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Message from the International Co-operative Alliance ICA

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“Co-operatives and the Globalisation of the Economy”

In an increasingly interdependent world, we must all recognise that we have an interest in spreading the benefits of economic growth as widely as possible and in diminishing the risk either of excluding individuals or groups in our own economies or of excluding certain countries or regions from the benefits of globalisation. Source: Final communiqué of the G7 Summit in Lyon (1995)

The positive effects of globalisation have not yet been felt by the majority of people of the world. The end of the cold war, deregulation and free trade agreements and the unprecedented advances in telecommunications and information technology have not brought about the peaceful and prosperous society for all which we might have hoped. Instead we have more economically polarised societies which struggle with high unemployment, conflicts and global environment problems.

The drive for profit for profit's sake has had the effect of producing an increasingly unequal society with fewer and fewer large corporations owning most of the world's resources. While the developing world may be the most hard hit by many of these issues the developed nations are not spared. The global reach of corporations means that workforces in the developed world are now being put into direct competition with those of developing nations, thus creating unemployment and driving down wages and living standards in many countries worldwide.

But globalisation has also had many positive effects, leading to economic efficiency and increased development worldwide. The globalisation process has also had a positive impact for co-operatives in many countries, opening up markets and allowing the growth of better and more efficient enterprises. However, this is a situation which differs from country to country depending on the economic and political environment in which the co-operatives are operating and the ability of the different co-operatives to rapidly adapt to the challenges of the new world order.

In the present environment however, co-operatives have become increasingly subject to attacks from the private sector, largely due to a lack of public knowledge about the co-operative difference. It is essential to develop a strong system of communication within the movement so that the different economic sectors understand and support each other as this will lead to stronger ideological unity. Education is essential at all levels and it is of paramount importance that the movement invest in promoting the co-operative image and telling the world about the co-operative difference which is based on our Co-operative Principles and Values. Co-operatives play multifunctional roles that are not only economic, but also social and environmental, which cannot be acquired only through trade. A co-operative differs from other commercial organisations as its main aim is to serve its members, while also having a beneficial impact on the community in which it operates.

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Co-operatives cannot survive in the present environment unless countries create a legal and regulatory environment in which independent democratic co-operatives can grow and become competitive and sustainable. In the absence of such conditions some co-operatives have been forced to change their status to that of limited company.

In order to reverse this trend, co-operatives at the regional and national level must follow the co-operative principle of Co-operation between Co-operatives and form their own alliances not only to promote their economic interests but also to form lobbies to ensure that they too benefit from global opportunities which will not only benefit their members but also ultimately benefit local communities. Wise governments will understand that co-operatives, with their seventh principle of concern for community, can be allies in the provision of services to society.

The ICA and its member organisations must take a leading role in this major battle. Co-operatives at the community level must mobilise their members to press for reforms to help other people-oriented groups build a society which puts people first and promotes social justice and environmental protection, rather than unsustainable development.