

Network, Consumer Co-Operatives and Sustainability*

Maura Latini**

Abstract

Consumer co-operatives have always embraced the principles of solidarity and collaboration between people, with the ambition to improve the quality of life of poor classes. Therefore, consumer co-operatives can rightly be considered as the first recorded form of socio-economic organization aiming at the search of a primordial sustainability.

From the very beginning, the Italian Consumer Co-operatives have been committed to produce good, healthy and safe products at the lowest price on the market and up with new consumer needs.

Keywords: Network; Consumer Co-Operatives; Sustainability; Coop Italia

1. Concrete Targets of Sustainable Development

Sustainability is currently one of the most used and interesting terms for people and businesses, perhaps a little less for the institutions. In many cases, however, the use of this term occurs regardless of the actual understanding and awareness of its deep and complete meaning, as well as the actual need to consider it one of the issues that best represent the great challenge of the future for all humanity.

By not doing justice to the first reports of “environmental costs associated with material benefits received”, which the first environmental movements already made in the mid-1950s, it can be said that the definition closest to today’s content of Sustainable Development can be found in the 1987 Brundtland Report for the United Nations Commission on Environment and Development.

However, the sustainable development targets needed to bring about change were identified at the beginning of 2000: economic development, social development and environmental protection (Figure 1).

These are definitions and descriptions that work and develop within an almost given development model, and which therefore have the ambition to contribute to directing a new virtuous balance, while maintaining the status quo of the same starting model.

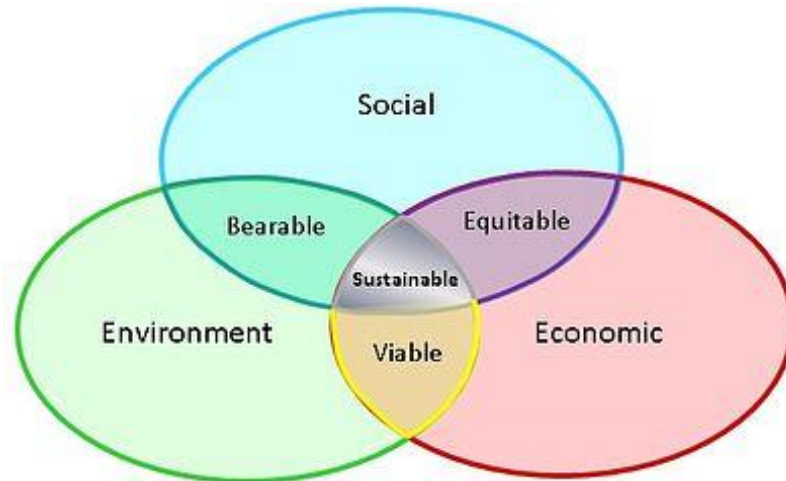
These objectives were enriched years later, again by the United Nations, with the Agenda 21, with the addition of the fourth parameter. That is to say with a rewording that identifies economic, ecological, political and cultural sustainability as the necessary drivers to induce change. Once again a necessary change to find a new

* Invited Article

** CEO of Coop Italia (info@coopitalia.coop.it)

balance aimed at improving the quality of life of people today, while respecting the possibility of maintaining the quality of life for future generations, through the preservation of the environment and society in which these future generations will live.

Figure 1: *The Three Perspectives of Sustainable Development*



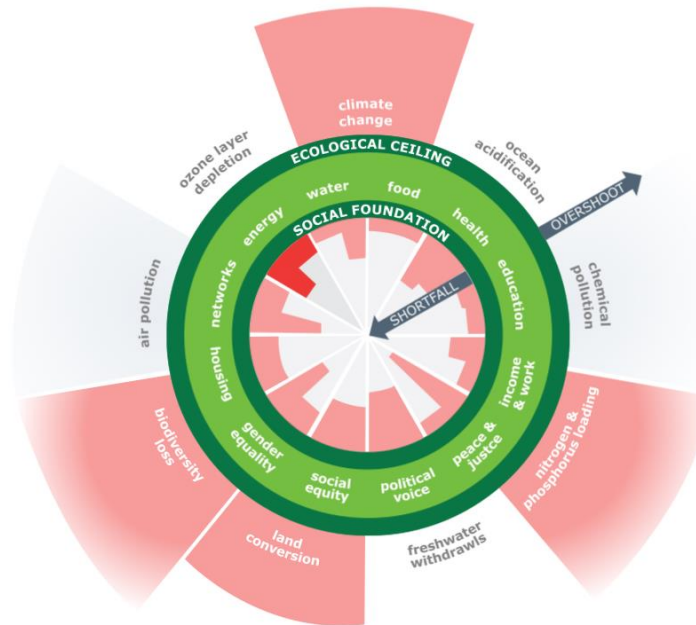
But beyond the official nature of these guidelines recognised by many institutions, new models are also appearing in the debate which, assuming the same objectives summarily described above, work instead on different modes of development or, even better, on new economic and social models. These alternative thoughts spring once again from the environmentalist world.

Kate Raworth (2017), often referred to as the economist of the 21st century, with her “Doughnut Economics” starts with a profound analysis of today’s economic models. And it is precisely by starting from those models that have contributed to building the world we know, that she proposes to modify its present and consolidated economic systems, the structure and use of finance and money, the world of business and growth that is only uncritical.

Raworth’s objective is to direct a true circular economy, able to produce but in such a way as to regenerate natural systems, respecting the rhythms that the same systems in nature guarantee, and to develop the necessary economic resources to allow everyone to live a dignified and fair life in a safe space for today and to guarantee the available space for future generations.

With her work, she describes a system aimed at solving global problems such as climate change, biodiversity loss and the unequal distribution of resources, through an interdisciplinary approach. Hence, with a completely new approach compared to today’s approach that sees vertical specialization as the model of reference (Figure 2).

Figure 2: *Fundamentals of Circular Economy*



Source: Raworth (2017).

2. Consumer Co-Operatives: “Flour, Not Chalk”

It was in 1844 in Rochdale, England, that the first Consumer Co-op was born, a model that then developed and grew in Europe and in the world with fortunes and results extended and different between economic and social spheres.

It was a courageous and revolutionary intuition which, pivoting on the concept of solidarity and collaboration between people, had the ambition to improve the living conditions of the poorer classes, employed as low-cost labor in the economic model of the “industrial revolution”.

In Italy, the first Consumer Co-operative was formed in Turin in 1854¹, driven by the same motivations and aspirations that had driven the “Rochdale Equitable Pioneers”: to improve the quality of life of workers and their families and to make it more sustainable. Workers were struggling to live on very low wages, and they were forced to buy food which was too expensive and often with no guarantees in terms of quality.

“Flour, not chalk” is an effective synthesis to represent one of the most pressing and representative needs for workers of that economic and social model, which was developing and which based its growth on the sacrifice of the human component. The sacrifice of the environmental component was still far from being understood, and it would only begin to be noted, as we have seen, seventy years later.

Would it be a stretch to ascribe to the birth of the Consumer Co-ops the first structured attempt to take on the objective of “sustainability” as a direction for change, albeit unconsciously at the time?

I think we can believe that the search for “sustainability” for those who, at the end of the 19th century, found advantages in the new jobs that were developing, but

received significant disadvantages from the insufficient, expensive and poor quality food that they were forced to buy, was to all intents and purposes the same search for balance between economic and social factors that today has seen the concept extend to include the environment, ethics and culture.

So I don't think I'm exaggerating by saying that Consumer Co-ops are probably to be considered as the first recorded form of socio-economic organization aiming at the search for a primordial "sustainability".

Rochdale Equitable Pioneers' socio-economic intuition is significant since it pivoted on the value of collaboration, solidarity and mutuality, but also had the capacity to add a further fundamental element for its effectiveness and future development possibilities; the direct production of goods for the sale and collection of money deposits by Members as a structure of capitalization of the co-operative company.

The great value of these small, yet great intuitions will be found in the developments that they contributed to generate after World War II; in Italy, after the halt to the development of co-operatives decreed by Fascism, the rebirth after the destruction of the war saw Consumer Co-operatives play a leading role in accompanying the changes and improvements to the living standards of Italian households.

3. The Evolution of Society and Consumption Patterns: The Birth of Coop Products

In 1948, the more than 2.500 Italian Consumer Co-operatives, which in some cases had already begun to produce commodities in order to sell them to their members, realized once again the value of collaboration, in this case among Co-operatives. In fact, in 1948 the first Coop branded products were created.

For that time it was a real challenge: to produce good, healthy and safe products at the lowest price on the market and up with new consumer needs.

It is in fact the evolution of society and Italian lifestyles that has set the pace to the solid and lasting development of Coop Products, which, going forward, have become the leading private label in Italian retail in terms of both quantity and quality.

Coop products have grown stronger thanks to a number of unique factors. One is without a doubt the beautiful COOP brand, designed in 1962 in its original form by Albe Steiner for the stores banner and for Coop products. Steiner himself effectively described it as follows: "I chose an optimistic image, a link between four letters, a co-operation between characters [...]". The COOP brand was then updated to its current form in the 1970s by the other great graphic designer who worked on Coop, Bob Noorda.

But the distinguishing factor, besides the brand, which contributed to the success of such special products, was courage. Consumer Co-operatives chose to develop products under their own brand with the aim of continuing to meet the direct and indirect needs of its members, which in the meantime were also extended to all customers, thus staying true to their reason for birth and existence. That is to say to create products that are affordable, good, safe, ethical and environment friendly and to present them in a clear and transparent way so that people have all the information needed to choose; products that could be safely referred to as "Coop products, you

find Coop inside them”. Courage, as we said, and consistency in managing and producing the products.

4. Guaranteeing Consumers and Being Ahead of the Times: The Precautionary Principle

The production of any product, food and non-food, is regulated by the laws of the State, or in some cases by the guidelines of the European Community, and over the years the evolution of production processes of the industry has made a quantum leap for consumer guarantees. A decisive contribution has come from scientific research which, while on the one hand allows old and new risks to be intercepted, on the other hand makes new elements and components available to production which, in themselves, only over time clearly reveal both the opportunities and any risks.

Risks and opportunities are therefore intercepted and classified by the legislator only when scientific research has indisputably consolidated the evidence.

It is in this context that the “courage” mentioned in the previous chapter plays its role, as an ingredient that Consumer Co-operatives have used to make Coop Products, often bridging the time gap between the identification of a potential risk and the legislation that will regulate it.

It is therefore, also adopting the precautionary principle as a guideline in the design of new products that Coop seeks to limit potential risks on issues that find the scientific world divided, anticipating choices that frequently consolidate in subsequent years in regulations, adopted by the legislators and then extended to the whole country or even to the whole of Europe.

Here too, the first evidence of the meaning and spirit with which the Precautionary Principle was born dates back to the 1970s, when we find the first elements in the discussions of the environmental movements of the time. It was in this context that the precautionary protection of the environment was discussed, but it from this approach the concept of precaution was further extended, that is to say to limiting hypothetical risks or risks based on already relevant evidence, to other areas such as human health and product safety.

The Precautionary Principle was subsequently taken up by the European Constitution, and was consolidated for the Consumer Co-operatives as one of the inspiring and valuable principles in the creation and development of Coop products. Moreover, it informs the interpretation of the economic and social context in which the Co-operatives operate and it is therefore a guidance for choosing the new challenges to be faced at the service of the community.

5. The New Focus on Sustainability: Coop Products at a Glance

We are going through an important time. Since the 1970s, when the topic of sustainability began to make its way, many things have changed; many countries have developed by improving the living conditions of at least a part of their citizens, while other countries and people have not benefited from the changes. But in any case, the improvements that have been made have been achieved with the same

development model that has continued to plunder the environmental resources of the future, and often the human resources of the present.

Negative scenario? Yes, but fortunately there are a few positive things to note; the new widespread awareness of the huge problems and risks that we are facing, as well as the global call launched with force by the student movements, represented by Greta Thunberg's, to urgent change and to the responsibilities of the political, economic and financial decision-makers of today and not of tomorrow.

Indeed, it is not the students and Greta, who took to the streets in the "Friday for future", who have to make the change; we have to make it happen, that is, all those who in various capacities and in various business dimensions can choose how to operate and thus contribute to make a difference. I'm sure and I hope that young people will be able to distinguish and choose between those who will act seriously and consistently and those who will choose the easy path of "cosmetic" sustainable choices.

This is as important as it is sensitive. The autonomous and voluntary choices of people, citizens and businesses of good will are important, and Consumer Co-operatives have the obligation and ambition to continue to be with this part of the economy. Thus, the challenge is so great and complex that without a political vision of the States that be able to look at the model of society that is useful for the future, it will be difficult to make the changes that are needed in time and in a way to solve problems and no longer postpone them. A comprehensive, integrated, multidisciplinary approach will be needed.

This is the only way to pursue and achieve the 17 Sustainable Development Goals (SDGs) defined by the United Nations, divided into 169 "targets" to be achieved by 2030 at a global level by all UN member countries. The Agenda outlines the guidelines to be followed with an integrated approach to the three dimensions of sustainable development (economic, social and environmental) in key areas for the Planet: poverty, hunger, health, education, gender equality, clean and safe water, sanitation, energy, decent work, innovation, inequalities, sustainable cities, responsible consumption and production, climate change, biodiversity in the oceans and on earth, peace and global partnerships.

□ *But if "In times of universal deceit, telling the truth is a revolutionary act" as George Orwell said in 1945 in Animal Farm, even consciously choosing which products to buy can become a revolutionary act, in this economic and social model that lives on products made, then purchased and often too soon thrown away and almost never destined to new life...*

That is why, today more than ever, possessing the necessary and true information to be able to make an informed choice can make a difference and direct the market differently.

The Italian Consumer Co-operatives have condensed the spirit with which they will continue to work and to represent their model and therefore their proposal, with the ambition of continuing to help people to inform themselves, to confront themselves and to choose freely and well, because "a good way of shopping can change the world".

Through the years, Coop has promoted pioneering initiatives, ranging from environment care, consumerism and animal welfare, which have distinguished it from the other Italian retailers and reaffirmed the consistency with its funding values and principles.

Coop products are produced based on a set of specific, major choices:

- To produce products suitable to meet the needs and interests of consumers.
- To use the precautionary principle as a guideline.
- To pursue sustainability as a whole: environmental, economic and social.
- To communicate the information on Coop products as clearly and comprehensively as possible to members and customers.
- To pursue a continuous improvement while respecting co-operative values; good value, safety, quality, ethics, attention to the environment, transparency.

This multidisciplinary approach has allowed Coop, a leading Italian retailer, to make choices and actions that are applied to large categories of Coop products, and sometimes also to non-Coop products, thus achieving a result that is unique in Europe. The uniqueness derives from the qualitative and quantitative extension of what has been achieved, as well as from the ability that the same choices have had to direct the entire competition in Italy and in some cases to anticipate the choices of the legislator.

Bibliography

Beech, N., MacIntosh, R., Krust, P., Kannan, S., & Dadich, A. (2017). *A Lawyer's Story: Responding to Change Through Innovation*, in *Managing Change: Enquiry and Action*, pp. 363-366. Cambridge: Cambridge University Press.

<http://dx.doi.org/10.1017/9781316995624.032>

Bosetti, L. (2015). Social Networks and Stakeholder Engagement. Evidence from Global Compact Lead Participants. *Journal of Strategic and International Studies*, 10(6), 44-56.

Brondoni, S.M. (2019). Shareowners, Stakeholders & the Global Oversize Economy. The Coca-Cola Company Case. *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, (1), 16-27.

<http://dx.doi.org/10.4468/2019.1.02brondoni>

Brondoni, S. M. (2018). *Competitive Business Management and Global Competition. An Introduction*, in Brondoni, S. M. (ed.), *Competitive Business Management. A Global Perspective*. New York & Turin: Routledge & Giappichelli.

Brondoni, S. M., & Bosetti, L. (2018). Ouverture de 'Integrated CSR Management'. *Symphonya. Emerging Issues in Management (symphonya.unimib.it)*, (1), 1-17.

<http://dx.doi.org/10.4468/2018.1.01ouverture>

Brondoni, S. M. (2015). Global Networks, Outside-In Capabilities and Smart Innovation. *Symphonya. Emerging Issues in Management (symphonya.unimib.it)*, (1), 6-21.

<http://dx.doi.org/10.4468/2015.1.02brondoni>

Brondoni, S. M. (2014). Global Capitalism and Sustainable Growth. From Global Products to Network Globalisation. *Symphonya. Emerging Issues in Management (symphonya.unimib.it)*, (1), 10-31.

<http://dx.doi.org/10.4468/2014.1.02brondoni>

Clarke, J. (1997). Shareholders and Corporate Community Involvement in Britain. *Business Ethics: A European Review*, 6(4), 201-207.

<http://dx.doi.org/10.1111/1467-8608.00070>

- Civera, C., & Freeman, R. E. (2019). Stakeholder Relationships and Responsibilities: A New Perspective. *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, (1), 40-58.
<http://dx.doi.org/10.4468/2019.1.04civera.freeman>
- Freeman, R. E., & Dmytriyev, S. (2017). Corporate Social Responsibility and Stakeholder Theory: Learning From Each Other. *Symphonya. Emerging Issues in Management (symphonya.unimib.it)*, (2), 7-15.
<http://dx.doi.org/10.4468/2017.1.02freeman.dmytriyev>
- Freeman, R. E. (1984). *Strategic Management: a Stakeholder Approach*. Pitman, Boston.
- Lambin, J. J. (2018). *The Sharing Economy. A New Strategy to Compete in the Global Market*, in Brondoni, S. M. (ed.), *Competitive Business Management. A Global Perspective*. New York & Turin: Routledge & Giappichelli.
- Lambin, J. J. (2014). Rethinking the Market Economy. *Symphonya. Emerging Issues in Management (symphonya.unimib.it)*, (2), 4-15.
<http://dx.doi.org/10.4468/2014.2.02lambin>
- Lambin J. J. (2009). Capitalism and Sustainable Development. *Symphonya. Emerging Issues in Management (symphonya.unimib.it)*, (2), 3-9.
<http://dx.doi.org/10.4468/2009.2.02lambin>
- MacLean, D., & MacIntosh, R. (2017). *The Strategy Cycle: Planning, Paradox and Poetry in the Practice of Strategists*, in Siebert, S. (ed.), *Management Research: European Perspectives*, pp. 103-120. London: Routledge.
- Raworth, K. (2017). *Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist*. London: Random House.
- Salvioni, D. M., & Gennari, F. (2019). Stakeholder Perspective of Corporate Governance and CSR Committees. *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, (1), 28-39.
<http://dx.doi.org/10.4468/2019.1.03salvioni.gennari>
- Salvioni, D. M. (2018). *Corporate Governance, Ownership and Global Markets*, in Brondoni, S. M. (ed.), *Competitive Business Management. A Global Perspective*. New York & Turin: Routledge & Giappichelli.
- United Nations (2015). *Transforming Our World: The 2030 Agenda for Sustainable Development*. Resolution 70/1 of the United Nations General Assembly.
- United Nations Conference on Environment & Development (1992). *Agenda 21*. Rio de Janeiro, Brazil, 3-14 June.
- World Commission on Environment and Development (1987). *Our Common Future* (Brundtland Report).

Notes

¹ <http://www.legacoop.coop/associazione2/associazione/legacoop-nazionale/chi-siamo/storia/>