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## Introduction

On September 21-22, 2015, 6th International Scientific Conference “Quality of Life 2015. Human and Ecosystems Well-being” was held in Wrocław.

The conference was a part of the cycle of the conferences on the topic of quality of life that have been organized by the Department of Statistics (Wrocław University of Economics) since 1999. The aim of the cycle is to participate in the still rising all over the world wave of scientific studies on quality of life: ethical background and definitions of quality of life, investigating (how to measure it), presenting the results of differences of quality of life over time and space, its interdependences with natural environment, mathematical methods useful for the methodology of measuring quality of life and finally – possible methods of improving it. The conferences are meant to integrate the Polish scientific community doing research on these topics as well as to make contacts with foreign scientists.

This year our honorary guest was Professor Filomena Maggino, past President of International Society for Quality-of-Life Studies (ISQOLS), who presented a plenary lecture.

We hosted about 30 participants, among them scientists from Spain, Romania, Italy and Japan. We had 24 lectures on such a variety of topics as carbon footprint and mathematical properties of some estimators. The common background of all of them was to better comprehend, measure and possibly to improve the quality of humans' life.

The present volume contains the extended versions of some selected lectures presented during the conference. We wish to thank all of the participants of the conference for co-creating very inspiring character of this meeting, stimulating productive discussions and resulting in some potentially fruitful cooperation over new research problems. We wish also to thank the authors for their prolonged cooperation in preparing this volume, the reviewers for their hard work and for many valuable, although anonymous, suggestions that helped some of us to improve their works.

Finally, we wish to thank the members of the Editorial Office of Wrocław University of Economics for their hard work while preparing the edition of this volume, continuous kindness and helpfulness exceeding their duties of the job.

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**THE CONTRIBUTION OF THE COOPERATIVE  
MOVEMENT TO THE CSR IDEA –  
THE ASPECT OF ETHICAL RESPONSIBILITY**

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**WKŁAD IDEI SPÓŁDZIELCZOŚCI  
W KONCEPCJĘ CSR –  
WYMIAR ODPOWIEDZIALNOŚCI ETYCZNEJ**

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**Summary:** Two parallel directions of action exist in the cooperative, i.e. economic and social-municipal. It arises from the fact that the cooperative is not only an enterprise but also a community of people. Essential rules and cooperative values are shaped under the different ideas and constitute the essence and specificity of cooperative method of operation. Realized cooperative rules cause that the cooperative is responsible among other things in the ethical dimension. The purpose of the article is to show that foregoing ideas integrate themselves into the concept of social responsibility of business (Corporate Social Responsibility – CSR) and specifically into its ethical dimension.

**Keywords:** cooperative movement, cooperative, CSR, Corporate Social Responsibility, ethical responsibility, ethics.

**Streszczenie:** W spółdzielni istnieją dwa paralelne kierunki działania, tj. gospodarczy i społeczno-samorządowy. Wynika to z tego, że spółdzielnia jest nie tylko przedsiębiorstwem, ale i wspólnotą ludzi. Podstawowe zasady i wartości spółdzielcze są kształtowane pod wpływem różnych idei i stanowią istotę i specyfikę spółdzielczej metody gospodarowania. Realizowane zasady spółdzielcze powodują, że spółdzielnia jest odpowiedzialna m.in. w wymiarze etycznym. Celem artykułu jest wykazanie, że wkomponowują się one w koncepcję społecznej odpowiedzialności biznesu (Corporate Social Responsibility – CSR), a dokładnie w jej wymiar etyczny.

**Słowa kluczowe:** spółdzielczość, spółdzielnia, CSR, społeczna odpowiedzialność biznesu, odpowiedzialność etyczna, etyka.

## 1. Introduction

According to the International Co-operative Alliance (ICA), a cooperative is an autonomous association of persons voluntarily united to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise [ICA 2015]. The cooperative principles adopted by the ICA Congress in 1995 in Manchester were as follows:

- voluntary and open membership (without gender, social, racial, political or religious discrimination),
- democratic management and member control (freedom of opinions, participation in control, active and passive rights to vote onto the elective cooperative bodies, the responsibility of members performing specific functions to the remaining members); in primary cooperatives members have equal voting rights (one member, one vote),<sup>1</sup>
- members contribute equitably to, and democratically control of the capital of their cooperative, part of which at least would be indivisible and constitute a common property of the cooperative; they may receive dividends on the contributed capital; members allocate surpluses for developing their cooperative, possibly by setting up reserves, benefiting members in proportion to their transactions with the cooperative and supporting other activities approved by the members,
- autonomous status, self-help organisations cooperating with other organisations, including capital providers, under the condition of maintaining their cooperative autonomy,
- enhancement of the qualifications of cooperative members and employees and informing the general public about the nature and benefits of cooperation,
- co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures,
- striving for the sustainable development of co-operatives' local communities through policies approved by their members.

The core of the cooperative principles adopted by the international cooperative movement is based on the principles developed by weavers from Rochdale, who propounded values such as openness, democracy, social and educational work, and also practices like paying limited interest on members' shares, returns on purchased goods (a specific percentage of the spent amounts refunded to the buyer, which demonstrated that the cooperatives were not focused on maximising profits but on meeting the needs of their members) and cash sales (which showed economic

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<sup>1</sup> The National Cooperative Council in Poland supplemented the above principle with "good will, loyalty and dependability towards other cooperative members" and stated that cooperatives should "respect their customers by being dependable, fair, professional and with cultured handling of mutual relations." [Krajowa Rada Spółdzielcza... 2003, p. 7].

realism and adjustment to market principles). It is believed that the major cooperative movement in England, the whole Europe and North America was sparked off<sup>2</sup> by the Rochdale Society of Equitable Pioneers, a cooperative of food producers established in 1844 by weavers from Rochdale, who were under threat of losing profits after taking part in a strike [Holyoake 1922]. In principle, the society was to serve as an economic and social entity. In the statute developed by them, “educating equals democracy” referred to R. Owen’s concept of associative socialism [Boczar 1979]. In the tradition of the founders, members of cooperatives believe in such ethical values as honesty, openness, social responsibility and care for others. Cooperatives are based on self-help, self-responsibility, democracy, equality, fairness and solidarity. These values were particularly apparent in the Christian cooperative movement, with Rev. Stanisław Staszic as its precursor in Poland. The Hrubieszów Agricultural Society for Self-support in Difficult Situations established by him in 1816 consisted of over 300 peasants who ran their farms individually on the land they received and also used common land, forests, pastures, mills, a sawmill, a forge, taverns and ponds. Apart from business activities, the society provided social care, ran a hospital, schools and a credit union, and provided assistance to people in difficult situations [Czternasty 2013]. A set of rules of conduct dealing with the relations of enterprises with various parties constitutes business ethics. Realising such values as honesty, fairness, loyalty and reliability is characteristic of righteous business people [Maciuszek 2002]. Business ethics requires maintaining specific ethical standards in running a business, in particular in the measures taken to achieve profits and the purposes for which the profits are used. In recent years there have been numerous examples of frauds and the bankruptcy of businesses due to the violation of ethical standards; thus the growing social demand for cohesion and clarity in business management [Ghosh, Chakraborti 2014]. The purpose of this article is to demonstrate the contribution of the cooperative movement, based on associative socialism and stemming from Christian solidarity, to the ethical dimension of the concept of Corporate Social Responsibility (CSR). Socially responsible conduct includes all the voluntary actions of an enterprise directed at solving socially relevant problems. This means that enterprises accept social responsibilities as a factor limiting their choices [Adamczyk 2001].

## 2. Ethical responsibility in the CSR concept

The origins of Corporate Social Responsibility can be found in the practical actions of enterprises, mainly directed at their employees.<sup>3</sup> Several dozen years before the

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<sup>2</sup> Several dozen years ago, food-industry associations were established (for instance the Old Victualling and Baking in Bridgeton in 1800), with the sole objective of providing basic food products (such as bread) [Krzywicki 1903].

<sup>3</sup> This can be exemplified by the Cadbury family, who in the late 19th century established in their chocolate factory a healthcare unit, a retirement fund and education for employees. The Cadbury family

middle of the 20th century, when the theories of Corporate Social Responsibility were formulated for the first time, the need for transparency in business had been emphasised (J.M. Clark in 1916), together with the necessity for corporate social audit (T. Kreps in 1930). It was also pointed out that enterprises, as well as economic objectives, had a social dimension (P. Drucker in 1942) [Katsoulakos, Katsoulakos 2006].

In the initial definitions of Corporate Social Responsibility (CSR) their authors only pointed out that entrepreneurs should not focus only on the economic dimension of their businesses. Until contemporary corporations owned by shareholders were created, social-responsibility duties were attributed to the people managing businesses, and not to the enterprises as such. In 1953 H.R. Bowen defined CSR as a moral duty of business managers to make decisions which took into consideration the objectives and values desired by society. People in charge of businesses should be responsible for the consequences of their corporate actions in a broader perspective than financial results. He also pointed to the existence and significance of the social outcomes of corporate actions. In 1960 K. Davis claimed that social responsibility in a business was of secondary importance after economic goals, and can be justified by a perspective of long-term profits. According to W.C. Frederick (in 1960) social responsibility means that businesspersons should oversee the operation of the economic system so that the resources used for production and distribution contribute to improving the socio-economic wellbeing of society [Abe, Ruanglikhitkul 2013].

The first references to ethics in the definition of CSR can be found in J.W. McGuire's definition from 1963, which stated that the idea of social responsibility consisted not only of economic and legal responsibilities, but also duties towards society by engagement in politics, the wellbeing of the community and employee education. Businesses must operate in a fair manner, like perfect citizens. This definition also referred to business ethics and collective citizenship. K. Davis (in 1967) claimed that the essence of social responsibility resulted from concerns about the ethical consequences of corporate operations that could have an impact on others. He emphasised the significance of institutional rather than individual influence on social matters. In the 1970s H. Johnson made an observation that business should operate within a moral and social system. L. Preston and J. Post (in 1975) pointed out that CSR could have different meanings, depending on individual people: legal responsibility, socially responsible conduct in the ethical sense, charity, lawfulness, and aspiring to higher standards of conduct. T. Zenisek (in 1979) believed that CSR is a kind of compromise between business ethics and social expectations [Carroll 1999].

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belonged to a Protestant community of Quakers. Quaker communities, which developed in the 18th and 19th centuries, were based on equality, solidarity, diligence and mutual support. Their businesses were built on strong ethical foundations, such as truth, honesty and fairness [Cadbury 2010]. It is believed that these communities contributed to the development of the cooperative movement in England.



In the concept of CSR the first model with a clearly distinguished ethical element was proposed in 1979 by A.B. Carroll. He distinguished four levels of CSR: economic, legal, ethical and voluntary (philanthropic). These responsibilities are not mutually exclusive or cumulative, but their nature is complementary. However all the above types of responsibility have always existed in enterprises; the history of business suggests that emphasis should be placed first on economic and legal aspects, and only later on ethical and philanthropic ones [Carroll 1979]. The primary responsibility of business towards society is its economic role, as producing goods (providing services) and selling them at a profit is its goal. Legal responsibility requires from an enterprise to carry out its operations in compliance with the law (regulations and Acts). These two responsibilities are required by society, while ethical responsibility is among society's expectations. It is difficult to define it. It can be referred to as taking actions beyond the legal standards which are regarded as a minimum. Voluntary responsibility refers to enterprise's discretionary actions for the benefit of society that is expected by the latter.

Ethical responsibility represents some kind of behaviour and ethical norms that are expected by society "at all times and beyond legal requirements". At the same time, A.B. Carroll left actions in this respect to the individual assessment of managers and corporations, emphasising that in this area expectations are governed by social norms. Ethical responsibility includes the standards, norms and expectations that reflect the views of consumers, employees, shareholders and communities on what is honest, fair and in line with moral rectitude. Within this responsibility, the author recommends some degree of consistency towards social expectations regarding ethical conduct and norms, respecting new moral norms adopted by society, and protecting ethical norms while implementing corporate objectives. A collective community should operate in line with moral and ethical expectations, and its behaviour results not only from abiding by law and regulations. Ethical responsibility is an obligation to do what is right, fair and honest and avoiding any harm (to the stakeholders) [Carroll 1991].

### **3. The cooperative movement and CSR**

There are common elements between the subject matter of CSR and cooperative values. Due to their specific character, cooperatives are socially responsible in nature. CSR is naturally embedded in social identity [Pezzini 2006]. Cooperatives are regarded as a model of an "ethical idealist", an entity guided by CSR caring for the interests of all stakeholders and guided by moral responsibility. Such a model of operation should help transform enterprises into institutions in which employees can realise their human potential to the fullest, and profits are also spent on philanthropic objectives which lead to a more "human" society [Weiss 2014]. Cooperatives run their business operations to offer maximum utility, while respecting their rights and responsibilities towards people and communities who pay for the benefits enjoyed

by these entities. Such a model of operations provides the highest benefits for the highest number of people, and implements the identified obligations, meets the economic objectives of business, is controlled democratically, and provides socially arranged benefits to all stakeholders based on the adopted values and principles [Youd-Thomas 2005].

The European Commission pointed out that cooperatives have a long-standing tradition in combining economic profitability and social responsibility through social dialogue with various stakeholders [CE 2002]. Corporate business responsibility is rooted in cooperatives through their values and principles. Cooperatives are among the major promoters of CSR. Cooperatives have it in their DNA to run their operations responsibly in cooperation with various partners and society without abandoning their economic activities [Mozas, Puentes 2010].

Cooperatives are guided by such ethical values as honesty, transparency, fairness, responsibility and social vocation, and also self-responsibility, democracy, equality and solidarity. These values are expressed in three principles close to CSR, i.e. educating and providing information to employees and other stakeholders and cooperation between cooperatives, which means that cooperatives effectively serve their partners at the local, regional, national and international level, basing their cooperation with the local community on sustainable development in directions approved by partners. According to I. Carrasco, Robert Owen, one of the founders of the cooperative movement, is also the originator of CSR. The cooperative movement and CSR have a common source. The concept of CSR applies to the social economy, and, more specifically, to the cooperative movement. Therefore, implementing and strengthening cooperative principles means developing CSR in cooperatives [Carrasco 2007].

#### **4. Impact of the ideas of associative socialism and cooperativism on the ethical responsibility of the cooperative movement**

Robert Owen (1771-1858) and Charles Fourier (1772-1837) were the precursors of utopian socialism and in their concepts of a new economic orders they referred to the necessity of creating associations of a social and economic nature.

Fourier regarded the economic system of his times as unfair. Rural areas were characterised by so-called “reverse consumption” as, despite the fact that they produced food for society, they participated in consumption to a very limited extent. Industry was governed by the principle that in order to lower production costs and be competitive, labourers’ wages should be reduced. Industry, merchant companies, banking houses and stock exchanges began to control collective life. The more efficiently they operated, the more profits they made, contributing to common poverty. Therefore, Fourier proposed that in the new economic system based on phalanstères, i.e. production and consumption communities, everyone’s

minimum existence needs were met. People would create working teams (phalanxes) voluntarily, based on their interests and abilities. The products were divided into two parts, one for the general needs of the community (e.g. investments) and the second, in the form of shares, was divided between phalanx members, who would become its shareholders. In this way the general good formed the basis of cooperation. The generated income would be divided up according to contribution and performance, functions (e.g. managerial) and the financial contribution of community members. He claimed that the right to work was a fundamental human right, which should take the form of “attractive labour”, without which no other rights such as liberty or equality could be fulfilled. Only after accomplishing the above could everyone have equal opportunities in life. He envisaged the creation of large companies in which disabled people, paupers and orphans could also work within their capabilities. He regarded contemporary philosophical and ethical doctrines as harmful, because they did not cause a state of inner and social harmony. Unfortunately, the principles of fairness, equal and common access to work, voluntary cooperation and the communisation of property were not implemented due to the limited funds for creating a phalanstère, and also due to differences in opinions between the creators [Sikora 1989; Cunliffe, Erreygers 2001].

The views of Owen, who is considered the founder of the cooperative movement, focus on humanity. He emphasised the conscious freedom of individuals, the necessity to observe their rights and respect their dignity, developing the best features in people, who have a natural tendency to live in harmony, be selfless and kind. The value of the community lies in its members’ relating to each other. The individual interest must be sensibly and harmoniously subordinated to the collective interest, but the role of an individual must be respected by the community. Owen’s goal was to create a society of people who are equal, extensively developed in physical and mental terms, and aware of their role as independent and autonomous creators joined by a common goal and interest. Liberty and fairness will be greater if the community is well organised and coherent [Owen 1959]. He supported the communisation of property and the means of production through the organisation of a cooperative society, as private ownership resulted in exploitation and social injustice [Holyoake 1875].

Voluntary socio-economic associations (estates, communes) were to implement the principles of common ownership, production, work and consumption, and also the division of income according to individual needs [Leopold 2011]. Such associations could also be established by labourers, farmers or artisans, who could manage them according to democratic rules [Owen 1959]. Owen claimed that education, especially at an early stage of children’s development, plays a crucial role in developing people’s characters to become valuable members of associations [Leopold 2011]. Estate communities were to demonstrate dependability, righteousness, honesty and fairness resulting from production surpluses created by sensible work management. In such an arrangement everyone could use the available resources and would not

have to cheat, e.g. by undervaluing the produced goods. Associations should create federations in order to provide assistance to each other. Owen emphasised the responsibility of these entities towards the State in the form of taxes, preventing crime (the absence of the costs of courts and prisons) and guaranteeing the country's defence by the appropriate education of young people (including physical education). He promoted the equality of women in terms of education, rights, privileges and the freedom of religion based on one's conscience [Owen 1959].

For 24 years as a manager (and shareholder) of a textile factory in New Lanark, Owen contributed to an improvement in the financial and moral situation of people working there. He restored the dignity of the workforce and reduced the working time of adolescents and adults to below 11 hours per day, which improved their health and productivity. Owen stopped employing children below 8 years of age to let them focus on studying. He encouraged parents to allow children to learn up to the age of 12. He established an educational facility in which, in line with the view advocated by him that the environment shapes a person's character, children were raised to become intelligent and decent people, and learned practical skills (e.g. sewing, cooking). In the factory's shop the workers could buy products at less than market prices. The mental and moral condition of the settlement's residents was growing. He eliminated alcohol abuse and fencing among the labourers through preventive measures and showing the benefits of proper conduct. He encouraged members of the community to mutually respect their views and religions, based on equality. He built solidarity between workers by establishing benefits funds which collected 1/60 of their wages for the maintenance of the elderly and sick (Owen believed that external philanthropic institutions were demoralising and unnecessary) and for children's education. He suggested the creation of a settlement for the elderly financed from the wages of the workers, who were to move there after retirement and receive regular maintenance payments. In this way he promoted diligence and caution [Owen 1959].

Owen regarded work as a central value. He believed that the lack of the possibility of employment led people to poverty and crime. Therefore, he suggested that in the times of weak demand for work the state should hire people, e.g. in the construction and repair of roads, canals and harbours [Owen 1959]. He claimed that the average work input of a worker necessary to produce a given product should define its value. A new method of fair product exchange was to be introduced through the *Equitable Labour Exchange* established in 1832 in London [UCL 2015]. A member of the institution could bring their products to one of the storage areas (markets) for which they received a labour voucher with a specified number of hours used to make a given product. The voucher could be used to buy goods from other members of the association in the storage area based on the voucher. However, after two years the markets were closed because of disputes about the value of products and the time needed to produce them; some people were offered lower remuneration, and products accumulated in the storage area. The labour vouchers were intended to eliminate

money, but instead began to function in a similar way. Also the New Harmony cooperative settlement, created by Owen in the state of Indiana, the USA, in 1824 lasted only three years, due to disputes in managing the financial and ideological issues [McLaren 1996].

The ideas of utopian socialism are associated with pan-cooperatism, with Charles Gide (1847-1932), the French sociologist and economist as the major representative [Piechowski 2008]. He claimed that all social processes are guided by solidarism. Social solidarism is a principle of natural law, as in every society all individuals are mutually dependent. The activity of each individual has an impact on the community, and vice versa. Mutual interdependence greatly contributes to responsibility for individual actions. A union of interests is created between all the members of each community. Solidarism is characterised by naturalism – people should help others because their actions and egoism contribute to the poverty of others – people must help those in need, as otherwise they will become victims of the diseases and moral corruption of the poor. Therefore, caring for social wellbeing, helping the poor and unfortunate, and providing society with a higher level of moral and economic development, are in the interests of every person. Therefore, Gide passes from solidarity as a fact to solidarity as an ethical principle. He emphasises that in order to gain moral value, solidarity must be conscious and voluntary. The measure to achieve solidarity was to be the cooperative system. According to Gide, cooperatives should enable the independence of their members in various domains of economic life by eliminating trade agencies. By purchasing goods directly from producers, food-industry cooperatives would allow consumers to avoid the agency of retail trade. Cooperatives were there to provide their members with high-quality products with full measure and weight. They were to be sold at market prices for cash. Buying with borrowed money was regarded as immoral, because in this way people would be tempted to buy more than they could afford and more than they actually needed. Credit unions, which provided their members with inexpensive loans, made the debtors independent of usurers and encouraged money saving by offering beneficial deposit instruments. Production cooperatives made it possible for labourers to find work outside enterprises. Labourers who belonged to cooperatives worked on their own account using the available means of production, and they sold the products of their work directly to consumers. The goal of all cooperatives was to replace competition with solidary cooperation between individuals and cooperatives by unifying them in larger teams to create growing and increasingly strong organisations. All cooperatives should popularise individual (private) property divided into shares between cooperative members, creating common property in the form of the cooperative's assets and the co-ownership of a number of cooperatives. Cooperatives should receive the capital from their members subject to low interest. The surplus (profit) should be divided between the members proportionately to their purchases (food cooperatives) and the invested capital or work. By returning the surplus, a fair price is achieved. The purpose of the cooperative movement was to

educate, encourage creative energy, promote helping others, conscientiousness in economic relations and eliminate all kinds of exploitation. The one-member one-vote principle should constitute the basis of the internal system, together with the total equality of women. Management should be in the hands of the members. The principles of voluntariness and common access to cooperatives should be preserved. The purpose of the cooperative movement is to spread to all domains of economic life by the gradual development of trade, industrial, agricultural and banking cooperatives [Mazurek 1975].

## **5. The contribution of Christianity to the ethical responsibility of the cooperative movement**

Christianity, through great monastic communities, the associative nature of urban and rural communities, numerous charity societies, artisans' guilds, social-assistance organisations, charity institutions, managing hospitals, shelters, schools and establishing universities, had an impact on economic development, the idea of social justice, effective management, self-governance and democracy. Christianity had influence on the process of refining some social and individual features such as entrepreneurship, frugality, responsibility, sensibility, equality, fellowship and solidarity. Particularly valuable financial assistance was provided by mounts of piety (*montes pietatis*), made popular by Franciscans in the 15th century. These institutions used money from charities and bequests to lend to poor people against pawned objects without any interest. In turn, poor people's funds created under the influence of the Lutheran idea were based on contributions, and, in justified cases, subject to revision, people in need could use their resources. These funds promoted the idea of self-help but at the same time prevented fraud. Numerous self-help organisations were established in Europe, including poor-people's funds, cereal funds (warehouses), and savings and credit unions. The characteristic feature of mediaeval society was its corporate nature, as virtually everyone belonged to some group. These collectives of people, created based on the principle of the mutual exchange of services and support, provided individuals with extensive assistance. The duties of mediaeval corporations, as well as organising production and sales, were educating and upbringing successors, caring for the preserving of civic and community rights, following religious practices, and cultivating tradition and self-help. These principles also involved ethical elements. Corporations often provided assistance to their members in the form of low-interest or no-interest loans, which with time led to the creation of self-help funds. The major contribution of the Christian civilisation was building a society based on smaller communities: local, industry or religious, whose members were joined by solidarity and mutual interests. The communities were characterised by self-governance, democracy, cooperation, the social activity of members, assistance and self-help activities, educational



activities related to the ethical condition of the community, entrepreneurship, dependability and decency. The freedom of association, as one of the three basic principles (the others being the right to work and to private ownership) was proposed by Pope Leo XIII in his encyclical *Rerum novarum*, to which his successors later referred. Social solidarism, corporatism, subsidiarity and personalism were the distinguishing features of voluntary associations, trade unions and cooperatives [Ossowski 2002].

The most renowned activist of the cooperative movement with ideas corresponding to Christian solidarism was Friedrich Wilhelm Raiffeisen (1818-1888), who in 1862 established the first rural credit union, and the rules of its operation became popular not only in Germany, but also in other countries. Raiffeisen advocated the organisation of cooperatives on the basis of communities of people who knew and trusted each other and were connected by social bonds. The territorial and cultural community was the most suitable environment for developing social attitudes conducive to cooperatives. Therefore, rural areas seem the most suitable places for realising the idea of Christian mutual assistance, with the proximity of people and natural ties based on neighbourhood [Dyka (ed.) 1998]. Other features of cooperatives according to Raiffeisen's model were low member contributions (enabled poor local-community members to join cooperatives and use their assistance), and unlimited and solidary responsibility of members for the cooperative's obligations (the principle of surety with two guarantors applied to debtors). The social, honorary, work for the cooperative (except for the particularly time-consuming positions) generated low operating costs, which contributed to attractive loan rates (also, peasants learned collective thriftiness in the cooperative's bodies). Among other features of cooperatives it is worth mentioning the allocation of surpluses mainly to indivisible funds (the financial strengthening of cooperatives and their development), and vertical integration (economic and organisational assistance and objective and professional supervision). Cooperatives were to teach people economic thinking, responsibility, mutual assistance and solidarity. Bonds between members, ethical and moral principles, community action, conducting socio-educational and cultural activities became the basis for the operations of Raiffeisen cooperatives [Brodziński 2014, Pudełkiewicz 2009].

According to Christian cooperative activists, any property is always private. The ethical dimension of cooperatives was also expressed in putting emphasis on the rights and responsibilities of members (contributions, loyalty towards the cooperative) [Przeczyszewski 1993]. A lot of popes stressed the significance of the cooperative movement as a voluntary grassroots initiative, its independence from other organisations (professional or political), the fair division of income, care for households, all building on personal, rather than capital-based, organisation and representation, which pointed to the primacy of people over things. Pope John XXIII stated that farmers should create industry cooperative associations, which contributed to the sense of solidarity and mutual trust [John XXIII 1961] Pope John

Paul II emphasised the primacy of work and the primacy of people over capital. Working people not only want a fair payment for their work, but also the arrangement of the production process in such a way that, while working for the common benefit, they could also feel that they work for themselves [John Paul II 1981]. Pope Francis claims that the cooperative movement combines work and dignity, and solidarity should also be taken into account during work organisation to ensure pluralism among market managers [KRS 2015]. According to him, authentic cooperative principles fulfil important social functions, and promote a fair and real economy.

## 6. Conclusions

The purpose of the paper is to present that Corporate Social Responsibility (CSR) concept is rooted in cooperatives through their values and principles. The nature of the cooperative movement, based on the ideas of utopian socialism and the social teaching of the Catholic Church, is associated with specific values and principles governing the operating of cooperatives that contribute to the ethical dimension of the CSR. Fourier proposed in the new economic system based on phalanstères, the principles of fairness, equal and common access to work, voluntary cooperation and the communisation of property. The views of Owen, who is considered the founder of the cooperative movement, focus on humanity. He emphasised the conscious freedom of individuals, the necessity to observe their rights and respect their dignity, developing the best features in people. Owen's goal was to create a society of people who were equal, extensively developed in physical and mental terms, and aware of their role as independent and autonomous creators joined by a common goal and interest. He supported the communisation of property and the means of production through the organisation of a cooperative society. Owen claimed that education played a crucial role in developing people's characters to become valuable members of associations. Communities were to demonstrate dependability, righteousness, honesty and fairness resulting from production surpluses created by sensible work management. Owen emphasised the responsibility of these entities towards the state. He promoted the equality of women. As a manager of a textile factory in New Lanark, Owen contributed to an improvement in the financial and moral situation of the people working there. He restored the dignity of the workforce. He encouraged members of the community to mutually respect their views and religions, based on equality. He built solidarity among workers by establishing benefits funds. The ideas of utopian socialism are associated with pan-cooperatism. Gide emphasised that in order to gain moral value, solidarity had to be conscious and voluntary. The measure to achieve solidarity was to be the cooperative system. According to Gide, cooperatives should enable the independence of their members in various domains of economic life by eliminating trade agencies. Cooperatives were there to provide their members with high-quality products with full measure and weight. They were to be sold at market prices for cash. Credit unions, which provided their members



with inexpensive loans, made the debtors independent of usurers and encouraged money saving by offering beneficial deposit instruments. The goal of all cooperatives was to replace competition with solidary cooperation between individuals and cooperatives. The surplus (profit) should be divided among the members proportionately to their purchases (food cooperatives) and the invested capital or work. By returning the surplus, a fair price is achieved. The purpose of the cooperative movement was to educate. The one-member one-vote principle should constitute the basis of the internal system, together with the total equality of women. Management should be in the hands of the members. The principles of voluntariness and common access to cooperatives should be preserved.

Christianity had influence on the process of refining some social and individual features such as entrepreneurship, frugality, responsibility, sensibility, equality, fellowship and solidarity. The major contribution of the Christian civilisation was building a society based on smaller communities: local, industry or religious, whose members were joined by solidarity and mutual interests. The communities were characterised by self-governance, democracy, cooperation, the social activity of members, assistance and self-help activities, educational activities related to the ethical condition of the community, entrepreneurship, dependability and decency. The freedom of association, as one of the three basic principles (the others being the right to work and to private ownership) was proposed by Pope Leo XIII in his encyclical *Rerum novarum*. Raiffeisen, the most renowned activist of the cooperative movement with ideas corresponding to Christian solidarity, advocated the organisation of cooperatives on the basis of communities of people who knew and trusted each other and were connected by social bonds. Cooperatives were to teach people economic thinking, responsibility, mutual assistance and solidarity. Bonds between members, ethical and moral principles, community action, conducting socio-educational and cultural activities became the basis for the operations of Raiffeisen cooperatives. The ethical dimension of cooperatives was expressed in putting emphasis on the rights and responsibilities of members (contributions, loyalty towards the cooperative). A lot of popes stressed the significance of the cooperative movement as a voluntary grassroots initiative, its independence from other organisations, the fair division of income, care for households, all building on personal, rather than capital-based, organisation and representation, which pointed to the primacy of people over capital. To sum up the ideological assumptions cooperatives are ethically responsible, because by following their principles they respect such values as honesty, transparency, fairness, individual and collective responsibility, democracy, equality and solidarity.

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