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I'm so happy and proud to be here. When I told my husband about this wonderful opportunity, he said, "TED Talk? Wow, I get to do that a lot around here. It's finally someone else's turn." So, yes, I happen to be married to a wonderful man named Ted, which is pretty rare in Finland, where I'm from. It's not a typical Finnish name at all, trust me.

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Myself, I'm a business professor, and I love teaching. But you know what? My students are fed up, they're really fed up with the way business is screwing up the environment and making wealth inequality worse, and putting money and profits above all else. And what really makes them mad is when I tell them about the cooperative movement. They're angry, because once they understand how cooperatives work, they feel like a secret solution has been kept hidden. Before I tell you more about why cooperatives are so great, I want to explain what they are.

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A cooperative is an organization that is owned by its members, who are also its customer and decision maker. And unlike most businesses, where certain owners can buy more power and influence, in a cooperative, every member has one vote, which was a revolutionary idea back when the model was first introduced. A regular man, not to mention a woman, with no significant means or a prestigious position in a society, as an owner, an equal partner in business? Unheard of. Perhaps it's still a bit revolutionary.

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Cooperatives exist in a sweet spot between the for-profit and nonprofit worlds. Their uniqueness is based on the idea of duality. They have two distinct but complementary roles. On one hand, they act like any other business and try to make money. But on the other hand, cooperatives are and do so much more. They are people-centered enterprises run by and for their members, and they try to achieve economical, but also social and cultural goals to benefit those members who are just regular people, like you and me.

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And what has happened for almost 200 years is that cooperatives have proven to make decisions with a view across generations, instead of quarter-to-quarter, to benefit more people and to anchor wealth in communities that might not otherwise attract investment, while still being competitive and innovative.

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Sounds pretty good, right? I guess that's why, at the end of a class the other day, a student, all red and jazzed up, basically shouted at me. "I've always been a straight A student, done all the work, read all the books, and now you're telling me that all my life, I've missed hearing about a movement with this magnitude?" I get this a lot.

03:08

The organized cooperative movement started in 1844, with the [Rochdale Equitable Pioneers' Society]. This was a group of weavers and artisans who, out of desperation, opened a store together, to sell things that they could neither get nor afford alone. The cooperative movement spread from there and became a global phenomenon. Many of the modern-day credit unions and farm credit systems you see in North America are descendants of the famous cooperative Raiffeisen system in Germany.

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And here in Finland, a man named Hannes Gebhard is considered to be the father of the Finnish cooperative movement. In the 19th century, he introduced cooperatives to help people tackle debt, poverty and unemployment. It turns out this is the foundation of a country known for its democratic values, high-quality education and the happiness of its citizens. And this line of impact of the cooperative movement can be found in other places in the world too. I'm proud to say that in relative terms, Finland is one of the most cooperative countries in the world. We have about 5.5 million people who have over seven million memberships in cooperatives that run everything from groceries to banks.

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Each time I shop at our grocery cooperative, when I fill in my gas tank, eat at our jointly owned restaurants, stay at a hotel or buy clothes or hardware stuff, I get bonuses that can be up to five percent. And when I pay with our cooperative's bank card, I get an additional half percent off. And I know that when the cooperative is doing well, it's not funding a single person's luxury vacation in the Bahamas. Every year, a governance body comprised of elected representatives decides how any operating surplus will be used. Some of the money will go back to the members. For example, this year, our consumer cooperative, Pohjois-Karjalan Osuuskauppa, or PKO, as we call it -- is part of the S Group, which is the biggest cooperative group in Finland -- they had a surplus of two percent on members' purchases, and 12 percent return on money invested. When you add up the savings and the return, my family received more than 2,000 euros back, which is more than we spend on groceries in one month. Not to mention that our groceries are about seven percent cheaper than its main competitor.

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I'm a member-owner in three cooperatives, and my husband has four memberships: a consumer, a bank, an insurance and a water cooperative. We have two beautiful girls who are 10 and 12 years old, and they are also member-owners of the S Group. Their memberships cost us one hundred euros each. We want to pass on the legacy and teach them about the benefits of cooperatives early on. And of course, they are very happy about the yearly interest on cooperative capital.

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But it's not just about us getting money back. It's about the greater good for our community. I'm not only talking about taxes and employment, even though our consumer cooperative is the biggest employer in the area. I'm talking about support for young people, sports, arts, university and cultural events.

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For example, as a member of the board of PKO, a few years ago, we agreed to build a sports hall for Lieksa, which is a nearby city here, in the eastern part of Finland, belonging to our cooperative's operational area. After we built it, the city signed a very long-term rental agreement with us, so financially, the investment made sense. And of course, it was a major gesture to the local people, who now have proper facilities to do all kinds of sports. In another case, we ended up rejecting the investment proposal regarding building a senior house downtown. The idea was a very good one, but we declined, because it was a big housing complex requiring a lot of capital with a low expected investment return that would only serve a small part of the membership, less than one percent of our over 100,000 members, and therefore, we decided against it.

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In a cooperative, if we only emphasize profitability, the interests of the membership may quickly become secondary. On the other hand, a situation where too much consideration is given to the members' differing and changing interests may jeopardize business performance. So therefore, finding a balance is important. One role should not have priority over the other. Metaphorically speaking, cooperatives, by nature, have been given two solid feet, and as you know, it's much easier to stand on two feet than on one foot. Ensuring that is the board's most important task. It is a very cool system.

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That balance means that cooperatives can help us meet ambitious environmental goals. In Finland, for example, S Group aims at carbon negativity by the year 2025. REScoop.eu, a network of 1,900 energy cooperatives with way over one million members, is promoting community energy, which is key to a decarbonized economy and a crucial step in tackling climate change. This is about more than windmills and solar panels. Community energy can help overcome the urban and rural divide and close the gap between north and south, between rich and poor, because it empowers local people. Community energy leads to energy democracy, holding the promise of an economy and a society based on cooperation rather than competition within the boundaries of planet Earth.

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What is so wonderful about the cooperative system worldwide is that while cooperatives may sell different products or services, the goal is still the same for all of them, to create sustainable businesses that benefit the people and the communities they serve, lasting for generations.

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This is also a significant global phenomenon, an invisible giant of the economy, resonating so well with the values of regular people, a form of business that recognizes that we people have other motivations and interests than purely and only economical ones. Today, there are more than three million cooperatives around the world, with over a billion members, employing 280 million people, which is 20 percent more than multinational companies. Cooperatives sell more than two trillion dollars' worth of goods and services. That number is larger than the GDP of Canada.

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Doing good business and doing good at the same time really makes an excellent match, and this really works, because it's all about participation. And while having lots of people involved in any project can often make things a little bit more complicated, we can also often get better and fairer outcomes. We can create better businesses, if we truly include the people they serve. When we Finns travel abroad, we tend to brag about our sauna, sisu, fresh air, clean waters and endless forests. And of course, that the real Santa Claus comes from Finland. But what we really should be bragging about is our cooperatives. Because unlike capitalism, the cooperative movement is not broken. It just needs better marketing.

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Thank you.