Promoting the Understanding of Cooperatives for a Better World

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Over the last 20 years, coops enterprises have increased in number in many sectors: credit, housing, agriculture, community services, (including the management of cultural services, water, waste disposal, energy from renewable resources, public transportation)

The role of coops has become even more apparent in the wake of the financial and economic crisis: coops survive crises better than other types of business
The economic impact of cooperatives involves reducing market failures and strengthening the competitiveness of markets. Keeping the production of goods and services close to the needs of people, from a long-term perspective, results in a more fair distribution of income.
The social impact of coops

- addressing social problems affecting local communities or stakeholders in need
- strongly rooted in a “collective awareness”
- enhancing social capital
- solving problems that would be otherwise in charge of public sector
- often involving disadvantaged people
Cooperatives are often regarded as marginal, undercapitalized and **inefficient** enterprises with difficulties in growing in size.

Evidence from history shows that cooperatives

- survive also in very competitive economies
- are relevant in several countries and sectors
Obstacles to coops development

Cultural and psychological factors
Restrictive legislation
Market regulation
Support policies
Inadequate management and governance practices
Inconsistent theoretical interpretation
Beyond cooperative contradictions

Promoting more effective public policies

Adopting adequate management practices

Developing a new interpretative framework
Effective regulations and policies

coops should be explicitly recognized in policy documents as autonomous and independent enterprises and have access to all the business support services.

Coop law should be kept sufficiently flexible to permit coops to operate in any sector they may prove useful and the stabilization of coops should be supported (e.g. asset locks).

The regulation of the markets should be consistent with the nature of coop enterprises, introducing a more adequate fiscal treatment for coops without undermining their cooperative principles.
Introduce new management practices and governance **models**

Develop managerial **skills** of coop leaders through innovative training and university courses

Strengthen **networking** practices that allow for the achievement of economies of scale and seize growth opportunities
The shortcomings of the predominant model of economic organization shows the importance of entrepreneurial and organizational diversity. There are various types of enterprises depending on ownership structure, aim pursued, and incentive mix. Market exchanges are just one among the existing coordination mechanisms generating collective benefits. Enterprises differ according to the importance paid to economic sustainability and social orientation.
The crisis has confirmed the inability of for-profit enterprises alone to ensure wellbeing.

A possible way out of the crisis is the expansion of various forms of cooperation, for the provision of goods and services whose value is not fully incorporated in the price system.
Thank you for your attention!