STRATEGIC DOCUMENT FOR THE COOPERATIVE DECADE

INTRODUCTION: OPPORTUNITIES AND CHALLENGES

The time has come for industrial and service cooperatives (mainly worker cooperatives and social cooperatives, but also artisans' cooperatives, cooperatives of micro-enterprises, cooperatives of professionals, various types of multi-stakeholders' cooperatives) to make their biggest breakthrough ever at the global level. Cooperatives have emerged as a historic response by ordinary people to the satisfaction of their own basic needs, following the advent of the modern world with the industrial revolution and a first wave of globalization. However, apart from a few countries and regions (such as Italy, Spain, France, Uruguay or Quebec, China in the 1930s and 40s, India in the 1950s and 60s), cooperatives in the industrial and service sectors have begun to develop substantially only as of the 1980s. Following this development, a number of cooperative federations were established (Canada, USA, Japan, Brazil, Argentina, South Korea, Finland etc.) or re-established (Poland, China etc.). Industrial and service cooperatives have now become one of the main strands of cooperatives to develop around the world, like rural credit cooperatives in the 19th Century and consumers' cooperatives in the first half of the 20th Century.

The last few years have ushered in yet a new phase in the development of our cooperative sector linked with the following factors:

- The excesses of the financialized economy, in spite of their wealth destruction effect and the fact that they have gone on almost unabated since the global crisis flared up in 2007-2008, are gradually bringing about a counter-reaction in policy making (e.g. the French draft Hamon law focusing mainly on business transfers to employees) and in public opinion towards a return towards the real economy, entrepreneurship and industrialization.
- The impressive expansion of global chains of production and distribution, in spite of their growing strength, is also bringing about a trend towards re-localization, including in such basic goods as foodstuffs and clothes.
- There is a growing trend towards subcontracting services to industries, such as logistics and engineering.
- Demographic and societal changes in all the world's regions have created new needs, in particular in the field of community services (or services of general

interest, in such sectors as health, social, educational, cultural and environmental services. At the same time, a privatization drive in the same sectors is also accelerating the trend towards the creation of SMEs active in them.

- Local artisans – carpenters, mechanics, bakers etc. – are increasingly called to join some form of economic associationism in order to survive and develop in spite of global chains in the same sectors.
- Tourism and the recuperation of the regional cultural and industrial heritage is a growing trend that is at the root of many new business and jobs, including under the cooperative form.
- Opportunities to transform industrial or service enterprises in crisis or without successor are increasing, because of both economic (global restructuring) and demographic (baby-boomers reaching retirement age) reasons.
- The experience of the last 30 years in establishing economically sustainable cooperatives in the most varied industrial and service sectors (from office cleaning to nano-technologies, from catering to public works) provides us with the sufficient credibility to utilize the cooperative form in all industrial and service sectors, in all part of the world.
- The experiences of the most advanced cooperative groups that are predominantly or totally in industries and services provide a strong promise of sustainability to industrial and service cooperatives amidst the globalized economy, including in the most advanced and mainstream sectors.

At the same time, our cooperative sector is also facing daunting challenges:

- The above mentioned financialisation of the economy and strengthening of global chains of production and distribution, in spite of producing positive counter-reactions, remains among the strongest challenges to the type of entrepreneurship which cooperatives are promoting.
- Drastic reductions in public budget and non-payment or late payments by public authorities.
- Key needs in capital among scattered cooperative SMEs in order to innovate and internationalize.
- Rising unemployment and social exclusion, including among the youth, is becoming the central problem in a growing list of countries.

CICOPA VISION: approved by the 2007 CICOPA General Assembly

To be recognized as the organization of reference which provides an effective and efficient global voice and forum for knowledge, expertise and coordinated action for and about industrial, artisans', service and social cooperatives and cooperatives with worker ownership.

CICOPA MISSION STATEMENT**:** approved by the 2007 CICOPA General Assembly and the additions to the ICA mission statement, formally introduced at the beginning of the new ICA Statute, approved with minor syntaxic changes at the ICA Extraordinary General Assembly in Rome, 6 June 2008; the expression "industrial, artisans', service and social cooperatives and cooperatives with worker ownership" corresponds to the definition of the cooperative sector covered by CICOPA mentioned in Art. 1.3 of the CICOPA Rules.

CICOPA serves, promotes and unites industrial, artisans', service and social cooperatives and cooperatives with worker ownership worldwide in compliance with the cooperative values and principles, and makes the case for their distinctive value-based economic business model which also provides individuals and communities with an instrument of mutual help, generation of sustainable employment and impact on their long-term social and economic development. CICOPA advocates the interests and success of industrial, artisans', service and social cooperatives and cooperatives with worker ownership, disseminates best practices and know-how about them, strengthens their development and capacity-building and monitors their performance and progress over time.

STRATEGY

In order to comply with the above vision and mission, fully take advantage of the above mentioned historical opportunity for our cooperative sector, and meet the above challenges, the following strategic proposals, framed within the 5 main objectives stated in the ICA Blueprint for a Cooperative Decade, are proposed.

1. **PARTICIPATION** [MEMBERSHIP AND NETWORKING]

"ELEVATE PARTICIPATION WITHIN MEMBERSHIP AND GOVERNANCE TO A NEW LEVEL"

1.1. Participation of members in cooperatives

Cooperatives are about satisfying people's needs through people's democratic control. Industrial and service cooperatives (worker, social, artisans' and multi-stakeholders' cooperatives) are mainly about satisfying people's *employment, production and general interest needs* through workers' and producers' democratic control. Democratic control by the very enterprise staff and by producers who put their very means of livelihood at stake is particularly difficult to attain, and it is difficult to convince citizens to engage in this kind of enterprises (through start-ups, conversion of conventional enterprises or other modalities) in the first place. This requires a strong promotional effort in order to stir citizens' motivation in doing so. More *promotion of the worker-member* at the global level will have to be done, both *in general* and in the specific cases of *workers taking control of their enterprises* through business transfers, as well as of *physically, mentally or socially disadvantaged workers*. In the field of community services, the growing trend towards *multi-stakeholder participation* (namely the inclusion of the different types of stakeholders in the governance of the cooperative, shall be promoted, in abidance with the World Standards of Social Cooperatives which recommend a 30% minimum aggregate voting power to the workers in cooperatives having different types of members.

In the wake of several manuals drafted at the national level on how to establish such enterprises and how to manage them, CICOPA should edit *'matrix' manuals* for worker cooperatives, another

one for social cooperatives, and (when the relevant standards are delineated, see part 3 "identity" below) one for artisans' cooperatives, possibly with the ILO.

A world-wide system of *certification* for worker and social cooperatives, based on the experience of members in evaluation of the cooperatives' socioeconomic impact (social auditing etc.) should gradually be put in place together with members.

1.2. Entrepreneurial inter-cooperation

Our cooperative sector is the one with most scattered SMEs, while being among those which most need regrouping in bigger entrepreneurial systems (consortia, groups, networks).

At the most basic level, a culture of trying to *do business with another cooperative as a first option* (at the same conditions of price and quality as other competing enterprises, of course) should begin to prevail. CICOPA should widely encourage this culture: after proposing a corresponding resolution at the ICA level, CICOPA and its members should devise ways and means to implement it, and establish criteria to measure it. This should be part of the above-mentioned certification system.

Cooperative entrepreneurial groupings of all kinds should be actively promoted through writings, meetings and exchanges among cooperative groups, and by the establishment of a *dedicated working group*.

In order to encourage cooperative groups, the above mentioned manual should have sections on cooperative groups, or a specific manual on cooperative group should be drafted. It should also be a specific section of the certification system.

1.3. Participation of cooperatives in federations and support to the creation of new federations

In most countries in the world, and even in most countries where the ICA has members, there are no cooperative organisations in our sector. In part of these countries (such as Malaysia, Indonesia, Thailand, Myanmar, India, Bangladesh, Nigeria, Ghana, Botwana, Costa Rica, Serbia, Croatia, Bosnia etc.), an intersectoral cooperative organization that could promote cooperative organisations in our country exists, like in the successful case of Paraguay, where an intersectoral organization, Compacoop, has become a CICOPA member and is now promoting the establishment in a federation in our sector.

CICOPA thus will continue to *encourage the establishment of federations* able to represent cooperatives in our sector, when these federations do not exist, namely in most countries of the world, and to help consolidate and affiliate very small start-up federations. Depending on national circumstances, a first step should be to engage national inter-sectoral organisations (where they do exist) about the promotion and the federation of our sector, and a second one is

the creation of specific sectoral organisations in our sector. But in other national environments, sectoral organisations have to be established from scratch, as has happened over the last 20 years in many countries (see above). This work will have to be pursued relentlessly.

CICOPA should also encourage the dissemination of *new technologies which can facilitate the participation of grassroots cooperatives* (especially in national environment where these are scattered with large distances between each other) in federations, as well as the *exchange of practices among member federations* concerning their governance and participation practices.

1.4. Participation of ICA member organisations in CICOPA

The global membership system approved in 2008 has opened important new possibilities to increase the CICOPA network through sectoral affiliations. A number of new organisations, including from new countries, have become members of CICOPA since this system has been put in place. Yet, *the results have been lower than what could be expected*. There are still many national inter-sectoral organisations that are members of the ICA and have not made the promotion of our cooperative sector a priority.

CICOPA will thus need to convince such organisations to join CICOPA. In doing so, CICOPA will have to make them understand the strategic importance of our cooperative sector.

At the same time, CICOPA should *provide clearer explanations to ICA members about the types of cooperatives that are part of our cooperative sector*. In particular, CICOPA should emphasise that it is the only ICA sectoral organization which is relevant for artisans' cooperatives, cooperatives of micro-enterprises, cooperatives of professionals, cooperative schools, and producers' cooperatives in the environment field. Together with IHCO, it is also a reference organization for health cooperatives (see cross-membership with IHCO in next section).

1.5. Creating and consolidating CICOPA regional and sub-regional organisations as entities participated by national federations

The recently established CICOPA regional (CICOPA-Americas) and sub-regional (CICOPA-Mercosur and CICOPA-North America) organisations need to be strongly reinforced operationally. Whereas CICOPA-Americas needs to assert its role within the ICA-Americas board (in which our sector has only recently become permanently represented), general assembly and periodical conferences and seminars (as it has successfully begun to do), *CICOPA Mercosur and CICOPA-North America should gradually take up all the main functions of cross-border federations*, engaged in a similar networking endeavour among neighbouring countries as the one in which CECOP has been engaged in Europe over the last 30 years.

Although it has strongly reinforced itself over the last 5 years (in spite of the crisis which has been plaguing Europe since that time), *CECOP needs further consolidation in order to continue to reinforce the CICOPA secretariat*. Indeed, CECOP is the only CICOPA entity which can manage the

CICOPA secretariat for the time being. At the same time, the consolidation of CICOPA-Mercosur and CICOPA-North America would relieve the CECOP staff of an important part of its work, thereby indirectly participating in the consolidation of CECOP and of the CECOP-CICOPA joint secretariat.

CICOPA *regional and sub-regional structures should gradually be established in other parts of the world* where there are at least 2 or 3 countries with CICOPA members.

1.6. Reinforce CICOPA itself as coordinator of a global network

CICOPA itself needs to substantially improve its networking and coordination capacity. Along with the reinforcement of CICOPA regional and sub-regional organisations, this mission will increasingly be devolved to regional and sub-regional entities. Nevertheless, the latter will take many years to cover all world regions and sub-regions, and, in the meantime, only the CICOPA global entity will be able to do the coordination work in the parts of the world that are not organized in regional or sub-regional structures.

The gradual creation and consolidation of CICOPA regional and sub-regional structures does not diminish the role of CICOPA itself: within the globalizing world*, the global relevance and coordination work of CICOPA is being increasingly important*.

CICOPA will have to *improve its own technical capabilities* in order to help members from all parts of the world participate in its global meetings, in particular executive committee and general assembly.

At the same time, physical meetings are essential. The 2 year appointment, together with ICA meetings, should continue to be highly valorized, and CICOPA should make all possible institutional efforts to make sure that most members from all over the world can join those meetings. At the same time, CICOPA should put in place a system with a *larger congress-type meeting every 4 years*, as mobilizing all members every 2 years is very difficult. Although such meetings should perhaps be organized within the framework of the ICA series of biannual meetings, it should maintain its character of a CICOPA conference (like in Oslo in 2003, Cartagena in 2005, Cancun in 2011 and Marseille in 2012).

1.7. CICOPA's participation in ICA

CICOPA needs to *improve its participation in the ICA and its interaction with other ICA bodies*. Although the ICA 2008 extraordinary general assembly has put CICOPA and other ICA sectoral organisations on a par with the ICA regions, such parity has not been completely implemented after 5 years. Strong efforts will thus have to be displayed to raise CICOPA's participation and interaction within the ICA structure.

As far as the interaction with the ICA regions is concerned, the cooperation with ICA-Americas and Cooperatives Europe, through CICOPA-Americas and CECOP respectively, needs to be consolidated. Interaction with ICA-Asia-Pacific and ICA-Africa will have to be strongly stepped up, with the help of CICOPA members in these two regions, and, if needed, even before CICOPA regional and sub-regional organisations can be established in these two regions.

CICOPA should cooperate even more closely with other ICA sectoral organisations within the SOLG (sectoral organisations liaison group) both to reach institutional consensus and to work on concrete collaborative issues and transfer of knowledge. CICOPA should promote the use of higher-level teleconferencing for the SOLG.

The special relationship with IHCO should be reinforced. The proposal to practice cross-membership between the two organisations has been enshrined in a memorandum of understanding, which should be gradually implemented.

2. SUSTAINABILITY [DEVELOPMENT]

"POSITION COOPERATIVES AS BUILDERS OF SUSTAINABILITTY"

In CICOPA's comments to the first draft of the Outline for a Cooperative Decade, sustainable development was seen as the main long term and external goal (geared towards the world in general, not just to the existing international cooperative network). Thus, logically, CICOPA's interpretation of the "sustainability" part of the Cooperative Decade mainly focuses on *development*, a type of development which is sustainable economically, socially and environmentally.

Through the Cooperative Decade, CICOPA should demonstrate that cooperatives in general and in our sector in particular are fundamental to territorial development all over the world.

In particular, the following dimensions of our cooperative sector's contribution to territorial development should be better emphasized and promoted:

- The focus on industries and services as a fundamental engine of development and wealth creation, just after the development of agriculture, including in complementary activities to agriculture.
- The focus on worker ownership and the figure of worker-member as a key to entrepreneurial development and to citizens' economic participation in territorial development.
- The role of cooperatives in providing opportunities for social inclusion of marginalised groups.
- The focus on stable employment and on environmentally and socially sustainable production as promoted by the cooperative model and values.
- The focus on high quality services, including in partnership with the public sector, being the sustainable development of services of general interest (educational, health but also infrastructure, transports, water, sanitation etc…) a central issue for wealth creation and territorial development.

- The role of cooperatives in education and capacity building, which also corresponds to our sector.
- The transformation of enterprises that are going to close down into sustainable enterprises and the consequent maintenance of jobs and economic activities on the territory is key to territorial development.
- The role of multi-stakeholder cooperatives in bringing the various territorial stakeholders in a local development action.
- The strong tendency to cooperate among enterprises and establish enterprise groups with common enterprise promotion services, in particular in purchase, sales, combined product offer, innovation and internationalization, has a strong impact on local and regional development.
- The key role of cooperatives, especially in our sector, in providing work, career opportunities and hope for young generations.

In order to promote these strong points of our cooperative sector in territorial development a series of initiatives should be initiated and pursued, distinguishing between the focus on local development itself on the one hand, and prospects in international cooperation for development (how to develop the cooperative movement at the global level and set up instruments to support the development of cooperatives in the different countries and strengthen the network through economic cooperation) on the other.

- Deepen the *CICOPA development strategy* adopted in 2009 and draft a *manual* based on it (if possible in partnership with the ILO).
- Create and consolidate a *global network of developers*, meeting mainly through electronic means, who could exchange on development strategies for our sector based on the CICOPA development strategy
- Develop the incipient network with development NGOs.
- Create a world-wide working group on the promotion of cooperative groups.
- Create a world-wide *working group on business transfer to employees*.
- Launch an *environmental campaign* and monitor the compliance of the enterprises of our networks with environment-friendly production (according to criteria to establish).
- Pursue an annual survey on cooperative resilience and edit an *annual report on the socioeconomic evolution of our sector in the world.*
- Establish a *network with academic institutions* geared towards the issue of sustainable development.
- Make the *Coopspace website for business to business contacts and internationalization* a functioning one and highly participated by members.

3. CAPITAL [DEVELOPMENT]

"SECURE RELIABLE CAPITAL WHILE GUARANTEEING MEMBER CONTROL"

Capital, in cooperatives, is instrumental to development, and we should thus consider this objective of the Cooperative Decade outline as being subordinated to the previous one (sustainability).

This being said, the need for capital in industrial and service cooperatives during this decade will continue to grow exponentially. Cooperatives, and particularly in our sector, are lagging behind in engineering local, national and international financial instruments that are needed for their own development.

The basis to capital formation being in the cooperative enterprises themselves, CICOPA should focus first of all on this dimension. An *in-depth global study on the impact of legally-binding indivisible reserves* on our cooperative sector (as the reality seems to demonstrate) should be done, in order to strongly promote the indivisible reserve model of capital accumulation at the cooperative enterprise level.

CICOPA should constitute a global *working group on development and financial instruments of its network*, based on the existing European working group, and working mainly through electronic means.

Together with these financial organisations, and pooling in other financial means to engineer with CICOPA members, CICOPA should establish a fund or *funding mechanism for the development of our cooperative sector in the world*. This fund should be started strictly as a sectoral fund, and could possibly participate in the development fund established by the ICA in a second stage, if deemed appropriate.

4. IDENTITY [COMMUNICATION, DATA MANAGEMENT AND STANDARD-SETTING]

"BUILD THE COOPERATIVE MESSAGE AND SECURE THE COOPERATIVE IDENTITY"

4.1. Communication

In CICOPA's comments to the first draft of the Outline for a Cooperative Decade, communication was strongly underlined as being a fundamental dimension to be developed in order to reach out to the outside world, considering that the cooperative movement has a mission towards the world as a whole and not only towards its existing members. In this line, CICOPA will need to follow the core messages launched in the Blueprint for a Cooperative Decade in order to create a united message and common symbols.

CICOPA will also need to think about how to *better communicate with young people*, in particular by improving the use of social media.

The coordination of communication among various global, regional and sub-regional entities and members should be substantially stepped up. The coverage of communication should be promoted, as one of the key elements to be developed in national member federations and in future regional and sub-regional organisations. Information should be shared at all levels in order to encourage inter-cooperation.

At the same time, CICOPA should substantially reinforce its *collaboration in the communication field with the ICA and the other ICA sectoral organisations*.

CICOPA *websites and social media accounts* should be substantially stepped up and geared towards communicating on, and within the framework of, the cooperative decade.

CICOPA's *global news* should be pursued and perfected as a regular dissemination instrument towards the outside world. The regional and sub-regional organisations should share information with CICOPA in order to improve the dissemination of global news.

The dissemination of good practice should remain another fundamental objective of our communication work. The regional and sub-regional organisations should participate in this process in order to collect best practice stories. It should be done, among others, by

- Feeding our websites with text and video presentation of concrete cases.
- Making a new documentary film with cases around the world.
- Editing a global best practice book.
- Sharing the direct experiences of cooperative and worker-owned enterprises on our social networks (Facebook & Twitter).

4.2. Data management

During this period, *data on members should be substantially improved*, with precise sectoral focuses, by country, by continent and worldwide. The regional and sub-regional organisations should participate in the data collection work and feedback.

Interaction with other ICA sectoral organisations on the issue of data management should be increased in order to allow for a single statistical system for cooperatives throughout the world.

4.3. Standard setting

The beginning of this decade should be dedicated to setting *standards for artisans' cooperatives and cooperatives of micro-entrepreneurs and professionals*. In order to complete this task with the sufficient level of expertise and legitimacy, CICOPA should affiliate a few key cooperative federations affiliating artisans' cooperatives, but should first define a few basic criteria to affiliate them.

5. LEGISLATION [AND PUBLIC POLICIES]

"ENSURE SUPPORTIVE LEGAL FRAMEWORKS FOR COOPERATIVE GROWTH"

Legislation

CICOPA's *two existing set of standards* (for worker cooperatives and social cooperatives) *should be promoted* far more actively for the purpose of legislation and public policy.

A first important organization with which CICOPA should step up cooperation on the worker and social cooperative standards is the ILO. *A strategic debate should be established with the ILO on the utilization of these standards around the world*.

We should campaign, together with our members, to have specific *worker cooperative and social cooperative legislation* (either as chapters of general legislation or specific laws) around the world, taking stock of the most recent cases (Brazil and hopefully Japan for worker cooperatives, and France, Quebec, Uruguay and Poland for social cooperatives).

A *working group of legal experts* from among our member organisations should be established, meeting mainly on line and through teleconferencing.

CICOPA's *comparative work in legislation* relevant for worker and social cooperatives should be pursued, and should include a wider amount of countries by the middle of the decade, and a report should be published at that time.

5.1. Policies

CICOPA should *engage* either directly or in collaboration with its members *with governments* on the CICOPA *Policy Recommendations Following the International Year of Cooperatives*[1]. Concrete follow up should be done in this respect.

Public policies in the field of employment should remain the number one priority for CICOPA. A second policy priority should be *community services* (or services of general interest, namely health, social services, education, the environment, energy production etc).

Policies towards the youth should also be encouraged at all levels.

CICOPA's *relation with regional entities* (the EU, Mercosur, Nafta, Asean, etc.) should be created or consolidated, wherever these exist.

Among the international organisations, *cooperation with the ILO* should remain the main priority, and should focus on legislation and policy, including development policies, as well as social dialogue.

Following the consolidation of relations with the worker section of the ILO (ACTRAV), CICOPA's *relation with the International Trade Union Confederation* (ITUC) should be re-initiated.

[1] Policy Recommendations Following the International Year of Cooperatives 2012: http://www.cicopa.coop/IMG/pdf/cicopa_recommendations_en_v12.pdf

CICOPA represents 80.000 of industrial and service cooperatives providing 3 million jobs across the world. Its full members are representative organisations of producers' cooperatives from different sectors: construction, industrial production, services of general interest, transport, intellectual services, artisanal activities, health, social care, etc. Many of those cooperatives are worker cooperatives, namely cooperatives where the members are the staff of the enterprise, i.e., worker-members. Because of this, those enterprises are characterized by a distinctive type of labour relations, called "worker ownership", different from the one experienced by conventional employees or by self-employed. With the recent transformation of the world economy, industrial, artisan and service cooperatives are no longer a marginal phenomenon. A new and growing typology of cooperatives represented by CICOPA are social cooperatives, namely cooperatives whose mission is the delivery of goods or services of general interest. Numbers have increased in both industrialised and developing countries over recent years. CICOPA currently has a total of 46 members in 31 countries, four of which are development organisations. CICOPA has two regional organisations: CECOP- CICOPA Europe and CICOPA Americas.