

Case Studies of Locally Oriented and Green Business Networks:

Co-op America

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Founded in 1982, Co-op America is a nonprofit organization that is governed by a board of directors elected by the organization's membership.¹ The organization has over 50,000 individual and 2,500 business members, and its programs are oriented to both groups, as well as to both social and environmental issues.² Individual members receive a subscription to the quarterly magazine *Co-op America; Real Money*, a newsletter that provides information on socially responsible investing and purchasing; the *National Green Pages*, a listing of member business organizations; and the *Financial Planning Handbook*, a guide to socially responsible investing. Other publications are available free on the organization's web site.³

As of 2005 Co-op America sponsored a wide variety of programs that are oriented both to households and businesses:

Living Green, which helps individuals and businesses to green their spaces and consumption patterns;

WoodWise, which provides information on sustainable wood products, alternatives to wood and paper, support for magazines that use recycled content, and options for recycling;

Fair Trade, which provides information about Fair Trade organizations and products, encourages members to "adopt a supermarket" in order to increase Fair Trade product availability, and hosts the Fair Trade Alliance, in which organizations pledge to use more Fair Trade products;

Green Energy, which covers renewable energy options, green tag programs, and energy conservation (including the "Carb Cutter" program);

Responsible Shopper, which allows people to look up and compare information on the environmental, labor, and human rights records of large corporations;

Boycotts, which provides information on how to research corporations and how to organize boycotts;

Sweatshops, which provides information on fair-labor products from green businesses as well as a sweatshop scorecard of major clothing retailers in the U.S.;

Shop and Unshop, which provides lists of products that should not be purchased and alternative products that could be purchased; and

Green Businesses and Socially Responsible Investing, which will be discussed in more detail below.⁴

Equity and Sustainability

In the early 1980s, Co-op American published a catalog to showcase its business members to consumers, and by 1992 the business membership had grown to 750 members. At that point the organization shifted from a catalog to a directory format, and the National Green Pages were launched.⁵ The successor program, the Co-op America Business Network, defines a “green” business as showing evidence of both environmental and social responsibility. The network is open to publicly traded corporations, but in order to join the network, applicants must pass through a screening process that documents the organization’s commitment to social and environmental responsibility. “Responsibility” is defined to cover the sourcing, manufacturing, and marketing of products; the management of organizations; and innovative practices designed to benefit workers, communities, customers, and the environment.⁶ Organizations that pass the screening may be listed in the *National Green Pages*, an annual catalog that is published by the organization and sent out to members; use a Co-op America seal of approval; participate in the Green Business Conference; have booths at the Green Festivals (expositions that are supported jointly by Co-op America and Global Exchange); and stand as candidates for the People’s Choice Award for Green Business of the Year.⁷

Although the goals of Co-op America are similar to those of the Business Alliance for Local Living Economies (BALLE), and there are informal connections and membership overlaps between the two organizations, Co-op America is more of a national green business organization and it also allows publicly traded corporations to join as members. However, Co-op America’s programs increasingly extend to a local level. For example, starting in 2003, the first local *Green Pages* were published as the *Green Mountain Green Pages* for the state of Vermont.⁸ The organization also sponsors the 1% in Community Campaign, which encourages members to invest in community-oriented financial institutions, such as a community development bank, credit union, or community investment fund.⁹ Furthermore, Co-op America has partnered with the Social Investment Forum Foundation to establish the Community Investing Center, which provides web-based advice on options for community investors.¹⁰ Co-op America claims that its support of community investing had “helped steer” \$500 million in investments into communities as of January 2005.¹¹

Regarding nonlocal, publicly traded corporations, Co-op America provides information for socially responsible investing, and many of the socially responsible mutual funds are members of the organization’s business network. As early as 1984 the organization was very involved in the socially responsible investing field, and in 1990 Co-op American drafted the Valdez Principles of Corporate Environmental Responsibility, which became the CERES Principles, and founded the CERES Coalition.¹² The organization also provides members with a copy of the Financial Planning Handbook and serves as the secretariat of the Social Investment Forum, a nonprofit organization that is dedicated to socially and environmentally responsible investing.¹³ Through the Shareholder Action Program, the organization also provides information to members about how to participate in shareholder activism campaigns.¹⁴

Policy Issues and Recommendations

Co-op America has inaugurated a number of action campaigns aimed directly at some of the worst practices of large corporations. Between 2001 and 2003 a campaign from the organization's WoodWise program, the Magazine PAPER Project, convinced forty magazines to switch to recycled paper.¹⁵ In 2002 the End Sweatshops campaign developed an agreement with clothing retailers to adopt fair labor practices and implement a monitoring system for sweatshops in Saipan.¹⁶ In 2002 and 2003 Co-op American participated a successful campaign—which involved a coalition Global Exchange, the Interfaith Fair Trade Initiative, Oxfam America, and some investors—convinced Proctor and Gamble (the industry's largest coffee roaster) to include Fair Trade coffee in one of its product lines.¹⁷ In 2005 Co-op American developed the “No Wal-Mart Holiday Pledge,” a pledge not to buy anything for the holidays from the retailer that scored lowest on Co-op America's retailer scorecard.¹⁸ Another recent campaign has been directed at ExxonMobil, which seeks a shift in the company's investment priorities so that \$600 million is invested in renewable resources. The campaign uses shareholder resolutions and a letter writing as the main tactics.¹⁹

Co-op America has also focused action around federal policies that affect socially responsible investing. When the Security and Exchange Commission developed a plan to end shareholder campaigns, in 1997 the organization worked in a coalition that led to a withdrawal of the plan.²⁰ In 2000 the Shareholder Action Network was founded, and the next year the network targeted a Citigroup subsidiary and other financial institutions so that they stopped selling an “abusive credit insurance product.” The campaign eventually led to a supportive decision by the Federal Trade Commission and a \$215 million fine for the bank.²¹ Likewise, in 2004 Co-op America and other organizations convinced the Securities and Exchange Commission to require mutual funds to disclose how they vote their shareholder proxies, and the next phase of the campaign now is asking the largest mutual funds to vote their proxies in line with socially and environmentally resolutions.²²

Action campaigns also target the U.S. government on energy policy. In partnership with the research and consulting firm Clean Edge, Inc., Co-op America also issued the Solar Opportunity Assessment Report in 2003. The report was based on interviews with thirty firms and leaders in the solar industry, and it sought to understand what policy changes would be needed to double projected solar installations from 35GW to 70GW in 2025. It also outlined a proposal for having 10% of U.S. energy (290GW) by 2025.²³ In 2005 Co-op America joined with other environmental organizations to attempt to stop a rule change by the Environmental Protection Agency that would have made it possible for coal-burning electricity plants to emit more pollution.²⁴

Main web site: www.coopamerica.org

Affiliated web sites: www.greenpages.org, wwwsocialinvest.org, www.woodwise.org, www.responsibleshopper.org, www.boycotts.org, www.shareholderaction.org,

www.sweatshops.org, www.realmoney.org, www.communityinvest.org,
www.ecopaperaction.org, www.fairtradeaction.org

Notes

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- ¹ Co-op America. 2005. "Who We Are." Retrieved October 28, 2005 ([http://www.coopamerica.org/about/who weare/index.cfm](http://www.coopamerica.org/about/who%20weare/index.cfm)).
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- Co-op America. 2005. "Who We Are and What We Do." Retrieved October 28, 2005 (<http://www.coopamerica.org/PDF/PressKit.pdf>).
- ³ Co-op America. 2005. "Our Publications." Retrieved October 28, 2005 (<http://www.coopamerica.org/pubs/>).
- ⁴ Co-op America. 2005. "Our Programs." Retrieved October 28, 2005 (<http://www.coopamerica.org/programs/>).
- ⁵ Co-op America. 2003. "Co-op America: Highlights of the Past 20 Years." *Co-op America Quarterly* fall: 7-11.
- ⁶ Co-op America. 2005. "Screening Big Business." Retrieved October 28, 2005. (<http://www.coopamerica.org/greenbusiness/screening.cfm>).
- ⁷ Co-op America. 2005. "Co-op America's Seal of Approval." Retrieved October 28, 2005 (<http://www.coopamerica.org/greenbusiness/sealofapproval.cfm>).
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- ⁸ Co-op America. 2004. *National Green Pages (2004 edition)*. Washington, D.C.: Co-op America, p. 37.
- ⁹ Co-op America. 2005. "Join the 1% in Community Campaign." Retrieved October 28, 2005 (<http://www.coopamerica.org/socialinvesting/communityinvesting/onepercent.cfm>).
- ¹⁰ Community Investing Center. 2005. "About the Community Investing Center." Retrieved October 28, 2005 (<http://www.communityinvest.org/overview/aboutus.cfm>).
- ¹¹ Co-op America. 2005. "Action Updates." Retrieved October 28, 2005 (<http://www.coopamerica.org/takeaction/updates/index.cfm>).
- ¹² Co-op America. 2003. "Co-op America: Highlights of the Past 20 Years." *Co-op America Quarterly* fall: 7-11.
- ¹³ Co-op America. 2005. "Financial Planning Handbook." Retrieved October 28, 2005 (<http://www.coopamerica.org/pubs/fph/index.cfm>).
- _____. 2005. "Social Investment Forum." Retrieved October 28, 2005 (<http://www.coopamerica.org/socialinvesting/sif.cfm>).
- ¹⁴ Co-op America. 2005. "Shareholder Activism: What We Do." Retrieved October 28, 2005. (<http://www.coopamerica.org/socialinvesting/shareholderaction/whatwedo.cfm>).
- ¹⁵ Co-op America. 2003. "Co-op America: Highlights of the Past 20 Years." *Co-op America Quarterly* fall: 7-11.

¹⁶ Co-op America. 2003. "Co-op America: Highlights of the Past 20 Years." *Co-op America Quarterly* fall: 7-11.

¹⁷ Co-op America. 2005. "Action Updates." Retrieved October 28, 2005 (<http://www.coopamerica.org/takeaction/updates/index.cfm>).

Co-op America. 2003. "Co-op America: Highlights of the Past 20 Years." *Co-op America Quarterly* fall: 7-11.

¹⁸ Co-op America. 2005. "'No Wal-Mart' Holiday Pledge." Retrieved October 28, 2005 (<http://www.coopamerica.org/takeaction/walmart/>).

¹⁹ Co-op America. 2005. "Tell ExxonMobil: Less Talk and More Action on Climate Change." Retrieved October 28, 2005 (<http://www.coopamerica.org/takeaction/exxon/index.cfm>).

²⁰ Co-op America. 2003. "Co-op America: Highlights of the Past 20 Years." *Co-op America Quarterly* fall: 7-11.

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²³ Business Wire. 2003. "Solar Catalyst Group Identifies Opportunities and Challenges Facing U.S. Solar PV Industry." Dec. 3. Lexus-Nexus.

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