College of Economics and Management University of the Philippines Los Baños College, Laguna 4031 http://cem.uplb.edu.ph Telefax: 049) 536-4750 cemdo.uplb@up.edu.ph

ECONOMICS AND MANAGEMENT MATTERS

CEM Technical Bulletin

ISSN: 2449 - 3201

The Cooperative and Green Growth Nexus

Our world faces the greatest challenge of ending poverty in all its forms and dimensions. This has called for concerted efforts from all countries to address the root causes of poverty by adopting the sustainable approach towards development. In pursuit of sustainable development, developing countries face greater problems and threats that add to the challenge of eradicating poverty and achieving sustainable growth. Problems that stem from adverse impacts of climate change and human-induced environmental threats cause stresses on our natural ecosystem, food security, human health, public infrastructure, energy, human settlement, job creation, and economic growth.

With the increasing climate change impacts and environmental pressures, our growth path cannot be "business as usual" anymore. A kind of growth that does not compromise our social and environmental responsibilities is needed to minimize or avoid the trade-offs between economic and social progress and environmental sustainability. This is what the "green growth" strategy aims for – "fostering economic growth and development while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies" (OECD. 2011. http://www.oecd.org/sti/inno/48663228.pdf).

Sustainability and cooperatives are directly linked with each other. Cooperatives are builders of sustainability, which is inherent in the nature of cooperatives. They can make positive contributions to sustainability, and therefore to green growth too. As environmentalist Philippe Cousteau said during the International Co-operative Alliance (ICA)'s General Assembly in 2011, "...Investing in communities, investing in people – there is nothing more sustainable than that... We cannot have environmental sustainability without social sustainability." This outlook emphasizes that cooperatives are in a good position to serve as catalyst of green growth, being community-based and people-centered business organizations.

Cooperatives are described in the ICA's Blueprint for a Co-operative Decade as "highly sustainable businesses, combining financial health, environmental concern and social purpose in a triple bottom line." Anchored to the same pillars of sustainable development, cooperatives have a deep commitment to service and to improving the quality of life of people (Figure 1). They are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity and are committed to seven cooperative principles, many of which support green growth (<u>http://stories.coop/sustainability-inbuilt-in-thecooperative-model/</u>).



Vol. 27 No. 3, July 2017

Karen P. Quilloy Assistant Professor Institute of Cooperatives and Bio-Enterprise Development

Intrinsic to their identity is the cooperative principle of "concern for community," stating that "cooperatives work for the sustainable development of their communities through policies approved by their members." Specifically, it states that "cooperatives have a special responsibility to ensure that the development of communities – economically, socially and culturally, is sustained. They have a responsibility to work steadily for the environmental protection of their communities" (RA 9520, Philippine Cooperative Code of 2008).

With the cooperative business model being more relevant than ever, it is every cooperative's role and responsibility to serve as vehicle for promoting green growth. During the Third International Summit of Cooperatives in 2016, the cooperative movement set for itself the objective to act on social, environmental, and economic issues and fulfill its role in achieving the Sustainable Development Goals (SDGs). The movement's Power to Act Declaration emphasizes that cooperatives are in a position to introduce sustainable development strategies in different societies. It has a specific section tackling the actions that can be taken by cooperatives to support climate change- and green growthrelated SDGs (https://www.sommetinter.coop/en/2016-edition/2016 -declaration).

Given their nature and characteristics, cooperatives are a good entry point to influence an individual, entrepreneur, household, or community's behavior on embracing green growth practices. They have the potential to create significant impact on operationalizing green growth, especially that they cut across different economic sectors and industries at all levels, thereby influencing a wider range of activities and people. However, it is important that proper knowledge and understanding of green growth should be instilled among cooperators in order to fully maximize their potentials to contribute to green growth.



Figure 1. The pillars of cooperative development