

P6 & Cross-Border Co-op Business: Some Basic Questions

Darryl Reed
York University

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Outline

- 1. How do corporations (IOFs) internationalize?**
- 2. Are co-operative firms different?**
- 3. Why is it important for co-ops to internationalize?**
- 4. What role(s) can co-operative internationalization play in the global economy?**
- 5. What business strategies are required?**
- 6. What other co-operatives activities are important?**

1. Forms of Internationalization?

• Modes of internationalization (Corporations)

Market	Partnerships	Hierarchy
<ul style="list-style-type: none"> • Importing/exporting • Knowledge agreement (licensing) 	<ul style="list-style-type: none"> • Joint ventures • Strategic alliances 	<ul style="list-style-type: none"> • Wholly-owned subsidiaries • Transnational firms

• Links to Competitive Strategies

Modes Strategy	Market	Partnership	Hierarchy
Cost	<ul style="list-style-type: none"> • import (materials, components) 	<ul style="list-style-type: none"> • joint ventures (produce abroad) 	<ul style="list-style-type: none"> • subsidiaries (produce abroad)
Product Development	<ul style="list-style-type: none"> • licensing (technology) 	<ul style="list-style-type: none"> • R&D alliances • research partnership 	<ul style="list-style-type: none"> • wholly-owned R&D units
Marketing	<ul style="list-style-type: none"> • marketing agreements • exporting (distrib) 	<ul style="list-style-type: none"> • JVs/alliances for branding/distribution 	<ul style="list-style-type: none"> • wholly-owned distribution units

2. Do Co-ops do it differently?

- **Do co-operatives use the same modes of internationalization?**
- **Do they favour other co-operatives?**
- **Do they generate different impacts?**
- **Do they act in accord with co-operative principles?**

3. Importance of cross-border business?

- **Narrow answer**

- Push factors – necessary for some co-ops to survive
- Pull factors – enables co-ops to grow (sales, members, etc)

- **Broad answer**

- “neo-liberal” globalization → negative impacts
 - **Economic** – global oligopolies with hyper-competitive small business sectors → ↑ precarious work, ↓ wages, ↓ rights, etc.
 - **Social** – ↑ (working) poor, (mental) health issues, (dom.) violence
 - **Cultural** – consumer society → loss of languages/cultures/meaning
 - **Political** – state capture → loss of policy autonomy/state revenue
 - **Environmental** – environmental degradation (land, air, water), climate change → loss of species/habitat loss/ecosystems, ???

→ Cross-border co-operative business must be a key component in addressing these problems

4. What is the role of cross-border co-op business?

- **Primary function** – challenges power of oligopolies by introducing competition and a more desirable business model
- **Specific impacts** that this can generate:
 - ↓ monopoly profits, ↓ corporate political influence
 - ↑ policy autonomy, democratic process/institutions
 - ↑ increase wages/income/services to workers/members
 - ↑ autonomy/quality of life for local communities
- The **ability of co-operatives** to play this role depends upon their ability to compete across a full range of economic sectors (not just their conventional areas)

5. What strategies are necessary?

1. Innovation in Co-operatives

- adopting/adapting new technology
- developing new organizational forms
 - platform co-operatives, co-operative franchising, etc.
- innovation in financing

2. P6 - Co-operation among co-operatives businesses

- ↑ commitment to purchasing policies/co-op value chains
- education/learning/sharing along supply chains, x-sector
- strategic planning/partnerships

3. Co-op Development/Collective Entrepreneurship

- support for new co-operatives (especially in new sectors)
- new forms of support (co-op think tanks, ent. programs)

6. Other necessary forms of support?

4. Co-op solutions for missing states

- Social programs
- Educational and training programs
- Employment programs for vulnerable populations

5. Supporting non-state regulation (critically/strategically)

- Labour and human rights, environmental standards, fair trade, etc.

6. Co-operating with non-co-operatives

- Working with organized labour
- Participating in networks, alliances, social movements
 - local and organic businesses, environmental movements, peasant movements, agricultural movement, etc.

6. Other necessary forms of support?

7. **Reinterpreting the co-op principles** (for a global economy and a “global village”)
- P1 → membership, not only open but truly accessible
 - P2 → extending/deepening democratic control
 - P3 → overcoming hurdles to enable economic participation possible for all
 - P4 → not only co-op autonomy, but help states remain autonomous (a vibrant civil society, econ alternatives)
 - P5 → injecting co-op education into formal education
 - P6 → strategic co-op across sectors, foundations, etc.
 - P7 → a global economy is making a global village, we must be concerned for all (and the world that sustains us all)

must



**“Co-operatives build
a better World!”**