



Editorial

## Challenges and opportunities of cooperativism 180 years after its emergence



### Desafíos y oportunidades del cooperativismo a 180 años de su surgimiento

### Desafios e oportunidades para as cooperativas 180 anos após seu surgimento

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**E**ven though there coexisted dissimilar cooperative initiatives prior to this date, on December 21, 1844, the first worldwide known cooperative was constituted in Manchester, England, as a result of the initiative of the Rochdale Pioneers, who in their project, as a response to the social problems of the time, synthesized in practice the theoretical thought that preceded it, established the guidelines to be followed by the cooperative organizations recognized at international level as the basis of cooperativism. They became the cooperative principles in their first formulation and application as the most genuine expression of their identity.

The objective premises that put an end to the beginning of modern cooperation are linked to the changes that arose in the capitalist society under the aegis of the industrial revolution which, despite the development of the productive forces, generated new contradictions inherent to the capitalist system. According to Aguilar Rubio and Vargas Vasserot (2024), cooperativism faced these conflicts through association, which managed to improve the welfare of its members, stimulate participation as an axis for its democratic functioning and conceive reciprocity as a way to overcome adversity and gain access to goods and services elementary for a dignified existence.

In order to consolidate this collective bet, the Rochdale Pioneers took as a basis the ideology of the precursors of cooperativism, who, despite their limitations, planted the rational seed for the further development of the organizations and the platform for what constitutes the contemporary theory of cooperativism. This movement, which emerged in the challenging context of the time, proved to be an innovative response to the precarious conditions faced by the working class.

One hundred eighty years after its emergence, it is only fair to recognize the transcendence of a movement that emerges as an alternative to the challenges facing humanity today. The contemporary relevance of cooperativism stands out even more in view of the global challenges outlined in the 2030 Agenda of the United Nations Organization, whose objectives focus on the issues of social and economic development, emphasizing the fight against poverty, hunger, health, education, gender equality, sanitation, renewable energy sources, environment and social justice. Cooperatives possess the competencies to contribute significantly to the promotion of a more harmonious world through cooperation as an essential principle. In addition, the collective and solidarity-based nature of these entities gives them an outstanding role in the fulfillment of the Sustainable Development Goals in the world.

Currently, according to Bastidas Delgado (2021), cooperatives are one of the most important forms of organization for the production of goods and services with a high potential for social inclusion; their capacity to generate income and employment essentially favors the most vulnerable sectors (not only their members).

Thus, it is emphasized that the cooperative management model, based on values and principles, concentrates the fundamental postulates that make it possible to build the cooperative identity of the company. Gambasica Esquivel et al. (2024) emphasize that the cooperative identity has been built on premises that challenge the traditional way of building and thinking about a company. Its humanistic values have been the key to give shape and essence to a collective, effective and coherent project. This represents a countercurrent dynamic that demonstrates concrete results in terms of the capacity to offer alternatives from society to its own needs.

The theoretical approach to the socio-economic essence of the cooperative has insisted on the need to make changes in the universally approved principles, adjusting them to current conditions, to which Aguilar Rubio and Vargas Vasserot (2024) point out that the deepening of the cooperative identity should not come by way of a reform of the cooperative principles, but through a correct

interpretation of them at the present time that take into consideration its adequate application in a world that experiences fast changes and state challenges constantly renewed, the appropriate response with modifications of the principles is not the solution, but a prudent interpretation of them that sifts the variable and ensures the permanence of what is to endure, giving them their full meaning and scope for their correct application.

In this regard, the International Cooperative Alliance (ICA), an organization founded in 1895 to represent cooperatives worldwide in order to promote the cooperative model, has evaluated the definition of cooperatives declared in 1995, emphasizing that they are people-centered enterprises owned and democratically managed by their members to respond to their common socio-economic needs and aspirations. As enterprises based on values and principles, they prioritize justice and equality and enable people to create sustainable enterprises that generate jobs and long-term prosperity. Managed by producers, users or workers, cooperatives are run according to the "one member, one vote" rule (ICA, 2024).

Cooperatives exercise self-management, participation, permanent communication in pursuit of the integral development of the people that compose it based on a shared project, definition of organizational values, through their strategic, tactical and operative planning. Likewise, it promotes the application of business management approaches related to customer orientation, process management, innovation, development of strategic alliances and involvement with the environment, seeking to obtain socio-business results oriented to the satisfaction of all stakeholders related to the cooperative.

Since their emergence, they have emerged as proposals aimed at changing the gaps and inequalities that have arisen in capitalist society, following this course, there are socioeconomic projects with different logics for their realization, which seek to combine the relationship between the economic and the social, having in common one aspect: the association of its members, which continues to be the route of the cooperative ecosystem today.

Thus, the vision of the cooperative as a subsistence phenomenon, as a marginal enterprise, has been overcome; they adopt a long-term vision with a view to sustainable economic growth as a basis for social development and environmental responsibility. According to data from the International Cooperative Alliance, more than 12% of the world's population are cooperative members out of the 3 million cooperatives that exist in the world, the 300 most important cooperative and mutual

enterprises have a turnover of 2.4 trillion dollars and provide employment to 10% of the employed population (ICA, 2024).

On the other hand, the contributions to sustainable development have to do with fundamental issues linked to their concrete contribution to socio-economic development, so, in Korea, agricultural cooperatives bring together more than 2 million rural producers (90% of the total) and have an annual turnover of more than US\$ 11 billion; Korean fishing cooperatives have a market share of 71%. In Japan, 91% of agricultural producers are members of cooperatives, which together have an annual turnover of more than US\$ 90 billion; in Kenya, they have a 45% share of the country's GDP and manage 31% of the country's deposits and savings. In addition, they produce 70 % of coffee, 76 % of dairy products and 95 % of cotton.

In Slovenia, cooperatives are engaged in 72 % of milk production, 79 % of livestock production, 45 % of wheat production and 77 % of potato production; in Finland, cooperatives are responsible for the production of 74 % of food, 96 % of dairy, 50 % of egg production; in Norway, cooperatives produce 99% of milk and milk products, consumer cooperatives handle 25% of the market, fishing cooperatives are responsible for 8.7% of national exports and forestry cooperatives have a 76% share of the sector; in Poland, cooperatives produce 75 % of the milk and dairy products.

U.S. agricultural cooperatives have a 28% share in the processing and marketing of agricultural production. In addition, in this country, rural electric cooperatives serve more than 42 million users, which represents 42% of the electric lines in the American Union. In Brazil, these cooperatives are responsible for 37.2 % of agricultural GDP and 5.4 % of overall GDP; in Uruguay, cooperatives are responsible for 3 % of GDP. They produce 90 % of milk, 34 % of honey and 30 % of wheat; in Colombia, 3.6 % of GDP is contributed by cooperatives (Camacho Bercherlt et al., 2023).

In Cuba, cooperativism has developed essentially in the agricultural sector, however, betting on the potential that the sector can provide, since 2012 cooperatives have been created in different sectors of the economy. Today there are 5 156 cooperatives, according to data from the National Statistics and Information Office of October 2023 (Onei, 2024). Of these, 2 431 are Credit and Service Cooperatives, 846 Agricultural Production Cooperatives, 1 406 Basic Cooperative Production Units and 473 Non-Agricultural Cooperatives. About 80% of the agricultural production is carried out in cooperatives and the entities in other sectors of the economy are responsible, to a considerable

extent, for important sectors such as construction, gastronomic services, mini-industry, among others.

The contribution of the cooperative movement, according to Gambasica Esquivel et al. (2024), deserves to be highlighted not only through macroeconomic analysis or figures, but also by highlighting significant experiences that allow replicating or broadening the spectrum of the country's offer and that the need to dialogue also with real and daily experiences that allow an approach to their processes and results becomes important for the cooperative movement and for the academy.

It is noted that, despite the importance of providing statistical elements that enhance the sector's strategic decisions, it is crucial to contextualize the challenges that are currently still present in the cooperative management process, in its projection to different levels of society. Among other elements, it is emphasized that:

- It is urgent to achieve the consolidation of a socioeconomic movement with its own identity and institutionalization that will tend to increase inter-cooperation among cooperatives, between cooperatives and communities and with local governments.
- As a way of implementing one of the guiding principles of the organizations, cooperative education, it is pertinent to consolidate a training strategy, program design, and projects consistent with the sector.
- Efforts and actions must be directed to involve cooperatives, together with the rest of the economic actors of society, in the planning of the economy from the territories, which presupposes that it is done based on the needs of the community, its inclusion in the National Economy Plan in the different nations.
- Even when figures are presented by different organizations and institutions, most countries lack a national information system that would make it possible to visualize the role of cooperatives, their contribution to the national and global GDP, their dynamics in terms of members, number of enterprises, most outstanding sectors, which will serve as a basis for the work of academia, as an element for decision making and as evidence of their role in the pursuit of sustainable development.
- It is necessary to overcome the stereotypes that affect gender equity, particularly in agricultural cooperatives, because the situation is still unfavorable for women.

- It is essential to foster a constructive and interactive dialogue between public authorities and cooperative members in support of broader diversification through the healthy growth of cooperative enterprises at all levels of the economy, through territorial policies.
- The resizing of the relationship between the State and cooperatives, in terms of registration or legal recognition, supervision, control, development and promotion of cooperatives, continues to be insufficient.
- It is necessary to highlight the need to establish a gender perspective in the cooperative world and to mainstream it in all cooperative activities.
- Through integrated community work strategies, the credibility and trust of the cooperatives in the community must be strengthened.
- The management process, in line with its peculiarities, must consolidate leadership with vision and future projection.
- The cooperative is the appropriate means to encourage economic development initiatives, based on productive linkages, diversification of production and services, greater productivity for the sake of higher levels of efficiency and effectiveness.
- The cooperative enterprise must contribute to the consolidation of the municipality as a decisive link for food self-sustainability, a vital aspect at the present time, reinforcing its place in the territory where multiple socio-economic relations take place.
- Cooperatives will continue to strengthen their role as a consequence of local development and promoters of a collective identity, a driver of development and social responsibility.

Despite the challenges facing the cooperative movement today, in the years that have passed it has demonstrated its potential; the 2030 agenda and the 17 sustainable development goals have raised questions about how these could be achieved, cooperativism emerges as a way that contributes greatly to these results, demonstrated in a period of strength of the cooperative model, which has been maintained over the years, as a clear sign of its importance and contribution around the world.

The commemoration of the 180th anniversary of cooperativism worldwide is joined by the recent resolution of the United Nations Organization declaring 2025 as the International Year of Cooperatives (UN, 2024), urging the different organizations to outline strategies for the celebration of this event. We trust that these actions will serve as a catalyst for dialogue between all economic actors with cooperativism now and in the years to come.

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