

iCOOP Co-operative Institute
10th Anniversary Commemorating Symposium

Making a Better Community

Co-operatives Driving
Communities' Future



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**Making a Better Community: Co-operatives Driving Communities' Future
10th Anniversary Commemorating Symposium**

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Case Study 1: Jinju iCOOP

We do “Life Politics”

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1. Introduction

- Korean consumer co-operatives state their objective to build a community that fulfills members' political and social needs. To achieve this aim, co-ops are attempting to strengthen members' connection with local society. But it is still very insignificant. If co-ops realize the community value and actually change the local community, their stable growth will come along with a better community.
- In this study, life politics refers to the discourse and institutions that seek to solve everyday problem beyond the limits of representative political system. It resists to the power and violence that threaten everyday practice and tries to make change in the everyday life through a politics of self actualization.

2. Research Objectives

- First, this study examines how co-ops affect life politics and evaluate the degree of impact of co-op members in the community.
- Second, this study identifies several life politics cases that have changed individual life and collective life. This will provide ideas for improving the lives of entire community.

- This study especially focuses on co-op members' City Council monitoring activity on the ground that his activity shows the whole process of discovering and designing a solution for political issues and is different from episodic responses on particular issues. This study conducted series of in-depth interviews of activists to examine the activity process.

Table 1. List of in-depth interviews

		Affiliation	Time
1	A	Jinju iCOOP activist	April 2, 2016
2	B-1	Jinju iCOOP member actively participates in co-op activities	January 23, 2016
3	B-2	"	"
4	B-3	"	"
5	C	Jinju iCOOP member only uses store service	February 20, 2016
6	D	"	"
7	E	Jinju Public Hospital labor union activist	January 24, 2016
8	F	Jinju Public Hospital Countermeasure Committee activist	April 2, 2016
9	G	Life Politics Citizen Network Jinju Gatyi (together) activist	February 20, 2016

* Interviewee E, F, G were included to examine perspectives on life politics of those are working outside of Jinju iCOOP.

3. Life Politics Practice:

3.1. Brief overview of Jinju iCOOP

- Jinju iCoop has 2,896 members paying monthly membership fee. This is 2% of 138,000 households in Jinju as of May 2016. 36.8% of members enrolled in Advanced Payment System, higher than national average of 30%.
- iCOOP's recent Activities include Anti-GMO Protest, Jinju Medical Center Civil Committee, Organic school meal for free movement, Activities for enactment of

Special Act on Sewol, managing parliamentary scrutiny, Analyzing municipal budget, participating in Jinju's Social Economy Committee, among others.

- Specific Features: Jinju is a relatively rural area in Korea. Since the blueprint on national urban development was planned with its focus only on capital area, disparity between urban and rural development is considerably large. Political and social power is mostly given to the capital area.

3.2. Local politics in Kyungsangnam-do

- Since Municipal Governor Hong Jun-Pyo played unreasonable policies; School free meals stopped, Jinju Public Medical Center was closed. Abrupt changes struck people with fear. In order to keep co-op value, Jinju co-op members promoted more political activities.
- At first, most citizens were not concerned when Jinju Public Medical Center was closed, because there are plenty of private hospitals at downtown. However, the MERS breakout in 2015 spring alarmed citizens to see how dreadful life would become without public medical center.
- The life politic movement and responses were emerged against life threatening issues.
- iCoop Members have already been active opinion leaders in community. Jinju region has quite a lot more universities compared to other regions. As the alumni became community members, they continuously led social movement in Jinju.

3.3. City Council Monitoring Activity

- iCOOP members monitored Jinju City Council budget and activities and witnessed local congressional meetings.
- NGOs used to provide public monitoring education only for full-time workers, while iCoop provided co-op members, mainly housewives with opportunities to

participate in local politics through education and monitoring, further writing reports on budget analysis.

- By involving in Civil Participatory Budget System, members secured 7,313 million KRW, 0.7% of total budget of 1,045,073 million KRW.
- During this process, City Council members became aware of co-op member's opinion.
- Members realized all the decisions made by city council would directly influence their life and, became conscious of the importance of members' voice as they witnessed how bills on budget and other laws are passed. This has changed entire perspective on politics. Backed off attitude has dramatically changed now, by looking at the policies carefully. Also members keep finding satisfaction in that they can choose how they would build up life within a community rather than just ask politicians to do their duty.

3.4. Platform of Life Politics: town meetings and co-op clubs

- Two most effective communication tools for spreading life politic issues are town meetings and club activity through several channels (ex. newsletter, call, text messages, SNS)
- Town meetings play pivotal roles in both persuading and helping members to understand iCoop's value and actions. Members who attend the town meetings tend to become more active members than those who only learn issues from online materials, because meeting attendants learn about co-op's value and come to identify themselves with it more closely.

4. Analysis and suggestions

4.1. Critical regionalism in life politics

- In order to flourish co-op's life politics, first, we must keep an eye on the possibility of local politics being degenerated into political regionalism. If these attempts to build up a wellbeing community excludes other region or fail to understand macro environment, it is likely to regress to regionalism of the past.
- Second, it should be noted that local politics will obtain a great effect when the change in national politics is demonstrated simultaneously. It is because the local politics, administrative system and legal system are all related with national government and legislatives. When each regional iCoop sets up plans for life politics actions, headquarter must set up and coordinate a common goal beforehand.

4.2. Cooperation among co-operatives

- Jinju iCoop seeks to form a series of joint actions and partnerships with other co-ops. Activities to spread the life politics can be directed differently from the way it is intended; that is, excluding other co-ops by dominating activities.
- The relationship between co-op organizations is crucial. Cooperation among co-ops is more meaningful when pursuing the same principles, values, and mutuality so that cooperation can achieve consistent and significant changes in the region.
- Communications and exchanges between co-operatives are still in the initial phase. iCoop needs to form closer relationships with other consumer co-ops and various food related co-ops founded on Basic Law. Both iCOOP organizations and local members need to work to build mutual solidarity and become strong partners.

4.3. Practical solutions to obstacles

- Members are wary of activities that focus on the unconditional increase of membership. They are asking for qualitative growth through education as well, particularly the need for strengthening new membership program and retraining program.

- Co-op members used their houses for town meeting place although recent lifestyle change makes people feel uncomfortable to use their private spaces. Co-op had to find new place for gathering since this practice lowered the attending rate of those who are reluctant.

4.4. Women's participation in life politics

- Although consumer co-op had long contributed to change the social atmosphere of taking women's housework granted, existing programs encouraged members to become "a good mother" as most activities stressed the advantage of participating "with children" and help to care for children and family health. This practice needs to be reviewed and readjusted.
- If flexible and low-wage employment continues, conventional family model consisting of working husband and housework wife will disappear in a very near future. iCoop needs to come up with an idea how to make all family members participate in co-op activities in a equal base.
- iCoop should establish a new policy agenda that makes housework and child care become a social responsibility and makes it as an agenda for life politics.

4.5. Further suggestions

- We should ensure that local politics works as the critical regionalism. It should consider co-development with other regions.
- It is needed to establish a symbiotic relationship with other co-ops. Otherwise, competitions among co-ops might arise and lead to a crisis.
- Since various obstacles exist in realizing life politics in local community, we should accurately diagnose the potential for development and insurmountable obstacles to practically prepare future activities.

- Lastly, it is wise to review the housework-oriented operation and make the socialization of housework as a long-term agenda for iCOOP.
- Jinju iCOOP case successfully showed the iCOOP's practice of life politics. As life politics is indispensable to promote and contribute to improving welfare of citizens living in the community, deepening this practice could be a good starting point to contribute in making a better contribute.

Case Study 2: Daegu Haengbok iCOOP & Pohang iCOOP

Connecting everyone

HWANG Ji-Eae (Korea Co-operatives Institute, of Seoul National University, PhD candidate in Anthropology)

1. Introduction

- This research explores the process of co-op members' solving local common needs together. As a result, it shows how a co-op functions as a platform which contributes to the development of endogenous local society by supporting interaction between members and local residents.

2. Research Objective

- This research focuses on interaction that is sometimes activated via a dedicated personal interest and relationships between members as well as via the relationship between coops and civil society organizations.

3. Methods

- Survey period: Nov. 2015 ~ May 2016
- Field research in Daegu Haengbok iCOOP and Pohang iCOOP, six times of face-to-face interviews, two times of mobile interviews; documents and reports gathering etc.

- Rather than directly compare the activities of several local co-op members, this research examines the experiences of various cooperation practices of members and local residents and seek to find overall implications.

4. Key Findings and Discussion

4.1. Daegu Haengbok iCoop

- Brief Overview

- Dalseo Haengbok iCoop was founded in 2007, separated from Daegu iCoop which began its operation in 2003.
- In 2015, Daegu iCoop opened 4th store Wolbae and helped to found local co-operative, Daegu Jeongdaun in Seongsoo and Kyungsan area in Providence of Daegu.
- With local co-operatives (Gumi, Daegu, Daegu Chamnuri) located near Daegu area, “Coop Store Daegu”, the store management company was set-up in order to relieve the burden of store management and to help Daegu iCOOP to concentrate on the members’ activities.

- Cooperation with civil society organizations:

1) Daegu Women’s Plaza

- Members from both organizations encountered each other through outside lecture. This gave them opportunities to look into each other’s organization more objectively.

- Joint petition for victims of Sewol; Movie night with documentary film "Diving Bell", co-purchasing film copyright, and giving a hand to each other's events.
- After several solidarity activities, they became mutual members of each. Also one member from Plaza held tarot counseling or monthly gender education class in the town meeting.
- They work to create a new political environment for those who were frustrated with the conservative regional politics. It provided an opportunity to meet each other and empowered members.

2) Daegu Natural Science High School

- Since it was founded as the Daegu Public School of Agriculture and Forestry, its vision was very close to that of iCoop's. iCOOP Nutrition Education team conducted about 50 lessons during four months at the request of a school teacher and iCOOP member. The lectures are about the wheat characteristics, wheat, wheat imports (15 min) and includes a short cooking activity (25 min)
- Lecture materials are provided by Dietary education network. By sharing materials and knowhow with other co-operative members meeting at the lecture, members get to enlarge their personal network in the region.
- Collaboration with local organizations having similar taste builds partnership and lets them share critical know-how and solution with each other.

3) Dowon Village Children's Center:

- iCOOP sponsored snacks regularly and continuously sought potential chances of further cooperation.

4.2. Pohang iCoop

- Brief Overview

- An arrangement committee was founded in 2002 and the inaugural meeting was held in 2004.
- As of 2005, Jang-ryang iCoop, the 3rd store, was opened and the gross sales reached 10,000 million won at the same year.
- “Perfect indication of ingredients with no exception campaign” promoted 1,500 members to take part in the activities and fundraised 13 million KRW.

- Cooperation with civil society

1) Pohang Federation for Environment Movements

- Food issue: 2006 Anti-US FTA Campaign, 2014 Southern Pohang Anti-filtration plant movement, planning for eco-friendly/organic agricultural production systems.
- Environmental issue: Coal thermoelectric plant opposition activities. Cooperation with with Pohang NGOs in opposing nuclear power plant building in Yeongduk area. 97.1% of residents voted against the nuclear power plant (10,274 out of 11,209) in 2015.

2) Pohang Meals Solidarity:

- Pohang meals solidarity made the regulations in 2012 initiative to secure funding for local governments to implement free eco-friendly meals. Since multiple organizations wanted the budget as well, ensuring was quite tough. Some members were for only organic meals, but not for the free meals. This generated some tension between members.

3) Pohang Badasol local children's center:

- One of the center executives is one of Pohang Women's Association practitioners. The practitioners got acquainted each other from various activities of democratization. Since they are running in politically conservative region, they needed solidarity actions on common issues in common.
- As a result, members joined multiple memberships within a region. iCOOP supported supported snacks and bakery products and annual food safety training to the center.

5. Conclusion

- Coop not only provides ethically produced goods **to members, but also** supports members to satisfy various kinds of needs, such as learning needs that surged through interacting with local members in town meetings, clubs, and education programs or desire of safety, environmental protection, and rights of women.
- Coop is a platform where co-op members and community members solve their own problem and share various interests to accumulate endogenous capability in regions. Initiated from the platform, varieties of human and material resources exchange ensure the survival of individual organizations as well as enhanced the sustainability. It is because members share their knowledge and grow together in different experiences.
- Features of coop as a platform of
 - 1) Great connection: Because the primary function of coop is to provide safe and ethical food to customer-members and to build ethical supplying consumption system, there is a great overlapping of interests between coop and married women.

2) Various interests and needs: Those who have any new idea or interest must step come forward while practitioners do not set up a new program.

3) Need to classify members according to their living environments: ex, residential area, year of joining, condition of households.

Case Study 3: Daejeon iCOOP

How does Commercial Business of Consumer Coop contribute to Local Community?

JEONG Hwa-Ryung (iCOOP Co-operative Development Center, Hanshin University, Graduate School of Social Innovation Business, MA candidate)

1. Introduction

- iCOOP Korea has changed its strategy from online shopping to store sales in 2000s. Over 88% of the sales, 465,100 million KRW out of 525,600 million KRW was done in off-line stores in 2015. As of April, 2016, 181 local stores are operating nationwide, making the average sales of 38,700 million KRW each month. More than 4 million people visit stores every month.
- Stores help members find an easier way to shop and encourage community members to join co-operatives and coop-related actions. They not only sell eco-friendly goods but also promote the co-op identity.
- iCoop aims to formulate a food safety system through local stores as a policy. Every Korea consumers coop has a similar plan. Safety system will alleviate information disparity between supplier and consumer and ensure a fairer trading and eventually will be able to reduce redundant investments. It is the reason for iCOOP to increase store sales.

2. Research objectives

- First, this research examined how iCoop store sales have been affecting community.
- Second, it on the apparent differences between iCoop stores and conventional franchise stores in making economic contribution for community.

3. **Methods**

- Research Object: Daejeon iCoop
- Research period: 2015.12~2016.5
- Method: Visited Daejeon district 2-3 times a month from January to April, 2016. And conducted interviews with ex and current employees. Attended the general meeting to grasp overall performance on last year's business. Interviewed employees in Daejeon with regard to the quality of working condition.

2. **Daejeon Local iCoop**

- Brief overview

- Daejeon iCOOP has historical significance as it is one of the six regional coops that first founded iCoop Consumer Co-operative. Other 5 regional co-ops were located in metropolitan area, Daejeon iCOOP had the largest at the time. Therefore it played a significant role in expanding regional co-ops throughout the country.
- In Yeseong-gu, more than 10% of total households joined as co-op members.
- It overcame the crisis provoked by the store landlord when reopened store in **** with strong membership and the chairman's commitment who even got mortgage loan on his own house.

- Each six stores' opening date and yearly total turnover was analyzed to investigate the effect of store-opening on co-op. The research examined the effect of the store-opening on the coop sales by investigating the store opening dates and change in the turnover.
- The online sales has drop down to less than 10% with the opening of four stores. However, increase rate of total sales was the fastest in 2010 when two stores were opened. Not only the rate of online sales has decreased, the overall rate of delivery order has shrunk by more than half. This shows the members changed the purchasing method from online ordering to in-store purchasing
 - Co-operative Center: Hanbat Center, Daejeon Center
- Hanbat Center: The first urban center was founded to stand against gentrificationⁱ in Daejeon area. iCOOP store, Mindulle Medical Social Co-operative and pharmacy were opened in the center.
- Daejeon Center: When looking for a place to move in, members decided to construct a new building instead of renting a place. They found a proper land in prime location with a reasonable price.

3. Key findings

3.1. Price stability:

- iCoop is committed to maintain the price balance between producers and consumers by enforcing the Sales Agency System, raising stabilization fund and producing goods in iCoop's Production Cluster.

ⁱ Gentrification refers to a process of renovation and revival of deteriorated urban neighborhoods by means of influx of more affluent residents, which results in increased property values and the displacing of lower-income families and small businesses. Wikipedia.

3.2. Employment:

- Conducted a survey on 110 employees working in Daejeon area to examine whether iCoop has improved the quantity and quality of employment contribution by comparing IT to survey data of Korea Labor Institute's 2014 co-operatives research and 2012 Korea Labor and Income Panel Study.
- Employees in stores showed much higher satisfaction rate with their job position than those working in secretariat. Satisfaction rate of job stability is higher than National Survey on co-operatives. This might be relates to the fact that 79% of the respondents are full time workers.
- However, satisfaction rate on working conditions of employees in secretariat turned out to be very low, as well as on development potential. Overall, the result scored lower than co-operative employment survey, but higher than Korea Labor and Income Panel Study. Group wide or regional co-op's efforts on creating good jobs have not yielded its fruit yet. Efforts to enhance communication between workers and employees are much more needed.

3.3. Positive effects of Regional Center:

- With the opening of the center, members secured stable place which could lead to strengthening members' capacity.
- To evaluate how much the center is affecting on store sales, we compared the total revenue of April 2015 of Daejeon center's Bansuk store with the average revenue of 3 other stores in Daejeon area that do not have space for member activity. The average revenue for 3 stores appeared to be similar in the weekday and weekends to that of Bansuk store. However, this study confirmed that there were membership programs held at those days when only Bansuk store made more profits. Hence, membership events seem to raise store revenue.

3.3. Changes in community:

- The area where co-op store is located now had little or no stores or local market in the past. But, new co-op store drew a fast development of eco-friendly business district due to the business people's attention that co-op stores attract consumers who prefer ethical consumption. Numerous eco-friendly local food shops were opened within 200m radius since the establishment of the co-op center; healthy bento shop, antibiotic-free butcher shop, healthy tea, eco-friendly restaurants, organic gourmet, etc.

3.4. Sharing and welfare

- iCOOP Daejeon donated 21,100,760 KRW to Mindullae Medical Social Co-operative through iCoop Seed Foundation.
- It supported various civil society organizations including Foodbank, Save the Children, Children's Library, River protection movement, civic groups. It also supported village festivals, concerts, and charity activities for those in need.

4. Conclusion

- iCoop's store sales is positively affecting employment in Daejeon area as well as solving gentrification issues and changing consumers' spending pattern. It also contributes to empower members to participate in education and business, supplying safe food, which is a closely related to the key mission of consumer coop.
- The effect of creating high quality of work following the store operation is considered positively. But the reinforcement of personal development programs and efforts to improve communication seem to be needed for further creation of higher quality jobs. Also it is desirable to establish a program utilizing classrooms or theater that is usually unoccupied during daytime.

- iCoop's store business has created a "new wealth", along with making a better community.
- With the limitations of time and capabilities, this study failed to provide sufficient reasonable evidence that the formation of business district has been influenced by iCoop store. A further research is needed to confirm this finding.