

# The future of co-operatives

John Anderson

Canadian Co-operative Association

May 2009

[John.Anderson@coopscanada.coop](mailto:John.Anderson@coopscanada.coop)

# 1929 crisis

- 3 great crises in the last 100 years (thanks to LP)
- First 1929 (took until 1954 before value of NYSE reached 1929 values)
- In the 30s, response to the crisis included
  - El and welfare state institutions
  - Public sector ownership
  - Organization of workers, farmers, small business people
  - Co-operative Growth
  - Credit union expansion
  - Oil refinery creation
  - Wheat pools expansion

# 1970s and early 1980s crisis

Late 1970s and early 1980s solutions to crisis:

- Privatization of public sector and now response... debt, end of pension plans for many, weakening of unions.
- Deregulation of financial services and many other regulatory services
- Free trade and globalization
- Individual solutions championed e.g. Housing: buy your own house and buy the biggest possible. Investment. RRSPs. And borrow ....

# 2008 Crisis

- Financial crisis... now led to
- Industrial crisis (e.g. auto, forestry) and
- Consumer crisis
- And now sector crises: e.g. Newspapers etc. where technology change and crisis combine
- Unemployment rising dramatically

# 2008 Crisis

- Where are the positive answers in terms of movements?
- Already anti-globalization movement (Seattle etc.) has disappeared
- Union movement weakened (CAW)
- After 1920s crisis, new movements took a decade and a war to build
- Co-operatives and credit unions have done generally ok with some exceptions
- What role for co-op sector?

# Return to big thinking for co-ops

- Co-operatives cannot compete on price and service alone
  - Credit unions and banks
  - Retail co-ops and supermarket chains

# Co-operatives as alternatives

- **Co-operative renewal means not accepting as inevitable in society:**
  - Factory closings, local store and service closings, lack of child care or health services,
  - Lack of good housing, e.g. seniors' housing
  - Lack of decent financial services
  - Poor environmental options
  - Lack of new investment funds for co-operatives

Cooperative Renewal means understand how to respond to trends:

some thrown up by crisis and others made worse by it

- Failure of today's Globalization .....answer, local development is back from food to industry
- Unbridled Greed....answer, reducing gap between rich and poor. (Co-ops have no stock exchange values & astronomical CEO salaries. Sharing of profits)
- Lack of Democracy and Transparency..... answer, democratically managed businesses, such as co-ops, one member one vote
- Deregulation... answer Reregulation
- New demographics: women, seniors, immigrants, Aboriginals... new co-ops... answer policies and organizations must be truly inclusive and representative from staff to boards and membership
- Abandonment of environment in time of crisis.... answer Green co-ops can combine business and environmental goals
- Lack of investment in key industries...answer, new co-op investment funds
- Catastrophe of investment in many types of paper financial products... answer, invest in our community businesses



## Policy, Partnerships, Participation: 3 watchwords for the future of the co-operative sector

- New 3 Ps not public private partnerships
- **Developing Policy** which uses co-ops from anti-poverty policy to renewable energy
- To deliver services such as health care and child care
- Including revaluing and promoting economic democracy

# Building Partnerships

- **With Governments at all levels:**
  - On building new social housing
  - On development of new co-ops
  - In helping to develop co-op development funds and services
  - Take pensions off the board and out of pressure for credit unions to perform
- **Within Co-op Sector:** unity between French and English sectors, Women, Immigrants, Aboriginals
- **Between Co-ops and Other Sectors:** Non-profits, (e.g. child care, health care), Fair Trade, Labour, Aboriginal organizations, etc.

# Participation

- Promoting Participation: Get involved in your co-op as active members and get others especially young people involved
- Form new co-ops
- Spread benefits of co-ops
- Transform your co-op organization into a pro development co-op organization
- Recreate a co-op leadership
- Get your existing co-op or credit union to examine expanding services where needed
- Ex. In Saskatoon Affinity Credit Union just opened an Aboriginal on reserve branch