Finding the right balance
Anne Tuohey

Australia is going. We rely too heavily on some sectors, especially the mining sector, at the expense of others. We lack a common purpose, and the community has lost confidence.

Criticisms of this kind are repeatedly leveled at governments, here and overseas. Political leaders often accuse their counterparts of lacking a defining and unifying theme. Or, conversely, they depict a political party as trapped in a particular outdated ideology or narrative, such as the black armband history of post-colonial Australia.

Possibly the most useful common underlying theme to be taken from these criticisms is that there is a lack of balance. A word that comes to mind for me is ‘integration’ - this is what is missing.

Integration and its adjectives, ‘integral’ and ‘integrated’, have many meanings. There is a sense of all parts working well together to achieve proper integration. There is the activity of working out how to bring all the disparate parts together to achieve cohesion, and then there is the sense - so relevant to our Indigenous Australians and asylum-seeker / refugee crisis - of drawing all people into the community. An integrated person is one who has maturity, accord in life, and a balanced outlook. The ‘whole’ person is integrated because ‘the parts’ are in harmony.

None of this is easy to achieve with the lack of compromise evident in our parliament. There is little room for give or take these days. And in the meantime we are keeping an eye on the global crisis and its ramifications for Australia. All the parts cannot always be in harmony, and we have to make the best of what is on offer.

Meanwhile, at Social Policy Connections these last months, we have been hearing many worthwhile lessons. The address by Race Mathews on cooperatives reminds us what can be achieved when members of a group pull together for a common cause. Kevin Peoples reminded us about the value of the YCW’s See, Judge, Act method, the opposite to rushing in, quick fixes, and opportunistic measures. Gabriela Byrne warned what happens when governments rely too heavily on an easy yet regressive stream of revenue from poker machines.

Recently, Labor MP Andrew Leigh reported findings which reiterated what we know, that many Australians’ sense of ‘a fair go’ is offended by the widening gap in income distribution.

In August, we have a related perspective presented by Philip Mendes, who will talk about the threat to equity in income support. This talk will contribute to the picture of what we at Social Policy Connections believe is important for our nation’s future.
Co-operatives have played a major role in taming problems in capitalist economies, and can do so in the future as well, according to Dr Race Mathews, speaking at an SPC forum on 25 July. This year is the United Nations International Year of the Co-operative.

Against the background of the global financial crisis, Dr Mathews pointed to co-operatives as an alternative way to organise capitalist economies, ensuring people working in an enterprise could share in ownership and management of their firms, ensure their control over their own jobs, and ensure increased equity and social participation.

Co-ops must be seen within the wider context of mutualism, a concept which holds great appeal to anyone interested in social justice. The early origins of this movement were driven by a need to respond to pressing human needs and unequal societal and economic structures, and as a way to enhance equity and participation.

Race referred to the pioneering Rochdale cotton weavers co-operative in the United Kingdom, providing a prototype for co-operatives that followed. He discussed other types of co-ops: consumer, farming, and house building co-ops, credit co-operatives that followed. He discussed other types of co-ops: consumer, farming, and house building co-ops, credit unions – even co-ops for funerals. The common themes that spurred their creation were returning control to the providers of the service or goods, and increasing buying power through pooling resources.

Co-ops need not stubbornly persist at their original goals.

As competitors appear and fill unmet needs, co-ops can adapt to meeting other needs.

The desire to cut out the middle man, be masters of their destiny and part of a collective with a mutually purposeful aim spurred the success of this movement across the world. In Australia, co-ops are still a sizeable force, but universally they have managed to fly under the radar. The audience was surprised to hear that, following the latest scandal surrounding Lloyd’s Bank, a British co-operative has acquired 650 branches of Lloyds. This indicates the considerable asset base, success, and the viability of co-ops.

The strong counter-movement of demutualisation in the 1970s and 1980s threatened to bring about the demise of co-operatives. As Race described, even when people know that a structure is serving collective interests well, sadly the lure of a fistful of dollars can be very compelling. Subsequently, many co-ops were dissolved, and capital built up carefully to meet future needs was distributed on a pro-rata basis to the current generation of shareholders.

Even given this unfortunate chapter in the history of co-ops, they have survived, and remain an alternative source of collective funding that can be used for myriad purposes. Race estimated that today in Australia credit union assets are possibly in the vicinity of $60 billion. He warned, however, that this also makes them a likely target in the next wave of demutualisation.

Race reflected on his own personal experience of co-ops, going back to the emergence of credit unions in Catholic parishes. Parishioners pooled their savings and took turns in drawing on that pool. They were so successful that they were expanded beyond Catholic circles.

Race finished by drawing on the success of the Mondragon co-operatives in the Basque region of Spain. In what sounded like the jewel in the co-operative crown, these technical co-ops, started in the 1940s to generate and safeguard employment for metal workers, and now employ 83,000 workers across a wide range of enterprises, including high-tech ones. Even through the current economic crisis, these co-ops have been a remarkable success, serving strong social purposes while also being very proficient businesses, including providing the steel for the much acclaimed Guggenheim Museum in Bilbao.