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The future of the supportive supplementary social welfare

Presentation

“Does economy globalisation imply an erasing of identity?”

**Iain Macdonald, Director General
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Thank you very much for inviting me to this conference. I am not an expert in social protection but I believe that the co-operative movement has much to say about the economic and social conduct of today's complicated world and especially about the resolution of its many problems, of which social protection is at the heart.

The organisation I front, the International Co-operative Alliance, unites, represents and serves co-operatives, of all types, worldwide. We also hold the copyright and are the guardians of the Co-operative Values and Principles to which all co-operative enterprises must adhere. And there are a lot of them!

The ICA itself is recognised by the United Nations, as one of the largest and oldest non-governmental organisations, with over 800 million members from hundred of thousands co-operatives worldwide, providing over 100 million jobs, which is twenty percent more than all the multinational corporations in the world put together!

Our recent survey of the top 300 co-operative and mutual enterprises in the world showed that they have a combined turnover of one trillion US dollars - equivalent to the tenth economy of the world. Not surprisingly, therefore, we get a bit annoyed when the co-operative model of business, with its unique offer of commercial success, social justice and peace, features nowhere on the radar of international organizations, world leaders and national governments. Not until now, that is.

We are clearly a huge part of the world economy, and yet only now, and very reluctantly, are we being listened to. Unfettered neo liberal economics have practically brought the world to its knees -so we are being checked out- but with no recognition of what we have already achieved.

Our General Assembly in Geneva, in November 2009, has invited Jeremy Rifkin, the well-known economist, to speak to our theme ‘Global crisis - Co-operative Opportunity’, allowing him to expand on his theory that the co-operative movement may well have the answer to the world's problems by harnessing energy needs, climate change and economic crisis.

So, does globalisation imply an erasing of identity? Not if we insist that the alternative, we offer is properly considered. Indeed, your conference papers' description of personal insurance being provided either by business companies or non-profit social economy organisations is not quite right - especially if you consider that co-operatives do make profits. It's what we'd do with the profit or surplus that is different!

And we are not merely a middle way between the market and the State - we are an alternative and in our view, a better way of doing business.

Our principles of open and voluntary membership, democratic control, member economic participation, autonomy and independence, education, information and training, co-operation among co-operatives and concern for community, are implemented based on our co-operative values of democracy, solidarity, equity, equality, self-help and self responsibility. Rather different from those of our investor owned competitors - but still commercially successful while retaining our essential social purpose.

Every aspect of social and economic life can be organised co-operatively through worker co-operatives, housing co-operatives, agriculture and fishery co-operatives, banking co-operatives, consumer co-operatives, tourism co-operatives, utility co-operatives - and of course, of particular interest to this conference, insurance co-operatives, mutuals and health co-operatives.

Even United States President Obama is a member of a co-operative, and indeed, some forty percent of all Americans are members of co-operatives, particularly in the utility sector, credit unions, and farms. Something like fifteen percent of all America's electricity is produced by co-operatives.

So, especially relevant to this conference is the health debate currently underway in the USA. People there are waking up to the reality of co-operatives, already operating in their country and, given their ethical base, wondering why the co-operative option should not be considered in the health sector as well. Indeed, US Senator Conrad is doing just that. And with the help of ICA members in the United States, a 6.5 billion US dollar proposal is being put forward to create health care co-operatives.

Numerous articles, not always positive, are now appearing in the American press, discussions on talk shows, and of course debate in Congress showing the usual myths and misunderstandings which often bedevils our progress. We may be disappointed that this is happening, but of course in the US, health care is big business and vested interests will not easily accept such a proposal. We have to be ready to fight for what we believe is right and be ready with strong arguments for our alternative. We are though in the mainstream of the discussion and it is just possible that this could happen, which would give a huge boost to social protection throughout the world and its ability to be run on a self-help, co-operative basis. A business, certainly, but with social purpose at the heart of its operation!

It is extremely interesting, therefore, that, at the very same time, the UN General Assembly will discuss the possibility in October, of declaring 2011 or 2012 as the International Year of Co-operatives. A recommendation for such a Year will be put to the General Assembly, and we are working hard to ensure the success. There is no doubt in my mind that the economic crisis has encouraged such a development and has raised the profile of the movement and the alternative system we represent. This could be a tremendous way off, exploiting the misfortunes of the illiberal market and showing the world what we have to offer. Perhaps, for

too long we have been the 'best kept secret of the world economy' - modesty is after all, in our nature, but we need now to take a leaf out of our competitors book and aggressively market who and what we are.

Indeed, in association with the International Labour Organisation, with whom we have A Memorandum of Understanding, we recently commissioned research into how co-operatives are surviving the crisis.

Preliminary results show quite clearly that co-operative enterprise is in better shape than other forms of business, confirming the findings in 2007 of ICMIF and in 2008 of WOCCU.

Financial co-operatives remain, in general, financially sound, consumer co-operatives are reporting increased turnover and worker co-operatives are seeing growth as people choose the co-operative form of enterprise to respond to new economic realities. This work will provide historical evidence, and current empirical evidence, that proves that the co-operative model of enterprise survives crisis, but more importantly, that it is a sustainable form of enterprise able to withstand crisis and maintain the livelihoods of the community's in which they operate. The recent massive public bailout of private, investor owned banks has underlined the virtues of a customer owned co-operative banking system that is more risk averse and less driven by the need to make profits for investors and bonuses for managers.

The ICA and the ILO, with their policy of seeking a 'fair globalisation', have joined forces with several other organizations, some represented here, in the Geneva Consensus. Our International Alliance seeks to extend social protection throughout the world and we share a common vision, values and principles of fairness, social justice, solidarity, the absence of exclusion and discrimination, not driven by profit, the participation and empowerment of the populations concerned, responsibility, transparent management and democracy – essential assets to be valued.

Access to social security and social protection is, of course, a fundamental human right. I would suggest, colleagues, that through those values and principles of co-operation, and given an opportunity through the mistakes of an unbalanced globalisation, we have a serious chance of fulfilling that right.