



**ICA General Assembly**

***“Co-operative values: A competitive asset in a globalized economy”***

**Cartagena de Indias, 22-23 September 2005**

**Address by Ivano Barberini, President, International Co-operative Alliance (ICA)**

Ladies and Gentlemen, Honorable Guests, Statepersons, Dear Friends,

It is a great pleasure to be here with you, in this wonderful city, with co-operators coming from all over the world.

I would like, first of all, to express on behalf of the Board, sincere thanks to Carlos Palacino and to all the Colombian co-operators for their hospitality and for the optimum organization of this General Assembly which, as we all know, has required an enormous commitment of many people in its organization.

The fact that the ICA General Assembly is being held in a South American country for the first time is not without some significance.

It is the proof of the growth of the co-operative movement and the excellency it has reached within the current socio-economic situation, and it also shows the eagerness of the ICA to support the creation of a favourable political and social environment, for the achievement of new and more advanced goals.

Latin America is going through important and deep changes in order to strengthen its democratic processes and to ensure a sustainable

development, opening up to adopting a more active role in promoting a civil society and the growth of co-operation.

In this era of global capitalism, the hope to create democratic development and a more humane world order depends on the involvement of the civil society and the progressive spreading, worldwide, of the principles of freedom, equality and solidarity.

As well, though, the interactivity between the local and the global areas is an important aspect of this present century, in constant evolution. It is also our duty to ensure the growth of personal freedom and the development of inter-ethnic and inter-cultural relationships respecting human rights and social responsibility.

It is the awareness of interdependence that nourishes the culture of solidarity and co-operation.

Social cohesion is an essential factor for economic development. However, it has never been achieved at any one time for all. We need shared values to successfully overcome social conflicts, which are inevitable, being innate in any true democracy.

At the same time, economic competition is intertwined with culture and values. Market globalization can no longer set aside the full sharing of rules and values if we want to avoid dangerous social tensions and build a lasting peace.

Samuel Huntington wrote: "the fundamental source of conflicts in the new world will not be primarily ideological or primarily economic. The great division among humankind and the dominating source of conflicts will be cultural."

Two Nobel prizewinners for economy, Amartya Sen and Joseph Stiglitz, also underline the growing importance of the confrontation of values.

All of this should convince anyone in a role of managerial responsibility in a social organization, institution or enterprise, to investigate the most effective means to manage change.

It is essential that co-operators feel they are in possession of a winning culture, based on freedom as a long-term responsibility, for them, the community and for future generations.

Economic development, along with social progress, is based on the creation of an acceptable harmony between human and financial and social resources. In this way, we can avoid the development of a soulless society, driven by economic capitalism, or a stagnant society, without any innovative strength, being only focused on social solidarity. Or, a society that remains poor because the knowledge acquired by the individual becomes an end in itself and is not shared.

The future must be built by facing the reality of the 21<sup>st</sup> century with vision and able leadership, by expanding the our horizons of possibilities through innovation and social experimentation.

The challenge for those concerned about the fate of humankind is to show that, in a globalized economy, financial development can only be achieved jointly with justice and human dignity.

We see that the market is the only tool able to make the economic system work effectively. However, it cannot be considered a “save it all” mechanism.

We need to affirm a notion of market, but one which includes values – the ethics of responsibility, fair competition and the rules for guaranteeing it, quality, safety, transparency, dignified work, the safeguarding of health and the environment - and not merely prices.

Economic benefits are not simply a matter of combining resources to maximize the advantages in the market. It is by working together that individuals can improve their understanding of the world around them, increase their political and social influence, mobilize larger resources, increase purchasing power and affect the workings of the market.

This is the role co-operatives are called on to play.

It is through active participation and the sharing of knowledge that co-operative values, focused on respect for human dignity, can become an economic value. In this way, solidarity takes on the guise of a true social commitment, promoting respect for the fundamental freedom of the individual. Freedom from need and from fear, freedom of speech and association

Here, putting its values into practice, lies the comparative worth of the co-operative enterprise. We can be quite sure that, at the end, by competing in the market but ignoring our values, means cooperatives not being able to provide their members the mutual advantage.

In any case, if it is true that co-operative values represent an essential resource to competing in the globalized economy, it is fundamental that people perceive them as something new and useful, able to affect positive changes in society and the market.

In this context, a first important step should be taken in making a stronger effort to ensure real gender equality. This is still too limited

in every part of our movement, in spite of all the good intentions and formal declarations.

This is not about drawing up radical reforms or implementing big changes, but about a consistent work of reconstruction, able to select and promote new opportunities and answers.

It is an example that co-operation must give to affirm respect for human dignity and to ensure modernization, able to increase the opportunities of sharing, for both men and women, in the benefits that globalization offers.

Not until women are granted a position of equality, will it be thinkable to speak about a fairer world.

A second aspect regards the consolidation of co-operatives as enterprises.

The term “enterprise” is often disassociated from the term “co-operative”. Some believe that direct and prolonged contacts with the factors of a modern economy, particularly the economic capital, decry the values of the co-operative system, and, in general, of the world of solidarity and social economy.

In substance, the need to keep society separate from the market, that is, social values separate from economic ones, is still felt by many.

However, this distinction has become increasingly weaker, because the links between the market and fair organizations are strong, close and long term.

Capitalistic enterprises are well aware of this, when they emphasize their “mission” and adopt budgets of social responsibility. They have realized that the



market is no longer separate from society. This is witnessed by the success of so many co-operatives.

Co-operatives generate “economic value” and dignified work thanks to the seriousness, commitment and passion of so many people. The real benefit that co-operatives enjoy is the trust they give rise to among people.

The crucial factor for the market being trust.

This is how co-operation started along the path towards increasing consensus and achieving leading positions in the market.

The ability to compete in the market is therefore destined to be increasingly the result of binomial “social values” and "economic values".

This makes the principle of transparency particularly important, as well as the adoption of a governance system based on ethical principles defining the relations between the economic and institutional worlds and between social organizations and enterprises.

This awareness, made more evident by the serious scandals, such as Enron and Parmalat, that have shaken societies and markets at a global level, makes the challenge even more exciting.

We must be proud of our roots and our system of values. At the same time, we must be severe with ourselves, keeping in mind the admonishment of Zigmunt Bauman: “ Belonging to a system of values must be demonstrated by deeds, for all our life, and not simply by waving a flag at their birth”.

For this reason, we must continue updating our culture, the sense of the co-operative mission, holding on to those basic values, which constitute our essential identity.

The good reputation of the co-operative movement is a heritage that we must hand down to future generations, always improved on and updated. Thus, its safeguarding should represent a political and strategic aim taking priority in ICA's work plan over the next years.

**Ladies and Gentlemen, Honorable guests, Statepersons, Dear Friends,**

With the huge problems of unemployment and extreme poverty, of social relegation and terrorism, of the many wars being fought in different parts of the world, and of the ever growing conflicts between different cultures and value systems, our organization must focus its efforts on a few but important priorities.

There are two particularly insidious enemies that the co-operative movement can and must tenaciously oppose: the resignation of the poor and the lack of a sense of the future of those who live in affluence.

However, despite these difficulties, the idea that a better world is possible and that everybody has the right to enjoy it and the duty to strive to achieve it, is slowly taking root. This idea was the basis for a meeting between the World Social Forum and the World Economic Forum in January 2005.

Based on this, we must relaunch our initiatives, providing new strength to our ability of drawing up projects and proposals.

We need to expand our system of relations with International Institutions and National Governments, starting with the G8 Countries, but at a higher level of responsibility, working on more concrete and clearer programmes.

The Memorandum of Understanding, signed with ILO, and the Global Campaign against Poverty, following the proposals presented at the Oslo General Assembly, represent a great opportunity to increase the awareness of worth of the co-operative movement in every country and at a global level.

However, at the same time, these two initiatives represent a challenge for us.

The Campaign against Poverty can and must develop into a strategy able to build a link between co-operative movements from the South and the North of the world, developing projects and strengthening the relations and the alliances with other social organizations, sharing visions and goals.

Today, more than ever, we must qualify and increase the unity between co-operators and co-operative organizations from all over the world.

The words expressed by a man of thought and action such as Antoine de Saint-Exupéry, describe very well the reason for the creation and the raison d'être, today, of the International Co-operative Alliance:

«In this, like in other centuries, our most important achievements have had, and will continue to have, the unique objective of bringing human beings together ».

The union of co-operators and co-operatives is still our ultimate goal. It is the mother of all successes achieved by the co-operative movement throughout its long history.

I am deeply grateful to all of you for the support you have given to the International Co-operative Alliance and for the help and the kindness you have shown me during these years.

The important values that unite us affect our choices in life, creating a borderless world, in which the terms, to compete and to co-operate, do not have an antithetic meaning but converge into a single purpose of developing people and improving their living conditions in every part of the world.

Thank you