



Member participation and co-operative governance: the importance of associative intelligence

LARRY HAIVEN,

ACADEMIC DIRECTOR, CO-OPERATIVE MANAGEMENT EDUCATION PROGRAMS,
SAINT MARY'S UNIVERSITY



"Let me be vague."

Story about Canadian auditor-general

- ▶ Amid sponsorship scandal
- ▶ AG documented malfeasance
- ▶ The accountant as rock star
- ▶ Disdain for politicians and public officials
 - ▶ Politicians among least popular occupations
- ▶ Democracy is messy, chaotic
- ▶ Do we want technocracy or democracy?

ICA Blueprint for a co-operative decade

- ▶ Goal #1: Elevate participation within membership and governance to a new level.
- ▶ “Co-operatives are better because they give individuals participation through ownership, which makes them inherently more engaging, more productive, and both more useful and more relevant in the contemporary world.”
- ▶ An end as well as a means

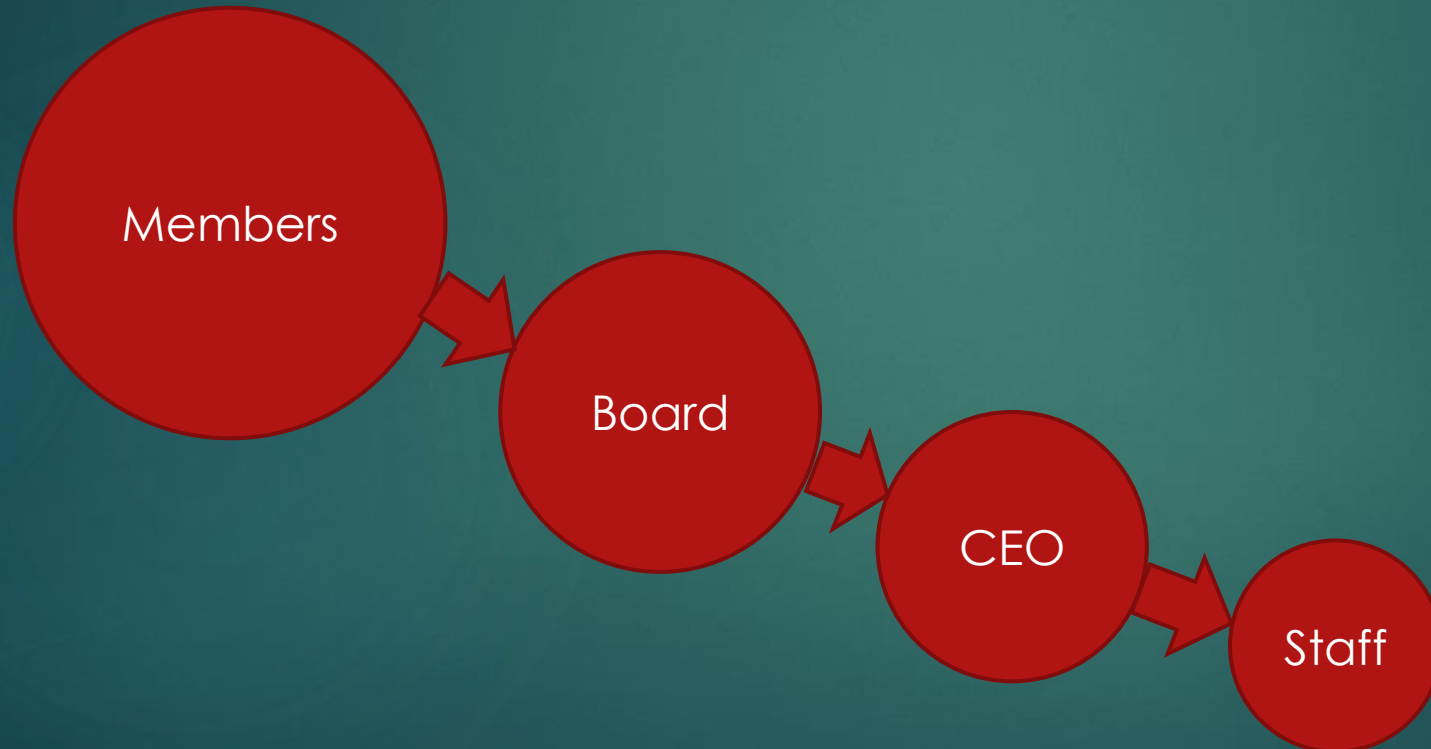
Conflicting goals

- ▶ Investor-owned firms
 - ▶ Ensure maximization of shareholder value
 - ▶ Safeguard assets
- ▶ Co-operatives
 - ▶ Meet member needs
 - ▶ Meet community needs

National Sarcasm Society
Like we need your support.

How do we decide what member needs are?

- ▶ Member participation is key



Exit, voice and loyalty

- ▶ Hirschman 1970
- ▶ IOFs: Participation of little value, even impediment (*exit*)
 - ▶ Activist shareholders seen as cranks, single-issue obsessives
 - ▶ If you don't like the company's policies, sell your shares
 - ▶ Doesn't explain the "why"
- ▶ Co-ops: Participation essential (*voice & loyalty*)
 - ▶ Transmission line of member needs
 - ▶ Source of board renewal
 - ▶ But voice is confrontational, uncomfortable, conflictual

Fundamental dilemma

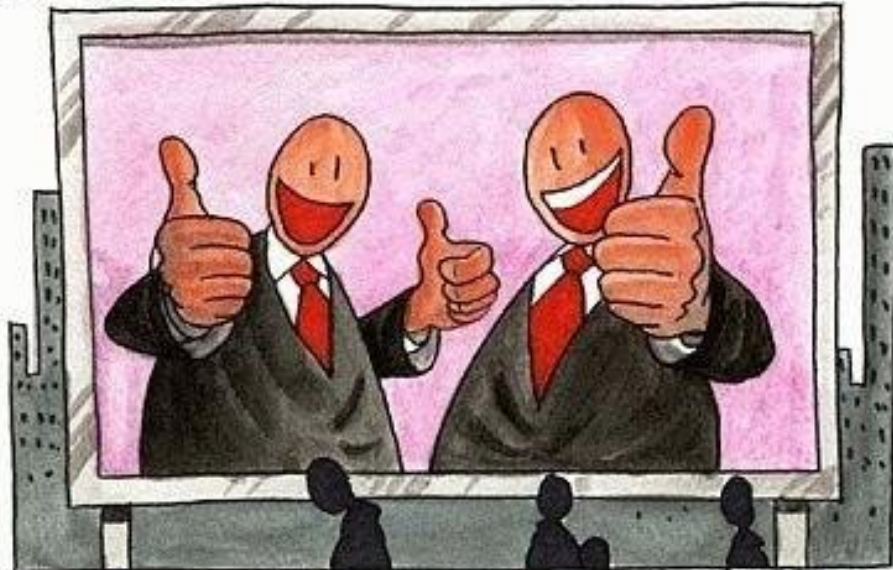
- ▶ Democracy is complex, messy, chaotic, unpredictable (though innovative)
- ▶ But governance is about control
 - ▶ Steering vs rowing
- ▶ How to reconcile the best of the two?

Democracy

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- ▶ Direct
- ▶ Representational
- ▶ Proportional

Before elections



After elections



Carole Pateman *Participation and Democratic Theory* 1970

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- ▶ “A process where each individual member of a decision-making body has equal power to determine the outcome of a decision.”
- ▶ “Participation in non-governmental authority (decision-making) structures is necessary to foster and develop the psychological qualities (the sense of political efficacy) required to participation at the national level”

Deliberative democracy

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- ▶ As opposed to mere aggregative democracy i.e. voting
- ▶ Reasoned argument & public reflection should precede voting
- ▶ Public interest should not emerge from existing preferences, but from reasoned argument, debate, discussion, changing of minds
- ▶ Reasoned debate, public justification, political equality

What is participation?

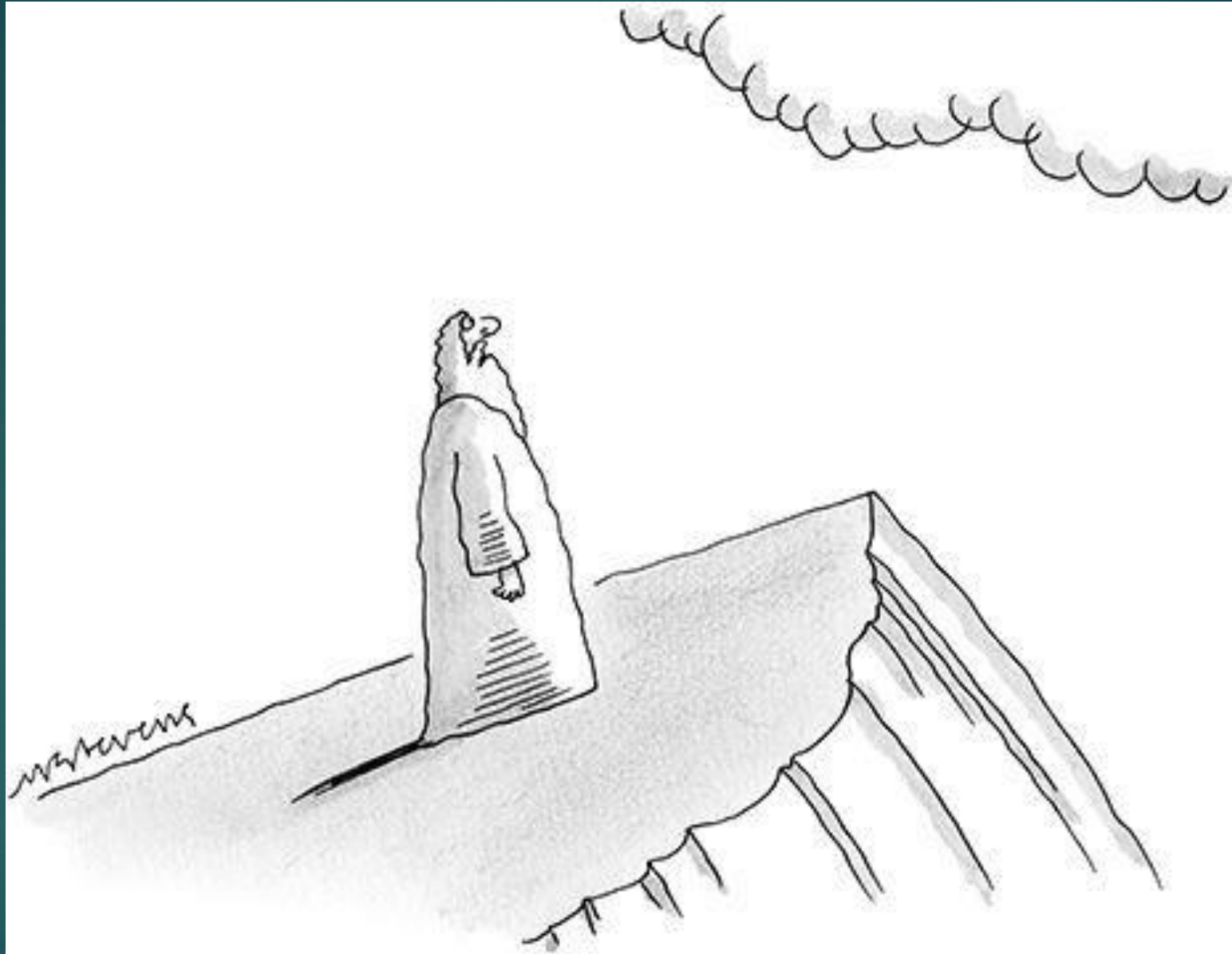
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- ▶ Becoming a member
- ▶ Voting
- ▶ Coming to meetings/AGM
- ▶ Deliberation and debate
- ▶ Running for positions of responsibility
- ▶ Presence on board

Associative intelligence

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- ▶ Macpherson (2002) credits George Keen, sec of Co-op Union of Canada 1909-45
- ▶ “a belief that there is a special kind of knowing that emerges when people work together effectively; a conviction that people through working together could learn skills that would make collective behaviour more economically rewarding, socially beneficial and personally satisfying”



"They broke all the Commandments. Can they have some more?"

Social capital

- ▶ 'features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit' (Putnam 1995, p. 67)

Associative intelligence & social capital

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“When I first started [working at the cooperative] I did not see any other co-workers because you go house to house and you do not see other co-workers. But since we are owner-members and we own this [business] I became more involved in committee meetings, the trainings sessions and then I became a mentor and went through the mentor training and now I have “mentees” who I talk to. This is helping [me] get to know some of the members.

“I believe it [the cooperative] has boosted their self-esteem and their confidence enormously. They have all learned a great deal about the day to day operations of a business....It's not just me it's now us, I see that just in their body language. They walk taller, they have pride in what they are doing, they are able to verbalize.”

Majee 2007, writing on home care co-op in Wisconsin

The Sask Wheat Pool and its demise

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- ▶ “As farmers got involved in cross-class organizations like consumer co-operatives, credit unions, school boards, town councils, and hospital boards, they brought their skills, experience, and maturing socialist perspectives with them. Indeed, Lipset (1959) suggests it was the scope for participation in public life in this sparsely populated province that accounts for the rise of agrarian socialism. As Courtney (2007) has argued, the extent of local involvements in the decentralist structures of this era created an exponentially greater degree of civic participation than we experience today.”

Diamantopoulos 2011

The Sask Wheat Pool and its demise II

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- ▶ “The Pool’s democratic structure included 449 local committees and a five-day annual meeting attended by 140 delegates. Rolling up this democratic structure eliminated opportunities for adult education, democratic participation, and the experience, knowledge, and skills which those structures of participatory learning had previously enabled. Privatizing the Pool was not only a commercial transaction but also a direct and immediate democratic disenfranchisement...The Pool’s customers would no longer participate in the company’s management as equal voting members. This was a major structural reform to the province’s political economy. It was regressive, anti-democratic, and devastating to the co-operative movement. For these reasons, subjects interviewed for this study routinely winced, sighed, or vented at length over the fate of the Pool.
- ▶ “Almost a decade and a half after its move to market several study subjects still seemed to be angry, in mourning, or both.
- ▶ “This rollback of popular democracy needs to be placed in perspective, as part of the broader trend to centralization of school boards, health boards, retail co-operatives, and credit unions across rural Saskatchewan. Winding down the Pool’s democratic structures further reduced already dwindling opportunities for citizen engagement, participation, and development.



GREGORY

“I’d like your honest, unbiased and possibly career-ending opinion on something.”

Alberta rural natural gas co-ops

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- ▶ Bulwark against rural depopulation & hollowing-out
- ▶ Board members sit on other boards
 - ▶ Electricity co-ops
 - ▶ School boards
 - ▶ Other ag co-ops
 - ▶ Town councils
 - ▶ Dense web of political & social affiliations

Plunkett: “How can meaningful democratic involvement amongst grass roots members be maintained & developed in large consumer co-operatives?”

- ▶ Democratic participation by internet
- ▶ “Co-operative circles”
 - ▶ Surveys
 - ▶ Feedback
 - ▶ Invites to regional AGMs
- ▶ Avoiding survey fatigue
- ▶ Panel polling (stratified)

Dawson: “Worker-Owned Boards: The Challenges of Board Governance in a Worker Co-op”

- ▶ 2 challenges
 - ▶ board members w limited to no knowledge of leading an organization, but tasked with overseeing the leaders
 - ▶ imagined & real challenge of being the boss of one’s own boss
- ▶ Building of co-operative citizenship