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Session theme: Deepening Cooperative Identity Builds a Better World: A Mega Message
Breakout session

SECTION 1: Introduction

- Greetings cooperators. I am humbled by your invitation to address the third NCF National Cooperative Congress on the theme - Deepening Cooperative Identity Builds a Better World: A Mega Message.
- The Business Council of Cooperatives and Mutuals is the apex body for cooperatives and mutuals in Australia.
- The BCCM was established in 2013 as a legacy of the United Nations International Year of Cooperatives. As Australia's first peak body for cooperatives and mutuals in all sectors we are proud of how far we come in our short history.
- We are a powerful national voice working to remove the barriers to fair competition, improving the operating environment and the legislation and regulation for Australian cooperatives and mutuals. Our key areas of activity are advocacy, education, research and fostering cooperation within the sector through networking and cooperative projects.
- Our members are cooperatives and mutuals operating across the Australian economy from agriculture, retail, motoring, renewable energy, finance, banking and insurance to housing, health, social care and education.
- Our national network of cooperatives fosters innovation and coop to coop relationships in the sector. Our members believe that cooperatives help to build a more inclusive, prosperous and sustainable Australia for all people. We unite these enterprises with the common objective of increasing awareness of cooperatives and the important contribution they make to the economy, society and community life.
- I am happy to contribute to the global movement through my role of Co-Vice Chair of the Cooperative Identity Advisory Group with the ICA. This group oversees the global consultation on deepening the cooperative identity. This campaign is ultimately about communicating the message to the world that we are the right enterprise model to build a better world.
- I have a deep conviction about the importance of the cooperative model, and I see the urgent need for the cooperative movement to communicate our cooperative difference so that our organisational model can prosper into the future.
- Let us remind ourselves of the relevance and vital importance of coops.

- Cooperatives respond to the needs of their members and the community in which they operate in times of hardship. Coops work directly with our members to enact appropriate and thoughtful responses to crises – something that we have found during recent natural disasters in Australia, where coops responded immediately and provided the necessary leadership in in the many months and years of recovery afterwards.
- Coops have a high level of community trust and goodwill. Because of their local networks, coops have strong relationships in their communities. This means coops can work with local organisations to ensure the best outcome for the community. We have even seen community members seeking solace at cooperatives, knowing they could turn to a trusted organisation for support in a crisis.
- Coops put people before profits. Coops do not report to investors looking for a return on capital. Instead, they can take a long-term perspective and reinvest their surpluses for the benefit of their members and the wider community.
- Coops enable the economic and social security of at least 12% of the world’s population. We are a global network of 3 million enterprises with 1.2 billion members, each contributing to sustainable economic growth and stable, quality employment. 10 per cent of the world's employed population work in cooperatives, which equates to 280 million people across the globe. \$US 2.17 trillion in turnover is generated by the global top 300 cooperatives and mutuals.
- The size and scale of coops in Nepal is significant, with almost 31,000 cooperatives and 7.3 million individual members. Nepalese coops provide over 91,000 direct jobs and play a key role in the advancement and economic participation of Nepali women. Coops are present across all levels of government jurisdiction and across the country. It is clear that cooperatives in Nepal offer a valuable contribution to the prosperity and wellbeing of its people.
- In 2012 the profound socio-economic role of cooperatives was formally recognised by the UN through the International Year of Cooperatives.

SECTION 2: A vehicle to build a better world

- Coops are a vehicle to building a better world. Currently, we face enormous economic injustices, and the divide increases daily. We are also experiencing huge environmental challenges and we stand at the precipice of global environmental breakdown.
- As a result, there are many critical social issues arising for humanity:
 - The UN reports that “more than four years of progress against poverty has been erased by covid-19”.
 - The International Labour Organization (ILO) reports that “despite the unprecedented worldwide expansion of social protection during the COVID-

19 crisis, more than 4 billion people around the world remain entirely unprotected”, with no access to “income security at all from their national social protection system”.

- The Food and Agriculture Organisation (FAO) of the UN has found that “hunger and malnutrition have reached critical levels in the Arab region as access to basic foods has been affected by the COVID-19 pandemic and the war in Ukraine”, severely affecting 53.9 million people.
- The World Economic Forum notes that “the portion of low-income countries in or near debt distress increased from 30% to over 60% during the pandemic”, and the World Bank points out that because of “rising food prices, inequitable access to health services or higher exposure to climate hotspots, the most vulnerable people are being made even more vulnerable”.
- It is clear that the dominant business model of capitalist systems has failed to deliver a sustainable and equitable world for as many citizens as possible; genuine solutions to these challenges are needed more urgently than ever before.
- This is where cooperatives have a role to play. We know that cooperatives have the solutions – ours is the most needed model but also the least known. Coops have a proven record of stepping up in a crisis:
 - Coops around the world have united to support cooperators in the Ukraine. Most recently, the Worldwide Foundation for Credit Unions have given Ukrainian credit unions three grants worth US\$355,000.
 - In Australia cooperatives have been instrumental in supporting their communities during recent natural disasters, and I know that Nepalese coops have the same track record of stepping up in times of crisis.
 - The social capital and trust that coops build through their work are valuable in times of disaster allow them to support individuals and communities in meaningful and genuine ways.
- The world urgently needs our movement because of the global social, economic and environmental situation that we face. As then-UN Secretary General Ban-Ki Moon said in the International Year of Cooperatives, "Cooperatives are a reminder that it is possible to pursue both economic viability and social responsibility."

SECTION 3: The Cooperative Identity

- For us to fully realise our contribution to the world, it is essential that deepen our cooperative identity at this time.
- But what is that identity? In 1995, the ICA adopted the revised Statement on the Cooperative Identity which contains the definition of a cooperative, the values of cooperatives, and the seven cooperative principles.

- Our identity is expressed as:
 - **Definition:** A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.
 - **Cooperative Values:** Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.
 - **Cooperative Principles:** The cooperative principles are guidelines by which cooperatives put their values into practice.
 1. Voluntary and Open Membership
 2. Democratic Member Control
 3. Member Economic Participation
 4. Autonomy and Independence
 5. Education, Training, and Information
 6. Cooperation among Cooperatives
 7. Concern for Community

- This identity matters because it lies at the core of our being. It informs our reason for existing and inspires us to keep going. It sustains us through difficult times and shapes our vision of the future that we aspire to create.

- To build an enabling environment for cooperatives, a strong and clear sense of identity is crucial. We can achieve this through a unified voice and by measuring and expressing our value beyond typical econometric metrics that are favoured in capitalist systems. This helps us to communicate to the world what the cooperative difference is.

- We need to strengthen the cooperative identity because in a highly competitive environment, we are in danger of being overtaken as investor-led organisational models become more aware of ESG – environmental, social and governance - concerns. Cooperatives need to be seen as the original socially focused enterprises, putting people and the planet before profits.

- Further, as a global movement we need to actively work towards unity. As a diverse worldwide movement, a strong sense of identity helps us to intentionally focus on our commonalities and unite around a shared vision.

- In 2021, the 33rd World Congress of the ICA focused on the cooperative identity.

- The Congress indicated the need for a global process to determine the efficacy of the Statement on the Cooperative Identity. Consequently, the ICA has embarked on a reflection process to determine the ongoing success of the Statement and to deepen

our cooperative identity. Do we need to update our statement or is it still fit for purpose? How can we best communicate the ability of coops to build a better world?

- It is a five-year deep-dive consultation that began in 2021 and runs until 2025.
- The first stage was a global survey that gathered opinions on whether the cooperative identity is well defined and understood. The survey sought to determine whether the statement is still aligned with the values and needs of cooperatives today, and to understand any updates that might be required. This was an important opportunity to explore the different responses to the cooperative identity and how these vary around the world.
- What did survey teach us? It found that people largely agree that the principles have stood the test of time, but that we've got a problem in communicating them – people even within our movement don't know what they are.
- We need to debate whether the identity statement speaks clearly to contemporary societal concerns:
 - The state of our natural environment
 - The need for good labour relations
 - Social issues of diversity, equity and inclusion
- The power of language is an important consideration when it comes to communicating our identity.
 - The terms “values and principles” are used to communicate our beliefs. But our principles are more than beliefs; they are guiding rules for cooperative organisations and an immutable part of their structure. These principles are remarkably modern considering how long ago the foundations of the movement were established.
 - The cooperative principles do address modern crises and issues well and they speak to global trends that are now being expressed as “business as usual”. For example, our principle of “open and voluntary membership” has now been adopted beyond our movement as “diversity and inclusion”. Our values of “economic democracy” and “care for community” are reflected in the concepts of stakeholder capitalism, shared value, the UN's Sustainable Development Goals and the concept of needing a social licence to operate and be accepted in a community.
 - Our job as national cooperative movements is to bring the cooperative principles to light through clear, consistent communication to express how our principles speak to current issues, and how in a crisis, business purpose matters.

- If we can live our values and principles and engage with these fundamental ideas (such as member engagement), then we are going to maintain our competitive advantage in a world that now cares about social impact and the other social justice issues we have been concerned with since the emergence of the cooperative movement.
- History demonstrates that the purpose of an enterprise matters in a crisis, which is why the cooperative model remains so vital.
- To fully realise the potential of the cooperative identity globally, I believe we need to pursue an agenda across three areas: leadership, communication and growth.
 - **Leadership:** We should be in global conversations with governments, opinion formers and international organisations, demonstrating clearly what cooperatives can do and why cooperatives should be treated the same as any other type of enterprise.
 - As a movement, cooperatives worldwide need to come together in order to grow our influence and connections and enjoy a new era of momentum. We have the opportunity to show leadership at a global level and demonstrate that cooperative enterprise is the original model of socially conscious business.
 - Strong leadership in the cooperative movement can be achieved by courageous individuals and organisations working together, united by a belief in the principles of cooperation and with a deep conviction that cooperatives offer a more equitable, sustainable and ethical future.
 - **Communication:** We share strong values. But having strong values without good communication wastes our opportunity to shape the global conversation. Our concerns as cooperators are shared by the leaders of other business sectors. It's now more important than ever to let our values shine if we are to stand out and raise a flag for the cooperative enterprise model. We need to promote cooperatives effectively to bring our model to the world's attention.
 - Cooperatives have proven that they are the true sustainable enterprise type, always with an equitable enterprise purpose that has never been more relevant. But cooperatives continue to be disadvantaged by the lack of awareness of our model precisely at a time when it should be the preferred way to do business.
 - Cooperatives are well-placed to help solve the challenges we face. But we can only achieve this if our enterprises are taken seriously by decision makers and opinion formers. The key to achieving this is clear, relevant communication that tells the cooperative story and shares our purpose. We need to take a balanced approach – numbers are important, but so are the

human stories behind them. We want people to understand that cooperatives offer them a place to belong and an opportunity to have influence and shape their own future.

- **Growth:** I believe that right now our movement has an important and critical opportunity for growth. We need to increase the number, size and reach of cooperatives, building on the success, expertise and knowledge of existing cooperatives. Too many people are unaware of the cooperative model resulting in missed opportunities and sub-optimal outcomes for communities.
- We can achieve sustained growth through educational programs and support for early-stage cooperatives. We also need to share knowledge and resources among cooperatives of all sizes and industries, living out our principle of “cooperation among cooperatives”. In supporting our fellow organisations we are strengthening the sector as a whole. We are a diverse movement, with a wealth of knowledge, experience and networks across every region of the world. By leveraging our strengths we can develop and strengthen the sector well into the future.
- This is how the BCCM is dealing with these issues in Australia:
 - We are developing systems to measure and communicate our total value creation through Mutual Value Measurement and framework for measuring our impact through 6 dimensions of mutual value.
 - We are empowering coops to be better corporate citizens through our ESG work and our internationally accredited training in sustainability.
 - In particular, we are looking to strengthen our message around the social dividend of the model, highlighting how cooperatives can succeed in areas where there have been market failures that have negatively impacted quality of life and access to services, especially in remote and marginalised communities.
 - Additionally, we are leading by example because how we act on our principles is really important. Currently this means developing our new climate policy for cooperatives and reconciling our relationship with the Indigenous landowners in Australia.

SECTION 4: Conclusion

A strong identity gives cooperatives a strong foundation to support longevity:

- We need to get better at measuring and communicating the value that the 7 principles of cooperation deliver for humanity. If we did this, then we would realise how deeply the nature of coops is intrinsic to human development and achievement of the SDGs.

- Coops make sure that economic activity happens to benefit members of the communities in which they live, and that communities enjoy the benefits of autonomy and self-sufficiency.
- We always come back to our principles – care for the community is an important way we enshrine and express environmental sustainability.
- Coops are a vital way that we deal with national and international geopolitical insecurity and conflicts. By deepening the democratic traditions that strengthen civil society and strengthen transparency and accountability, we teach people what is possible when groups pursue the common good instead of self-interest.
- Cooperatives also support social equality by ensuring member economic participation and inclusivity remain priorities. This drives economic and social empowerment, especially in groups that have traditionally been marginalised.

As you pursue the goal that NCF Nepal has set forth for its 10 year strategy: "**A Leading Federation of Sustainable and Decent Cooperative Movement**" , it is my hope that you will feel empowered to live out the cooperative identity in whatever context you find yourselves in as cooperators, and that through the tangible action of caring for your communities they too will come to realise that coops build a better world. May you be proud of the work you do and the positive changes you enact. When cooperatives achieve their potential, communities prosper and individuals thrive.