

COMMENTS OF RUSTY SIVILS TO THE FBFC BOARD OF DIRECTORS, MAY 19, 2016

Tonight I would like to discuss the Owners, that group that is supposed to be the heart of the Co-op, but who have been reduced to mere shoppers. I will suggest that membership in the Co-op is nothing more than a marketing ploy, that it is fully as much just a marketing ploy as membership in Sam's Club is just a marketing ploy—except that Sam's Club you do get a discount. What do you get at the Co-op? You get the promise of democratic governance. As the cover story of the January-February issue of *the Buzz* said, "When the Co-op makes money, members determine how the profits get used." The one-percent of gross sales to non-profit groups program would be a perfect implementation of this claim, but, in fact, at the FBFC members don't determine how the money gets used or anything else, except the Board elections. The annual membership meeting has been reduced to a feel-good information session where no business is conducted.

Another thing that the owners are promised is a patronage rebate, which always turns out to be microscopic.

All of this amounts to a form of bait and switch. This is not honesty in advertising. This is not consistent with the cooperative values of honesty and openness.

What don't our members get? They don't get democratic governance. The second cooperative principle states that a cooperative shall be governed by its members who will make its decisions and set its policies through a democratic process. Our members are never allowed to do these things. They don't get a meaningful patronage rebate. They don't get to work together with others in operating the Co-op through a meaningful worker-owner program. (That model of co-op still works in places like Brooklyn, where the Park Slope Co-op has 14,000 members, all of whom work four hours a month. That model no longer works at the FBFC, which has evolved towards being a gourmet natural foods store for upper middle class people.) They don't have a sense of participation in the Co-op, or a sense of investment in it. It's not important in their lives. And they never will have again, in the ways they used to have even 20 years ago. This is a retail food store with a paid staff which is not a co-operative, and it's not going back.

In the January-February issue of the *Buzz*, Daav Wheeler had a really good letter about the importance and value of participating in the Co-op. But why should they participate? The demographic profile of co-op members here has changed over the last 30-40 years. They are no longer people looking for affordable food, and willing to help with the work. Our members are the non-poor, mostly young people who are busy and preoccupied with their own lives. They don't need affordable prices. Those who do need them don't shop here. They are too busy to be worker-owners. So why else should they participate? Daav pointed out some laudable goals, such as we want the Co-op to be a dynamic model of a new way of doing business, and bringing locally produced food to city markets, but our members don't see any particular way that their participation will accomplish these things. Very few of them are going to come to any of kind of meeting, because they just don't see the Co-op as doing anything that is compelling enough to be worthy of their valuable time. However, they might participate more if the Co-op was doing things that they cared about, or if there was at least the possibility of participating in making decisions about things that mattered to them.

Speaking of democratic governance, the last time the owners had the opportunity to make any decisions about the Co-op was 2007, when they approved a ballot question requiring that the Co-op disclose to the owners the annual salaries of the highest and lowest paid employees, and strive to have the highest be no more than three times than the lowest. The purpose of this measure was mainly to enable the owners to know how much the GM was being paid, as is the practice in the corporate world. The GM at that time was Steve Watts, who evidently did not want his salary disclosed and was able to persuade the Board to ignore the decisions of the owners. (So it has been nine years since the owners have been allowed to make any decisions, and over fifteen years since they have made a decision that was carried out. This makes a mockery of democratic governance.) This decision by the owners is still in effect, but as far as I know it has never been carried out. I would like to remind the Board that the upcoming Annual Membership Meeting would be an appropriate occasion for disclosing these salaries to the owners, and that this would be one small gesture toward affirming our commitment to democratic governance.

If anyone would like to discuss any of this with me, please call me at 242-6073. Thanks very much.