

CO-OPERATIVE LEADERS NEED TO LEAD THE WAY ON GLOBAL AND LOCAL SDG ADOPTION



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Executive Summary

Co-operative industry associations must implement policies that encourage co-operatives to embrace the SDGs in a way that reflects the co-operative difference. Reporting on the SDGs in the context of the seven principles enables co-operatives to illustrate their difference from investor-owned businesses (IOB) who are increasingly reporting on SDG performance. The brief includes key recommendations that are critical in facilitating co-operatives' adoption of the SDGs and in reporting their performance relative to the SDGs and the seven principles.

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This briefing gives the views of the author, not the position of the London School of Economics and Political Science or Loughborough University

Introduction

The SDGs are not merely an opportunity to trumpet how a government, business, organization or co-operative is contributing to sustainable development - a soundbite, a promo moment. When reflected on, embraced and implemented in a critical and meaningful manner the opportunity for a better understanding of impact and drive for positive change can be very real. There is a tremendous need to improve co-operatives' awareness of the SDGs and to encourage the co-operative sector to implement and report based on the SDGs. To help co-operatives better understand their impact in terms of the SDGs, various co-operative industry associations should promote not only adopting SDG initiatives, but also champion a framework to design, measure and report on the co-operative sector's SDG impact. Accountability is enhanced when co-operatives compare their SDG performance to their peers.



The International Co-operative Alliance's (ICA) Statement on the Co-operative Identity includes a commonly held definition for co-operatives being "an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise" (ICA, n/a). In order to put this definition into practice, co-operatives also embrace seven principles including: voluntary and open membership; democratic member control; autonomy and independence; education, training and information; co-operation among co-operatives; and concern for community. These principles are enshrined through incorporation and via the co-operatives' bylaws.

To support this call, together with 16 co-operative participants, we have developed a SDG indicators framework that can be used by co-operative associations and co-operatives to promote SDG adoption to their members.

Findings

Co-operatives have an opportunity to demonstrate their unique difference from other types of business enterprises through their non-financial performance reporting. Firstly, co-operatives can report on the extent to which they have operationalized the seven principles of co-operatives and secondly, they can report on their performance relative to the United Nations SDGs. Thirdly, we argue that, in order to better distinguish themselves from investor-owned businesses (IOBs), when measuring their SDG performance, co-operatives can consider linking the SDGs to the seven principles, whenever feasible. Indeed, we contend that reporting on SDGs in isolation of the seven principles does not contribute to demonstrating the co-operative difference.

Starting with a list of 470 potential SDG metrics, the research team narrowed down the list to 50 metrics which were then evaluated by the project participants using four criteria: importance for stakeholders, feasibility, relativity to other metrics or indicators, and sector specificity. The participating co-operatives identified the following 20 metrics which met the four criteria.

	Metric	Indicator	SDG	Co-op Principle
1	How many members withdrew their membership in your most recently completed fiscal year?	Participation	8,16	1,2,3
2	How many members attended the AGM?	Participation, Transparency	10,16	2
3	Does your co-op share information?	Transparency	8,9,10,11,12, 13,16	5,7
4	Does your co-op/mutual receive donated services or capital goods that helps its existence?	Independence, Collaboration	16,17	4, 6
5	Has your co-op issued shares to non-members?	Independence, Economic equality and equity	1, 16	3,4
6	How was the surplus distributed at the end of the last fiscal year?	Economic equality and equity	1,10,11,16	3
7	How many employees (FTE) in each of these categories?	Equality and equity	8,10	N/A
8	How many people are in each of the following diversity categories?	Equality and equity	5,8,10,16	1,2
9	What is the annual remuneration of the highest paid (FTE) employee and the lowest paid (FTE) employee, including bonuses and other benefits?	Equality and equity	8,10	N/A
10	Does your co-op provide benefits to your employees?	Decent workplaces	3, 8,10, 11,16	N/A
11	Does your co-operative produce goods?	Responsible production	12	7
12	How many co-ops does your co-op work with?	Collaboration	9,11,17	6
13	How much money is spent on education and training in your co-op?	Lifelong learning	4,8	5
14	How many employees and managers are recruited locally for the co-op's major operating sites?	Local economic development and stability	8,11,16	7
15	Does your co-op have a sustainable procurement policy?	Local economic development and stability, Responsible production, Environmental sustainability	11,12	7
16	Does your co-op have a Greenhouse Gas inventory?	Environmental sustainability	7,9,11,13	7
17	Does your co-op work to reduce its energy consumption?	Environmental sustainability	7,9,11,13	7
18	Does your co-op work to reduce its water consumption?	Environmental sustainability	6,14	7
19	Does your co-op work to divert its waste?	Environmental sustainability	11,12, 15	7
20	How much does your co-op donate to other activities that support SDGs?	Sustainability	11	7

Table 1: Metrics with linkages to SDGs and Co-operative Principles

As depicted in Table 2, the most commonly aligned SDG is SDG 11, followed by SDG 16, and SDG 8. This is not surprising given the values that are associated with co-operatives. Also given the universal application intention of this framework and selection criteria for the participants to select metrics, it is not surprising that more specific SDGs like SDG 2, 3, 4, 5, 6, 14, and 15 are not more present.

SDG#	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Total	2	0	1	1	1	1	2	8	4	7	10	4	3	1	1	9	2

Table 2: SDGs represented in the 20 metrics

Table 3 illustrates the alignment of the co-operative principles to the 20 metrics. All principles can be reported on by the selected metrics and with good coverage.

Co-operative Principles	1	2	3	4	5	6	7
Total	2	3	3	2	2	2	9

Table 3: Co-operative Principles represented in the 20 metrics

The correlation between the SDGs and co-operative principles highlighted the deficiency in the principles around decent work and workplaces. All but three metrics selected by participants can be linked to one or more of the seven principles. SDG 8, is not reflected in the seven principles even when stretching our understanding of the principles. This is concerning since most co-operatives are associated, correctly or incorrectly, with providing reasonable wages and good working conditions.

Overall, there was a tendency to use Principle 7, Concern for Community, as a catch-all category for SDGs. Because the co-operative principles do not explicitly discuss the environment, P7 became the landing place for environmental sustainability metrics.

Implications

What does the development and implementation of co-operative specific SDG framework for measuring and reporting co-operatives' impact offer? While most of the participants had a high-medium level awareness of the SDGs, there is an opportunity for a streamline measurement and reporting framework to be taken up by the co-operative sector. This is especially the case for small to medium-sized co-operatives that do not have the resources to develop a framework to report on their SDG performance. This framework is the foundation for a data gathering system for co-operatives to collect and report on their SDG performance data, thus creating benchmarks within the co-operative sector.

Recommendations

- Development of an online webtool to facilitate data collection for co-operatives to allow them to better understand and communicate their SDG impact, compare against their peers, and foster performance benchmarking.
- Co-operative sector associations should implement policies that support awareness raising and adoption of the SDGs by the co-operative sector.
- The ICA should consider reflecting environmental sustainability in a more meaningful way. The 'catch-all' Principle 7 does not do justice to the dire need to assess impact on the planet.
- The ICA should address the lack of a principle reflecting decent work. Such a principle would allow for co-operatives to embrace the creation and celebration of workplaces that are fair, safe and just for employees.
- Co-operative sector associations should formally adopt a co-operative performance framework that includes the SDGs and the seven principles.

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