



Understanding Co-op Identity in



“Harnessing the Cooperative
Advantage to Build a Better
World”



Introduction



This brief presentation aims to generate dialogue in the immediate context of Understanding Cooperative Identity within the wider theme of **'Harnessing the Cooperative Advantage to Build a Better World'**.

Key Issues in the Presentation

- Global Economic Reality
- The Co-operator is the reason for the Co-op
- ICA CO-OP IDENTITY
 - Co-op: An Enterprise of Values
 - Co-op: A Principled Character
- Towards Harnessing the Cooperative Advantage to Build a Better World



Global Economic Reality



- Overdevelopment
 - the world of the Have all
 - ‘The oil wealth of Africa's biggest producer has made multi-millionaires of its elite while absolute poverty has increased to 60 percent of the population.’
Abagworo, Nairaland Forum
 - Economics of Growth for Growth SAKE
 - Over production
 - ‘the (car)scrappage scheme has proved a great success, driving UK car sales.” Business Secretary Lord Mandelson, 2010



Global Economic Reality



- Overconsumption

"We're ... bombarded every day ...to consume more and more" Professor Jimmy Bell, Imperial College, London.

- How much is enough?
- Is over-development sustainable?



Global Economic Reality



- Under-development (The world of Have-least)
 - (over 13 million people in the UK do not have enough to live on ,Oxfam)
 - Low utilization of Earths resources
 - Low life expectancy
 - Need for growth to stay alive & to contribute to humanity
 - Co-ops could facilitate the excluded humanity into the centre stage of world economics



Co-ops: Can change the World



- Beyond the Chrematistics Global Reality
 - The co-op nature offers the world positive human possibilities
 - The co-op uniqueness is earth friendly
 - Co-ops personality is distinctively about Humanity by Humanity & for Humanity.
 - Co-ops apply resources to serve humanity



The Co-operator: The Rationale for the Co-op



- Human life is experienced individually
- The co-op will build a better world
 - by focusing on each member
- The Co-operator is the **reason** for a co-op
- The Good co-op must **facilitate** the co-operator's enterprise in the best way possible
 - To create value efficiently
 - And to share in the benefits
 - **Our challenge is to make the co-op the best economic format available to humanity**



A Billion Co-operators in Human Development

- 91% of **Japanese** farmers are co-operators
- In **New Zealand** Co-ops account for 95% of the dairy market
- In **Côte d'Ivoire**, co-ops invested USD 26 million into setting up schools, rural roads in 2002.
- In **Kenya**, 63% of the population derive their livelihoods from co-ops
- In **Spain** the Mondragon Coops are a successful in job creations in a recession Europe



ICA CO-OP IDENTITY



- What is a Co-op?

It is an **independent** association of persons united voluntarily

- ☐ to meet their common economic, social, and cultural needs and aspirations
- ☐ In joint member owned and democratically-controlled enterprise.
- ☐ We are what we do



Co-op: An Enterprise of Values



- Co-ops are based on the values
 - of self-help, self- responsibility, democracy, equality, equity, and solidarity.
 - co-op members believe in the **ethical** values of honesty, transparency, **social responsibility**, and caring for others.



Co-op: A principled Character



- The Co-op is a principled enterprise
- The co-op principles are guidelines by which co-operators practice co-op values.
- Currently there are 7 Principles



1st : VOLUNTARY AND OPEN MEMBERSHIP



- Co-operatives are **open** to all persons able to use their services and willing to accept the **responsibilities** of membership, without gender, social, racial, political, or religious **discrimination**.



2nd : DEMOCRATIC MEMBER CONTROL



- Co-ops are democratic organisations **controlled** by their members, who actively **participate** in setting their policies and making decisions.
- In a world of exclusions Co-ops treasure inclusion and equality of all members



3rd : MEMBER ECONOMIC PARTICIPATION



- Members contribute equitably to the capital of their co-op.
- Co-ops are generally undercapitalised
- Coops need to reward member capital better
- Co-ops need continuous capitalization strategies to modernize
- The stock exchange is a temporary answer to co-op capital needs but may alter coop nature



4th: AUTONOMY AND INDEPENDENCE



- Co-operatives are **autonomous**, self-help organisations controlled by their members.
- **We are in the world together with others**
Autonomy must not mean autarky
- **but** If coops work with other organisations co-op independence must be maintained.



5th: EDUCATION, TRAINING & INFORMATION



- Co-ops provide education and training to their **human capital** to achieve **effectiveness and efficiency** in the co-op enterprise.
- This is the **Soul maker** of a Co-op
- Extra R.D is needed if co-operatives will be pro-active in a world dominated by other forms of enterprise
- Every Co-op must become a **learning organization**



6th : CO-OPERATION AMONG CO-OPERATIVES



- Co-ops serve their members best through local, national, regional, and international organizational structures.
- This co-op character brings out the advantage of togetherness (2+2 is Greater than 4)
- Large is nice but it is not Everything
- Small is often Beautiful
- In Co-op structure both are possible
- additional Co-operation is required if co-ops will leverage their potential synergy in a globalising world



7th : CONCERN FOR COMMUNITY



- Co-op work for the sustainable development of their communities through policies accepted by their members.
- Need for more co-op involvement in local & global Community Commons
 - Environmental care, Human services and
 - Global debates on Earth & Humanity



Co-ops: The Hope of the World



- "Cooperatives are a reminder to the international community that it is possible to pursue both economic viability and social responsibility."

UN Secretary-General Ban Ki-moon



Towards Harnessing the Cooperative Advantage to Build a Better World



- Co-op Soul searching
 - The co-op business model has features friendly humanity & the Earth
 - But Companies & NGOs dominate the world resources. WHY?
 - Co-ops must identify & work at the aspects that make them less attractive to the world
 - However, Economic crisis can be business opportunities for the co-ops Movement



Towards Harnessing the Cooperative Advantage to Build a Better World



- **Making the Broad Church work**
 - Co-ops must be firm in the application of members' rights and duties
 - Co-ops must offer the best enterprise option for member aspirations
 - Only organizations that fit the brand be Coops
 - Quality Grading of Co-ops in each country is advisable



Towards Harnessing the Cooperative Advantage to Build a Better World



- **Making the Co-op work**
 - The Co-op Brand is embedded on trust
 - The Co-op network must protect the Brand
 - The beginnings of a co-op are risky
 - Successful co-ops also attract bad elements
 - Technical skills must be used
 - To protect co-op success
 - To avert co-op failure
 - **Annual Co-op Rating** (nationally & internationally per sector) would protect brand and member interests.



Towards Harnessing the Cooperative Advantage to Build a Better World



- **Organizational Literacy**

- Many new co-operators are new to co-op solidarity
- members must value their rights and duties
- Knowledge must be treasured as business resource.
- The Mondragon Co-op group in Spain is a good example of a learning co-op



Towards Harnessing the Cooperative Advantage to Build a Better World



- “Cooperatives present us with **values and structures** that are ideally suited for addressing the challenges we face (in the World).

We must **leverage** these advantages to produce not only **better businesses**, but to advance the broader imperative of **sustainable development**..... “

UN Deputy Secretary-General Asha-Rose Migiro



Towards Harnessing the Cooperative Advantage to Build a Better World



Walking the Talk of Co-op Enterprises Build a Better World

- It is time
 - to Mainstream Co-ops into
 - human development &
 - Earth care Action Plans



Thank you



Dr. Mutua Waema
Regional Director
ICA Africa

Email: waema@icaafrica.coop
website: www.icaafrica.coop.