

Co-operation among Co-operatives

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The 6th Principle

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

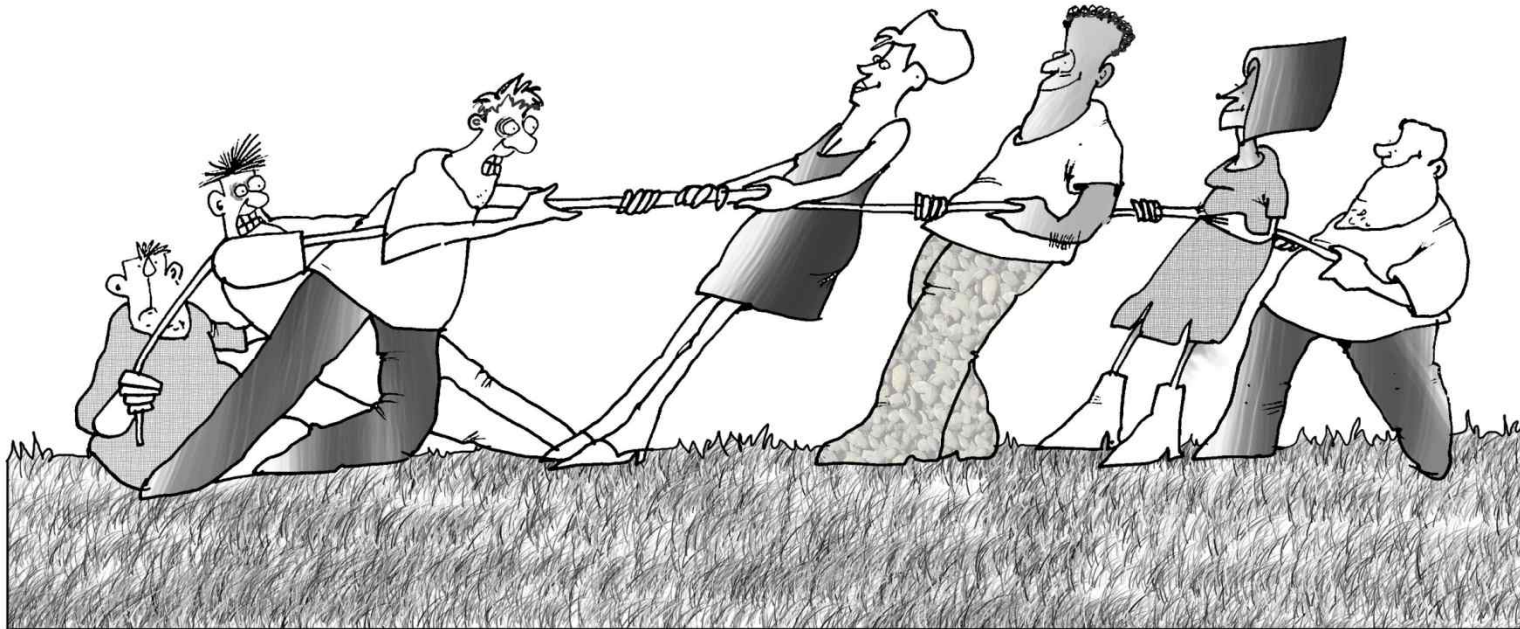
Formally adopted in 1966 but evident in movement philosophy and practice from the earliest years.



Setting the scene: the 6th Principle

- Is a practical expression of the co-operative value of solidarity
- Is a principle which clearly differentiates co-operatives from other enterprise models which may share some of the values but not this one!
- Situates co-operatives at the centre of the social and solidarity economy
- Like all co-operative principles, simple to say but much harder to put into practice
- Often (jokingly) referred to in the UK as the most difficult principle as the following cartoon aptly illustrates

IT'S EASIER IF WE ALL PULL TOGETHER



A creative tension?

- The 6th principle, as with the other principles, reflects the duality of co-operatives with their dual associative and enterprise elements
- Co-operatives embody a tension between their collaborative and competitive elements
- Can we balance this tension to deliver creative and innovative outcomes?
- I will try to answer this by drawing on some historical and contemporary examples of the diversity of ways in which co-operatives work together
- And propose that, going forward, the 6th principle has now become more important than ever

Firstly, as associations ...

- From the 1840s on, ideas about co-operation spread rapidly and in the UK, the setting up of a national co-operative body – the Co-operative Union – was an early practical application of the 6th principle
- Its role was to unite and represent co-operatives and this pattern was replicated globally with the setting up of the International Co-operative Alliance in London in 1895
- Today the ICA is the 'largest' NGO in the world in terms of membership and reach
- Perhaps because co-operatives have been 'off the radar' for so long, we can (in the movement) underestimate the importance of this scale and reach
- To external bodies, for example such as the European Commission, this is currently of considerable importance, for example, in relation to its external aid policy and strategy

Some other examples

- In Italy, all co-operatives are required to allocate 3% of total annual profits to the co-operative movement as a mutual fund which is then used to promote and finance new co-operatives
- In the UK, the Co-operative Union, now Co-operatives UK, promotes and campaigns for co-operation including toolkits and advice on setting up new co-operatives
- In Canada, CMC (Co-operatives and Mutuals Canada) plays a similar role but note that separate Francophone and Anglophone apex organisations only merged this year after over 100 years of being separate!
- In Uganda, the Uganda Co-operative Alliance helped sustain and develop co-operatives there to become one of the most successful co-operative sectors in Africa following liberalisation in the 1990s
- Federations such as these enable local co-operatives to benefit from large-scale organisations while maintaining the advantages of local involvement and ownership

Development Assistance

- In Europe, co-operatives play an important role in providing assistance to co-operatives in the developing world via the **Cooperatives Europe Development Platform (CEDP)**
- This is a network of 10 European co-operative organisations which are members of Cooperatives Europe and work on issues of development policy and development implementation since 2008
- There are almost 300 development projects
<https://coopseurope.coop/development/>
- Only by working together, have members had a wider impact with the European Commission (the largest aid donor in the world) and also identified the distinctive development and support needs of co-operatives



The 6th principle is also a good business strategy

- In today's globalising markets and complex supply chains, it is vital that smallholder farmers not only work together to set up primary/village level co-operatives but that these societies work together in secondary co-operative which can provide better market access, marketing and storage facilities
- Creating secondary and apex organisations is critical for building strong small producer organisations according to the FAO (UN)
- “Too often, small producers’ concerns are not expressed in policies. By acting collectively through their apex organizations within consultative forums, multistakeholder platforms, networks and interprofessional associations, small-scale producers are able to increase their negotiating power in policy-making processes at local, national and regional level.” Herbel et al 2013:66



And not just for co-operatives in the developing world

- Consumer co-operatives in Czech republic, Hungary Slovakia and Bulgaria jointly own a company for centralised purchasing and each of the 4 markets gets easy access to COOP branded products from the other three (thanks to Eurocoop for this information)
- In the UK, there is a centralised food purchasing organisation for (almost) all consumer co-operatives which was set up in 1993
- The National Rural Electric Co-operative Association of USA provides services for its members who then provide retail electric services to more than 42 million consumers in 47 states – this includes national branding under the Touchstone Energy Cooperatives Brand <http://www.touchstoneenergy.com/> and including a national discount and membership card



A difficult principle?

- Examples evidence some of the many challenges as well as opportunities
- The ICA has 'punched well below its weight' in terms of the global policy arena for many years – the new ICA Blueprint plan is attempt to remedy this
- Higher level structures/apexes need to reflect more of the diversity of movement – with better representation of youth, more gender balance etc.
- Co-operators can be insular in their attitudes and pre-occupied with a particular co-operative or type of co-operative
- Individuals can sometimes prioritise their own status over the collective gain
- 6th principle is a long term strategy – many co-operatives and their members may have shorter time horizons

Moving forward

- More knowledge exchange and sharing of stories can help expand horizons and offer evidence of the benefits of collaboration – stories.coop
- Measuring the gains is important but don't make too simple a measure – more than just finance (2 oranges instead of a bigger apple)
- Engagement with other co-operatives can in turn can inspire members to become more engaged with their own co-operative
- We need a more pro-active approach to partnership and network building which doesn't always arrive 'naturally' even among (or especially among) co-operators – there are tools and skills to help this process – a culture change
- Increasing and innovative use of social media
- Need to connect with growing realisation globally that collaboration and co-operation are the only ways to tackle the 'perfect storm' that faces the planet of climate change and threats to global food security

Final comments

- The 6th Principle is not antithetical to enterprises but rather it is a model we need for a sustainable future for co-operatives and the planet as a whole
- We can draw on the long experience of the co-operative movement in working together, importantly both successes *and* failures, to develop our understanding further
- The last word : “co-operatives can only maximise their impact through practical, rigorous collaboration with each other” Professor Ian Macpherson