

Cooperative to Cooperative collaboration and its impact on value-chains

Sonja Novkovic

THE ROLE OF COOPERATIVES IN ECONOMIC AND SOCIAL DEVELOPMENT:
SUPPORTING COOPERATIVES AS SUSTAINABLE AND SUCCESSFUL ENTERPRISES

30 MAY TO 1 JUNE 2023

UNDESA, New York

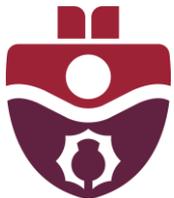


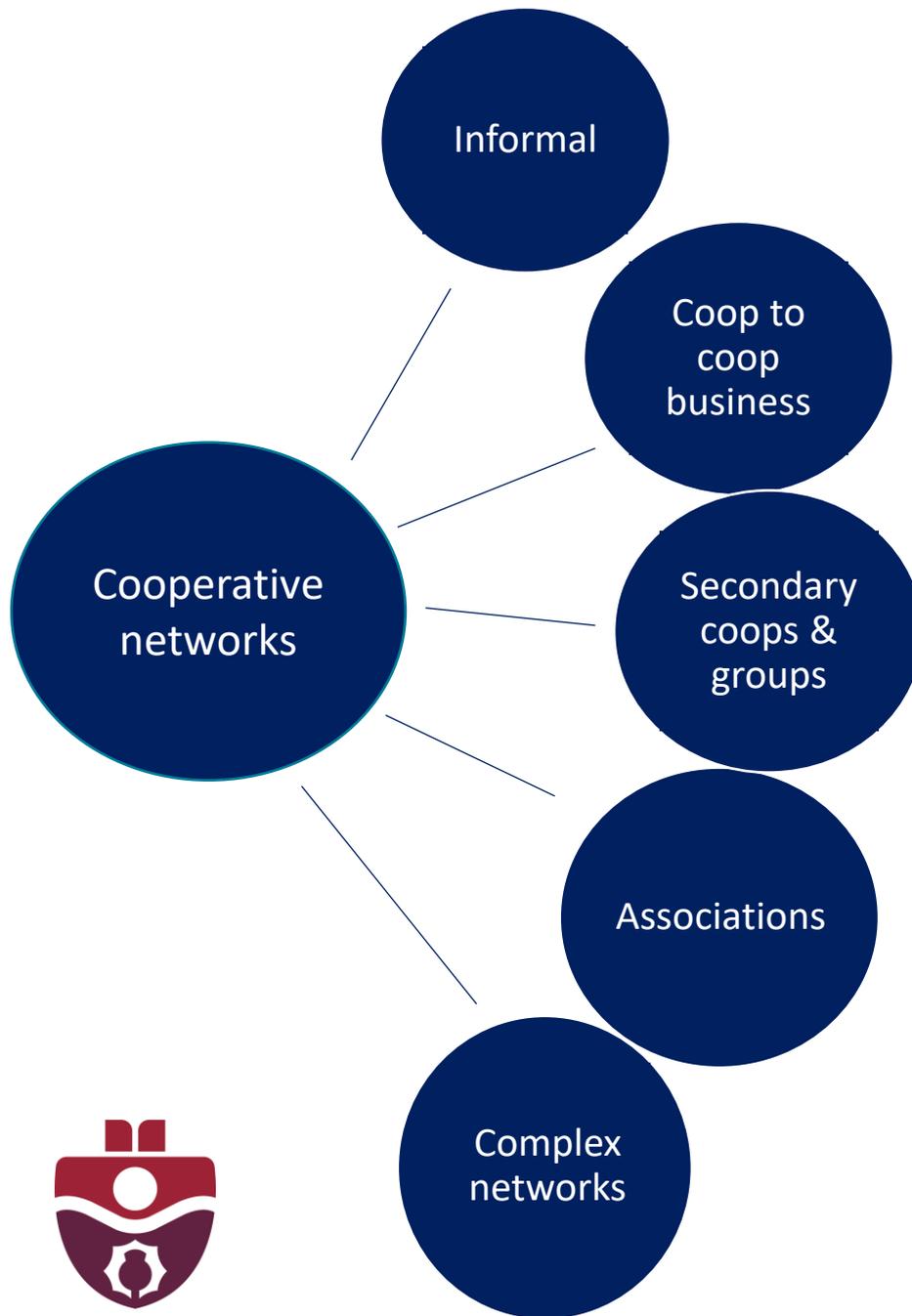
**Saint Mary's
University**

International Centre
for Co-operative
Management

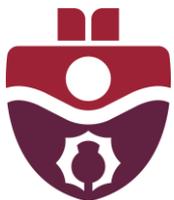
Outline

1. The types of cooperative networks
2. The impact of cooperative networks on value chains
3. The cooperative advantage
4. Examples of value chains harnessing cooperative values

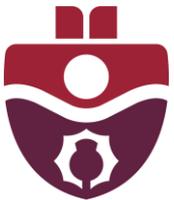
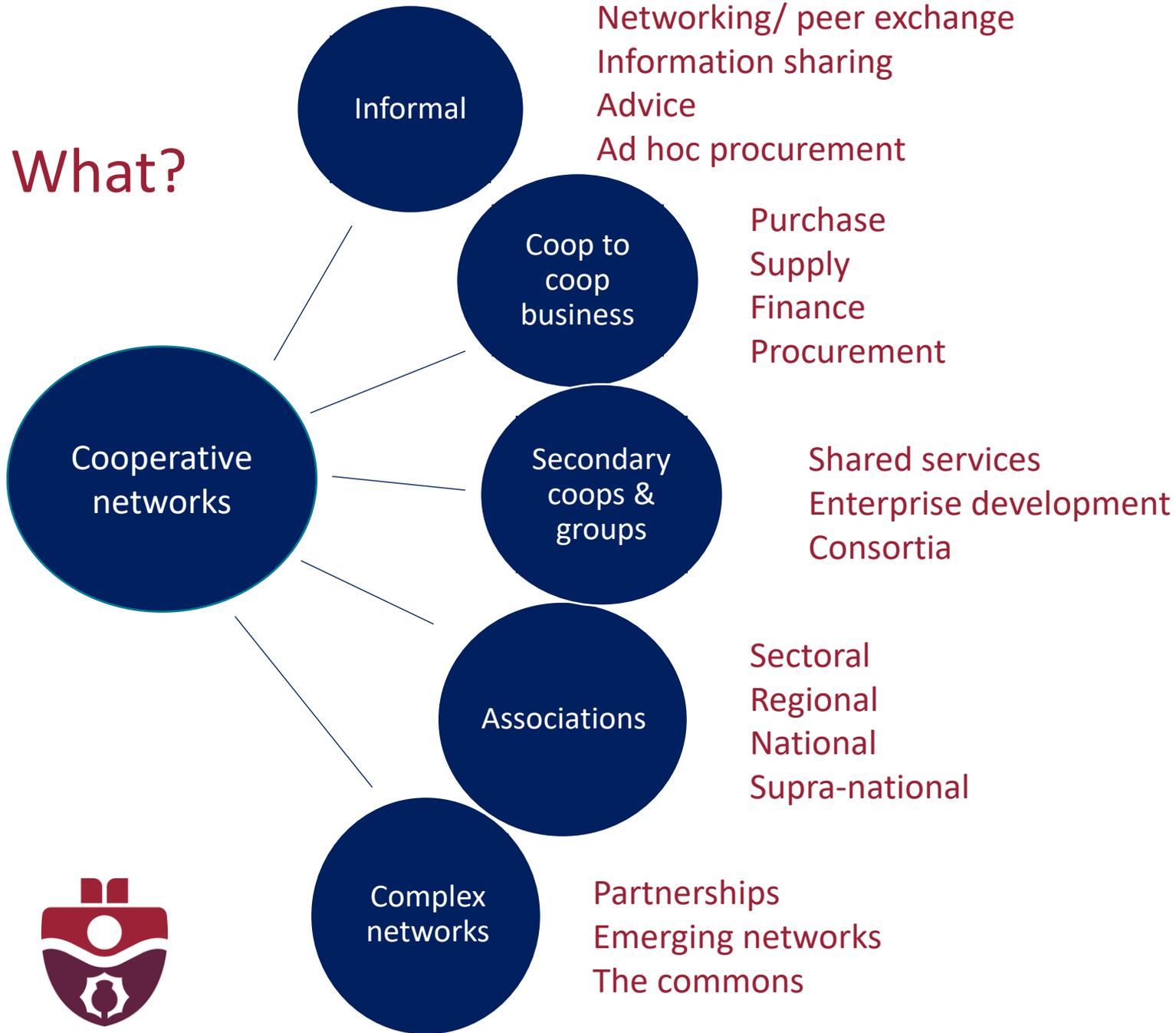




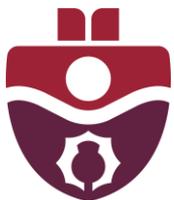
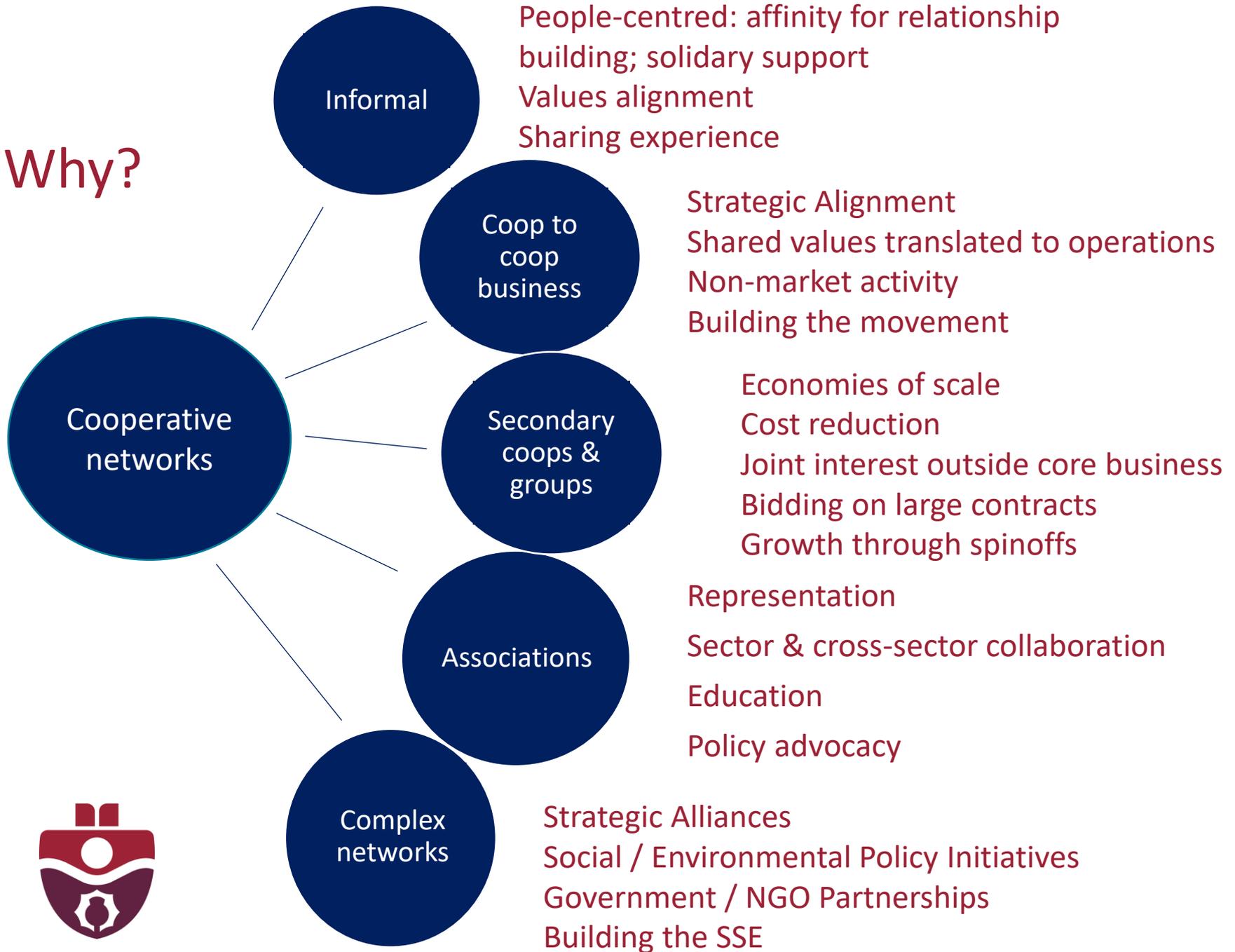
Types of cooperative networks



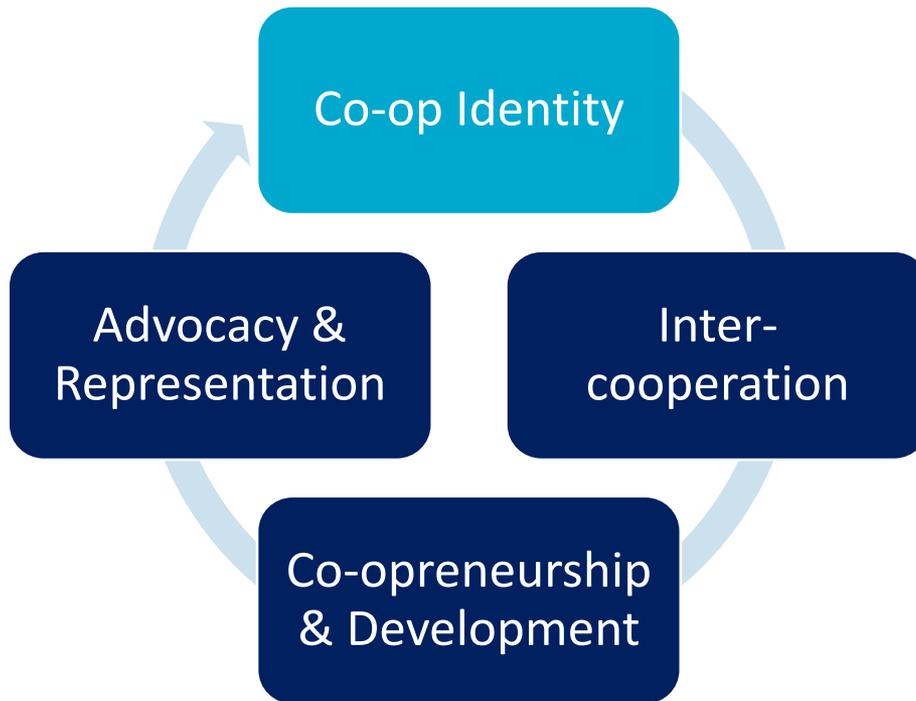
What?



Why?



Successful Co-operative Complexes



Co-operative Identity

- *Shared Understanding of Purpose, Values & Principles*

Inter-cooperation

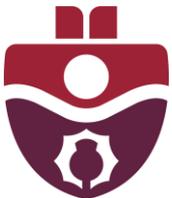
- *Secondary Co-ops, Federations, Consortia*

Co-opreneurship

- *Co-operative resources & structures for development*

Advocacy & Representation

- *Local, Regional & National Associations*



Source: Crowell 2022

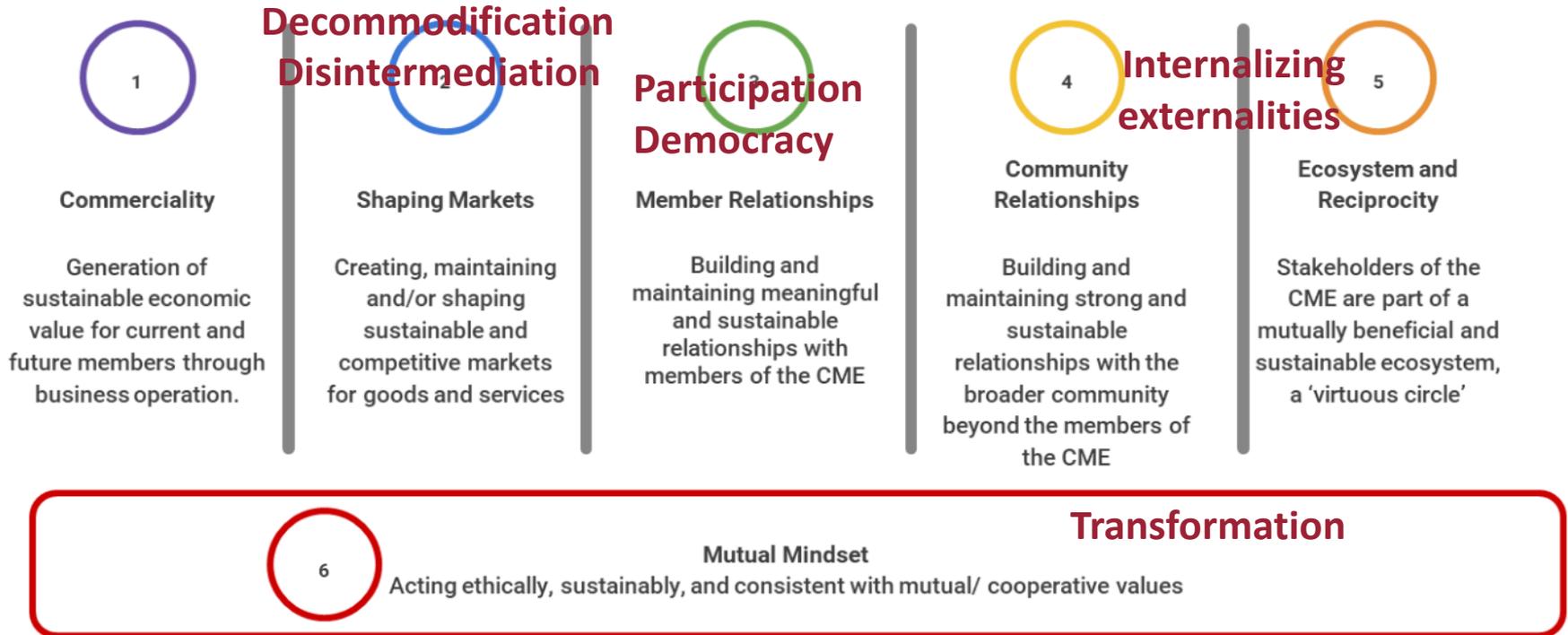
Value chains & value systems

Value chains include value added through

- Product's lifecycle (design; production; consumption; life after consumption)
- Related activities (marketing, distribution...)
- Intangibles



Mutual value - dimensions



Source: P. Thanbar 2020



Cooperative value chains

Cooperative value chain

- Economic gain (rents) are shared through the chain – distributional justice
- Governance and control – democratic, includes members and partners
- System level – networks; cooperative values (solidarity; sustainability)



Sustainable value chains

- World Business Council for Sustainable Development (WBCSD) identifies factors for implementation of sustainable value chains:
 1. Leveraging the power of collaboration
 2. Understanding consumer needs
 3. Identifying hot spots for most impact
 4. Ensuring healthy supply and demand
 5. Commitment to the initiative



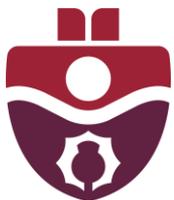
1.Leveraging the power of collaboration

Challenges :

- Needs trust
- A shared vision of sustainability
- Long term relationships
- Working with competitors
- Perceived anti-competitive collusion

Cooperative advantage:

- Values-aligned partners
- Reciprocity
- Long term view
- Multistakeholder focus
- Antitrust law exemption



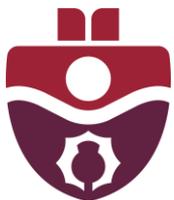
2. Understanding consumer needs

Challenges :

- Understanding consumer needs
- Proactively encouraging them to make new choices
- Being honest about the impact and benefits of new solutions
- Using right communication channels

Cooperative advantage:

- Self-help
- Democratic governance/ participation
- Open communication
- Educational campaigns



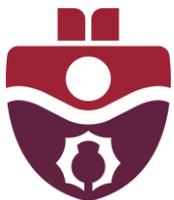
3. Identifying hot spots for most impact

Challenges

- Understanding where in the chain is the greatest impact
- Not disclosing too much information
- Lifecycle assessment

Cooperative advantage

- Open book approach
- Relational exchanges
- Lifecycle assessment includes social impact



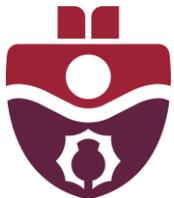
4. Ensuring healthy supply and demand to reach scale

Challenges

- Scale for profitability
- Large investments are required- more costly than traditional chains

Cooperative advantage:

- Collective action to address unsustainable practices
- Purpose
- Self-help
- Indivisible reserves
- Investments aligned with values/ networks/ development funds



5. Commitment to the initiative

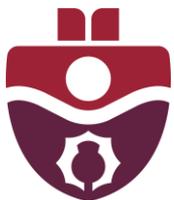
Challenges

- Needs a clear business case to communicate “value proposition”
- Top management commitment is necessary

(Danone case - Emmanuel Faber)

Cooperative advantage

- Sustainability embedded in the co-op identity
- Long-term view
- Intergenerational transfer of wealth



A 'values project' - examples

- Cooperative fair trade

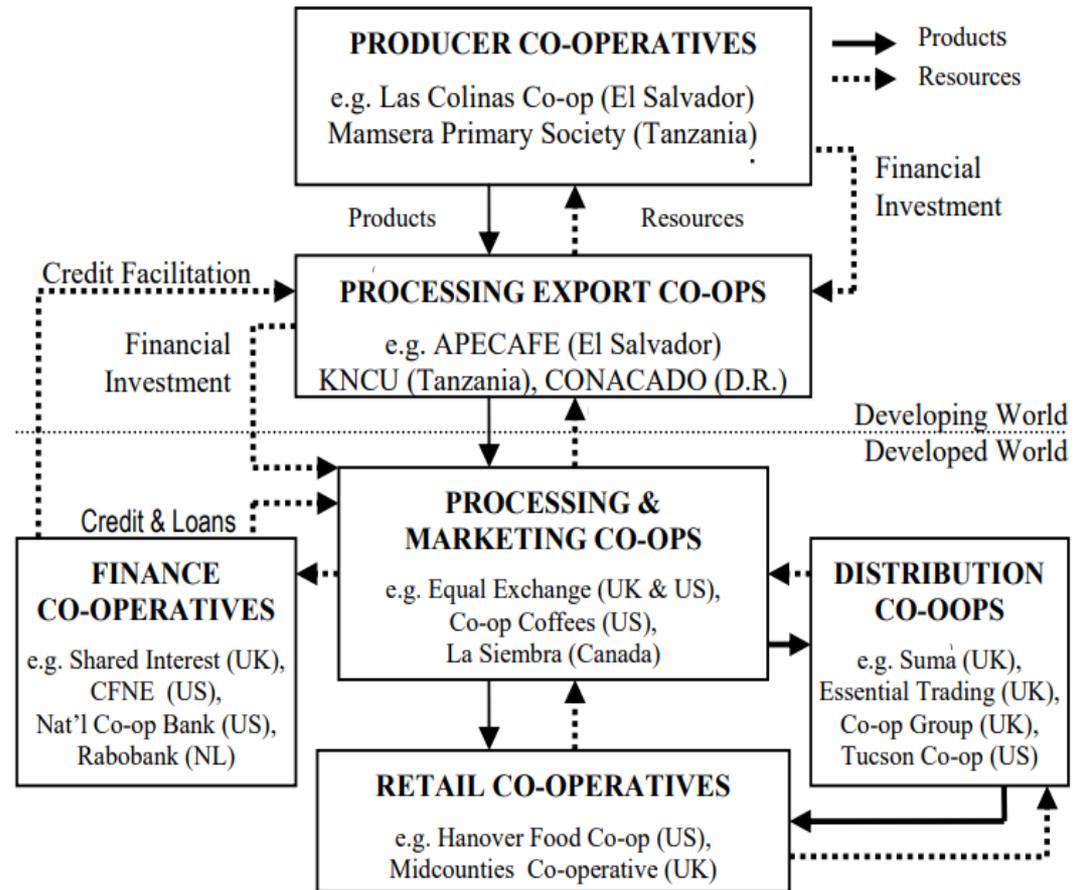
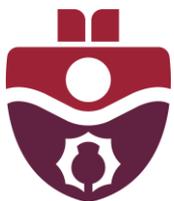


Fig. 5-4: Decentralized Global Co-operation in the Fair Trade System

Source: Crowell and Reed 2010

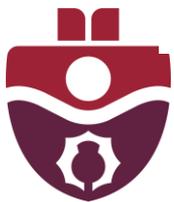


Upstream ownership



YOMOLA'TEL

Indigenous culture
Multistakeholder network

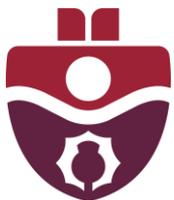


Multistakeholder
cooperatives

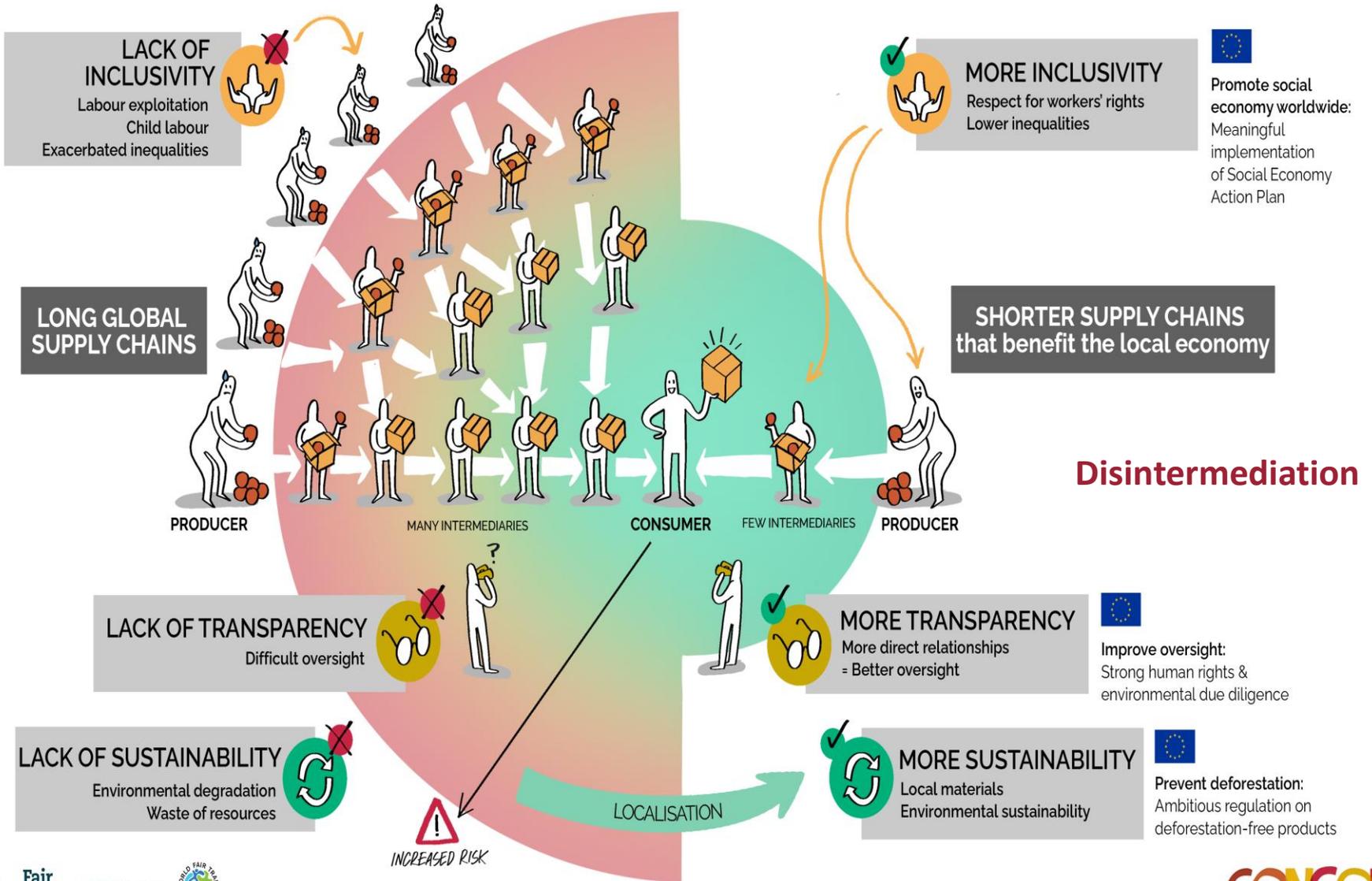


COOP CARBONE

Circular
cooperative
economy



TOWARDS SUSTAINABLE & INCLUSIVE SUPPLY CHAINS



Recommendations – promote:

Education

- *How to operationalize the cooperative identity?*
- Peer to peer learning and exchanges
- Support research chairs on cooperatives in universities (business schools in particular)
- Thought leadership (think tanks)

Cooperative development networks

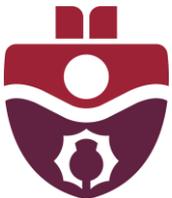
- NGOs supporting the coop model
- Cooperative developers
- Multi-level cooperative capital options (eg Quebec)



Recommendations – promote:

Regulation (which protects the co-op enterprise model)

- Indivisible reserves
- Asset lock
- Preferential treatment (tax or other) since asset lock is a startup disadvantage, and company becomes a public good
- Cooperative funds



Thank you!

snovkovic@smu.ca



**Saint Mary's
University**

International Centre
for Co-operative
Management