CONTRIBUTING TO INCLUSIVE DEVELOPMENT: THE ROLE OF CO-OPERATIVES

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INTRODUCTION

Thank you for the opportunity of sharing views on this important topic. While preparing these remarks, I searched for a definition of inclusion and found the following: “social inclusion is the process by which efforts are made to ensure equal opportunities - that everyone, regardless of their background, can achieve their full potential in life.” And “that creating a society for all is a moral obligation one that must reflect the commitments to upholding fundamental human rights and principles of equality and equity. There are also strong instrumental reasons for promoting social integration and inclusion. Deep disparities, based on unequal distribution of wealth and/or differences in people’s backgrounds, reduce social mobility and ultimately exert a negative impact on growth, productivity and well-being of society as a whole. Promoting social integration and inclusion will create a society that is safer, more stable and more just essential conditions for sustainable economic growth and development.”

In keeping with these ideas, for many communities and populations around the world, co-operatives are the best hope for sustainable development.

While co-operatives are not formed for the explicit purpose of including all segments of the community, they are established by their members to achieve goals that can best be met collectively. In serving the needs of their members co-operatives play an important and inclusive role in development:

- Co-operatives operate as businesses, with long term goals and lasting sustainability. They operate with a distinct, unique perspective based on the seven co-operative principles. To remain viable the co-operative business must support and grow with the community it serves. Attention is paid to including populations that may otherwise be excluded.
- Co-operatives stimulate development within the community. This is particularly true for financial co-operatives that are the economic generator for micro- and small businesses worldwide.
- Co-operatives can be an excellent vehicle for those who are excluded to build their own viable enterprise.

I’ll give examples of each of these. First, let me introduce the Canadian Co-operative Association and our work which is the basis of these ideas.
The Canadian Co-operative Association is a national association for co-operatives in Canada, representing more than nine million co-operative members from over 2,000 organizations. Individual co-op members are represented in CCA either directly through their co-operatives, through their provincial co-operative associations or through sectoral organizations. CCA is itself a federally-incorporated co-operative, owned by its 43 member organizations.

The mission of the Canadian Co-operative Association is to provide leadership to promote, develop and unite co-operatives and credit unions for the benefit of people in Canada and around the world. CCA’s members come from many sectors of the economy, including finance, insurance, agri-food and supply, wholesale and retail, housing, health, and the service sector. CCA’s members envision a world where people everywhere thrive economically, culturally and socially. For more than 40 years, CCA’s international development program has helped reduce poverty by establishing and growing co-operatives, credit unions and community based organizations.

**CO-OPS AS SUSTAINABLE BUSINESSES**

Co-operatives recognize that success is based on the long-term social and economic development of the entire community. The members benefit by including segments of the community that have been excluded in the past: e.g. women, youth, new immigrants, the disabled and other ethnic groups. The co-operative principles of open membership, democratic member control, member economic participation, member education and concern for community forms the basis of inclusion.

VanCity Credit Union, the second largest autonomous credit union in the world, with over 420,000 members and $15,726,674,707 in assets, recognized the need for inclusion and, in 2008, opened a branch in East Vancouver which is a community known for its at-risk population of people with a history of alcohol and drug use and mental illness and prostitution. They not only opened a branch, but the staff is from this troubled population. Although this branch will never be a profit centre for the credit union, many people with troubled lives have recovered hope, stabilized their lives, improved self-esteem and are supporting themselves. Vancity’s motivation is the co-operative principle of Concern for Community.

Affinity Credit Union, located in Saskatchewan, where many of Canada’s Indigenous people live in poverty on rural Reserves, has opened several branches on these Reserves, delivers financial literacy training and is supporting the start up of micro and small business. They have a particular target of youth employment. The principle of Concern for Community is active here.
Co-operatives in almost every province of Canada sponsor youth leadership programs to orient youth to co-operatives, social justice and community development. The skills of these youth are building communities.

Agricultural co-operatives in Aceh recognize the need for both women and men in leadership positions and have adopted member gender sensitivity training as a prerequisite for membership. This strengthens the viability of the co-operative and ensures benefits impact the community.

In Nepal women-only credit unions are helping women to change their lives and the lives of their families. This economic empowerment is assisting women to start micro-businesses, bringing them directly to the markets where they are opening stalls and changing gender dynamics of the markets.

In Canada, ethnocultural and immigrant communities have organized some 73 co-operatives and credit unions to ensure that members have a fair opportunity to meet their social and economic needs. Thirty per cent of these are in the planning stage, indicating an increased interest in ethnocultural and immigrant co-operatives in recent years. Co-operatives are also used by many communities as a means to preserve their diversity in Canada’s multicultural society.

**CO-OPS AS ECONOMIC GENERATORS IN THE COMMUNITY**

Canadian credit unions have a recognized strength in serving small businesses which are the foundation of Canada’s economy. For the second year in a row, they received an award from the Small Business Association for their attention to serving this important sector.

As in many countries, Canada is facing urbanization. Young people leave farming and rural communities in search of employment and, as people age, they move to cities to access health care and to be closer to their children. In spite of this trend many communities are able to stabilize and are retaining their services. Credit unions are important to this development. In more than 1,000 communities, credit unions are the only financial service in the community. Banks have disserted these communities as their branches are not profitable.

Co-ops often help other co-ops to form. In Uganda, the national association of co-operatives is helping people to form agricultural marketing co-operatives and credit unions. The membership is overlapping and both are committed to improving the lives of their members and the community.
Arctic Co-ops is an excellent example of co-operatives helping other co-operatives. This co-operative serves Canada’s Metis, Inuit and Dene populations largely in the far north and sparsely populated regions of our country. These populations are underserved and low income. The co-op was started in 1972 with the support of the Co-operative Development Foundation with funds from many Canadian co-ops. Arctic Co-operatives Limited is a service federation that is owned and controlled by 31 community-based co-operative business enterprises located in Nunavut and Northwest Territories. In 2011, $13.3 million was circulated in dividends. The Co-op System in the north is a great example of Aboriginal community economic development in Canada. The 31 Co-ops are independently owned and controlled Inuit and Dene businesses. They operate retail facilities, hotels, cable operations, construction enterprises, outfitters, arts and crafts production and property rentals. Over 900 people are employed in this co-op network.

The last area I’d like to talk about is excluded populations developing their own co-operatives. This is a powerful display of what people can do when they work together.

In Ahmadabad, Gujarat State, India, the Women’s SEWA Co-operative Federation is the first federation for women’s worker co-operatives in India. The Federation was founded in 1992 with CCA assistance to help poor, self-employed women to participate in the co-op movement, and to obtain steady work and income through their co-operatives. It is part of a larger family of organizations sponsored by the Self Employed Women’s Association (SEWA), a nationwide trade union of over five million women in the unorganized sector of the Indian economy, begun in 1972. Today the Federation has nearly 100 member worker co-operatives.

Artisans, roadside paper pickers, farmers and traders have all benefited from its services, gaining ownership of their trade and their tools, eliminating middlemen, learning co-operative management, knowledge and technologies, and voicing their interests and concerns to state policy makers. Women health workers have also found their collective voice through the Federation. When India gained independence in 1947, the average life span of an Indian woman was just 27 years. Mortality rates for babies and pregnant women were extremely high. “The rural people blamed it on superstitions,” says SEWA Federation Chairperson Lalita Krishnaswami. “SEWA conducted a survey and found that sickles were being used to cut babies’ umbilical cords, resulting in many needless deaths. Since most of the deliveries of SEWA members were carried out by midwives, there was an urgent need to train midwives for safe deliveries.”

With the help of CCA, SEWA formed India’s first and only co-operative for midwives, women whose contribution and skill Ms. Krishnaswami says were not being recognized. The Midwife Co-operative gives stable employment to midwives, and it provides women and their families with better access to and control over health care, especially focusing on sexual health. Family doctors and gynaecologists teach the midwives how to read and write while they learn how to safely deliver babies, the importance of cleanliness, about Type 3 diabetes and STDs, and about
basic genetics (how male and female children develop and how characteristics are inherited through the parents’ genes).

Graduates from the course receive an identity card and a letter from the state authorities which permits them to receive a small government fee for each delivery. “The co-op has helped midwives gain the status they deserve,” says Ms. Krishnaswami.

And in the Philippines, the National Federation of Co-operatives for Persons with Disability was founded in 1998 to promote co-ops as an alternative vehicle for the empowerment and socio-economic progress of persons with disabilities. Starting with just five members, the Federation has grown to include 16 primary co-ops. The organization is entirely owned and staffed by physically disabled persons. The Federation, with CCA’s help has created hundreds of jobs for persons with disabilities and has helped move the Federation’s business planning horizon from week-to-week to year-to-year.

I would now like to show a very short video about these remarkable co-operatives.

CLOSING

Co-operatives have an important role to play in ensuring inclusive sustainable development. Their interest is from the genuine base of co-operative principles. The kinds of co-operatives and the actions of co-operatives are wide-ranging. Strong established co-ops help new co-operatives to form. They support excluded segments of our communities with their corporate social responsibility programs, and ensure that their policies and practices promote social justice and sustainable growth and development.