

Building a More Sustainable,

By Erbin Crowell

Imagine what our world could look like if business was driven by our ideals. What if economic success was measured not by market value or much profit generated for investors, but by our ability to provide ourselves with the goods and services we need to live meaningful lives in our communities? What if people around the world saw themselves as the answer to our shared social and economic challenges?

Over the past few years, there has been an exciting dialog around the role of co-operative enterprise in a changing world. In the wake of the global recession, the United Nation declared 2012 the *International Year of Co-ops*, recognizing the resilience of the co-operative business model in times of economic upheaval. Then in 2013, the International Co-operative Alliance (ICA) released its *Blueprint for a Co-operative Decade*, an ambitious document that envisions co-ops as the acknowledged leaders in social and economic sustainability, the business model preferred by people across the globe, and the fastest growing form of enterprise in the world by 2020. In 2014 UN bodies such as the Food and Agriculture Organization (FAO) promoted the important role of co-operatives in building food security for producers and consumers as part of *International Year of Family Farming* celebrations.

All of this attention has created an unprecedented opportunity for building real community ownership, empowerment and sustainability through co-operative enterprise. Across our region and around the world, co-ops have been working together to build on the vision of the *Blueprint*, which focuses on five key priorities: Elevating member participation; positioning co-ops as builders of sustainability; strengthening the Co-operative Identity; ensuring legal frameworks to support growth, and developing sources of capital that support growth while reinforcing member control.

Member ownership is one of the key characteristics that make the co-operative model of enterprise unique. In contrast to sole proprietorships and investor owned businesses, co-operatives are designed to empower their members to meet their own needs and goals. Unlike non-profits and charitable organizations, co-ops are owned by and accountable to their membership — the people who use the business to provide themselves with goods, services and employment. This relationship is a key advantage in a competitive

marketplace where loyalty is an important factor for business success.

Sustainability is both an urgent and complicated issue. And while co-operatives must always push themselves to do more, their basic structure is a powerful tool for addressing challenges of economic instability, social upheaval and global climate change. Because their priority is service to their members rather than maximization of profit, co-ops focus less on growth for its own sake. Scale is matched to member needs rather than being driven by the need to extract profit. In this way, the co-operative model represents a more sustainable form of enterprise over time.

Another area of opportunity is in communicating the co-operative difference to a world hungry for alternatives. Despite the recent interest in co-operative enterprise, there is limited understanding of the model among governments, development organizations, academic institutions, and the general public. The ICA's efforts to raise the profile of the movement and unite co-ops behind a common identity are an exciting shift in the dialog. But it will be up to individual co-ops to make the most of their co-operative identity and move beyond marketing their individual business to promoting the wider co-operative movement. The ICA's promotion of an international co-op marque or logo (see image) and the ".coop" internet domain make it easier for co-ops to communicate their difference, and easier for the public to identify the broader impact of the co-operative movement as a whole.

One of the key areas of opportunity we have now is the explosion of interest in the co-operative business model among community activists and young people. Unfortunately, legal statutes for the incorporation of co-operatives in the United States vary greatly from one state to another, and do not support the development of the full spectrum of co-op sectors. As a result, we are losing a new generation of potential *co-opreneurs* who are instead choosing other business models as vehicles for their creativity. One example of success in this area is the New England Farmers Union's manual "Growing a Food System for the Future," which compiles co-operative statutes for all New England states (download a copy at www.newenglandfarmerunion.org).

Updating co-op statutes in the United States to include all sectors, including relatively new mod-



Co-operative Future Together

els such as multi-stakeholder co-ops, which include combinations of members including producers, workers, and consumers, could open the floodgates for co-operative development in our own country. In Italy, for example, the national co-operative movement advocated for the creation of a whole new legal category — the “social co-operative” — in response to the withdrawal of governments providing of social services. The result has been the establishment of thousands of new businesses empowering people to meet their own needs through member-owned and controlled enterprises.

While we encourage new growth in co-ops, we also need to be careful to defend the integrity of the “co-op” name and legal statutes to ensure that they represent co-operative principles. For example, the Neighboring Food Co-op Association, which represents over 30 food co-ops and start-up initiatives across New England, recently approved a *Resolution on the Co-operative Legal Identity* which promotes enforcement of legal restrictions on the use of the co-op name by entities other than co-operatives as well as the development of new statutes that reinforce “democratic member control, allocation of surplus based on patronage, and limited return on capital.” (For a copy of this resolution, please visit nfca.coop/resolutions.)

Finally, expansion of our movement will require the development of sources of capital that do not compromise member control or the social purpose of co-ops. In this area, a new wave of co-operatives and conversions is demonstrating the potential of organized co-operative capital in fulfilling growth while reinforcing the Co-operative Identity. Food co-ops in our region, such as River Valley Market, Old Creamery Co-op and Brattleboro Food Co-op have been very successful in organizing member loan campaigns to support new growth. Real Pickles, Simple Diaper & Linen and other worker co-ops have used non-voting

investment to convert existing businesses into co-operatives, creating a viable alternative to “selling-out” that retains vital community infrastructure. Individuals can also invest in the Cooperative Fund of New England, celebrating its fortieth anniversary this year, while member co-operatives of the Valley Alliance of Worker Co-ops are pooling their funds to support co-op to co-op investment.

Are co-ops perfect? Of course not. However, co-operative values and principles — including self-help, equality, democracy, education, solidarity and concern for community — reinforce a very different approach to business. For 140 years, co-ops have offered a concrete, participatory, and successful economic alternative that is also more common than one might think. From farmer co-ops to food co-ops, worker co-ops to credit unions, energy co-ops to housing co-ops, co-operatives are locally owned by a billion people worldwide — more than own direct stock in investor owned businesses.

As we consider some of the key challenges of our time, including climate change, economic inequality, and feeding a rapidly expanding global population, co-operative enterprise will continue to a powerful tool for people to meet their own needs and aspirations. The question becomes how co-ops and their members can best use our shared resources to build a better world for future generations. For more information on how you can get involved, visit www.nfca.coop/go.

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