

Co-ops and Social Accounting

Andrius Ragainis

March 30, 2015



Agenda

- Definitions
- The Problem
- Importance of Research
- Description of Research
- Potential Obstacles for Social Accounting (SA)
- Examples of SA systems
- Sample Survey Questions

Social Accounting

- **Definition (1):**
“A Range of efforts to systematically track and report on social and environmental performance” (Brown, Hicks in Mook ed. 86).
- **Results in these reports:** accountability reports, sustainability reports, social audit reports, triple bottom line reports, social performance reports, and CSR reports
- **Includes a variety of alt. accounting models:** expanded value added accounting, environmental accounting, sustainability accounting (Mook 7).

Social Accounting

- **Definition (2):**

Type of accounting that “expands the range of criteria taken into consideration when measuring performance in the context of an organization’s environment, both social and natural. It typically highlights economic, social, and environmental factors, and is intended for a broad audience” (Mook 5).

The Problem

- Co-ops seem hesitant to implement SA, even though SA is apt for them
- Reasons for low implementation not well researched
- Motivations/expectations for implementation not well researched
- Co-ops can drift away from co-op principles

Importance of Research

- May introduce some co-ops to SA (risks/opportunities)
- May encourage co-ops to enhance accountability to stakeholders
- Learn about possible problems with SA systems
- See where they stand in relation to other co-ops

Description of Research (1)

Research Goals:

- Find Obstacles to Implementation
- Find the Extent of Implementation
- Learn about different SA systems
- Find out motives for Implementation
- Role of Democratic Governance in the Process
- What works/ What doesn't?

Description of Research (2)

- Secondary research of different SA systems
- Primary research scope: All co-ops in Ontario
- Medium: Electronic survey through OCA contact list
- Timeline: survey send-out (Apr), Major Paper ready (end of Jul)

Potential Obstacles to Implementation

- Lack of Resources, Time
- Uncertainty over demand
- Lack of knowledge about SA, its benefits

SA System – Global Reporting Initiative (GRI)

- One of the most widely used systems
- Used by Canadian co-ops: Desjardins, VanCity, The Co-operators, MEC
- Has sector-specific supplements (e.g. for Non-profits), but not for co-ops
- Emphasis on materiality
- Reports' boundaries beyond the org.

SA System – Co-operative Sustainability Scorecard

- Developed by Russ Christianson
- Tailored to small, medium-sized co-ops
- “Affordable, easy to use”
- Process requires participation of membership

Sample Survey Questions

1. Have you implemented a social accounting system in your co-op?
2. What shortcomings do you see in the accounting models you chose or considered to use?
3. If you implemented it, what were your motivations for doing so?
4. If you did not implement it, what were the reasons for it?
5. Did you engage your members when deciding whether and/or how to implement it?

Research Supervisor

J.J. McMurtry, Ph.D.

Chair, Department of Social Science,

Graduate Program Director

(Social and Political Thought),

Associate Professor

(Business and Society Program)

York University



References

- Laurie Mook – “Accounting for Social Value” (2013).
- “Sustainability Reports in the Retail Sector: A comparison of reporting by co-operatives and by investor-owned corporations”
(<http://cooperativedifference.coop/en/atlantic-cluster/A4>)
- Co-operative Sustainability Scorecard
(<http://coopzone.coop/en/node/2332>)
- GRI - Sustainability Disclosure Database
(<http://database.globalreporting.org/search>)
- Global Reporting Initiative (GRI) – About GRI
(<https://www.globalreporting.org/Information/about-gri/Pages/default.aspx>)

Thank you!