

Learning for a Co-operative World

Learning for a Co-operative World

Education, social change and the Co-operative College

Edited by

Tom Woodin and Linda Shaw



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Leadership in co-operatives

Michael L. Cook

Co-operative education in the USA is an activity that has experienced considerable variability in quality and intensity for the past 100 years. Contrary to the well-documented and historical professional histories of the major co-operative movements – agricultural, financial, utility and consumer – co-operative education history continues to await seminal discourses. This chapter takes a first step towards filling this void by initially presenting a brief introduction to the evolution of US agricultural co-operative education. In the USA, agricultural co-operatives account for approximately 30–35 per cent of the \$950 billion food value chain. Producers, through ownership of co-operatives, control well-known national consumer brands such as Land O'Lakes, Ocean Spray, Blue Diamond, Sunkist, Florida Natural, Borden, Tillamook, Cabot and many others. Agricultural co-operatives are very prominent in commodity processing, storage and distribution of many bulk commodities including soybeans, wheat, corn, rice, fertilizer fuel, animal genetics and rural retail outlets generating between \$250 million and \$300 billion in revenues. Rural financial co-operatives are also very important as they manage more than \$300 billion in operations and capital assets. Forty-five per cent of the spatial territory receives electrical service from an 800-co-operative rural electric system. Most agricultural producers in the USA belong to at least four rural and agricultural co-operatives. In many of the commodity sectors, co-operatives have important or dominating market shares including dairy, citrus, cotton, nuts and dried fruits, and many of the farm inputs. Outside agriculture, co-operatives have very prominent roles in the housing, credit union, food retailing, sporting goods and alternative energy sectors.

The second part of this chapter introduces a mini-case study/story of the emergence of a co-operative education programme. The emphasis of the story will concentrate on multiple organizational factors, financial and other resource constraints, and preferences of participants – shared by direct feedback from participants in this programme named the Graduate Institute of Cooperative Leadership (GICL) – to demonstrate the heterogeneity of challenges in an attempt to describe a small example of co-operative education in the USA. There are many players who deliver educational

benefits to co-operative members, leaders and employees. Many apex organizations exist such as the National Council of Farmer Cooperatives (NCFC), the National Cooperative Business Association (NCBA), the National Rural Electric Cooperative Association, the Farm Credit System, the National Credit Union Association (CUNA) and many others who have co-operative training or education programmes.

Brief overview of US agricultural co-operative education

The US agricultural sector covers a broad expanse of land, ethnic groups, and more than three hundred crops and most livestock and fishery species. Since the significant waves of immigration commenced in the 1840s, groups arrived with varying philosophies and models of collective action. By the late 1800s, the British Rochdale principles were broadly accepted with pockets of German, French, Portuguese, Italian and Scandinavian co-operative philosophical influences. There are no federal co-operative incorporation statutes in the USA. All co-operatives are considered corporations and the co-operative statutes are subsets of state corporation laws. There are more than 110 co-operative incorporation statutes. Each of the states has a stock form of incorporation (capital contribution by patron, like the Rochdale system) and a non-stock form (complete service at cost entity). In addition, there are three major functional types: purchasing, selling/processing, and multipurpose – marketing producers' output, selling farm inputs/services to producers.

To add to the complexity, two uniquely American philosophical schools of thought emerged: the 'competitive yardstick' school advocated by Edwin Nourse and the 'single commodity monopoly' philosophy advocated by Aaron Sapiro. The competitive yardstick school of thought of Edwin Nourse, a Midwest economist, proposes that the role of a co-operative is to modify the behaviour of rivals in a similar industry, thus encouraging the market to produce fair prices. Most multipurpose co-operatives pursue this defensive philosophy. It is a very anti-monopoly approach to business. Nourse was very influential during the apex (1920s to 1935) period of co-operative formation in the USA. His philosophy still dominates the values and strategies of most supply and multipurpose co-operatives. Nourse became a very famous economist and in 1947 was named by President H.S. Truman as the first Chairman of the Council of Economic Advisers. Conversely, Aaron Sapiro, a California attorney, was active in starting marketing co-operatives during the 1920s. His California Plan advocated single-commodity co-operatives whereby farmers should organize centralized (tier one) commodity marketing entities using the

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monopolistic power granted by the 1922 Capper-Volstead Act. These two battled over their contrasting monopolistic versus anti-monopolistic platforms. Almost all US agricultural co-operatives are organized around the philosophy of one of these two very influential co-operative thinkers, yet 90 per cent of the co-operative leaders have no idea who they were. These schools demanded very different economic and sociological theoretical underpinnings, and this continues to complicate co-operative education and member understanding. They also differ from the co-operative sector approach more familiar in Europe and Eastern and Central Canada. To address these distinct schools, with their cultural backgrounds and spatial challenges, a centralized approach to co-operative education was initiated.

In the early 1920s, the American Institute of Cooperatives (AIC) was founded as a floating university with the objective of educating leaders, members and employees of rural co-operatives. After 80 years, AIC merged with the National Council of Farmer Cooperatives, one of the apex national organizations representing 2,500 farmer co-operatives and state and regional councils of co-operatives. This unification resulted in reduced centralized national co-operative education efforts but they were supported and complemented by state co-operative councils, Land Grant universities and agricultural co-operatives. The federal government entered co-operative education with the passage of the Cooperative Marketing Act of 1926 (Torgerson, 1996). In addition to expanding co-operatives' ability to share information, the Act created the Cooperative Research and Service Division of the USDA (United States Department of Agriculture), which conducted research, service and education for members of co-operative marketing, purchasing and service co-operatives. By the 1970s, the Division employed approximately 100 professionals. As resources have decreased so has the number of professionals in co-operative education.

Agricultural co-operative education became important in the early twentieth century after an explosion of interest in collective action surfaced after the First World War during the agricultural depression of the 1920s, followed by the Great Depression commencing in 1929. Simultaneously, the Credit Union Movement and the Cooperative Farm Credit System also had their roots in this period. These movements were facilitated and nurtured by a set of statutes and regulations starting with the federal Sherman Antitrust Act of 1890, the Clayton Act of 1914, the Capper-Volstead Act of 1922 and the state co-operative incorporation laws primarily enacted during the 1920s. Additionally, the 1914 passage of the Smith-Lever Act encouraged extension agents, which became the third leg of the US Land Grant University System.

The Land Grant University System was established as an institutional mechanism to influence and control the agenda of scientists within a revolutionary system of higher education. It was explicitly anti-elitist and seen as an experiment in democracy that contrasted with the British and European models of the 1900s. The Land Grant universities were to be better than Harvard and Yale in practising the values of democratic America. This uniquely American experiment was explicitly democratic by institutionalizing a three-pronged approach to raising the level of education in rural America through instruction, extension and research:

1. It created people's colleges offering formal classroom instruction.
2. It distributed knowledge to the field and to ordinary people through extension.
3. It conducted research and scientific enquiry on co-operative endeavour.

Previously, scholarship had been confined to theology, history, arts and letters, and law. Americans consider the character of Land Grant scholarship to be profoundly democratic (McDowell, 2003).

While it is a rich and complex topic, the history of US agricultural co-operative education is dispersed throughout articles and speeches found in the annual *American Cooperative Yearbook*, *Journal of Farm Economics*, *American Journal of Agricultural Economics*, USDA's *Rural Cooperatives* magazine, *Journal of Agricultural Cooperation*, and the *Journal of Cooperatives*, in addition to seminal works by Joseph Knapp, Henry Bakken and Marvin Schaars (Bakken and Schaars, 1937; Knapp, 1969, 1973).

Between 1862 and 1914, the Land Grant System was constructed through a number of stages and formalized by three major pieces of federal legislation, each intending to improve the lives of rural Americans. These three statutes include the 1862 Morrill-Wade Act that created the Land Grant System with the initial objective of funding a university in each state with the mission of instructing rural citizens in agricultural sciences and engineering. The 1887 Hatch Act created the Agricultural Experiment Stations that funded research conducted by the professors employed by the Land Grant universities. The 1914 Smith-Lever Act completed the Land Grant System with the Extension Service whose objective was to carry the research to the country and assist farmers and rural people to learn without having to come to a central location. Extension was very important in teaching farmers how to organize legally and formally, and played a major role in the proliferation of 12,500 agricultural co-operatives in the 1920s and 1930s. This system continues today albeit with significant changes in the role of co-operatives. Co-operatives have become so sophisticated and

complex that they require a different level of training and education in order to maintain their value for farmer members (McDowell, 2003).

The evolution of the Graduate Institute of Cooperative Leadership

In the 1960s and 1970s, agricultural co-operatives and their educational initiatives were marginalized by dominant social and economic changes. Co-operative academics were noticing not only the resource reallocation shift away from co-operative education within the US Land Grant System, but also the structural change affecting the agricultural production sector and agribusiness supply chain firms. Helmberger (1966) observed that the future of traditional agricultural co-operatives was in jeopardy because technological scale economies would eliminate the small/medium-sized farms and, consequently, small/medium-sized agribusinesses. A key assumption in his analysis was that farmers could not govern economic entities that were not small. Simultaneously, a clairvoyant co-operative leader, Howard Cowden, who had risen to lead the largest agricultural co-operative in the USA at the time, Farmland Industries, had also observed the shift of public monies away from social and management sciences in the agricultural sector and particularly agricultural co-operatives. He convinced Farmland Foundation to contribute 'starter' monies to develop an institute at the University of Missouri in 1970. Thus was born the idea of the Graduate Institute of Cooperative Leadership (GICL) with the primary objective of starting the first executive education-styled programme in the USA for agricultural co-operative employees. The primary outputs of GICL programmes were initially directed towards middle and upper middle co-operative management with a focused emphasis on fostering, nurturing and embedding a culture of flexibility comfortable with the rapidly consolidating and globalizing agriculture sector (Cramer, 1994).

During the first twenty years of GICL, different programme formats, contents, curriculum designs and leadership portfolios were practised. Meanwhile, Cowden's endowment inspired other agricultural co-operatives to invest more heavily in co-operative education. Feedback from GICL training programmes inspired board chairs and CEOs to request an executive education programme be established for co-operative senior leadership and they funded the first endowed chair in co-operative leadership at the University of Missouri in the College of Agriculture, Food, and Natural Resources. It was named after Robert D. Partridge, the former CEO of the National Rural Electric Cooperative Association, and is currently occupied by Professor Michael L. Cook. At the same time,

further named professor positions were established commemorating past co-operative leaders: William Hirth, the first CEO of MFA, a successful Missouri co-operative currently 105 years old; Fred Heinkel, the second CEO of MFA; Howard Cowden, the funder of a GICL endowment and founder of Farmland Industries; and, in 2016, a named and endowed co-operative chair was established at the University of Missouri, the MFA Professorship in Agribusiness.

In the early 1990s, the GICL board and the University of Missouri were determined to experiment with a more research-oriented and theoretical approach to co-operative education. This purpose and culture change started GICL on a new life cycle. The endowments and the net revenues generated enough cash flow to hire experienced professional staff and attract highly motivated and qualified PhD students. Scholars and professionals developed a critical mass of institutional theory that developed new research programmes and generated an innovative theoretical and conceptual platform from which a dynamic micro-analytical executive education framework was to emerge (Cook, 1995). Concepts developed by Oliver Williamson, Bengt Holström, Elinor Ostrom, Douglass North, Herbert Simon, Richard Thaler, Oliver Hart, Leonid Hurwicz and James Buchanan, some of them Nobel Prize recipients, challenged the assumptions of neoclassical economics and social science. They introduced the concepts of incentives, self-seeking behaviour with guile, and the inability of transactors to know all attributes of a transaction. Insights from institutional and behavioural economics, psychology, sociology, political science, law and anthropology allowed for a more realistic analysis of the complexity of patron-controlled entities such as co-operatives.

This institutionalized framework created a dynamic learning ambience among staff, students and scholars. At the top of the circle in Figure 5.1 are the GICL outputs: Summer Institute, Board Chair/CEO, workshops, customized programmes, graduate seminars and undergraduate courses. Each programme fosters new networks that in turn generate additional research ideas and stories as well as student opportunities. These research ideas and stories are shared with academic colleagues in social sciences and management studies. They inform conceptual model development, leading to empirical testing and academic outputs that are then translated into practitioner language through teaching, case studies, histories and stories that are immediately embedded into the aforementioned outputs. This circular and dynamic approach has fostered a growing multidisciplinary collaborative enthusiasm for studying and analysing complex interdisciplinary group action.

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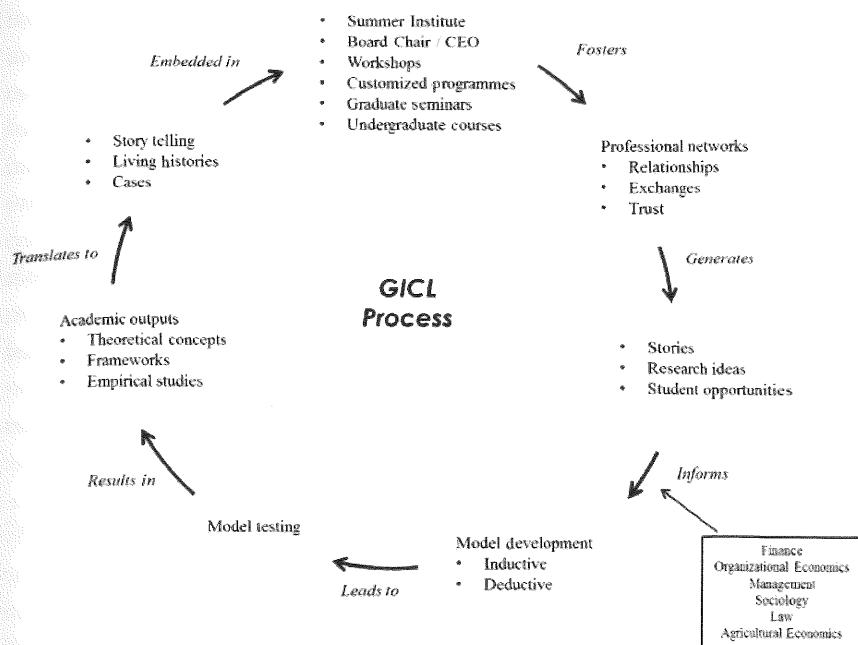


Figure 5.1: The Graduate Institute of Cooperative Leadership process

Source: author

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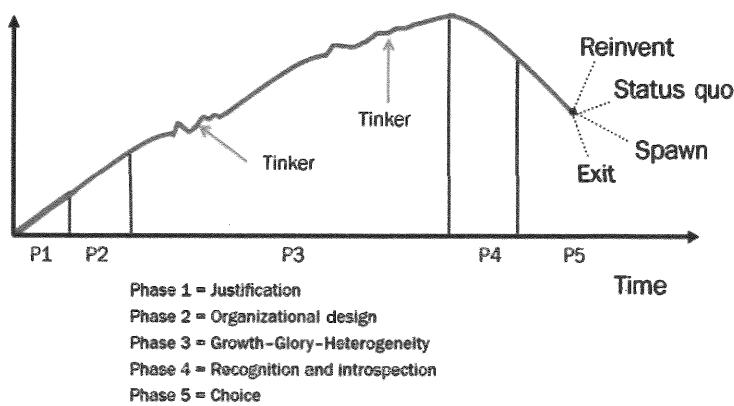


Figure 5.2: The co-operative life cycle

Source: Cook, 2018: 5

The basic platform employed in these varying co-operative education efforts is the 'Co-operative Life Cycle Framework' (Cook, 2018). The life cycle framework is the result of interaction between co-operative

management and board of director participants and organizational social science and management scientists. The framework divides the evolution of a co-operative life cycle into five separate and sequenced phases (see Figure 5.2).

Phase 1, economic justification, discusses producer reasoning behind the decision to enter the costly process of determining whether collective action is justified. During phase 2, organizational design, producers determine the legal–business–organizational model that best fits their group's needs and preferences. They also decide the rules of the game: responsibilities, benefits, penalties, adjudication processes, purpose, co-operative health and performance measure(s).

Once the organizing phases are complete, the co-operative enters phase 3, which is designated the 'growth, glory and heterogeneity' phase. In this phase, the decision-makers address the rate of growth or non-growth, the glory and success achieved, and disagreements generated by the heterogeneity of preferences emerging as time passes. Because of the broad and diverse objective functions of members and agents in a patron (user)-owned and -controlled entity embedded in the performance metrics, potential disruptive frictions may result and must be ameliorated if the co-operative is going to continue meeting member needs. Disruptions may also be caused externally by rivals within the industry or by macro phenomena such as trade, economic or political policy shifts and/or intra-firm frictions. We have found that the surviving co-operatives have developed a collective process called 'co-operative genius' associated with the longevity of agricultural co-operatives in North America. However, compromise is not always attainable and subgroup frictions turn into rudiments of factions. At this stage of phase 3, co-operative leaders assess what probabilities exist for co-operative survivability. To assist in making this decision, the co-operative engages in an introspective analytical process charged with determining what factors give rise to the collective decision-making cost frictions and sometimes resultant factions.

During this introspective phase 4, root causes of these friction/faction disturbances are identified. They usually emanate from a set of unique co-operative structural characteristics embedded in capital constraints and control/governance policies and practices. Generic solutions – in the form of realigning user incentives, policies balancing supply and demand, member retention investments and transparency practices – that have the potential to regenerate the level of co-operative health are also evaluated (Cook and Iliopoulos, 2016).

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Having identified the causes and potential solutions in phase 4, the membership moves towards deciding the future of the co-operative in phase 5. The members have the following options: (a) exit through liquidation, merger or bankruptcy; (b) maintain the status quo with little or no change; (c) spawn; and/or (d) reinvention or significant overhaul. If the patrons reject the exit, status quo or spawn options, reinvention is chosen. Reinvention occurs because one or a combination of major elements is identified, each of which will vary across business entities: (a) modification to residual claim rights or rules that determine who receives what proportion of the earnings/savings; (b) readjustment to control rights that define how votes and power are distributed; (c) a significant change in the purpose of the co-operative; or (d) a dramatic shift in co-operative culture and/or mindset (Figure 5.3).

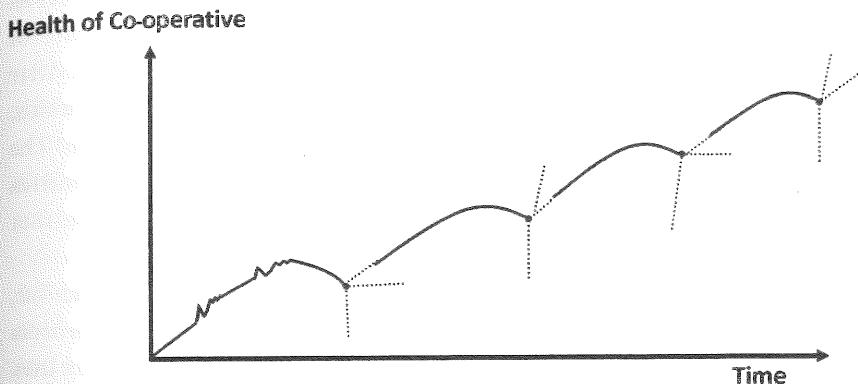


Figure 5.3: Example of multiple co-operative life cycles

Source: Cook, 2018: 13

The participants engage in studying, discussing and interacting at each phase. This exercise takes approximately 30 hours at the Summer Institute session. Participants are placed into two teams: one is a 'similar function team' and the other is a 'similar or related co-operative team'. The assignment at the end of the week is for the participants to write a rough draft of their co-operative's most recent life cycle.

Observations

Analysing detailed participant evaluations and shared experiences provides important insights into this process. Co-operative educators have learnt about the experiential learning process and participants have gained a better understanding of how their co-operatives move through their current

and past life cycles. The participant behaviours described below come from co-operative management employees, the vast majority of whom have a minimum of five years' management experience either with an agricultural-oriented co-operative or with a non-co-operative agribusiness entity. GICL has programmes for directors, mixed functions and academics, but these observations are from approximately 3,000 co-operative management participants.

Co-operative employee participants prefer to be guided by a conceptual framework when involved in a learning process – they initially attach their personal and co-operative experiences to the framework in an unorganized manner and subsequently rearrange their experiences once exposed to the logic of a chronologically organized architecture. Participants immediately identify with the simplicity of the skeleton framework of the life cycle and co-operative health being a function of time. Over time, as co-operative health increases, frictions begin to emerge and the rate of growth in co-operative health begins to slow and eventually decreases. After recognizing and analysing this change in direction of co-operative health, the membership must decide whether to continue as a co-operative. The subsequent curvatures in succeeding life cycles indicate that co-operatives are quite resilient. Participants identify with this optimism as it suggests that their future is in their hands.

Once confronted with the abstract and simple Figures 5.1 and 5.2, participants begin to think conceptually. Indeed, the selection process conducted by senior co-operative leadership in choosing participants uses 'comfort with abstractness' as a criterion. This supports the supposition that 'managers love theory'. Managers agree with empirical studies where one of the key factors in successfully leading complex organizations, such as co-operatives, demands comfort with flexible abstractness. The waiting list for participating in GICL workshops is quite lengthy for some co-operatives.

Given the interest expressed by the participants through both verbal and written reaction, we conclude that the employment of historical context is underused in co-operative education. There is a need to understand the significant continuities with the past as well as the ways in which such insights can be used to respond to future challenges. Moreover, participants enjoy learning from stories. The original purpose and reasons for forming a co-operative garnered more attention when embedded in 'real world stories' that were formulated and derived from historical documents.

The importance of history highlights the fact that longevity is crucial to co-operatives, which are formed to meet member needs rather than shareholder returns. Discussion of the original purpose of the co-operative's

founders leads to another interesting observation. The closer the current purpose is to the original purpose of the founding members, the lower the level of anxiety encountered by current co-operative leaders and employees; anxiety is caused by rapid change emanating from volatile competitive and global environments. One of the refreshing lessons drawn from this exercise is that 'the power of the original purpose' attracts interest in the history of the organization, including decisions that have led to the co-operative's enduring longevity. This interest contributes to a culture of respect for understanding survivability factors.

However, participants also like telling stories. They appear to learn from reacting to other people's stories and then countering with stories of their own. Embedding critical structural and strategic decisions into historical story contexts creates a learning environment that motivates participants to contact veteran employees 'back home' to probe, extract and construct 'even better' stories related to the organizational concepts under discussion in the workshop. Before attending the workshop, a future participant is asked to contact other employees with a historical appreciation of their co-operative's past – these veterans are also forewarned that the participant might contact them, seeking validation of certain concepts and supporting stories.

Increasingly, the participants arrive with more advanced formal education (50 to 75 per cent of the participants in recent years have advanced graduate degrees), thus demanding more rigorous theoretical underpinnings and more sophisticated solutions to co-operative challenges. Yet almost none of the participants have been exposed to formal instruction or experience in confronting uniquely co-operative problems and issues – concepts such as vaguely defined property rights, patron-oriented ownership rights, member responsibility contracts, imbalances between control rights and residual claim rights, co-operative health, reinvention, etc. These concepts, which rarely appear on MBA courses, are addressed in detail in GICL workshops and are supported by evidence-based social science research.

Many of the participants graduated with an academic discipline degree rather than a professional degree. This means their analytical skills are formed by a specific set of theories and a predetermined outline for solutions. GICL uses a more inter/multidisciplinary approach emanating from social sciences and management sciences because of the complexity of the co-operative organization. Understanding a co-operative, its members, organization, governance, management and life cycle demands a broad understanding of conceptual approaches and the ability to use them to inform complex co-operative problems. Participants enjoy knowing the relevance

of these differing views when addressing the problems and challenges faced by co-operative decision-makers – particularly when digesting phase 3 of the aforementioned life cycle framework, where exploring the positive, neutral and negative implications of growing forms of heterogeneously created frictions (Cook and Iliopoulos, 2016).

Participants thrive in a learning environment where peers have experienced the same ‘co-operative’ user–patron–member issues. When engaged in team exercises, where teams have experienced similar functions and common histories, trainees are frequently surprised by the number of solutions that address similar problems. They also celebrate the learning of a new vocabulary. By sharing stories of issues, concerns and behaviours that are difficult to define or describe, they become excited when phenomena such as temporal asset specificity, tinkering, co-operative genius process, influence costs, internal versus external free-rider constraints, and ownership costs are defined and put into a context in a co-operative-laden story. We find them practising this new vocabulary during breaks and mealtimes. We receive feedback once they return to their co-operatives about how their use of certain terms raises the interest of a peer or colleague, thus presenting them with the opportunity to share their newly acquired co-operative knowledge and education. There is indeed some evidence that this method of training is implemented and shared with other employees.

The debate on co-operative health is always a highlight and never a disappointment in a GICL workshop. How does a group define co-operative health, or measure it, or achieve a consensus about its meaning among members, management, employees, and subgroups of each? This is one of the most fundamental elements of co-operative education and co-operative success. When conducting member surveys, we find a multitude of responses or measures. Exercises within GICL workshops have resulted in more than 80 definitions. We have found that truly understanding co-operative health requires an acceptance of the concept as ‘self-defined’ by each individual co-operative. This is a difficult reality for co-operative researchers to accept but reflects the fact that co-operatives are autonomous enterprises and developing their own criteria for success is crucial to building an engaged democratic team.

The management participants at GICL sessions have primarily been chosen by senior leaders in their co-operatives. The participants are known explicitly or implicitly as the future senior leaders of their organizations. They arrive with a high degree of confidence and elevated standards, yet few of them know anything about co-operatives. Many have the impression that co-operatives are considered an inferior or inefficient form

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of business governed by an inexperienced body of patrons. This presents the co-operative educator with a unique challenge. GICL confronts this challenge by working through an exercise on the advantages of being a co-operative, which includes 26 advantages organized into five categories: (a) competitive advantage elements; (b) public authorization advantages; (c) positive externalities; (d) defensive gain advantages; and (e) offensive gain advantages. Discussion of these points brings participants' attention to the stories of how each of the long-enduring co-operative entities in US agriculture has employed these advantages to serve their members for more than five times longer than their investor-owned rivals. More than 140 agricultural co-operatives in the USA are over 100 years old, with a large number approaching 100 in the near future. The average investor-owned firm in the USA has a life span of less than 20 years. Thus, the supposed inefficiencies of co-operatives are not borne out by the facts. Combining these facts with stories of success and of near failure with the ability to rebound and continue appears to change attitudes. When stories and readings on whether competitor entities are more efficient, participants are surprised to learn how professionally managed and governed existing co-operatives are and that many are considered to be leaders in their value chains. In discussing the participants' inferiority attitude, the importance of defining and understanding purpose and co-operative health becomes apparent.

Conclusion

In the USA, the consolidation at the farm level and the advances in agribusiness and management education have had considerable impact on the concept of collective action. Farmers are becoming more individualistic and more demanding of their collectively controlled assets. As this phenomenon was fostered by the agricultural depression of the 1980s and rekindled in the early 2000s, co-operatives consolidated very rapidly and farming became driven almost entirely by business and economics. There are a few exceptions to this pattern, but even the organic co-operatives are now reaching a large scale. On observing these trends, we examined new advances in institutional and behavioural research and in social and management science. The insights from these advances informed the theoretical underpinnings of the predecessors to the life cycle framework, particularly the development of concept of vaguely defined property rights (Cook, 1995; Chaddad and Cook, 2004). The assumptions underlying the theoretical concepts were tested with the participants (particularly the assumptions of bounded rationality and opportunism) and were found to be non-heroic. A basic

premise of classical social science is that the parties of a transaction both have perfect knowledge of all attributes of the thing being exchanged, such as cost, quality, price, etc. The new institutional and behavioural approach draws on Herbert Simon's findings that humans do not have the capacity to know everything and do not have the time to gather the information because of the complexity involved. A further premise is that parties to a transaction want to know the rules of a game so they can play by those rules. Oliver Williamson describes a behaviour called 'opportunism' that suggests people want to know the rules so they can determine how far they can bend them. Free-riding behaviour is often observed in co-operatives. Relaxing these two assumptions, perfect knowledge and non-opportunistic behaviour, enables co-operative scholars to develop greater understanding of frictions, factions and broken norms and rules with more predictability. Participants identify these behaviours and much time is spent discussing the solutions to the resultant opportunistic behaviours (Cook and Iliopoulos, 2016). Thus, advances in organization economics formed the basis of a new conceptual framework that has served as a lightning rod for co-operatives (Royer, 1987).

Identifying conceptual approaches to explore the complexity of co-operatives is only one of the challenges for co-operative educators working in this narrow yet important agricultural field where co-operatives play very important economic, community and social roles. In the mid-1990s, GICL staff faced a number of serious challenges. They realized that federal and state resources were decreasing; that co-operative employees and farmer members were becoming more educated and sophisticated; that co-operatives themselves were becoming more complex and their design was more of a hybrid form than a traditional co-operative organization; and that scientists were making great strides in fields such as mechanistic design, organizational architecture, contract formulation, governance, property rights enforcement, and individual and group incentive understanding. GICL staff and board members questioned whether co-operative education had a future. This is a story, albeit incomplete, of what they decided. They combined new conceptual fields and designed programmes that would engage with and extract knowledge from participants as to what skills and concepts they really needed in order to lead a sustainable and competitive agricultural co-operative. In doing so, GICL staff built a process that facilitates interactive learning and started a process that they never stop modifying. Participants and educators co-design methods to explore alternatives to finding group solutions, how to ameliorate frictions, how to design co-operative genius processes and develop individual genius, and to

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determine how to communicate to a leadership that might not understand how rapidly the world is changing.

Many opportunities remain untapped and under-exploited. Several challenges face the North American co-operative educator, in particular the decreasing supply of educators who can raise co-operative education to another level as the constraints facing co-operative leaders accelerate on a daily basis. However, there are a growing number of young, audacious academics and co-operative organization leaders who may soon make this an outdated statement. Farmers in rural North America have seen their opportunity cost increase significantly while the role of governing has become increasingly complex in specialized and large co-operatives. The final challenge exists in the distribution of co-operative knowledge, which has stagnated in an outdated set of delivery institutions and methods. As participants on this bumpy road, we must become even more creative. Collective action in the real world is gaining favour because of its organizational form that promotes community capital, social capital and financial capital. This is probably what Leland Stanford, founder of Stanford University, meant when he spoke before the US Congress in 1887:

With greater intelligence, and with a better understanding of the principles of co-operation, the adoption of them in practice will, in time I imagine, cause most of the industries of the country to be carried on by these co-operative associations. (Schneider, 2016)

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