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*Message of the International Co-operative Alliance*

**87<sup>th</sup> ICA International Co-operative Day  
15<sup>th</sup> UN International Day of Cooperatives  
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***“Driving Global Recovery through Co-operative Enterprise”***

Co-operatives are more resilient to crisis than other forms of enterprise according to a recent study commissioned to the ICA by the International Labour Office (ILO)<sup>1</sup>. Financial co-operatives have remained financially sound; agricultural co-operatives in many parts of the world are showing surpluses; consumer co-operatives are reporting increased turnover; and worker co-operatives are seeing growth. People are increasingly choosing the co-operative form of enterprise to respond to the new economic realities.

Why are co-operatives able to survive and indeed thrive in crisis and beyond?

It is the model. Co-operative enterprise is an alternative business model which instead of focusing on profit, focuses on people by aggregating the market power of people while guiding its operations on the basis of the co-operative values and principles.

In many countries and in many sectors around the world, co-operative enterprise is growing in membership, capital and turnover. Co-operatives are contributing in a significant way to maintaining and creating new jobs and thus securing family incomes. They are ensuring that prices stay reasonable and that consumer retail goods, food, and services remain safe, reliable and of a good quality. Co-operative financial institutions have seen a capital influx as consumers recognise the safety and reliability of credit unions, co-operative banks and co-operative insurers who in many cases have also continued to provide credit to individuals and small businesses. By doing so, they are demonstrating that co-operative business is sustainable and that enterprises having ethical values at heart that can be successful and contribute to sustainable economic recovery.

Economists, academia and the international community are desperate for answers on how to stimulate a global recovery, and in doing so are beginning to question the current economic model which has lost the confidence of policy-makers as well as the average person. They are looking at regulating markets and financial institutions in particular to ensure a more ethical and transparent operation. In their quest, however, they are also rediscovering and recognising the potential of co-operatives in contributing significantly to a new economic system.

Many governments are now considering the co-operative option in this new economic environment whether it be to stimulate agricultural productivity or to reorganise national social protection systems as seen by the recent debate in the United States reform of the

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<sup>1</sup> Birchall, Johnston and Hammond, Lou. *Resilience of the Co-operative Business Model in Times of Crisis*, International Labour Organization, 2009, pp 37.

health-care system and the proposal to create health co-operatives. They are also recognising the contribution that they can make to driving recovery in their countries and so are increasingly encouraging their citizens to look at co-operative enterprise for their finances, to increase their productivity and for their general well-being.

The Co-operative Movement will need to work with policy-makers to ensure that they recognise the particular nature of co-operatives. They should not be over-regulated, and their essentially risk-averse nature should be understood. A consistent and well articulated policy response is crucial to ensure that they are not disadvantaged by changes in the regulatory environment. Only with appropriate policies will co-operatives continue to be able to drive global recovery.

Although some analysts are saying the worst is over for the global economy and a recovery is likely to begin later this year, the recession is and will impact all enterprises. Many co-operatives will be tempted to focus on survival at any cost – even foregoing their co-operative nature, but there is mounting evidence to demonstrate that putting co-operative values and principles in practice may be the deciding factor for long-term sustainability. Now is the time to stress the co-operative nature.

The co-operative movement faces an unparalleled opportunity. It must rise to the challenge to demonstrate that the co-operative model of enterprise is an alternative business model that is the better business model for the future. Co-operatives are demonstrating that they not only drive economic development, but also economic and political democracy and social responsibility. Co-operatives offer a fairer way of doing business where social and environmental values count not as something you do if you can afford to do so, but that simply are the part of the way you do business.

On this International Day of Co-operatives, the ICA calls on co-operators throughout the world to strengthen their commitments to their co-operative values and principles, celebrate their success in these difficult times, and work in partnership to ensure that they continue driving global recovery around the world.

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*ICA is an independent, non-governmental association which unites, represents and serves co-operatives worldwide. Founded in 1895, ICA has 222 member organisations from 85 countries active in all sectors of the economy. Together these co-operatives represent more than 800 million individuals worldwide.*