

Going for Growth – UK Congress, June 2008

This is the first time I have spoken or even been to UK Congress since Glasgow three years ago. The position I held then no longer exists! But I still include it in my CV!

It is good to however see the UK cooperative movement in such good fettle and the theme of this Congress reflects that positive feeling. I'm happy therefore in bringing international greetings to recognize and acknowledge the increasingly important role that the UK cooperative movement is playing in international cooperative affairs, be it the development of cooperatives in Africa, the promotion of consumer cooperation or in the modernization of ICA's policies and structures both in Europe and globally. Indeed our recent extraordinary General Assembly in Rome was something of a landmark in the history of ICA.

One of the most important projects the ICA has undertaken in recent years is the **Global300** list and I look forward to hearing from Ben of the latest UK 100. I always stress that this list is a very crude but effective way of emphasizing the sheer size and scale of the global movement. Of course it also highlights that the UK is a much smaller movement than some countries and I say this not to make a point but to get across to a British audience that the cooperative movement does not stop at Dover. Indeed I hesitate to inform a largely English group that the French movement is much bigger particularly in finance but also in retailing. Many of the big names in French retailing such as LeClerc, Super U and Intermarché are cooperatives - not consumer owned cooperatives, but cooperatives nevertheless. Indeed our 300 exercise shows the German group, Edeka, as the biggest retailing co-operative in the world.

My favorite quote from the 300 is in fact that the World Economic Forum recognizes Switzerland, Sweden and Finland as the three most successful economies in the world. They also happen to be the three most successful cooperative economies in the world with a share of their country's GDP ranging from 15% to 22%. I never tire of proclaiming these figures proving as they do that cooperative enterprise is as successful, if not more so, than its investor-owned competition.

This is why I also applaud the work of cooperatives UK in highlighting, not least at this Congress, the huge variety and types of cooperatives throughout the UK. It is well overdue that the worker cooperatives, housing cooperatives, health cooperatives, agricultural and fishing cooperatives and tourism cooperatives are shown in the UK as they are in the rest of the world to be on a par with consumer and financial cooperatives. Come to the first global co-operative trade fair in **Lisbon** in October and see them all there!

We could however be accused of making too much of size and scale and perhaps not enough of social responsibility and values and principles. I do think we needed to stress our size if only to convince our own people of what they are part of and to be taken seriously by governments and international organizations. But we can never forget what we are and we are now putting more emphasis on cooperative social responsibility and

development. Indeed I think our work is moving towards the establishment of an official standard of cooperative enterprise. The world is looking for something better than Bill Gates or Warren Buffett and their relentless quest for more money and is rightly cynical of their new philosophy of philanthro-capitalism.

Growth is important to cooperative enterprise but from a social point of view as well as economic. I spoke recently at the International Labour Conference, part of the UN, where the establishment of decent work is the priority. I emphasized the role of cooperatives in providing decent work particularly in a rural setting. Our campaign, *Cooperating Out Of Poverty*, is run jointly with ILO and the message is slowly getting across that cooperatives are tailor-made for this purpose. Capitalist enterprises cannot do this -they cause poverty!

A movement representing 800 million individuals should not be silent on one of the most pressing issues our time – that of poverty. With almost half of the world's population living on less than 2 dollars a day, and 535 million working women and men surviving on 1 dollar a day or less, the need to reach out to the poor is imperative. A large number live in rural areas or are part of the informal economy and have not had access to the benefits of economic and social development nor have they had a voice in their futures. Through self help, co-operatives offer these people ways to find solutions on how to co-operate out of poverty by tapping their own resources, knowledge and strengths.

Because co-operatives are democratic organisations owned by those who use their services, they are an ideal instrument for the **empowerment of people**. They are participatory, responsive to local needs and able to mobilize communities. For instance, cooperatives enable individuals regrouped in cooperatives to create economies of scale in the marketplace, they provide access to financial services, and they provide safe and reasonably priced consumer goods.

So when we talk about the fight against poverty as a global battle, we must insist recognition is given to the important contribution that co-operatives can make.

Cooperatives facilitate the economic and social progress of their members, through self-help efforts and help in the fight against poverty. The benefits and employment generated by cooperatives enable their members to achieve economic security and prevent millions from falling into poverty. By helping to sustain income and employment opportunities, especially in remote areas where public and other private sector initiatives tend to be weak or absent, cooperatives contribute to generating sustainable livelihoods and to the overall development of the local communities in which they operate.

And yet despite their proven track record in not only helping people out of poverty, but also maintaining livelihoods so that people do not fall into poverty, there continues to be a lack of awareness on the scope and contribution of co-operatives – although many international institutions both within the UN system and beyond are recognizing how the co-operative model enterprise can help address the pressing issues of poverty and

development in general, including the World Bank, with whom we recently met, in its 2008 Development Report and the African Union to cite only two recent examples.

Today co-operatives already provide approximately 100 million jobs worldwide – 20% more than all the multi national corporations put together - and their potential for contributing to closing the poverty and employment gap is more and more recognised.

Active, as I said, in all sectors of the economy, they are sustainable both in terms of economic viability and environmental actions. They are addressing climate change with policies to reduce carbon emissions, to promote sustainable consumption patterns, to educate their members and the communities in which they operate and find innovative ways to address the issue. In many countries they are the preferred form of enterprise that is used for renewable energy solutions, especially when community control and ownership are important, and so to they are producers of green jobs in this and a multitude of other sectors in which co-operatives are found. So on 5 July, and as encouraged by the UK led resolution passed at our Singapore General Assembly last year, we will celebrate International Day of Cooperatives on the theme, *Confronting Climate Change through Co-operative Enterprise* to highlight their contributions – and our circulated statement elaborates on some of these themes.

Of course, these activities are not new. After all, co-operatives have been active in promoting sustainable development for over 150 years. Because co-operatives are democratically controlled businesses, operating under values and principles which include social responsibility, solidarity and caring for their communities, they strive to serve members not solely in economic terms. And here, in the context of climate change, I should like to take this opportunity to acknowledge the contribution made by the UK movement in helping reconstruct cooperatives in China and Myanmar following the natural disasters in those countries.

Co-operators, by identifying common interests and uniting them with shared values, people can make a difference for the better in their own lives and in the lives of those around them both here and around the world through the growth of the cooperative form of enterprise

Thank you

Iain Macdonald
ICA Director General.