Le mouvement coopératif au cœur du XXIe siècle

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COOPERATIVES AND DEMOCRATIC LINKAGE
IN ENGLISH CANADIAN CIVIL SOCIETY

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SUMMARY

English-Canadian cooperatives currently have an opportunity to present themselves in terms that afford them a broad and attractive policy relevance to Canadian governments and to elements of the Canadian public. This opportunity has arisen, to some degree, because senior policy planners are looking at the question of which policies and social organizations will support a strengthening of “civil society” in Canada. Insofar as cooperatives have a long track record as broadly connected and democratic organizations in Canadian civil society, with the ability to foster positive economic, social and political values, they should be well positioned to present themselves in a favorable light to both policy makers and the broader Canadian public.
In this paper, I argue that English Canadian cooperatives currently have an opportunity to present themselves in terms that afford them a broad and attractive policy relevance to Canadian governments and to elements of the Canadian public. This opportunity has arisen, to some degree, because senior policy planners are now looking at the question of which policies and social organizations will support a strengthening of “civil society” in Canada. Insofar as cooperatives have a long track record as broadly connected and democratic organizations in Canadian civil society, with the ability to foster positive economic, social and political values, they are well positioned to present themselves in a favorable light to both policymakers and the broader Canadian public.

I begin by considering the current vogue in talk about civil society: what is it, why is it now of concern to policymakers, and why should cooperatives care about these new concerns? I then consider why civil society is important to democratic politics, with reference to three concepts at the centre of complementary answers to this question: citizenship, social cohesion and social capital. I argue that these three answers can be integrated through a concept of “democratic linkage.”

The next question is, how well do cooperatives contribute to “democratic linkage” in English Canadian civil society? To answer this, I begin by unpacking two aspects of economic democracy in cooperatives which can contribute in distinctive ways to democratic linkage in civil society. The discussion then considers which aspects of these dimensions of economic democracy are well developed in the English Canadian cooperative experience and which are underdeveloped. I conclude with a comment on why it is important for cooperatives to think of and present themselves as instruments of democratic civil society.
the sake of family, faith, interest and ideology – that fill this space.” For Charles Taylor (1995), Canada’s best known philosopher, civil society is a characteristic of liberal modernity, in which public life becomes the site of open and pluralistic interaction among free and increasingly equal citizens.

So civil society is about pluralistic and democratic interaction among citizens, pursuing their diverse and occasionally shared interests, values and most deeply held beliefs, typically in association with other citizens who share these interests and values. Civil society involves economic, social and cultural activities that take place outside of the direct control of the state.

In both Canada and the United States, there is an emerging consensus among public opinion makers and policy elites that civil society has gone into decline over the past several decades, that it needs strengthening, and that institutions and organizations, that can contribute to this strengthening deserve to be supported through changes to public policy. Even though the institutions, organizations and practices of civil society are independent from direct control by state agencies, state policy and regulation, public institutions of governance as well as, do a great deal to set the framework within which civil society takes shape. So, if policy makers believe that desirable social or economic benefits can come from a strengthening of civil society through government policy, their explicit attention to the relationship between policy choice and civil society will draw crucial attention to opportunities for non-state organizations to contribute to this strengthening.

It now appears that these links and opportunities are part of the policy-planning process at the federal level and in most provinces as well. This has occurred over the past five years. According to Jane Jenson (1998, p. 38) of the Université de Montréal, the ideas of civil society and social cohesion have “seized the attention of policy communities” in North America.

Why Should Cooperatives Care about This?

As I have shown in earlier research, cooperatives in English Canada have always had difficulty presenting the “cooperative alternative” in federal policy discussions (Laycock, 1987, 1989, 1990 and 1994). Bringing cooperatives into higher profiles in current policy debates requires attention to current “buzzwords” in policy communities. There is little doubt that other social “third-sector” and economic organizations, including private
financial enterprises, are jumping on this latest civil-society-enhancing-policy bandwagon. But for once, cooperatives have something of a natural competitive advantage on this rhetorical terrain.

The language of civil society and the closely related idea of social cohesion naturally lend themselves to demonstrating the distinctive social and economic values inherent to the cooperatives’ ways of operating. But like all political language, that of civil society and social cohesion is highly contested from a wide range of ideological perspectives. For example, the Fraser Institute is now sending out speakers to argue that civil society and social cohesion can only be strengthened if the private sector is given far more scope for expansion, taxes are slashed and the state presence in the marketplace is curtailed. This perspective sees an activist state as antithetical to civil society, while a dynamic and “free” market operating in all spheres of social choice is seen as the backbone of a healthy civil society.

“Unfettered market economy” and “civil society” are treated as synonyms by the Fraser Institute and other forces on the Canadian new right (Laycock, 2001). By contrast, civil society has historically been seen by other political and social actors to involve not just private enterprise, but also considerable non-profit organizational activity, “third”-sector economic activity, including that of cooperatives, and various forms of political and social advocacy in the name of social justice. As with other terms like equality, freedom, social justice and democracy, the ideological battle has been joined over the idea of civil society, and all serious players in Canadian social and economic life need to work out their own, policy-relevant understanding of this concept.

So Canadian cooperatives need to seize the opportunity to present their organizations in the favorable light that the language of civil society and social cohesion affords. In fact, this opportunity to participate in public policy deliberations is one of the best to have arisen for English-Canadian cooperatives over the past several decades. In making their cases for public policy that works for, rather than against, cooperative enterprises, Canadian cooperatives can take advantage of two key features of the policy debate over healthy civil society. First, the Canadian public is clearly concerned about the decline in social cohesion and the democratic deficits in their associational and public life. Decreased confidence in governments and politicians, declining voting rates and levels of participation in conventional political organizations, and a still widespread belief that major social and economic problems need to somehow be effectively addressed through collective social responses are all signs of potential public receptiveness toward cooperative enterprises (Young, 1999; Nevitte, 1996; Nevitte et al., 1999). The other key feature is that with conventional welfare state responses to social problems seen as increasingly
suspect or inefficacious by Canadian citizens, locally grounded and democratically organized responses by cooperatives can be very appealing. Cooperatives’ responses can obtain public appeal not just as abstract improvements to ailing civil society, but as concrete, self-sufficient means of addressing identifiable and manageable social needs.

CIVIL SOCIETY, DEMOCRATIC POLITICS AND COOPERATIVES

Why is civil society important to democratic politics? Three broad answers involving the concepts of citizenship, social cohesion, and social capital can be integrated with the aid of a notion of “democratic linkage.” Throughout this section, I rely heavily on the excellent discussion of social cohesion and related concepts in Jane Jenson’s recent (1998) study, Mapping Social Cohesion: The State of Canadian Research.

First, dynamic civil society requires “civic health,” and civic health is sustained through active citizenship. Citizen participation in public life, in political parties and other organizations, is vital to the democratic character of political and social life (Beiner, 1995). Citizens who passively consume goods and services but make no active contribution to deliberation about or formulation of options in public life do not contribute to civic health, even though “democratic discipline” – or restraint in the demands made of public services – does make the work of governments easier. But ease for governments has not historically been a feature of meaningful and rewarding democratic practice.

Then, dynamic civil society requires social health, and social health requires at least a moderate degree of social cohesion. According to Jane Jenson (1998, p. 3), “the international policy community has recently adopted the concept of social cohesion with enthusiasm, finding in it a way of discussing the interconnections among economic restructuring, social change and political action.” Jenson (p. 15-17) identifies five dimensions of social cohesion. It involves citizens having:

1. a sense of belonging in community,
2. real opportunities for inclusion in the labour market,
3. real opportunities for and experience in civic involvement,
4. recognition and tolerance of socio-cultural pluralism,
5. a broadly shared sense of the legitimacy of representative organizations and institutions.
Finally, dynamic civil society is related to economic health. Community-inclusive *social capital* is a necessary foundation of social cohesion, and thus of strong citizenship. Social cohesion is also increasingly seen as a precondition of strong economic performance, by well-known Canadian economists such as Judith Maxwell and Lars Osberg (Jenson, p. 22). What they appear to have in mind is that widespread opportunities for pluralistic political, social and economic inclusion will generate not just more equitable, but also stronger economic performance. By the same token, high levels of social inequality, cultural intolerance, economic marginalization and political exclusion will inhibit economic growth. For social cohesion to have positive economic effects, communities and countries need to have a large stock of “social capital.”

Social capital is variously defined. Some use this term to refer to the density and quality of ties among persons and households. Others see it in terms of the social institutions that create and sustain honesty, law-abidingness and nurturance of the young (Jenson, p. 28). Robert Putnam (1993), perhaps the most famous contributor to debates on the importance of social cohesion and social capital, sees social capital as “features of social organization, such as networks, norms, and trust.” For him, social networks produce the “capital” of trust, which is essential to strong economic performance and good government. However social capital is defined, those who investigate it contend that it is strongly connected to the institutions and norms that are part of active citizenship, and hence strong civil society (Jenson, p. 26-28).

**Democratic Linkages among Citizenship, Social Cohesion and Social Capital**

The first point to make here is that these linkages are hotly contested, as are all of the concepts themselves. Accounts of each concept and their linkages are as varied as coherent ideological perspectives in Canada.

With the exception of policies addressing Canada’s multicultural experience, recent discussions of social cohesion, social capital and citizenship have paid little attention to the role that reduction of social inequality could play in promoting a strong civil society. Most federal policy circles now tend to downplay problems of inequality and democratic exclusion, while still claiming to choose policies that build social trust and common values. Yet bureaucratic and elected policy makers are aware that they will gain extra legitimacy and political mileage when the social and economic policies they propose have the effect of addressing and perhaps reducing social inequality and exclusion.
If discussions of these three dimensions of civil society include an emphasis on the issue of social inequality, and attention is paid to fostering inclusion of all groups from civil society in political processes and social life, we can say that these discussions are concerned with “democratic linkages” in civil society. One example of the way this can occur involves the idea of social economy, or économie sociale. The idea of the social economy, among other things, has been used as a bridge linking participation, inclusion and other key aspects of social cohesion, to the broader democratic dynamics of civil society. This language and approach to addressing shortcomings of civil society is widespread in cooperative circles and the “popular sector” in Quebec, but seldom heard in English Canada. And yet the potential of this approach, or of an equivalent approach to issues of democratic linkage in civil society, should be appreciated by cooperatives in English Canada, as they seek a higher public profile and a stronger voice in public policy debates.

HOW CAN COOPERATIVES CONTRIBUTE TO “DEMOCRATIC LINKAGE IN CIVIL SOCIETY?”

For cooperatives, the answer needs to turn on the distinctive ways in which their practices of economic democracy aid community development and stabilization. They do this by extending citizenship, social capital, and social cohesion through cooperative development. They also do this when established cooperatives contribute to maintaining the social foundations of viable democratic citizenship, social capital, and social cohesion in communities.

Economic Democracy and Democratic Linkage in Civil Society

Two broad dimensions of economic democracy suggest how cooperatives can contribute in distinctive ways to democratic linkage in civil society, whether in new cooperative enterprises or older, established co-ops.

Representative Democratic Governance within Enterprises

The cooperative principle and practice of one member, one vote is a very substantial foundation of democratic linkage between active citizenship and social cohesion. The formal representative democratic governance structure typically includes annual meetings and elections of directors, as well as votes in these meetings on resolutions coming either from
membership groups, directors, or management. Checking through Jenson’s dimensions of social cohesion, for example, we can readily acknowledge that a cooperative’s democratic governance practice can:

- stimulate a sense of belonging in community for cooperative members;
- provide the kind of local-level practice in democratic decision-making that proves crucial as a stepping stone to civic involvement (Pateman, 1970; Barber, 1984);
- facilitate recognition and tolerance of socio-cultural pluralism, through involvement in community-based economic enterprises;
- enhance a critical appreciation of the legitimacy of representative organizations and institutions, by providing cooperative members with hands-on experience with representative structures and processes within the cooperatives.

The only one of Jenson’s five dimensions on which cooperatives do not dramatically out-perform private sector firms is the matter of providing real opportunities for inclusion in the labour market to individuals who would otherwise not face such opportunities. The notable exception to the cooperatives’ unexceptional standing on this matter involves cooperatives within Canadian native communities. Here, especially in northern native communities, cooperatives have a strong record of enhancing labour market access for native peoples (Hamond-Ketilson and MacPherson, 2001).

On four of the five dimensions of social cohesion, then, cooperatives have achieved impressive democratic linkage results with their internal representative democratic structures. Very few other economic enterprises attempt or manage to offer this, or the kind of community accountability that is built into the linkage (Fulton, 1990; Fairbairn et al., 1991). The cooperatives’ democratic bona fide with respect to social cohesion is thus well worth continued attention in briefs to Canadian governments about the “cooperative difference.”

Seen from another angle, however, English-Canadian cooperatives are doing considerably less than they might to build democratic linkages between citizenship, social cohesion, and social capital. Beyond the formal representative structures that cooperatives have by law, democratic representation can also be seen to require actual representation of stakeholders within the cooperative enterprises, and serious efforts to inclusively enhance access to power within these enterprises. Once these dimensions are considered, we can see that cooperatives in English Canada have a considerable distance to travel in promoting democratic linkages within Canadian society.
Stakeholder Representation and Democratic Linkage

Representation of significant “stakeholders” in enterprise decision-making includes at least three, often four, and occasionally five sets of players. The first is the membership, which can utilize the internal representative structure. In practice, Canada’s large consumer, financial, and farmer cooperatives resemble brokerage political parties more than ideal-typical grass-roots controlled social movement organizations. But even though grass-roots democracy is typically dormant within the major cooperatives, the representative structure does much to enhance intra-firm accountability, especially to the communities in which the cooperatives operate, if not always directly to the members themselves.

The second stakeholder group is the firm’s employees. Conventional economic theory and analysis has consistently rejected the idea that increasing workplace participation through formal inclusion of employee “stakeholders” in firm decision-making can yield profit or efficiency gains. The most important Canadian initiative supporting employee stakeholder participation in cooperatives’ decision-making has come from The Co-operators’ Group, one of Canada’s largest insurance companies.¹ In the mid-1980s, this firm established a separate computer services company with 750 employees called Co-operators Data, with private and cooperative insurance companies and other financial institutions as clients. The parent company elects four representatives to the board, clients elect four, and the employee group two (Quarter, 1992, p. 34-35).

Large agricultural cooperatives across English Canada have been very slow to respond to, or initiate, stakeholder proposals. It is worth noting, however, that a majority of English-Canadian credit unions and a minority of Québécois caisses populaires have unionized workforces, making them unique among Canadian financial institutions. But we have yet to see provisions in the provincial credit union systems for structured employee representation on local credit union boards, based on provisions for structured equity share purchases or other foundations.

For many years in Canada and elsewhere, worries about conflicts of interest and potential damage to the needs/interests of the members prevented employees from being eligible for election to a cooperative’s board and presented major labour relations problems for cooperatives. This is slowly changing, in some cases through consultative bodies that complement the conventional representative control structures, and in others by giving employees full membership rights, entailing annual

¹. See Jordan (1989); Jordan and Haalboom (1987).
meeting voting rights, and rights to stand for election to the cooperative’s board. The problem of offering employees the full set of membership rights is partially analogous to that of providing civil servants full rights to political participation, yet the tensions that emerge when employees exercise full membership rights are often more immediate and threatening. Still, the principle of employee voting rights in popular-based organizations is hard to reject on democratic grounds.

About the third stakeholder group, little needs to be said: management is automatically a player by virtue of its function in the organization, and needs no separate representation equivalent to that which may be constructed for other employees. In practice, their power in the decision-making process already often exceeds that of all other stakeholders combined, and the real problem from the perspective of democratic diffusion of power is designing mechanisms to counteract other stakeholders making decisions based solely on information provided by the management. Significantly, in the case of Co-operators Data noted above, management was not given structured representation on the company board. As one of the architects of this firm’s structure noted, “the intent was to enfranchise staff generally, not to give additional voice to management” (Jordan, 1989, p. 124, cited in Quarter, 1992, p. 34).

The fourth stakeholder group economic democracy must take into account is the community within which the enterprise operates. Often the major criticism of a private or public firm’s decision to downsize, expand, alter production techniques or pollution levels is that it has failed to include “social externalities” within its decision-making process. While a democratic firm can not represent community interests to a degree that firm members’ and employees’ preferences consistently go unmet, we should not assume that community concerns are automatically acknowledged and efficacious simply because members and employees live in the community. There is no single mode of community representation in the enterprise’s decision-making structure that will fit all situations, but especially when the firm in question plays a large role in the local economy, economic democracy should incorporate non-token mechanisms to achieve such representation.

Some of the larger Canadian cooperatives have expressed an interest in one such mechanism, developed by business school analysts during the 1970s to respond to public concerns about low levels of corporate social responsibility. The “social audit” idea has taken several forms, varying as to the selection for analysis of “social externalities” created by enterprise functioning, and as to methods for assessing the impacts of such externalities on communities. By 1985, the Co-operative Union of Canada’s task force on social auditing had produced a guide for use by
its member organizations (Social Audit Task Force, 1985). Yet the idea has not been seriously implemented by more than a handful of major cooperatives in English Canada, although several of the second-tier “credit union centrals” have experimented with it.

The final, and only occasional, stakeholder requiring representation in the democratic firm is the state or, more specifically, some specialized state agency with responsibility for economic development. It may appear odd to suggest that so powerful an institution might have a place among stakeholders. But two reasons may justify this presence, despite the potential for Leviathan’s interference in cooperatives’ affairs.

The first is that often, in fact with increasing regularity, the state provides some kind of financial assistance to facilitate the emergence of the democratic firm. Worker cooperatives – the paradigm for many of the democratic firms – typically require the creation of a kind of temporary haven from the full force of market pressures and competition if they are to emerge within the inhospitable environment of the capitalist economy. Even in non-worker cooperatives, such havens have often been shaped by changes to state regulation of trading practices. In Canada, this has been especially true in the various sectors of the agricultural economy with marketing boards and restrictions of market shares, since roughly the turn of the century in the Prairies and Ontario, and since the 1920s in British Columbia, Québec, and the Maritimes.

More recently in Canada, major loan guarantees, bureaucratic assistance, and seed financing from government have been behind almost all major initiatives in cooperative development or expansion (Laycock, 1987). To deny state agencies a de facto role in the new or expanded democratic firm’s decision-making structure would provide a real disincentive to further and needed state assistance. More important from the perspective of the overall viability of democratic firms within a hostile market economy, however, is the need for advocates of democratic firms to develop a better understanding of government policy development processes. Private sector firms clearly take development of such understanding seriously; why should their democratic competitors take on an additional competitive disadvantage by remaining comparatively ignorant on these matters? The major school for learning about state policy development is involvement in its processes. This school can be in session

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2. On the Canadian cooperatives’ organizational capacity for policy analysis within their “government relations” activities and their comparative ignorance regarding the workings of, at least, the federal government, see Laycock (1987).
most easily when the democratic firms’ isolationism is reduced through active relations with agents of the state inside and outside the organizations subsidized by the state.

For large established democratic firms, these active relations need not take place within their boundaries, but rather in quasi-corporatist relations within policy communities. For emerging cooperatives or other democratic enterprises, active relations with state agency representatives internal to the firm may be vital to understanding and maximally benefiting from their economic and political environment. Care must obviously be exercised to prevent enterprise objectives and internal practices from being knee-jerk reactions to the governments’ politically motivated use of financial and regulatory carrots or sticks. State agency representation on cooperative organizational development agency boards, for example, can not attain veto or even strategically decisive power in relation to the other stakeholder groups. But in some cases, the need to maintain incentives to governments for financial assistance and to comprehend the relevant policy environment may even justify corporatization of the democratic firms’ relations with governments as an enabling condition of workplace democracy (Laycock, 1993).

In Canada’s agricultural economy, producers’ cooperatives have successfully lobbied for provincial and national marketing boards. This is true of the grain growers’ cooperatives in the Prairie provinces, fruit growers’ cooperatives in British Columbia and Nova Scotia, and dairy producers’ cooperatives in Québec. In each case, the farmer cooperatives’ representatives on these trade regulatory bodies and agencies have learned a good deal about agricultural policy development processes in provincial and federal governments, providing their enterprises with information crucial to their public and private lobbying strategies. These cooperatives have, consequently, introduced de facto representation of state officials’ perspectives within their organizations (Fulton, 1990, p. 154-160).

In retrospect, we can say that a measure of de facto autonomy has been traded by these producers’ cooperatives in exchange for the status of key participant in Canadian agricultural policy communities. These are not formal corporatist arrangements, but they do involve many characteristics of state-organized interest relationships familiar to students of corporatist policy-making. Under such circumstances, to pretend the state is not a stakeholder in large agricultural cooperatives is unrealistic. Provincial and federal governments have become inextricably part of the

3. On policy communities in Canada, see Coleman and Skogstad (1990); on the cooperatives’ place in English Canada’s agricultural policy community, see Fulton (1990).
development of regional agricultural economies. Their most striking contributions in English Canada were made from the turn of the century to roughly 1950.

It can be easily argued that it is unrealistic to ask cooperatives to reconcile structurally divergent, and occasionally incompatible, stakeholder interests within single business organizations. Such demands may even miss the point of what democratic cooperatives do when they are functioning well – that is, offering vehicles within civil society for the representation and advancement of particular interests when these interests are not well represented or served through other social, economic, or political organizations. If we add to these considerations what we know about the difficulties cooperatives throughout the world encounter when faced with open internal conflict, the stakeholder representation criteria presented here may even seem to suggest an unconscious death wish for cooperatives.

In practice, this argument must be taken seriously to provide realistic expectations for the depth and range of stakeholder representation implementation. In theory, however, I would still argue that the abstract model and potential for such representation do provide us with one important criterion for assessing the achievement of economic democracy within firms. Clearly, this criterion is by no means the sine qua non of economic democracy – circumstances within firms, sectors and communities set real limits on the extent to which one’s expectations in this regard can justify this quasi-corporatist augmentation of the logic of liberal representation in cooperative enterprises.

Enhancing Access to Power within Firms and Democratic Linkage

At the level of employment within the democratic firm, this would involve programs of employment equity whenever it is clear that major constituencies within the community are seriously under-represented or excluded from the more attractive jobs in the organization. At the level of membership, in the case of both worker-owned and member-owned firms, greater equality of access to power could be engendered though various incentives and outreach educational processes, as well as changes to organizational culture. Both kinds of measures would aim at increasing participation within democratic governance and other decision-making processes by distinct groups of potential beneficiaries within the enterprise.
These measures are relevant to the economic democracy and democratic linkages of cooperatives because the undemocratic dimensions of economic life are more than simply a matter of producing “surplus value.” Just as egalitarian conceptions of citizenship move from legal to political and social levels of equality, so economic democracy seeks to expand the range and developmental significance of membership within enterprises.

Canadian cooperatives initially sought to supplement the bargaining power of their members within processes of market employment and exchange, whether in farmers’ marketing cooperatives, consumer retail cooperatives, or credit unions. They did often not seek to transform social relations within workplaces and did not break much new ground in providing opportunities for socially marginal groups whose marginalization was a function of ethnicity or gender rather than class. Ethnically defined credit and retail cooperatives remained largely outside of the mainstream of the cooperative movement and business associations; cooperatives were vehicles for building strength in separate communities, not for integration into the Anglo-dominated culture.

As immigrants from eastern Europe became assimilated into mainstream English-Canadian society, their members gradually assumed important roles as members and employees in cooperative enterprises. This came from their accepting, not challenging, the cultures and practices of these enterprises, and certainly not as a result of concerted efforts by existing “co-op elites” to attract or promote such membership. The unofficial cooperative cardinal virtue of self-reliance militated against any such efforts to represent community constituencies within cooperative decision-making structures, as did the relative traditionalism of the rural communities from which the most influential cooperative leadership groups have emerged in English Canada.

But as rural populations decline and multi-ethnic urban communities filled with working women constitute the norm in Canadian society, voluntary associations that are also economic enterprises need to appreciate how their actual and potential memberships can continue to see any reason for continued membership or active participation. Neither retail nor credit cooperatives, nor, for that matter, most housing cooperatives, can regularly offer members substantial financial reasons for continued membership. Their advantage must come from reflecting a more democratic vision of responsive, inclusive community than private-sector retailers, financial institutions and property-holding companies can offer.
In this sense, providing greater equality of access to positions of power within their enterprises is consistent with both the democratic logic and the growth potential of Canadian cooperatives. This is less obvious for those that remain in largely rural communities, where pressure for greater equality of treatment for women and ethnic minorities is lower than in Canadian cities. But in these cities, cooperatives still have much to do to facilitate inclusive memberships and decision-making procedures.

One slightly dated but clear indication of this can be found in a 1994 comparative analysis of English-Canadian cooperatives’ efforts to increase equity in access to power. *Research for Action: Women in Cooperatives* was initiated following the unsatisfactory conclusion of the Canadian Co-operative Association’s Task Force on the Status of Women. This task force had been established at a national convention in 1991 and, over two years, had considered the need for cooperatives to increase women’s participation in decision-making. The CCA’s response was to essentially reject their report’s contention about the seriousness of gender-equity issues within cooperatives by allocating a trivial amount of money to prepare a resource guide on increasing gender equity. The CCA national board rejected the idea that the task force report’s moderate recommendations be implemented within the member cooperatives.

*Research for Action* examined five large English-Canadian cooperatives and concluded that only VanCity Savings Credit Union had taken exemplary action to have their membership’s gender and ethnic diversity reflected in their management and elective power structures. VanCity is explicit about its equity policy in its annual report and member newsletters, and in its community development activities through the VanCity Community Foundation and VanCity Enterprises (a nonprofit housing development agency). For over a decade it has had a strongly interventionist Women’s Advisory Council recommending policy changes or program implementation improvements in all aspects of the organization’s activities, including employee advancement and benefits, community development work, and education/promotion regarding their electoral processes. VanCity also employs an equity coordinator, whose mandate explicitly addresses VanCity’s desire to represent and reflect their multi-ethnic membership, and has resulted in enhanced employment and organizational opportunities for people of Southern European, East Indian, Chinese and native Canadian heritage. In short, VanCity sets democratic access standards that cooperative sector organizations across Canada must strive very hard to match.

Since this report was issued, neither the Canadian Co-operative Association (CCA) nor most of its large cooperatives have seen enhanced access for women and minorities to positions of power as pressing issues.
On this criterion, then, English-Canadian cooperatives have been slow responding to social movements whose understanding of democratic progress has moved well beyond formalistic provisions for “one member, one vote.” For this to change, it will be necessary for Canadian cooperatives to forge more meaningful links with various social movement organizations. Perhaps declining membership and levels of participation will move major English-Canadian cooperatives to see this aspect of democratic practice and “social capital development” as a survival technique rather than an unjustifiable business expense.

OBSTACLES TO INCREASED COOPERATIVE CONTRIBUTIONS TO DEMOCRATIC CIVIL SOCIETY IN CANADA

Accounting for the factors that undermine cooperative contributions to democratic civil society in Canada would take at least one book. My purpose here is simply to mention several of the most obvious obstacles in this regard and link them briefly to the themes of my earlier discussion.

One of the most powerful and frustrating obstacles to cooperatives exercising their full positive impact as contributors to democratic civil society is the direction of political cultural change over the past several decades. The new right has been very successful in its project of redefining citizens as taxpayers and consumers, whose obligations to fellow citizens extend no further than the next tax cut. We don’t require extensive behavioural data analysis to see that this type of cultural change leads to a decline in the aspects of social cohesion to which cooperatives can make unique and decisive contributions. Citizens who understand themselves primarily as taxpayers see the enhancement of social capital in narrowly economic terms, which then has a distorting impact on the objectives and self-images of cooperatives themselves.

What we might call “fear and loathing in the global marketplace” is also a substantial deterrent to cooperatives as positive contributors to democratic civil society. The idea that global economic competition is ruthless and requires leaner, meaner and more centralized enterprises does much to undermine elementary forms of democratic and community self-confidence, for both citizens and members of locally controlled enterprises. The more this democratic self-confidence declines, the less cooperatives will seem a relevant or viable alternative to potential and actual members. There is, of course, much contrary evidence – that is, that cooperatives are effective community defence and mobilization mechanisms, and that there are many aspects of community life that
transnational firms have no competence to absorb and control. But with the citizen-as-taxpayer mentality gaining so much ground, it becomes psychologically and ideologically harder to look for and credit such “anti-globalization” evidence.

Another dimension of the challenge is the reluctance of English-Canadian co-op leaders and activists to make contact with dynamic and “progressive” forces in English-Canadian civil society. Here the contrast with the Québécois cooperatives’ recent experience could not be more striking. And here it is worth going into some detail, since while Canadian cooperatives can’t single-handedly alter global marketplace dynamics or the direction of change in national political culture, they can transform their connections to other groups in their own civil-society environment. We know this is possible, because it has happened among Québec cooperatives over the past several decades.

Until the formation of the Co-operative Commonwealth Federation in the early 1930s, cooperative activists were intermingled with many social movements and reform organizations in the Prairies and Ontario. But by 1960 one seldom found cooperative organizational activists politically or socially active outside of their own cooperatives. As Canada became more urban, cooperatives became less effectively connected with other organizations supportive of decentralization of power away from elites. For example, despite some promising joint support in the late 1960s between the national Canadian Labour Congress and the Co-operative Union of Canada for a Cooperative Housing Federation, cooperatives have not established close ties with urban labour.

English-Canadian cooperatives have not spoken out on behalf of the poor or other disadvantaged groups within Canada. The detachment from connections with other progressive organizations and social movements that has gradually occurred since the 1930s is part cause and part effect of cooperative leaders’ distancing themselves and their organizations from both partisan politics and contentious public debates. This was initially motivated by the view that the cooperative commonwealth was best sought internally through member-controlled economic organizations, rather than through participation in either public debate over contentious social issues or direct organizational linkages to the party system.

While understandable, this approach to public life has had profound consequences for the impact of English-Canadian cooperatives on the democratization of social and political life. It has led to the creation of cooperative enclaves in communities, in the sense that few efforts are made to blend the logic and practices of cooperative organizations with
other potentially or actually democratic impulses in civil society. Cutting themselves off from potential relationships of mutual support has seriously reduced the social benefits of cooperative practice and narrowed the range of resources cooperators can employ to prevent their own organizations from unconsciously adopting dominant approaches to economic decision-making. Detachment from progressive organizations in urbanized civil society, where the momentum for social and economic democracy has been since the late 1970s, is a very serious problem for English-Canadian cooperatives.

This isolation from other social organizations and forces committed to compatible economic and social goals has meant that the cooperatives’ decentralizing and democratizing achievements have been typically overlooked by the larger English-Canadian society. Consequently, social and political scientists are extremely unlikely to see cooperatives as organizations worthy of study.

A 1984 Task Force on Co-operative Development commissioned by the Co-operative Union of Canada proclaimed that

the central challenge facing Canada is how to make our institutions more responsive and participatory. We must involve people more fully in the social and economic decisions affecting themselves, their families and their communities. Otherwise, any potential solutions to our country’s problems will be inadequate, lacking the broad public support necessary for successful implementation, in short, we are speaking of the need for economic democracy – of the right of people to influence and ultimately control the important economic decisions affecting their lives (Co-operative Union of Canada, 1984, p. 3).

Yet in spite of these civil society-supporting sentiments, the cooperative organizations whose representatives signed this report did little to implement recommendations to support “new” cooperative development (i.e. worker cooperatives, health-care cooperatives and housing cooperatives) and education within and beyond movement organizations. English-Canadian cooperatives have largely lost their earlier emphasis on extending economic democracy into new facets of social life and, unlike their counterparts in Québec, have allowed their connections with other sympathetic social and political groups to atrophy.

CONCLUSION

There is no consensus on what promotes social cohesion and related democratic linkage in modern, pluralistic societies. Depending on how it is approached, social cohesion can be presented as a concern that should be addressed to “empower” individual citizens, economic agents, or
collectives. Empowering both, it can be argued, results from strengthening the legitimacy and utility of the key post-war institutions in government and civil society that are clearly supportive of "social capital."

Research on cooperatives demonstrates that they can bring these institutional, value-promoting and practical supports together, for individuals and collectives. Building on this research can give cooperatives additional policy relevance, at a time when a policy agenda set by forces on centre-right and right is threatening cooperatives as distinctive enterprises that can contribute to realizing the democratic promise inherent in modern civil society.

But all of the research in the world will not achieve this purpose if cooperatives are not clear about how their social visions and distinctive practices can help to render Canadian civil society more democratic. In the current policy environment, many social and economic indicators can be read to suggest that cooperatives' backs are up against the wall. Yet ironically, the language of civil society now in vogue among strategically important Canadian policy makers is naturally advantageous to cooperatives. And with over 3.6 million members outside of Quebec (Co-operatives Secretariat, 2000, p. 1), cooperatives are a powerful force for positive change that democratic civil society in English Canada cannot afford to do without. Approached with care and the right combination of opportunism and soul-searching, using the language of democratic civil society might even bring cooperative activists and leaders back in touch with the reasons they decided to join and serve their organizations in the first place.

REFERENCES


