

COMMENTS TO THE FBFC BOARD OCT. 16, 2014, BY RUSTY SIVILS

Last month Justina responded to my arguments that the FBFC is not functioning as a cooperative. I greatly appreciated her responses, and I will respond today to only one of her points and address others in future meetings.

My charge was that we do not have real democratic governance at the Co-op. She said that the Board goes to great lengths to encourage member participation, inviting members to come to board meetings, to serve on committees, to express their views to the Board, etc. All of this is very well, but it is not democratic governance. The second of the seven International Cooperative principles states that a cooperative is to be governed by its members who will make its decisions and set its policies through a democratic process. Simply inviting members to express their views to the Board is not democratic governance. Democratic governance happens when members are allowed to actually make decisions about issues that matter, by voting on ballot questions for instance, and then having those decisions respected and carried out by the Board. The job of the Board is to act in the interests of the members and carry out their wishes in their absence, since members can't come to a membership meeting every month.

I would like to relate several fairly recent examples of the breakdown of democratic governance. In 2006 several members were concerned that our then GM was systematically dismantling the worker-owner program. After Greenlife opened on 2004 the Co-op had started losing sales. His response was to cut costs in all areas, including the worker-owner program, which he said was a cost because worker-owners received a discount. (Apparently he did not see any financial benefit to the Co-op in the work they did.) He did this by no longer accepting new worker-owners into the program. Over the course of a couple of years the number of worker-owners dwindled from 110 to around 20. Some of us were concerned that an essential element of the Co-op was being lost, and since the Board was doing nothing about it, Cicada Brokaw and I wrote a ballot question direction the Board to take specific actions to strengthen the program. The Bylaws state that any member can put a question on the ballot by a petition of members if they can collect the signatures of ten percent of the members on that petition.

This is not a low bar. It took about 50-60 hours of standing in front of the Co-op with a petition to collect that many signatures. Almost all of the members approached would sign the petition, but we had to approach eight to ten shoppers to find one member.

The question did go on the ballot, and it was approved by the members. What happened then? Nothing. The Board simply refused to take the specific actions outlined in the ballot question that had just passed. They refused to take any action at all with regard to the worker-owner program. Why did they do this? Evidently because they were under the thumb of the then GM who seemed hostile to the program. This is just my guess, since when I asked them what was their justification for not carrying out the wishes of the members, there was no response.

Another example: around the same time several co-op members were concerned that the salary of the general manager was kept secret from the membership. This had been going on for several years since a former GM had told the Board that his salary was a personnel matter and should not be disclosed. While this may be true in the case of other employees, the GM is directly employed by the members through their representatives, the Board, and members had the right to know how much they were paying him. After all, the CEOs of corporations have their salaries regularly reported to the shareholders. So we wrote a ballot question directing the Board to disclose to the members the salaries of the highest and lowest paid employees, and to strive to have the salary of the highest be no more than three times than that of the lowest. This question was put on the ballot, again by a petition of members, and passed in 2007, along with the other one. Again the Board declined to carry out the wishes of the members, again because they were under the influence of the GM, Steve Watts.

These are two examples of democratic governance being flouted at the Co-op. Of course we have a different GM now. We finally have a GM who believes in co-ops, and when Bobby was being considered for the job I asked him how he would feel about having his salary disclosed to the members, and he said that he would be perfectly comfortable with that. But since this ballot question was passed seven years ago, has there been any disclosure of the salaries of the highest and lowest paid employees? Were they announced at any annual membership meetings, or on the website or anywhere? This decision by the members is still valid and should be carried out.

A footnote: Around the time that these two ballot measures passed, I had started a petition to put on the ballot my proposal to give one percent of gross sales to local non-profit groups. But when I saw that the Board was not going to honor the decisions of owners I gave up. Another breakdown of democratic governance.

At the Co-op, we need to empower our members through participation and decision making, rather than marginalizing them by keeping them uninformed about what is going on and making big decisions about the co-op's future without consulting them. Would the members support or oppose Board decisions? We could find out by putting those decisions into their hands in the form of ballot questions.

Who is the Co-op? It is the members, not the Board or the management. The members are supposed to be sovereign. Instead they have become something of a myth—mythical owners, never consulted, never present, never heard from. They have been sidelined and forgotten, and the more excluded they are from information and decision making the more disempowered they become. They have little stake in the Co-op because they derive little benefit from it—no discount, no power in its governance, little knowledge of what it is doing—is it any wonder that they are apathetic?