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# Co-operatives for Sustainable Development

Francesca Gagliardi and David Gindis

Co-operatives are recognised as important vectors for achieving the sustainable development goals (SDGs) set out in the United Nations 2030 Agenda for Sustainable Development because they promote democracy, ensure fair income distribution, foster social inclusion, and care for the environment. However, the focus of co-operatives on members and local community diminishes their national and international visibility, adversely affecting their potential contribution to the realisation of SDGs. The authors of this short article are co-leading an interdisciplinary research project, funded by the Independent Social Research Foundation and endorsed by the UK Society for Co-operative Studies, that conceptualises co-operatives as commons institutions and considers how mobilising the notions of institutional complementarities and polycentric governance can help promote the view that co-operatives can make a significant contribution to the sustainable development agenda.

## Background

Recent figures report that more than 1 billion people are members of the 3 million or so co-operatives around the world, which employ or provide work opportunities to 280 million people (Carini et al., 2021; Carini et al., 2020). It is therefore hardly surprising that the International Cooperative Alliance (ICA), the International Labour Organization (ILO) and the United Nations (UN) have argued that co-operatives play, or can play, a key role in the realisation of the UN's 2030 Agenda for Sustainable Development (Moxon et al., 2019; United Nations, 2021; Wanyama, 2014). There certainly seems to be a clear congruence between the Sustainable Development Goals (SDGs) and the co-operative values and principles (CVPs).

However, because the co-operative sector tends to focus on its members and local community needs, its national and international visibility is diminished, and its potential socio-economic role in the sustainable development agenda tends to be underestimated among academics and policy makers (Wanyama, 2014). To make its contributions to the 2030 Agenda more visible in policy circles, the sector needs to enhance its involvement in the relevant monitoring and accountability processes (Singh et al., 2020).

In academic circles, it is important to turn the tide on several decades of critique of the co-operative form by economists, intent on demonstrating the superiority of the capitalist firm (influential views include Furubotn & Pejovich 1972; Jensen & Meckling, 1979; Ward, 1958; Williamson, 1980). Although economists have since mostly moved on (Cook & Grashuis, 2018), the damage has remained. This is perhaps why some degree of scepticism about the scale of the impact that co-operatives can make can be observed even among advocates of co-operation (Guttmann, 2020).

Prior to any discussion of how co-operatives can be key players in fulfilling any of the SDG targets, an analytical framework that helps us understand how co-operatives can succeed or fail is needed. Unfortunately, a suitably comprehensive framework of this kind is currently missing in the academic literature. Thanks to funding from the Independent Social Research Foundation (ISRF), our research project — which also involves Chris Colvin (Queen's University Belfast), Tine de Moor (Erasmus University Rotterdam), Elisavet Mantzari (University of Birmingham) and Rory Ridley-Duff (Sheffield Hallam University) — seeks to address this gap.

## Rethinking the Co-operative Firm

It is difficult to explain both the organisational variety of co-operatives and the amply documented successes and failures of co-operatives across time and space (see for example Battilani & Schröter, 2012; Patmore & Balnave, 2018) without a suitable analytical framework. To craft such a framework, the project builds on the team's broad range of disciplinary and methodological expertise to mobilise insights and tools from multiple bodies of literature and traditions of institutional research across the social sciences and the humanities.

The project seeks inspiration in Elinor Ostrom's (1990, 2005) ground-breaking work on the sustainable governance of natural common-pool resources by conceptualising co-operatives as special kinds of commons institutions, that is, as organisations formed by their stakeholders for the collective management of shared (natural, social or infrastructural) resources and the collective pursuit of shared personal or societal interests (De Moor, 2013, 2015). It posits that the ability of any given co-operative to sustainably preserve its resources and those of the community within which it operates will depend on its specific governance structures (which may be tied to a specific legal form and be aligned, to some degree, with the CVPs), the characteristics of the community and the broader institutional environment, and the interactions between these elements.

These considerations highlight a key contribution of the project, which is that it connects the emerging literature on co-operatives as commons (Adams & Deakin, 2017; Guttman, 2020; Healy, 2018; Ridley-Duff & Bull, 2021; Tortia, 2018) with an existing (but small) co-operative studies literature on institutional complementarities (Feng & Hendrikse, 2008; Gagliardi, 2009a, 2009b; Grashuis & Cook, 2017; Ridley-Ruff, 2009). Making this link is important not simply because the two strands have thus far developed independently of each other, but because their connection can help us capture the nature of the co-operative firm while accounting for the interdependencies between co-operatives and the socio-economic environment within which they are embedded. This, in turn, can help us make sense of the role co-operatives can play in the sustainable development agenda.

## SDGs and Polycentricity

Complementarities can occur across contexts and organisations at the micro, meso or macro levels (Boyer, 2005; Deeg, 2007; Terhorst, 2009). They imply that the actions and strategies of decision-makers operating in a given context or at a certain level affect and are affected by the actions and strategies of decision-makers operating in related contexts or at different levels. The concept of polycentricity (McGinnis, 2011; Ostrom, 2005, 2012; Thiel et al., 2019) brings these elements into focus. More importantly, it helps us see that the implementation of the 2030 Agenda is a complex decentralised process involving a wide range of public and private actors, with partially overlapping and possibly conflicting agendas and decisions-making powers, operating across different contexts or levels.

To achieve the SDGs, all these actors need to co-ordinate their efforts in one way or another. While conflict between the agendas of the actors involved is in principle reduced by the presence of the shared overarching end goal of sustainable development, it is not eliminated. There needs to be some coherence between the diverse actions of multiple local, national, and international stakeholders (Chan et al., 2021). The challenge is to figure out where co-operatives fit into the picture. Since polycentric governance builds on the idea that the relevant knowledge for decision-making is dispersed and context-specific, the focus of most co-operatives on the local community suggests that they have a crucial role in mobilising energies and monitoring resource uses.

But beyond the pursuit of specific SDGs by individual co-operatives, the most promising way for co-operatives to make a difference and to become increasingly visible in national and international policy circles is to join forces and scale-up capacity in a collaborative network

(De Moor, 2019; Guttman, 2020). There is no one-size-fits-all way of doing this, but the shared belief in self-help, equity, solidarity, and concern for the community ought to guide the co-operative sector to build its own monitoring and reporting institutions with a view to ensuring the collective realisation of the SDGs. The project team will organise a workshop with various stakeholders from the co-operative sector in December 2022 to reflect on these and other issues.

## The Authors

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