

Berlin, Humboldt-Universität zu Berlin, March 27, 2012

Press release on the conference

“Cooperative Responses to Global Challenges”

Humboldt-Universität zu Berlin, March 21-23, 2012

LEADING ACADEMICS AND EXPERTS FROM THE UNITED NATIONS AND THE WORLD BANK DISCUSSED DESIGN PRINCIPLES FOR A BETTER ECONOMIC SYSTEM

March, 21-23, 2012, Berlin-Germany: A three-day conference in Berlin brought together leading academics and decision makers from the United Nations and the World Bank.

With 239 participants from 56 nations, the conference “Cooperative Responses to Global Challenges” has been the largest scientific event contributing to the United Nation’s ongoing “International Year of Co-operatives 2012” so far.

In 26 parallel workshops and plenum sessions, participants discussed research results on the responses of various types of co-operatives to global challenges. Studies dealt with the roles of co-operatives in areas such as stabilization of the economy during financial crises, provision of food security, inclusion of women, democratic governance, alleviation of poverty, energy reform, climate change demographic changes and rapid megacity development.

In his welcome speech, conference chair **Prof. Markus Hanisch** of Humboldt Universities’ Division of Cooperative Sciences described the cooperative idea as a globally spread concept for “*economic interaction guided by socially desirable principles*”. He recommended viewing the cooperative idea as a design principle for the organization of a fairer, and therewith better, economic system.

Re-thinking how societies should be organized, keynote speaker **Dr. Jomo Kwame Sundaram**, the United Nations Assistant Secretary General for Economic Development, explained the important role of cooperatives for the balance between market and community. At the same time, he gave examples from Europe and the US concerning how governments in economic crisis have successfully enacted laws enabling cooperative growth contributing to economic recovery.

Given their global importance, he urged the academic community to put cooperatives high on the agenda of research and business school curricula. The UN's envisaged Plan of Action for the time beyond the International Year of Cooperatives calls for promotion of research and development of information databases on cooperatives. The biggest challenge for this continues to be lack of funding. Dr. Jomo claimed that *"renewed collaborative funding efforts among stakeholders should be a priority in the International Year of Cooperatives"*.

Finally, Dr. Jomo mentioned known limits to cooperative growth and development related to cooperative principles like equity, solidarity and collectivity: *"We need to find solutions to enable cooperatives to fund growth and investments without sacrificing core principles"*. He advocated *"the formation of a Global Cooperative Development Bank [...] perhaps in consultation and coordination with the UN, member states, and other stakeholders"*. The model and conduct of this bank he suggested *"to be guided by cooperative values and principles, so that the incentives for cooperatives to truly remain cooperatives persist, even as they obtain expanded funding"*.

The second keynote on "Rural Producer Organizations in the 21st Century" was held by

Dr. Marie-Hélène Collion, who presently holds the position of Lead Agriculturist at the World Bank and has been involved with rural producer cooperatives for most of her career as a practitioner.

Dr. Collion stressed that many organizational forms of cooperation do not fall under the various types of cooperative laws, though they include the principles of the International Cooperative Alliance (ICA). She highlighted the many legacies for cooperatives connected to colonial rule and liberalization policies of the past. The focus of World Bank funding activities vis-a-vis these organizations lies on projects targeting market access for small holders, management of natural resources (forests, fisheries, rangelands, water for irrigation), agricultural innovations and poverty reduction. One out of five development projects in these areas involve producer organizations. Between 2004 and 2010, the Bank funded projects working with producer organizations for 3.4 Billion USD. With examples from all over the world, Dr Collion highlighted the important roles of cooperatives for income generation, market

and credit access, and the inclusion of women. In her conclusions, she mentioned the main lessons to be drawn from the World Bank's experience: Successful cooperatives offer professional management, quality services to members and develop best in a favorable legal and regulatory environment with no or limited political interference. She suggested cooperatives of the North to invest in agencies to support their partner producer organizations of the South, mentioning successful examples such as the initiatives of AGRICORD, ACDI VOCA and CLUSA. The academic community she advised to conduct a more rigorous impact analysis of Producer Organizations based on the harmonization of available data on cooperatives at the international level.

Another highlight of the conference was the plenum speech of the world renowned **Prof. Michael Cook**, from Missouri Universities' Graduate Institute of Cooperative Leadership (GICL). Prof. Cook provided an overview of 100 years of academic output in peer reviewed journals, eloquently explaining the different strands of cooperative theory and how they have been discussed in the most respected journals around the globe. He demonstrated how, in the process of scientific knowledge generation, over one hundred years the focus of academic attention has, stepwise, moved from a more comparative perspective between cooperatives and other types of firms towards one that is more concerned with the internal mechanisms of governance operating within cooperatives themselves. He elucidated remarkable differences between theoretical debates in Europe and the US and related them to differing historical experiences and cooperative structures, commenting on how well published knowledge has informed domestic policy makers, development agencies, cooperative principals, cooperative agents, and finally cooperative members themselves.

In the results podium chaired by **Prof. Hanisch (Germany)**, distinguished international experts from the World Bank, the United Nations, Humboldt University (Germany), the European Research Institute for Social and Cooperative Enterprises (Italy), Philipps-Universität Marburg (Germany), Missouri University (USA) and Erasmus University (the Netherlands) summarized the most important findings of the conference. In addition, a number of experts expressed their views on possible future research agendas in the Cooperative Sciences, beyond the International Year of Cooperatives,

and on necessary steps towards generating an enabling environment for cooperative development.

Prof. Hendrikse (the Netherlands) said that “the conference has shown that some formerly perceived disadvantages of cooperatives as governance structures [have] nowadays become advantages”. He recommended adopting a more scientific approach to cooperatives instead of following ideologies and simple best practice rules.

In a similar vein, **Prof. Hagedorn (Germany)** suggested acknowledging the rich diversity in cooperative organizations that the conference has impressively described and incorporating it into modern research designs. He warmly welcomed the presence of many young researchers at the conference and urged the research community and funding organizations to develop more incentives for creating attractive academic careers for young researchers in the research area of the Cooperative Sciences.

Prof. Cook (USA) expressed his optimism about the future development of the research discipline, stressing the importance of harmonizing to some extent research questions and methodology. He advised the participants of the conference on the importance of differentiating in research on cooperatives between existing entities and emerging collective action.

Prof. Borzaga (Italy) compared the Berlin conference with a previous research conference in Venice: both of which, he found, had provided new empirical evidence of the unprecedented impact of cooperatives. He expressed his opinion that cooperatives and their federations lose money by seeking advice from business consultancies having little knowledge on the cooperative model of organization. Based on the background of such findings, he advocated better linking of international research centers on cooperatives, pooling forces and creating more effective think tanks.

Ms. Felice Llamas (United Nations) concluded that the conference had importantly contributed towards achieving the goals of the International Year of Cooperatives 2012. Important insights to be considered for the UN’s Plan of Action were generated particularly during the conference’s rich debates on law effectiveness and regulations. Harmonization of the international knowledge base on cooperatives and work on increasing

worldwide data availability about them she considered to be important steps for future research. Ms. Llamas also recommended extending the already long list of important research topics to include cooperative responses to the challenges of youth unemployment.

Dr. Marie-Helen Collion (World Bank) found that “the cooperative researchers and practitioners seem not to have realized their own importance in promoting cooperatives as rural-urban institutions of the poor, just as the World Bank has not sufficiently acknowledged the importance of the co-operative sector for investing in peoples' capacities. Donors want quick solutions, but apparently they have to learn that investment in people's capacities doesn't produce quick results”. With regard to development aid, she warned donors not to instrumentalize cooperatives for their own agendas.

Prof. Münkner (Germany) reminded the research community about the transient nature of International Years and about the fact that the challenge of poverty is often the result of rapid changes in which the poor's knowledge of how to cope may get lost. Cooperatives have to be aware of their roles in capacity building and knowledge generation. He thanked the keynote speakers for their clearly expressed vision on “How to walk the talk” and what to do in the future. He suggested extending research collaboration to the European level, for example via the creation of a European Research Association on Cooperatives.

The three-day event at Humboldt University in Berlin comprised over 100 paper, poster and best-practice presentations, including the “Oikocredit Best Paper Award for Young Researcher”. It was sponsored by the DZ-BANK-Stiftung in collaboration with the Genossenschaftsstiftung.

A partner event at the headquarters of the German Cooperative and Raiffeisen Confederation, cooperative museum exhibitions and, on the first day, a very well attended roadshow on best practice cooperatives from Germany rounded out the program.

The event was co-organized by The Focal Point on Cooperatives of The United Nations Department of Economic and Social Affairs (**Felice Llamas**).

(PR-Humboldt University/Division of Cooperative Sciences/Berlin Institute for Cooperative Studies)

Check Homepage for upcoming video shots and photo series on the event!