

Creating Cooperative Resiliency

BY THANE JOYAL



Conflict happens. Co-ops have always faced conflict, whether in the boardroom, in member meetings, through social media and email, in the aisles or out in front of the store. This article is intended to equip co-ops to prepare for conflict and strengthen our democracy so that we can meet change with equanimity and curiosity and emerge stronger, wiser, and more resilient.

In this article, I summarize some thinking from other fields to suggest that, as cooperators, we revisit our governance structures and deepen our commitment to resilient democracy that can survive and thrive on vigorous debate and disagreement. We need to keep getting better at defining and sharing relevant and accurate information, dealing with conflict, establishing legitimate and fair rule systems, providing infrastructure for democratic governance, and encouraging adaptation and change.

The American Heritage Dictionary provides two definitions of resilience:

- to recover quickly from illness, change, or misfortune; and
- a property related to the ability of a material to resume its original shape after being bent, stretched, or compressed.

In both cases, resilience is a response to change.

As Dave Gutknecht succinctly summarized in his piece in the July–August 2016 issue of *Cooperative Grocer* (CG), we are indeed in a time of disruptive change, at least with respect to our business enterprises. “Keys to thriving in an unrelenting competitive environment, which requires good store operations overall, are for food co-ops to excel in local foods, excel in customer service, and excel in mutually beneficial community relations.”

As the economic engine of our cooperative changes, it is increasingly clear that it is incumbent upon us to strengthen our democracy, and in doing so strengthen the cooperative association. In their November–December 2014 (CG) article, “Reinventing Our Cooperative Democracy: A conversation,” Todd Wallace and Art Sherwood explore how democracy operates in our retail food co-ops. They end with this thought-provoking reflection: “We will get better at democracy and I hope become the new example.” Indeed, the *ICA Blueprint for A Cooperative Decade* encourages cooperatives to examine and challenge “existing practices of co-operative democracy, gathering evidence of innovative practice, encouraging trials of alternative approaches, and collating data.”

New thinking about democracy and governance

Every cooperative operates in a different market, culture, and community. Writing about the dilemma of regulating common ecological resources, Elinor Ostrom, in her 2008 article, “The Challenge of Common Pool Resources,” compellingly asserts that there is no one-size-fits-all solution to the problem of incorporating diverse views and perspectives into a governance system that is sustainable. Instead, she offers key themes that are common to resilient governance schemes. As cooperators, we have much to learn from her observations.

Achieving relevant and accurate information

One of the complexities in discussions about food is the difficulty of agreeing which information is relevant. Ostrom notes that it is important to clearly define or “establish the boundaries” of an issue or problem and then to use a variety of techniques to gather and share information to inform the conversation. Our stores are one way of sharing information, but it may be that we need to become much more creative about pooling and sharing information and discerning what is relevant and accurate for our local community.

At a recent board retreat I facilitated, a board member pondered out loud about the debate her church had recently had over the relative merits of paying more for local produce and so supporting local agricultural

producers, or buying discounted food at low-end retailers regardless of source and donating their excess income to charity. That discussion woke me up: we need to find ways to engage with one another at a very high level to discuss what information is relevant. We need to then gather and share information, and we also need to recognize that not every owner or every shopper will be interested in the conversation at the same level.

Dealing with conflict

Ostrom observes that conflict is highly likely in any complicated system that decides how resources are allocated. She notes: “Setting up strict hierarchical systems may increase the speed of decisions but ignore the interests of some participants who eventually erupt and potentially destroy an operational system. Designing multiple tiers of arenas that can engage in rapid discovery of conflicts and effective conflict resolution is essential.”

In the context of wildlife conservation and management, I found an engaging application of conflict-resolution theory. Francine Madden and Brian Quinn write of conflict resolution in the context of such matters as poacher/hunter disputes. Their 2014 paper referenced below offers illuminating insights about conflict resolution and transformation derived from their practical experience. Madden and Quinn observe that collaborative governance systems can fail when they do not adequately account for underlying conflicts that are more deeply rooted than the apparent superficial conflict. Further, they summarize two models for understanding conflict that may

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be helpful to us as cooperators.

The **Levels of Conflict Model** analyzes conflict at three levels: first, the dispute itself; second, the underlying social context often involving a history of unresolved disputes, and third, identity-based aspects to the conflict that arise from social and psychological needs. To illustrate this model, the authors suggest we imagine a car accident. Who hit whom is the first level, the dispute; the second level comes into focus if we imagine that the drivers were also coincidentally spouses involved in an acrimonious divorce; and the third level is illustrated by imagining that the drivers also were from different highly nationalistic states with a long history of conflict. When disagreements arise in our cooperatives, we may be well served to apply these lenses to help us hear the wisdom in every voice.

The **Conflict Intervention Triangle** analysis shines a light on three dimensions of conflict resolution: substance, relationships, and process. Building wisdom helps with the substance of a decision. Madden and Quinn emphasize the documented positive impact of careful attention to process designed to distribute power equitably in a system that builds trust, noting that “effective decision-making processes not only increase the innovation and durability of solutions, but they also strengthen relationships between participants.” They conclude, “the time and effort spent developing individual relationships, particularly across the lines of conflict, can help catalyze broader, positive social change.”

“Close one of the bars”

In the western part of the U.S., water resource issues can be acrimonious to say the least. I heard a story about a town at the headwaters of a major river system where the second of the two bars in town closed its doors a couple of years before some significant decisions needed to be made. As a result, >

people on different sides of the issues ended up all hanging out together at the same bar, where, over time, they had to talk and listen to each other and sort of “got used to each other.” As a result, when they needed to work together on the resource decisions, even though participants did not agree by any measure, they were able to work together effectively.

As cooperators committed to democracy, I think we need urgently to find more ways to have more conversations with more people throughout our cooperatives and our communities to help us form the relationships that will make our cooperatives resilient.

Enhancing rule compliance

Ostrom notes, “Formal rules may become effective when participants consider them legitimate, fair, enforced, and likely to achieve intended purposes.” We know that when co-ops first adopted John Carver’s Policy Governance system, many co-op members found it foreign and unnatural to change their way of allocating decision making within the co-op. Over time, we know many co-ops have found the system to be powerful, focusing board attention on defining which decisions belong at the board level and which can and should be made at the management and staff level.

But we must not become complacent with those policies—we must keep them alive and dynamic by using them as a framework for the conversations that are needed, and never as an excuse to avoid discussion of essential and important topics. The Four Pillars of Model Cooperative Governance was developed to help make sense of the full scope of the governance job and deepen our governance system. We need to work together continue to expand and adapt our governance systems to ensure they to have legitimacy.

Providing infrastructure

Ostrom observes, and as retail grocers we know, that the infrastructure we provide must be designed to take into account the local community, economy, and culture. As we deepen our understanding of the markets we operate in, our governance infrastructure must also deepen. Ostrom and others who have followed her have noted that a particularly resilient form of governance creates a network of “nested” structures to gather information from a broad range of stakeholders at the level at which they are engaged. Those governance structures then are “nested” or linked in a hierarchy that ensures that those at the broadest level of decision making have the benefit of wisdom from those at the every other level.

Retail food co-ops may wish to deepen and explore ways they can engage with a wide variety of stakeholders—for example, by engaging circles of producers, distributors, and consumers to discuss the wide array of food system and product issues confronting the co-op and its members. Larger co-ops may find neighborhood or community councils organized based on geography to be helpful in giving voice to the diverse communities that make up their cooperative. Whom is your co-op serving? What needs in the community could it serve? Building structures to increase and formalize the opportunities for discussion and dialogue may go far towards making our cooperatives more resilient.

Encourage adaptation and change

Change is happening, even while I am writing this article. It is the one truth. To quote Percy Bysshe Shelley, “Nought may endure but mutability.” Elinor Ostrom urges us to be very humble and keep open and curious minds rather than become attached to long-term institutional solutions as permanent. She notes, “We are fallible humans studying fallible human behavior within institutional structures constructed by other fallible humans.” As a result, we need to keep evaluating and changing our governance structures to the current circumstances.

Peter Tait observes in a thoughtful 2015 piece entitled, “Governance for

the Anthropocene,” that cultural systems are social and political structures that, while susceptible to change, will also be resilient. He cites an inspiring model of transforming culture that ties closely to the concept of the “thinking” organization articulated by Brett Fairbairn in his 2003 paper, “Three Strategic Concepts for the Guidance of Cooperatives.” Transformation and change require clarity about why change is needed, a shared vision of what it could be, and a clear identification of the process and plan for overcoming the barriers to change that speak to people’s hearts and their minds. When we approach change with clarity and cognition, we open endless possibilities.

Bringing it home

While it might not be immediately apparent, consumer cooperatives are playing an important role in the complex system of resource allocation within our society. Who can buy what at what price from whom is inherently a problem of allocation. Consumer cooperatives attempt to insert consumer-owner control over one small aspect of a vastly complicated and increasingly inequitable system of food production and distribution.

As a result, it’s actually not all that surprising that our cooperatives are struggling to achieve resilient and effective democratic governance. At the same time that changes in the retail food market are requiring adjustments to our business strategy in order to achieve and maintain financial viability, those very changes challenge the strength of the cooperative association by highlighting our many uncertainties and disagreements about fundamental inequities within our society. Issues about class and economic status are conflated with social and environmental values, political philosophies and lifestyle choices in a particularly intimate context: nothing is more personal than the food we put into our body.

Consumers make choices that implicate fair labor practices, ethical treatment of animals, land stewardship, home economy, and more with every purchase they make. As individuals we view these issues through our unique lenses informed by our background, our heritage, our culture, ethnicity, income, and our own personal life experiences. How can we integrate all of that wisdom and move it forward in a democratic cooperative association, using beautiful, welcoming stores that meet consumer needs and aspirations in an efficient and sustainable way? This, I think, is the challenge of resilience for retail food cooperatives today.

As Art Sherwood says, “We need to get a whole lot better at democracy.” I’m confident that as we get better and better at that conversation and argument, our co-ops will become more resilient. Here’s hoping this piece helps.

See you at the co-op! □

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