

Director's Report to the Management Advisory Board
Centre for the Study of Co-operatives

Murray Fulton, Director

April, 1996



Centre for the Study of Co-operatives
University of Saskatchewan



Centre Overview

The research and extension activities in which Centre faculty are becoming involved have been changing subtly in the last six months. Speaking engagements, project proposals to the Centre, workshop initiatives and co-op development activities show a common pattern of concern. This pattern is perhaps best summarized as a recurring interest by organizations with issues of institutional and structural change. Whether it is in agriculture, the financial sector, or the social sphere, the institutional structures that govern decisions and behaviour are changing rapidly. The Centre is increasingly being asked to help groups deal with fundamental changes at all stages: organizational formation, renewal or expansion and alliance building. The opportunity to observe this institutional transformation close-up provides the Centre's researchers with a unique opportunity to develop hypotheses about why this change is occurring and to test these hypotheses with real world examples.

Dan Ish will be leaving the Centre at the end of his sabbatical in June. The Centre advertised on the U of S campus for an academic to fill the position Dan has been in for the past 7 years. The Centre received applications from four excellent applicants and conducted interviews with the applicants on March 21. A decision regarding the position will be made before the end of April.

New People at the Centre

Rick Fowler, who replaced Leslie Polsom in September, 1995, left the Centre for full-time employment in the Native Law Library. Diana Kichuk joined the Centre on February 1 as a term librarian in the Resource Centre until Leslie Polsom's return. Diana has been assigned additional duties, including the generation of content for a Centre Newsletter, and the development of access aids and material for the CSC Resource Centre. Diana co-ordinated library services for Canada Agriculture and Agri-Food in Western Canada for several years, and, more recently, was Acting Head of Acquisitions at the University of Saskatchewan Libraries as a term appointment. Diana will be at the Centre to the end of 1996.

Research, Teaching and Publication

Murray Fulton

New Research Projects

The Role of the Saint Paul Bank for Cooperatives in Fostering New Generation Co-op Development in North Dakota and Minnesota

Murray received funding from Credit Union Central for a project to examine two aspects of New Generation Co-ops (NGCs): the role of the Saint Paul Bank for Cooperatives in fostering NGC development in North Dakota and Minnesota; and models for how the Credit Union system can support the development of NGCs. Brenda Stefanson is working as a researcher on this project, especially where the research relates to the ongoing ADF project.

An Analysis of the Egg Industry in Canada and the United States

Murray received the go-ahead from the western Canadian egg producers to carry out an analysis of the egg industry in Canada and the United States. This analysis will be used by the producers in deciding how to address the obstacles they face in the market. Andrea Harris is working on this project.

Ongoing Research Projects

Financial Performance Comparison of Co-ops and Investor-Owned Firms

Murray and Andrea completed the project funded by the Co-operative Secretariat, to examine the financial performance of co-operatives compared to Investor-Owned Firms (IOFs). In February, 1996, the Centre published the report on the project, *Comparative Financial Performance Analysis of Canadian Co-operatives, Investor-Owned Firms, and Industry Norms*.

The Role of External Institutions in Fostering Industry Development

Murray and Brenda continue their work on this ADF sponsored project to examine the role that external institutions play in fostering the collective action necessary for industry development.

Publications

Murray authored two papers titled:

“The Future of Co-operatives in Canada: A Property Rights Approach.” *American Journal of Agricultural Economics*. December 1995.

“A Graphical Analysis of the Cournot-Nash and Stackelberg Models.” *Journal of Economic Education*. (Accepted).

Murray and James Vercammen co-authored two journal articles:

“The Distributional Impacts of Non-Uniform Pricing Schemes for Cooperatives.” *Journal of Cooperation*.

“Non-Linear Pricing Schemes for Cooperatives: The Equity Efficiency Trade-Off.” *American Journal of Agricultural Economics*. (Accepted).

Murray, David Harrington and Robert Reinsel published a paper titled:

“Trade, Transportation, and Commodity and Marketing Policies: Canada - U.S. Comparison.” *Canadian Journal of Agricultural Economics. Special Issue: Farms, Families, and Farming Communities*.

Murray, Andrea Harris and Brenda Stefanson authored a paper titled:

“New Generation Cooperatives and Cooperative Theory.” *Journal of Cooperation*. (Accepted).

The Centre published the report by Andrea Harris and Murray Fulton titled: *Comparative Financial Performance Analysis of Canadian Co-operatives, Investor-Owned Firms, and Industry Norms*.

Presentations

In January, Murray presented a paper at the PECOS Workshop in Saskatoon, titled: “Community Action, Entrepreneurship, and Collective Action: New Generation Co-operatives.”

In February, Murray presented a paper, titled: “New Co-op Structures: Capturing the Value in Value-Added Activity,” at the 1996 Soils and Crops Workshop held at the University of Saskatchewan, (with Brenda Stefanson and Andrea Harris).

In March, Murray presented a paper titled: “Estimating the Presence of Market Power in a Model with Processing and Retailing Sector: The Canadian Chicken Industry” (with Yongmei Tang), at the Conference on Industrial Organization and Food-Processing Industry, in Toulouse, France.

Teaching

In the fall, 1995, Murray Fulton taught two half-classes:

- *Econ 231.3 Economics of Co-operatives*
- *AgEc 262.3 Introductory Statistics*, (taught with Kelleen Wiseman)

In the winter/spring, 1996, Murray is teaching two half-classes:

- *AgEc 842.3 Industrial Organization*, (taught with James Vercammen); including a substantial component on co-ops.
- *Agric 112.3 Introductory Agriculture*, (taught with Professors Al McCurdy and Roger Cohen).

Other Activities

Murray applied to PARD for funding for a one-year position to do further research on NGCs. Murray has also been investigating whether the Ag Innovation Fund might be a possible source of funding for an agricultural co-operative development position.

Murray and Brenda are members of a government/co-op sector committee which includes representatives from Co-operatives Directorate, Saskatchewan Agriculture and Food, Credit Union Central, Saskatchewan Wheat Pool, Canada Agriculture and Agri-Food, and ACS. The group is investigating the elements required to encourage and facilitate the development of New Generation Co-operatives.

In March, Murray met with potential applicants for the Centre's academic position.

Also in March, Murray and James Vercammen presented a brief to the Grain Marketing Review Panel in Regina.

Murray has been appointed a Fellow of the Centre for Studies in Agriculture, Law, and the Environment until the end of the 1996 calendar year. As a Fellow, Murray will be involved in a project with Don Buckingham examining the institutional aspects of the marketing system under stress.

Lou Hammond Ketilson

New Research Project

Lou has a contract with Credit Union Central (CUC) to analyze decision-making examples to identify whether Credit Union Central's current democratic structure influences the efficacy of its decision-making. She will propose alterna-

tive models for its democratic structure at CUC's annual meeting in mid-April.

Presentations

In February, Lou, with Helgi Goodman of the Saskatchewan Wheat Pool, delivered a 1/2 day workshop on Marketing for the Agriculture Business Certificate Program, Extension Division, University of Saskatchewan.

Also in February, Lou was interviewed by the CBC for a Venture series segment titled: "The Future of Co-operatives."

In February, Lou presented a paper titled: "Funding Alternatives for the Prairie Region Health Promotion Research Centre" at the Open Forum Conference, *Linking Research to Practice*, sponsored by the Prairie Region Health Promotion Research Centre. Lou chaired a morning session, and moderated an afternoon session.

In March, Lou participated in the CCA sponsored seminar, *Co-operatives in Theory and Practice*, in Regina, and presented the results of the International Joint Project on Co-operative Democracy.

Teaching

Lou is teaching two Commerce courses:

- *Mgt 345 Business and Public Policy*
- *Mkt 354 Consumer Behavior*

Lou is supervising two Grad Students:

Colleen McMahon, M.Sc. in Marketing, "Segmenting the Market for Electronic Financial Services."

Laura Turner-Rain, M.B.A., "An Examination of the Organizational Lifecycle of Credit Union Financial Information Services."

Lou is also supervising a research practicum of Faye Ford, Doctor of Ministry, University of Alberta. The practicum involves a major project using focus group methodology.

Lou has agreed to be the external examiner for a Ph.D. student at the Swedish University of Agricultural Sciences in Uppsala, in May, 1996. Lou will make presentations to students and faculty at the University's Department of Economics and to members of the Society of Co-operative Studies in Stockholm.

Administration

Lou is a member of two College of Commerce Standing Committees:

- College Review Committee
- Equity Committee

Lou is a member of three University Committees:

- Search Committee, Dean of Commerce
- Joint Committee on Pay Equity. Lou was approached in December, 1995, to sit on the newly formed committee looking into pay equity issues on campus.
- University Council. In January, 1996, Lou was elected to the newly created University Council.

Lou is also a member of several external Committees:

- The Management Board of the Prairie Region Health Promotion Research Centre.
- The Board of the Community Health Services (Saskatoon) Association Limited (Community Clinic). Lou is also a member of its Member Services Committee.
- The Administrative Sciences Association of Canada. Lou is a member of the executive of this national association of business school faculty.

Brett Fairbairn

The College of Arts and Science and the University Review Committee have approved Brett Fairbairn's promotion to Full Professor effective July 1, 1996.

Ongoing Research Project

Brett continues to make progress towards preparing his history of the German co-operative movement.

Publications

Brett's 350-page manuscript for a monograph titled: *Democracy in the Undemocratic State: The German Reichstag Elections of 1898-1903*, was accepted by the University of Toronto Press for publication in 1996.

Brett authored an article titled:

"Constructing an Alternative Language for Co-operative Growth: An Ecological Metaphor." *Coopératives et Développement* (November 1995).

Brett wrote two reviews:

Review of John J. Kulczycki, *The Foreign Worker and the German Labor Movement: Xenophobia and Solidarity in the Coal Fields of the Ruhr, 1871-1914* (Providence, R.I.: Berg, 1994), commissioned and distributed by the editor of H-GERMAN, September 1995.

Review of Thomas Kühne, *Dreiklassenwahlrecht und Wahlkultur in Preussen 1867-1914* (Düsseldorf: Droste, 1994) in the *American Historical Review* (December 1995), pp. 1608-09.

Brett's presentation, "The Present and Future of Historical Journals," at the International Congress of Historical Sciences in Montréal, August, 1995, appeared in the January 1996 issue of *Scholarly Publishing* (University of Toronto Press).

Presentations

Brett conducted two workshops, in March, for the CCA (Saskatchewan Region) and CCA (Alberta Region), on collaboration among co-operatives, and co-operative enterprise development.

Teaching

In the winter/spring 1996 term, Brett continues to teach:

- *History 286.6 Social and Political History of Co-operative Movements*
- *History 882.6 Rural History* (a graduate seminar taught with Jim Handy and Michael Hayden)

Brett is preparing a course, *Intellectual and Social History of Agriculture (Agriculture 222.3)*, to be taught with Gary Storey in 1997. This course may be co-ordinated with Marie Boehm's second-year course in Agricultural Systems. Agriculture 222.3 is being developed, and will be offered, on an unpaid over-load basis for the time being.

The History Department has asked Brett to teach the department's graduate seminar in Modern European History for 1996-97.

Brett's M.A. student, Dion McGrath, has been interviewing Saskatchewan people who were members of, or grew up on, co-op farms. (*Thanks to Management Board members for their helpful suggestions last fall.*)

Brett is investigating whether so-called "theme schools" could be developed for co-operative studies at the U. of S. Briefly, the idea is to offer students an interdisciplinary minor in a subject related to a university research centre. A possibility might be a U. of S. minor in Co-operative Studies, offered in conjunction with the Centre, for students in degree programmes in Arts and Science, Agriculture, Commerce, Education, etc. The Centre and the university might have sufficient staff to put together a minor in Co-operative Studies; however, no inter-college minors appear to exist currently at the the U. of S.

Administration

In late January, the 14-member university task force, chaired by Brett, created to review the "Mandate and Role of the Extension Division," issued a 70-page draft report 1996. *Murray and Brett have copies of the draft report available for inspection.*

In November and December 1995, Brett again served on the Saskatchewan and Prairie regional selection committees for the Rhodes scholarships.

Byron Henderson

Since the last meeting of the Management Advisory Board, Byron has completed Dan's book on Directors' Duties and has been working on the development of electronic publications and tools, primarily for the World Wide Web. The Centre's Website is located on a private computer server and Byron administers the system, allowing the Centre maximum development autonomy from the University, while still using the University's high-speed lines.

The Website will eventually encompass hundreds of screen-pages of information, documents and links to co-op materials. The design is completed and the task of designing, compiling, translating and loading material is now underway.

In January, the Canadian Co-op Association asked the Centre to develop a national Website for the Canadian movement. This site will consist of linked screens showing the breadth of the co-op movement and containing information from the CCA's member organizations, as well as related government agencies. One of the priorities for development of this Website is to create specialized information modules and conferences on women's issues and for co-op youth. The CCA is paying the Centre a small fee for its work in developing the Website, which will be maintained on the Centre's computer server.

In December, the Co-operative Wholesale Society in Manchester asked Byron to write an article for its magazine, *Members*, on the topic of electronic technology in distance education. The article will appear in the next issue.

Byron also prepared Murray and Andrea's Occasional Paper for publication. He designed various brochures and ads, as well as assisted Murray with his Youth Employment Project and with interviews of prospective academic staff.

Working with Professor James Mullens, a specialist in Tibetan culture, Byron will be researching the role of co-operatives in preserving and transmitting the diaspora culture of Tibet, principally in the resettlement communities in India. This is expected to be a multi-year project for which a seminar class will be developed.

5 Feb.
Murray

Dan Ish

Dan has recently moved his research base to Stanford University and he is now living in San Francisco. In recent months he gave a paper in Seattle to a group of specialists in Canadian Studies and to the Mid-Winter meeting of the Saskatchewan Law Society. He is hard at work on his major research project—Aboriginal Taxation.

Brenda Stefanson

Research, Publications and Conference Papers

The Role of External Institutions in Fostering Industry Development

Brenda continued her research on the ADF project with Murray to determine the role that external institutions play in fostering the collective action necessary for industry development. They are developing several case studies of emerging agricultural industries.

The Role of the Saint Paul Bank for Cooperatives in Fostering New Generation Co-operative Development in North Dakota and Minnesota

Brenda is working with Murray on the CUC project examining the role of the Saint Paul Bank for Cooperatives in fostering NGC development in North Dakota and Minnesota, and how the Credit Union system can support NGC development. Brenda is working as a researcher on this project, especially where the research relates to the ongoing ADF project.

Brenda is co-author, with Andrea and Murray, of a paper titled: "New Generation Cooperatives and Cooperative Theory." *Accepted by the Journal of Cooperation.*

In January, Brenda was the keynote speaker at the Nipawin Opportunities Conference.

Brenda has made 15 presentations on NGCs to a variety of groups including: Saskatchewan Agriculture and Food Extension Agrologists, specialty livestock producers, vegetable producers, small fruit producers, and herb and spice producers.

Other Activities

Brenda is a member of the government/ co-op sector committee detailed in Murray's summary.

Andrea Harris

Research , Publications and Conference Papers

Financial Performance Comparison of Co-ops and Investor-Owned Firms

Andrea completed the project with Murray Fulton comparing the financial performance of co-operatives with Investor-Owned Firms. The project was initiated in February, 1995, and funded by the federal Co-operatives Secretariat with a grant of \$24,000. In February, 1996, the Centre published the report on the project, *Comparative Financial Performance Analysis of Canadian Co-operatives, Investor-Owned Firms, and Industry Norms*, written by Andrea and Murray.

Andrea reported on research on NGCs in a paper (written with Brenda and Murray) titled, "New Generation Cooperatives and Cooperative Theory" accepted by the *Journal of Cooperation*.

An Analysis of the Egg Industry in Canada and the United States

The western Canadian egg producers have given the go-ahead to a project to conduct an analysis of the egg industry in Canada and the United States. Andrea will be the principle researcher (with Murray Fulton). Her analysis will be used as the basis for the producers to decide how to address the obstacles they face in the market.

Andrea worked with Brenda and Murray on the paper he presented in February at the 1996 Soils and Crops Workshop, titled: "New Co-op Structures: Capturing the Value in Value-added Activity".

Other Activities

Andrea met with the directors and management of the Many Nations Benefits Co-operative to discuss co-operative models. The co-operative has invited Andrea to be a keynote speaker at its annual meeting in May. She will speak on how co-operatives can be used as a tool for collective action and economic development.