



Blueprint for a Co-operative Decade

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Blueprint vision for a Co-operative Decade

- To enable the co-operative to become the fastest-growing form of enterprise by 2020
- How?
 - By **communicating** the Co-operative Idea to the global community, where many people have not imagined what can be achieved by co-operation
 - By **equipping** people with the means to establish co-operatives, and to make them flourish and grow for the benefit of themselves and their communities
 - By **enabling** all people, women and men, younger and older, to overcome the obstacles which hinder them from establishing co-operatives, building and sustaining co-operatives

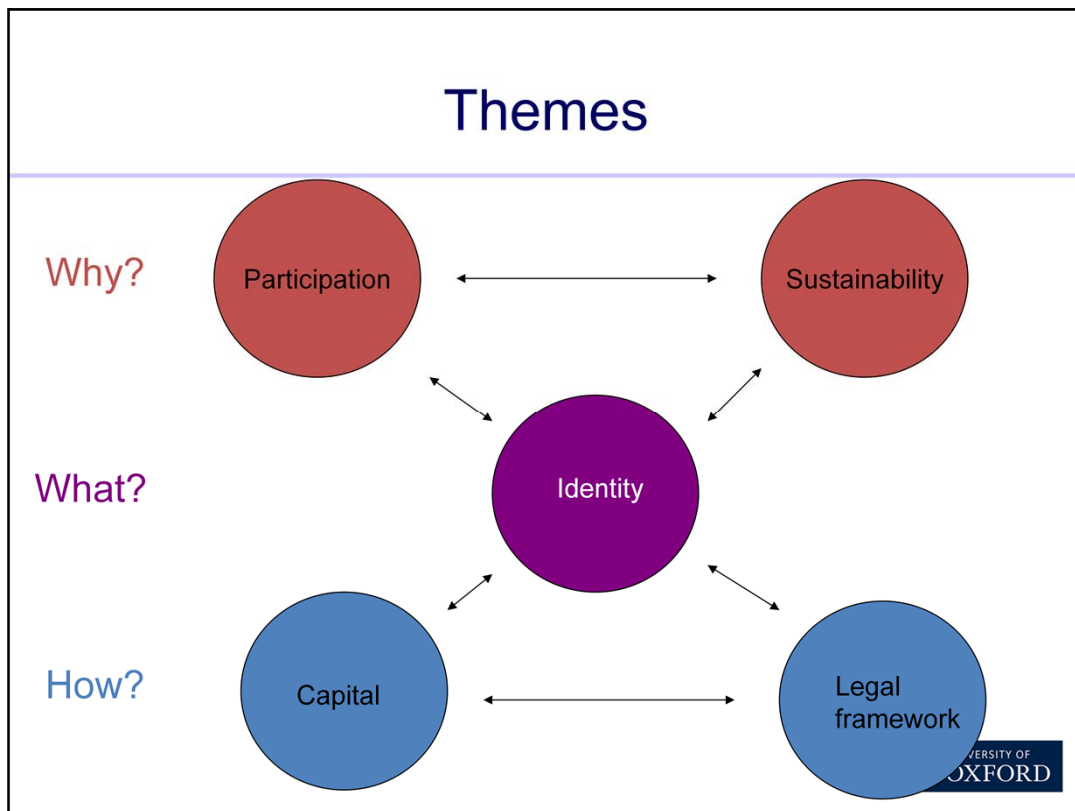


The goal of being the “fastest-growing form of enterprise by 2020” developed from the Blueprint Working Group earlier this year. It generated a great deal of debate in Cape Town, and some criticism. Arguments regarding the goal in particular were as follows:

-Pro: this is a clear and ambitious goal, that seeks to overcome the sense that co-operatives are a marginal economic and social presence. The term ‘growth’ can be understood in several ways, and it is up to the co-operative movement to define what good ‘growth’ and ‘enterprise’ would mean in this respect.

-Anti: This phrase echoes the type of unsustainable, undemocratic business practices that co-operatives do not support. It privileges size and speed over purpose. Some board members proposed “most preferred form of enterprise”, “most cherished form of enterprise”, “most popular form of enterprise”, the “first choice”.

-Chuck Gould offered the compromise phrase: “as the leader in sustainability, the co-operative is the model preferred by people, and becomes the fastest growing form of enterprise”.



The five themes of “participation”, “sustainability”, “identity”, “capital” and “legal framework” emerged previously from the Blueprint Working Group. The board members expressed a view that “participation” should be addressed first, as it is the people-centred nature of co-operatives that is most important to their identity. The board members also expressed a view that none of these five themes can be properly understood in isolation from the other four.

Cliff Mills and Will Davies produced this diagram to represent how the five themes fit together. The diagram proposes that:

- “Sustainability” is now as important to the argument today in favour of co-operatives as “participation”. Together, they answer the question of “why” co-operatives are a desirable enterprise form for the modern world. Sustainability should not be viewed as an after thought, but as central, so that when people hear the word “co-operative”, their first thoughts would be “people-based” and “caring for the future”.
- “Identity” is “what” a co-operative is. This is generated by the other four themes.
- “Capital” and a supportive “legal framework” are both “how” co-operatives can be empowered and enabled. By solving the barriers associated with both of these, co-operatives can be expected to grow, given their various desirable qualities.

What the ICA should do

- Take the Blueprint to inter-governmental bodies
- Work with national apex bodies to take the Blueprint to national governments
- Support co-operatives in
 - maintaining appropriate relationships with national governments
 - challenging the domination of investor-owned business
- Shine a light on good and bad practice



The slides which follow put forward a blue print which requires the support and buy-in of ICA members more generally if it is to be taken forward effectively – it is not something which the ICA can deliver itself. Clearly the ICA itself has a role in driving that forward, but there are many things which it cannot do itself and which will depend upon others. This slide (What the ICA should do) suggests some specific actions which the ICA might take, reflecting a more engaged and proactive approach.

Participatory governance

'Elevate participatory governance to a new level'

- Identify, disseminate and uphold best practice, for involvement and engaging, including with online networks
- Distinguish between open debate/networks/supporters contributing, and voting members who take decisions
- Engage with young people more directly, developing an offering as a positive alternative to failed institutions
- Encourage all co-operatives to adopt membership strategies and report on them annually
- Define a specific, carefully limited form of involvement for the providers of capital



Following the paper and presentation by Paul Skinner, 'Open Co-operation', there had been some debate as to how the notion of 'participation' should be adapted for the age of social media, networked organisation and a younger generation of potential co-operators, who were disillusioned with the failed institutions of their parents' generation. Should the notion of 'membership' be redefined for the digital age?

The general feeling amongst board members was that looser, networked forms of participation were crucial and welcome; but they must not replace a traditional form of membership. It seems appropriate that only members should be able to participate in voting/decision-making; however the availability of modern technology and the growing desire of people today to become involved and have some influence suggests that co-operatives should consider allowing more people to be involved in the conversation before decisions are taken. Hence, co-operatives would benefit from strategies to engage with the public in a more interactive fashion, but without diminishing existing forms of membership. On the contrary, co-operatives should implement membership strategies, which seek to increase levels of participation.

Given the widely-felt need for co-operatives to access capital of both their members and non-members, but without reducing the control of their members, there is also a need to identify what form of involvement should be available to the providers of capital. This involvement, however it is defined, must be carefully limited, to ensure that the defining feature of a co-operative (that it is member-controlled) is not damaged or put at risk.

Sustainability

'Position co-operatives as builders of sustainability'

- Highlight environmental and *social and economic* sustainability of the co-operative model
- Develop and promulgate argument for co-operative model as builder of sustainability
- Collect evidence on the sustainability and positive social and environmental record of co-operatives from around the world, in fighting poverty and environmental degradation, providing public goods (e.g. social & elderly care) and stable financial services.
- Create a platform for aggregating and standardising data (possibly member-submitted, via wiki) on co-operative sustainability, to demonstrate the argument conclusively.
- Identify and share best practice on alternative performance evaluation, beyond financial return



If sustainability is to be moved to the centre of the co-operative vision, alongside participation, what does it consist of?

Board members were very clear that co-operatives contribute to sustainability in a number of different ways, many of which go unrecognised by policy-makers and public.

-This includes social sustainability: co-operatives alleviate poverty, inequality and suffering.

- It includes economic sustainability: co-operatives are run in the long-term interests of their members and society, and contribute to a more diverse and resilient business environment, without creating financial bubbles and crises.

-It also includes environmental sustainability, but more evidence for this would be beneficial.

One of the best ways in which co-operatives can be positioned as builders of sustainability is to collect and publicize evidence of their excellent social and environmental record. This includes highlighting the diversity of co-operative enterprises, including those which deliver 'social' services to the sick, needy and elderly. The ICA has a role to play in this collection and publication of evidence.

There are technical possibilities for the ICA to create an open source platform (such as a wiki) where members could upload data (quantitative and qualitative) on their sustainability.

There are measurement possibilities, in new types of 'social accounting' practices and performance evaluation, which look beyond profit maximisation. Co-operatives must take care that they are not overtaken in this area by other organisations which are looking to boost their social responsibility credentials. How should co-operatives measure and demonstrate their value?

Identity

Distinguish between 'brand' for outsiders, and 'identity' for co-operative movement, then ensure a link between the two. Former is how we want to be perceived as distinct/different; latter is our 'irreducible core' as identified in the Principles.

'Build the co-operative brand and secure the co-operative identity'

- Celebrate the principles and do not alter, but develop 'guidelines' in order to focus the irreducible core.
- The 2012 International Year logo demonstrates benefit of a single emblem; .coop domain potentially provides brand definition.
- Communicating the co-operative difference positively and clearly, so as to gain a co-operative voice in global policy debate. But with a slogan, an emblem (including for online), the principles themselves?
- Market research/focus groups on the meaning of 'co-operative'.
- 'Principled business', 'democratic business', 'building a better world', 'Give a chance to the future'...



The question of 'brand' and 'identity' provoked some disagreement amongst board members. Concerns included:

- The identity is not in question, as it is defined already in the Principles.
- Co-operatives are not treated as a sufficiently distinct institutional form by policy-makers, which means that they do not get a voice in policy discussions (for instance in the way that the trade unions get a voice).
- 'Brand' is too shallow a term, as it implies a commercial identity to be controlled and policed.

Cliff Mills and Will Davies proposed that a distinction be drawn between "identity" (what the co-operative movement is at its 'irreducible core') and "brand" (a term used to refer to the image and idea of co-operatives in the mind of the larger public and policy-makers). The term "brand" is not used enthusiastically, but is the best term to capture the manageable elements of co-operatives' public reputation. The "identity" is closely associated with the Principles. There must be some relationship between "brand" and "identity", or else the image and the reality become divorced from each other.

The Principles should be viewed as the central definition of the co-operative "identity".

The co-operative "brand" can be supported, distinguished and influenced via various means:

- use of a single emblem, building on the success and popularity of the UN 2012 Year logo.
- Strategic use of the .coop domain name
- Producing a single slogan or phrase to define co-operatives, for the benefit of those who are not familiar with them.

Any of the above could be supported with forms of market research or focus groups, to uncover how the term "co-operative" is currently understood, what its positive qualities currently are, and where there is potential to build a clearer public image and idea. Recently completed and currently ongoing research in this area should also be captured.

Legislative framework

'Ensure a supportive legal framework for co-operative growth'

- Problems of bad legal framework and bogus co-operatives are nation-specific and ICA should address these individually, rather than seek to define a correct legal definition of a co-operative in general.
- Bring national legislators and registrars together, to create an international network (e.g. International Competition Network for anti-trust regulators).
- Develop 'guidelines' to assist registrars and regulators
- Aggregate and publicise evidence for the social and public benefits of co-operatives, so as to ensure they are treated appropriately by regulators and anti-trust (e.g. Norwegian co-operatives exempted from European State Aid rules)
- Evaluate national legal frameworks in terms of the enabling environments they provide for co-operatives. Identify weaker jurisdictions and work with them; celebrate good ones.
- Assist ICA members in lobbying at a national level. UN has asked for legislation to 'empower' co-operatives, not 'prescribe'.



The board members were very clear that different national legal frameworks required addressing individually. There should be no generic global guidance for how jurisdictions, regulators or registrars should perceive, regulate or treat co-operatives. The role of the ICA should be to highlight good jurisdictions and pressure the weaker ones, building on the UN's request for legislation which "empowers" co-operatives.

- It is proposed that the ICA create an international network for regulators and registrars to come together, and discover different ways in which co-operatives are defined and regulated. It is felt that regulators might learn a great deal from each other.

- Guidelines need introducing for the benefit of regulators and registrars, such that the Principles can be converted into usable definitions of what does (and what doesn't) constitute a co-operative. Such definitions are only possible at a national level, but guidelines would help move between the global Principles and particular national forms of legislation.

- There are instances of co-operatives being inhibited by regulation, which is aimed at profit-maximising businesses. Governments need to be convinced that this is inappropriate and self-defeating. Given that co-operatives deliver many 'social' and 'public' goods (or 'positive externalities'), regulation and law should not limit their development. However, these 'social' and 'public' goods need measuring and demonstrating, such that policy-makers and regulators (and economists in particular) understand the precise type of value that co-operatives produce, and which would otherwise be left for public institutions to deliver.

- The ICA should be active in identifying unsupportive national legislative frameworks, and lobbying for their improvement, in support of the members concerned. A 'scorecard' approach, which evaluates different jurisdictions, based on evidence for their supportiveness, would be helpful. Consideration should be given to how this sits alongside other similar scorecards, such as the World Bank's 'Ease of Doing Business' rankings and Transparency International scorecards.

Capital

'Secure reliable co-operative capital while guaranteeing member control'

- Argue the members should be a source of capital, and (where necessary) lobby for changes to legislation to facilitate this
- Define a generic co-operative financial instrument, which can be classed as equity
- Develop a range of variations to the generic model to suit different sizes of co-operative and sectors
- Identify possible institutions to funnel member savings to smaller co-operatives
- Develop 'guidelines' on capital to assist registrars and regulators
- Global Development Co-operative Fund to support establishment of new financial instruments
- Research on member funding motivation for new financial instruments
- Review risks and opportunities created by the use of subsidiary corporate entities, and group arrangements



Whilst there is a general recognition that new ways of securing capital should be pursued, it is important that internal sources of capital are fully utilised, including through building reserves and indivisible capital, building membership and finding new ways to access the funds of all members.

It is important to be aware of what has worked/not worked in different jurisdictions, and share this knowledge.