

Co-op Corner: Building Power in Purpose

Erbin Crowell

Co-op Month got off to a great start this October with the 3rd annual Co-op IMPACT Conference, organized by the National Cooperative Business Association, CLUSA International (NCBA). Held in Arlington, VA, the conference brought together more than 400 representatives from credit unions, co-operatives and co-operative associations, non-profit developers, funding organizations, and community groups for three days of panels, workshops, and presentations designed to reenergize the co-operative movement around building the next economy with “Power in Purpose.”

I was honored in my role as chair of the Board of Directors of NCBA to welcome attendees to the conference, noting the purpose that drives and sustains co-operators. Certainly, part of

that purpose is growing successful co-operative enterprises. But we are also driven by a vision for a better world – one that is more equitable, just, and sustainable. And to me, there is great power in this purpose: power to engage, inspire, and empower people to work together to build better lives and communities.



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Conference keynote Felicia Wong, President and CEO of the Roosevelt Institute, emphasized that this is a time of particular opportunity for co-ops to achieve their shared purpose and expand their visibility. “Building an inclusive economy is not just the right thing to do,” she said. “It’s also the smart thing to do.”

Today, Wong asserted, the ideals and principles of co-operation are provoking genuine interest and a “tectonic shift among stakeholder priorities.” In her comments, she pointed to a recent statement from the Business Roundtable, representing some of our country’s largest investor-owned business, that the purpose of corporations should no longer focus solely on maximization of profit for shareholders. Rather, the interests of other stakeholders – consumers, workers, producers, communities, the environment – should also be taken into account.

In the context of increasing international protest over climate change and increasing economic inequalities, a shift from the relentless drive for growth and greater profits is welcome news. A question is whether these statements are more a matter of appealing to growing consumer concern or will result in substantial changes in how corporations operate. It is certainly encouraging that organizations like the Business Roundtable are questioning their priorities. But what may not be questioned is the basic assumption of investor ownership, governance based on who owns the most capital, and a stock market that measures success solely in the growth of share value.

As Alex Gorsky, CEO of Johnson & Johnson and Chair of the Business Roundtable Corporate Governance Committee, stated in a LinkedIn post, the Roundtable “has always maintained that investing in employees and communities is an essential part of generating value for shareholders.” In other words, social and environmental responsibility is increasingly seen as relevant — but primarily as a tool for increasing share value.

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Still, in his comments to attendees at the Co-op IMPACT conference, NCBA President and CEO Doug O'Brien proposed that the co-operative community should recognize this shift as "an invitation to be part of the larger conversation."

The co-op movement can use this dialog to influence mainstream enterprise by its example. Organized around the interests of the people who use the business to meet their needs and goals rather than those of investors, co-operatives offer a business model with a proven track record going back at least 175 years. In demonstrating the viability of a democratic economic alternative to business as usual, co-ops can contribute to efforts to change the way corporations operate.

The co-operative movement can also take advantage of this opportunity to the grow. Historically, it has been in times of social change that co-ops have grown dramatically, expanding into new areas of the economy. Amid growing calls for more sustainable ways of doing business, co-operatives can win over more consumers. Entrepreneurs can be encouraged to become "co-opreneurs," using the co-op model as a tool to achieve their dreams. And policymakers can be engaged in a deeper understanding of the impact of co-operatives and credit unions as tools for sustainable local development that is rooted in the community.

In his keynote, Martin Chrisney, Senior Director of the multinational professional services firm KPMG International, presented the seemingly overwhelming challenges presented by climate change, automation, and economic inequality. But he also noted the key role identified for co-operatives in achieving the United Nations Sustainable Development Goals. Appropriately, this year's Co-op IMPACT Conference included a full day of international programming, featuring tracks on Sustainability & Self-Reliance, Stability and Innovations in Co-operative Development.

The NCBA Board of Directors also met during the conference, approving a resolution restating the organization's commitment to its vision for a more inclusive economy, and supporting "efforts to ensure that diversity, equity and inclusion are clearly understood and enacted priorities within our shared Co-operative Values and Principles." Looking forward, an international dialog is growing around these issues and how co-ops and credit unions can communicate their core difference at a time of intense economic, social, and ecological change.

This winter, the international co-operative movement will also be taking a look back 175 years to a similar

period of upheaval brought on by the Industrial Revolution. On December 21, 1844, a group of unemployed weavers and community activists opened a humble grocery store in the north of England at a time of mass unemployment and hardship. Offering basic goods such as oatmeal, butter and candles, the co-op did not seem at first to warrant much attention. However, while the Rochdale Society of Equitable Pioneers was not the first co-operative, it established what became known as the Co-operative Principles, inspiring people around the world with a message of economic democracy, self-help, and solidarity — a message that continues to ring true today.

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