
EXPLORING THE CO-OPERATIVE ECONOMY AND ITS SOCIAL IMPACT

探讨合作经济及其社会影响

ANDREW SO 苏国荣

In the search for a new paradigm to respond to the changing situation in our world caused by the Covid-19 Pandemic and to marshal the resources for constructing it, we need to study and highlight the importance of the co-operative sector and its impact around the world. A cooperative starts with a need and an idea. It has been a different way of doing business. Some would even say it is a better way of doing business. It is a democratic form of business, organized, owned and controlled by its members; with all members having an equal say in how the organization is run to promote their mutual economic interest. There are many types of cooperatives, e.g. marketing, consumer, producers, financial, energy, housing, service and workers cooperatives. The cooperative model is often called “one solution to numerous problems”. The Cooperative Movement with 3 million cooperatives accounts for at least 12% of humanity. The top 300 cooperatives generate 2.1 trillion USD in turn over. Cooperatives employ 280 million people constituting 10% of the world’s employed population.

For the sake of brevity, the following three key ideas with facts and experience support them are drawn from credit unions in Asia. A credit union is a basic financial cooperative. There are 32,742 self-sufficient financial cooperatives in 23 Asian countries and areas with 40.1 million individual members to which 13 million low-income and disadvantaged people gain access to affordable and sustainable financial services. Members themselves owned and managed USD 422 billion for the purpose of helping themselves to improve lives. 300,000 volunteers willingly make personal sacrifice in favor of their communities. They created decent employments and opportunity for young people to create significance for others through their work. Their apex organization, through their respective federations, is the Asian Confederation of Credit Unions (ACCU) whose governance and core expenditures are 100% self-sufficient.

First Key Idea: Cooperation

Any model of economics requires cooperation--the act of working together--and so does responding to the current unprecedented crisis with resilience. The dawn of the human story teaches that instead of brutality, cooperation and pulling together is the best road towards security. Social cooperation is the older type. The practice of mutual helpfulness has always been deeply engraved in the consciousness of the people. Social cooperation makes for a strong feeling of harmoniously belonging together. But it is not sufficient in today's money and commerce economy. To social cooperation there must be joined economic cooperation so that mutual help will not be merely occasional or sporadic but continuous. The purpose of economic cooperation is to improve the lot of the economically weak by means of their working together. A cooperative is the tool through which economic cooperation can be practiced and people can effectively work together in the different fields of economic

activities. The business model of cooperatives creates not only greater economic and social sustainability but also environmental protection, as proven by the many types of cooperatives such as energy and producers' cooperatives.

Second Key Idea: The Common Good

People joined by a deep belief in a good cause can rise to great tasks. This is a lesson human history has taught many times. "All for one and each for all" should be the motto of economic endeavours. Cooperatives are a business model that puts people at the heart of economic decision-making and brings a greater sense of the common good. ACCU and its members agreed to cooperatively contribute to the achievements of the United Nations' 17 Sustainable Development Goals (SDGs). The 8 goals embraced by the ACCU, with strategies and indicators to be tracked are: 1. End poverty in all its forms; 2. End hunger, achieve food security and improve nutrition and promote sustainable agriculture; 3. Ensure healthy lives and promote well-being for all ages; 4. Ensure inclusive and equitable quality education and promote life-long learning opportunities for all; 5. Achieve gender equality and empower women and girls; 6. Ensure availability and sustainable management of water and sanitation for all; 7. Ensure access to affordable, reliable, sustainable and modern energy for all; and 8. Promote sustained inclusive and sustainable economic growth, full and productive employment, and decent work for all.

Third Key Idea: Good Governance

Credit unions and cooperatives must meet or exceed international standards for safety and soundness as well as industry standards. Good governance consists of three types, which are:

External - Transparency, Compliance and Public Accountability;

Internal - Structure, Continuity, Balance and Accountability;

Individual - Integrity, Competence and Commitment.

Here is a classic statement of the goals of the Cooperative Movement:

I Am Your Credit Union

- I was born of human desperation, reared in the household of need and dwelt amidst the little people of our time.
- I have experienced war, famine, diseases, famine, misery and greed: daily I endure indifference and human selfishness.
- I am clear of vision, firm of purpose and strong of heart and hand. Despite those who would misuse me, I press forward to serve and to save those who need me.
- I am democratic in organization and cooperative in action; obedient to the majority voice of you, my members, in all I do. I am, therefore, exactly what you make of me: poor weak and inefficient if you are disinterested; but strong, virile and helpful if properly you use me.
- I am an ever-present helper in the hour of your greatest financial need and I rejoice at your happiness. (Pursell, 1963, p.12)



ANDREW SO, Co-founder of the Asian Confederation of Credit Unions (ACCU), and former Ombudsman of Hong Kong

REFERENCES 参考资料

- Pursell, A., (1963) "I am your Credit Union". *News and Views: Official Publication of the Oklahoma Department of Public Welfare*, Vol 9, No 1. Accessed online at <https://www.digitalprairie.ok.gov/digital/collection/okresources/id/78352/rec/1>
- Statistics retrieved from the Website of the Asian Confederation of Credit Unions: www.accu.coop