



International Co-operative Alliance

Alliance Coopérative Internationale

Alianza Cooperativa Internacional

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## **Brief for a Thought Leadership Paper on 'A Co-operative Perspective on Growth'**

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### **Objective**

To draft a thought leadership paper to define a co-operative perspective on growth and efficiency. This paper will set forth a co-operative point of view on how growth should be envisioned in future co-operative thinking.

The paper would be used to influence the global conversation on growth. It is intended to serve as a policy foundation for the future work of the International Co-operative Alliance (ICA) in implementing the strategic areas of Sustainability and Legal Framework set forth in the 'Blueprint for a Co-operative Decade'.

### **Background**

#### **The International Co-operative Alliance**

The International Co-operative Alliance is a non-profit international association established in 1895 to advance the co-operative social enterprise model. Its members are national level federations of co-operatives and individual co-operative organisations, primarily operating at a national level.

ICA's members, representing co-operatives in 100 countries, have established seven principles that define the essence of co-operative organisations. One of ICA's primary responsibilities is to advance, interpret, and maintain the relevance of these principles.

To accomplish its purposes, ICA is organised with a Global Office, four Regional Offices (Europe, Africa, Americas, and Asia-Pacific), and eight Sectoral Organisations (Banking, Agriculture, Fisheries, Insurance, Health, Housing, Consumer Co-operatives, and Worker Co-operatives).

#### **The 2012 United Nations International Year of Co-operatives**

In December 2009, the General Assembly of the United Nations proclaimed that 2012 would be the 'International Year of Co-operatives' (UN Resolution A/RES/64/136). Since 1959, the UN has proclaimed International Year observances in order to contribute to the achievement of purposes of the UN Charter and promote awareness of and action on important political, social, cultural, humanitarian or human rights issues.

The UN produced a logo for the IYC and a slogan: 'Co-operative enterprises build

a better world.' These were widely adopted by ICA members.

ICA established a Steering Committee for the IYC, participated in joint planning for the launch of the Year at the United Nations in New York in October 2011, and a close to the Year in Manchester, UK in October 2012. ICA members provided leadership in their respective countries to leverage the political and public awareness opportunities the IYC presented.

To ensure that the potential that the United Nations had brought to co-operatives did not expire at the end of 2012, and recognizing the interest in co-operatives that was sparked by the worldwide financial crisis originating in 2007, the ICA initiated a planning process at the end of 2011 for a post-2012 strategy. This process, shaped by input and feedback from ICA's members across the globe, resulted in the drafting of a 'Blueprint for a Co-operative Decade'.

### Blueprint for a Co-operative Decade

ICA's membership approved the adoption of the Blueprint at a General Assembly in October 2012. While the ICA provides leadership to the implementation of the Blueprint, its goals can only be achieved if the worldwide movement embraces it and collectively seeks to achieve it. The ambitious vision in the Blueprint is for the co-operative form of business by 2020 to become:

- The acknowledged leader in economic, social and environmental sustainability
- The model preferred by people
- The fastest growing form of enterprise

To achieve the vision, the Blueprint strategy concentrates on five critical interlinked themes, and establishes an individual strategy in relation to each of them. The overarching agenda for the ICA, its Members and the co-operative sector generally is to:

- Elevate **participation** within membership and governance to a new level
- Position co-operatives as builders of **sustainability**
- Build the co-operative message and secure the co-operative **identity**
- Ensure supportive **legal frameworks** for co-operative growth
- Secure reliable co-operative **capital** while guaranteeing member control

The Blueprint strategy summary states that:

"The starting point for the strategy for a global co-operative future is the powerful claim which co-operatives make to the outside world: that they have a way of doing business which is better than the one which is currently failing.

- *Co-operatives are better because they give individuals **participation** through ownership, which makes them inherently more engaging, more productive, and both more useful and more relevant in the contemporary world*
- *Co-operatives are better because their business model creates greater economic, social and environmental **sustainability***

Chapters 1 (Participation) and 2 (Sustainability) explain why co-operatives offer a better way of doing business; they are differentiators of the co-operative model.

Chapter 3 effectively sets out the co-operative proposition for today: what it

means to be a co-operative and what are the defining characteristics or “irreducible core”.”

- *This is looked at through the lens of **identity** – how co-operatives communicate their powerful message and how they are to be seen and understood by everybody from policy-makers to the general public.*

Attention turns in chapters 4 (Legal Framework) and 5 (Capital) to what facilitates or inhibits co-operatives.

- *The Blueprint seeks to ensure supportive **legal frameworks** for co-operative growth.*
- *Co-operatives need access to **capital** if they are to be established, grow and flourish.*

## The Paper

1. There is a position in contemporary economic thought which posits a post-growth or degrowth era. It argues that the historic emphasis on growth is unsustainable. This argument fails to adequately consider co-operatives. ICA would like to explore the potential to instead redefine growth to imply a broader definition of sustainability. Such a reimagining would, we believe, demonstrate that the co-operative is an efficient model. When growth is defined simply in economic terms, policymakers sometimes see the co-operative model as inefficient.
2. As explained in chapter 2 of the Blueprint, we use ‘sustainability’ as ‘the integration of environmental, economic, and social dimensions toward global stewardship and responsible management of resources’. Co-operatives have historically operated in accordance with a set of values based on what we would today call sustainability. They seek to optimize outcomes in multiple dimensions, rather than simply maximizing economic outcomes.
  - Economic: There is some evidence that co-operatives are a risk modulating model and thereby more financially stable and resilient in economic crises. The paper should reference and draw on studies and reports examining co-operative resilience, longevity and economic sustainability.
  - Social: By their nature, co-operatives contribute to a nation’s ‘social capital’, as a self-help model that helps to lift people from poverty. Beyond this, social co-operatives specifically assume responsibility for services otherwise delivered by the state. The paper should include concepts of social growth and non-market value in its redefinition of efficiency.
  - Environmental: As participatory organisations, concerns about future environmental outcomes are voiced democratically by members and are believed to lead to superior environmental records for co-operatives. The paper should acknowledge environmental sustainability when addressing non-economic growth and efficiency.

## The Process

1. The delivery schedule must allow for a presentation of the paper to be made at ICA’s General Assembly and Conference in Cape Town, South Africa, 1-5 November 2013.

2. The ICA Global Office can facilitate or arrange discussions with key informants that might be able to provide input and feedback for the draft, but the author should have familiarity with the subject and access to key thinkers in this field.
3. ICA is concurrently undertaking a scan of sustainability practices within the co-operative sector. Although the processes are concurrent, there should be an effort to integrate and align the development of the scan and the report where feasible.
4. A written paper, with appropriate graphs and references, is foreseen as the key deliverable. The paper should be robust in its thinking, but not impenetrable. It should be accessible to co-operative practitioners and members in addition to the academic community.

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