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Presentation of the monograph *Cooperatives in Finland*

Sami Karhu

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Presentation of the monograph *Cooperatives in Finland*

Sami Karhu
Chairman, Kooperatiivi ry

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> "However, the law in itself does not accomplish anything. It is only an outer form in which life can move. It may remain a dead letter. But it can be of great importance if the people are able and willing to start using it, if the people understand the importance of cooperative activity and want to implement it." (J. K. Paasikivi, Osuustoimintalain pääkohdat. Pellervo-Seuran kirjasto no 10. Helsinki 1909, 39).

These words belong to the young Doctor of Laws Juho Kusti Paasikivi. He served as a legal adviser to the Finnish National Cooperative Organization Pellervo, founded in 1899. They were written in a textbook in 1902, which was to educate the Finnish people about the first cooperative law enacted in 1901. Paasikivi later played increasingly significant roles in Finnish society, most prominently as President of the Republic from 1946 to 1956.

Finland was a remote country and modernised more slowly than Western Europe. The cooperative idea also came up at a rather late stage, but the business model proved to be usable. The cooperative movement started in the beginning of 20th century with a strong and centralised approach, largely from the academic circles of the capital, Helsinki. Dr. Hannes Gebhard, a pioneer of Finnish cooperatives, said that no country's cooperative movement has had such high-quality people as it has in Finland.

What would we tell Dr. Paasikivi now, after more than a century of his wise words? How has cooperative business developed in Finland after all these decades? The answer would be that cooperatives have developed quite well in the end, even though there have been many dilemmas along the way.

The cooperative business model is widely and diversely used in Finland. Cooperative enterprises are organised for their needs by con-

sumers, infrastructure users, farmers, workers and entrepreneurs. The strongest cooperatives are in the field of retail, restaurants, hotels, financial sector, foodstuff and forest industry. In absolute numbers, the largest number is that of employee owned cooperatives (about 1300) and water cooperatives (about 1500). The largest numbers of members are found in consumer cooperatives, cooperative banks and mutual enterprises. The market shares of producer cooperatives are high. In total, cooperative enterprises in Finland count just under 4.000, including mutual enterprises; they have 7.5 million members, approximately 100.000 employees and their combined turnover is around 35 billion euros. Approximately 90 % of adults of a population of 5.5 million are members of a cooperative or are partners in a mutual enterprise. On average, there are 1.7 memberships per adult. For farmers, the figure is 3.7. Cooperatives are a Finnish way of life!

Cooperatives are strong in the production of everyday products and services. They play different roles as a platform for work and entrepreneurship. Together, they form an entity that supports households, on the basis of which Finland has become one of the most cooperative countries in the world.

While cooperatives are common in some industries, they cannot be found everywhere. As Finland is a strong Nordic welfare state, its public sector provides for most of the social and health care services. Therefore, there is no need for cooperative enterprises in this field.

In order to understand the overall picture and diversity the following table groups the cooperative enterprises into three pillars.

"Work and entrepreneurship cooperatives"	"Cooperatives which are part of everyday life"	"Technology cooperatives for community use"
Employee-owned cooperatives Cooperatives owned by the retailers Cooperative network of entrepreneurs Team business cooperatives at a school The cooperative´s role as a cradle of entrepreneurship	Consumer cooperatives Producer's/farmers cooperatives Cooperative banks Mutual insurance companies Investment and ownership cooperatives	Broadband cooperatives Energy cooperatives Water cooperatives Electricity cooperatives Phone cooperatives Housing cooperatives

These three groups or pillars differ in terms of their historical roots, culture, size, and business structures. From an international point of

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view, the "employee-owned cooperatives", 'small cooperatives' or 'cooperatives of independent workers', as they are called in Finland, might be a particularity. A large part of them are cooperatives that build working conditions and social security for individual professionals, while traditionally understood worker cooperatives are formed by members in a textbook-like joint work organization. They can be seen as a unique forum for self-employment.

The Finnish Cooperative Act of 2013 is very liberal. The law can be described metaphorically to be plasticine-like. Cooperatives are encouraged by legislation to find their own way of working.

What do Finns think about cooperatives? G. J. Holyoake, a celebrity of British cooperatives, once wrote that cooperative members are plagued by doubt, competitors resist, and everyone is plagued by some degree of ignorance of cooperatives. In a weak moment, Holyoake's point may seem accurate. However, the big picture is brighter, at least in Finland. National opinion polls have shown that the idea of cooperatives has been internalized, after all, in its own quiet way by citizens. It was quite a surprise, even for us enthusiasts, to see the results of a study on the popularity of various ways of enterprising among Finns, made by EVA (Finnish Business and Policy Forum). Cooperatives turned out to be the most popular. Highly respected cooperative veterans have given two explanatory keywords, why cooperatives appeal to Finns: honesty and equality. I consider these words to be a red thread in my own thinking.

If Paasikivi could see what his followers have achieved, he would give them credit. But after the recognition, he would focus on what should be done better next. That is what I believe, and he would undoubtedly be right.

For its part, the Finnish coordinator of this issue of the Journal Deusto Estudios Cooperativos, the Taloudellisen yhteistyön ja osuustoiminnan tutkimuksen seura Kooperatiivi ry [the Society for Economic Cooperation and Cooperative Research Kooperatiivi], endeavors to further the development of the cooperative business model. It is a scholarly society that unites cooperative researchers and everyone interested in cooperative research and it has a recognized position in Finnish academia - Kooperatiivi ry is a member of the Federation of Finnish Learned Societies. It functions also as a platform for projects and seminars and has a strong symbolic meaning: the emancipatory idea of cooperative activity creates faith in a better world, transcending all scientific, university, language and nationality boundaries.

In Finland, cooperative research has developed positively in the 2000s. Interest in a strongly value-based business model has increased.

The social and ecological aspects of economic activity are increasingly attracting attention. In a unique way the Finnish cooperative business community has supported research on and teaching of the cooperative model for many decades. One of the contributions to this issue reports on this.

My warmest thanks go to the Director of the Journal Deusto Estudios Cooperativos, Dr. Enrique Gadea Soler, who invited us to prepare this issue on Finland as part of the country monographs of the Journal! I wish to also thank our Board member Hagen Henrÿ through whom Prof. Gadea got in contact with us and who supported us!

We are aware of the honor and are grateful for this opportunity to present a selection of the latest Finnish cooperative research results to a wider academic community and readership. The contributions, for which I have to thank the authors, speak for themselves. Their spectrum reaches from the origins of the cooperative movement in Finland to latest developments, embedding it into what one might call Nordic and Finnish "ways of thinking things". The international reader will discover a number of particularities: the rather seldom involvement of academics in the early days; the foundation of a central national cooperative organization before the establishment of a substantial number of primary cooperatives; the involvement of the movement in politics during the struggle for the country's independence and thereafter for several decades; the engagement of the movement in cooperative education and research to counteract their neglect; and, finally, the balance between the risk of demutualization —through a "liberal" cooperative law— and "remaining cooperative".

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