

# **Co-operatives and Peace: why and how they connect**

*by*

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## ***Crossroads: Choosing Co-operation***

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Why should co-operatives be expected to be concerned about peace issues?

There are many answers to this question. A few follow.

### *The historical record*

The 1840s and 1850s. Crucial decades in the development of modern societies. They were decades that profoundly affected all of the great ideologies we think about today – Liberal democracy, various strands of revived conservatism, social democracy, Marxism, and anarchism. They were also decades in which most forms of co-operatives and the body of thought many of us call co-operativism became obvious. They are the decades of the pioneering efforts of the Rochdale Pioneers, of Raiffeisen and Schultze-Delitzsch and co-operative banking (what we call credit unions), the flourishing of numerous co-operative efforts in intentional communities (particularly in the United States), the first successful worker co-operatives in France, the beginnings of agricultural co-ops, and the first stirrings of co-operative housing.

Why? One can, with considerable accuracy, relate those developments to the emergence of industrial society and the rapid expansion of modern market economies. One can associate them particularly with widespread concerns over the tensions emanating from those developments, tensions that led to the revolutions of 1848, revolutions that profoundly shaped western societies directly and other societies indirectly, revolutions that one might argue were cumulatively as important as the French and American revolutions of the previous century. It was a tumultuous era that shook empires, toppled governments, redefined politics, and transformed societies. Those revolutions, so many believed, were caused by the deepening of class warfare, a common way for understanding

the widespread social unrest of the time – and the issue most commonly addressed (though in different ways) by all the emergent ideologies, including co-operativism. The origins of co-operatives and co-operatives thought, therefore, were rooted in turbulence and considerable civil strife. They were not rooted in circumstances removed from the pressures of the day, in remote places and among disengaged people; they were at the centre of the most turbulent pressures of the age; they were created by people seeking to address the most difficult issues of their time.

One can argue, in fact, that the broad purposes of the co-operative movement were to find ways to reduce the great tensions of the day and to quieten their resultant tumult. Co-operators hoped to do so by extending the practice of democracy to economic affairs, by rewarding people on the basis of their contributions not their wealth, and by seeking to enhance communities socially as well as economically. That desire to contribute to the achievement of social peace was the first deep connection between Co-operation and peace issues – and perhaps it has always been the most important of all the associations.

As one looks over the past 170 years, however, one can see three main ways in which co-operatives have been affected by war and civil strife; three chaotic and disorderly contexts within which they have contributed intentionally and unintentionally to the creation of a more peaceful world. The first is the way in which they have fostered social peace by bridging differences within communities – class differences (as in the original preoccupations), inequities associated with economic shifts and social dislocations, rapid changes within cities, towns, and rural communities, gender inequalities, and ethnic tensions (especially when large-scale migrations occurred).

The second way has been how co-operatives have been affected directly and indirectly by wars. Though the impact has varied with different parts of the movement – agriculture, consumer, worker – and has varied with specific wars and nations, many co-operatives have thrived during periods of war. The increased concerns over food supplies, for example, has often helped both rural and consumer co-ops demonstrate how they can counter hoarding and price-gouging, the most common of war-time economic abuses. On the other hand, many co-operative movements have been very adversely affected, even destroyed, by warfare. That happened in some European nations as a result of the Second World War in particular and with several southern countries, notably in Africa, during revolutionary or civil wars.

The third way is how co-operatives have publically addressed world issues associated with wars or the possibilities of them breaking out. The movement, internationally and nationally, has taken positions on most of the major issues concerning war and peace during the last 160 years, including the rise of totalitarian dictatorships, the great wars, the East-West tensions of the Cold War, the proliferation of atomic weapons, the relationships between the global North and South, and the emergence of new states in the global South, which too often has been accompanied by violence and wars.

In taking these positions, the movement has attempted to promote peaceful resolution to conflicts and debates and, perhaps most importantly, to address the underlying issues that lead to war. It has sought to achieve more stable, prosperous and secure societies through using democratic means to bridge economic and social differences within communities, inside nations, and across regions. It has done so not so much

through grandiose statements but through making it possible for people with deep differences to work together for their common good. It has done so by encouraging and institutionalizing gender equality, by struggling against the devastation of such diseases as HIV/AIDS, which in themselves contribute markedly to social disruptions, and by promoting such causes as Fair Trade, which can be seen as bridging peoples exploited to unacceptable levels by others.

The involvement of Co-operation with issues of social peace and war, therefore, runs deep and in diverse ways throughout the movement's history. It should be an important theme in the field of Co-operative Studies, the field of enquiry that offers the best way to consider the roles and dynamics of co-operative enterprise and the nature of co-operative thought. It should be better understood and honoured by co-operators, who, if they do not do so, will likely undervalue what their movement has contributed in the past and what it is capable of contributing in the future to the building of a more peaceful world.

### *The responsibilities of size*

Once well started, co-operative movements almost invariably grow in extent and in type, though they are best known for a few well established forms of co-operative endeavour – consumer, banking, worker, agricultural, fishing, and service. Co-operatives exist in over 200 countries; they play useful, even crucial, roles in countless communities around the world. They provide important people-to-people relationships, relationships that already have contributed to increased understanding and more peaceful relationships among different peoples; they are, with rare exceptions, institutions for orderly economic

and social development, concerned about their communities and bridging or ignoring differences as they bring members together in their common interest.

Co-operatives affiliated with the International Co-operative Alliance, the international co-operative organization located in Geneva, have over 800,000,000 members. The United Nations estimates that some three billion people (approximately one-half of the world's population) receive important services through one type of co-operative or another. The sales of the 300 largest co-operatives in the world annually equal the gross domestic product of Canada, which the World Bank calculates to be the ninth largest of all the nations in the world; they employ 20% more than multi-national corporations. Many co-operatives have been in existence for several decades; a significant number are more than a century old. In several contexts, co-operatives have shown a capacity to be more resilient than investor-driven firms. They have been able to survive crises of many kinds – the vicissitudes of the market place, bad business decisions, changed contexts, natural disasters – and armed conflict. Typically, they have been able to create pools of social capital upon which to draw in periods of adversity, including, for example, the loyalty and support of members, communities and staffs.

Given this impact, one answer to the question, “why should co-operatives be expected to be concerned about peace?” is that, like all large concentrations of human activity, they have a responsibility to work for it. Even more, the movement's very strength and heritage requires no less than its thoughtful attention to, and considerable effort on behalf of, efforts to create a more peaceful world. The movement has much to offer, even if many of those engaged or interested in it do not immediately see the

opportunities or the responsibility it implies.

### *Co-operation's international potential*

Within our own times, co-operatives collectively offer the possibility of an alternative global network of economic and social power based on democratic practices and a concern for social justice. Increasingly, one sees co-operatives reaching across borders that had once been barriers. The experience of Growmart is particularly noteworthy in this respect as it demonstrates one way in which co-operatives can reach across national boundaries, until recently held to be a restriction on the development of co-operatives internationally. Even more dramatically, co-operatives in Europe, ever since the beginning of the common market, have shown a remarkable capacity to work together, to develop common strategies and, as in the case of Growmart, to unite people with common, specific interests for mutual benefit and community stability.

Insurance co-operatives have developed a significant international network through the efforts of the International Co-operative and Mutual Insurance Federation, with its headquarters near Manchester, England. Successful co-operative insurance organisations, such as those in Sweden, the United Kingdom, Canada, Singapore, and Kenya, have played major roles in helping struggling insurance co-operatives, particularly in the global South. In total, they have built an international network of insurance companies that do business with each other, that bring the benefits of insurance services to an increasing number of people around the world, and frequently to people who otherwise would not have insurance.

Other co-operative sectors, including worker, banking, and housing have made

important efforts to develop, with some success, international projects and co-ordination. Worker co-operatives have become one of the fastest growing co-operative sectors and it is partly because of international activities of CICOPA, the ICA committee concerned with the development of worker co-ops, and the International Labour Organisation.

Proponents of health care co-operatives have been very generous in assisting people in many countries around the world develop this kind of co-operative, which can be owned by either the consumers or the providers of services. They are distinguished by their emphasis on preventative medicine, their commitment to integration of medical practice to best serve the “whole” person, and to the achievement of greater community wellness. Some health co-operatives are particularly concerned with cultural sensitivity; others are especially focussed on specific kinds of diseases, such as HIV/AIDS. In their own ways, they are dealing every day with social tensions and anomie. They are concerned with issues that can threaten social peace.

Several of the larger movements in wealthier parts of the world have developed effective and respected international development projects, all of them to some extent based on member, people-to-people activities, all of them contributing directly, but for the most part indirectly, to creating social peace as they pursue economic development. They have, for example, helped form Fair Trade networks that bring together producers and consumers concerned about exploitive practices that perpetuate poverty and dependency in rural areas.

In balance, while the promise of developing international co-operative links leading to inter-connected, substantial co-operative business activities has not lived up to the



dreams that co-operative pioneers envisioned one hundred and more years ago, there are several examples of where significant progress has been achieved. The potential is limitless.

From the perspective of “peace”, such people-to-people relationships may be the most effective way to transcend differences, to build the kinds of international collaboration that will contribute to more peaceful relationships. There is an alternative to developing an international system based on extreme competition and on the further enrichment of those who already possess a disproportionate amount of the world’s goods. People working together across diversity are arguable as important as the politicians and the generals in building a more peaceful world.

### *The co-operative model – its effectiveness and flexibilities*

The co-operative model is characterized by:

*its commitment to democratic control systems,*

*its reward system based on participation rather than speculative investment,*

*its support for educational activities,*

*its efforts to encourage greater co-operation among co-operatives,*

*its commitment to the provision of high quality services,*

*its contributions to community wellness.*

*its apex organisations, many of the organized on a democratic federated basis,*

*its concern for ethical issues, and*

*its commitment to the “sustainable development of communities”.*

No-one can claim that co-operatives are perfect in reflecting all these attributes any more than one can claim that an individual becomes a saint by joining a co-operative. Co-operatives are human institutions that reflect the shortcomings as well as the admirable qualities of the people associated with them. What is important, though, is that the model requires certain ethical commitments and due process through democratic structures. Moreover, a true co-operative must always strive for inclusive memberships, community responsibility, and member engagement, all of which enhances its capacity to involve people divided by significant differences.

Co-operatives, co-operative movements, and co-operators, are, at their best, also very flexible. They form a “broad church” that accepts many kinds of co-operatives – according to the co-operative leader Alexander Laidlaw in 1979, at least 300 – and more types have appeared subsequently, for example, among young people and in the computing industries. The people involved in them reflect all the great religious and political associations of the globe. They invariably mirror the cultures within which they are situated. Co-operatives, not always but frequently, have been locations for compromise and mutual respect, badly needed qualities in societies torn by differences. It is an obvious reason why they can, directly (or as likely unconsciously) contribute to more peaceful communities.

Nor are co-ops static institutions in how they are governed and managed. While there are norms of organisational forms for the great streams of consumer- and producer-led co-operatives, there are important and valuable experimentations with varying ideas about the best governance and networking systems. Increasingly, one can find

adaptations of “stakeholder” co-operatives around the world, co-operatives that ensure representation on boards and/or committees for groups profoundly affected by the success and practices of given co-operatives: they might include employees, suppliers, and communities. In some rural areas, one can find “New Generation Co-operatives”, which experiment with ways to encourage greater member financial contributions to new co-ops (for example, in the food processing industries). The collection of these funds permit producers to function “farther down the food chain” and undertake economic activities that otherwise would not be open to them. On another front, one can also readily find new kinds of service co-operatives that provide members with health services, technological support or training programmes; they are among the most common new form of co-operatives being established today.

Such innovations are part of a long story. For some 200 years, co-operators have developed variations of central institutions, networks, and informal alliances in order to find ways to meet their needs while serving diverse members and communities. Inuit co-operatives provide their members with a dozen or more services. Wholesales develop banks and insurance companies, lumber mills, and factories. Farmer organisations develop processing plants and cultural centres. Consumer co-ops and credit unions form health co-ops and assist in the development of car co-ops. All kinds of co-ops have developed reading rooms and meeting halls; they have sponsored public meetings, educational activities, and youth camps. Different kinds of co-ops in several countries have created Co-operative Colleges, such as the Co-operative Colleges of the United Kingdom, Moshi, and Malaya, that are innovators in adult education and community mobilisation. Co-ops

in many parts of the world have grouped together to create travel co-ops. The list is endless.

Co-operatives, therefore, can be, often are, very entrepreneurial organisations. The experiences of the British consumer movement and those of the Japanese and Korean agricultural co-operatives as well as the Mondragon co-operatives in the twentieth century are concrete examples of how creative and expansionary large co-operatives can be. In many parts of the world, producers of organic food, particularly for local consumption, readily show the flexibility of small co-operative organisations.

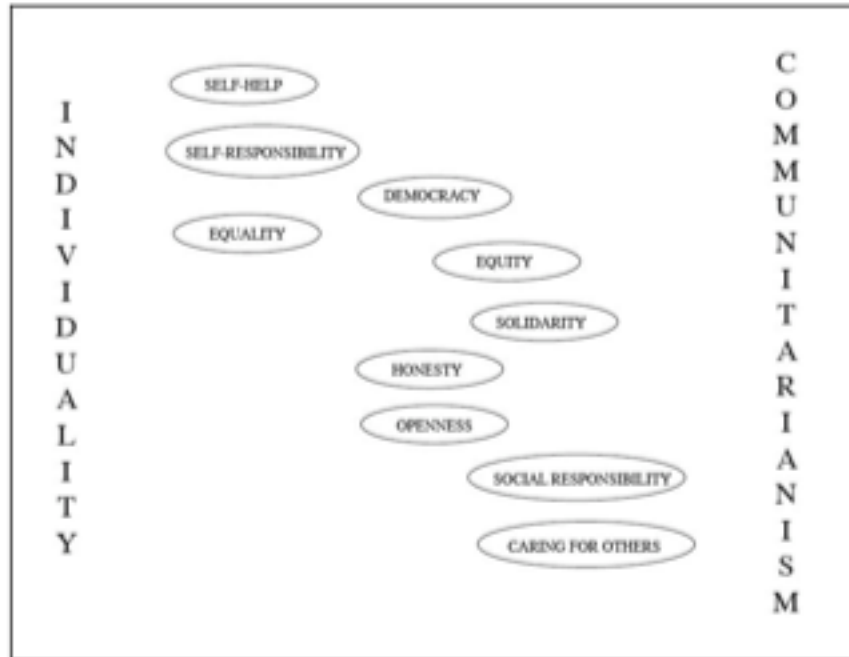
Co-operatives are particularly flexible and entrepreneurial when they listen prudently to their members and respond to their requirements and those of the communities they serve. These are, or should be, evolving, open-ended commitments that invariably mobilize significant stores of social capital and governmental lobbying influence. In doing so, co-operatives commonly show a capacity to reach across political, racial, and religious divides, including in communities and situations characterized by tensions and divisions. They can demonstrate a kind of flexibility that allows them to bring people together who share a common need but otherwise might be very different.

Moreover, co-operators everywhere share experiences associated with the dynamics of their enterprises: for example, relations with members, associations with communities, engagement with other co-ops and relationships with governments. They have common interests in responding to their special and distinctive managerial and governance challenges. Whenever co-operators strive to manage the affairs of their organisations according to the movement's values and principles, they will have much in

common. That, in fact, is a reason why they formed apex organisations, a further example of how they are capable of overcoming differences for the common good. The co-operative model carries within it special characteristics that naturally create the possibilities of people working together locally and collectively regardless of differences.

### *The importance of values*

The co-operative model is based on values that most recently were identified through a long process during the 1990s. An important dimension of those values is the way in which they seek to enhance co-operative individuality (what individuals contribute to, and can gain from, participating in co-operatives) and to further communitarian or collective objectives. This commitment stands in striking contrast to the numerous forms of individualism that have emerged around the world over the last 200 years. It is unique in arguing that people need to create organisations that cater to both individual and community needs; that broker the age-old divide between individual and group or community interest. This dual commitment becomes apparent when one recognizes how co-operatives, through the application of their values, seek institutionally – and through educational efforts – to simultaneously meet individual and community needs. The following chart suggests how these values require co-operators to consider both their own interests within a co-operative framework and the wider values of the communities to which they belong, however they understand them.



As long as co-operatives follow the principles of open membership and membership engagement and live up to the values the movement espouses, they will be agents for collaboration within communities and promoters of “associative intelligence”, the term used in the movement’s early history to refer to the ability – which is learned as much as it is inherited – for people to work together. The importance of this set of dual objectives for contributing to a more peaceful world can not be overestimated. Long ago co-operators realized that selfish isolation was not sustainable; that human beings only reach their full potential within communities. Similarly, they recognized that domination by collectivities that did not encourage the fulfillment of the “democratic life” could easily be coercive and demeaning. Those recognitions can serve well amid people coping with divisiveness.

*Some key questions*

Some of the key questions that are important, therefore, are the following. What kinds of co-operatives can people facing discord and difference visualize as being useful? Do they have the human and financial capital to develop them? How do they overcome or bypass the tensions within their communities? Do they have the special kinds of leadership needed to make possible what they wish to create? Do they have adequate advisory and support services with which to form and stabilize new co-operatives or to transform existing co-ops?

These are the kinds of questions one might ask from the perspective of Co-operative Studies. They are intended to come to terms with the roles and the possibilities of co-operatives existing within divided communities.

The movement has done far more in this kind of work than is commonly recognized and it is time to build a knowledge base concerned with it. No-one expects the movement to be the great harbinger of peace in a world divided by so much, but we can all understand better and develop more effectively what it can do. We can learn from what has been done.

### *A Postscript*

In a forthcoming book, the author, in collaboration with Dr. Yehudah Paz of the Negev Peace Institute in Israel, will try to answer some of the questions raised in the foregoing. It is a task, though, that calls out for collaboration with others. The world outside co-operatives – and, indeed, many who are associated with them – need to see how co-operatives have contributed – and are contributing – to the peace process.

We are particularly interested in demonstrating in concrete ways how co-operatives have brought people together in communities; how they have encouraged people from different

religious, ethnic, cultural and political origins to work together. We intend to have a number of sidebars (hopefully each with a picture) demonstrating this kind of contribution at the local level. We welcome other researchers to contribute possibilities for these sidebars. We would need to have a 150-200 word description of an example that is striking in your mind and, if possible, a picture.

We will also have room for larger “case studies” of up to 1,500 words, also with pictures if possible.

You would, of course, be acknowledged as the author and/or as the source for any information we use in our book. We would need to have your submission by October 15, 2010.

Please send your suggestion or suggestions to Ian MacPherson at [cluny1@uvic.ca](mailto:cluny1@uvic.ca)

If you would like to have a longer case study considered, we would be delighted to read it. We would ask that it be more than 1,000 words but not longer than 1,500 words. We want you to prepare it using your own words and approach. The case study might be in a war-torn area or in a generally peaceful place but one where there are significant tensions between two or more groups – because of, for example, poverty, race, religion, and ideology. Some of the most notable successes in bridging differences are not known simply because they have helped diminish tensions before they erupted into serious outbursts of civil discord or violence and we would particularly welcome examples of where you think this has occurred. You might also be interested in writing about co-operatives that failed to keep the peace or could not contribute to doing so; we can learn from them as well. Mostly, however, we expect that the case studies will discuss co-operatives coping amid tensions and contributing to inclusion and peace.

How you write your case study is your choice. We welcome diversity in approach and writing style. Above all, we want this book to be interesting to a wide range of people. We would ask, however, that you include the following information for the co-operative you discuss, even if you concentrate on a specific, apparently limited aspect of it..

- enough of the social and economic context so that your co-operative’s role will be understood;

- information about the co-operative’s starting date, original purposes, and a brief description of its full history;

- a discussion of the tensions with which the co-operative has had to contend; and
- a description of how the co-operative has contributed to the lessening of tensions within its memberships and/or its communities.

We also offer the following issues to think about – if they apply. Do not feel you need address them all, and it is possible that none of them really apply to what you wish to report on.

- what are the techniques the co-operative used to address divisions;



what was (is) the role of leadership  
are there special qualities of leadership that were (are) especially important when  
dealing with a divided membership/community?  
the role/attitude of governments;  
the role/attitude of other co-operatives?  
the role/attitude of other civil society leaders and organisations  
relationships with police or the military, with peacekeepers and international  
organisations.

If you prepare a case study of this type, we hope it will encourage you to keep thinking about and researching this kind of topic. There is much work to be done and more of us should be doing it! Please think about expanding it into a longer paper if it makes sense to do so.

Yehudah Paz and Ian MacPherson