

B.C. CO-OP NEWS



Canadian
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HOW DOES GLOBALIZATION FEEL?

BY AL EARL

When did globalization enter our management dictionary? Did it start with NAFTA? With the European Common Market? Or did it start with the silk traders of Asia? Did the Hudson's Bay Company represent globalization?

In my mind, all that was globalization. So why are we discussing it now? Why is globalization important to Canadian co-operatives?

Of course, Canadian prairie co-operatives have always had global customers. They had customers in China when it was truly exotic...in Russia when it was behind the Iron Curtain--everywhere around the globe. That's globalization; but perhaps global factors didn't reach back into the local areas except as price signals. Now world products are coming home to Regina and Penticton. Subsidized canola from France finds its way into even the Canadian market.

When I was a child we had apples, oranges and bananas in their season. Some years, if we were lucky, we had peaches. Now apples are available year round, not only from B.C., but New Zealand, Washington State, California, Chile and South Africa. There are exotic fruits from everywhere and vegetables I don't even recognize.

BC Tree Fruits was set up 55 years ago to market the production from six co-operative packing houses. Over those years the company has developed the capability to sell and ship refrigerated produce anywhere on earth.

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We welcome your letters, comments and articles.

...THAT GLOBAL FEELING

(from page one)

We appear to be in the apple business, but in fact, BC Tree Fruits doesn't own any apples, and it doesn't really sell them. It has always been a broker: BC Tree Fruits sells "selling."

So when BC Tree Fruits worries about customers, it really should not worry about consumers, but about Safeway buyers, about Overwaitea buyers, about a particular Philippine individual. When we worry about those people and try to assess how we can help them, it may be that their interests parallel consumer interest—but perhaps not. Although it may not seem proper or democratic, we always "err on the side of the supermarket buyer."

And we notice our customers don't just buy apples, and they don't just buy *our* apples, so we *can* help them by selling them mangoes, and we do. We *can* help them by selling B.C. blueberries, and we do. So far, so good—the correct position is obvious!

But soon it starts to get risky. The Okanagan is a small producer of Granny Smith apples, so we *can* help our customers by selling them California Granny Smith apples when we run out. Sometimes we have insufficient Red Delicious apples to supply our customers in the U.K.: we *can* help them by selling them Washington State Red Delicious—and we do.

Soon we're competing with ourselves—with the product of our own shareholders. Without even thinking about it we have become a global operator with reduced loyalty to our own area.

Our loyalty was reduced when we chose to stick to our business by spreading our geography. We could have stuck to our geography and spread our business—perhaps a more attractive plan in a community economic

development sense. But which *is* better, BC Tree Fruits selling cars, houses, lumber and dry goods in the Okanagan, or BC Tree Fruits selling produce world wide? We choose the latter—*emphatically!*

Such a global operator discovers orchards in Uruguay in need of marketing service and we provide it. Such a company takes part in the Canadian Co-operative Association's mission to China and discovers co-ops there which need not only marketing service, but apple packing expertise, and we're poised to provide it. Such a company learns to manage its risk by creating dedicated corporations for specific parts of the business. Dedicated corporations which are capable of taking on outside shareholders in order to spread the risk. Dedicated companies capable of going broke and leaving the base business intact!

Now I'm not telling you how Canadian co-operatives need to restructure in the light of globalization, but I am telling you what we have done. Today the growing list of things we sell and do continuously amazes even us. And we do it with less people than ever.

We need more world knowledge. We need to be happier with risk. Yes, we need the will to win, but before that we need the will to even play the game. We need to make sure that our human bureaucracy doesn't stifle change. We need to avoid mixing up loyalty to the community with some kind of nostalgia. We need to have loyalty to the community as it can be and as it will be, not as it *once was*. We need to recognize that change is inevitable and, therefore, we may as well run toward it and not fear it.

Al Earl is General Manager of BC Tree Fruits.

BC BUDGET: CO-OPS COULD ACCESS NEW PROGRAMS

Several measures in the March 30 provincial budget may assist BC's co-operative sector.

While BC Finance Minister Glen Clark did not specifically mention co-ops in his budget speech, he did announce some initiatives which could be used to foster co-op development.

The government has allocated \$100 million to its "New Directions in Health Care" program (see page 7). And, as part of its new BC 21 concept, the government plans to invest \$1.42 billion in "new social capital facilities," including community health centres.

Clark said BC 21 will also direct an additional \$100 million to "innovative approaches to investment and job creation," that combine regional economic diversification, equity goals and training. Another \$80 million dollars will fund training programs specifically intended to move people off income assistance and into the workforce. Here the budget speech calls for "community-initiated projects" from private employers and non-profit organizations.

The budget also eliminated the Renter's Tax Credit and will use the resulting revenue to fund a new affordable housing program. Details of the program were not announced.

HOUSING COMMISSION CALLS FOR EQUITY CO-OPS

B.C.'s Commission on Housing Options has released its report after 6 months of deliberations.

The report sets out a number of general goals for provincial housing policy and makes 57 specific recommendations on subjects ranging from land use to homelessness.

Although the Commission did not call on the province to replace the federal co-operative housing program axed last year, it did recommend an "Equity Co-op Program" for moderate income households.

Under the proposal, members would buy shares in these co-ops worth five per cent of the value of their unit; they would accumulate personal equity in the unit; and they could make a limited return on their equity when they leave.

The scheme would represent a move away from existing programs where a co-op owns its housing collectively and leases the units back to individual members.

Reaction from housing co-operators has been cautious. They welcome any form of provincial support for co-op housing, but some fear the new program might serve only a fairly narrow spectrum of middle-income households.

And, while lower-income households could form co-ops under other provincial housing programs, such a "two-class" system would not create diverse, mixed-income communities. Existing housing co-ops see that diversity as one of their chief strengths.

[More Housing News on page six...]

RESEARCHERS, B.C. CO-OPS AID REVIVAL IN CHINA

AN INTERVIEW WITH PAT AND ROGER HOWARD

In 1992, the Yunnan Academy of Social Sciences and the David See-chai Lam Centre for International Communication at Simon Fraser University began joint feasibility research on co-operative development in Yunnan's ethnically diverse Lijiang County.

The famous "gung ho" worker co-operatives flourished in Lijiang during the 1940s. They were taken over by the Chinese government during the 1950s in the belief that larger, centralized production units were better and "more socialist." But with the advent of economic reform, the co-op idea is again taking hold.

Roger and Pat Howard head the SFU research team. Following a slide show of their recent work in Lijiang, I spoke with them about the project. D.W.

DW: Co-ops are not something totally new to Lijiang. Could you explain a bit of their history there?

RH: In the late 1930s there was an organization in China called Gung Ho Industrial Workers Co-operatives, and their primary purpose was to find jobs for refugee workers from the coastal cities who were fleeing the Japanese into the interior, and to set up industry behind the lines in the Red Base Areas. This happened all over China, but the co-ops in Lijiang were amazingly successful. And they lasted longer up there because the people didn't trust paper money, so they never got wiped out in the inflation that destroyed the other co-operatives. So co-operatives are basically responsible for the industry that exists in the area today.

What about the ethnic makeup and traditions of the area? Do you think they played a role in the co-ops' success?

PH: The Na-Xi in particular, who are the largest group, have a very strong tradition of informal co-operation. I personally think this is because of the traditional relations among women. The Na-Xi were originally a matrilineal society and there were very strong kinship

relationships among the women. Today the women are still extremely important in the economy. A very simple example is women's lending circles, which are sort of nascent credit unions. It's very easy to build credit union structures around this tradition.

Why do you think co-operatives, rather than pure capitalism, are seen as the model for economic reform in Lijiang?

RH: The traditional culture of most of the people we're working with is non-entrepreneurial. They were either hunter-gatherers or poets and scholars. And they don't like what they see elsewhere in China, even in places fairly close by, of the takeover of the entrepreneurial spirit, with everybody out for himself, and lots of these small businesses competing with each other. They actually want to avoid that alternative.

What advantages do you think they see in the co-operative form of development, over private entrepreneurship?

RH: They see it as a way to prevent "leakage". With the development of tourism and other new industries that might emerge,

they're afraid a lot of money could be made by people from Guangzhou or other parts of China, and they want to make sure as much money as possible stays in the community...I think also there's a feeling co-operatives will help them defend their culture by giving them some control over the process of opening up to the outside world.

PH: Their main goal is to create jobs and personal income for the members, rather than generate big profits. And finding jobs for young people. Youth unemployment is a very serious problem in much of China now, and it's a driving force behind this. It's one of the reasons they're interested in tourism, because a lot of their young people could act as guides.

I know this has quickly gone beyond feasibility research, and people are already starting to organize co-ops. What kinds are they?

PH: There's a whole variety. One of the most successful ones is a daycare. This was started after a woman's son drowned in an irrigation ditch because she had nowhere to leave him while she was working in the fields.

RH: In one of the towns near the capital of Dayan, they're organizing bed and breakfast co-operatives for tourists, and some other tourism related businesses.

PH: Four young guys have also just left the state leather factory to start their own co-op producing handmade shoes. The tanning is done with rice wine instead of chemicals, so it's pollution-free, and they advertise that. There are also a number of food-processing industries that people are talking about starting.

You've brought some Lijiang visitors here. What co-ops and credit unions did they see, and how do you think it was useful to them?

PH: CCEC Credit Union was a big inspiration. There is an old credit union in Lijiang, but it has got locked into the state banking system. So they knew they wanted to start their own financial institution to pool funds for co-op projects, but they were worried if it was even legal. But when they heard how CCEC was started to fund co-ops and community groups, they said "that's it," it has a different purpose than the "official" credit union, so we'll call it "a mutual assistance savings co-operative" instead...

RH: They also visited Delta Credit Union, CRS and Baseline worker co-ops, Mountain Equipment Co-op, Mid-Island in Nanaimo and the co-op store on Hornby Island...And some co-ops on the reserves we visited.

That's a really interesting connection. Why have you chosen to make a particular link with First Nations people?

PH: We noticed a number of similarities: the question of the land, and issues of struggles over your resource base; issues of how to do community development so it does not either destroy your environment or your own culture; how to present your culture to other people. For both groups these are very important issues they can share ideas about.

What role would you like CCA to play in this project?

RH: Nationally CCA seems most interested in providing training for co-op and credit union leaders and managers, which is very important for people in Lijiang. We, however, are looking directly for people in BC who can go to Lijiang to provide transfer of technology and skills, or whose co-op might want to form a sister relationship with a co-op there.

CO-OP HOUSING DEVELOPERS MEET IN MONTREAL

BY ALICE SUNDBERG

Co-op housing professionals met in Montreal March 18-21 to confront a dilemma posed by last year's cancellation of the federal co-op housing program: how to ensure the continued growth of our movement.

Co-op Housing resource groups and regional federations gathered to learn about development options that do not require government assistance. What we learned was not too surprising--co-op housing units can be produced without government subsidies, but equity from the members is required.

Innovative land acquisition, financing and procurement methods are being explored across the country, with limited success. But these opportunities will not be available for low income people unless there is participation from at least one level of government.

HEALTH, HOUSING LINKED

A recent report provides new evidence that secure, affordable, housing helps maintain personal and social health. The 80-page booklet *Creating Housing for Healthy Communities* is conceived as a guide for housing activists rather than an academic study. It profiles nine successful housing developments--including two co-ops--highlights their healthy characteristics, and recounts residents' stories of improved personal health.

In its final section the guide explores some new ways to finance non-market housing in the absence of government programs.

The symposium was inspiring nonetheless. Though times are tough for those who earn their living developing and servicing housing co-ops, we are still determined to find a way, with or without government assistance, to provide the co-op alternative to people seeking good quality affordable housing.

Alice Sundberg is Development Manager for Innovative Housing Society. The society recently changed its former name, Inner City Housing.

CO-OPERATORS GET HOUSING POSTS

Prominent co-operators Ian MacPherson and Kathy Booth have been appointed to the board of the B.C. Housing Management Commission.

Ms. Booth is past president of the Co-operative Housing Federation of B.C. Dr. MacPherson has held numerous co-operative and credit union directorships and is presently managing a review of the Co-op Principles on behalf of the International Co-operative Alliance.

Also joining the BCHMC board is Derek Murphy, a social housing activist formerly associated with the co-op resource group Inner City Housing.

BCHMC is the agency in charge of provincial housing programs. It oversees the development of new non-profit and special needs housing in B.C. and administers the public housing stock owned directly by the province.

Creating Housing for Healthy Communities is available from: SPARC of BC
106 - 2182 W. 12th Av.
Vancouver, B.C. V6K 2N4
or the Office of Health Promotion, BC Ministry of Health, in Victoria.

TEAMING UP FOR COMMUNITY HEALTH CARE

Members of the CCA BC Region's Development Committee met recently with CU&C Health Services to develop a common approach for promoting community-based health care in the province.

Both CCA/BC and CU&C presented briefs to the 1991 Royal Commission on Health Care and Costs advocating a major role for community health centres in planning and delivering health services.

The two submissions had several points in common. CCA's brief demonstrated the superior effectiveness of community participation in reducing hospital use and drug costs, delivering more preventive services and enhancing consumer control. The CU&C brief recommended 1) increased decision-making power for individual health consumers 2) priority to health promotion 3) community health centres and 4) alternative pay schemes for physicians.

With its "New Directions in Health Care" program, the provincial government now seems embarked on a major redesign of the health care system.

REDOs REDONE

Last issue we had some breaking--and still sketchy--news on changes at the BC Ministry of Economic Development. The Ministry has sent us this clarification.

The ministry has been restructured to provide a greater emphasis on regional and community economic development. The restructuring moves senior staff out of Victoria in order to provide local communities with increased access to government programs and services.

What remains unclear is whether the new design will provide the kind of real opportunities for participation, consumer control and health promotion sought by community health advocates.

CCA and CU&C have experience with somewhat different community-based care models, but they agreed all community health centres should:

- 1) Emphasize preventive and health promotion services
- 2) Be structured for user involvement
- 3) Be funded through an alternative to fee-for-service billing
- 4) Protect patient freedom of choice
- 5) Receive longterm funding commitments to ensure stability.

Next steps: The two organizations will be meeting with the Health Minister and her officials to make their joint position known. And they will be contacting other organizations who want to promote user-controlled health services in their communities.

If you or your organization are interested in using co-operatives to promote health and deliver health services in your community, contact the CCA Region Office: 255-9912

Twenty-four regional economic development officers (REDOs) will work to create community and regional development strategies and programs together with municipal economic development officers, First Nations, regional advisory groups, women's associations and others currently active in the regions. In addition to the community-based REDOs, there will be managers or directors in six regional centres.

LITERACY PROJECT LAUNCHED

CCA's BC Region has received a grant from the federal Literacy Secretariat to develop literacy learning materials specific to co-operatives.

The six month project will start with an assessment of literacy needs within the provincial co-op sector and provide co-ops with information on existing literacy programs in their communities.

The results of the needs assessment will be used in developing the learning materials during the final stages of the project.

While the materials could be used by co-ops themselves, they are equally intended to

introduce co-op content into existing community-based literacy programs. It might also be possible to adapt the materials later for use in English as a Second Language programs--and that could be of considerable value in raising co-op awareness among new Canadians.

The CCA project is one of three co-op sector literacy initiatives in B.C. The Co-operative Housing Federation and VanCity Credit Union are also sponsoring projects.

Your co-op or credit union will soon receive a needs assessment survey form. Please support the literacy initiative by filling it out and returning it to the region office.

NEXT BC CO-OP FORUM SET FOR JUNE 5

Mark your calendar now. The next BC Region Co-op Forum will take place in Vancouver on Saturday, June 5, 1993.

This forum is your chance to help set the direction of the Canadian co-op sector through CCA's national task forces. The task forces were established at CCA's 1991 Triennial Congress to develop action plans in five critical areas: Women in Co-ops, Growth, Public Policy, Human Resources and International Development.

Those action plans are now nearing completion, but BC's representatives still need your help to assess the proposals, suggest modifications and determine their likely level of popular support within the sector.

The upcoming forum is seen as a working session composed primarily of small group discussions on the task force themes. The location and exact agenda are TBA, so watch your mail for the registration form and brochure.