

## **If Potatoes, Why Not co-ops?**

### **The Possibilities of the International Year of Co-operatives, 2012**

Speech to

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by

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Several months ago an old friend from one of our farmers' co-ops gave me a telephone call. He had just heard that the United Nations was naming 2012 "The Year of Co-operatives". He wanted to know (with a rather derisive tone in his voice I thought) if this was the same group that had previously declared a Year for the Potato. Now, despite all the Irish blood and sensitivities that flow through my veins, I had not heard of the Year of the Potato, so I couldn't immediately answer the question within what I took was his main question.

I could tell him, though, that I knew a little about the Year of Co-operatives because I was aware of a lot of work done by Ivano Barberini, the former ICA President, Iain MacDonald, the recently retired Executive Director of the ICA, numerous national co-operative leaders, and some politicians around the world in making the case and mobilizing support for a request to the UN to so recognize the international co-operative movement.

I could also suggest to him that it was particularly noteworthy that, as I have been told, most of the member nations of the UN had readily agreed to the request without serious debate or opposition – not what customarily happens, as I understand it, when decisions are made about themes for International Years. There are usually many claimants for different ideas and a lot of political activity around each possibility, thereby often creating some controversies. I could also tell him about how useful such designations had been in the past for directly and indirectly helping the international co-operative movement. I could recall, for example, from my own research that the following International Years had made a difference to the international movement.

- 1959/60 World Refugee Year, which assisted people within the co-operative movements, notably those involved in CARE (which is a co-operative – that is what the "C" stands for) in their efforts to address this serious issue at the time, essentially the latter stages of the movements of people necessitated by forty years of refugee issues in Europe, the flights of Jewish, Tibetan, and Cuban peoples and the dislocations cause by various conflicts in Africa and Asia.
- 1967 – International Co-operation Year, which co-operative organisations and development agencies used to help publicize several international efforts fostering the development of co-operatives, particularly in what we "up there" quaintly and glibly call the Global South.
- 1975 – International Women's Year, which encouraged many co-operators, especially those interested in development, to start addressing gender issues more seriously.

I have seen in my own historical research how these designations have affected the ways in which the international movement has developed.

After the call, I went through the list of topics that had been selected over the years and found others that it would be interesting to try and understand the impact. Looked at globally, I suspect the following "Years" might have had – or are having – significant impact.

2010-2011 – Year of Youth – there is a lot of interest in youth issues, particularly in Africa and South America – is there a connection?

2005 – Year of Microcredit – a positive and negative for co-operative banking

1996 – Year for the Elimination of Poverty – used to promote more international co-op development work

1986 – Year of Peace – coincides with considerable discussion of peace issues within co-op circles

I phoned my friend about these other previous designations and I also could tell him that the Year of the Potato was 2008 and it was not as odd as he, a blueberry grower, had thought. (To be honest, I think if they would have declared a Year of the Blueberry his attitude would have been very different.) The point of the Year of the Potato, I found out was indeed serious: it is a crop that has grown remarkably as a staple, rivaling rice in developing international consumption patterns; when prepared wisely, it is a very nutritious food; it does not deplete the land as much as other crops; it provides large returns from cultivation in limited spaces, far more, for example, than grains; with its hundreds of varieties, the potato can be produced in many places and used in many different ways, some we hardly yet recognize; and it is very tasty. I think it might even be more valuable than blueberries, though I didn't tell my friend that. The UN, the FAO, and several farming and health groups at least, believe that the Year was very successful for encouraging interest in the vegetable. We should all look before we speak.

In the weeks that followed, I talked with several others about the declaration of the International Year of Co-operatives. Some were immediately excited by it (most commonly people involved in newer, youth-oriented co-ops), but others, like my blueberry friend, initially were variously dismissive or skeptical. Some still are. Having heard what they said, and having read between the lines to better understand how they felt, I would summarize their reasons as follows. Maybe some of the attitudes can be found here, I wouldn't know that. I should point out that not all the people I talked to were involved in the co-operative movement.

- First, nothing the UN does is worth very much.
- Second, such Years provide reasons for expensive meetings in exotic places for a very few people.
- Third, what is there to celebrate?
- Fourth, the co-operative movement has so many problems it should not be celebrated – the future is with investor-owned firms.
- Fifth, the co-operative movement will not be able to get its act together.

I propose now to address each of these perceptions briefly, but I hope there might be time to talk about them some more.

**Reaction One:** *nothing the UN does is worth very much.*

I live in a part of the world in which, for a complex number of reasons, the United Nations is consistently and constantly under attack, most particularly by groups within the United States but some in my country as well. This is not the time and place to revisit that broad issue in all its ramifications. I think it reasonable to claim, though, that the UN in some of its social, educational, and economic

programmes has achieved considerable success. One should not judge the entire organisation by some of the peacekeeping failures (which, when criticized by its critics, normally omits the more successful examples); its failure to deal with some situations such as Rwanda (a criticism that often ignores more successful interventions); its unwieldy, bureaucratic and expensive structure (which is not easily defended); and its questionable control structure (from whichever side one wishes to support the debate – that it is the creature still of a few nations or that it distributes power too widely).

As I thought about these broad UN issues the other day, I was reminded, perhaps by the fact I was in Australia, of what some of us called in other days, “another one issues”, a phrase often used by one of our credit union/co-op leaders from the 1970s, a man named Rod Glen. Rod, a credit union manager, organized credit unions and co-op stores on Vancouver Island. He was fond of saying, when he was organizing and prodding: “if it takes another drink for us to reach an understanding, by all means let’s have ‘another one’”. If you wonder why that recollection occurred to me in Australia, Rod had many friends here in the credit unions movement, particularly in Victoria. They visited him several times to see his credit union and the co-op store it helped create. They collaborated with others in a drastic reformulation of the international credit union movement through the creation of the World Council of Credit Unions, a process that involved many “another one” discussions, often going through much of the night.

We probably don’t have time to resolve all the problems of the UN, maybe even to identify what they are, but I would merely say about the UN that there are accomplishments that I don’t think can be seriously challenged in general. Its relief work, its activities on behalf of international health issues, its exposure of serious global problems (not least through its International Years), its capacity to create networks and influence government policies in its member states, and its articulation of issues confronting economically developing nations around the world (especially given the inadequate or often misinformed examination of them in media and in academia, with their essentially Northern and industrialized views of the world) – all of these should be given the credit they deserve.

Further, I would point to the ways in which the Years devoted to refugees, co-operation, and women clearly affected how the international movement developed. I would argue that we at least need to consider possibilities before reaching conclusions; that we ought to examine the record more carefully before jerking our knees. We need also realize that we are dealing to a large extent with ideas, attitudes and convictions, the kind of topics that can not be evaluated with the same level of apparent certainty as, for example, considering the impact of last year’s advertising budget for the marketing of blueberries.

In short, I think it is important to take a fair and balanced view of the possibilities that the Year affords and not just make assumptions because of preconceived ideas about the UN or the transference of reservations we may have about part of its work to the entirety of it.

Besides, though the UN endorses the idea and will feature co-operatives in many of its activities and its programmes, the ultimate responsibility for what

happens with a given Year lies with the people and organisations being recognized. It is as effective as they are, and, who knows, co-operators, co-operatives and co-operative movements may rise to the occasion, maybe even rival the potato growers. If the Year does not go anywhere, to paraphrase Cassius enlisting the help of the dear but reluctant Brutus, the fault will lie not in the stars but in us.

**Reaction Two:** *such years provide reasons for expensive meetings in exotic places for a very few people.*

Now, I must admit, as a person who has spent a lot of time attending meetings and conferences, some of them small, many in places that others at least call exotic, that there is a tendency for the waste implied in the perception to, in fact, take place. In recent years, one can find, I think examples of this, and even within co-operatives. Too often various groups and organisations sponsor conferences, most of them for good purpose, but the reality is that they consume such energy that they become ends in themselves. The causes may be good, often they are, but the effort to help them are inconclusive and the follow-ups often not what they could and should be. Yes, it is true that sometimes all that can be said is that “a good time was had by all”.

In some instances, too, one can fairly ask in this age of incredible communications, if the sums of money involved could not have been better spent. To cite an example close to my heart, a minuscule fraction of the money spent on conferencing within the co-operative world in the last few years could have easily created a vast, deep, accessible, and developing on-line resource base on co-operatives; a way to overcome the knowledge gap that, in my mind, is the movement's greatest obstacle to development. One less coffee at each conference for us all would have done it and, potentially, much more. In the end, it is all about priorities.

Nevertheless, if the co-operative movement is going to capitalize on the potential the Year offers, there will have to be some high profile events, if for no other reason than to try to influence governments and media. Sound bites, alas, still count. Some officials are only impressed if they have to sit through speeches, panels, and workshops. Conferences can be good for focusing attention and making cases. It all depends on the planning, execution and follow-ups.

However, and this is, I think, the most important point, perhaps this is the kind of issue that lends itself nicely to local events and celebrations. Despite all its successes, which I will talk more about below, the co-operative movement is often like the elephant in the room that people tend to conspicuously ignore and avoid talking about. Maybe, a way can be found to point out the value of the load the elephant carries, the value of the many jobs it undertakes.

Why not use the occasion of the Year to change this situation at least in part? Why not encourage co-ops in communities to make their work and aspirations better known? Why not use it as a way of celebrating the co-operative differences in the marketplace? Why not create information packages for media, including local media? Why not localize the celebrations as much as possible? Why not consider how a series of legacies might be created during the Year, at home as well as more

generally? Why not, in the co-operative tradition, make it something people do for themselves, rather than something that is done for them – or, even worse, to them?

***Reaction Three: What is there to celebrate?***

I will respond by making four points: the size of the movement; the historical record (I am, after all, an historian); the varieties of co-operatives that exist – or, put another way, the richness of the services they provide; and the possibilities of the movement for the future.

*First, the size of the movement.* The co-operatives affiliated with the International Co-operative Alliance, the international co-operative movement's main international organisation, are owned by some 800,000,000 members. Many of those memberships are really family memberships used by several members of a family: for example, in patronizing a co-op store or co-operative financial institution in India, Finland or Australia. At the same time, it is also true that many people belong to more than one co-operative. Thus it is impossible to be as precise as one might like to be in estimating how many individuals are actually involved in the international movement. It is certain, however, that the number of people around the world using the services of co-operatives and exercising membership rights of ownership and patronage is substantial.

There are other ways to think about the statistical importance of co-operatives. The annual sales of the 300 largest co-operatives in the world today are about the same as Canada's Gross Annual Product (GAP), the tenth largest in the world. Internationally, the movement employs 20% more people than do the much more publicized multi-national firms.

The United Nations, appreciating the size of the "family memberships" particularly in agricultural, consumer, and financial co-operatives, and the remarkable range of co-operative activities, estimates that co-ops meet significant needs for three billion people, or roughly half of the world's population.

*Second, the historical record.* Depending upon where one wants to locate its beginnings, the movement's history stretches back at least some 160 years; some would push it back even further by another 100, 500, or even more years. If one accepts even the shortest time frame – 160 years – as the span of the movement's life, it is clear that the movement has been engaged in many of the major economic and social changes in that time span. It is arguably the world's largest social movement and an unusual one in the way in which it tries to integrate economic need with social responsibility and institutional accountability.

Moreover, the co-operative movement has not developed in isolation, on the margins of what has been important over the last several generations. It was intertwined with many key intellectual debates, some interesting research activities, and developing educational traditions for much of the nineteenth and the first half of the twentieth centuries. This can readily be seen by considering the histories of the most influential European national movements, countries where the "organized" movement (consisting of legally incorporated co-ops) first appeared. It can be as easily understood if one looks at the roles played by co-operative as organized movements emerged around the world. I tried to make these points in a paper I prepared for a seminar yesterday. It can be found on (Greg's website).

*Third, the varieties of co-operatives.* The movement exists to varying degrees in every country around the globe. It exists in a very wide range of cultures, in dramatically different economic situations, and in sharply contrasting political circumstances. It serves over 300 purposes for groups of people and their communities, from production through processing to consumption, from banking to travel, from housing to transportation, from creating employment to providing health services. It meets needs literally from birth to death. Each generation, it seems, is capable of developing new forms of co-operatives for economic and/or social purposes.

*Fourth, the possibilities of the movement for the future.* One of the key points that should be made in the coming Year is the potential of co-operatives for the future. I think this point can be made in two ways. One is the staying capacity of most co-operatives. Though they may change through amalgamations and mergers, co-ops tend to be there for the long haul. Because of the nature of their ownership and purposes, they cannot easily be bought and sold outside the co-operative world. It is not difficult to find co-ops that 50, 70, even more than 100 years old. They are particularly stable supporters of communities, an important point at a time when the future can seem to be uncertain, economically and socially. The permanence of financial co-operatives is particularly important, it seems to me, in that regard.

The second point is that, gradually, new co-operatives – or extensions of old co-operatives – are demonstrating a capacity to help address contemporary problems. One can point to the growth of new co-ops in the energy field (for example, for the production of ethanol or wind power), in food production and distribution (for example, in the development of Fair Trade, organic foods, and New Generation co-ops), job creation (technology co-ops, worker co-ops) and social services (health co-ops, co-ops for people with disabilities, care of seniors) to demonstrate the continually broadening capacity the movement has always shown.

***Reaction Four:*** *The co-operative movement has so many problems it should not be celebrated – the future is with investor-owned firms.*

This idea gained a lot of currency during the 1990s with the apparent victory of the market economy over the centrally planned economies. I first heard it expressed, though, a decade earlier. In a project undertaken by the then Co-operative College of Canada, a significant number of recently (or soon-to-be) retired co-op leaders were asked about the future of the movement. As I remember it, about 30% of them indicated that they thought the movement would be dead within ten years. Their predictions were all wrong. Though there have been some departures through demutualization, the movement continues to grow rapidly in Canada and elsewhere, to reach out in new directions and to attract young people, particularly to the kinds of co-ops that meet their interests and reflect their values.

One might also associate this kind of pessimism with the widespread belief of the 1990s, when, following the collapse of the centrally planned economies in Central and Eastern Europe and the shifts within China, many argued that investor-led firms had clearly shown their capacity to build a newer and better global economic order. We can hardly be that confident now, given the economic travails that beset our world, given the ways in which the operations of a relatively few

people have caused so much grief. Co-operatives, which tended to be viewed as inherently conservative, risk avoiding, and plagued by bad decision making processes during the height of the market boom, now appear much more positively. Several studies have demonstrated that the financial co-operatives, including credit unions in particular, have coped far better than most financial institutions. Co-operative housing avoids much of the staggering increases in housing costs. Worker co-ops have inherent capacities to build where others fail or to weather difficult formative periods. As for more than 150 years, the co-op model shows a remarkable capacity to adjust and to move forward. The idea that it is a doomed movement, and echo from a past life, is as unfounded as it has always been.

**Reaction Five:** *The co-operative movement will not be able to get its act together.*

I am not sure how to respond to this. The co-op movement is not always predictable. Moreover, I would suggest its capacity, ironic as this might seem, to collaborate in the common good is not what one might anticipate or want. Divisions within sectors can be serious. The willingness to work across sectors – financial, consumer, agricultural, worker, etc. – is not always evident. It all depends on the issues, organisations, and personalities involved.

Can the co-operative movement mount significant campaigns? Certainly it can. I look back at what it did in the 1990s and coming to terms with identity issues. I know of many instances where co-operative organisations have launched serious campaigns on taxation and legislation issues. Other occasions when co-ops have developed successful promotions for the development of credit unions, consumer co-ops, worker co-ops, though many of these are, to be honest, in the past. The truth is that the movement possesses financial resources, though there will always be debate about how discretionary funds can be best used. In the end, it is for co-operators to decide such matters.

Can co-operators, organisations and movements overcome such tendencies towards weak collaboration? Yes, if they see the value and the opportunity. Will they? That is not for me to say especially when I am afloat in waters I do not know.

I can say, though why I think co-operators, co-operatives and co-operative movements should seize the day.

1. There will be an international programme with which to link. There will be international events to highlight the contributions of co-operatives.
2. It will provide an opportunity to highlight the importance, contributions and possibilities of applying the co-operative model to a wide range of social and economic objectives.
3. It can provide marketing opportunities to emphasize the co-operative advantage in the market place.
4. It will encourage “co-operation among co-operatives” with all the synergetic advantages that can flow from that practice.
5. It can be taken to the local level – co-ops in communities can band together to make points about their economic and social contributions that they do not always take the time to do.

6. There could be opportunities to use social media to expand discussion and become concrete.
7. There could be opportunities to encourage greater examination of co-operatives and co-operative thought in schools, colleges, and universities – to help develop the field of Co-operative Studies.
8. It can draw attention to how existing and new co-ops can help address issues that perplex us all today – energy, food, housing, community decline, and unemployment.
- 9.

I think that is a very substantial list, but I am sure more possibilities could be added. Then there are the always-challenging issues of selecting what are the best and what can actually be done well. If Rod were here, he might they are “another one” issues, which is perhaps not a bad point on which to end on a Thursday night in Sydney. Thank you.