

IFAS Community Development: Cooperatives as Tools for Community and Economic Development in Florida¹

Mark A. Brennan²

This paper is part of a series of discussions on community development. This series will include specialized papers on civic engagement, community action, and other topics important to the development of community.

Introduction

The need for alternate community and economic development strategies throughout Florida has been widely recognized. This is particularly relevant in the increasingly fragile climate where the mainstays of rural economies, namely agriculture and tourism, operate. In response to decreasing agricultural opportunities and growth pressure, extension and development agents routinely seek new approaches and opportunities for community and economic development. Cooperatives, producing a variety of goods and services, can help meet this need.

Historically, agricultural cooperatives have been a successful and common aspect of rural life. These cooperatives have allowed for economic stability and provided a framework for local investment that is community based. The latter is particularly important

because while complimenting economic development, cooperatives also directly contribute to community development by establishing local channels of communication and enhancing local decision-making (Brennan and Luloff, 2005). Aside from traditional agricultural and livestock ventures, cooperatives focusing on livestock, fishing, forestry, and other natural resource based activities have also been effectively used (Bendick and Egan, 1995). However, cooperatives can take a variety of other forms based around tourism, the arts, small manufacturing, aquaculture, and other conditions reflective of the unique local characteristics of the area (Cawley et al., 1999; Jodahl, 2003; Phillips, 2004; Brennan and Luloff, 2005). Recent research shows that specialized production cooperatives and small manufacturing enterprises have also shown promise and are increasing in use (Cawley et al., 1999; Jodahl, 2003; Phillips, 2004; Brennan and Luloff, 2005; USDA, 2005).

Considering the diverse populations, histories, arts, and natural resources that exist throughout Florida, cooperatives could provide an alternative economic development strategy for our communities.

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 2. Mark A. Brennan, Assistant Professor of Community Development, Department of Family, Youth and Community Sciences, Cooperative Extension Service, Institute of Food and Agricultural Sciences, University of Florida, Gainesville, FL, 32611.

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These unique and diverse forms of cooperatives could be useful tools for extension and other community development professionals to use in contributing to both the economic and social needs of our communities.

Cooperatives and Community Development

In their most basic form, cooperatives are jointly owned enterprises engaging in the production and distribution of goods. Members operate these enterprises for their own mutual benefit. The use of cooperatives in fostering rural community and economic development has received considerable attention with much work focused on the use of agricultural cooperatives as a means for promoting local economic development. (Bendick and Egan, 1995; Madane, 2002; Phillips, 2004).

Cooperatives serve several purposes. First, they allow for local human, economic, and natural resources to be maximized with a great deal of local control. Second, while immediate economic opportunities may arise from cooperatives, they also allow for longer-term sustainable economic development in areas that traditionally have had little opportunity to engage in such processes (Bendick and Egan, 1995; Madane, 2002; Gordon, 2004). By providing a local base to jobs, public input, and clear linkages to local development, cooperative members take a much more active role in local development than they do in projects designed by extralocal organizations or interests.

Equally important, cooperatives can serve to enhance essential social structures and identities, establish lines of communication and interaction, and support cultural components which are seen as being vital to the development of community (Wilkinson, 1991). Many communities, either out of necessity or by choice, have come to rely on local residents to provide services and support functions to ensure community survival (Bendick and Egan, 1995; Luloff and Bridger, 2003). Cooperatives provide a valuable tool in such settings and can contribute to community identity, culture, and social support systems. The importance of these characteristics increases as cooperative partners rely more on each other to

produce goods and establish operation procedures for the organization. By bringing together diverse parts of the community that present a variety of skills, the community is enhanced. Through this process more direct and purposive efforts designed to further enhance local well being emerge.

Benefits of Cooperatives

The tangible benefits of using cooperatives as a community and economic development tool include increased economic traffic, employment opportunities, support for essential community structures, and potential declines in out migration (Madane, 2002; Gordon, 2004). The use of cooperatives can also have a direct impact on community cohesion and development (Luloff and Bridger, 2003). Cooperative structures produce informed and committed leaders able to guide local development processes. Such leaders could facilitate the expansion and tightening of social relationships and the creation of a shared identity necessary for community development (Wilkinson, 1991; Luloff and Bridger, 2003; Brennan and Luloff, 2005).

Similarly, cooperatives can be used to encourage community members to remain in their locales, as has been seen in the United States and elsewhere (Christenson and Robinson, 1989). They can provide steady jobs and incomes, which are more or less impervious to the seasonality of tourism, swings in government policy, and unpredictable agricultural crises. Because these jobs and income would be directly tied to the community and its residents, they would aid in supporting community identity, local reinvestment, and economic stability.

Finally, cooperatives could be used in collaboration with government and nongovernmental programs. They could augment existing programs, and provide primary economic opportunities in areas not reached by state and nongovernmental programs. In these locales, cooperatives would build on established traditions of community involvement (religious events, sport, art, cultural items, and natural resources). In addition, the use of specialized cooperatives could possibly fit well with USDA, CSREES, IFAS, and other programs seeking to help local communities build on the unique characteristics of their area.

Conclusion

Cooperatives that produce a variety of alternative and locally reflective items could be a useful tool for extension and other change agents in their efforts to enhance rural community and economic well-being. Employment opportunities, reliable income, and increased trade are direct tangible benefits of such an effort. Further, cooperatives act to strengthen community support functions. Through cooperative development, residents of the community become closer and more integrated. In this process, the vital tenants of community including communication, interaction, and social support would be maintained and increased (Wilkinson, 1991; Luloff and Bridger, 2003). At the same time, such community development facilitates the retention of local control of cooperative decisions and maximizes local resource usage. All of these present a framework where local residents retain control over local resources and decisions regarding their usage. Through the development of cooperatives, advances can be made to local well-being and quality of life.

References and Suggested Reading

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Useful Websites

Centre for Co-operative Studies,
http://www.ucc.ie/acad/foodecon/centre_b.html

Cooperative Development Service,
<http://www.cdsus.coop/>

National Cooperative Business Association,
<http://www.ncba.org/>

Research on Rural Cooperative Opportunities and Problems Via Cooperative Agreements (RRCOP),
<http://www.rurdev.usda.gov/rbs/coops/rrcop.htm>

Rural Cooperative Development Grant Program (RCDG),
<http://www.rurdev.usda.gov/rbs/coops/rcdg/rcdg.htm>

University of Wisconsin Center for Cooperatives,
<http://www.wisc.edu/uwcc/>

USDA – Rural Business Cooperative Service,
<http://www.rurdev.usda.gov/rbs/index.html>