

## COMMENTS OF RUSTY SIVILS TO THE FBFC BOARD OF DIRECTORS, Oct. 20, 2016

As I have been arguing for years, the FBFC is not a cooperative in any meaningful sense. There is no meaningful participation by the members (now called “owners”) in the operation of the Co-op. There is no substantive advantage for belonging to the Co-op—just a few perks such as sales and occasional discounts, which are basically marketing ploys. There is virtually no member democratic control (other than electing the Board) which is one of the seven International Cooperative Principles, and should be a central pillar of any cooperative.

The o-op has been corporatized, its structure resembles that of a corporation much more than a cooperative. It is a retail store with a paid staff. It is not a community of consumers working together for their mutual benefit. It is no longer a consumer cooperative, even though it still trades on the cooperative image. In reality membership in the Co-op is nothing more than a marketing ploy, fully as much as membership in Sam’s Club is just a marketing ploy—except that at Sam’ Club they do give you a discount, because they recognize that it is a marketing ploy and know they have to actually give you something to get you to join. Here, people join because other things are promised, such as a patronage rebate, democratic member control, or a sense of supporting a community institution that is an alternative to the corporate economy. These promises are empty, and are not fulfilled.

I will suggest that the Co-op has become, mainly, a jobs program. The group that mainly benefits from this business is the employees. Why do I say this? Because if this were truly a consumer cooperative, then Bobby’s job would be to keep the margin, our mark-up over wholesale, as low as possible, so that members could benefit from low prices. Instead he has to do just the opposite, keep the margin as high as possible, because he has large overhead costs to meet, mainly wages and benefits. The members of the Co-op have become a cash cow to be milked to support this jobs program. The highest priority here—not the only priority but the highest—is to be a jobs program. Jobs programs are wonderful things, but a jobs program is not what a consumer cooperative is supposed to be. In fact, just the opposite: a consumer cooperative is supposed to be consumers working together in a community for their mutual benefit, usually by lowering the prices of goods by contributing their labor. A consumer cooperative should also be an alternative to the corporate model—an alternative that would promote member democratic control and participation, whose members would be treated as more than customers. It is easier for the shareholders of AT&T or GM to place a shareholders resolution on the ballot at the annual shareholders meeting than it is for FBFC members to place a question on the ballot for our annual membership meeting. The FBFC has drifted away from being a consumer cooperative, or any kind of cooperative, or any kind of economic alternative.

But, it seems to be working. No one but me seems to care about any of this. Why complain? I complain because what a cooperative is supposed to be, a community grass-roots effort with member democratic control by people who care about what is happening in the world, is desperately needed. I’m not asking for very much here, just that FBFC be a real cooperative. I understand that the FBFC will probably never be a real cooperative again with a worker-member program that would be actually of economic value to the store, both because of a lack of interest among our up-scale members who have neither the time to work nor the need for a discount, and because of the union. But we could at least salvage democratic member control as one last attribute of being a cooperative. The attitude here, however, seems to be that this enterprise is simply too important to risk democratic member control.