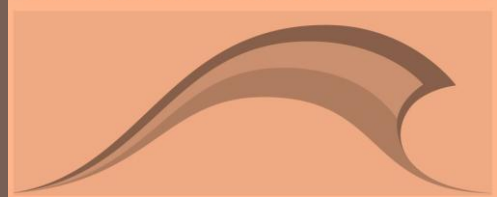


Réseau de recherche pour mesurer la  
DIFFÉRENCE COOPÉRATIVE



Measuring the Co-operative Difference  
RESEARCH NETWORK

# EXPLORING THE INTERSECTION OF THE ECONOMIC AND SOCIAL ELEMENTS OF CO- OPERATION

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# What is the Social Economy?

- The term emerges from a long history
- Differences in values are key
- General agreement on the “negative definition” as a starting point
  - ▣ Economic activity with a social purpose directly controlled neither by the state or the for-profit logic of the market
- Idea is rooted in a belief that neither of those two options works in all circumstances – when do they?

# What are Values?

- The problem for the Social Economy is how to “blend” social values and economics
- The commonly held idea is that economics is “value neutral” – like math
- The social values that Social Economy organizations are supposed to achieve are not
- They are complex, conditional, relational, and hard to measure
- Tendency of Social Economy is to focus on first

# Definitional Debate

- The relationship between values and economics is where the definitional debate develops
- Multiple positions in Canada and the world
- Some argue that the way to define is by structural form – non-profit, co-operative, charity
- Problem is form doesn't = values – Fraser Institute
- Some argue that the presence of a social focus is enough to justify the label Social Economy
- Problem is definition of social focus – Jeffery Sachs

# Definitional Debate (2)

- There is also a political definition of the term – solidarity economy – which stresses social value as solidarity with marginalized groups
- Some question the lack of economic focus
- Finally, definition focusing on community voice and economic inclusion as determined by the members of community themselves
- What all these definitions revolve around is the idea of the relative importance of values
- The question is how do we measure/identify them?

# The Social Economy Redux

- The idea of the Social Economy is the idea that values can and **should** modify economic practice
- But how can values modify math?
- If we conceive of the economy as the efficient production, distribution and consumption of goods otherwise in short supply then ...
- Who defines efficiency and allocation of the resources along an economic value chain is a value question
- Social Economy forces us to ask if we can conceive of economic values as being expressed differently?

# Where do Co-ops fit?

- The co-operative model from Rochdale forward has been based on the idea of principles (values) to frame economic activity
- Key ideas of
  - ▣ Limited return on capital – people over profits
  - ▣ Democratic member ownership and control
  - ▣ Education and open membership
- The institutionalization of values within economic practice is the key co-op innovation/advantage

# Historical Innovations

- Co-ops in important ways have been leaders in the Social Economy
  - ▣ Microcredit – Credit Unions
  - ▣ Economic Democracy – Worker Co-ops
  - ▣ Consumer Rights – Consumer Co-ops
  - ▣ Local/Regional Production – Producer Co-ops
- The categories of co-ops show the reach of social values into economic activity through membership
- Democratic control is key social value for co-ops



# What is the Co-op Advantage?

- The recent past has seen many of the advantage of co-ops accepted by a wider community
- CSR, Social Enterprise, and the Social Economy have all broadened the economic value framework
- The co-op advantage is based in the innovations that connect economics and values
- Member democracy is now key distinction
- What innovations have co-ops been developing recently?

# Recent Innovations

- Multi-stakeholder co-ops have been expanding democracy
- Mondragon has been innovating with exporting the co-operative form with mixed success
- New Generation Co-ops have been rewarding capital with a greater role in co-ops
- Mergers have created economically stronger, but potentially socially weaker co-ops
- Alternative Energy co-ops democratizing power
- Innovations are in co-op DNA, but which values?

# Questions?

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Thank you!!!!

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