

BY DAVE GUTKNECHT

Stakeholders and Solidarity



Food co-ops have thrived as consumer cooperatives, owned by the people who patronize them, and they have learned to give emphasis to the ownership part

of that structure. In prior decades, there was less recognition of the importance of member equity and investment, and even now their proponents need reminding of the potential of this “sleeping giant.”

Today, co-op members are stakeholders who drive the business purpose, services, and growth. Formerly, member contributions commonly consisted of a small fee in exchange for purchase discounts, and additional investment often took the form of volunteering “sweat equity” rather than balance-sheet equity. Mature food co-ops, led by professional staff and management, have made members owners and are democratic organizations governed by forward-looking boards of directors.

Critically, the owner equity on co-ops’ balance sheets, allowing leverage of additional capital for expanded services, is built from both retained earnings and members’ contributed capital. Those household investments, revised upward yet still small, generate cumulative equity that allows improvements that have made today’s co-ops impressive centers of business and community activity.

Just as these cooperatives have addressed market failures by providing cleaner foods from trustworthy sources, they have retained a desire to improve workplace conditions that elsewhere make many jobs disempowering and dissatisfying. Expectations of co-ops, reflecting their principles and values, have been high.

However, like the evolution of member ownership, co-ops’ efforts to provide fulfilling jobs and more democratic workplaces have encountered challenges. The appreciation of workplace professionalism and management has at times been undermined by unaccountable decision-making without shared responsibilities, and by an outlook of employee entitlement. Worker autonomy has sometimes taken primacy over delivering good service, even though excellent service is essential for expanding and improving those jobs.

Notwithstanding such issues, surveys indicate that the pay, benefits, and satisfaction of co-op staff are better than the general workplace norms. Good managers and boards pay

attention to these conditions and seek positive evaluations from employees. In addition, success in the growing natural/organic niche has enabled co-ops to offer advancement opportunities to many employees (another area in which competition is strong).

Achieving more democratic workplaces is a two-way street. Open Book Management in co-ops offers greater recognition of staff motivations and performance. As key stakeholders in the business, employees are offered the water of greater knowledge and empowerment. Transparency is nearly synonymous with the cooperative values of honesty and openness. The transparency behind Open Book Management, if accompanied by appropriate methods, can evidently be transformative—as described here, concretely and in inspired fashion, by members of CDS Consulting Co-op.

In another direction, food co-ops also have shown leadership in giving greater recognition to producers as stakeholders. Suppliers of clean and trustworthy foods, especially local ones, often grow along with co-ops, just as the co-ops depend on them. Here too greater transparency is key, achieved through certification of organic or other production standards, agreements and personal relationships between producers and the co-op, and promotion of farms and products that highlights their unique value.

The present issue offers solid examples of co-ops supporting producers as stakeholders. Supply agreements, detailed by Travis Lusk of Seward Co-op in Minneapolis, offer mutual support, improving both the security of local farmers and the service offerings of co-ops. At Community Food Co-op in Bozeman, with funding support from the Montana Department of Agriculture, processing of local foods is extending seasonal availability and that mutual support. Internationally, as Equal Exchange reports, the new small-farmer label, SPP, places more power in the hands of small producers and offers them a greater stake in the success of fair trade along with food co-ops that promote it.

One more version of stakeholder solidarity may be seen in the cooperative principle of concern for community. Without efforts for a more balanced use of natural resources, all co-ops’ fine programs will prove inadequate. In that direction, examples offered here include planting more trees to counterbalance organizational air travel, and an innovative attempt to turn part of the massive waste of food into valuable compost that replenishes precious soil. ■

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