

# Co-ops connect with partners to do well and do good

By Vincent Chua

**C**O-OPERATIVES are often contrasted with corporations. Corporations are said to focus on maximising profit, while co-operatives are widely believed to exist for the nobler aims of positive social change. In reality, the lines are often fuzzier.

Corporations such as McDonald's and Starbucks increasingly see their mission as "doing good" while "doing well". The rise of the now widespread corporate social responsibility (CSR) is an expression of it.

Likewise, co-operatives know they need to "do well" in order to "do good". After all, financial sustainability makes the social mission possible.

What, then, is the unique role of co-operatives?

Let me point to co-operatives as critical nodes in community building. They form an indispensable part of the social infrastructure that brings communities together. Hence, where corporations may be focused on raising their stock prices, co-operatives stand apart for raising the stock of social capital within communities and nations. Besides "doing well" and "doing good", co-operatives are particularly suited to "doing community".

While commercial enterprises are often engaged in competition with other firms, co-operatives are much more likely to encourage collaboration, the creation of knowledge and social networks. They share ideas and innovations, including best practices with other so-

cial enterprises, even with corporates. Their social mission enables them to form friendships and connections with like-minded entities, instead of each seeing the other as a threat or competitor for market share.

## SOCIAL CAPITAL

I envision co-operatives building social capital in at least three ways. First, they are facilitators of "bonding" social capital. This refers to close ties between members of an organisation. Co-operatives are voluntary, open to all persons who are able to use their services and who are willing to accept the responsibilities of membership. As jointly-owned entities, their members contribute equitably to the co-operative's capital and receive annual dividends. No one member gains at the expense of others.

The surpluses are then used to develop the co-operative, or to set up and build reserves that support future activities and grants (for example, bursary awards for members' children), approved by members no less.

In Singapore, the local travel co-operative Silver Horizon Travel was formed "by seniors for seniors" to promote active ageing, living and learning through customised travel programmes. Importantly, this co-op seeks to channel assistance aimed at enriching the lives of seniors without family support through its travel programmes. Co-operatives meet the needs of their members.

Second, co-operatives are also bridges and

ladders. Besides nourishing members, co-operatives have spawned wider social networks, or "bridging social capital", with other co-ops.

Silver Horizon Travel has also partnered with the Singapore Statutory Board Employees Co-operative Thrift and Loan Society to organise a tour to Sekinchan, Malaysia, for some 10 beneficiaries between 50 and 88 years of age, who are members of the charity organisation, Brahm Centre.

The NTUC LearningHub Co-operative and NTUC Foodfare Co-operative have collaborated to roll out the Hawker Entrepreneur Programme to people interested in learning culinary and business skills. The NTUC LearningHub Co-operative has also signed a Memorandum of Understanding (MoU) with AUPE Credit Co-operative, paving the way for AUPE to offer loan facilities to foreign workers who want to upgrade their skill sets.

Finally, the Singapore National Co-operative Federation (SNCF), together with Seacare Co-operative and the Registry of Co-operative Societies, have helped bring cheer to the senior residents of Jalan Kukoh housing estate.

Third, the bridging of co-ops' social capital has extended to meeting the needs of a larger public. As co-operatives actively network with others, they function as conduits for the transmission of social capital. Their partnerships reinforce the norms of reciprocity, ensure accountability, and are ultimately good for the groups and societies they serve.

Most Singaporeans would be familiar with

the NTUC FairPrice Co-operative (FairPrice Co-op).

Part of its social mission is to moderate the rising cost of living and protect shoppers from price fluctuations. Therefore, it announced early last year that it would freeze the prices of 100 FairPrice household products until June 2020, and slash more than half of these 100 products by up to 30 per cent. These items include the daily essentials of rice, cooking oil, poultry, toiletries and household cleaning items.

More recently, during the novel coronavirus pandemic, FairPrice Co-op swiftly put in place actions to prevent people from stockpiling or reselling essential items at higher prices, to ensure that these necessities remain accessible to the public.

## 'DOING COMMUNITY'

To keep prices low, the FairPrice Co-op forges networks with diversified sources. They procure their products from numerous countries (by forging trade agreements with them) as well as by engaging in contract farming.

Contract farming supports a stable supply and helps moderate pricing for goods such as vegetables. By working with farms on a long-term basis, FairPrice Co-op is able to share its knowledge and quality-assurance programmes with its contract farmers.

Poignantly, co-operatives have also forged connections with corporations. In 2018, FairPrice Co-op and Grab embarked on a joint ini-

ative to launch a new subscription service, the Score Subscription. The programme was extended to include GrabFood, Zalora, OCBC Bank, Qoo10, and Cheers in late 2018. The addition of these partners significantly expanded the programme's offerings, and provided subscribers with greater savings and benefits for everyday essentials and lifestyle needs.

The spectre and excesses of competition are minimised with co-operatives as the power of collaboration and networks for doing good takes centre stage.

Co-ops have had a long history, dating back to the principles first set out in 1844 by the Rochdale Society of Equitable Pioneers in Rochdale, England. The Rochdale Principles have since been updated periodically, with the latest being in 1995, under the Statement on the Co-operative Identity.

There are seven principles in all: voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among co-operatives, and concern for community.

While the imperatives of "doing well" and "doing good" are long-treasured values in co-operatives, none of these would be easily accomplished without "doing community" – that is, connecting with partners that make the founding principles a reality.

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