



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

International Raiffeisen Forum

Berlin, Germany, 4 November 2004

Ladies and Gentlemen, dear friends

Thank you for your kind invitation. It is a pleasure and an honour to be here with you and to have the opportunity to address you.

I would like to express my warmest congratulations to you for this forum which focuses on some of the key issues of our time and also represents an important follow up to the themes that emerged from the ICA General Assembly, held in Oslo in September 2003, particularly that of the launch of the “Global Campaign against Poverty”.

Economic development and the fight against poverty are the key points of collaboration between the ICA, ILO, UN and other International Institutions. In February this year, the signing of the Memorandum of Understanding between ILO and ICA formally ratified this common commitment.

There is a growing awareness that without a full and responsible undertaking to find solutions to the problems faced by our planet as a whole, a sound economic development cannot be achieved, nor can a decent job and a stable peace be provided to all citizens around the world.

The idea of a “market society”, dominating in a large part of the world, and based on “business is business”, without solidarity, is no longer something desired. There is now, really a need to introduce the notion of social responsibility into the corporate sector. This, however, cannot only be exercised in a national context but must also conform to global standards.

It must be clear that social cohesion is a necessary prerequisite for effective economic development and cooperatives must play an important role in achieving this goal. They recognize the priority of social objectives – health, employment, welfare, education – to ensure this social cohesion. Economic and social objectives must be dealt with, together, at both a local and global level.

The challenge we are facing at the beginning of this new century is, therefore, in many ways more complex as it involves both an economic and cultural dimension.

In aiming for a development based on cultural homology and radical transformation of the social environment, multinationals cause painful loss of identity and solidarity.

On the contrary, the co-operative system is based on the participation of its members, sustaining and reconstituting social cohesion, representing a perfect example of a global network, which is present in all economic sectors, rooted in the local area and committed to exchanging relations between the north and south of the world.

Social cohesion is about membership, about participation in a network or a culture. Co-operatives are a microcosm of this phenomenon, containing many of the social and economic elements that are found in a larger society.

To have a future, the co-operative movement must be able to awake the interest and the commitment of its members and to communicate its world's vision and its projects to civil society, particularly to young people.

Mutual aims and social responsibility represent a natural binomial highly distinctive of co-operative identity.

Since its origin, the cooperative movement has based its entrepreneurial and social success on bringing together long-term vision and daily concreteness.

Consequently, our message is much more complex than the one from capitalist enterprises. However, the ways to make it clear, effective and accessible are still an unsatisfied priority for us, both globally and locally.

Cooperation must increasingly communicate definite facts and plans while promoting a culture of solidarity.

Co-operatives are enterprises which respond practically, through actions which are in tune with their local environment and circumstances. At the same time, co-operatives are linked to the world, through a network of relationships which acknowledges different realities, without claiming supremacy of one particular culture over another.

The experiences of different countries confirm the importance of networking for organizations to develop their economic activities and give new impetus to economically depressed areas.

Co-operative networks are able to effectively unite the north with the south of the world and represent an important resource to build a fair globalization and co-operative development.

These networks can link organizations to a circuit of knowledge, experiences and skills which encourage effortless innovation.

Co-operation among co-operatives is therefore the most effective way to act in this new and changing global economy.

Learning to see the world as it is and to try together to understand where it is going is a way not only to better define future directions to take, but also to increase self-knowledge and the potential of an organization.

The ICA can contribute significantly to co-operative development because it is a global network with co-operative organizations from more than 100 countries, representing a movement of 800 million members and 100 million workers.

Ladies and gentleman, dear friends,

the role of cooperative enterprises has been rediscovered by international institutions. Cooperatives are called on to share responsibilities and initiatives necessary to build a fair globalisation because they are strongly rooted in the local economy and at the same time, part of a global movement.

A fair globalization needs harmony between human capital, financial capital and knowledge capital.

A society struggling for financial capitalism is unbalanced and soulless.

However, a society devoted to social solidarity without the dynamics of new radical ideas in the competitive market will become stagnant.

Likewise, a society devoted only to creating knowledge would be intelligent but poor if it only realized the value of its know-how in itself.

When these three forces of modern economy work together, they can be incredibly dynamic, creating Social capital, Productivity and innovation. But, they can only result from the spread of knowledge, networks, behavioural norms and the trust which make individuals able to work more effectively for common objectives. Investments come about if the demand for goods and services is changing and growing.

In this context, the cooperative movement plays an essential role and there are big opportunities for its development.

The opportunity for development comes from new markets being set up based on new needs, following privatisation and the out-sourcing of public services.

In many of these sectors cooperatives are able to do what multinationals don't or can't do or they are able to do it better.

While these new conditions offer new opportunities for development, they also require adaptability and an increase in efficiency for cooperatives, if they wish to survive in an increasingly competitive environment.

This is a responsibility for co-operators.

But Cooperatives need an appropriate environment and legislation for their development and competitiveness, able to use the same weapons as their competitors.

Business growth should be encouraged by public policies and the right tools.

There is a responsibility of Institutions, at both national and international levels.

Recently, on the occasion of the International Co-operative Day, the UN Secretary General underlined that Governments and International organizations should promote and support co-operative development through appropriate policies and laws.

Every co-operative legislative reform in each country should refer to the international co-operative Statement and be founded on political willingness and continuous dialogue between co-operative organizations and government Institutions, each respecting the other's role and responsibility.

The legislative context should provide the laws and the tools to compete in the global market respecting the universal criteria accepted by the UN, ILO and other International Organizations.

A strong distinctive co-operative identity is an essential strategic resource with which to compete and which promotes a high social visibility. A shared sense of identity is a form of social capital that can enable group actions on common needs and aspirations.

This is particularly important for the European Union, where so many different cultural identities – and they are continuously increasing – co-exist within such a comparatively small place.

The cooperative movement must act in accordance with its value system and principles, being aware that now, more than ever, they are only valid if they are put into practice.

We have to act in virtuous circle : "whereby the attainment of our social goals provides a competitive advantage, which then reinforces the ability to meet our social goals."

Strengthening the relations among other co-operatives is a consequence of their common identity and the main condition to succeeding in a phase of growing global competition.

Thank you