-8075 • www.onceagainbutter.com

Additional sponsors needed—contact Dan Nordley, dan@cooperativegrocer.coop, 612/436-9177