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Cooperatives and the Question of Democracy

Zusammenfassung

Obwohl Demokratie im allgemeinen als Kernelement von Genossenschaften angesehen wird, scheint sie – außer bei gewählten Verwaltungsräten – weder in der Leitung noch in der Geschäftstätigkeit der meisten Genossenschaften eine wichtige Rolle zu spielen. Das ist mit zwei Problemen verbunden. Eines ist die Vorstellung, dass Genossenschaften dazu neigen, ihren demokratischen Charakter zu verlieren. Das zweite ist, dass viele Genossenschaften aus primär wirtschaftlichen Gründen gegründet werden; Demokratie ist zweitrangig. Dieser Essay geht der Frage nach, wie wichtig Demokratie für Genossenschaften ist, identifiziert Warnsignale und ermutigt Genossenschaften, Partizipation aktiv zu fördern. Demokratie ist nicht selbstverständlich; sie kann ganz verschwinden.

Stichworte: Vorstand; kooperative Prinzipien; Demokratie; Degradierung; wirtschaftliche Entwicklung; Wahlen; Ideologie; Partizipation

Abstract

Democracy is generally considered to be a core element of cooperatives. However, other than elected boards of directors, it appears to play little part in either the governance or operations of most cooperatives. Two challenges to democracy are identified. One is the idea that cooperatives will tend to lose their democratic character over time. The other is that many cooperatives are founded primarily for economic reasons, and democracy is a second-order concern. The paper explores the question of how important democracy is to cooperatives, identifying warning signs and encouraging cooperatives to take a more active approach to promote participation. Democracy cannot be taken for granted, or it may fade away entirely.

Keywords: board of directors; cooperative principles; democracy; degradation; economic development; elections; ideology; participation

I. Introduction

Democracy is at the heart of the cooperative project. It is one of the core elements of their identity, along with the idea of shared ownership; indeed, one makes little sense without the other. But how democratic are cooperatives, really? Many of them are organized as representative democracies where the members elect a board of directors, but what percentage of the members actually vote? How many attend member meetings? I am not aware of any empirical research on this, but anecdotal evidence suggests that actual democratic participation in many if not most cooperatives is fairly limited.[1]

1 Such anecdotal evidence includes the literature on the degeneration thesis, discussed below, which takes the diminishing of democratic practices in cooperatives as a basic premise. My personal experience with consumer cooperatives in the U.S. also supports this claim. For example, of the three credit unions I've been a member of, only one actively promoted its annual members' meeting and even that was only attended by a small percentage of members.

Cooperatives come in many forms, with a number of different factors affecting their character: the form that ownership and patronage take (that is, their membership: workers, consumers, producers, etc.); their size; the type of business they're in; their capital intensity; the prevalence of non-member patrons (e.g., worker cooperatives with non-member employees, consumer cooperatives with non-member shoppers); their age and development path; and other factors. Democracy also comes in many forms: direct; participatory; representative; indirect; and so on. Some tensions can arise between these factors that may undermine or even strengthen the practice of democracy (Kaswan, 2014a).

Cooperatives are founded for a variety of reasons, and success may be measured in a number of different ways. They grow and change over time. Their missions may change. What is important in the beginning may no longer be important later on. Some cooperatives are founded by ideologically-driven people who are primarily concerned with promoting democratic social change, so democratic participation is valued very highly. However, as the cooperative grows and develops, democratic participation may become less important. This is known as the "degeneration thesis," and it is one of the most important ideas in theoretical work about cooperatives. However, not all cooperatives follow that model. Some cooperatives are started to create economic opportunity where it is absent; in this case, democracy may be a second-order concern and an overemphasis on democratic practices could scare off some of the people the cooperative is intended to attract.

There is a tension, then, in the cooperative movement between democratic social change and economic development. To some extent, this tension has always existed, as the political objectives of the cooperative movement cannot be met if cooperatives are not economically successful. The beneficiaries of economic success are the members, so they have a direct interest in its success. But democracy is fairly weak in many cooperatives, and research and experience suggest that economic success may be associated—even cause—some degradation of cooperatives' democratic character. In this essay I want to consider the implications of this. Does this tension represent a risk or an opportunity for the cooperative movement?

II. Understanding Democracy

Before diving into the question of the democratic nature of cooperatives it is necessary to be explicit about what the term "democracy" refers to.[2] Democracy is usually considered in the context of formal political systems, as a kind of structure

2 Democracy is what is considered an "essentially contested concept" (Gallie, 1955-1956). That is, there are a variety of ways of defining it, and these various definitions may not be entirely compatible with each other. As a consequence, debates over democracy may prove to be unresolvable because the people involved may be utilizing different understandings of the term. Indeed, democracy may be understood not as a single concept but as a family of concepts in which different varieties share a fundamental character but have very different features (Wittgenstein, 1963).

by which decisions are made in which a collectivity (an "association" as Dahl calls it) makes decisions on the basis of the preference of a majority of the group (Dahl, 1998). However, we can also refer to democracy more broadly as a kind of social condition, where the members of a given community enjoy a high degree of equality. This notion is especially evident in discussions of economic democracy (e.g., Editors, 1980).

The two definitions intersect in that formal equality is generally considered necessary for a democratic association, for example in the sense that each person gets one vote and every vote counts the same. However, this formal equality does not require the same sort of substantive equality that is reflected in the second definition, and this then becomes the basis for critiques of democracy in which significant levels of socioeconomic inequality are seen to undermine the formal equality of a democratic decision-making system.

Formal democratic systems may take a number of forms. Two simple divisions (which are often conflated) are between direct and indirect democracy, and between electoral and assembly forms. A direct democratic system is one in which the sovereign (the people) decide political questions directly. They may meet in an assembly, in which questions are decided by those present after some process of deliberation; or a plebiscite (referendum) may be held in which people make their choice without meeting and engaging with one another directly. The former is most common in small settings, whereas the latter is more common where larger groups of people—up to the level of the state—may be involved. Indirect democracy involves the election of representatives who then are charged with the responsibility to make decisions on behalf of those who elected them. While this nearly always involves an electoral component by which the representatives are chosen, it may (and often does) take the form of an assembly, as the representatives assemble for deliberation and decision. These assemblages are often open, although those who are only observers may not participate in the formal decision-making.

Democracy, then, can be understood as operating at the level of the state—which is where people in OECD countries are most familiar with it—but also at the level of an association such as a cooperative. Various factors then influence how democracy is practiced within any given context. For example, a small cooperative may engage in direct democracy, with important decisions made in periodic members' assemblies. But many cooperatives have indirect democracy systems that involve the election of a board of directors who are expected to act in a fiduciary manner to represent the interests of the members in the governance of the organization.

Equality is an essential principle for democracy.[3] Formal equality in the sense that every vote counts the same and each person (or, in cooperatives, each member) has

3 Although generally true, there are exceptions. For example, in the UK, graduates of Oxford and Cambridge universities had two votes until shortly after World War II. In some agricultural cooperatives, members may have different numbers of votes based on yield.

one vote is generally considered to be a necessary condition for any system to be considered democratic. Some consider this to be both necessary and sufficient. Critics of that view, however, argue that this is not enough, that various social factors have a significant impact on political efficacy, and that democracy therefore demands a more substantive kind of equality (e.g., Katznelson et al., 2002). While at the level of the state this generally means socioeconomic status, within a cooperative there are other factors that may come into play, such as degree of involvement, length of tenure, and position, that may give some members greater political effectiveness—in a word, power—than others.

As a result, democracy is not a simple binary concept but a scalar one. Rather than asking if an institution is democratic or not, the real question is that of degree. Various factors go into making a judgment, including the degree of equality experienced by members, level and frequency of opportunities for participation, scope of decision-making, and more. Because of the range of factors, a system of indirect democracy may be more democratic than a direct democracy, although direct democracies are often thought of as the gold standard as it is considered to be a purer form.

III. The Democratic Character of Cooperatives

The cooperative movement has been premised on democratic principles since its formal beginnings in the early 19th century. William Thompson (1776-1833), often considered the principal theorist of the early movement, argued that the cooperative communities they envisioned must be governed democratically. In fact, he laid out a radically democratic vision about how democracy could function at a social level in an informal sense that would complement more formal representative democratic governance (Kaswan, 2014b). As Kaswan shows, Thompson believed that in the deeply egalitarian setting of the community, every and any interaction could be understood as "democratic" in the sense of being a meeting of equals. In the autarkic cooperative community, where there is no private property and the produce of all production is shared in common, the interests of the members of the community are aligned rather than in conflict as they are in liberal capitalist society (Thompson, 1968 [1824]). In a sense, the democratic character of the institution is pervasive, a "principal of social interaction" (Kaswan, 2014b).

As Kaswan (2014b) shows, the cooperative movement owes much to Thompson's theoretical work, and the Cooperative Principles can be understood to be derived from the principles Thompson first articulated. However, much about the cooperative movement has changed since the 1820s, not least of which is the fact that instead of autarkic communities of 500-2000 people as Thompson and Robert Owen envisioned, cooperatives today are autonomous enterprises. The significance of this, at least for the sake of this essay, lies in the fact that while all of a member's meaningful relationships—productive, social, and familial—would be contained within

the context of the cooperative community, in the contemporary model the impact of the cooperative on members' lives, while significant in many cases, is much more limited, and the domain of shared interests is much smaller. Worker cooperatives may be the highest-intensity form in terms of the impact on members' lives, but with few exceptions while the worker's productive activity may be focused on the cooperative, their consumer, residential, and other social activity takes place outside (even if these needs may be met through other cooperatives). In a low-intensity cooperative, such as a consumer coop where one may not even be aware of whether the shopper next to them is a member or not, the domain of shared interests is even smaller.

Whatever form a cooperative might take, however, democracy is not merely a good idea but an essential element of their identity. Democracy is inherent in the structure of a cooperative in a way that is not true for other social institutions such as the state. Unlike the state, it is not a stand-alone principle that cooperatives *should* implement for moral or political purposes, but a necessary consequence of other elements of the cooperative identity, specifically, of the principle of shared, equal ownership. If each member's ownership stake in the enterprise is the same, and each ownership stake carries the same governance rights with it, then the governance of the enterprise *must* be democratic, because this is the only form of governance that is based on equality.[4] In this sense, democracy is not a matter of ideology but the means by which other principles may be put into practice. Understood in this way, however, the requirements of democracy are fairly light—democracy need be established in a formal sense but there is substantial flexibility in the manner in which it is implemented. A system of annual elections for a board of directors can suffice to fulfill the requirement. Indeed, anecdotal evidence suggests that this is fairly common, particularly among consumer and financial cooperatives that may have thousands or even millions of members.

Cooperatives may, and often do, embrace democracy as an essential principle for political reasons, as part of a project to create a more just society. In this sense it is part of an ideological project and the expectations for democratic practices will be much deeper and more extensive. Democratic practices in this case may be extended not only at the level of governance, but at the managerial level of day-to-day decision-making as well, particularly in worker-owned or volunteer-based cooperatives where the members carry out all of the functions of the cooperative directly and are regularly and intensively engaged with one another.

The point of all this is that what democracy means for a cooperative is likely to vary substantially. As Kaswan (2014a) outlines, there are a variety of factors to take into consideration, including, in particular, the size and type of cooperative. For example, a large agricultural cooperative made up of dozens or even hundreds of largely

4 Other than various forms of authoritarianism, where all except the ruler are equal in their lack of political rights.

independent producers linked to each other and supported by the cooperative through the provision of material and the marketing and distribution of the produce will have a very different sort of engagement among its membership than will a five- or ten-person worker cooperative in which the members work together closely on a daily basis. In general, we may assume that the larger the cooperative the more likely for it to make use of indirect democratic models, as opposed to smaller cooperatives that are more likely to use direct democracy involving in-person meetings and votes by all the members. The determining factor, however, is not size but the degree of engagement among members: the smaller the cooperative, the more intensive the interactions can be expected to be. Democratic practices may be more deeply embedded in smaller cooperatives not because they are small but because members interact on a relatively intensive level. By the same token, the more members there are and the less intensive the engagement, the less deeply embedded democratic practices may be.

Size and type are not the only factors that affect a cooperative's democratic character. Other factors include age, as new cooperatives are more likely to be ideologically-driven and change-oriented but may become somewhat more rigid over time. Even if they retain a highly participatory structure, some individuals, such as long-time members, may accumulate more power and influence in light of their experience, introducing inequalities that lessen their democratic character. There may be industrial factors that come into play within cooperative types, for example the difference in engagement in worker cooperatives between manufacturing, where members work together intensively; and home health care, where the workers are largely on their own. Similarly, a cooperative grocery may involve higher levels of engagement than a credit union where privacy concerns may require a greater degree of distance. There may also be socio-political factors at play, as well, as cooperatives in a more open society can be expected to have a very different approach to democracy than those in a society that is more hierarchical and closed.[5]

The literature on democratic practices in cooperatives often overlooks an important distinction between governance and management. Governance is defined in the corporate literature as "the system by which companies are directed and controlled," traditionally by boards of directors (Tihanyi et al., 2014). As Tihanyi et al. put it, "Corporate governance is therefore about what the board of a company does and how it sets the values of the company, but is distinct from the operational management of the company." Governance, therefore, involves questions of identity, an organization's vision and mission, and its direction and scope. Management, by contrast, is concerned with the day-to-day functioning of the organization, including how the work is organized and how challenges are addressed. Cooperatives must be

5 A useful empirical project would identify factors that affect the degree of democratic practices and then survey of cooperatives of different types and settings to try to identify which factors have the greatest influence.

governed democratically, but they need not be managed in a democratic fashion. A cooperative can have democratic governance but a hierarchical internal structure that looks very much like any traditional company.[6] Indeed, with the exception of worker cooperatives, the employees of a cooperative are unlikely to be members or, if they are, their status as employees does not give them any special governance or managerial rights in the cooperative.[7]

IV. Challenges to Democracy: Degeneration and Development

The factors that affect the level of democracy are not static, and change can be expected over time. A major topic in the theory literature regarding cooperatives is the degeneration thesis, which holds that, over time, cooperatives gradually lose their democratic character as the pressures of having to succeed economically in a traditional capitalist environment lead to a weakening of cooperative values (see Bretos et al., 2020 for a recent discussion and references to the literature). The process involves four steps. The first step is "conquest," or the formation of the cooperative. The founding usually involves a small, highly motivated group. In this stage, "Members' idealism and commitment are high, and democracy is essentially practised on a direct basis, with decisions being made in the assembly and the notable involvement of all members of the organization" (Bretos et al., 2020). Governing bodies are still undefined at this stage, and its economic foundations are weak. Stage two, economic consolidation, brings greater formality as the cooperative's economic condition solidifies. However, this stage may bring apathy with regard to democratic participation, as the power of managers increases and conflict arises between the idealistic founders and more practically-minded managers. In stage three degeneration becomes apparent, as market values come to dominate and the early radicalism and idealism of the founders fades. In this stage, power becomes increasingly consolidated in the board of directors, which may be strongly influenced, even effectively controlled, by management. The fourth stage, administrative power, is characterized by complete control by managers and effective loss of power

6 An exception to this is worker cooperatives, which—if they have a hierarchical structure—would have a kind of inverted hierarchy. Because the workers govern the cooperative, the management is answerable to the workers. Workers may even elect their managers. Thus, instead of the traditional structure in which authority flows downward, in an important sense it flows upwards. Instead of being agents of principals who are outside of the operational structure of the firm, in a worker cooperative the managers are agents of the cooperative, which is comprised of workers themselves. This does not necessarily mean, however, that the tensions inherent in the worker-management relationship do not exist, as is evidenced by the existence of labor actions at Mondragon and is discussed in the literature on what in the U.S. are called union cooperatives (e.g., Schlachter, 2017).

7 They may have influence as employees (especially senior managers), but unless they have seats on the board of directors they are unlikely to have a more formal voice than any other members. Also, there are exceptions, such as Black Star Co-op in Austin, Texas, which is a consumer co-operative but also has a Worker's Assembly to manage the business operations of the cooperative (Co-operative, 2019).

by elected representatives. The end of this process of degeneration comes when the cooperative either dissolves into a different organizational form, such as a joint stock company, or is disbanded entirely.

As Bretos, et al. note, numerous scholars have challenged the degeneration thesis, and it is important to recognize that it is a theoretical construct, not a description of destiny. While some cooperatives may follow this path—even most—it is unclear how well it describes the cooperative movement generally. Degeneration is not inevitable, and certainly it is possible for cooperatives to retain their values, or regain them if they have become degraded—the so-called "regeneration thesis" (Bretos et al., 2019).

The literature on degeneration suffers from a couple of limitations. The first is that it seems to be almost exclusively applied to worker-owned cooperatives (e.g., Barstone, 1983, Ben-Ner, 1984, Rosner, 1984, Cornforth, 1995, Hernandez, 2006, Ng and Ng, 2009, Storey et al., 2014, Jaumier, 2016, Langmead, 2016, Narvaiza et al., 2016). However, little theoretical work seems to have been done to help move this discussion forward and apply it to other forms of cooperatives. Indeed, the issue is no less salient—perhaps even more so—for large consumer cooperatives.[8] The only exception, it appears, is Diamantopoulos (2012), which follows on Cornforth's note that the theoretical literature on the governance of cooperatives is "relatively underdeveloped" compared to that for corporate governance generally (Cornforth, 2004). Cornforth raises a concern about democratic legitimacy, "because of low levels of member participation, and their effectiveness, in particular the ability of lay board members to effectively supervise senior managers, ensure probity and protect the interests of members and other relevant stakeholders" (2004).

The second limitation—which reflects a different sort of challenge for democracy in cooperatives—is the assumption that they are all founded by small groups of people pursuing "radical ideals and social goals," as Bretos et al. (2020) put it. Outside of the degeneration theories, I am unaware of any research on the ideological orientations of the founders of cooperatives. Thus, the assumption of a particular ideological orientation may simply be mistaken. In fact, there are some very important exceptions to the model that degeneration theorists take for granted. In most of these, the cooperative may *start* in what the degeneration theories would consider an advanced state of degeneration, with substantial control by managers, and develop over time into a more fully democratic organization as a commitment to democratic practices develops among the members. For example, some cooperatives are founded by people who have much more modest goals to address the needs of people in the community, such as saving an essential local business (van Oorschot et al., 2013). There are also cooperatives formed by state actors, for example through Soviet-style collectivization, or as part of a land reform project (McClintock, 1981).

8 For example, in its 2011 Board of Directors election, only about one percent of the five million current members of REI voted (Walker, 2011).

Another exception to this assumption is businesses that have been converted into cooperatives. In the U.S., where two-thirds of small businesses are owned by Baby Boomers (people born between 1945 and 1964) who want to retire, various organizations are promoting the conversion of these businesses to worker cooperatives in order to save the business (Lisa, 2015, Raymond, 2021). In this case, the workers' primary motivation may be simply the retention of their existing jobs, not democratic control.

Another major exception involves cooperatives that are organized by developers whose intention is to hand the cooperative over to its members after a period of incubation. In the United States, there has been increasing interest in using worker cooperatives as a means to address not only the problem of economic inequality but also a deep problem of the exploitation of undocumented workers who are prevented from obtaining formal employment but who can work legally if they are self-employed (Cummings, 1999). Lack of legal status leads to severe exploitation of workers, with many cases of poor working conditions, sub-minimum wages, and wage theft (Fussell, 2011, Lee, 2018). Worker cooperatives are a way for these workers to dramatically improve their working conditions and the lives of their families. Not only is the democratization of society not a primary concern, but, as is clear from my conversations with organizers actively involved in this work, insisting too strongly on high levels of democratic participation from the beginning may scare off people who are not used to, or don't want, higher levels of responsibility and accountability in the management and governance of their workplace. For people who are accustomed to being directed in their work and who may have little sense of their own efficacy as decision-makers, extensive training may be necessary in order to acculturate them to democratic practices. As a result, in such settings it may be necessary to *de-emphasize* democracy initially and introduce it as part of the incubation process (Abell, 2014; Anonymous, 2014).[9] Democratic governance is still necessary for a cooperative to be identified as a cooperative, but in these cases it is something the members have to learn.[10]

9 Just to be clear, I'm not suggesting that democracy doesn't matter to poor people. However, it is taken virtually as a truism that socioeconomic status is one of the strongest indicators of democratic participation (e.g., Verba et al., 1995). As Flora and Flora (2013) show, poverty inhibits the development of the kind of political and social capital necessary for effective political participation. For people who live with substantial insecurity in terms of their basic needs, anything that is not directly associated with survival may be seen as superfluous and therefore as a second-order good.

10 It is worth noting that the word "democracy" does not appear anywhere on the About Us or Core Programs pages of Prospera, a worker cooperative development organization based in Oakland, CA that works specifically with low-income Latinas. They do mention governance, but this affirms my point that an emphasis on *democracy* is not considered helpful in their outreach (Prospera, Prospera). Similarly, the Center for Family Life's Cooperative Development Program emphasizes "dignified, stable, and secure work," not democratic worker control. Bautista (2020) provides a detailed description of CFL's cooperative development model. I do want to note that, from conversations I have had with cooperative developers and mo-

So, the real weakness of the degeneration thesis is not that democracy may undergo regeneration in some cooperatives, but that the primary motives for organizing some cooperatives are economic and social, not ideological. But the degeneration thesis and the existence of economic rather than ideological motives for forming cooperatives suggest that the commitment to democracy may be superficial. This calls into question just how important democracy really is for cooperatives, and whether there is reason to doubt the democratic character of the cooperative movement.

V. The question of democracy

The democratic character of cooperatives has long been taken as a starting point for arguments for cooperative societies as the foundation for a more democratic society. In an early work promoting the cooperative movement, William Thompson offered an outline of a national constitution based on local assemblies that then would correspond with regional bodies and lead up to a national assembly (Thompson, 1996 [1827]). The 1844 bylaws of the Rochdale Society, often cited as the birth of the modern cooperative movement, include the election of a board of directors, enshrining democratic practices in the principles the movement has pointed to as its founding for over 150 years. In *Cooperative Democracy*, J.P. Warbasse, founder and first president of the Cooperative League of the USA (now the National Cooperative Business Association), articulates a vision for a society entirely organized around consumer cooperative societies. "Evolution," he suggests, "may substitute cooperative democracy for the state" (Warbasse, 1942). Today, democratic member control is Cooperative Principle #2 in the International Cooperative Alliance's set of cooperative principles, which calls for active member participation on a one-member, one-vote basis (ICA, 2014).

But as has been discussed, while democracy is an inherent characteristic of cooperatives, it may not run very deeply. While democratic governance is implicit in the organization of a cooperative, that fact doesn't tell us all that much about how it will be institutionalized. It could start out as a highly participatory organization with members who are actively engaged with one another through democratic practices in both governance and management (and even blur the lines between the two) and evolve into an organization with a largely apathetic membership and an elected board of directors that mostly rubber-stamps decisions at the behest of professional managers and hierarchically-organized, non-member employees. Or, it could start out as a small group of people who are mostly concerned about having dignified, stable work for decent pay and the ability to attain some measure of personal wealth but for whom democratic practices are not only largely foreign but so-

dels I have examined, training in democratic practices and leadership of democratic organizations is taken very seriously and is a major part of the training that is done by these developers, even if it is not a central point in their outreach.

mewhat threatening, and evolve into a democratically-governed and participatory company that is entirely self-managed and self-governed. These are two possible paths; there are, of course, all sorts of combinations and middle stations between these two poles.

There is no question that democracy is weaker when participation is low, but democracy is more resilient than it might seem. We can acknowledge that participation merely for the sake of participation may not be meaningful. One approach to this is to suggest that we need to adjust our expectations for how much participation, and of what kind, is necessary for democratic legitimacy. Certainly, the participation of all or a substantial proportion of the members of a cooperative in its governance is an ideal that should be sustained, but it can also be recognized as just that—an ideal. We might consider the perspective of Paul Lambert who, while bemoaning the low rate of participation in large consumer cooperatives, argues that the "essence of democracy" is the ability to express opposition, so that even if the members are largely apathetic, this does not mean that it has "lost its democratic character" (Lambert, 1963). In his view, as long as mechanisms exist for participation, the fact that most people don't participate is not necessarily a problem. A lack of participation may merely indicate that the members are well-satisfied with how the cooperative is functioning and they see no particular need to raise their voices. This comes with some risk, however, as a membership that is apathetic may be difficult to stir once important questions or concerns arise.

It is also the case that while the absence of participation may be a sign of satisfaction, it can also be a sign of serious structural problems that suppress or inhibit it. For example, if the means by which a member may run for a seat on the board of directors in a large consumer cooperative is opaque, and if there is never any competition for those seats but only a slate put forward by a Nominations Committee with exact correspondence between the number of candidates and the number of seats, and if little notice of elections is provided to members, then it should be no surprise when few members vote. If members of a worker cooperative who work autonomously (such as in house cleaning or home care) don't have regular opportunities to come together to meet and engage in governance of the enterprise, or even to just communicate with one another, then that can be expected to affect participation, as well, and undermine the democratic character of the cooperative.

Cooperatives can, and should, address these conditions. The most important measures merely involve effective communication. Democracy can be reinforced just by by demonstrating that it matters, by more actively promoting participation. A large and dispersed cooperative could use electronic means to hold votes on questions for which it might be helpful to have input from members—for example, a retail cooperative could ask its members to vote on a set of sustainability standards for the products it offers. A large, distributed cooperative could establish local councils that offer more opportunities for participation in which members might vote on issues

relevant to their local store. There may be many creative approaches to the challenge of improving participation.

VI. Conclusion

Democracy is an important feature of cooperatives, both implicit in their organizational form and explicit as a matter of principle. The second principle of the Cooperative Principles promulgated by the International Cooperative Alliance, "Democratic Member Control," reads, "Cooperatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organised in a democratic manner." In addition, democracy is identified as one of the Cooperative Values, and is also referenced in the third and fourth principles (Member Economic Participation and Autonomy and Independence) (ICA, 2014). The principle of democratic governance is considered by some to be one of three "core" principles for cooperatives (the other two being open membership and economic participation) (Oczkowski et al., 2013). Cooperatives have long been seen as essential to the democratization of societies around the world, and good arguments can be made that they have contributed to increasing democratization in many countries.

All that said, it is clear that, in practice, there is a wide variety in the implementation of democratic practices in cooperatives. Although some cooperatives may have high levels of democratic participation, democratic degeneration and an instrumental approach to democracy mean that it is often much lower.

Economic development, especially where it supports the empowerment of people who have long been disempowered, has co-existed with democracy as a central element of the cooperative movement. But even if the ultimate goal of economic empowerment cooperatives is not democracy, democracy is nonetheless an important part of not only their character as cooperatives, but also to their ability to achieve economic empowerment. Developers still have to take democracy seriously.

The question of democracy in the cooperative movement is the degree of its importance. If democracy is really important to the cooperative movement, then it cannot be taken for granted. The International Cooperative Alliance could offer recommended practices, such as the establishment of local councils in large, distributed cooperatives, and set minimum standards for democratic participation to be promulgated by national societies for adoption, such as communication requirements for elections and member meetings, a minimum of 5% member participation in board member elections, and at least one more candidate than there are board seats open in any given election. Cooperatives should examine their practices and identify ways they can improve member participation, especially in the way that they communicate with their members about opportunities for them to participate.

What is clear, however, is that the cooperative movement cannot merely take democracy for granted, or it runs the risk of it slowly fading away.

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