

# Are co-operatives transformative, or just businesses?

By Sonja Novkovic

International Centre for Co-operative Management  
Sobey School of Business  
Saint Mary's University (Halifax, Canada)

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**International Centre for Co-operative Management  
Sobeys School of Business, Saint Mary's University**

University, 923 Robie Street  
Sobey Building, Room 330  
Halifax, Nova Scotia  
Canada B3H 3C3

**Editors:**

Prof. Sonja Novkovic, Academic Director, ICCM  
[snovkovic@smu.ca](mailto:snovkovic@smu.ca)

Karen Miner, Managing Director, ICCM  
[karen.miner@smu.ca](mailto:karen.miner@smu.ca)

**Editorial support:**

Cian McMahon, Research Fellow, ICCM  
[cian.mcmahon@smu.ca](mailto:cian.mcmahon@smu.ca)

Rosa Poirier-McKiggan, Program Assistant, ICCM  
[rosa.poirier-mckiggan@smu.ca](mailto:rosa.poirier-mckiggan@smu.ca)



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Businesses are embedded in society and in the natural environment. Their economic decisions, therefore, are bound to generate some impact beyond the economic. The most obvious social impact relates to the labour force: the treatment of workers, working conditions, level of pay, income differentials in the organization, layoffs and restructuring via labour adjustments all influence peoples' lives outside the firm, and affect their families and communities. The increasing separation of 'the economic' from 'the social' and the environment in economics and business has resulted in huge externalities, i.e. socialization of costs in the form of increasing societal disparities, income inequality and social injustice. If we add the destruction of natural resources, the picture is clear: businesses can no longer afford to ignore their social and environmental impact.

Resulting from negative externalities accompanying economic activity, we have been witnessing calls for impact investment and transparency in accounting and reporting of social and ecological impacts to a wide community of stakeholders. The findings of the Bruntland Commission in the 1987 report,<sup>1</sup> and requests for sustainable business practices, gave impetus to the development of global reporting standards such as SA8000, ISO26000, ISO 14001,<sup>2</sup> the Global Reporting Initiative (GRI), as well as Corporate Social Responsibility accounting and reporting. Impact investing<sup>3</sup> and use of metrics to screen investments for environmental, social and governance effects has also seen dramatic increase.<sup>4</sup>

These trends have been accompanied by unprecedented growth of social enterprises in the past few decades, including cooperatives, since they internalize the externalities or have specific social aims, such as integration of the marginalized populations into the labour force, for examples.

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<sup>1</sup> The Bruntland Commission 1987 *Our Common Future*. Oxford University Press

<sup>2</sup> SA8000- certification standard for socially acceptable practices in the workplace; ISO26000 – guidance on social responsibility; ISO 14001-environmental management standard.

<sup>3</sup> <https://thegiin.org/>

<sup>4</sup> <https://www.msci.com/esg-investing>

<sup>5</sup> Novkovic, Sonja 2006. Co-operative business: The role of co-operative principles and values. *Journal of Co-operative Studies*. 39,1:15-16

Cooperatives are ubiquitous; as self-help organizations, they address the needs of their members. There is mounting evidence that they also impress positive impact on their communities.<sup>6</sup> But cooperatives function in an economy built on neoliberal policies, capital ownership and control, and by the institutions that support this economic paradigm, including the systems of accounting. They are therefore exposed to isomorphism<sup>7</sup>, i.e. their behavior can become similar to other companies.<sup>8</sup> As other organizations, cooperatives generate social (and environmental) impacts through their products and services; their operations; or their investments.<sup>9</sup> To what extent they use their Cooperative Identity (International Cooperative Alliance (ICA) 1995), compared to what extent they bend under capitalist market pressure, determines whether they contribute to the problems, or to the solutions.

Global attempts to redirect the outcomes of economic activity include efforts in sustainability accounting and reporting such as the Global Reporting Initiative (GRI), as well as benchmarking through the UN-lead Millennium Development Goals (MDGs), and ensuing Sustainable Development Goals (SDGs). Indicators and measures of progress are proposed at the macroeconomic level and reflect the backlash at the use of the Gross Domestic Product (GDP) as a measure of progress.<sup>10</sup> The Human Development Index (HDI) for example, has been composed and reported by the United Nations Development Program since 1990, to include health and education measures besides income.<sup>11</sup>

Cooperatives are known to be important contributors to these efforts. The cooperative movement is a partner in sustainable development and poverty alleviation, since cooperatives are self-help initiatives. The United Nations and the International Labour Organization recognized the cooperative model as a major contributor to human development, and have been promoting

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<sup>6</sup> Novkovic Sonja and Jessica Gordon Nembhard 2017. The social impact of cooperatives. The cooperative business journal. Fall issue, September, NCBA Washington DC: 12-22.

<sup>7</sup> DiMaggio, P.J. and Powell, W.W. 1983. The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American sociological review* 48 (2): 147-160.

<sup>8</sup> Cooperatives are not all made equal; their purpose varies according to member needs and interests. We elaborate on this point below. They are also impacted by the stage in their lifecycle and the ability to reinvent themselves by going back to their roots. Cote discusses this at length within the New Cooperative Paradigm model (Cote, Daniel 2018. *La gestion coopérative : un modèle performant face aux défis de l'avenir*. JFD Editions, Montreal).

<sup>9</sup> Epstein, Mark and Kristi Yuthas 2014. *Measuring and Improving Social Impacts: A Guide for Nonprofits, Companies, and Impact Investors*. Berrett Koehler publishers, San Francisco

<sup>10</sup> For example, the Social Progress Index <https://www.socialprogressindex.com/>

<sup>11</sup> Later modifications include gender and inequality adjustments.

cooperatives as a business model fit for delivery of the MDGs<sup>12</sup> and the SDGs.<sup>13</sup> The Inclusive Economy framework by The Rockefeller Foundation is another model that highlights the importance of setting common benchmarks and indicators to achieve well-being for all. Cooperatives are a business model that can deliver inclusivity, by their very nature.<sup>14</sup>

One can question whether these are necessarily “game changing” ideas in the sense that the economy is still organized and incentivized in the same way. These initiatives improved some outcomes in critically important ways—over the past 20 years global poverty fell dramatically, child mortality rates declined,<sup>15</sup> but they fell flat on changing the source of wealth creation and economic incentives, and can therefore hardly be expected to produce transformative changes fast enough, or reach deep enough, given the sense of urgency regarding the effects of climate change and worsening social disparities.

At the same time, new conceptualizations of the global economy have also been emerging. They include the disruptive technology-driven paradigms, such as the post-capitalist society,<sup>16</sup> the third industrial revolution,<sup>17</sup> or platform capitalism.<sup>18</sup> Further, visions of new economic paradigms have been evolving, with aim to influence transformational change in business culture, economic theory and worldview. Such holistic conceptualizations include the Circular Economy paradigm,<sup>19</sup> and the Economy for the Common Good (ECG). The former is imagining a different flow of economic transactions for a sustainable planet and society, while the latter shifts the thinking around the purpose of economic activity and offers indicators to measure progress. I believe both can assist cooperative leaders to imagine what is possible with this business model.

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<sup>12</sup> Birchall, Johnston 2004 Cooperatives and the Millennium Development Goals. International Labour organization, Geneva

<sup>13</sup> Wanyama, Frederic 2014 Cooperatives and the Sustainable Development Goals: A contribution to the post-2015 development debate. International Labour Organization, Geneva

<sup>14</sup> see Doug O’Brien 2017 The Inclusive Economy: Powered by co-ops. The cooperative business journal, Summer, NCBA Washington DC: 4-11.

<sup>15</sup> <https://www.theguardian.com/global-development/datablog/2015/jul/06/what-millennium-development-goals-achieved-mdgs>

<sup>16</sup> Mason, Paul 2015 PostCapitalism: A Guide to Our Future. Allen Lane publisher

<sup>17</sup> Riffkin, Jeremy 2011. The Third Industrial Revolution: How Lateral Power is Transforming Energy, the Economy, and the World. Palgrave McMillan

<sup>18</sup> Srnicek, Nick 2016. Platform Capitalism. Polity

<sup>19</sup> The Regenerative Economy paradigm (Fullerton 2015) is also worth noting. It is treated here together with the Circular Economy due to significant overlaps. The Regenerative Economy, however, features cooperatives more prominently, particularly in the financial sphere.

## The circular economy

The circular economy paradigm proposes an economy that is restorative and regenerative by design, replacing the current linear economic system based on extraction, production, consumption and waste (or, the “take-make-use-dispose” model). The circular economy, instead, is about reusing the products, their components and materials in perpetual cycles, and designing products for reuse in the first place. This also implies an increasing reliance on services, rather than production, in order to repair or reframe the products and extend the lifecycle of materials used. Biomimicry—the process of creating human structures and materials by emulating nature's patterns and strategies—is the approach to innovations in industrial design, architecture, materials, and many other fields. Biological outputs are also fully utilized, aiming for zero waste. Crops not used for human consumption become fuel, or compost, for reuse in the next cycle.<sup>20</sup>

“The circular economy tends to internalize costs and in so doing transforms them into benefits—long lasting, safe products, easily upgradeable, without end-of-life issues and using materials which do not become waste, but which are food for the manufacturer or other firms.”<sup>21</sup>

The proposed circular economy model is a consolidation of various schools of thought developed since the late 1970s<sup>22</sup> focusing mainly on the planetary boundaries and sustainability. The circular economy contains three key principles (see Figure 1):

- **Principle 1** Preserve and enhance natural capital by controlling finite stocks and balancing renewable resource flows
- **Principle 2** Optimize resource yields by circulating products, components and materials at the highest utility at all times in both technical and biological cycles.
- **Principle 3** Foster system effectiveness by revealing and designing out negative externalities

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<sup>20</sup> EMF 2015 Towards a Circular Economy: Business rationale for an accelerated transition. The Ellen McArthur Foundation

<sup>21</sup> Webster, Ken 2017. The Circular Economy: A Wealth of Flows. Ellen McArthur Foundation:47

<sup>22</sup>Including the “cradle to cradle” design philosophy (McDonough and Braungart); biomimicry (Benyus); the industrial ecology (Lifset and Graedel); natural capitalism (Hawken, Lovins and Lovins); the blue economy systems approach (Pauli); Permaculture (Mollison&Holmgren). See the Ellen McArthur Foundation <https://www.ellenmacarthurfoundation.org/circular-economy/schools-of-thought/cradle2cradle>

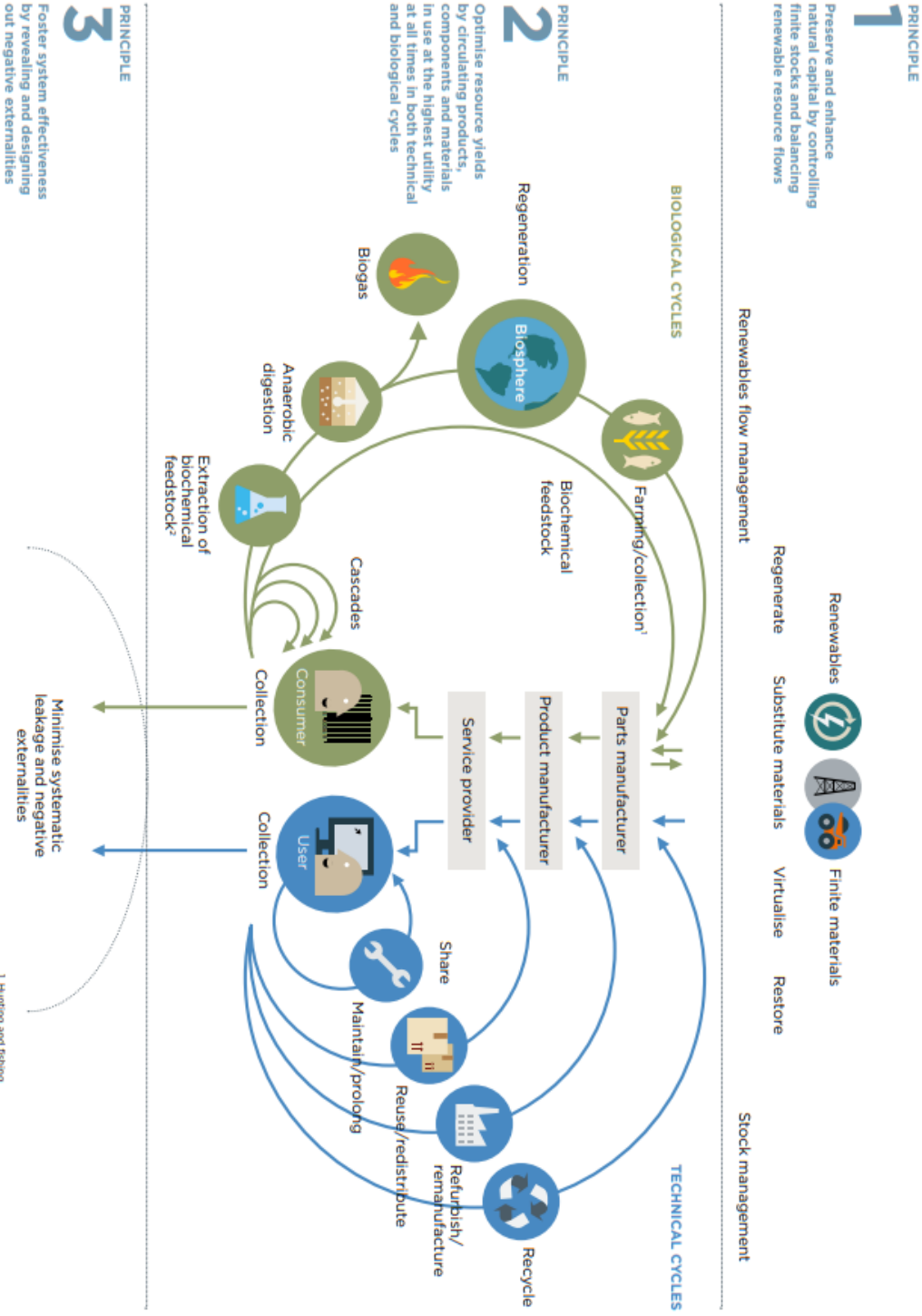


Figure 1. The Ellen MacArthur Foundation 2015, p.6

The 2015 report by the Ellen MacArthur Foundation<sup>23</sup> identifies the building blocks necessary to foster a more circular economy.

1. Circular product design and production; restorative and regenerative by design. The recovery of materials and products is not only addressed at the end of use, but built in the design.
2. New business models that move from ownership to performance-based payment models, i.e. prioritize access over ownership.<sup>24</sup> This enables a shift from “consumers” to “users.”
3. Reverse cycle. To create value from materials and products after their use, they need to be collected and returned. Reverse logistics and treatment methods allow those materials to reenter the market.
4. Enablers and favorable systems
  - a. **Education** Creates the skill base for circular innovation; systems thinking
  - b. **Financing** Requires access to capital and R&D; a stable regulatory environment and government support for transition from linear to circular model
  - c. **Collaborative platforms** Cross-chain and cross-sector collaboration is paramount for a circular system
  - d. **A New economic framework** Includes shifting fiscal incentives from resources to labour; modifying flow-based metrics such as GDP with measures of the stock of assets; adequately pricing key externalities, etc.

The Ellen MacArthur Foundation report highlights the opportunities of the circular economy model, spanning from firms, to citizens and the overall system.<sup>25</sup> Overall, they include reduced emissions and primary material consumption, improved land productivity and reduction in negative externalities. Firms benefit from increasing profits; stability of supply and increased demand for services, and therefore improved resilience. Citizens gain from more choice, lower

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<sup>23</sup> [https://www.ellenmacarthurfoundation.org/assets/downloads/TCE\\_Ellen-MacArthur-Foundation\\_9-Dec-2015.pdf](https://www.ellenmacarthurfoundation.org/assets/downloads/TCE_Ellen-MacArthur-Foundation_9-Dec-2015.pdf)

<sup>24</sup> Authors note that incumbent firms with “significant market share and capabilities along several vertical steps of the linear value chain could play a major role in driving circularity into the mainstream by leveraging their scale and vertical integration.” This is exacerbating the monopoly structure of the current economy.

<sup>25</sup> EMF 2015



prices and reduced obsolescence (lower costs of ownership of consumer durables), while the economy benefits from improved economic growth, material cost savings, employment opportunities and innovation.<sup>26</sup>

The Circular economy paradigm is embedded in the principles of the **Regenerative Economy** as well.<sup>27</sup> The two concepts share many tenets, along with a vision of a sustainable economic system designed to last. Fullerton pays particular attention to the financial industry where concentration of money and power with self-generating monetary returns has created system-wide instability. Corporations are reducing the circulation of money by share buy-backs and speculation,<sup>28</sup> instead of reinvesting in research and development, businesses and people. Therefore, to fuel the circular/regenerative economy, Fullerton advocates local institutions financing the real economy<sup>29</sup> such as community banks, credit unions and loan funds. The model also advocates for the use of complementary, local currencies to boost the real economy, avoid debt and reinforce cooperative social networks.<sup>30</sup>

“A new Regenerative Economy is emergent, and it is the mainstream capitalist system that is under existential threat if it does not adapt.” (Fullerton 2015 p82)

“A surge in new products and sharing platforms shows that circular models of value creation do exist in pockets of the economy. The challenge now is to scale this activity to create system-level change.” (EMF 2015)

## The Economy for the Common Good

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<sup>26</sup> ..[Circular economy proponents show that changing the] “take-make-waste” system of material flow to a circular “reclaim, recycle, remanufacture, regenerate” design can help boost business vitality, community health, and profits all at the same time “ (Fullerton 2015 p 71)

<sup>27</sup> Fullerton 2015 Regenerative capitalism: How Universal Principles And Patterns Will Shape Our New Economy. Capital Institute, US . <http://capitalinstitute.org/wp-content/uploads/2015/04/2015-Regenerative-Capitalism-4-20-15-final.pdf>

<sup>28</sup> Lazonick, William 2014 Profits Without Prosperity. Harvard Business Review 92.9: 46-55

<sup>29</sup> “The real economy relates to economic activities that generate goods and services as opposed to a financial economy that is concerned exclusively with activities in the financial markets.” *Global Alliance for Banking on Values* <http://www.gabv.org/>

<sup>30</sup> Fullerton 2015, Webster 2017

The Economy for the Common Good (ECG) originated with a small group of firms and supporters in Vienna, Austria.<sup>31</sup> The idea rests on revisiting the purpose of an economy, shifting from the neoclassical economic paradigm built on monetary incentives (personal gain and return on investment), to serving the “common good,” an idea already embedded in many national constitutions. The model has spread in Europe considerably since its inception, particularly among the values-based businesses. The difference between this and other emerging paradigms is that it lays out the principles for an economy that aligns with human values and democratic institutions; it defines the business purpose to be promoting common good instead of maximizing profit and, importantly, proposes ways to incentivise this objective. An integral part of the ECG paradigm is the matching measures of success and failure, compiled in a Common Good Balance Sheet.


The ECG integrates the values of human dignity, human rights and ecological responsibility into day-to-day business practice.<sup>32</sup> The Common Good Matrix specifies indicators that track the impact of a business on various stakeholders through the lens of five values: human dignity; solidarity and social justice; environmental sustainability; and transparency and co-determination<sup>33</sup> (Fig 2 below). The stakeholders are suppliers, owners, employees, customers and the environment.

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<sup>31</sup> Felber, Christian 2015. *Change everything: An economy for the common good*. Zed books, London

<sup>32</sup> Felber, Christian and Gus Hagelberg 2017. *The Economy for Common Good: A Workable, Transformative Ethics-Based Alternative*. Democracy Collaborative <https://thenextsystem.org/sites/default/files/2017-08/FelberHagelberg.pdf>

<sup>33</sup> Co-determination is a term describing shared decision-making, including the employees. Most often the term reflects representation of workers on boards of directors.



**ECONOMY**  
FOR THE COMMON GOOD  
An economic model for the future

### COMMON GOOD MATRIX 5.0

VALUE	HUMAN DIGNITY	SOLIDARITY AND SOCIAL JUSTICE	ENVIRONMENTAL SUSTAINABILITY	TRANSPARENCY AND CO-DETERMINATION
STAKEHOLDER				
<b>A: SUPPLIERS</b>	A1 Human dignity in the supply chain	A2 Solidarity and social justice in the supply chain	A3 Environmental sustainability in the supply chain	A4 Transparency and co-determination in the supply chain
<b>B: OWNERS, EQUITY AND FINANCIAL SERVICE PROVIDERS</b>	B1 Ethical position in relation to financial resources	B2 Social position in relation to financial resources	B3 Use of funds in relation to social and environmental impacts	B4 Ownership and co-determination
<b>C: EMPLOYEES, INCLUDING CO-WORKING EMPLOYERS</b>	C1 Human dignity in the workplace and working environment	C2 Self-determined working arrangements	C3 Environmentally-friendly behaviour of staff	C4 Co-determination and transparency within the organisation
<b>D: CUSTOMERS AND OTHER COMPANIES</b>	D1 Ethical customer relations	D2 Cooperation and solidarity with other companies	D3 Impact on the environment of the use and disposal of products and services	D4 Customer participation and product transparency
<b>E: SOCIAL ENVIRONMENT</b>	E1 Purpose of products and services and their effects on society	E2 Contribution to the community	E3 Reduction of environmental impact	E4 Social co-determination and transparency

Source: ECG Balance Sheet workbook

[https://www.ecogood.org/media/filer\\_public/5d/4d/5d4d17bc-156b-44ec-9115-fe6b37c63187/ecg\\_compact\\_balance\\_sheet\\_workbook.pdf](https://www.ecogood.org/media/filer_public/5d/4d/5d4d17bc-156b-44ec-9115-fe6b37c63187/ecg_compact_balance_sheet_workbook.pdf)

The Matrix provides the basis for a Common Good Balance Sheet, and the Common Good Report.<sup>34</sup> The ECG framework envisions external auditing, publication of the report and a certification system, as well as public policy frameworks that would reward businesses for the implementation of these universal values.

### Cooperatives and the new economy

Cooperatives form an integral part of these emerging economic paradigms. Since their beginnings, they have been advocates for social justice, economic equity and equality and solidarity. These values are their *raison d'être*. However, they have not always been externally focused through their lifecycle, nor were their members aware of some of the externalities they

<sup>34</sup> ECG Balance Sheet workbook [https://www.ecogood.org/media/filer\\_public/5d/4d/5d4d17bc-156b-44ec-9115-fe6b37c63187/ecg\\_compact\\_balance\\_sheet\\_workbook.pdf](https://www.ecogood.org/media/filer_public/5d/4d/5d4d17bc-156b-44ec-9115-fe6b37c63187/ecg_compact_balance_sheet_workbook.pdf)

could have addressed. Depending on the purpose of a cooperative, they may also have diverse worldviews. We first address the difference between member motivations to join a cooperative. This sets the stage for a discussion about the potential impact of cooperatives within the newly emerging economic paradigms.

Why cooperatives? The vast literature on cooperative enterprises talks about reasons for their entry.<sup>35</sup> Market failure and/or government failure is one important reason for the formation of cooperatives as self-help organizations. This covers a lot of ground: market failure includes cases of market power, such as monopoly or monopsony markets; externalities brought on by economic activity; and a lack of access to goods or services because their provision is not profitable enough and therefore not provided by investor owned businesses, and/or not provided by the government. At the heart of these reasons for entry lies economic injustice, or a lack of access to markets. We can call this Type 1.<sup>36</sup>

The other side of the argument focuses on social and environmental justice as the reason for cooperative entry.<sup>37</sup> Cooperatives are a deliberate choice of numerous groups of people disillusioned by the outcomes and negative impacts of the dominant investor-driven economic paradigm, who are searching for a business model that fits their values. This is true in case of organic food cooperatives producing or selling healthy food, and attempting to change the food distribution channels to support local communities. This is also the case with environmental activists organizing as consultants, producers or consumers; renewable energy providers curbing the carbon economy; ethical banking participants fighting corruption within the financial system; cooperative housing providers to marginalized communities; or members of construction cooperatives building affordable, energy-efficient housing. In all these cases, cooperatives are entering the market to change the economic paradigm and make a difference in how goods and services are produced, powered, consumed, traded and disposed of. It is not necessarily about a lack of access to a good/service, or its price, but the concern that the system is not socially or environmentally sustainable or equitable, and that it needs to change. These are Type 2 cooperatives.

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<sup>35</sup> Zamagni, Stefano and Vera Zamagni 2010. *Cooperative Enterprise: Facing the Challenge of Globalization*. Cheltenham, UK & Northampton, MA: Edward Elgar.

<sup>36</sup> defensive; demand side reasons for entry, according to Zamagni&Zamagni.

<sup>37</sup> pro-active; the supply side

Clarity about the purpose of a cooperative may shed light on its transformative nature. While Type 2 cooperatives are transformative businesses changing the purpose of economic activity, Type 1 need not be. The extent of their positive social impact through products/services, operations and investments will depend on the adherence to the Cooperative Principles and values. One can still argue that there is something inherent in every cooperative that makes this business model fit for the emerging economic paradigms. Humanistic orientation, joint ownership and control and democratic decision-making<sup>38</sup> are features that often give cooperatives the label of an “alternative business model.”

## **Circular economy, the Economy for the common good, and the cooperative business**

*The circular economy* provides the blueprint for a sustainable economy, living within the planetary boundaries. Implementing this model will take a massive transition from the “take-make-use-dispose” linear economy, to a regenerative system. The proponents argue that large multinational monopolies with adequate resources will be more readily able to adopt the circular design.

There is also a need for small local circular loops where cooperatives would have an advantage.<sup>39</sup> Cooperation among cooperatives (Principle 6) is one way to get different types of cooperatives interconnected. The sharing of tools and resources, along with a shift to services envisioned by the Circular Economy model, is already a practice in many cooperatives. Machinery rings in agriculture<sup>40</sup> are one such example; bicycle-repair cooperatives are another.<sup>41</sup>

The circular economy paradigm relies on financial incentives to move companies into the renewable and regenerative design, and in that sense it is difficult to envision social transformation, or a shift in power structure. While its reframing of the economy is quite radical, and exciting, the way to see it happen resorts to the same avenues the current neoliberal model is practicing. Needless to say, if firms cannot make a living, they will not survive. Profit as a goal

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<sup>38</sup> Novkovic, Sonja and Karen Miner 2015. Introduction in Novkovic, Sonja and Karen Miner (eds.) 2015. Co-operative Governance Fit to Build Resilience in the Face of Complexity. International Co-operative Alliance. Brussels

<sup>39</sup> <https://pennotec.com/local-co-operatives-can-lead-the-circular-economy/>

<sup>40</sup> <https://sastak.com/about-us/what-is-a-machinery-ring/>

<sup>41</sup> <https://www.theguardian.com/lifeandstyle/bike-blog/2014/sep/02/how-to-set-up-a-bike-repair-cooperative>

will attract businesses to the new project, but will not change the root cause of social issues we currently observe—corporate power, income inequality, poorly paid labor and exploitative relations. It seems to me that cooperative leaders can draw inspiration from the circular economy/regenerative economy paradigm in deciding which projects are sound, in that they fit the vision of an economy designed to “reclaim, recycle, remanufacture, regenerate” rather than “take-make-use-dispose,” regardless of the industry they are in.

*The Economy for the Common Good* on the other hand is values-based and its premises, therefore, are a perfect match for cooperatives motivated by social justice, equity, equality and solidarity. The Common Good Matrix provides a tool to assess the impact—both positive and negative—on suppliers, member-owners, workers, consumers and the environment. It is an assessment of all points of impact, so all cooperatives can benefit greatly from use of such a tool<sup>42</sup> in order to understand what positive and negative outcomes their operations may generate; the tool allows for different degrees of compliance so progress can be tracked and measured.

Type 2 cooperatives are likely to perform well on all “common good” dimensions—human dignity, solidarity/social justice, sustainability and codetermination. The indicators also include negative impacts such as abuse of market power toward suppliers, or unfair income distribution, unfair employment contracts, unethical products/services, tax avoidance and other potential abuses and unethical practices toward the stakeholders, reinforcing the idea that the purpose of business is common good and not just benefit to owners of the business, whether investors or member-users.

## **Concluding remarks**

Disastrous social and environmental consequences of 20th century capitalism have given rise to new visions and new forms of organizing the economy. Among them two stand out for their blueprints: to reimagine the economy as one that can thrive within the planetary boundaries (The Circular Economy); and produce measures of progress and policies that will pursue the common good (Economy for the Common Good). Each has its own radical contributions—the former is proposing a different flow of economic transactions for a sustainable planet and society, while

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<sup>42</sup> The Cooperative for Ethical Finance in Croatia is using the ECG matrix indicators and scoring system to assess projects in need of finance. A minimum number of points is required to be considered for funding. The projects are then offered to members for crowd funding, with the difference, if any, provided by the cooperative (Jeras 2018)

the latter shifts the thinking around the purpose of economic activity. Each offers a transformative way to organize the economy, but The Circular Economy framework continues to rely on large corporations and profit incentive to redesign the use of material inputs. The Economy for the Common Good, on the other hand, offers a set of indicators accompanied by an accounting and reporting framework to shift the purpose of business operations. It calls for regulatory frameworks to incentivize ethical behavior and increase the common good.

Cooperatives are at the heart of the ECG model, when their purpose is to transform the existing economic relations, break the existing distribution channels (or ownership structures) that cause negative externalities, social injustice and unethical practices. These are the proactive cooperatives. On the other hand, some cooperatives may form purely for the financial benefit of their members, or may be facing isomorphism. They could benefit from the vision of redesign in The Circular Economy, as well as the ECG accounting framework to reframe their purpose, change their operations, or modify their products, services and investments to align with cooperative values (ICA1995).

Cooperatives have had a different purpose throughout their history, namely to meet their members' needs. However, transformations required in modern society also challenge cooperatives to lead the way towards satisfying the future needs of their members, embedded in society and the environment. They can do that by applying the principles of cooperation to build circular networks, support the emerging cooperatives and ethical investments, and lobby for policies promoting human dignity, social justice, sustainability and economic democracy.