

## Global Mayor's meeting in Vancouver

Co-operative communities - a strife free environment?

I am delighted to be with you today. As a peace activist for over 30 years I have come to regard the co-operative movement as one of the potential best ways of securing long term peace – and I am here to tell you why. For myself, I have been vice president of CND in Scotland and the International Nuclear Free Zones Local Authorities (the biography is not quite accurate!)

However, working for the international co-operative alliance, reminds me on a daily basis of the uniqueness of our cause. I spend a lot of time telling people that co-operatives are businesses with social purpose. This is designed to appeal to governments and international organisations who find it difficult to accept the concept where business transactions can be carried out in a non hostile environment. At the same time I make the point that some of the most successful businesses in the world are cooperatives. Indeed the United Nations says the total of persons whose livelihoods are to a significant extent made secure by co-operative enterprise approaches three billion people, half of the world's population

- USA – 40% of the population are members of co-operatives
- Kenya – 45% of GDP
- Iran – 25% of population are members United of co-operatives
- New Zealand - 22% GDP
- France - Credit Mutuel, Banque Populaire, Credit Agricole – some of the largest banks in the world.
- Colombia - 24% of health services and the second biggest employer
- Sweden: 66% of private day-care centres are co-ops
- USA - 13% of total electrical service – hopefully a new sector
- Switzerland – Migros and Coop Suisse have 90% of retail trade
- 100 million jobs, over 20% more than those created by Multinational corporations!

There are some signs that we are making progress and Governments are at last showing some interest in policy guidance. In particular on how to provide a favourable environment for the growth of co-operatives as a way to tackle poverty eradication, the generation of full and productive employment, and enhancement of social integration. The work of the ICA has facilitated:

2001 – The United Nations adopted Guidelines aimed at creating a supporting environment for the development of co-operatives

2002 ILO Recommendation 193 – provides policy guidance for the promotion of co-operatives for all countries – both developed and developing

2002 Statute for a European Co-operative Society (SCE) – The European Community adopted the regulation to provide co-operatives with adequate legal instruments capable of facilitating the development of their cross-border activities, to ensure equal terms of competition and to contribute to its economic development – when are we going to take advantage of this?!

The domination particularly at present of the neo liberal free market economy - so-called, makes our case even harder to sell but also presents us with a huge opportunity. The world is

clearly tired of the antagonisms of big capitalist business and their bullying tendencies. They are also relating it increasingly to the massive gap between rich and poor and consequently areas of conflict. Co-operation presents the world with serious dilemma. We can offer serious solutions to poverty and the causes of poverty but we cannot do this without threatening the fundamental basis of global capitalism. We see international co-operation as a vehicle for challenging the assumptions and excesses of free market globalization. We offer an alternative economic and social structure.

Article 2 of our rules says: to promote sustainable human development and to further the economic and social progress of people thereby contributing international peace and security

Easy to say, not so easy to put into practice!

So what is the ICA? The International Co-operative Alliance is the worlds biggest NGO which unites, represents and serves co-operatives worldwide. Founded in 1895 we have 223 members from 91 countries active in all sectors of the economy. We reckon to have over 800 million members in over a million enterprises worldwide. We have general consultative status with the UN. And a co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. In other words – putting an equal emphasis on social justice and economic equality.

Co-operatives have at their core a set of values and principles designed to advance the cause of peace. The values of solidarity, democracy and equality have helped many millions of people throughout the world build social harmony through a more secure economic future.

Co-operatives play a role in helping to address problems which lead to conflict. They arise out of the need for economic stability whether it be securing employment or affordable housing, access to credit or consumer products, insurance or markets or the myriad of other needs. By ensuring that people have real alternatives to the occasional failures of markets or governments, co-operatives help provide structures which engaged and involved people. By providing a path of inclusion rather than exclusion co-operatives empower people to help themselves and hence help eliminate many of the conditions which can lead to conflict within and between communities.

Co-operatives too offer a real alternative in helping to resolve conflict. They can create the real long term basis for a sustainable and inclusive peace through their democratic and inclusive structures. For example, the Palestine and Israeli co-operative movements are currently working together on a range of agricultural marketing projects designed to assist Palestine co-operators improve their livelihoods and by doing so build links between people. A variety of movements have also been very active in assisting with long term tsunami reconstruction efforts in Indonesia, India and Sri Lanka including in some areas of on-going conflict. While housing co-operative movements are assisting in projects in Bosnia and Serbia help rebuild communities through the creation of co-operative housing.

The International Co-operative Alliance (ICA), as the organisational expression of this global solidarity, has a history of over 110 years of putting the co-operative values into practice and actively promoting peace. ICA has sought and continues to seek to be inclusive of diverse political, economic, social traditions acting as a bridge to greater understanding and support among its members encouraging co-operatives to collaborate among each using the co-operative model throughout the world. It works actively with a range of international

agencies including the United Nations and its own members to promote co-operative development, particularly in regions subject to conflict. ICA believes that promoting sustainable human development and furthering the economic and social progress of people through the co-operative model of enterprise will contribute to international peace and security.

Peace means many different things to many different people. I was always a bit of a pacifist but I didn't really get involved until I moved in 1980 with my family from London to Glasgow to work for The Cooperative Union. We ended up living on the side of the Gareloch where the British nuclear fleet is based! That quickly galvanised me into action and over the next 15 years I was seriously involved in setting up peace camps, direct action of various forms, working through the Labour party and local authorities and ending up as vice president of CND. I didn't need much convincing that the possession of nuclear weapons could only be seen as aggressive and quite unable to contribute to world peace. Unfortunately various world leaders not least George Bush and Tony Blair seem unable to accept this. This seemed quite happy to hold on to their own weapons as long as no one else can have them!

In my address to the UK Co-operative Congress last year in my role as president, I emphasised the role co-operatives can make to world peace. I said: If you take some of the images I have just encountered in a visit to Sri Lanka and Indonesia and couple them with African poverty and the ravages of HIV/Aids, one begins to see the world in a rather different way. A divided world of haves and have notes; a world where the accumulation of material wealth knows no bounds while poverty knows no limit of despair And a world where politicians, particularly in the West, refuse to take seriously the role that our Movement could play in alleviating this dreadful situation

I also quoted Henry May who was the secretary-general of the International Co-operative Alliance from 1917 to 1939 made one of the best and simplest cases for co-operative internationalism in the ICA review of 1938 "The Co-operative Movement of the world should stand unflinchingly for the principles of toleration, equity and justice in all the relations of life; respect for the rights of others; the settlement of disputes by reason and the abolition of armed conflict; the honourable fulfilment of all contractual obligations and association of the security of all in the exercise of their legitimate functions."

Indeed it was those sentiments which were behind the founding of the ICA in London in 1895. In 1913 the ICA Congress in Glasgow passed a famous resolution on peace which is still basically our policy today

Co-operators at the time considered this a hugely important issue. William Maxwell during that famous and enthusiastic debate declared that international cooperation was the very antithesis of international strife. As Ivano Barberini said recently:

'competition is married to conflict, co-operation is married to peace'.

Indeed there has been resolution is on peace at the last four ICA Congresses showing the commitment to this area. It has to be said however that resolutions themselves are not enough.

Of course the ICA has survived two world wars and numerous other conflicts holding on to this policy. Indeed only recently we sent a message to the United Nations reaffirming support for their work especially in light of the Iraq war and the way in which the USA and Britain have ignored United Nations resolutions.

And of course this year's International Day Of Co-operative's message is Peace Building through Co-operatives. In this message we link the resolution of conflict and civil strife with the abolition of poverty whether caused deliberately by globalisation or by natural disasters such as the tsunami.

We draw attention to the current proposal linking the Palestinian and Israeli co-operative movements to develop a range of agricultural products; the work ongoing in Bosnia and Serbia using housing cooperatives to rebuild committees; we will hear more about what has happened in Ireland and how the co-operative movement has contributed -- I have personal experience of that; we are hopeful of assisting further in Sri Lanka where at this moment civil war seems a bit closer but where the co-operative movement is one of the few organisations bridging the racial divide.

There are many such examples of how co-operatives contribute to peace locally, regionally and internationally. We are working with the ILO in trying to put together a global project which will show how much our movement is doing. Indeed the ILO is contributing to this conference and will be showing how co-operative forms of organisation are uniquely suited to meet the challenge to livelihood support and economy recovery in post conflict environments. Our proposal for an African facility will hopefully serve to improve lives through co-operative enterprise in several African countries and thereby reduce poverty and conflict.

Conflict though comes in many forms. It is not always on the battlefield or with a physical dimension. In every form of co-operative enterprise comes the ability to reduce conflict or strife. I've seen it myself in the transformation of 'sink' housing estates in Glasgow becoming models of community involvement and togetherness with the introduction of tenant management co-operatives. Similarly credit unions have single-handedly destroyed the activities of loan sharks. Agricultural cooperatives have revitalised British farming after the disasters of foot and mouth and mad cow diseases. Fishing communities have survived the onslaught of bureaucracy and globalisation by banding together. In some countries health cooperatives are the only way in which some people have access to any kind of health service and tourism cooperatives are successfully combating the abuse of young people. Many jobs have been saved by the development of worker co-operatives.

These are all the result of achieving a peaceful and secure environment. That's what cooperatives do. Conflict and cooperatives are exact opposites.

ICA is based in Geneva, the city of peace. Like Vancouver it has a tremendous history of promoting world peace. It seems to me that cities really can play a major role in this most basic of objectives. I hope you will also see the potential of the co-operative movement.

Iain Macdonald  
Director General

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