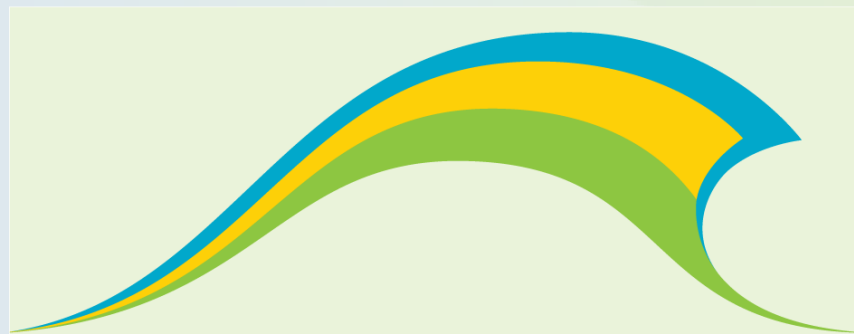


Measuring Co-operative Impact – Methodologies for capturing the economic, social and environmental impact of co-ops

Réseau de recherche pour mesurer la
DIFFÉRENCE COOPÉRATIVE



Measuring the Co-operative Difference
RESEARCH NETWORK

**2 to mute
your line*

April 10, 2013

Moderator: Erin Hancock

Featured Speakers:

Fiona Duguid, CCA

George Karaphillis, CBU

The Network

- Pan Canadian multi-disciplinary research network
- Canadian Co-operative Association serves as the Hub
- Funded by the Social Sciences and Humanities Research Council of Canada
- Examining the “co-operative difference”
- 6 free webinars each year

www.cooperativedifference.coop

Upcoming webinar

- **April 25, 1 p.m. EDT: Webinar on The ICA principles in large co-ops: "just for show" or integral to success?** To register, go to <https://www1.gotomeeting.com/register/982569881>

Speakers:

- Ghislain Paradis, IRECUS
- Dr. Sonja Novkovic, Saint Mary's University
- Carol Hunter from The Co-operators
- John Restakis from the British Columbia Co-operative Association

Today's Featured Speakers

Fiona Duguid

Research Officer, Canadian Co-operative Association
Coordinator, National Study on the Impact of Co-ops , MCDRN



George Karaphillis

Director of MBA in CED Program, Cape Breton University
Project Lead, NS Economic Impact Study

National Study on the Impact of Co-ops (NSIC)

Stakeholders:

- MCD Research Network
- Sector
- Governments
- Associations
- Academics

Accomplishments thus far

1. Establish an Advisory Committee
 - a. Researchers from various backgrounds, cooperative association representatives, from across Canada
 - b. Aim is to identify to design of the research
 - i. **scope**: economic, social and environmental
 - ii. **methodologies**: speaking about shortly
 - iii. **methods**: issue of data, what is already collected
what should be collected, GIS option
 - iv. **implementation**: who, when, how

Accomplishments thus far

2. Economic impact study of co-operatives in Nova Scotia conducted in 2012 as a pilot project

George Karaphillis will speak about this in more depth

3. Methodologies paper

Nicoleta Uzea post doc at Ivey Business School, Western University

Why a methodologies paper?

- The true value of co-operatives to their members, communities and the Canadian economy is little understood
- Co-operatives are complex structures so set out to find and compare methodologies that could best help us understand the impact of co-operatives
- Wanted to capture economic, social and environmental impacts
- Perhaps... working towards developing a standard co-operative impact methodology

Methodology paper has three goals:

- Critical analysis including advantages, limitations, best use of common methodologies to measure economic impact
- Review of social and environmental impact methodologies including challenges
- Highlight operational challenges that could arise in conducting a national impact study of co-operatives

Methodologies to measure economic impact

Method	Pros	Cons	Best for...
Head Count Approach	<p>Limited amount of information required</p> <p>Computational simplicity</p>	<p>Does not generate multiplier effects nor indirect and induced effects</p>	<p>Assessing relative size business /sector by inventorying sales revenue generated, net surplus produced, number of people employed, wages and dividends /patronage refunds paid</p>
Input-Output Analysis	<p>Seemingly straightforward application and presentation of results</p>	<p>Limiting assumptions (e.g., input supply is perfectly elastic and infinite, production is linearly homogeneous in inputs and outputs)</p> <p>Static measurement – measures impact at a single point in time</p>	<p>Calculating direct, indirect and induced effects, as well as multiplier effects in economies where resources are not fully employed</p>
Social Accounting Matrix Approach	<p>Estimated impacts are broken down into finely disaggregated industries</p>	<p>Increased data requirements</p> <p>Limiting assumptions (e.g., input supply is perfectly elastic and infinite, production is linearly homogeneous in inputs and outputs)</p> <p>Static measurement – measures impact at a single point in time</p>	<p>Analyzing distributional aspects of an economic activity</p>
Computable General Equilibrium Model	<p>More realistic assumptions – considers resource constraints and behavioural responses with respect to changes in prices, non-linear production functions</p> <p>Can incorporate dynamics and endogenous growth</p>	<p>Computational complexity</p> <p>Increased data requirements</p> <p>Results highly sensitive to parameter values that are used initially to calibrate the model</p>	<p>Examining impact of an economic activity over time in an economy characterized by limited resources</p>

Methodologies to measure social and environmental impact

Method	Pros	Cons
Global Reporting Initiative	<p>Holistic, highly standardized and widely used reporting framework</p> <p>Allows for comparably</p> <p>Flexible guidelines</p>	<p>Labour intensive</p> <p>Full reporting for small orgs rarely done because expensive and time consuming</p> <p>Focus on sustainability</p>
Expanded Value Added Statement	<p>Great flexibility</p> <p>Able to tailor to fit needs and requirements</p>	<p>Not useful for benchmarking</p> <p>Difficulty placing reasonable market value on items and activities that do not pass through the market</p>
Co-operative Social Responsibility Framework	<p>More of a guiding framework</p>	<p>Lacks structure</p> <p>Can mean different things to different orgs</p> <p>Limited comparability</p>

Operational Challenges of Conducting a National Study on the Impact of Co-operatives

- Enumerating the co-operative population
- Identifying what is a co-operative
- What is the unit of analysis
- What is the region of study
- Time scale
- What is counterfactual

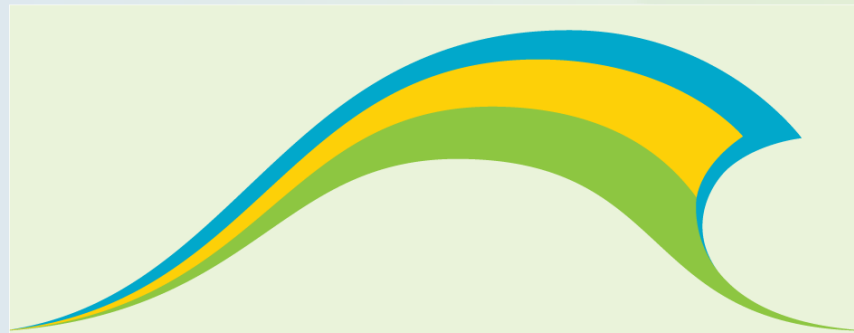
Conclusion

Economic: No clear champion although Input/Output model with tweaks rises to the top

Social/Environmental: No clear champion; working with data reporting challenges will help to determine which social and environmental impact methodologies to use.

Thank you!

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