



ICA General Assembly
“Innovation in Co-operative Business”
Singapore, 18-19 October 2007

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

Honourable Minister, Honourable Guests, Ladies
and Gentlemen,
Dear Friends,

I would like, first of all, to express a warm welcome to everyone to this ICA General Assembly, taking place, for the first time, in the Republic of Singapore, a country well known for its modernity, innovative spirit and economic dynamism.

On behalf of the Board, I express my sincere thanks to the SNCF for its hospitality and the excellent organization of this General Assembly which has brought together hundreds of co-operators from 85 different countries.

Honourable Minister, we are grateful and honoured by your presence and we are greatly looking forward to listening to your contribution.

Singapore is an ideal context for the themes we wish to focus on in this Assembly and the meetings of the ICA sector organisations and special committees. These themes involve an awareness of the challenges we must meet, a strategic way of thinking and the innovative processes we must pursue – all being the essential conditions in being able to successfully face the future.

The age we live in is one of great changes and, at the same time, great contradictions - solidarity and competition; social inclusion and diversity; human rights, safeguarding the environment and economic development; and business and ethics. The more aware corporations have now realized that the mere goal of making a profit can only lead to the destruction of our environment and, along with it, ultimately, their own existence.

We now see that social and environmental responsibilities are being taken into consideration by those corporations wanting to survive and last, even if,

this is only out of their own interests.

Instead, for co-operative businesses, these issues represent a strategic point of reference, being in line with the basic co-operative principles.

In this fast moving world, we cannot be inactive, as its complexity and the way the social and cultural processes are inter-linked with the technological and economic ones, both locally and globally, highlight the need for a greater awareness of the context as a reference point in creating new strategies.

There is not one part of the world that can claim that it has not been involved, in some way or other, in problems concerning the whole of humankind. The ecological risks of today are glaringly obvious, inequalities and poverty are growing, and peacekeeping has become a more complex and difficult task.

In confronting this situation, economic development must meet the needs of our present, without compromising the capability of future generations to meet their own needs. This is the concept of sustainable development.

Thus, safeguarding our environment has become the main issue for sustainable development. However, there are many more factors involved, some of which are listed in the MDGs - demographic trends and changes, migration, food and water scarcity, the spread of diseases, the quality of human capital, human rights, and social conflicts, to mention but a few. Unfortunately, the current solutions in dealing with these problems are not satisfactory, they are not working.

The apparent present failure to reach the “Millennium Development Goals” by 2015, may result in the risk of a deterioration in the relations between the Northern and the Southern parts of the world, becoming a socially unmanageable situation at a global level.

We can see differences between regions increasing, especially those regarding socio-economic aspects. The average pro-capita income of African countries is 11 times lower than that of the member countries of the Organisation for Economic Co-operation and Development (OECD). And moreover, this rate does not reflect the true social gap. We need only consider the case of Mozambique - its GDP is growing nearly at

the same rate as China's, but its standard of living is among the lowest in the world.

Many developing countries, particularly the poorest ones, lack the fundamental growth factor, that is, the ability to create and spread knowledge, thus, allowing them to become familiar with and manage new technologies, contributing to their constant evolution. The inequalities in being able to take advantage of the benefits of globalisation originate in the different opportunities to accessing knowledge. There are still 774 million illiterate people in the world, 2/3 of which are women.

The co-operative movement is committed to fulfilling the MDG's. The Global Campaign Against Poverty, carried out with ILO and the development projects, supported by several co-operative organisations from developed countries, aim to facilitate capacity-building and encourage the mentality of self-help and self-development, thus leading to the creation of a viable network of enterprises and social systems.

This is a different path to that inspired by the culture of welfarism, which has all too often proved to be unproductive and harmful. A lasting economic

development, together with a change in social structure, can only be established through small, but constantly pursued steps ahead – life-giving gentle showers rather than short violent deluges that wash away the newly germinating seeds.

We must recognize that innovation and development are the result of a long chain, starting with education, and achieved owing to the energy involved in spreading knowledge and skills. Here, co-operation is at its best. Ethics and skills being the pillars of co-operative development and the main path to social and entrepreneurial innovation.

Creating networks of co-operative enterprises in developing countries strengthens the co-operative idea and spreads the culture of solidarity and entrepreneurial freedom.

True human development can only be achieved if and when economic performance is *placed at the service* of present and future generations. This is a very different concept from that practised by global capitalism, but it coincides very well with the nature and the actions of the co-operative movement.

These are differences that add fuel to the challenges we must face, both economically and culturally. Globalisation and modernisation have generated new, fast-moving social changes, which rock the foundations of our traditional sense of security and certainty and tend to impose new paradigms for society and human relationships. Global capitalism has the tendency to cancel differences and local traditions, and impose standardized cultural and organisational models considered to be useful for its own development.

The famous sociologist, Zygmunt Bauman, wrote that modernity has become “liquid”, characterised by a new power technique, whose main weapons are that of non-commitment and the art of escape. Social networks, especially those territorially deeply rooted, are seen as a obstacles to be removed.

These choices tend to divide rather than unite with the idea of “common interests” becoming increasingly cloudy and losing its solidity. Today fear, anxiety and suffering are all experienced in solitude.

This situation has increased the sense of insecurity felt by people facing events that have spun out of their

control, and which can cause a sudden deterioration in their living conditions.

Given all this, the co-operative movement has to inevitably face a more difficult social environment. However, at the same time, greater opportunities exist for its development, as modern society needs co-operative action. This is both, when it can seize and take advantage of favourable trends and also, when it can act as a counter-balance.

The social uneasiness and the feeling of uncertainty originating from these phenomena are urging people to look for a system of values able to provide them with a sense of identity and an alternative way to modernization. The “need for community” is growing, as a shelter from global turbulence. However, the solution does not lie in building defensive barriers and bunkers, useless and damaging, but, on the contrary, in communities open to dialogue, tolerant and respectful of differences. These are the ones that can improve human relationships and security, in virtue of their ability to come together.

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In short, co-operation has the creativity, the willingness to grow and rich entrepreneurial experiences, allowing it to achieve important results and build a sound basis, thus making it an important part of the economy and society of this century.

The challenges have become greater, and can only be met by acting simultaneously at the different, interacting levels - culturally, in strengthening our unique identity, in member participation, ethical production, social responsibility, innovation, and in building networks and social relationships. Furthermore, to be successful, co-operative businesses need a set of appropriate rules and laws, enabling them to grow, and to act freely, equally and competitively in the market.

In a social reality increasingly characterised by individualism, we must aim at introducing major innovations in the management of our organisations, drawing on the good practices already established in many co-operatives.

Moreover, we must adopt systems recognising the value of each individual, encouraging people to be innovative, as well as being an active part in the cooperative system, governed by ethical values and principles. In particular, we must focus on providing better conditions for women and young people, allowing them to access the competitive world and to develop through managerial and leadership roles.

Generally, innovation presupposes a widespread change in an organization's mentality, with the adoption of an open policy towards what is new, along with its possible risks. We need to develop and refine a way of thinking that can directly deal with issues relating to women's and young people's interests and way of interacting.

Women and young people are the catalysts of cultural innovation that has taken on an increasingly greater importance, if we consider that competition and leadership win and lose, especially where ideas are concerned (good ideas result in good and lasting leaderships).

Thus, in order to become innovative a cooperative business must create the right culture through projects, experimentation and sharing of experiences.

To face today's tougher competition, it must organise itself more effectively for innovation, identifying the elements that need to be changed and those that need to be kept. They are crucial choices, and therefore, can often be difficult and painful.

As the great economist, Joseph Schumpeter, used to say, innovation is "destructive creation". It is not achieved without first systematically abandoning what is old and obsolete in the culture, in the organisation, and in the strategies.

These are choices involving, first of all, a continuous challenge to ourselves. In fact, this is not at all new. A sort of "creative dissatisfaction" has animated generations of co-operators, aiming at reaching the utopian objective of a world at peace, of equals living free from need and fear. Today, these great ideals have found new reasons for being pursued, in the awareness that many of these problems have taken on a global dimension, pushing Institutions, social organisations and people, in general, to act.

In this context, ICA is committed to updating its mission and to introducing the necessary changes for a more effective and democratic organization.

The two years separating us from the previous ICA/GA have been full of initiatives, developed at global, regional, and sector levels. The changes that have been made in the structure, and those that are currently under discussion are a sign of the vitality of our organization and of our willingness to improve and strengthen it.

In particular, I wish to mention: The Global Campaign against Poverty with ILO, the On-going Regionalization process, the Focus on ICA Africa by a Board Commission, the Re-definition of ICA governance, the Review of the ICA global vision, mission and strategy, the Four-year program, the ICA restructuring and membership, the Communication strategy, and the 300 most important cooperative projects.

Fellows co-operators, this General Assembly should be an important step in the re-organization and growth of the International Cooperative Alliance, based on the need and commitment for a stronger ICA.

I am deeply grateful to the ICA Board members and to the regional and sector bodies, to the working groups, special committees and the ICA staff for the fantastic work they have done and their commitment shown in these last few years.

I am grateful and honoured to be in the role of President that you have entrusted to me and I have the greatest pleasure in declaring our General Assembly open.

Thank you.