

Sascha H. Mölls | Hans-H. Münkner [eds.]

ICA Blueprint for a Co-operative Decade – a Critical Analysis

Marburg Colloquium 2013



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Editors' Preface

With its *Blueprint for a Co-operative Decade 2012-2020* the ICA uses the public attention created by the United Nations General Assembly by proclaiming the International Year of Co-operatives 2012, to start a worldwide campaign for the co-operative idea. For this purpose the Blueprint of the ICA contains many suggestions which were discussed and critically reviewed during the Marburg Colloquium 2013.

To prepare this meeting, the Institute for Co-operative Studies at the Marburg University published a German translation of the Blueprint as the basis to work on. Participants of the colloquium were research workers from Germany, Austria and Switzerland. It proved to be difficult to integrate practicing co-operators into the discussion, mainly because their daily workload does not allow them to spend time for elaborating written contributions.

With Dirk F. Lehnhoff, a lawyer and an important representative of the German co-operative movement, being simultaneously the President of Cooperatives Europe, Vice-president of the ICA and a member of the board of the German Co-operative and Raiffeisen Federation (DGRV) participated and contributed an international and German view of the ICA Blueprint to the discussions. A written version of his contribution is contained in this volume as an opening statement.

The attempts to include co-operative journals succeeded insofar as the Chief Editor of "cooperativ – Die gewerbliche Genossenschaft", Vienna, Dr. Andrea Karner, participated. The two Austrian Institutes for Co-operative Studies were represented by Dr. Holger Blisse as an active participant, who contributed a paper and Stefan Radakowics of the RICC who participated as an observer. The Institute for the Law of Enterprises of the University of Luzern, Switzerland, the Institute in charge of organising the XVIII International Conference on Co-operative Science in 2016 with the *ICA Blueprint* as part of the agenda was represented by Dr. Ingrid D'Incà-Keller.

Michael Stappel of the Department of Research and Economic Policy of the DZ BANK AG also took part. The German University Institutes for Co-operative Studies participating in the Colloquium were Cologne (Dr. Johannes Blome-Drees and Dr. Ingrid Schmale) and Marburg (Prof. Dr. Mölls, Anke Stehr and Prof. Dr. Hans-H. Münkner) as well as the Frank-

furt University of Applied Science (Prof. Dr. Nicole Göler von Ravensburg). Dr. Robert Philipps of the Friedrich-Ebert-Foundation, which has rediscovered its interest in co-operative subjects, contributed a personal view in form of a paper.

Critical comments of the participants were mainly directed to the following issues:

- Important aspects – such as reference to Self-help and Solidarity as key elements of co-operative identity – are lacking.
- The ICA calls for a clearer message on what co-operatives are and what is their development potential than the Blueprint conveys.
- Creating unrealistic expectations by over-ambitious goals can be contra-productive.

An implied focus on consumer co-operatives in the United Kingdom was not considered a good choice, especially at a time when the Coop Group is in great difficulties, reaching even the German Press with a report in the FAZ under the title “Bank brings British Co-operatives into Chaos” (FAZ, 12.04.2014, p. 22). Co-operatives in the United Kingdom are currently experiencing a similar development to that of the German consumer co-operatives and trade union owned general interest enterprises in the 1980s. At that time the COOP AG – after a period of uncontrolled external growth – led to a total loss.

In their contributions the participants saw the approach of the ICA to address the public by its Blueprint as positive. But they also pointed out in clear terms, which changes and improvements of the Blueprint would be required, to offer a realistic programme for promoting co-operative development on a worldwide level.

Marburg, April 2015

Sascha H. Mölls

Hans H. Münkner

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Introductory Remarks

*Dirk J. Lehnhoff**

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1 Greetings

Thank you for this opportunity to provide my comments on this important document to this round of experts. It is a pleasure to introduce the goals and content of the Blueprint in my capacity as Vice President of the ICA. Based on decades of experience with cooperatives in Germany – acquired during my service on the board of DGRV- I have my own opinion and specific critiques with regard to particular elements of the Blueprint when taking a German perspective.

* Attorney Dirk J. Lehnhoff is a member of the board of DGRV – German Cooperative and Raiffeisen Confederation e.V., Berlin and President of the European Cooperative Federation – Cooperatives Europe a.s.b.l., Brussels.

The International Cooperative Alliance has opted for the new name COOP, from the German perspective a rather unfortunate choice of a brand name, because in Germany this name is associated with consumer cooperatives. In the following chapters, I shall use the German abbreviation IGB (Internationaler Genossenschaftsbund). In fact, the English abbreviation ICA is used in the English translation.

2 Introduction

The present Blueprint is not the first call for a Decade of Cooperative Development. Already in the early 1970s the ICA had proclaimed a Decade of Cooperative Development for the period of 1971 - 1980. This call did not remain unheard, but led to many development programmes. It has to be admitted that those projects were not continued. But the positive impulses of that cooperative call cannot be denied.

Let us turn to the call for the Decade of Cooperatives for 2012 - 2020. Why was this date or period chosen by the ICA? The answer is rather simple: Because the time had come. In 2009 the General Assembly of the UN declared the year 2012 as the International Year of Cooperatives. Already this decision shows that cooperatives finally received international attention. Parallel to this, the financial crisis shook the more developed economies and the developing countries were confronted with the challenge of reaching the Millennium Development Goals. There is no doubt that cooperatives worldwide can and must deliver a valuable contribution to overcoming these problems. The ICA was conscious of its important task for supporting the cooperative movement in this endeavour. Without coordinated activities of all members of the cooperative family there is the danger that the positive effects of the International Year of Cooperatives will remain unused.

With the Blueprint the ICA wanted to react to this danger. The Blueprint aims to offer guidelines for helping the cooperative movement to make their contributions to meeting this tremendous challenge.

This is reflected in the goals of the 2020 vision on which the Blueprint is based: recognition of the cooperative way of doing business as

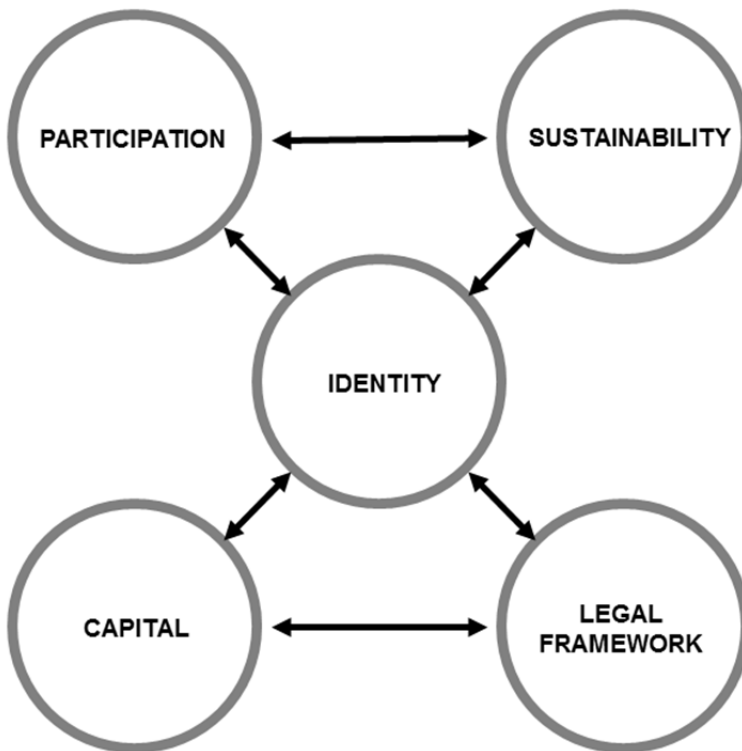
- the leading model of economic, social and environmental sustainability,

- a model preferred by citizens and
- the fastest growing form of enterprise.

These goals are ambitious. Taking account of the time frame 2012 - 2020 one could even call them at first sight illusionary or unrealistic. The ICA itself has recognised this. ICA calls these goals “unashamedly ambitious”.

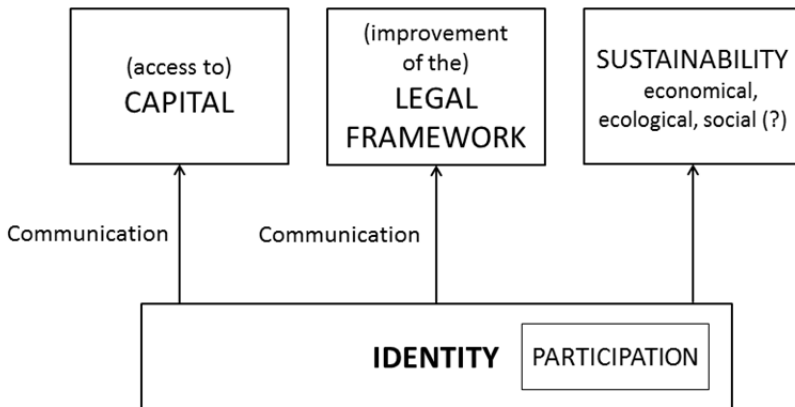
3 Five subject matters of the Blueprint as presented by the ICA

Which method does the ICA use for reaching these goals? In the Blueprint the ICA discusses five selected subject matters: Participation, Sustainability, Identity, Capital, Legal Framework and Capital.



One chapter of the Blueprint is devoted to each of these topics, in which the present state is described, the relevant goals are defined and suggestions are made for activities. The ICA does not expressively value the importance of these subject matters. But in the graphic design in the introduction, Identity is placed in the centre. And according to my opinion this is done for very good reasons. Especially the further clarifications of the aspects of the common identity as well as their communication to the outside world are the key to success.

4 The five subject matters of the Blueprint arranged in alternative order



I shall start my observations on the Blueprint from an alternative order of the subject matters of the Blueprint, which emphasise the importance of Identity. The Identity is the starting point. I see Participation as an essential part of cooperative identity. Those having a clear view of Identity can communicate this Identity to the outside world and thereby continuously improve the access to capital and the improvement of the Legal Framework.

As you can see from the graphic design, I have placed Sustainability outside the Identity and not as part of it. And I put a question mark after the mention of 'social' Sustainability. When reading the text of the Blueprint, the impression is created that Sustainability in the described form is

part of the Identity of every cooperative. In this regard it would be good also to consider a different perspective. In my opinion, Sustainability is not the objective of each cooperative society, but rather the effect of doing business in line with cooperative identity. If I do not misinterpret the views of Professor Münkner, we follow the same line of thinking. I shall come back to this issue in the course of my presentation.

- Identity
 - definition of the criteria of this identity without ambiguity
- Sustainability
 - a typical result of all cooperative endeavours?
- Legal Framework
 - is a special treatment justified?
- Capital
 - raising funds without giving up cooperative identity?
- Participation
 - an important part of cooperative identity.

5 Five subject matters of the Blueprint – analysis

Let us now look at the subject matters of the Blueprint one by one.

5.1 Identity – defining the criteria of identity without ambiguity

As already stated earlier, my analysis of the content of the Blueprint starts from the cooperative identity. (Page numbers in brackets with GT refer to the German Translation of the Blueprint by Münkner, 2013 and with EO to the English Original, ICA 2013). As the ICA rightly states:

“There must be clarity as to how co-operatives are to be defined and distinguished. This is important for the co-operative sector itself, in creating a powerful sense of shared identity, but it is also important that an identifiable co-operative message or “brand” is projected, which differentiates this form of business” (p. 35 GT; p. 20 EO).

In short, only those knowing who they are can convince others of their identity. This is the right approach.