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
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

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<tr>
<td>1</td>
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<td>France</td>
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<td>5</td>
<td>Italy</td>
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<td>Norway</td>
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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 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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