

How Democratic is Your Cooperative?

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Democratic member control is a fundamental cooperative principle. It is part of the cooperative difference and helps to make cooperatives as American as the 4th of July! Despite their roots, many cooperatives are not as democratic as they like to think they are. A recent study found that the average member participation rate was slightly over 6%. In contrast, about 60% of Americans vote in presidential elections and 40% in midterm elections. In terms of governmental elections, municipal elections have the lowest turnout at around 21% of eligible voters, a level which is still three times higher than in cooperative firms. In investor owned corporations around 13% of stockholders vote, but due to proxy voting, around 30% of the shares were voted.

Here are some simple ideas to help rev up your democratic processes. First, make it easy for your members to access your bylaws and other information. I am always surprised at how few cooperative web sites have sections relating to governance information. Make it easy for someone to learn how to join the cooperative, member rights and responsibilities, the composition of the board of directors and annual meeting information.

Second, review your procedures for voting and board candidate nominations. Make the process as simple and transparent as possible. Even if you are sticking with in person voting you can add “absentee voting options” to let members vote prior to the annual meeting. Put the possibility of on-line voting in your strategic planning discussions. Many cooperatives allow a member to nominate themselves as a board candidate by mail, and provide members with biographical information on all candidates prior to the annual meeting. Your web site should also include information on the qualification requirement and code of conduct for the board of directors.

Finally, communicate to members that you value their input and make that process easy. It is difficult to make a retail purchase without being asked to provide feedback. Most cooperatives simply assume that concerned members will contact a board member or the CEO. Publicize the fact that you value member input and provide multiple channels for members to provide questions or opinions to the board.

There it is, three easy ways to improve your cooperative’s democratic processes. Fixing our national democratic process will be a little more complicated!

June 29, 2016