



International Co-operative Alliance

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Capital

- Essential for businesses
- Access problematic
- Finding a solution
- Challenges



Capital



- The needs
 - A form of capital consistent with co-operative nature
 - Distinguishing it clearly from traditional “investment”
 - Helping people and businesses to understand how they need each other

Capital

How can the ICA help to secure reliable co-operative capital?

Task/Objective

Secure greater legal clarity between co-operative and “not-co-operative”, get distinctiveness of co-operative capital enshrined in legislation

Explore how far you can “push” co-operative capital before undermining corporate nature

Design new financial instruments within parameters, meeting needs of businesses and 2012 needs

ICA role (some thoughts)

Development of policy and principles (see below under supportive legal framework)

Research into nature of capital, options for “exit”, how to ensure it remains “equity” for accounting purposes

Research into aspiration and motivation: links between people’s attitude to saving, risk, availability of local services

Consider role of Global Development Co-operative Fund

Participatory (ownership and) governance



- The essence or core of being a co-operative
- Its strongest feature – accountability, legitimacy and trust
- The greatest opportunity now
 - Failure of current business models
 - Weakness of democracy
 - Disengaged young adults
 - Their new ways of communicating
 - Searching for a voice, to influence
 - Instinctively collaborative, motivated by self-help
 - Sense of global community, one planet

Participatory governance

- Co-operative membership traditionally based on
 - Legal relationship
 - Personal commitment
 - Economic participation
- Can also tend to assume
 - Physical meetings
 - Bureaucratic procedures
 - Impenetrable structures
- How much of this is necessary?



Participatory governance

How can the ICA help to elevate participatory governance to new levels?

Task/Objective

Establish minimum and essential features for co-operative membership

Establish scope for on-line participation and relationship

Establish what alternative forms of decision-making can work within a co-operative

What role can networks play?

Establish whether different forms of membership are appropriate

ICA role (some thoughts)

Supportive legal framework (1)

- Quality of legislation under which co-operatives are registered
 - Comparative ease and cost of registration, amending rules etc.
 - Accessibility of registered documents (rules, accounts, register of directors, charges etc.)
- How does that sit alongside other registrations, e.g. of companies
 - Distinctiveness of co-operatives and how well it is protected
 - Ability of registrar to protect corporate nature of co-operatives against wrong use or false claims
 - Enforcement powers and use
- This all affects credibility, sustainability and utility

Supportive legal framework (1)

How can the ICA encourage a more supportive legal framework?

Task/Objective

ICA role (some thoughts)

Secure greater clarity in ICA between co-operative and “not-co-operative” (the “irreducible core”)

Development of policy and principles, distilling the essence, identifying the necessary features

Get distinctiveness of nature and capital embodied in local legislation

Promotion and advocacy with intergovernmental bodies; securing collaboration between national registrars, and parliamentarians

Ensure registrars have the legal power to protect co-operative integrity

Ditto, plus consider ICA role with national bodies

Ensure registrars use enforcement powers to protect international integrity

Ditto, plus consider ICA role with national bodies

Supportive legal framework (2)

- Other legislation affecting co-operatives including
 - Raising capital
 - Competition or antitrust law
 - Procurement law
 - Fiscal law
- Do national governments:
 - understand potential public benefit of the co-operative business form?
 - seek to optimise that public benefit through appropriate regulatory, fiscal and antitrust laws?

Supportive legal framework (2)

How can the ICA encourage a more supportive legal framework?

Task/Objective

ICA role (some thoughts)

Proclaim and justify claim that the co-operative business form has a public benefit

Commission literature study and further research to secure evidence

Proclaim and justify claim that co-operatives should not necessarily be treated like private benefit corporations for fiscal, regulatory and antitrust purposes

Ditto

Change legislation in jurisdictions where co-operatives are at a disadvantage

Advocacy and promotion with intergovernmental bodies, relationship with national registrars and parliamentarians

Sustainable development

- Design defect of investor-owned businesses
 - Programmed to deliver private benefit
 - Minimise cost/ maximise income to succeed
- Tendency to
 - Exploit opportunities with customers
 - Transfer costs outside the corporation onto third parties
 - Hide, minimise or otherwise avoid costs
 - Increase inequality



Sustainable development

- Governments and courts commonly have to restrain companies to:
 - Protect the interests of employees
 - Protect the interests of customers
 - Protect the interests of the community and environment
- Investor-owned businesses by nature and design are
 - Promoters of private (investors') over public interest
 - Seekers of short-term financial benefit over longer-term public benefit
 - Destroyers rather than builders of sustainability
- Increasingly understood, especially by young adults

Sustainable development



- Co-operative difference: customers, workers and citizens can be part of the body
- The entity does not have the same incentive to off-load cost
- Participatory ownership and governance, and collaborative culture seeks to
 - Make optimum use of resources
 - Identify and manage costs
 - Minimise adverse effect of their activities on the natural environment and future generations

Sustainable development

- Co-operatives can be put forward as natural builders of sustainability
- If credible, this could establish the co-operative model as having “leading status” in sustainable development
- Might become credible if
 - New co-operatives embrace different interests within membership, or otherwise provide for a range of voices to be heard
 - Co-operatives become organisations which balance different interests in arriving at the best solution
 - Single-interest co-operatives (e.g. producer co-operatives) establish credible mechanisms to commit to the outward-looking features of the 5th – 7th Principles

Sustainable development

What can the ICA do to achieve this objective?

Task/Objective

ICA role (some thoughts)

Establish credibility of co-operative model as potential builders of sustainability

Commission literature study and further research to secure evidence

Encourage/develop co-operatives with different membership constituencies, balancing interests

Co-operative voice to be heard within sustainability conversations

Instil sustainability in ICA events, publications and ways of working

Co-operative “Brand”



- “Brand” is a private (intellectual) property concept
- Bigger for us: seeking to protect essential idea or identity, not just a corporation, product, or service
- Identity provides the basis for
 - The distinctive corporate nature (participatory, values-based, sustainability-building)
 - The distinctive capital
- Could provide basis for securing “leading status”

Co-operative Identity

- Leading status is more likely to be achieved by the identification of an “irreducible core” as key to distinctive identity
- Must be the basis of communication, education, awareness-raising
- “Leading status” ought to be achievable in
 - Social enterprise/social business – currently NO clarity of definition or gold standard
 - Sustainability – logically the only credible model for wider public interest
 - Participatory ownership and governance - no other business model or corporate form contains that as an inherent and essential principle
- Need to address language issue (“investment”, “brand”, “equity”, “ownership” etc.)
- Consider use of emblem or mark, role of .coop

Co-operative Identity

How can the ICA help to build the Co-operative Identity?

Task/Objective

ICA role (some thoughts)

Establish the irreducible core of the Co-operative Identity (and what is NOT within it), including democratic, values-based, sustainability-building features

Communicate and raise awareness

Secure leading status

Make appropriate use of ICA branding, use of emblem, role of .coop

Overall vision

- To become the fastest-growing form of enterprise by 2020
- May be best approached obliquely
- If we believe that the co-operative self-evidently IS the most appropriate form of enterprise, then it will BECOME the fastest-growing form if we
 - Effectively and successfully make people aware of the co-operative approach (communicating)
 - Provide them with the building blocks to establish, fund and develop sustainable co-operatives (equipping)
 - Remove current and future new barriers which get in the way of establishing, funding and developing co-operatives (enabling)

Conclusions

- Seek to deliver overall vision by focussing on
 - Communicating
 - Equipping
 - Enabling
- Five objectives above address these
- Indicative strategies for the ICA to pursue are suggested above in relation to each of the five objectives
- Milestones could be developed to monitor progress



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