



## The ICAO/IFAP Joint Seminar on “Policy Environments in Promoting Agricultural Co-operatives”

Warsaw, Poland, Tuesday 21 September 2004

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

Thank you for your kind invitation.

It is a great pleasure to participate in this joint meeting between ICAO and IFAP.

The collaboration between ICA and IFAP is very important to protect the interests of farmers and to develop a more competitive and consumer orientated agricultural sector.

Agriculture marked the history of humanity and continues to have a very important influence on the reality of the 21st century, all over the world.

The theme “**Policy Environments in Promoting Agricultural Co-operatives**” of this seminar is very interesting. It may appear simple, but it is very complex indeed.

To promote the development of agricultural co-operation, two converging and essential tools are needed: agricultural policies and policies for the growth and the diffusion of co-operative enterprises.

Any policy referring to agriculture must keep a balance between two dimensions: the international dimension and that of the place where the farmer’s activity develops.

Agricultural policies at a national level are still necessary, even if they are basically influenced by the kind of rural development chosen by the government of a certain country.

While selecting and organizing a system of support, of promotion and stimulation, a national government must remain alert and open towards the different areas of the world and international markets.

It is well known nowadays that it is no longer possible to promote policies only based on welfare.

Agricultural policies from national governments configure themselves as actions and instruments to correct the disadvantages caused by unequal market exchanges, accelerations of specific territories and/or productions, promotional incentives, services.

As shown in Cancun, international negotiations are no longer facing only the problems deriving from rates and duties. The object of negotiations is now the coexistence and the development of the multiple agricultural models of the world.

Now more than ever, it is important to ensure that the WTO negotiations are not a source of tension but are able to define the elaboration of policies securing a true competition and stimulating a competent way of farming, consumer oriented, able to raise the standards of living of rural populations, particularly in developing countries.

In this context, the planning of a wider and better qualified development of agricultural co-operation needs to be outlined.

During the last few years, co-operation received several important appreciations for its role. The recent invitation to the Summit of the African Union Heads of State is a clear example of the fact that co-operation, particularly agricultural co-operation, is considered an important resource to deal with the fight against poverty.

However, it is vital that these appreciations are followed by coherent laws and policies.

The first condition for the creation of an environment favourable to co-operative development relates to the conception of market and the real pluralism of the subjects acting in it. In other words, an idea of market considering competition and co-operation as two necessary factors for the functioning of the economy must consolidate.

From the interaction of these two factors derives an innovative stimulus in processes and products, generating a widespread well being and a more responsible society.

To obtain this result we must change the dominant culture, which has always rejected the idea of an enterprise of mutual aid and competitiveness at the same time.

According to that conception, the "real" co-operative acts outside the market or plays a very marginal role, purely accessory.

In truth, the co-operative enterprise was created to compete on the market associating people to better answer to their needs and look after their interests.

For a long time, the mutual benefit has been guaranteed to members by the lack of speculative finality and the consequent differential, compared to enterprises of capitalistic kind.

Today, mutual aid to members is ensured by the capability of the enterprise to be competitive with excellent enterprises operating on the market. Public policies and legislations must ensure co-operatives this opportunity.

No organization is totally independent and self sufficient, all of them have to operate in conditions of dependency and interdependency.

In this regard, Ian Mac Pherson wrote: "it is essential that solidarity among co-operators and co-operatives, based on self determination and mutual responsibility, is fully understood and accepted particularly by the governments in developing countries".

Agricultural co-operation, in this sense, shares with other co-operative sectors the same needs and the same opportunities.

Public policies must not undermine the autonomy of co-operatives, but, on the contrary, must recognize their democratic peculiarities and the consequences deriving from it.

A co-operative is much more than the formal association of people and the carrying out of economic activities: to be true, it must be based on the free adhesion and the self-government of its members.

A co-operative must be big but behave as if it was small, keeping an open dialogue with its members every time they feel the need and intensifying the occasions of meeting. There is a contradiction difficult to solve, between the need of efficiency and democracy entrusted to direct relations.

Governments must recognize the right of co-operatives to do and to be an enterprise. They must also encourage co-operation between co-operatives, through the application of the relevant legislative measures.

Agricultural co-operatives together with consumers and fisheries co-operatives grant the quality and the safety of food through the manufacturing,

manipulation and commercialization processes, adopting a financially favourable approach, in the respect of environmental sustainability.

Finally, I would like to emphasize the commitment of ICA in support of the needs of agricultural co-operation and of the conditions for its development. In this direction we need to develop the ability for lobbying and take common initiatives with IFAP, in the interest of our members and of the entire community.