The Co-operative movement

This is an article which we have reprinted, with permission of fellow member, Jonathon Porritt, from the autumn issue of 'The Co-operative'

> *What we have to create is a different kind of capitalism – and what better starting point is there for that kind of transformation than the Co-operative Movement? Jonathon Porritt, Founder Director of Forum for the Future*

When I was asked to write this article, it really got me thinking about the role of the Co-operative Movement in the world today. And that, in turn has led me to just one question: given the scale and reach of the movement (4.43 million members in the UK alone), given the overwhelmingly positive feelings that people have about it, and given everything it stands for today – for acting responsibly in the community to conducting business fairly and honestly – why is it punching so far beneath its weight?

I don't mean that to sound hostile. My organization, Forum for the Future, whose aim is to create a thriving future for business and communities that's environmentally sustainable and socially just, is right on board with the Co-operative Group's values. It has been with the Co-operative Bank since its launch, and wouldn't dream of banking anywhere else, because of its ethical approach. The Forum for the Future also worked with The Co-operative's insurance arm, the CIS, in the late 1990's, analyzing the business advantages for companies that are concerned about social, environmental, and ethical responsibility. And for the last seven years I've acted as the commentator on the environmental section of their Annual Report. So I've seen first-hand how The Co-operative Group has addressed issues such as climate change, Fairtrade and community causes. It's a job I've really enjoyed. What's

amazing about The Co-operative Bank is that it's just so far ahead of its high-street rivals, in terms of ethical and ecological codes of practice and in its commitment to real action for change. I see that as an incredibly influential message, as forceful as that touted by any NGO (non-governmental organization) or campaign group working today.

THE BIGGER PICTURE

Globally, the Co-operative Movement is, of course, a huge sprawling diverse and often incoherent community. The International Co-operative Alliance (ICA) spreads across 84 countries, encompassing an estimated 800 million members, which, by any standards, makes it the largest NGO on the planet. Add in the millions of members in the credit unions (community-based financial co-operatives) and we're talking more than a billion people directly involved in co-operatives of one kind or another. Amongst these are thousands of agricultural co-operatives involved in the marketing of around 50% of global agricultural output, from coffee in Honduras to cranberry juice in the United States – and the number of co-operatives is growing globally all the time, across a huge spectrum of businesses. That adds up to thousands of organizations directly engaged in addressing the needs of some of the world's poorest people – doing more to meet the needs of people locally than any amount of foreign aid or UN intervention has or could.

No wonder the Co-operative Movement has caught the eye of the former UN Secretary-General, Kofi Annan. Not only does he view it as playing a crucial role in offering real solutions when it comes to healthcare, housing and banking services, he credits it with also playing a major role in promoting education and general equality by protecting the environment and workers' rights. "They help people in more than a hundred countries better their lives and those of their communities," he has said. What other movement has got that kind of

potential firepower to change the world? I know that may sound a little simplistic, but doesn't this encourage a few questions about the co-operatives' role in today's global economy – and in society in general?

THE FAILURE OF GLOBALIZATION

The empty promise that globalization would offer huge benefits to the world's poorest countries as they integrated more closely into the global economy sounds more and more hollow. In fact, in 2004, the World Commission on the Social Dimensions of Globalization reported that 59% of the world's people are living in countries with growing inequality, and just 5% in countries with declining inequality. It found too many people had no share of the immense wealth being generated by globalization; that it hadn't met people's simple, legitimate aspirations for decent jobs and a better future. It added that many live in the limbo of the informal economy without formal rights. And its ultimate conclusion was that, 'these global imbalances are morally unacceptable and politically unsustainable.'

In a report published in 2006, the World Institute for Development Economics Research (a UN body) revealed that the richest 1% of people in the world own 40% of the world's wealth; the richest 10% own 85%. At the other end of the scale, half the world's adult population own less than 1% of global wealth. Meanwhile, the investment bank Merrill Lynch reported that at the end of 2005, there were 8.7 million 'High Net Worth Individuals' (people with liquid assets of more than $1 million) around the world. Total wealth between them: h$33 trillion.

Against this backstop of worsening inequality, collapsing eco-systems, negative climate change, unchecked self-interest, obscene spending on arms and war, the protection by world leaders of the inconceivably rich minority, and the

failure of globalization to deliver its promise to the world's poorest countries. I see, an ideal opportunity for the ethos of the Co-operative Movement to inform and inspire a very different kind of globalization, one which puts people first, prosperity and planet next, and profits after that. The truth of it is that our particular model of capitalism today is stuffed! It's inconceivable that it could deliver the kind of equitable, sustainable society that nine billion people will be hoping to live in by 2050. However, capitalism is – quite literally – the only economic game in town. So what we have to create (ideally over the next ten years) is a different kind of capitalism – and what better inspiration is there for that kind of transformation than the principles and practices of the Co-operative Movement? Is there any other global movement that has a better claim to such a role?

UPPING THE GAME

That's what I mean by punching below its weight. Even the most passionate advocates of the benefits of co-operation can sound a little apologetic, keen to share the glories of the past but uncertain as to the challenges of the future. Modesty is one thing', self-effacing anonymity, quite a different thing. Isn't it time to respect a movement that virtually invented the principle of now-crucial 'corporate social responsibility'? Isn't it time to learn some co-operative lessons? And to remember that while individuals definitely do count, remember that while individuals definitely do count together they can have real clout? So, as a member of The Co-operative Group, you can feel proud…

There are countless reasons why: the Mondragon worker co-operatives in Spain, for instance which started in 1956 with five workers and now boast 30,000 workers and revenues of $15 billion' the huge number of co-operatives that have been practising genuinely fair trade for many years, long before Fairtrade became so fashionable; the medical practitioners'

co-operatives here in the UK which provide a serious alternative to some of the Labour Party's crass ideas about yet more privatisation of our health services. In all these examples I find an alternative economic model capable of delivering real benefits to people in the midst of today's dysfunctional global economy.

This mad world will either collapse under the weight of its own chronic injustice, or we will plan, campaign and hustle our way through to a much fairer, more sustainable future. And why shouldn't the Co-operative Movement be absolutely at the heart of the process?

Jonathon Porritt.

CO-OPERATIVES WORLDWIDE

The global co-operative is a phenomenal success story.

-Co-operatives provide over 100 million jobs around the world, 20% more than multinational enterprises.

-In India, over 239 million people are members of a co-operative.

-In Slovenia, agricultural co-operatives are responsible for 72% of the milk production, 79% of cattle, 45% of wheat, and 77% of potato production.

HOW CO-OPERATIVES FIT TOGETHER

There are about 35 different types of consumer co-operatives in the UK. They're all managed and governed independently, and have their own members. But they share many of the values and principles with other Co-operative groups.

Where they *do* all connect up at is through the food that is sold in the different shops: you'll see the same

‘The Co-operative Food’-branded products in all of these food stores, such as The Midcountries Co-operative shops. That’s because these products are centrally bought, a policy which gives The Co-operative more influence to maintain the ethics they feel really matter in business.