

Cooperatives as Social Policy Means for Creating Social Cohesion in Communities

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Abstract

The object of this paper is twofold: First, to demonstrate how the co-operative business structure, rooted in democratic principles, when analyzed within the framework of recent legal and critical theory, can be shown to have a transformative effect in alleviating the adverse effects of globalization. Second, to analyze the international legal environment, particularly trade arrangements, to examine the capacity for co-operatives to serve as social policy instruments for promoting social cohesion. This paper uses Habermasian legal and critical theory in illustrating the close linkages cooperative principles have with modern sources of legal legitimacy and democratic theory. It is argued that cooperatives contribute to a healthy public sphere and alleviate the “legitimation deficits” increasingly manifest by the anti-globalization movement. This movement opposes the increasing power of transnational capital and institutions vis-à-vis national governments, and the lack of democratic control over such institutions and organizations. In order for cooperatives to have an influence on social cohesion and social capital, they must fully engage their democratic potential. Cooperatives are one means of democratizing the market system, thereby alleviating the negative effects of globalization. Consequently, there is a policy interest in promoting cooperative development. Cooperation can offer a viable alternative to global capitalism and transnational corporatism. Policy recommendations will be offered for facilitating cooperative legislation and for the promotion of cooperative development under international trade arrangements. A number of United Nations sponsored international conventions, such as the Co-operatives (Developing Countries) Recommendation of 1966 (No. 127), already advocate cooperatives as an effective means of social policy. With the increasing opposition to transnational corporatism, opposition rooted in the democratic aspirations of citizens; there is an increasing role for co-operatives to assert a democratic market alternative for policymakers to facilitate this demand in the social economy.