

Historical Tensions, Institutionalization, and the Need for Multi-stakeholder Cooperatives

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- Policy: I'll speak to two policy issues in terms of:
 - Corporate Policy: changes in organizational bylaws on governance structure (Margaret Lund).
 - National Policy
 - Indivisible Reserves (Reynolds).

Methods and Problems

Methods: This is a **conceptual/theoretical/historical piece** so there isn't really any methods in an empiricist sense, though there is literature to support this discussion.

Problems

- 1) Historically agricultural cooperatives have been formed to obtain a) **needed products/services** [not available in the market place], b) to compete against **market concentration/power**, and c) to provide **democratic governance** for farmers.
- 2) In order to compete with IOFs agricultural **cooperatives have had to increase scale** over time, but to such a degree, they are sometimes dismissed **“just like any “other” business.”**
- 3) This is in fact a criticism about the **dilution** and loss of **local/democratic responsiveness**, and where the business/economics aspects have become much more predominant.
- 4) These problems have been compounded by **loss of funding for education, research, technical assistance due to budget cuts**, co-op drops (Torgerson et al; Gray; Lund; Mooney).

Co-op and IOF Differences

- The **predominant business form** in the economic context of cooperatives is the IOF.
- **IOFs** seek to make a **return on money**, simply put, one starts with a pile of money, and then offers some kind of service or product to get more money.
- **Co-op members seek a service**. There is some need, a product or service is offered to meet the need, a financial margin is obtained to continue the service thru time.
- Both must make a margin over costs.
- Internal logic of IOFs: **return on investment, roi**
- Internal logic of cooperative: **use** (Gray).

Cooperative Definition

- Cooperative Principles:
- **The User-Owner Principle**
- **The User-Control Principle**
- **The User-Benefits Principle:**
- (Dunn, Abrahamson).

Inherent Cooperative Tensions

- Because of their **dual natures (democracy versus business,)** they have **various agencies** that are in **tension** with each other.
- **Use, participation, and self-governance // Efficiency, economic performance, roi—(are not mutually exclusive, they interpenetrate each other).**
- And these internal tensions are in **dynamic relation to the external context.**
- And they **can shift in terms of which end is predominant** due to such pressures, in the context, as economic conditions, technological changes, changes in the structure of agriculture, globalization, social movements, among others (Gray; Dimaggio, Jorge & Herman; Mooney; Fairbarin).

Tensions (not mutually exclusive, they interpenetrate each other).

- Three external tensions are considered here.
- 1) **Participation and democracy//Efficiency and Capital investment.**
- 2) **Localism//Geographic expansion.**
- 3) **Production//Consumption**
- (Mooney & Gray; Dimaggio, Jorge & Herman; Mooney, Gray).

Multi-stakeholder cooperatives

If there are at least two classes of members; it's considered a multi-stakeholder co-op, each **group has seats on the board**, (worker vs community). (Leviten-Reid, Fairbarin).

Criticisms: Decision making is cumbersome (takes more time).

Predictions co-ops will fragment to IOF firm or close. (Lindsay, Hems)
Hems, Munker.)

Leviten-Reid, Fairbarin (2011) argue that members join **not only for access to market, products, and/or service** but for **socio-economic, community welfare and ecological goals** and that these goals often result in greater member involvement and ultimately greater **organizational resilience** (Lund).

Prevalent in Quebec, Ontario and Italy, growing in numbers in U.S.

Multi-stakeholder Cooperatives

- **Weaver Street Market, (Hillsborough, North Carolina (consumers and employees) est. 1988. (30 years ago)**
 - **Oklahoma Food Cooperative, Oklahoma City, Oklahoma (Consumers and producers are members) est. 2002 (16 years ago).**
- Black Star Co-op and Brewery, Austin, Texas. est. 2010. (8 years . (Consumer, workers, community supporters as members).**

co-op
ownership

community
roots

authentic
food

championing
a better world

events

championing a better world

At Weaver Street Market, the social and environmental bottom lines count.

Sustainable Farming

Fair Trade

Local Purchases

Ecological Initiatives

Supporting Other Co-ops

Recycling FYI

Championing a better world

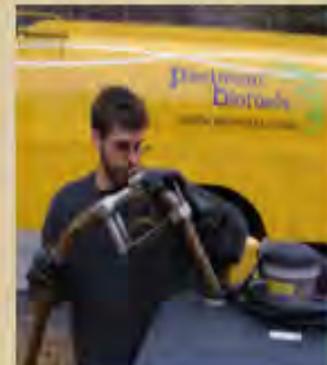


You, as an individual, can make a positive impact on the world around you. We, working together, can make that impact even greater. By implementing environmental and socially responsible initiatives, WSM seeks to create positive change in our neighborhood and around the globe. We measure our progress using a "triple bottom line" of financial, social and environmental sustainability. Our commitment to paying fair wages and buying local goods makes a multi-million dollar impact on our local economy, and our support of Fair Trade farmers extends that impact around the globe.

Investing in recycling programs, alternative fuels, energy conservation, and sustainable agriculture minimizes our environmental footprint and helps raise awareness about the need to protect our natural resources.

We provide a welcoming venue for community gatherings, and offer education and entertainment through our hundreds of free events. Our profits are reinvested in the local community through donations and grants to non-profit organizations that promote social activism in our area.

We believe that together we can work to make the world a better place. This is not just a slogan at WSM; it is a call to action. We are a diverse and ever-growing group of citizens committed to working together to realize our hopes and dreams for our community, economy, and environment. Join us!



Weaver Street Market pioneers innovative and responsible ideas that improve lives, from living wages for our staff to sustainable agriculture in the Piedmont and Fair Trade around the world.



Oklahoma Food Cooperative

Why Buy Oklahoma Foods?

Taste. Nutrition. Health.

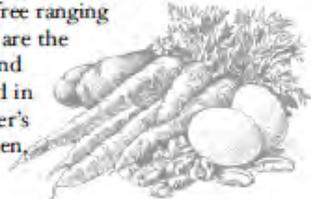
We have healthy foods and you can find out exactly what the production practices were with each product. Our producers offer a wide variety of all natural meats — farm raised venison, lamb, pastured chicken, grass finished beef, custom-fed pork, buffalo. We feature Oklahoma wheat and flour, peanuts, and a selection of processed foods like cheese, salsa, fudge, artisan breads, cookies and jellies made right here in Oklahoma. Yes, we have eggs from free ranging chickens. These are the same delicious and local foods found in your grandmother's traditional kitchen, once again available to the public direct from Oklahoma farmers. Besides food, we have a wide variety of artisan soaps and body care products, fabric arts, baskets, and other non-food items.

Relationships.

These days you ought to know the farmers who produce your food. Our online customer hand-book introduces you to the family producing that particular product. You'll also get recipes and suggestions for use of seasonal products. You can meet producers at Oklahoma Food events.

Local Economic Development.

Buying food directly from farmers and ranchers puts your money to work at the grass roots of our local and state economy, where it does the most economic good for the most people. Oklahoma needs that right now.



Sustainable Production Practices.

We offer certified organic and all-natural products. Each producer details his or her production practices for the members, so you know exactly what you are buying. If we want a more sustainable agricultural system, then there must be a market for organic and natural products, and the Oklahoma Food Cooperative offers that market to customers and producers.

Social Justice.

Each month customers have the opportunity to donate money that buys local foods to give to the poor. And the cooperative offers very small farmers — including young farmers, women, and racial minorities — an opportunity to build economic opportunity and security through agricultural entrepreneurship.

Convenience.

Oklahoma Food offers a most convenient grocery shopping experience. From the comfort of your own home, you can browse the product lists and compile your order. Once you learn the system, you can order most of your monthly groceries in only 20 minutes.



If you want to give your family the best food available right now in the state of Oklahoma, increase environmental sustainability, and boost rural economic development, join Oklahoma Food, a cooperative business organization owned by farmers, ranchers, and their customers . . .

It is the right thing to do!

How we do business

Our system works on a monthly cycle. The order always opens the first day of the month. The order always closes the second Thursday of the month. Delivery day is always the third Thursday.

With one order, one payment, and one pickup or delivery, you could order food from 60 different Oklahoma producers. One week after the order closes, you pick up your food at one of our delivery locations in Norman, Midwest City, OKC, Stillwater, Tulsa, Chickasha, and Muskogee-Tahlequah (delivery locations may change from month to month or by season). See the complete list on the next page.

You pay for the order when you pick up your food. You may pay by check, money order or PayPal internet service. The Coop offers a discount for payment with cash, check, or money order.

How do I join the Oklahoma Food Coop?

To join, fill out the on-line membership application at our website (click on BASICS, then JOIN). The price of a membership share is \$51.75 — a one time payment that buys you one share in our business, and thus provides us with funds to grow and expand our service. It is not an annual fee like a Sam's Club membership. If you decide to leave later, we will buy the share back from you.



Black Star Pub and Brewery (established in 2010, Austin.)



7020 Easy Wind Dr. Austin, Texas
(512) 452-BEER

[Eat](#) [Drink](#) [Co-operate](#) [About](#) [Contact Us](#)

Your Brewpub

Black Star Co-op is the world's first cooperatively-owned and worker self-managed brewpub. We are owned by a community of more than 3,000 individuals and organizations, and we're democratically managed by our Workers' Assembly.

Co-operatives are businesses owned by the people who use its services or who work at it. You don't have to be a member-owner to come to the brewpub, but supporting Black Star Co-op means supporting livable wages, democratic workplaces, local farms, and quality products from your community brewpub!

Menus



[Dinner Menu](#)

[Weekend Lunch Menu](#)

[Kid's Menu](#)

[Sample Drink Menu](#)

Hours

Dinner

4pm-11pm daily

Lunch

Friday, Saturday, Sunday 11am-4pm

Pub

Sunday through Thursday until midnight

Friday, Saturday until 1am

Corporate Cooperative Policy

- Corporate bylaw changes: In **Multi-stakeholder cooperatives**, governance provisions are typically provided by **allotting board of director seats** according to how **central** the stakeholder stake is in the organization.
- seeking some approximate balance of interest ensuring **each stake has a voice**. (Margaret Lund).

National Policy: Indivisible Reserves

Indivisible reserves have **three purposes**: 1) **reducing** incentives for **demutualization**, 2) distributing funds for **cooperative development in event of closure**, 3) providing permanent capital to **strengthen solvency** (Reynolds).

In cases of **acquisitions** by IOFs and/or conversion to IOFs, these funds provide an **disincentive** to such actions in that they can not pass to members nor to an acquiring investment firm.

In the event of cooperative closures, indivisible reserves must **stay in the cooperative sector**, either going to a national fund for cooperative development, or to a federation of cooperatives (Giszpenc). In the U.S, they would possibly go to State Cooperative Councils, depending on location of the cooperative.

Funds provide stability for organization.

These funds might provide for **research, education, and technical assistance** that had previously been lost to budget cuts, cooperative cutbacks.

Conclusion: Pre-history

- **Pre-history:** We may be in a kind of pre-history with many of these organizations. They may be still fairly fragile in what Gar Alperovitz (2013) suggests is a pre-history.
- They may gain greater ascendance **if current socio-economic** (e.g. inequality) **and ecological conditions** (e.g. climate change) **continue.**
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- **By internalizing within an organization** with inclusive democratic voice and use characteristics, various **social, economic and ecological needs** might be more holistically addressed