

Draft Speech on The People's Business

Commerce is a major force in driving economies throughout the world. However, in recent decades, we have witnessed a growing disconnect between business and the people that it serves. As globalisation has advanced, and the role of state intervention has declined, wealth and ownership have become increasingly concentrated in the hands of a few large corporations, who are answerable to their shareholders first and foremost.

When financial institutions operating on this model failed in 2008, it was the taxpayer that bailed them out. The subsequent recession would bring years of unemployment, stagnating wages, and austerity. Meanwhile, power and wealth has continued to be consolidated in the hands of a small number of companies, many of whom are increasingly seeking to minimise their tax responsibilities by relocating overseas.

It is perhaps unsurprising, then, that ordinary people increasingly seem to have had enough of politics as usual and are turning to populists of both left and right in the search for change. It is crucial that progressives across Europe can present a new vision for a prosperous society that can inspire the public. An alternative way of doing business should stand at the heart of this.

The question of ownership is a vital one. However, it has too often been reduced down to the old binary choice of the state versus the market. But there is a third option, one that offers the opportunity to redistribute wealth and power within a sustainable and prosperous economy. This is, of course, co-operatives.

Co-operatives exist in many different forms, but they all have one common trait; they are owned by and accountable to their members, who can be employees, consumers, or members of the local community. This means that they are incentivised to put the interests of these people first, rather than short-term shareholder profit.

This has a number of practical consequences. It means that they can share wealth with their members, through higher wages, lower prices, or investment in improving services, or in the community. It means they can take a longer-term approach to investment that minimises risk. And it means they can give employees a stake in the company they are a part of, making for a productive and fulfilled workforce.

Because they are owned by ordinary people, cooperatives are well placed to help manage a number of the problems facing Europe and the world such the housing crisis and the transition to renewable energy, in a way that allows them to control change, rather than having it imposed on them from above.

And the benefits of co-operative ownership can extend to beyond members. By offering a quality alternative to listed firms, the introduction of a co-operative option to markets can force private business to offer better and more affordable services in order to compete. In this way, the effects of a strong co-operative sector can be felt throughout the economy.

At a time where many are feeling increasingly powerless in the face of stark inequality and rapid global change, a co-operative approach to business can be at the heart of a new progressive agenda which shares both power and wealth across society.

Questions

- What can governments do to promote greater democratic participation by consumers, employees, and communities in the ownership of the economy?
- Which sectors and issues should be prioritised when expanding the co-operative sector?
- What can do raise public awareness and participation in co-operative enterprise?

