Co-operative Social Responsibility
A Natural Advantage?

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Introduction*

Co-operatives offer a compelling alternative for conducting business in a more socially just way than other forms of enterprise, particularly publicly traded companies. This is the belief that first drew me, and doubtless others, to study and be a part of the co-operative movement. Indeed, the “co-operative difference” has been a cornerstone of co-operative marketing efforts to engage existing members and attract new members based on an appeal to social and community values. However, with more companies engaged in serious efforts to integrate corporate social responsibility (CSR) into all aspects of their business, and after working on CSR initiatives within two leading co-operatives, I worry about the ability of co-ops to effectively engage members by claiming a unique appeal to social values. For this reason, I would like to suggest that researchers take a closer look at the interplay of co-operative principles and practice with those that define CSR, examining questions such as:

- Do co-operative businesses, by virtue of their unique structure and adherence to the co-op principles, have a CSR advantage over other forms of business? If so, what aspects of a co-operative business structure make it uniquely “more” responsible?
- With the rapid adoption of CSR in the corporate world, how do co-operative businesses stack up against their investor- or privately-owned counterparts on social and environmental performance?

* This paper was originally a chapter in a book titled Co-operative Membership and Globalization: New Directions in Research and Practice (Saskatoon: Centre for the Study of Co-operatives, 2004). It is reprinted with permission of the author.
• Are co-operatives well positioned to play a leadership role in advancing corporate social responsibility?

As a starting point to exploring some of these questions (and quickly raising others), I would like to offer a rough comparison of the co-operative principles and the various standards and ethical codes that have been developed to define socially responsible business. This comparison suggests that while co-ops have some distinct advantages over investor- and privately-owned firms, adherence to the co-op principles is not in itself a sufficient condition for leadership in corporate social responsibility. I propose that emerging CSR practices, such as those intended to foster broader stakeholder engagement and improve board accountability, and their application in the co-operative context, warrant further investigation by co-op researchers. This research should aim to offer ideas, practical solutions, and best practice examples that will inspire more co-op managers and directors to play a leadership role in advancing values-based business, and ultimately, to distinguish their co-ops among existing and potential members.

A Comparison of Co-operative and CSR Principles

Co-operatives worldwide generally define themselves according to a set of co-operative values and principles,* developed and adopted by the International Co-operative Alliance. Socially responsible businesses, on the other hand, have not universally adopted one standard or set of principles, but rely instead on a bewildering array of ethical codes to guide them towards social responsibility. To add to the complexity, these codes employ a variety of terms—sometimes interchangeably—to talk about corporate social responsibility, including business ethics, corporate citizenship, corporate accountability,

* See Appendix A at the end of this booklet.
While numerous studies have compared the various sets of CSR standards and principles, I know of none that has included the co-operative principles as part of their comparison.

The SIGMA (Sustainability—Integrated Guidelines for Management) Project represents an intensive effort to develop an integrated management system to guide businesses through the complex array of standards, guidelines, and principles relating to corporate social responsibility and sustainable business. The first phase of this research, conducted in 2000, compared a multitude of these ethical codes,* using a framework based on the triple-bottom-line approach.

The triple-bottom-line approach centres on the idea that companies “derive their license to operate not just by satisfying shareholders through improved profits and dividends (the economic bottom line), but by simultaneously satisfying other stakeholders in society (employees, communities, customers, etc.) through improved performance against the social and environmental bottom lines.” Despite some limitations, the triple-bottom-line approach has gained broad support in the business community, with many leaders being familiar with the term and concept.

What follows is a synopsis of the SIGMA research results overlaid with some observations of how the co-operative principles may have factored in had they been included in the comparison of CSR standards and principles.

**Environmental Bottom Line**

Comparing the various CSR and sustainability standards, the SIGMA project concluded, in general, that the environmental bottom line is well covered by existing approaches, but that each approach has specific strengths and weaknesses. Some set out aspi-

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* See Appendix B at the end of this booklet.
rational principles, others are sector specific, while yet others focus narrowly on only one or two elements of a management system. ISO (International Organization for Standardization) and EMAS (Eco-Management and Audit Scheme),\(^6\) for example, are tightly focussed on resource and operational control, the idea of “doing what you do right” rather than “doing the right thing.” The Natural Step,\(^7\) on the other hand, focusses on sustainability parameters but does not set out a detailed management system for implementation.

In contrast, the environment is not specifically mentioned anywhere within co-op values or principles—although some may suggest that the seventh principle touches on environmental responsibility by stating that “co-operatives work for the sustainable development of their communities through policies approved by their members.” Regardless, in comparison to CSR principles and standards, it is fair to note that the environment is conspicuously absent from the co-op principles, suggesting that co-operatives do not have a clear advantage for managing or enhancing their environmental bottom line.

It follows, then, that if a co-operative has aspirations towards leadership in social responsibility, it must pay particular attention to environmental performance and pro-actively adopt some of the practices being developed in the corporate world. Examples might include:

- adopting policies centred on the “precautionary principle”—referring to the notion that the burden of proof for determining the environmental consequences of an action lies with the company; it must definitively prove environmental safety rather than environmental harm;
- engaging stakeholders on environmental issues;
- appointing a designated person or people with responsibility for the co-op’s environmental performance;
- providing employee training on environmental issues;
- establishing an environmental management system or environmental code of conduct for all operations; and
- advocating for public policy changes on environmental issues.

\(^*\) See Appendix B for details about ISO and The Natural Step.
Economic Sustainability

THE SIGMA PROJECT concludes that relatively few standards encompass the economic aspects of sustainability to any depth. The authors note that although financial and accounting standards are well established and detailed, they deal with only one part of the economic equation. “The wider economic impact of organizations and the measurement and management of intangible assets is still embryonic.”

An examination of the co-operative principles offers a somewhat opposite result. While the co-op principles have little to say about financial performance, they go some way in addressing the wider economic impact of the organization. The silence of the co-op principles around the need for financial sustainability may be a shortcoming. In a comprehensive report from the UK’s Co-operative Commission, this issue is identified as a critical deficiency in the management of co-operative enterprise. The report urges co-operatives to pay closer attention to managing their financial performance, and to investing in infrastructure in order to remain viable.

Despite the lack of reference to financial performance, the co-op principles do have a number of things to say about the economic conduct and impact of co-operative businesses. Specifically, the co-op principles:

• promote co-operation among co-operatives as a means to increase the well being of their members;
• broaden the definition of responsibility beyond paying taxes by stating a concern for the sustainable development of their communities;
• address how the financial capital generated by the enterprise is to be allocated; and
• limit the amount of capital subscribed as a condition of membership.

It is these last two features that are clearly unique when compared to CSR principles and standards developed for the corporate world. The co-op principles hinder the accumulation of wealth by a few at the expense of the many. They also prevent people who do not have a direct interest (beyond the amount of capital invested) in the enterprise from controlling the business. Although the most recent version of the co-op principles does allow external capital, previous versions also took the added step of preventing anyone without a vested interest in the enterprise from sharing in the financial wealth generated through its operations.

With the exception of The Natural Step, none of the CSR standards and principles prevalent in the corporate community go anywhere near addressing the thorny issues of wealth accumulation and distribution. The Natural Step makes indirect reference to the notion of distribution by stating that “in the sustainable society, people can not be subject to conditions that systematically undermine their capacity to meet their needs.” By including this as a necessary condition for sustainability, The Natural Step framework recognizes that we need an improved means of dealing with issues such as equity and fairness in order to achieve positive social change. The framework does not, however, offer suggestions for the implementation of such notions in the context of business and economy. Perhaps the three co-operative principles of democratic member control, member economic participation, and autonomy and independence offer the beginnings of a prescription.

Social Bottom Line

In their examination of the social bottom line, the SIGMA researchers conclude that there is no currently accepted definition for social sustainability, although it is agreed that at a high level it concerns the attainment of sustainability with respect to social impacts. It is also agreed that social performance is not simply about
philanthropy, nor is it enhancing reputation with a view to increasing profits. There is an ethical core to social sustainability that goes deeper than the business benefits.\(^{11}\)

Much of the dialogue around social responsibility centres on two approaches:

a) a prescriptive approach measured through the achievement of certain standards regarding the ethical behaviour of business in the market-place and treatment of employees and suppliers; and

b) a process approach, which concerns the way in which organizations relate to and are accountable to their stakeholders.

**Social Principles—The Prescriptive Approach**

The notions of individual human rights, employee rights, and supply-chain management are key tenets of the majority of the CSR standards that take a prescriptive approach to social responsibility. Most standards in this category include statements on:\(^{12}\)

- working conditions;
- freedom of association and the right to collective bargaining;
- the unacceptability of child labour;
- the right to freely choose employment;
- the right to a living wage;
- the prohibition of abuse or inhumane treatment;
- limits on working hours;
- responsibility for supplier actions and impacts;
- deduction of wages as punishment;
- compliance with tax laws and regulations; and
- the respect of intellectual and other property rights.
A cursory look at the co-op principles suggests that co-operatives share an aspiration towards meeting some similar and/or complementary goals around:

- anti-discrimination—the first co-op principle addresses discrimination against membership;
- employee development—co-ops hold as a principle the education and training of their employees so they can contribute effectively to the development of their co-op; and
- community development—the seventh principle, concern for community, encourages co-ops to work for the sustainable development of their communities.

The notions of individual human rights, employee rights, and supply chain management, however, are not specifically touched on within the co-op principles. This suggests that co-ops aiming to strengthen their social bottom line will face many of the same challenges as their corporate counterparts when they attempt to ensure the maintenance of basic human rights. The co-operative that aspires towards social responsibility will need to align itself with the standards being developed by the broader corporate community.

Stakeholder Engagement—The Process Approach

The process approach to improving a company’s social bottom line focusses on the notions of stakeholder accountability and engagement. This approach views social sustainability as the “totality of the relationships that an organization has with all its stakeholders.” Key stakeholders for businesses include employees, customers, suppliers, community, shareholders, government, and civil society. Accountability is a property of these relationships, and being accountable means explaining or justifying to people with a legitimate
interest the actions, omissions, risks, and dependencies for which you are responsible. Accountability, therefore, is a process of actively engaging and involving stakeholders in organizational affairs.  

The SIGMA research points out that the development of the AccountAbility 1000 (AA1000, see Appendix B) standard has helped to highlight the importance of an inclusive and responsive dialogue with stakeholders around triple-bottom-line issues. Engagement with stakeholders is a central element of the AA1000 framework, which identifies principles of accountability and an inclusive process of social and ethical accounting, auditing, and reporting. The first step in implementing the framework is a comprehensive mapping of stakeholder groups affected by a company’s operations. The second step is the development of systems (such as surveys, focus groups, town-hall meetings, and expert panels) to consult with key stakeholder groups with a view to having their feedback inform organizational decisions and policies that they deem important. These same processes are also used to generate indicators, targets, and reporting systems to measure organizational performance in critical social and environmental areas. Together these elements are intended to help hold a company accountable to its stakeholders and systematize continual improvement.

Both with and without the AA1000 standard, a number of companies have taken a leading role in engaging various groups of stakeholders to help focus their approach to social responsibility. Despite these recent developments, however, doubts as to the meaningfulness of this engagement continue. In their study comparing social sustainability standards, Henriques and Raynard raise a concern regarding the lack of standards around the quality of stakeholder dialogue. They note the challenges associated with determining what good-quality stakeholder dialogue actually involves and how it differs from traditional market research techniques. The SIGMA team notes that “it is arguable whether this has led to a significant change in organizational decision making and whether, indeed, a stakeholder model for organizations within a shareholder-driven economic system is feasible.”
Viewing notions of stakeholder engagement and accountability through a co-operative lens reveals a unique opportunity for co-operative organizations. By definition, co-ops exist to meet the common needs of their members, who are both the primary beneficiaries and the owners of the organization. The principle of democratic member control offers all members the opportunity to participate in setting policies and decision making. This participation is primarily conducted through the election of a member-directed board, a process in which voting rights are equal for all members, regardless of their level of investment in the co-op or the degree to which they use the services provided. These distinguishing features of co-operative enterprises can be viewed as built-in mechanisms that promote meaningful stakeholder engagement. In other words, two key stakeholder groups are always able to have a significant impact on organizational decision making—the member-customers (or, in case of worker co-ops, the member-employees) and the member-shareholders.

In *Co-operatives and Community Development*, Fairbairn et al. describe the opportunities for co-ops to demonstrate leadership in social sustainability through engagement and accountability as follows:

Indeed, a co-operative can be viewed as a kind of crude social auditing process in itself: through the democratic side of the organization, the members of the co-operative—the people affected by its business—provide feedback on its impact on the community. … Co-operative democracy gives members the power to change the behaviour of the co-operative to meet the community’s standards…. This is far in advance of the control that affected people have over almost any private business or corporation. Co-operatives have a head start in social auditing, and a unique advantage—provided their democratic structures are working and they are willing to formalize and improve their procedures.
Enhancing the Co-operative Advantage

The above analysis is by no means intended as a rigorous comparison or understanding of the co-operative principles vis à vis other corporate social responsibility standards and principles. I do hope, however, that it offers a slightly different perspective on the notion of the co-operative as a socially responsible business model. As noted above, even close observance of the co-op principles is not enough to secure a leadership position in corporate social responsibility. From a CSR practitioner’s perspective, co-operatives that aspire to CSR leadership will need to pay particular attention to managing (a) their environmental bottom line; (b) the social aspects of individual human rights, employee rights, and supply chain management; and (c) their financial performance, as none of these aspects is addressed within the co-operative principles. Since co-op principles go further than most of their corporate CSR counterparts in addressing basic sustainability issues of fairness and the equitable distribution of wealth, unique CSR leadership opportunities exist for co-operatives in the area of economic sustainability. Another opportunity lies within the notion of stakeholder engagement as a process to enhance a company’s social bottom line; the principle of democratic ownership and control ensures member engagement in co-operative organizations.

For a co-op manager or director the question then becomes, what are some of the ways in which co-operatives can build on their unique advantages to enhance their social bottom line and ultimately distinguish themselves as values-based, socially responsible enterprises? Again, we can look to some of the emerging CSR practices in the corporate realm for potential ideas. Two areas of particular interest to me are broader stakeholder involvement in setting policy and program direction, and board accountability and representation.
Stakeholder Involvement in Setting Policy and Program Direction

As mentioned earlier, social auditing and reporting is one way in which co-operatives can formalize and enhance their ability to involve stakeholders in a meaningful way. In her study of social auditing in Canadian credit unions, Leslie Brown gently poses a challenge to co-operatives to take a leadership role in advancing social auditing:

Social auditing has a particular relevance for businesses such as co-ops which have at their core a range of social commitments including that of accountability.... Further, changes are occurring in the business environment and it behooves co-ops and credit unions to lead rather than lag in responding to them.... To lead in social auditing means that co-operative claims to espouse co-operative principles are likely to be taken more seriously, while to lag may mean that these claims are viewed as mere market positioning.  

The AA1000 framework could offer co-operatives some guidelines to enhance the principle of democratic member control and possibly extend the benefits of stakeholder engagement to other groups such as employees, suppliers, local communities, and those with environmental interests. Examples of co-operatives that have taken the lead in successfully adopting the AA1000 framework to guide their sustainability efforts include the Co-operative Bank in the UK, Co-operative Insurance Services (UK), and VanCity Savings Credit Union.

On a practical level, engaging stakeholders in policy and program development needn’t involve the adoption of a comprehensive sustainability framework or a commitment to social accounting and reporting. Regularly adopting simple processes to engage members on issues of importance to them, such as posting questionnaires on a co-operative’s web site or holding periodic town-hall meetings, can go a long way towards making democratic ownership more meaningful.

As part of the process to rewrite their Sourcing Policy, for example,
Mountain Equipment Co-op recently engaged a broad range of stakeholders in a number of different ways—it consulted members through an on-line survey; it held focus groups to collect staff input; and representatives from nongovernmental organizations provided input as part of an external panel of experts. The benefits of this relatively inexpensive process were multiple:

- It proactively identified and addressed potentially contentious topics before they became public issues requiring reactive management.
- It created a policy statement that the board could confidently endorse as representative of their constituents.
- It developed an external network of supporters who were willing to advocate for the policy and the process by which it was crafted.

The end result was a highly successful process, both from a risk-management perspective and as an example of engaging stakeholders in a meaningful way.

As an example of involving stakeholders in decision making on a more operational level, VanCity Savings Credit Union and its subsidiary, Citizens Bank, both regularly involve their employees and members in determining the direction of their community involvement and granting programs. Both companies, for example, ask their members to vote annually on the distribution of certain granting dollars, such as the VanCity million-dollar award and Citizens Bank’s shared interest program. With the VanCity EnviroFund VISA card, members are polled to determine the programmatic themes of interest to them and funding streams are set accordingly.

**Board Accountability, Development, and Composition**

In the corporate world, few areas have received as much attention in recent years as that of board accountability. A closer look at the evolution of corporate practices related to board accountability, development, and
composition could enhance the principle of democratic ownership within co-operatives. Specific examples of emerging best practice in this area include:

- performance evaluations of individual directors and the board as a whole;
- the adoption of a directors’ code of conduct to help ensure that the interest of the company is always placed before that of individual directors;
- the development of job descriptions for directors and their roles;
- a published list of attributes, including desired skills and demographic representation, required by a particular board to function effectively and reflect its constituents; and
- the subsequent screening and identification of candidates who possess the attributes identified as important.

While some co-operators may argue that such practices go against the co-operative feature of democratic member control, I would like to suggest otherwise, particularly for large co-operatives. It is true that many small co-operatives are challenged in finding enough people willing to run for the board. In these cases, it seems reasonable to leave the call for nominations to anyone who expresses even the mildest interest. But how valid is this strategy (or lack of strategy) for a large, complex business operation that often has more than a dozen candidates vying for three positions? If we agree that a potential strength for co-operatives is their connection with community through ownership, then leaving the element of effective, good governance to chance would seem like a missed opportunity.

In fact, one could argue that the board of a large co-operative has a responsibility to make the election of candidates a worthwhile and fulfilling task for its members. In many ways, this responsibility could be thought of as an extension of a commitment to member service. How good a service is a co-operative providing its members when the task of electing its representatives becomes cumbersome and meaningless to the broad majority of the membership? Using the analogy of a retail business, it would be similar to a general store offering every brand available
within a product category versus internalizing some of the tough buying decisions and limiting the offering to those few brands most likely to meet the needs of the member.

Taking a proactive approach and offering a representative array of qualified candidates would allow members to understand more clearly the candidates’ positions on key issues facing the co-operative. To continue the retail analogy, by offering a range of products that all meet a minimum quality standard, consumers are freed from having to assess product quality (of which they are often ill-informed) and are able to focus more clearly on the features that appeal to their needs and aspirations.

Beyond election practices, broader representation of different stakeholder groups could be addressed through their direct involvement in governance. Indeed, the findings of the Co-operative Commission in the UK call for employee involvement in governance as a way of achieving a revitalized membership, informed and fully involved in democracy. To quote the authors:

Employee members—as stakeholders within the (co-op) movement—should be encouraged to become members of the Society and have a reserved employee member constituency from which they should be able to elect employee Directors. This change will be a positive means of reinforcing the key role of employees in achieving the improved commercial performance of Societies. But it will also mean becoming fully involved in developing the overall commercial strategy of the Co-operative businesses for which they are working and in the drive to achieve the social goals of co-operation.

Employee involvement in the governance of consumer- or producer-owned co-operatives or credit unions in North America is relatively rare. A common argument against it is the difficulty employees would face in having to wear “the different hats” of director and employee at the same time. Concerns focus on the ability of employees to make decisions for the benefit of the organization versus those that serve their own personal interests as employees. And yet, successful worker co-operatives, notably in Europe, do not appear to share these concerns.
As part of an annual study tour of co-operatives operating in the Bologna region of Italy organized by the BC Co-operative Association, I had the pleasure of speaking with the managers of several large, highly successful co-operatives owned and governed by employees. When asked about the benefits of having employees govern, many of the managers responded by praising factors such as greater employee loyalty and engagement as well as improved operational efficiency and productivity. These same managers were also quick to talk about the need for ongoing training, clear governance policies and procedures, and a commitment to internal communications in order for the model to be successful, which can also be said for any governance model. Suffice it to say that co-op researchers could tap into both co-operative and corporate governance examples to find effective and creative ways to engage stakeholders, particularly employees, on their boards of directors.

In conclusion, although it seems clear that co-operatives can no longer claim a unique appeal as organizations based on social and community values, they still have some distinct advantages over investor- or privately-owned firms. With a measure of creative thinking, co-ops have the potential to act within the framework of their values and principles to address their shortcomings and play a leadership role in advancing corporate social responsibility.
Appendix A

Statement on the Co-operative Identity

Definition
A co-operative is 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.

Values
Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles
The co-operative principles are guidelines by which co-operatives put their values into practice.

1st Principle: Voluntary and Open Membership
Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2nd Principle: Democratic Member Control
Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.
3rd Principle: Member Economic Participation
Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4th Principle: Autonomy and Independence
Co-operatives are autonomous, self-help organizations controlled by their members. If they enter to agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5th Principle: Education, Training and Information
Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public—particularly young people and opinion leaders—about the nature and benefits of co-operation.

6th Principle: Co-operation among Co-operatives
Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7th Principle: Concern for Community
Co-operatives work for the sustainable development of their communities through policies approved by their members.
Appendix B: Key CSR Standards and Principles Compared as Part of the SIGMA Project

AccountAbility 1000 (AA1000) is a management framework to improve the accountability and overall performance of organizations. AA1000 identifies principles of accountability and a quality (inclusive) process of social and ethical accounting, auditing, and reporting. Engagement with stakeholders is a central element of the framework.

The Global Reporting Initiative (GRI) was established in 1997 with the mission of designing globally applicable guidelines for preparing enterprise-level sustainability reports. The GRI focuses on establishing common indicators for reporting but does not include guidelines on benchmarking or on the quality of systems management.

The Global Sullivan Principles are voluntary guidelines launched at the United Nations in 1999 that include eight directives on labour, ethics, and environmental practices targeted at all private-sector organizations.

Investors in People is a UK quality standard developed in 1990 that sets a level of good practice for improving an organization’s performance through the training and development of its people to achieve business goals.

ISO 14001 is a system that provides a standard for quality management within an organization. The International Standards Organization is a nongovernmental organization comprised of a network of national standards institutes from 148 countries working in partnership with international organizations, governments, industry, business, and consumer representatives.

The Natural Step Framework provides a simple framework to enable
businesses to integrate environmental issues into the structure of business reality. It aims to move a company towards sustainable development and has a strategy for action that consists of four core processes and four system conditions. The framework provides a common language with which to talk about sustainability and facilitates the creation of shared goals around the issue. As an organization, The Natural Step engages in training and consulting, research and development, and community outreach.

Social Accountability 8000 (SA8000) represents an attempt to create an auditable standard for global manufacturing operations. SA8000 builds on the quality and environmental auditing process developed by the International Standards Organization in its ISO9000 and ISO14000 principles. SA8000 relies on certified monitors to verify factory compliance with the standard and, addresses issues including prison labour, wages, child labour, and health and safety.

The UN Global Compact, endorsed by Secretary-General Kofi Annan, consists of a set of nine principles, including specific practices, which Annan encouraged world business leaders to voluntarily embrace and enact.
Endnotes

1. Throughout this paper I will use the term “corporate” to refer to investor- or privately-owned companies as distinct from member-owned co-operatives.


3. The SIGMA Project—Sustainability: Integrated Guidelines for Management—was launched in 1999 with the support of the UK Department of Trade and Industry. It is a partnership among the British Standards Institution (the leading standards organization), Forum for the Future (a leading sustainability charity and think-tank), and AccountAbility (the international professional body for accountability). See website at http://www.projectsigma.com.

4. The SIGMA Project, page 4.3.1. “Building SIGMA—Where We Are” (9 April 2001, Draft 9, pg. 3). This draft document is no longer available on the website.

5. A key limitation of the triple-bottom-line approach, for example, includes the implied equal weighting among the three respective bottom lines when, in fact, long-term ecological sustainability is a precondition to sustainability.

6. EMAS is a voluntary initiative designed to improve companies’ environmental performance. Its aim is to recognize and reward those organizations that go beyond minimum legal compliance and continuously improve their environmental performance.


8. Ibid., p. 11.


13. Henriques and Raynard, p. 34.

14. Ibid.

15. Ibid., p. 38.


19. A recent similar example in the co-operative world is Starbucks, which in April 2004 invited more than twenty organizations to Seattle in an attempt to solicit constructive stakeholder feedback on its revised Coffee Sourcing Guidelines and Preferred Supplier Programme. Representatives of Rainforest Alliance, Fairtrade Labelling Organizations International, TechnoServe, Oxfam America, TransFair USA, US AID, Conservation International, and others provided comment.
Participants discussed social standards, verification methods, and environmental considerations.

20. The Co-operative Commission, ch. 3.6.3.

About the Centre

THE CENTRE FOR THE STUDY OF CO-OPERATIVES is an interdisciplinary teaching and research institution located on the University of Saskatchewan campus in Saskatoon. Contract partners in the co-operative sector include Credit Union Central of Saskatchewan, Federated Co-operatives Ltd., Concentra Financial, and The Co-operators. The centre is also supported by the Saskatchewan Ministry of Enterprise and Innovation and the University of Saskatchewan. The university not only houses our offices but provides in-kind contributions from a number of departments and units — Agricultural Economics, History, Management and Marketing, and Sociology, among others — as well as financial assistance with operations and nonsalary expenditures. We acknowledge with gratitude the ongoing support of all our sponsoring organizations.

The objectives of the Centre are:

• to develop and offer university courses that provide an understanding of co-operative theory, principles, developments, structures, and legislation;
• to undertake original research into co-operatives;
• to publish co-operative research, both that of the Centre staff and of other researchers; and
• to maintain a resource centre of materials that support the Centre’s teaching and research functions.

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