

**Cohesion,
Consumerism,
and Co-operatives**

**Cohesion,
Consumerism,
and Co-operatives**

**Looking Ahead
for the
Co-operative Retailing System**

BRETT FAIRBAIRN



Centre for the Study of Co-operatives
University of Saskatchewan

Copyright © 2004 Brett Fairbairn

Centre for the Study of Co-operatives
University of Saskatchewan

All rights reserved. No part of this publication may be reproduced in any form or by any means without the prior written permission of the publisher. In the case of photocopying or other forms of reprographic reproduction, please consult Access Copyright, the Canadian Copyright Licensing Agency, at 1-800-893-5777.

Cover design by Byron Henderson
Editing, interior layout, and design by Nora Russell

CANADIAN CATALOGUING IN PUBLICATION DATA
Fairbairn, Brett, 1959–

Cohesion, consumerism and co-operatives : looking ahead for the co-operative retailing system in western Canada / Brett Fairbairn.

ISBN 0-88880-488-1

1. Consumer cooperatives—Canada, Western. I. University of Saskatchewan. Centre for the Study of Co-operatives. II. Title.

HD3290.A3P63 2004 334'.5'09712 C2004-902525-2

Printed in Canada
04 05 06 07 08/ 5 4 3 2 1

Centre for the Study of Co-operatives
101 Diefenbaker Place
University of Saskatchewan
Saskatoon SK Canada S7N 5B8
Phone: (306) 966-8509
Fax: (306) 966-8517
E-mail: coop.studies@usask.ca
Website: <http://www.usaskstudies.coop>

Contents

Introduction	1
Seventy-Five Years Ago	2
The Problems of Consumer Co-operatives	4
Cohesion	6
Bonding and Bridging	8
Voluntarism and Conflict	9
People-Oriented Business and Democracy	11
Globalization and Consumerism	13
Identities and Marketing	17

Introduction¹

OVER THE LAST YEAR OR SO I'VE HAD THE PRIVILEGE OF working with the Co-operative Retailing System to produce the book *Living the Dream*,² the system's seventy-fifth anniversary commemorative history, covering the events of the last twenty years. One of the humbling things that I learned in doing the research is that every single person in the Co-op Retailing System has valuable and important things to say. I wrote a book based on in-depth interviews with eighty people, out of a million in the system, and found the experience overwhelming. Those who went through the process with me know how thorough and time-consuming it was. It could have been a team of academics, an army of graduate students, documenting and recording their thoughts, their lives, and their stories, and we still couldn't have gotten it all. And it would never have fit into a single book. I went through the transcripts from my eighty interviews, pulled out all the quotations I thought were especially useful and interesting, and discovered I had 541 pages of quotations ... single-spaced.

But this paper is about other things, things that go beyond what is in the book, things that are relevant to the future of the Co-op Retailing System (CRS). Since this is an anniversary year for the system, I will talk a bit about the past, but I'm going to do it with the future in mind.

1. This paper is based on an address given at Federated Co-operatives Limited's Annual Meeting, 1 March 2004, in Saskatoon, Canada, which also celebrated the company's seventy-fifth anniversary.
2. *Living the Dream: Membership and Marketing in the Co-operative Retailing System* (Saskatoon: Centre for the Study of Co-operatives, 2004), was released during FCL's annual meeting, 1 March 2004.

Seventy-Five Years Ago

SO LET'S GO BACK IN TIME, IN STEPS OF A GENERATION backwards from the present. Today is 2004, the seventy-fifth anniversary of Federated Co-operatives Limited (FCL). Twenty-five years ago, on FCL's fiftieth, the system was on the verge of perhaps the most difficult period in its existence. No one knew, in 1979, how much sorrow and heartbreak the next five years would bring. Nor how much the system was going to learn from the experience.

Fifty years ago, by contrast, in 1954, it was an era of expansion, rather more like today. The system was flushed with success, undertaking a major refinery expansion and improvement, and was about to embark on the first great interprovincial merger.

That's two earlier anniversaries—one a boom, the other on the verge of a crash. Interestingly, today's CRS owes a lot to the lessons of both those eras: to the strategies of refinery expansion and interprovincial co-operation pursued in the 1950s, and to the lessons about marketing and membership learned in the 1980s.

Seventy-five years ago, in 1929, the new farmer-owned wholesale companies in Manitoba, Alberta, and Saskatchewan were struggling with some big issues. Let's stop rewinding the clock there and think about those early co-op systems.

They were small. They had huge ambitions. And they had politics to sort out. In all three provinces, consumer co-ops were seen as the junior cousins of the powerful farmers' marketing companies, and the wholesales were created primarily to serve local chapters of the United Farmers organizations. The goal at the time was to create a central buying agency for farmers comparable in function to the Central Selling Agency, the combined marketing arm of the three wheat pools.

One option might have been large, centralized, farmer-owned wholesale companies, selling to local producer groups, with hardly any independent local retail co-ops at all. If co-operators had chosen that route, we would not be here today. Almost certainly, a central buying agency would have gone bust in the Great Depression, just as the Central Selling Agency did in 1931.

Fortunately, there was a core in each province—just a handful, mind you—of solid, well-developed, locally based consumer co-operatives. These retailers had local followings, and possibly most important, they had excellent local managers—perhaps a bit tough and penny-pinching by today’s standards, but superior for their era.

It was those strong local co-ops that created the Co-operative Retailing System as we know it. And to begin with, they were, *all* of them, farmers’ co-operatives. In the earliest years, farmers were the *only* people who were allowed to incorporate co-ops.

There is a tendency in the contemporary world to see rural places as behind the times. We live in a day when television series celebrate—the city. When our prime minister proposes a new agenda—for cities. When cities are taken as synonymous with diversity, progressiveness, excitement, and opportunity. And there is an element of truth in most such generalizations.

But it no longer occurs to people that there might be something to learn from rural communities. History shows that rural people sometimes have a genius for co-operation. They may not always be able to get ahead, but they are experts at getting by. They often demonstrate the common sense and practicality to avoid foolish mistakes. When they do get in trouble, they know how to dig deep. That’s why so many *rural* co-ops made it through the tough times of the 1930s—and of the 1980s.

Cut your pattern to fit your cloth. Make sure you are organizing to meet members’ *needs*, not aiming at growth for growth’s sake. Don’t expand beyond the limits set by your membership, by your finances, by your competencies, and your ability to oversee your business. Those kinds of lessons from rural co-ops, from survivors, could have helped many other co-ops through their tough times.

- FAIRBAIRN

I like quoting Saskatoon singer/songwriter Connie Kaldor, who says that farmers know how to keep “one eye on the banker / And another on the sky.” There have been times when consumer co-ops had to do just that.

The predecessors of Federated Co-operatives survived because of a solid but narrow base of well-run co-ops rooted in local communities. On that base, the struggling wholesales made it through the Depression, and grew, and eventually merged into one large organization that serves all of its original territories and more. We know the rest.

But there was a fundamental change along the way. The retail co-ops that became today’s CRS evolved from farmers’ co-ops into community co-ops. Today’s consumer co-ops are co-ops of people and places, not co-ops of farmers or agriculture alone. That is a huge change, one made possible by the local orientation of independent retailers.

The principle of locality is what drives CRS co-ops today. It’s what carried them through the 1980s. It’s what lies behind today’s tremendous successes in the system. It’s what makes CRS co-operatives a distinctive answer to today’s challenges of globalization, a topic I will return to later.

Not everyone sees it this way. Many academics see federated co-operative systems based on local co-ops as backward, weak, and incapable of change.

The Problems of Consumer Co-operatives

ACADEMICS THE WORLD OVER HAVE DONE A FAIRLY thorough job of proving that co-ops in general, and consumer co-ops in particular, don’t work and can’t compete with profit-oriented corporations.

The argument goes like this; see if you can find a flaw in it.

Consumer co-ops were created by nineteenth-century working-class people who didn’t like merchants who exploited the poor, who didn’t like dishonest weights and measures, who didn’t like the company store. They

made their own stores, which thrived for a time. Working people were loyal because working people owned the stores.

But capitalism is restless and dynamic. It's always seeking new ways to get things done and make a profit. Chain stores came in. Advertising came in, and began selling people dreams and visions along with their products. Big investment created big distribution systems. Efficiencies drove small competitors out of business. Corner grocery stores got more and more rare, and too often, the co-ops were a lot like the corner grocery stores. They were comfortable and slow to change. Their merchandising was not fancy. Their managers were not the best. Their finances were not great. By the late twentieth century, the retail sector had become one of capitalism's great success stories: cheap prices, cutthroat margins, mass distribution, slick advertising, big profits for a few high-volume retailers in each segment of the industry. No room for co-ops in the picture.

That's the theory. What about the evidence?

Well, consider this: In Britain, the world's leading and original consumer co-operative movement lost market share, despite a drive towards greater size and scale and centralization.

In France, the consumer co-operative movement, once a leader, collapsed to a shadow of its former self.

In Germany, consumer co-ops desperately centralized in the 1970s to form one massive West German "co-op" group, a huge enterprise overseen by the country's trade-union movement. It collapsed, almost utterly, in a scandal in the late 1980s. With a couple of exceptions, the only co-ops to survive in Germany were those in the East, which lived on as legal fossils under Communism until they were thrown back into a market economy in 1990.

It was no different in Austria. Centralization, ties to the labour movement, scandals, and mismanagement combined to bring an almost complete end to the dream of stores owned by ordinary people.

In Europe, the collapse of consumer co-operatives went together with too much centralization. In Australia and the United States, it went together with too little. In those countries, scattered local consumer co-ops

were shining successes, often tied to philosophies of community development, green economics, or religiously inspired social reformism.

But those local co-ops did not form strong wholesale societies. One by one, in this decade or that, they fell upon hard times and had no one to rescue them, no one to back them up. From the Greenbelt Co-op outside Washington, DC, to the famous Berkeley consumer co-op, to the Rochdale co-ops as they were called in Australia, unorganized consumer co-operatives sooner or later seemed to go under.

You can find, on every continent, evidence of the failure of consumer co-ops, or of their inability to progress.

So there you have it. The academics have a theory and they have evidence. Some of my distant colleagues can just about prove that things like the CRS don't exist. Or rather, they would see the CRS, and the successful consumer co-ops in Japan and Switzerland and a few other places, as exceptions that are surely due to unusual circumstances, exceptions that are mysterious and unlikely to be repeated elsewhere. Whenever co-ops fail, it proves that the co-op model is fundamentally flawed and can't compete in capitalism. Whenever co-ops succeed, well, we have to explain that away as an aberration, or so think the skeptics.

But we *have* successful co-ops right under our noses, here in Canada. Co-ops whose success disproves many generalizations. The accomplishments of the Co-op Retailing System are surprising and fascinating. The system has shown, in its history, exactly what federations of co-ops have to do to be successful. It hasn't always been rosy, but the lessons are there.

Cohesion

IT WAS SIGNIFICANT FOR THE HISTORY OF CONSUMER co-ops that strong local co-ops came first. It was the locals that created the central, not the other way around. That's still the logic of the Co-op Retailing System today, with local co-ops being the owners of FCL.

The biggest failures among consumer co-operatives, like the collapses in Germany and Austria, were cases where local co-ops weren't strong, or failed to market and to innovate, or where there were no local co-ops at all.

It is also important that consumer co-ops have strong centrals, centrals that provide support for locals in purchasing, in management systems, in training. This not only makes efficiencies for locals; it promotes good management, and it means the locals can't get picked off, one by one, when they sooner or later make mistakes.

Experience says consumer co-ops need strong locals as well as strong centrals. But it's no good if they're constantly butting heads against each other. So, besides locals and the central both being strong, the other essential ingredient in co-operative success is *cohesion*. Cohesion is a good word. It makes me think of things that stick together, and that's what successful co-ops do.

The first important kind of cohesion in co-ops is the cohesion between co-ops and their local members—between co-ops and their communities. Local co-ops tend to stick to local communities. This is what builds loyalty and economic success—when members see that their co-op is there for them and intends to stay, that it's investing in their community, that it's providing good service that is responsive to their needs.

Member trust and loyalty reduce the uncertainties and the costs of doing business. Co-ops can make firmer and better decisions when they know what to expect from their members. Members reap the benefits when co-ops develop the services and facilities that are right for the needs of the members. Efficiency and effectiveness flow from good relations between the two.

By the same token, there has to be cohesion among retails and between retails and FCL.

If retails and FCL are suspicious of one another, then neither one will be able to implement new programs and new initiatives. In the long run, it is good for members to leave enough capital in FCL (or in the co-op refinery) to ensure the development of new services, new efficiencies, or new earnings for their future benefit. But if members don't trust FCL, these investments and developments won't happen. If people aim only for short-

term gains, everyone will lose compared to what they could have achieved.

Trust is a lubricant for development. But trust has to be earned. It doesn't just happen. Trust develops in a relationship between a co-op and its members, over time, as members experience visible benefits. In that respect, patronage refunds are a source of cohesion in the Co-op Retailing System. The flow of patronage refunds from FCL to retailers, and from retailers to their members, is one thing that helps build confidence and loyalty in the system. It is significant that CRS co-ops strive to pay consistent refunds, not just in the occasional good year, but if possible every year. That's not the only way of showing that co-ops are good for their members, but it's one way that makes plain the value of working together.

Besides trust and patience, there are other things about cohesion that are important in a co-op system. These have to do with how cohesion can promote innovation, adaptation, and change.

That may seem like a contradiction. When we think of cohesion, we may think of a tightly knit and static system. But a good co-op system is not static. A federation should be full of changes and innovations that result from what I would call bonding and bridging processes. Behind all this, it is the *voluntary* nature of cohesion in co-ops that makes them dynamic and responsive. Cohesion in co-ops is based on underlying tensions.

First, bonding and bridging.

Bonding and Bridging

THERE ARE TWO DIFFERENT WAYS IN WHICH TRUST and cohesion bring people together. One is within their communities; the other is between them. Co-op systems do both. Both kinds of connections are forms of "social capital" that promote innovation and development.

Within communities, local co-ops strengthen the bonds that people already feel as part of a shared community. These local bonds can lead co-ops to differentiate from each other and to do new things. Every commu-

nity is different, so if co-ops are sensitive to their communities, every co-op will be different. Co-ops differ at least a little in their product and service mixes. But also, every now and then, a co-op that is closely attuned to local needs will come up with some surprising new service or way of doing things. This is how cohesiveness with community leads to creativity. Local problems spur new approaches and new solutions. Some of those local innovations will remain unique to their communities, but sometimes they spread to other co-ops.

That's where bridging comes in. The Co-op Retailing System is a kind of bridge among communities and among retail co-ops. Like a bridge, it carries traffic, but in this case a traffic in ideas, spreading innovative new approaches from co-op to co-op. It formalizes and rolls out programs that derive from smaller-scale experiments. It promotes best practices. It does these things through wholesale-retail committees, managers' meetings, presentations by local retailers at FCL regional and annual meetings, training, and through all the communication processes of the system.

There are very few other networks or nongovernmental organizations that tie together all of the communities represented by people in the CRS. Bridging ties may seem weak, but they are especially important because there are so few direct ties among our communities. Organizations like Federated Co-ops and the Co-op Retailing System are unique and valuable because they perform this role.

When a federated co-op system works, it works because it raises everybody's standards. In some ways, co-ops are better able to do this than any other form of business, because they are based on voluntarism and not on forced co-operation.

Voluntarism and Conflict

CO-OPERATORS DON'T HAVE ANY MONOPOLY ON knowing how to work together. Employees of transnational corporations all co-operate in a cause bigger than themselves. So do

soldiers in the military. The difference is, they co-operate because they follow orders.

The unique characteristic of co-ops is not that people co-operate. It's that people co-operate because they choose to, and ideally because they understand why it is to their advantage. In co-ops, co-operation is a process, over time, that involves learning and earning trust.

I've said it's no good if locals and centrals are constantly butting heads, but to a certain extent, conflict will happen, and it's even good that it does. Within limits, conflicts between locals and centrals teach people not to take each other for granted, and ultimately to respect each other.

Individual co-op members can shop elsewhere, or even, if they're mad enough, force their co-op to change its policies. Retail members of FCL have similar kinds of options, and because members have options, the co-op has to work to serve them. This includes FCL. Neither FCL nor local co-ops will ever serve their members perfectly, but they will try a lot harder than they would if members had no choices.

This makes organizations like the Co-op Retailing System unique. It's not a monolithic structure run by a single general or CEO. When it works well, it's a lot more like a mutual self-improvement community of nearly three hundred combined CEOs, three hundred entrepreneurs learning from and supporting each other, three hundred local community boards and sets of volunteers. It's voluntarism that makes that possible, not only in spite of but because of the inevitable conflicts that arise.

We have to hope that the CRS never gets so cohesive that conflicts between Federated and the retails disappear. If that day comes, we may see less dynamism, less innovation, less drive for increased standards of service and quality in the system. That would be unfortunate, because, if anything, there will be more need for innovation, adaptation, and rising standards of performance in the future.

People-Oriented Business and Democracy

ONE OF THE MAIN MARKETING STRENGTHS OF co-operatives, today and in the future, is their claim to be people-oriented businesses. But with this claim come a whole lot of expectations, and I want to explore briefly some of the future implications for member democracy, and for employees.

There is a widespread perception, not only in co-ops, that people are disillusioned with democracy. I'm not sure that's quite accurate. In contemporary society, we often use the word democracy when what we are talking about are merely voting mechanisms. That isn't democracy. That's just a procedure.

Democracy is a kind of relationship among people. It is a set of values, among which inclusiveness is prominent—the idea that everyone has something to contribute, and that people are inherently equal in rights. I think people today are still very much wedded to the underlying values of democracy, and they respond favourably to organizations that embody and reflect and live by those values.

But that clearly does not mean that ordinary people want to spend a lot of their time going to meetings. People probably need to know that their co-op is run by people like themselves, that it is transparent and accountable to the community. Large numbers, however, apparently don't feel they should have to attend annual meetings personally.

As always, co-ops can either try to make members change their behaviour, or instead, follow where the members are going.

The one strategy, which co-ops must of course attempt, is to make their meetings interesting, to try to get the most possible members to attend, to vote, to participate in elections. Many individual co-ops try hard and have interesting ideas about how to accomplish these goals.

But perhaps equally important is for them to follow the practices and present the *image* of a people- and community-oriented business. They should have directors and leaders and staff who reflect the make-up and diversity of the community. They should have excellent reporting and accountability practices. They should do everything possible to make visible their roles in their communities. These practices are governance practices because they have to do with transparency; they are member-relations practices; and they are, at the same time, marketing practices because they demonstrate the distinct value added by co-operatives as community-based organizations. Good marketing and good governance are closely related in today's skeptical world.

There are also many possibilities for alternative forms of member democracy. Naturally, many suggestions involve innovative uses of information technology, few of which have so far been widely tried. Co-ops can solicit member advice on web pages and create member forums on specific questions facing the organization. Some people have proposed on-line panels composed of randomly selected citizens who hold "hearings," receive evidence and input, and make recommendations on selected issues. Co-operatives might make use of "deliberative polling," which, unlike conventional surveys, involves study and discussion by small groups put together by scientific random sampling among the membership. Virtual question periods are another possibility, a kind of on-line "ask the CEO" or president at an appointed time. On-line scenarios with simulation models might help members picture and react to alternative plans for the development of their co-operative.

Even in-person democracy can be conducted in more than one way. Conferences of young activists have used television-like procedures, such as having interviewers roam the audience with mobile microphones, picking people out and asking them their opinions; or have put on stage arbitrarily selected panels of people from the audience to react to issues. Aboriginal organizations use talking circles where, in principle, everyone *has* to participate, under the expectation that they will be solemn and sincere and that decisions will be by consensus.

Surely there is some room for experimentation in co-ops with these

and many other methods of what I would call “democracy without voting.”

Besides the general membership, another key group for the future success of co-operatives will be employees. Staff are especially important to co-operatives, today and in the future, for a whole variety of interrelated reasons. Employees of course get the work done, and from them has to come the productivity and creativity that enable co-ops to meet or exceed competitive standards. For this purpose, staff have to be trained and motivated in the best ways. At the same time, staff are the most important points of contact between the co-op and its members. Every staff member of a co-op works in member relations, no matter what their job is.

Co-ops have made important strides in their internal human relations. During my research for *Living the Dream*, I was struck by how many people I interviewed valued the quality of relations among staff and between staff and managers. To many people, the quality of relations among employees *is* the co-op difference. And together with this go the training and development opportunities, the growth from within that is so important for fostering a distinct and cohesive co-operative culture. This will only become more important in the future, as co-ops prepare for ongoing challenges such as globalization.

Globalization and Consumerism

THE CO-OPERATIVE RETAILING SYSTEM COMPETES head-to-head with three of the four largest corporations in the world. WAL-MART, of course, is the biggest corporation in existence, and it is already selling food and petroleum in CRS markets. And then there are the big oil companies, led by the Shell and Esso groups. When you see those names and logos in prairie communities, you are seeing the local face of corporate globalism—the most significant competition for the Co-op Retailing System. And they can be met and matched, despite the differences in size, if co-operative organizations concentrate on their own strengths and not on those of their competitors.

To some extent, the fear of these huge companies seems to be lessening, to be replaced by simply a healthy respect for how powerful they are. We are beginning to see a future where co-ops exist alongside these giants and compete against them by being different.

It's hard to anticipate what further innovations in distribution and retailing these global companies may undertake, but I bet they won't start paying patronage refunds. I bet they won't devolve ownership to ordinary people in local communities, and it will surprise me if they take the time and effort to develop distinctively new services and approaches to meet localized community needs. Co-ops will have a niche, precisely because they are different, because they are community-based and member-oriented enterprises. That doesn't mean it will be easy or that success will be automatic, but it is something to work for.

The role of big corporations in world affairs is only one aspect of globalization, and not necessarily the most important. Globalization means that economic and cultural activities, even movements of people, are spreading out over larger spaces. With this comes a greater intensity of change and a greater velocity of change—things in our communities change more and faster. As part of all this, what goes on in our communities is more and more enmeshed in what goes on elsewhere in the world. From our children's music to SARS, from trade agreements to terrorism, what goes on in distant places affects us directly.

Not all of this is bad for co-ops. Co-ops are global too. They are a worldwide movement, connected to communities everywhere. The environmental movement, one of the agents of globalization, coined the phrase *think globally—act locally*. When you think about it, that's what co-ops have often been about. The globalism of co-operatives can be an important part of their appeal, especially to young people, without contradicting the local character of each individual co-op.

One of the changes associated with globalization, one of the cultural practices it spreads, is consumerism. We live in a society that encourages people to fixate on material things, to realize themselves through the consumption and disposal of objects. And in this context, we have co-ops that are pledged to serving people's *needs*. How do we tell the difference

between people's needs and their wants? Is it up to a co-op to educate them, or only to serve them? Should a co-op speak to the better half of their conscience? At least give them choices and options? Those have all become real marketing issues today, and they will increase in importance.

The challenge of consumerism is more and more difficult for consumer co-ops to ignore. Unhealthy or excessive consumption is wasteful, in the personal sense that it is driving Canadian families to high levels of debt, and also in the collective sense that it causes environmental damage, pollution, and overexploitation of people and resources. Sooner or later, consumer co-ops, like their members, are going to confront the negative effects of consumption. Even with patronage refunds, more is not necessarily better.

Many young people today seem to be aware of this and are sensitive to global issues. My students, for example, have expressed concerns about global justice: where products are sourced, under what conditions they are produced, and so on. Increasingly, a can of peas is not just a can of peas; a Coke[®] is not just a Coke[®]. In Saskatoon recently, an award-winning high-school graduate announced that she refused to attend the University of Saskatchewan because the university has a contract with Coca-Cola[®]. A product today can carry social baggage all the way down the marketing chain to the consumer.

The things that will drive co-ops to find ways of dealing with consumerism will be the same things that make them successful. Good marketing, orientation towards member needs, and sensitivity to community will all lead co-ops in slightly different directions from the transnational profit-seekers.

Coincidentally, the *Report on Business*³ recently issued its first-ever ranking of Corporate Social Responsibility (CSR), observing that "the idea of CSR appears to be in the ascendant."

"It may be, to put it bluntly," the *ROB*'s editors speculated, that CSR is "a rational response on the part of the business community to the fact that on the very issue of survivability, time is running out." A generation ago,

3. *Report on Business* 20 no. 9 (March 2004): pp. 45ff. Hereinafter cited as *ROB*.

business leaders sounded the alarms on the dangers of deficits and debt. Similar leadership on issues of public importance may be shown today by companies who are advancing concerns related to the responsibilities of businesses to society.

The leaders in CSR included “hard-nosed companies” such as Hewlett Packard, Procter and Gamble, and UPS. But when the *ROB* considered results by sector, it found vastly different degrees of social responsibility in different sectors of the economy. Most rated sectors received three out of five on the Corporate Social Responsibility “applause meter.” But the food and beverage industry and the retail sector were low, at two out of five; and only one sector, food distribution, received the lowest possible rating, a mere one out of five.

“None of the companies can be called a CSR leader,” said the *ROB* concerning the food-distribution companies surveyed, not one of which was a co-operative. The companies in question faced controversies over ingredients and product labelling, employee relations, human rights in developing countries where they procure goods, and fair trade.

The *ROB* did not rate co-ops nor other specific subindustries in which they are active, such as gasoline retailing, hardware retailing, farm supply, and so on. But the *ROB*’s judgement, at least in food, is that the Co-op Retailing System’s competitors have the worst Corporate Social Responsibility practices of any sector of industry; and the general retail sector is not much better.

That sounds to me like a marketing opportunity for co-ops. If the *ROB* is right, people may be looking for leadership from business on issues of social responsibility. From a marketing point of view, there is the possibility that they may identify with retailers and products that demonstrate a higher degree of CSR than the competition. CSR may become a way for retail companies to brand themselves and their products and services—for co-ops, a way of branding the co-operative difference.

The Co-op Retailing System, according to its publicity, is about *value* and *member benefit*. Those words are important. Depending upon what we mean by them and how they are put into practice, they may in fact be cri-

tiques of excessive consumerism and unethical practices. At the very least, co-ops can offer an alternative, less damaging, more sustainable and community-friendly variant of market-based entrepreneurship.

Identities and Marketing

I'VE STRESSED THAT ONE OF THE INESCAPABLE FEATURES of today's economy is that people express themselves by buying things, or sometimes by not buying them. Consumption is a statement of identity. It's a celebration of style. You are what you buy. There's no point any more in criticizing such an attitude as shallow. But consumer co-ops can work with it.

Businesses cannot resist consumerism by offering ugly, bare-bones retailing. Co-ops have tried that, especially those that are no longer in business.

The new Marketplace designs out there—bright, spacious, entertaining to the eye and ear and nose—seem to some people like a concession to consumerism. But we can see them as more than that. They are a statement of respect for how consumers, how co-op members, think of themselves. In a small town no less than in an urban neighbourhood, the investment in one of those new stores is a statement about local pride and identity. Ordinary people can enjoy shopping for value, while still making ends meet in the household or business budget. That's an important message.

The ways in which people express who they are through how they consume are increasingly complicated. Identities are becoming more diverse, more fragmented, and more individual than ever before. Like everything else, this is a challenge to how we've done things in the past, and an opportunity to do new things in the future.

One of many people's identities is as *parents*, and the CRS is well along

in marketing to young families who are living busy lives. I only wish they had had those games at the check-out tills when my kids were the right age for them.

Marketing to *women* is an important topic today, but so too is the idea that women are not all the same. The *ethnic* mix in Canada is changing, with implications for what products need to be on the shelves. It won't only be people of Chinese ancestry buying Chinese imports, either; ethnic food has become a matter of personal identity and choice, not only of birth.

In the region of Canada served by the CRS, most important of all, in terms of identities, is the question of *Aboriginal peoples* and the struggle to go beyond the colonial legacy of the past. The first co-ops in this area were very much rooted in western Canada's settlement period, which saw waves of newcomers displacing the original inhabitants of the land. It stands to reason that Aboriginal people have had less to do with many co-ops over the years. As Aboriginal people become even more numerous, self-confident, and prosperous, co-ops will have to learn from the existing examples of successful partnerships. Precisely how will Aboriginal people identify with co-ops? There will probably be more, new, and different co-ops, where Aboriginal people see their culture and identity visibly reflected. No one knows, today, just what this all means for existing consumer co-ops. This, along with globalization, urban consumer identities, rural regionalization, and technology, is an important area of research in a large, Canada-wide project on co-operative membership and social cohesion underway at the Centre for the Study of Co-operatives at the University of Saskatchewan.

These questions of identities are not only important to individuals. They are also of great consequence to society as a whole. One of the co-investigators working with the centre on the above-mentioned project is Will Coleman of McMaster University in Hamilton. A leading expert on globalization, Coleman notes that the phenomenon seems to go hand-in-hand with a sense of loss of personal control. More than ever, he argues, what people need and will look for in response to globalization is places and activities that give them a sense of autonomy. They need spaces where

they can work out the connections between their individual values and collective issues, where they can express their local identities in a globalizing world. Voluntary associations, including co-operatives, offer this kind of experience for people—the experience of autonomy within a global setting.

Co-ops are places where people can make choices and see the connections and consequences of their choices for themselves and their communities. In co-ops, people can express what is local and distinctive, even while situating what they value within a global and competitive economy.

Co-ops are personal. They are practical. They are not boastful. And yet, they are places where people can work out for themselves, in their own minds, and in interaction with others, some of the most important issues of our time. What *is* global? What is *local*? What is in *my* interest? What is fair to *others*?

Co-ops are acts of the imagination, designed to help create a society that better provides for the needs and aspirations of individuals. That is the sense in which co-ops are agents of social autonomy. They exist to put dreams into practice. And although the Co-operative Retailing System may well have undergone many surprising changes when it comes to celebrate its one-hundredth anniversary, the one thing I would expect to stay roughly the same will be the dreams.