

For a Modern Image of Co-operation

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To build a “modern image of co-operation” we need to begin by understanding what “modernity”, means and to identify the factors most affecting co-operatives.

Modernity means many things

Zygmunt Bauman, in his recent book “Liquid Modernity” writes that the distinctive element of modern life is the changed relationship between space and time. He wrote that Liquid modernity is characterised by the new power technique, whose main weapons are non-commitment and the art of escaping. These are the principles pursued by an increasingly slippery, mutable and evasive power.

Social networks, especially those deeply rooted in the territory, are seen as an obstacle to be removed.

The result is the disintegration of dense social relationships created in the past few decades. A clear example is represented by employer-employee relationships.

As in the past, work today is full of uncertainties, but of an entirely different kind. They tend to divide rather than unite; the idea of “common interests” has become increasingly foggy and has lost all solidity. Today fear, anxiety and suffering are experienced in solitude. They no longer come together in a common cause.

The effects of this situation fall on organizations built and developed for defensive and solidarity purposes, making it more difficult to generate reciprocal trust and commitment between people.

Escaping the responsibilities of “drivers of globalisation” goes hand in hand with weakness towards them showed by national Governments. Confronted with the power of multinationals, they try to set up new investments in their country, hence competing with others.

Another version of modernity is given by the anthropologist Arjun Appadurai, who writes that in our times modernity is borderless once and for all, and overall pervasive. It is self-conscious only at times, and is not experienced homogeneously. This has resulted in a break with the past.

The most revolutionary factor is represented by electronic means of communication, which have changed our lifestyle and means of communication between people. The most significant change relates to the “imagination”, which has shifted from the individual to the collective and social. In the context of modernity, electronic mediation, together with a “de-territorialized” mass migration has changed our way of living events and the way imagination works.

Today immigrants enjoy listening to religious sermons, watching movies from their home country, or following live sports events via satellite, highlighting the existence of moving images with “de-territorialized” spectators.

These facts affect social changes and weaken the idea that national governments could still play a key role in their development

Modernity is the result of an increasingly close connection between the global and the local. One cannot be understood without the other.

Cultures are undergoing a continuous transformation due to their connection with other cultures.

On a more strictly economic level, modernity also means building changes like structural reforms, productive investments, liberalization of markets, innovation, technology, competition. When it is real, modernization overcomes, or at least drastically reduces, oligarchy, and weakens the influence of lobbies on public political choices.

In this context, the centrality of the citizen-consumer, the co-operation between the north and the south of the world and the long-term responsibility towards our planet are also emerging factors.

These references to the complexity of the modern world and the way these social and cultural processes are connected to technological and economic processes, local and global, underline the need for a greater awareness of context as a reference in creating new strategies.

Europe in particular is continuing to grow in complexity. In no other part of the world are the differences so deep, within a relatively small place.

Now more than ever, Europe is exposed to the risk of a collapsing African continent, in addition to the increasingly serious Middle East crisis. Once again peace has become dramatically current.

Politics in the first place, must deal with this problem. However, social organizations must also contribute. The cooperative movement can play its part by making its own resources available.

The cooperative movement has a rich experience from overcoming serious crises; it has creativity, willingness to grow and rich entrepreneurial experiences based on the active participation of its members and the building of networks and social relationships.

Being in tune with the problems of its time, the vision of a more free and equal society, pursued by acting against the current, if necessary, join the ideal and the concrete by creating effective enterprises, democratically run by members: these are the pillars on which the cooperative movement has grown in every corner of the world, now counting 800 million members.

These factors are still very current today, because they are dictated by basic values, which make identity.

In fact, the weakening of ideologies has highlighted the need for communication centred on concrete facts and projects. This implies a shared propensity to change, recognizing that when a change is real, it is never painless, because it deeply affects consolidated habits. It entails a shift from the certain to the uncertain and it brings to the surface the contradictions between economic and social priorities and between short and long-term vision.

All formal structures are affected, creating different levels of inefficiency and ineffectiveness. At times this creates a situation of non-ethical and non-co-operative behaviour. There is then the temptation to take advantage of the earning capacities offered by the market and by social relations. For this reason, change must be first of all a cultural one, by adopting an—ethic of responsibility at the basis of leadership, commitment to projects and transparency.

The co-operative movement has great opportunities of development, because modern society needs

its action. However, it needs a clear design and the courage to let go of the old and obsolete parts of its structure, organization, policies, and image.

Canadian sociologist Daniel Coté raises the problem of the courage needed to face what he calls the “moments of truth”. He compares enterprise organization to an iceberg: the visible part is represented by sales, profits and market shares, costs, by the *formal organization of objectives*; the submerged part is formed by worker satisfaction, group morale, customer satisfaction, values, convictions... and by the *unwritten rules*.

The obvious conclusion of this analysis is the importance of the submerged, non-visible part and the attention it needs.

What must be preserved and constantly renewed is the sense of belonging, that “creative dissatisfaction” which has motivated entire generations of co-operators to build a better world for everybody.

In the current situation, cooperation can furnish important answers to the need for freedom, security, participation, and to the improvement of life conditions, through a design able to unite the movement around values, strategies and operational practices.

The interpretation of the concepts of freedom, security, entrepreneurship and participation, which are part of the co-operative movement, does not include all possible meanings; however, if correctly applied, it can promote economic, social and cultural changes of fundamental importance.

To better clarify this concept we will examine a few points.

For co-operators:

Freedom is freedom of enterprise, freedom of association, responsibility, solidarity, open and creative communities, professional growth, independency and autonomy.

Security is the creation of an associative environment, the recovery of disadvantaged subjects, respect for rights and duties, trustworthiness, ensuring food safety, sustainable development,

subsidiarity, ability to deal with new kinds of exclusion, work safety and inter-generationality of enterprise.

Entrepreneurship is culture of enterprise, centrality of the person, creation and sharing of knowledge, production joined to the distribution of wealth, cooperation between cooperatives, creation of networks.

And more: an alternative to direct aid, development, innovation, growth in size of enterprises, encouraging young people to build co-operatives, contributing to the overcoming of territorial imbalances.

Participation is group leadership, shared responsibility, economic democracy, social inclusion, promotion of development sustained by co-operative solidarity, social relationships sustained by volunteer commitment, new experiences involving workers in the ownership of enterprise.

In the co-operative experience, the binomial entrepreneurship and participation perfectly reflects freedom and security. They are the outline for a project centred on individuals, which builds around them the entire company, its strategies and application.

In any case, they are “bricks” which can be used for the building of a modern image of co-operation, because they meet the expectations and needs of members and citizens.

Affirming a more incisive image of cooperation is possible. However, is not easy and cannot be taken for granted.

Co-operative reality is virtually unknown in its depth and complexity. It includes very small enterprises as well as enterprises with thousands of members and workers, present in all sectors of the economy and in every corner of the world.

Because of this extreme variety, the “raison d’être” of cooperation and its Modus operandi in modern society are always questioned. While many believe it is a precious resource, some believe that results are often very much below its undisputed potentials.

It is an area that needs development, because it can bring about an important contribution to changing what needs to be changed and to strengthening co-operative identity.

It is our task to provide convincing answers for those – be they friends or critics of co-operation - who ask important questions or who are critical of the choices made or express their concern for the future of the cooperative movement.

It is difficult for many to accept the idea of a co-operative as an enterprise able to compete on equal terms with excellent competitors.

In fact, still today, the term “enterprise” is often dissociated from the term cooperative.

Some believe that a direct and prolonged contact with elements of modern economy, particularly financial capital, devalues the values of the cooperative system.

However, if we exclude the justifiable critics of cases in which financial objectives have been prevailing, in general it would seem incorrect to undervalue the need for co-operative enterprises to acquire the financial means necessary for development.

There is always the risk of homologation to other forms of enterprise. When it happens, it is a serious strategic error. It would be just as wrong, however, to homologate to non-profit organizations, which have different goals and operational modalities.

Consistency of basic values is an essential factor but must always go hand in hand with innovation and experimentation. “Movement” means innovation. Nothing can justify the paralysing fear of the new and renouncing an attempt to find compatibility between co-operative values and competitive strategies.

In many cases, the ability to promote radical changes, sustained by inter co-operative solidarity and ethic liaisons between members and workers has made it possible to overcome crisis and return to the path of development, with sometimes surprising results.

However, this has not always been the case. Sometimes changes took the wrong path. Experiences in various part of the world have demonstrated mistakes, a management “weariness” in maintaining a dynamic balance between economy and solidarity, resulting, for example, in “shortcuts” and the demutualization of the cooperative enterprise.

Evaluation of historical projects, which has formed the basis of the current situation of the co-operative movement, is, for this reason, necessarily varied. The building of a modern image of co-operation must deal with old and new problems relating to its reputation.

Reputation, which is important to all organizations, acquires a particular meaning in the case of co-operatives, especially in terms of their differences from other kind of enterprises.

Co-operatives were born nearly two centuries ago as free associations of people to democratically manage enterprises. They are part of the society in which they were born and in which they grew; they are affected and conditioned by them, to the point of reflecting their fundamental characteristics.

In different situations, co-operatives have had to strenuously defend their values against the attacks of the dominant culture, which has always been against the idea that an enterprise can, at the same time, be competitive in the market and be founded on democratic principles that aim to provide a service to its members.

In 1898 an Italian economist claimed that co-operatives were like all other enterprises and therefore did not deserve special consideration. This thesis influenced economic ideas for over 60 years, until an American economist, Benjamin Ward pointed out, in 1958, the basic difference between goals pursued by capitalistic enterprises (maximization of profit) and co-operatives (maximization of the average income of those who work in the cooperative or benefit from its services).

A second difference from ordinary enterprises regards the unifying strength, in positive and negative terms, of the word “co-operative”. By the same token, from their origins, co-operatives have been seen as a “movement” or a “system” of enterprises with a common image.

For this reason, the behaviour of each co-operative determines not only its positive or negative reputation but also that of other co-operatives. The more a cooperative is rooted in the territory, has a relevant social, ethic and economic role, carried out and expected, the more its failure causes very serious repercussions to the entire co-operative system.

It is a problem that emerged during the creation of the first co-operative to which we usually refer that of the Rochdale Pioneers, more than 160 years ago.

The failure of a co-operative shop opened in Rochdale two years earlier in the same street, damaged the reputation of the movement. When the Pioneers were setting up their society, they decided not to call it co-operative in order to avoid any relation with the failed experiment of ten years earlier.

Sometimes co-operators, in a spirit of self-preservation, fail to make the strategy changes necessary to defend the co-operative identity and to build a solid and visible reputation on it.

In relatively recent times, there have been serious consequences as a result of a distancing co-operative principles in the experiences of co-operation promoted and run by the State.

This has led to negative reputation for co-operatives, which emerged fully at the end of Socialist regimes. In Eastern Europe and Africa, the new birth of the co-operative movement has been extremely difficult. Today has still not come to an end.

However, a bad reputation can also emerge from entrepreneurial success, achieved at the expenses of social visibility.

The homologation of capital enterprises and the consequent weakening – and loss – of a distinctive identity has been an ever present risk in the long path followed by co-operation during its decades of history.

Co-operation is not a perfect world. Like all other organizations, it is formed by human beings, with their qualities and limits, who put their passion, their intelligence, their co-operative and competitive spirit in their work and their relationships.

It is a reality present everywhere, which needs to be accounted for serenely, while remaining aware of the difficulties and of the fact that there will never be a time when everything is solved.

The relationship with members and workers must always have the priority in the communication, by searching new ways with the help of new electronic technologies, for a more active involvement. However, we must never underestimate “person-to-person” contact, which remains irreplaceable: in some large agriculture co-operative in the United States, remote distance from members has caused a definite worsening of relationships.

Often the distinction between co-operatives and between them and other forms of enterprise it is not

very clear to the member themselves. This fact encourages the generally shared belief that co-operatives have not been fully successful in building their own distinctiveness compared to other forms of enterprises. There is no doubt that a better knowledge and understanding these issues by members of co-operatives is the first condition for a clearer image of co-operation.

A serious prejudice to the image of co-operation has been caused by false co-operatives. It is a phenomenon which must be fought with great determination, first of all by highlighting the distinctive features of true co-operation and its values.

In global competition everything has become more difficult, due to the rapidity with which decisions are made and the depth of the challenge, increasingly dangerous.

An increase of the size of the enterprise is usually considered everywhere in the world the principal and clearest aspect of the preference for entrepreneurial effectiveness at the expenses of the social one.

In other cases, the negative image of the co-operative form is caused by hostile policies, is due to bad economic performances, or to the action of a hyper-liberal economic culture against the “diversity” of the co-operative enterprise.

In some situations there is strong opposition towards the creation of a co-operative society, for the simple reason that the law requires the name “co-operative” as part of the business name.

In the Southern part of the United States, for instance, electrical co-operation is called “Membership Society”, because co-operative is considered to be synonymous with socialist enterprise. The same thing has happened in some African countries but, in these cases, the attitude derives from past experiences, since the time of the planned economy.

Regaining a lost reputation is extremely difficult.

The International Co-operative Alliance has been shown to be an important incubator of differences. In three different times - in 1937, 1966 and 1995 - it has promoted the revision of its co-operative values and principles.

A shared sense of identity represents a form of social capital able to activate group actions around common needs and aspirations.

Ethics has become an increasingly important factor in the role and development of co-operatives. A total transparency of our actions and an accurate communication are indispensable goals. To this end, we must adopt indicators able to measure the effectiveness of entrepreneurial initiatives, in direct relation to the co-operative mission.

The adoption of an ethical behaviour highlights co-operative distinctiveness as opposed to other forms of enterprises. On this ground we need to look increasingly at enterprises that aim at medium and long term success.

As Nobel prizes winners for economy Amartya Sen and Joseph E. Stiglitz remind us, global competition will develop at an economic level as much as at a cultural level and in terms of values.

The construction of a modern image of cooperation must proceed at different levels, united by a robust value and strategic thread; from co-operative to sectoral, national, regional, global organisations.

We need to transfer to a project, whose hierarchy is the sum of wills and responsibilities, of sharing a fact which is simple and complex at the same time: in the reality of this new century, the global and local dimension form an inextricable weave. The co-operative enterprise is part of its territory and part of a global network, of a movement which has a future if it shows it is able to affect the dominant culture and strengthen its social visibility and its economic performances in the globalised economy and a borderless world. This is what being united in the International Co-operative Alliance means.

Co-operation must be seen as an agent of change to arrive at a different kind of globalization, based on self determination, on the dignity of differences and on social justice.

To have a future, the cooperative movement must be able to awaken the interest and commitment of members and to share its vision of the world and its projects with civil society, particularly young people. This can only be achieved on the basis of the relationship between generations of leaders, members and workers based on reciprocal listening, shared practice and knowledge, loyalty, solidarity and reciprocal respect.

