

A Draft of the Co-operative Charter

1. Preamble

While the economic and societal globalization takes place, co-operatives play an increasingly important role contributing to the stability of people's daily lives and the vitality of local communities through facilitating mutual assistance based on communities during the recent financial and economic crisis and large-scale natural disasters.

In order to describe the fundamental philosophies that will enable further development of the entire co-operative movement and in order to request governments to clarify the basic principles and guidelines of comprehensive co-operative policies addressed to the entire co-operative movement on the occasion of the 2012 International Year of Co-operatives, we hereby propose a draft of the Co-operative Charter s.

As a result of the Great East Japan Earthquake on March 11th 2011 and the nuclear reactor's accidents that followed, we are forced to make a fundamental review on the conventional policies now in place regarding national land development, energy production and consumption, local economic development, and community building.

Following this earthquake, a large number of co-operatives have extended proactive assistances to survivors by utilizing co-operative networks that had been established while the Government was slow to provide public support. Besides co-operatives, a huge outpouring of citizens' emergency support to disaster-hit areas was witnessed across Japan, which drew further attention to the importance of mutual help and co-operation. There is a growing recognition in society that mutual help among people is essential for social stability in addition to self-help and public assistance.

It is indispensable to develop co-operatives as mutual help organizations for strengthening a bond of mutual assistance among people, turning a society of isolated people into the one based on friendship and solidarity, bringing vitality to local communities impoverished with marginalization, depopulation and unstable employment, while addressing the issues of food, environment and energy, and thus paving the way for a truly sustainable society.

also It holds true for the rest of the world. The world faces crises, suffering from an

economic downturn, a widening gap between the rich and the poor, environmental pollution, energy problems, exploding population in many developing countries and low birthrate combined with aging population in developed countries, and frequent natural disasters including earthquakes, tsunamis, and volcanic eruptions. Above all, economic globalization based on neo-liberalism, which started in the 1980's and gained momentum in the 1990's, has increased global poverty and income disparity.

On the other hand, as many countries make progress in democratization, citizens as sovereigns are exercising initiatives to shape their societies. Along with the development of civil societies, there is a growing expectation across the globe to co-operatives as a business model which promotes citizen's co-operation.

Given the global financial and economic crisis, and in an international trend where a great number of people express their concern over market excesses, the United Nations adopted a resolution proclaiming the year 2012 the UN International Year of Co-operatives in December, 2009. This resolution recognizes both the on-going contribution and future potential of co-operatives to promote economic and social development and encourages all Member States and other relevant stakeholders to take advantage of the 2012 International Year of Co-operatives as a way of promoting co-operatives and raising awareness of their contribution to socio-economic development, and urges all governments to take appropriate measures to further promote co-operatives.

It is imperative for Japanese co-operatives and the Government to respond to this request from the United Nations. Co-operatives should make their own efforts for the further development of their movement. The Government should improve the institutional frameworks necessary to facilitate the development of co-operatives.

2. Fundamental Philosophies

Modern co-operatives originated in Europe as a result of voluntary co-operation among people such as laborers, farmers, fishermen, small businesses, and consumers, seeking to protect their livelihoods threatened as result of the major economic changes occurring in the industrial revolution in the 19th century.

“A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned

and democratically-controlled enterprise” (*Statement on the Co-operative Identity*).

Co-operatives play a key role in national economy as not-for-profit organizations based upon a philosophy of mutual help. They therefore share common philosophy of mutual help and co-operation among members. Co-operative fundamental ideal is crystallized in a motto “each for all, all for each”. “Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others”. (*Statement on the Co-operative Identity*)

Co-operatives have been working diligently to improve the status of economically vulnerable people in search for economic equity. At the same time, they have also taken on a role as a school of democracy by developing a participatory system in which members take part in investing, patronizing and decision-making. In addition, co-operative development is expected to create “decent work”.

This Co-operative fundamental philosophy has spread to all regions across the globe. Today the International Co-operative Alliance is one of the world largest non-governmental organizations covering 92 countries with approximately one billion individual members.

Japan has one of the leading co-operatives with a total of 80.26 million members and approximately 640,000 employees,. These co-operatives operate mainly in industries such as agriculture, forestry, fisheries, commerce, manufacturing, finance, insurance, and in consumer livelihood. In recent years, their activities are not limited to mutual interest among their members but extend to the public interest in areas that cover a whole range of issues at the local community level including health care, elderly and child care, job creation, and the delivery of daily necessities to people living in food deserts.

Traditionally, the government sector was expected to provide public goods and services in society at large. However, after the Great Hanshin Earthquake (1995), the importance of social activities of civil society organizations, including non-profit organizations, started to draw more and more attention. In order for co-operatives to play a more important role in these activities, it is essential to strengthen co-operation among co-operatives, collaborate with local organizations including NPOs and local

governments.

3. Basic Principles in Government's Co-operatives Policies

National and local governments (hereafter called "governments") play an important role in supporting co-operatives which contribute to the socio-economic development. When governments elaborate their co-operative policies, they should respect the following principles, taking into account the aforementioned fundamental ideals.

(1) Respect the Co-operative Values and Principles

Keeping in mind the United Nations Guidelines aimed at creating a supportive environment for the development of co-operatives (2001) and the ILO Recommendation on the Promotion of Co-operatives (2002), governments should respect co-operative values and principles articulated in the ICA's Statement on the Co-operative Identity (1995). When applying policies to co-operatives, governments should take special care of the characteristics of co-operatives which are in-line with co-operative values and principles.

(2) Respect the Freedom of Association

The co-operative system is open to any citizen. Governments should respect the citizen's freedom to establish co-operatives.

(3) Respect the Autonomy and Independence of Co-operatives

Governments should encourage co-operatives to proactively ensure and maintain their autonomy and independence, and should develop an equal and effective partnership with co-operatives.

(4) Give Weight to Co-operative Contribution Towards the Sustainable Community Development

Governments should appreciate the fact that co-operatives aim to contribute to the sustainable development of communities. For example, co-operatives should be positioned as important entities in the post-earthquake reconstruction.

(5) Recognize Co-operatives as an Important Component of the Socio-economic System

Future socio-economic system requires fair and free structures which enable many people's voluntary participation in the management of businesses. In this regard,

governments should pay attention to the development of the private non-profit sector including co-operatives in addition to the public sector and private for-profit sector..

4. Guidelines for the Government's Co-operative Policies

Governments should respect the following guidelines when formulating specific policies towards co-operatives, taking into account the aforementioned fundamental philosophies and basic principles.

➤ Supporting Activities of Co-operatives

(1) Support co-operatives efforts to address to socio-economic problems in communities.

Governments should support the activities of co-operatives on important issues, including food safety and security, access to credit and insurance, unemployment, social welfare, health care, the environment and education.

(2) Support the establishment of new co-operatives to meet needs of communities.

In order to promote the voluntary economic activities of citizens, create job opportunities both in urban and rural areas, and to recover from disasters and revitalize local communities, governments should facilitate various stakeholders' involvement in accordance with the local needs. At the same time, governments should elaborate legislation targeting worker co-operatives where citizens invest, work and manage together. In addition, governments should support co-operatives to launch decentralized energy production and distribution businesses which utilize renewable natural resources.

(3) Support community-based organizations including co-operatives to revitalize local communities.

Local governments should formulate their ordinances for promotion of co-operatives and community building in order to revitalize local communities. They should support community-based organizations such as co-operatives, NPOs, and neighborhood associations.

(4) Support education and research focused on co-operatives.

In order to promote understanding of co-operatives, governments should introduce educational programs on co-operatives within schools and increase opportunities of co-operative research in universities. In addition, when women, senior citizens, people with handicaps, and survivor of disasters wish to establish co-operatives, governments should ensure educational and training opportunities for such people.

(5) Support the international activities of co-operatives.

Governments should support the international activities of co-operatives which contribute to solving problems such as global warming, environmental pollution and destruction, hunger, poverty, and social exclusion. In addition, Official Development Assistance should be allocated to programs to promote co-operatives in developing countries. Above all, necessary measures and support should be given to enhance co-operatives contributions to the United Nation's Millennium Development Goals.

➤ Establishing Appropriate Public Policies for Co-operatives

(6) Create administrative systems that ensure a coordinated government policy for co-operatives.

Governments should create administrative systems that ensure a coordinated government policy for co-operatives.

(7) Improve institutional framework for co-operatives.

In order to facilitate the development of co-operatives, governments should review current laws where necessary, and work on new legislation to promote co-operatives. Governments should take into consideration the characteristics of co-operatives when considering tax systems, accounting standards, and regulation on capital requirements.

(8) Support strengthened co-operative autonomy through bylaws.

Governments should support co-operatives to strengthen management autonomy based on their bylaws to enable more flexible design in accordance with their location, type of business, and scale.

➤ Promoting Understanding of the Current Status of Co-operatives

(9) Produce comprehensive statistics on co-operatives.

In order to evaluate comprehensively the economic impact of co-operatives, governments should produce co-operative statistics even in those sectors where no

government statistics exist.

(1 0) Conduct researches on the social contributions of co-operatives

In order to evaluate the social role of co-operatives, governments should conduct researches on the contributions of co-operatives in such areas as the human resources development, social integration, community building, and conservation of the environment and publish the results in a timely and transparent manner.

5. Conclusion

On the occasion of the 2012 International Year of Co-operatives, co-operatives declare their resolve to further promote their collaboration with local organizations, national and local governments and develop their activities for the public interest. In this process co-operatives are determined to expand into new areas while exercising their leadership role within local communities.

Governments should work to recognize the critical roles of co-operatives in revitalizing local communities, and support the development of co-operatives.