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 Earth's 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

"Harnessing the Cooperative Advantage to Build a Better World"
Co-op: An Enterprise of Values

• Co-ops are based on the values
  – 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
"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
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• 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
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• 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.
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• 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
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• “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

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