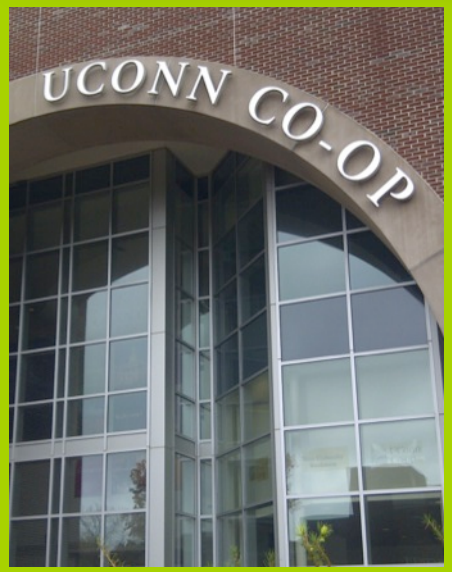
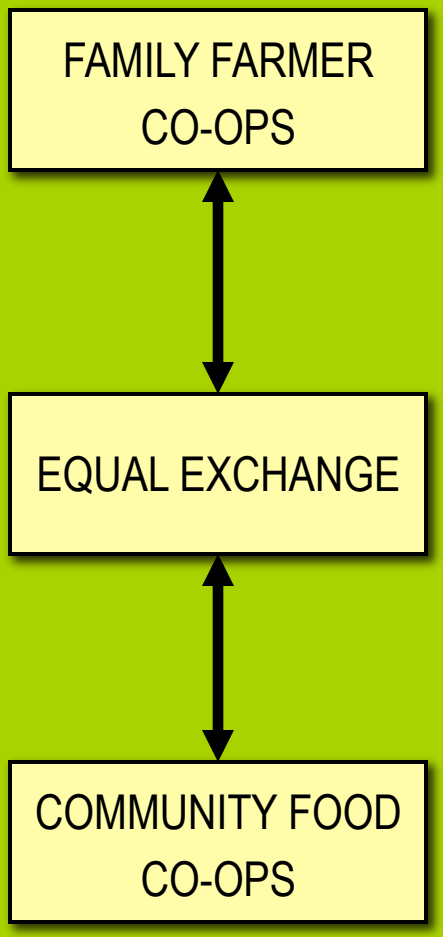


From the Year of Co-ops to the Co-operative Decade

Erbin Crowell, Executive Director
Neighboring Food Co-op Association
University of Connecticut // 19th October 2012, Storrs, CT

Where I'm Coming From…



- Indigenous Self-Development
- 10+ Years with Equal Exchange
- National Co-op Business Assoc
- St. Mary's University: Co-ops & Credit Unions
- Co-operative Development
- Adjunct Professor, UCONN
- Neighboring Food Co-ops

Outline

- Our Context & Opportunity
- Finding Inspiration
- Neighboring Food Co-ops
- The Co-operative Decade
- Looking Forward
- **Your Thoughts**

Our Context

- Crisis of Global Economic System
- Unemployment & Inequality
- Dramatic Shifts in Wealth
- Diminished Democracy
- Corporate Influence
- Instability & Change
- **Hunger for Alternatives**

What If…?

There was a business model that...

- …was democratic.
- …was rooted in our local communities.
- …was part of a values based movement.
- …put common good before private gain.
- …delivered tangible benefits.
- …was flexible and innovative.
- **…was successful and resilient.**

England in the 1800s

- Industrial Revolution
- Dislocation of Local Economies
- Dramatic Shifts in Wealth
- Concentration of Economic Control
- Poor Working Conditions
- Limited Democracy
- Globalization

Three Economic Theories

In 1844:

- Capitalism
  - Joint Stock & Bank Charter Acts
- Communism
  - Marx: “German Ideology”
  - Engels: “Conditions of the Working Class”
- **Co-operativism**
  - 28 weavers, unionists and activists found the Rochdale Equitable Pioneers Society

Three Approaches

- Capitalism
  - Economy driven my maximization of profit, control given to capital and those who own it
- Communism
  - Economy driven by social need, mediated and controlled by the state
- **Co-operativism**
  - Economy driven by social need, control given to those who use products, services & employment

What is a Co-op?

A co-operative is an autonomous association of persons united voluntarily to meet their **common economic, social, and cultural needs and aspirations** through a jointly-owned and democratically-controlled enterprise.

International Co-operative Alliance, 1995

www.ica.coop

Values Based

Co-operatives are based on the values of **self-help, self-responsibility, democracy, equality, equity and solidarity**. In the tradition of their founders, co-operative members believe in the ethical values of **honesty, openness, social responsibility and caring for others**.

International Co-operative Alliance, 1995

www.ica.coop

Principles

- Voluntary & Open Membership
- **Democratic Member Control**
- Member Economic Participation
- Autonomy & Independence
- Education, Training & Information
- Collaboration Among Co-operatives
- Concern for Community

International Co-operative Alliance, 1995

www.ica.coop

Co-ops Today

- **Are more common than we think**
  - 1 billion people are members worldwide
  - More people than own stock in corporations
- **Are innovative**
  - Healthy food, organic, Fair Trade, relocalization
- **Are successful**
  - 29,000 co-ops in all sectors of US economy
- **Are resilient**
  - Survived and **grew** during the global recession

Our Opportunity

Co-ops "**in their various forms**, promote the fullest possible participation in the economic and social development of all people, including women, youth, older persons, persons with disabilities and indigenous peoples, are becoming a major factor of economic and social development and contribute to the eradication of poverty."

United Nations Resolution 64/136 (2010)

2012 International Year of Co-operatives

International Year of Co-ops

Contribution of Co-operative Enterprise to:

- Poverty Reduction
- Employment Generation
- Social Integration
- Fairness & Globalization
- Conflict Resolution
- **Food Security**

International Year of Co-ops

Theme:

Co-operative Enterprise Builds a Better World.

International Year of Co-ops

UN Goals for the Year:

- **Increase public awareness** about co-ops
- **Promote formation and growth** of co-ops
- Encourage governments to establish **policies, laws and regulations** conducive to the formation, growth and stability of co-operatives

Our Opportunity

What are our **goals**?

What is our **vision**?

Where can we find **inspiration**?

Finding Inspiration

- Rochdale Equitable Pioneers
- Founded 1844
- Weavers, Unionists, Community Activists
- Member-Owned Store
- **Established Principles for a Movement**

Beyond a Grocery Store

The Rochdale Pioneers conceived in one association what now might make a **multistakeholder co-operative movement**. The complementary half of this multisectoral vision is that it was **a localized vision**: integrated co-operation within a geographically compact community.

Brett Fairbairn, The Meaning of Rochdale

An Integrated Economy

1. Begin with a Store
2. Accumulate Shared Capital for Growth
3. Leverage Purchases for New Co-op Enterprises
4. **Grow a Co-operative Economy**

A Living Vision

The co-operative
good with food

JOIN THE
REVOLUTION

- The Co-operative Group
- **6 Million Members (2011)**
- 123,000 Employees
- 5,000 Stores & Branches in UK
- Cross-Industry: Farming, Travel, Financial Services, Healthcare, Funeralcare, Legal Services, Auto Sales, etc.
- **20 million members by 2020**

Mondragón, Spain

- Vocational school in 1950s
- 256 Co-ops & Subsidiaries
- $20 Billion in Revenue (‘10)
- 100,000 Employees (‘10)
- **Industrial Production, Banking, Agriculture, Education, Tech, etc.**
- Largest Domestic Grocery
- Multistakeholder System

Emilia Romagna, Italy

- 4 Million People
- 7,500+ Co-ops
- 30-40% of GDP
- 2/3 are members of co-ops
- 10% employed by co-ops
- Very low unemployment
- Vibrant Local Traditions and Food Culture
- **Co-opreneurship**

“Co-opreneurship”

Italian Social Co-ops

- **Need**: Decline in government social services
- **Innovation**: New models for co-operation
- **Policy**: Movement-sponsored legislation (‘91)
- **Collaboration**: Co-op resources & support
- **Impact**: 7,000 new co-ops, 280,000 employees, 23% of paid labor force in non-profit sector (‘05)

Neighboring Food Co-op Association

The Neighboring Food Co-op Association is a network of food co-ops committed to a shared vision of a **thriving regional economy,** rooted in a healthy, just and sustainable food system, and a vibrant community of co-operative enterprise.

Leveraging Our Shared Strength

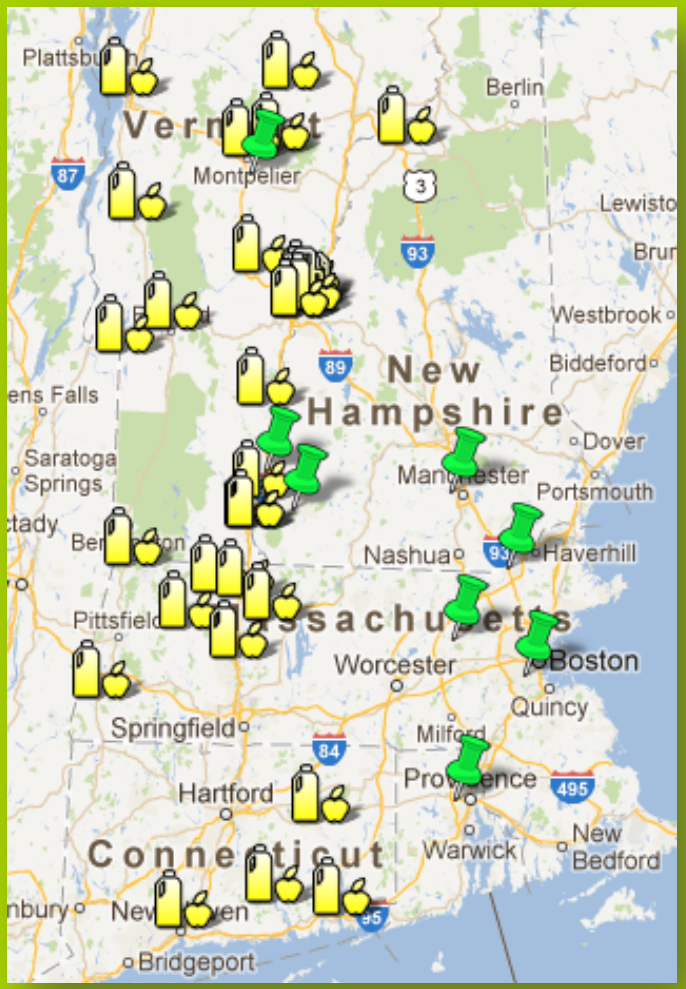
- Collaboration for Business Success
- Developing Network Partnerships
- Telling Our Stories, Communicating Impact
- Regional Sourcing

Telling Our Story…

Neighboring Food Co-ops

- 33 Co-ops & Start-Ups
- 80,000 memberships
- 1,450 employees
- $28.6 million in wages
- $200 million revenue
- **$30 million in local purchases**

http://nfca.coop/members



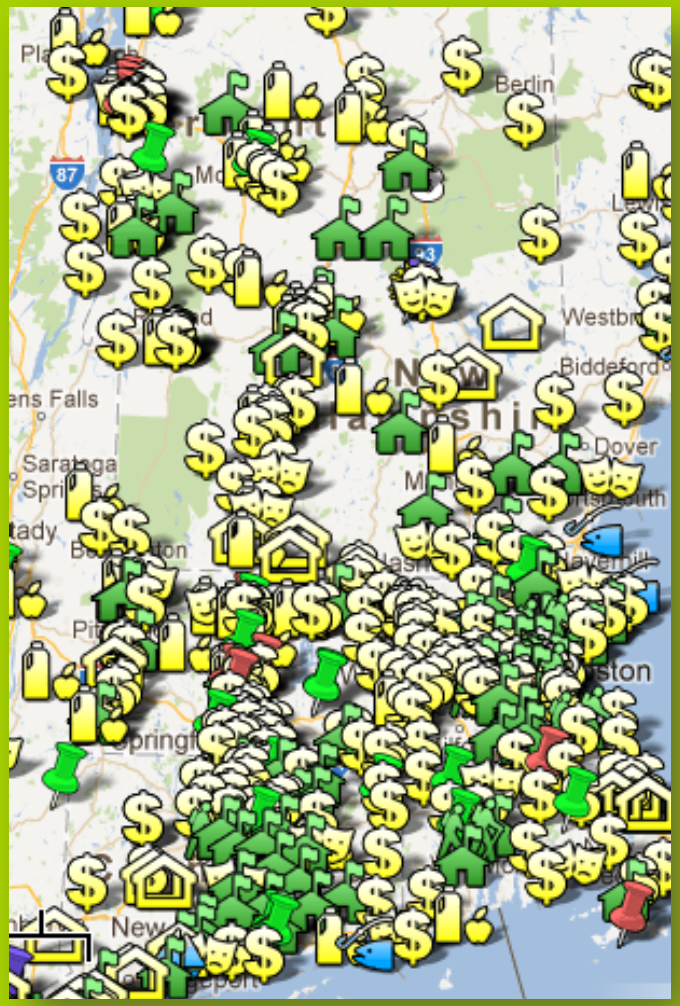
…Across the Economy

New England & New York

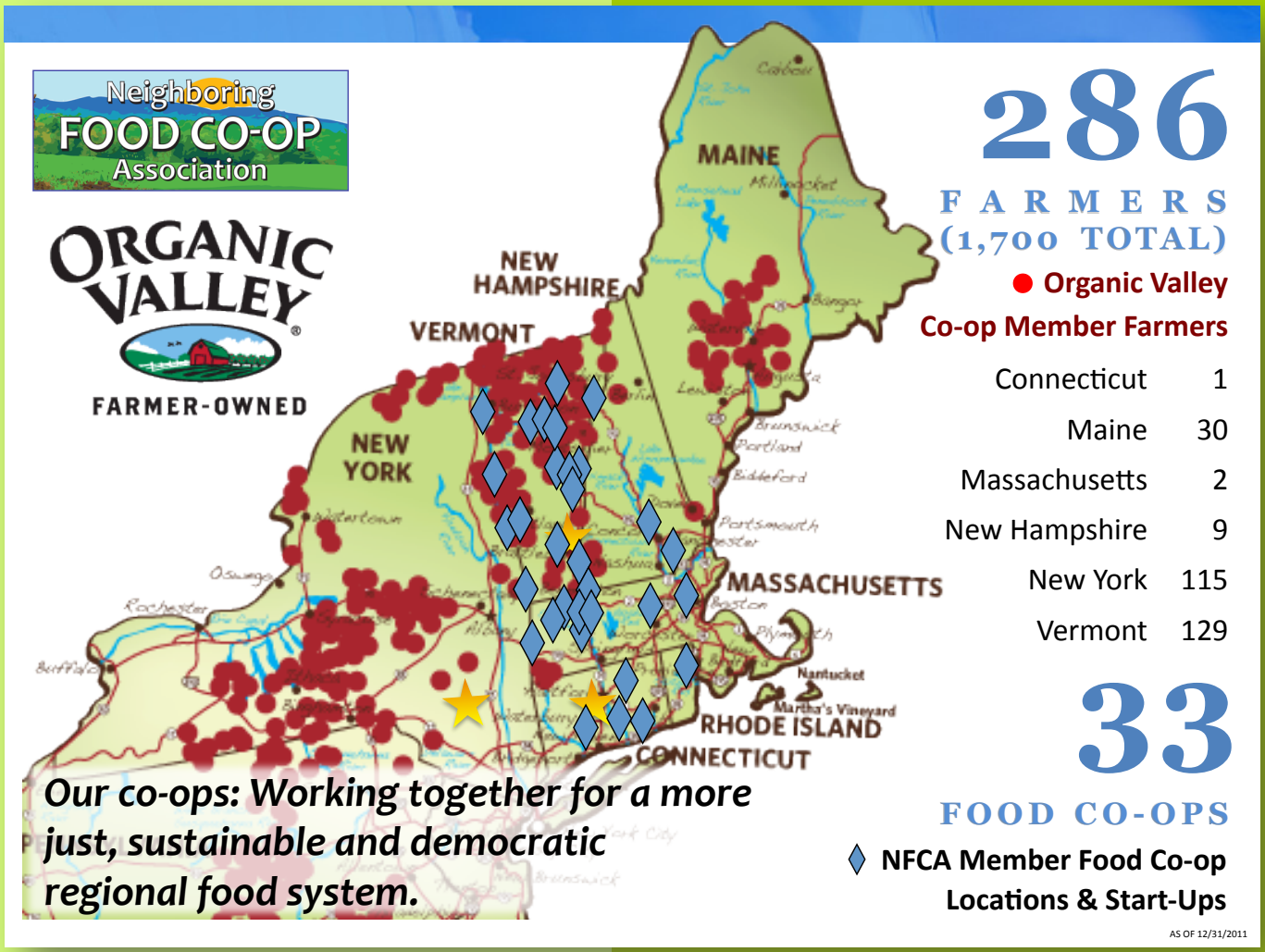
- 8,860 co-ops
- **9.5 million members**
- Employ 55,000 people
- $2 billion in wages
- $100 billion in assets
- $14 billion in revenue

http://reic.uwcc.wisc.edu/

http://nfca.coop/co-opeconomy



Opportunities for Collaboration



Regional Sourcing

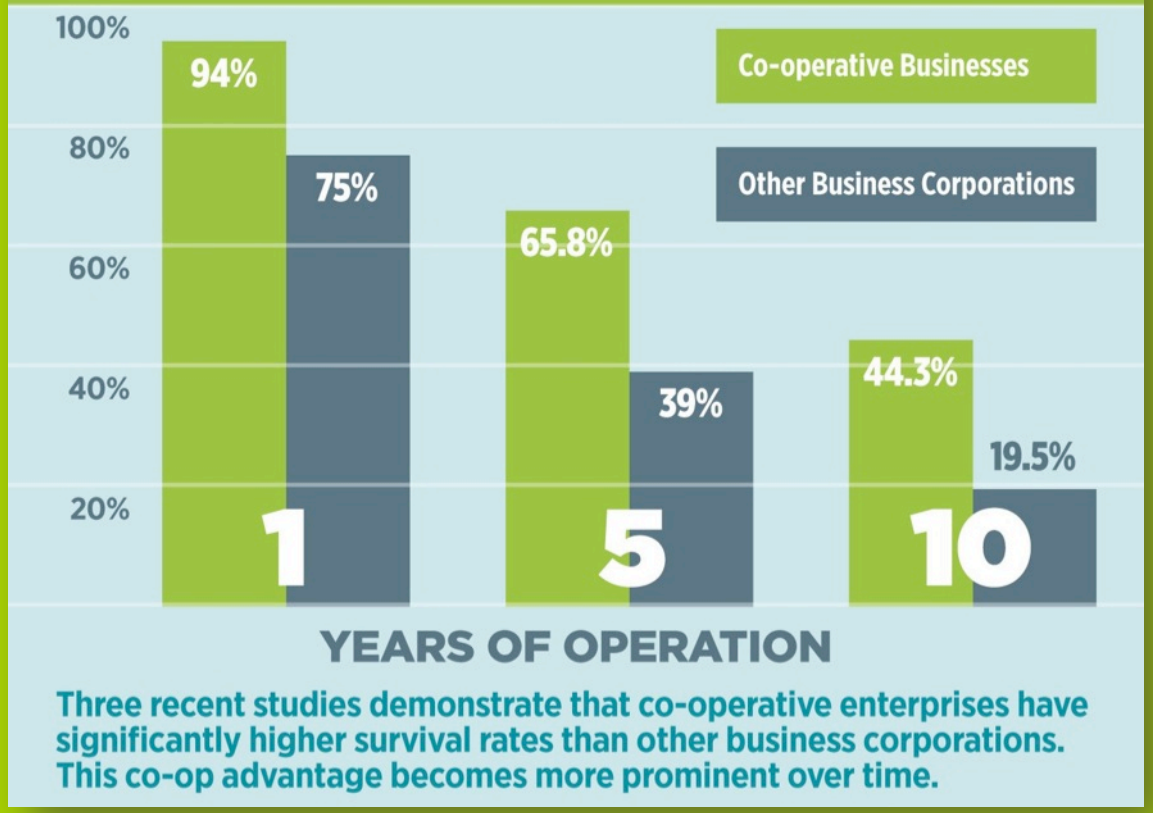
- Opportunities for Import Substitution
- Shared Purchasing to Create Change
- **Demonstrating Our Potential**
- Investing in a System

Making our Case

Food Co-ops & Local Economies:

- Community ownership & control
- Focus on service, meeting needs before profit
- Develop local skills & assets
- Ability to assemble limited resources
- Regional economic efficiencies
- Difficult to move or buy-out
- Separate community wealth from speculative markets
- Mobilize member, customer and supplier loyalty
- **Low business failure rate & are long-lived**

Co-ops outlive corporations.



Three recent studies demonstrate that co-operative enterprises have significantly higher survival rates than other business corporations. This co-op advantage becomes more prominent over time.

Ontario Co-op Assocation // ontario.coop

The Result

More stable local food systems, infrastructure, employment, services, and economy.

Co-ops & Local Economies

- **Food Co-ops**
- **Agricultural Co-ops**
- **Fishing Co-ops**
- **Worker Co-ops**
- Artisan Co-ops
- Housing Co-ops
- Energy Co-ops
- Credit Unions
- Utility Co-ops
- Health & Insurance

Collaboration among Co-ops

Co-operatives serve their members most effectively and strengthen the co-operative movement **by working together** through local, national, regional, and international structures.

6th Principle of the Co-operative Identity
International Co-operative Alliance
www.ica.coop

The Co-operative Decade

The real opportunity, of course, is to use 2012 to help achieve a longer-term vision.

ICA is committed to turning The International Year of Co-operatives into a **Co-operative Decade**...

Charles Gould, Secretary General
International Co-operative Alliance

The Co-operative Decade

By 2020, co-ops will be

- acknowledged leaders in economic, social and environmental sustainability
- the preferred business model for people around the world
- **the fastest-growing model of enterprise by 2020**.

What's Going On?

- Our model as a solution
- A reinvigorated, reinspired movement
- Young people getting involved
- Existing co-ops are growing…
- …Start-ups emerging across our region
- Entrepreneurs to "Co-opreneurs"
- **Vision of a "Co-operative Economy"**

Looking Forward

How can we take advantage of this opportunity to...

- …**engage institutions of higher learning** in educating people about one of the most effective business models in the world?
- …be **ambitious in our vision** for co-operation locally and globally?
- …work together **across co-op sectors** to grow the co-operative economy?

I ♥ Our Co-ops!

The Neighboring Food Co-op Association // www.nfca.coop

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Neighboring Food Co-op Association

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www.facebook.com/neighboring