

Co-op Corner: Making Co-ops Part of the Debate

Erbin Crowell

At various times in our nation's history, co-operative enterprise has been at the center of innovative federal policies designed to empower communities to meet their own needs in a way that other business models could not or would not. Many of the conditions that inspired these approaches may be familiar to us today: family farmers struggling against corporate consolidation, a widening gap in wealth and opportunity, working people trying to stay out of debt while accessing higher education and a better life, communities excluded from some of the basic advantages of advances in technology.

These government programs were built on the foundation of successful experiments of co-operatives to date both within the US. and in other countries, and were rooted in values of democracy, self-responsibility, and self-help. Federal support has focused primarily on legislation that would reinforce the unique nature of co-ops as user-owner, user-governed, and user-benefiting business, clear obstacles to co-operative business development, and open the way for co-operative entrepreneurs. Where government support was necessary, the long-term goal was for co-ops to become self-governing, self-sustaining, and accountable to the communities that they served over time. In this sense, they appealed to people across the political spectrum.

For example, in 1922 Congress enacted the Capper-Volsted Act — often referred to as the “Co-operative Bill of Rights” — opening the way for the growth of agricultural co-ops. Recognizing the role of co-operatives in enabling family farmers to compete and negotiate with much larger corporations, the federal government soon moved beyond basic provisions enabling their formation to providing formal technical and financial support. With the passage of the Cooperative Marketing Act in 1926, the USDA became directly involved in co-operative development. Today, a majority of America's 2 million farmers are co-op members with familiar co-ops active in our region including Deep Root Organic Co-op, Organic Valley, Pioneer Valley Growers Association, and Cabot Creamery Co-op (part of Agri-Mark), which is celebrating its centennial this year.

Similarly, in 1933 the Farm Credit Act funded the establishment of financial co-ops for farmers

and rural communities, and the Rural Electrification Act of 1936 provided isolated communities unable to access electricity and other utilities with federal loans to build power infrastructure themselves. Structured as community-based co-ops, these businesses continue to provide electric services to the

majority of the American land mass. Examples in our region include the Vermont Electric Co-op, Washington Electric Co-op (VT), the New Hampshire Electric Co-op, and the Delaware and Otsego Electric Co-ops in New York State.

Other examples of government support for co-operative enterprise include the Federal Credit Union Act (1936), which enabled working people to charter credit unions under federal law, opening access to affordable credit and other financial services, and rooting capital in local communities. (Today, 115 million Americans are credit union members.) In the 1950s and '60s, Federal Housing Acts sought to address issues of affordable housing thought the development of housing co-ops. And in 1978, the National Cooperative Bank was chartered by Congress to provide financial services to co-ops and the members.

While awareness of the long-term impact of co-ops and credit unions has increased dramatically in recent years, they have been largely absent from the policy platforms of our Presidential candidates. An exception has been Vermont Senator Bernie Sanders, whose policy statement on “Revitalizing Rural America” calls for programs that would “incentivize rural co-operative business models and utilities, such as rural electric co-operatives, food co-ops, and credit unions.”

New York Senator and Presidential candidate Kirsten Gillibrand is also no stranger to co-ops, having co-sponsored the Mainstreet Employee Ownership Act (See Green Living Journal, Fall 2018). Passed in 2018, this legislation seeks to transform the challenge of business owner retirements into an opportunity, providing a path for conversion of these enterprises to worker co-ops and other models for employee ownership.



Erbin Crowell



EDUCATION & BUSINESS

In August, Gillibrand released her plan for a “National Partnership for a Prosperous Rural America,” with the goal of “putting power back in the hands of rural Americans” to grow the economy and address challenges of climate change and health care. In keeping with ideals of empowering people to meet their own needs and ensure that businesses are accountable to their communities, co-operatives are central to her vision:

We will launch a cooperative business initiative, working with communities, business owners, and workers to address gaps in community services and create economic opportunity. Rural America has long been shaped by co-ops, from agriculture and rural utilities to credit unions and Farm Credit institutions. Today, co-ops can continue this legacy of building local wealth and quality of life. Co-ops can enable rural Americans to address a new set of challenges like inadequate child care, homecare, housing, and high-speed internet service. Rural communities could use co-ops to keep local grocery stores open and helping retiring business owners transfer their companies to workers, consumers, and farmers, keeping Main Street businesses alive, preventing job loss, and sharing wealth across rural America.

As president, I would create a White House Council on a Cooperative Economy to ensure all federal loan, contracting, and technical assistance programs are accessible by cooperatives, unlocking billions of dollars in potential federal investment. And so that rural regions fully capture the potential of using cooperatives, we will significantly increase support to cooperative development by fully funding the Rural Cooperative Development Program at \$40 million per year.

Tom Vilsack, former Iowa Governor and US. Secretary of Agriculture, has given his support to Gillibrand’s plan: “Unique to her plan is how she has woven the element of partnership into every aspect of a comprehensive vision for a powerful rural economy and an improved quality of community life.”

Gillibrand’s efforts to shine a light on the historic impact of co-ops and advocate for specific policies that would enable them to addressing

contemporary challenges is a breath of fresh air for co-ops and their members. The opportunity now is to thank candidates such as Gillibrand and Sanders for highlighting co-operatives, and to use this momentum to ensure that co-operatives are part of the dialog among Presidential candidates as they discuss their plans for the future.

Earlier this summer, with the 2020 Presidential Elections beginning to heat up, the National Cooperative Business Association (NCBA) launched its “#CoopsFor2020” Campaign to help raise awareness of co-operatives as powerful, effective tools for building more stable, sustainable businesses and communities, from addressing rural internet connectivity and clean energy to affordable housing, financial security and healthy food access.

The campaign invites people to send a “Letter to the Editor” of their local newspaper or other publications and provides a template you can use, along with sample social media posts you can use to share the message of the #CoopsFor2020 Campaign. It’s a great opportunity to share what your local co-ops and credit unions mean to you and your

community, raise awareness about the co-operative difference, and ensure that co-operatives are part of the debate. For more information, visit www.ncba.coop.

With Co-op Month coming up in October, co-operatives and credit unions across the U.S. will be celebrating how they are “for the community, by the community.” What better time to make sure that our candidates know that co-ops have been central to our country’s progress, and are powerful tools for building a better future for everyone?

Erbin Crowell is Executive Director of the Neighboring Food Co-op Association and serves as Chair of the Board of Directors of NCBA CLUSA. He received his Master of Management: Co-operatives & Credit Unions from Saint Mary's University in Nova Scotia and is an adjunct lecturer with the Department of Economics at UMass Amherst, where he teaches courses on the co-operative movement.

