

The Co-op Movement at a Crossroads

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**The essential nature of our crisis is
that economics has become
antisocial and *antihuman*...**

**This is one result of the absence of
democracy in our economies.**

**WE
ARE
THE
99%**





JAILS for EU-RO-BANKERS

NOT DEBT

Σ ΕΠΑΜ.

ΕΠΑΜ.

ΟΥΤΕ
ΒΗΜΑ
ΠΙΣΩ
ΤΩΡΑ
ΜΙΛΑΕΙ
Ο ΛΑΟΣ

WE ARE

HOTEL

**The task before us in today is to
Humanize the Economy.**

What does this mean?

Economics that are embedded in social values.

Economies that serve the common good.

Co-operative Beginnings

The Great Transformation





What was going on?

- Urbanization: rural enclosures, urban slums
- Industrialization: factories
- Technology, trade, investment
- “The Great Transformation” (Karl Polanyi): the *self-regulating market* as a new social institution
- **Globalization**

Co-ops in the world – UN Census

- 145 countries
- 2.6 Million co-operatives have over 1 Billion members & clients
- 12.6 Million employees in 770,000 offices & outlets
- US \$20 Trillion in assets and \$3 Trillion in annual revenue
- Largest memberships: India (236 m), China (180 m)
- High proportions: Canada (1 in 3), Norway (1 in 3), USA (1 in 4)

Combined, the global co-op economy is larger than that of France, and just behind Germany, making it the 5th largest global economic unit if it were a single country.

Top Co-op Economies

Rank – Cooperative Economy Index (Membership, Employment, Annual Gross Revenue)

1 New Zealand	6 Netherlands
2 France	7 Germany
3 Switzerland	8 Austria
4 Finland	9 Denmark
5 Italy	10 Norway

Note: Two thirds of the countries listed in the top ten co-operative economies also make up 8 of the top 12 spots on the Social Progress Index.

UN Co-op Census, 2014

Co-ops & Globalization

- Co-ops are a key means of protecting local economies (e.g. fair trade, economic diversification)
- Key means of addressing problems of managing common goods & resources (water, pollution, fishing)
- Key model for the reform of trade practices through the reform of governance (IMF, WTO).
- Most viable alternative to “free market” model of economics and the enterprise – absolutely crucial for both sustainability and social justice.

Current Trends in Co-operation

- Co-operative movement is at a crossroads
- Confusion re: co-op identity; role as social change agents; vision for the future
- Increasing polarization and inequality within the co-op movement

Key Issues – Large Co-ops

- Challenge of growth and scale
- Corporatization of organization & culture
- Challenge of capital – access; capital influence
- Managerial elitism
- Disconnection from membership
- Absence of political identity
- Absence of Co-operative Identity

Key Issues – Small/Medium Co-ops

- Access to capital, training
- Absence of entrepreneurial & managerial skills
- Sectoral & operational Isolation
- Public Policy challenges (little state support; state control)
- Growing alienation from mainstream co-op institutions (e.g. International Co-op Summit – Quebec)
- Absence of institutional supports

Rise of Open Co-operativism

- Social Co-ops/Solidarity Co-ops
- Community Service Co-ops
- Digital and Material Commons
- Multi-stakeholder co-ops

From Welfare State to Caring Society

- A new role for the social economy - the creation of a caring society
- The realignment of sectors
 - public
 - private
 - social
- The maturation of the social economy

The idea of a social market

- Reciprocity as the basis for exchange
- Social Capitalization of care
 - Rethinking non-profit
 - Reclaiming the market
- Social investment
 - A social stock exchange

The Co-op Effect

- In 2000, a study was conducted comparing the effects of employment in co-operatives on the communities in which they were situated.
- Three towns in Northern Italy were compared – Imola, which has 25 per cent of its workforce employed in co-operatives, Faenza, also in Emilia Romagna, which has 16 per cent, and Sassuolo in Tuscany, which has no co-operatives.
- The study concluded that health, education, crime and social participation were all better in the towns in which a larger proportion of the population is employed in co-operatives.

The Co-op Effect

- The best way to build community, to raise the stock of social capital, and to increase social cohesion by reducing inequality is to promote co-operation.
- Most importantly, this can be done without sacrificing prosperity through the use of co-operatives as a model for both commercial and social enterprises.

The main point...

The co-op model shows a way to *humanize* our economy by re-connecting social values to the marketplace.

This is the mission that remains central to the co-op movement today.

To do this, it must change from a focus on co-operatives as an alternative economic model to that of co-operation & democratization as the framework for a new political economy.

Thank You...

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