



# Weekly Digest

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## Editorial

Welcome to issue twenty four of the Weekly Digest. This week we feature an extended interview with ICA Europe President, Dame Pauline Green, in which she outlines her ideas for increasing the profile and visibility of co-operatives in Europe. We foreshadow an initiative to increase the effectiveness and coordination of co-operative research efforts. Additionally, we report on the steady progress being made with the co-operative learning centre project. We also note the efforts being made to improve corporate governance within the ICA. Finally we acknowledge the contribution of a long standing co-operator. As usual we would welcome your comments on the style and content of the newsletter.

## Interview with ICA Europe's President

As part of the lead up to the next ICA Europe Regional Assembly we asked ICA Europe's President to preview the conference and to expand on her views on how the ICA can best serve its members in Europe.



### **Q. What will be the focus of the upcoming Regional Assembly for Europe and the major issues to be discussed?**

The major focus for the Regional Assembly in Warsaw will be the importance of our drive to establish a more effective presence and visibility in the corridors of power in the European Union. With the enlargement of the Union to 25 countries on the 1st May, it is clear now that the majority of our co-operative organisations in the Europe region of the ICA operate within the legislative framework of the EU. The ICA has had no influence within the EU. That was not helped by the fact that we had no physical presence in Brussels despite the growing importance of the EU for our members.

Two years ago, after our last Regional Assembly in Lisbon, the newly elected Council of ICA Europe recognised that we had to change that, and position ICA Europe to play a part in the EU. Our first and key priority for the two years between Lisbon and Warsaw has been to enhance cohesion in the European Union. To do that we had to acknowledge that there were already co-operative bodies playing an effective role in Brussels, and that there were two ways forward - a turf war or co-operation. We decided that co-operation, not competition was the right way forward.

Hence we established a successful partnership with our co-operative colleagues in the CCACE – the sectoral association – and together we now have a common platform in Brussels which we have called 'Co-operatives in Europe'. It is still in its infancy, but its potential is huge and we are determined to give it life.

### **Q. This Regional Assembly marks the 10th anniversary of the establishment of ICA Europe. What are the major achievements over this period and what are the plans for the future?**

The last ten years have been important as it has established the clear principle

that the ICA needs to act as close to its members as possible. The evolution of the regions of the global movement have been important as it has reflected the continuing definition of the world into regional entities. Over the last decade ICA Europe has given support, particularly legislative and business planning support, to the countries of central and eastern Europe as they emerged from the Soviet era.

For the future, it is time to recognise that we must modernise our operation, focus it in Brussels and provide the chance for our members to influence three areas of work in the European Union in particular: policy development, strategic direction and business opportunities. *(Photo above shows Pauline Green, with ICA President, Ivano Barberini and Director-General, Iain Macdonald at a recent planning meeting in Geneva).*



Visit ICA Europe's website for more details about the Regional Assembly and other European events and activities, [www.ica.coop/europe](http://www.ica.coop/europe)

**Q. Do you think co-operatives have a high enough profile with the European institutions and in particular the European Commission?**

Having already identified that ICA Europe has had absolutely no influence in the European institutions whatsoever, colleagues will understand why the new common service delivery platform 'Co-operatives in Europe, is so important. The opportunity to work alongside our specialist sectoral organisations to ensure that our voice grows and develops in Brussels has to be right. Our businesses make a huge contribution to the European economy both in terms of value and employment. We should be recognised for that and have the commensurate influence. That has certainly not been my experience to date.

**Q. Co-operatives are market leaders in many sectors in European countries. From your experience, what innovative examples of services to members should be better known?**

We have so much to learn from each other across the European region. The fantastic example of the Italian social co-ops has been the inspiration for so much co-operative development in so many countries in recent years. The growing trend for co-operative enterprises to play a crucial role in the delivery of personal and health services, sporting and leisure services and other services previously delivered by public authorities needs to be recognised. At the same time many small businesses face closure due to the retirement of the owner with no obvious successor. This offers a huge potential for employee-owned co-operatives to grow and prosper. The co-operative model is infinitely flexible and can be adapted and developed to meet local, community needs. In this way co-operatives become the bridge between local people and the global market in which we all live.

**Q. What are the key trends and issues which are likely affect co-operatives over the next five years?**

There are some major strategic issues which the co-operative movement needs to address. Let me take just one. We have recently been fighting a battle to ensure that the International Accounting Standards Board does not redefine co-operative share capital as debt rather than equity. Thankfully we appear to be on the verge of resolving that problem. What it does bring into clear focus is the ignorance of key, global decision-making bodies, political, economic and commercial, about the unique nature of the legal and financial structures of co-operatives. With the increasing need to ensure that global businesses have a level playing field in a global market, we need to hugely improve our ability to give visibility to our co-operative difference, if we are to avoid having inappropriate legislation applied to our sector. We can't always be sure that we will be able to fire fight when these antagonistic proposals appear. In my view this is one of the fundamental roles for the ICA globally. For ICA Europe, if we were to do nothing else, we must throw our

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financial and human effort into demonstrating our co-operative difference in the institutions of the European Union and ensure that we are never again forced to fight a rearguard action to defend our business model.

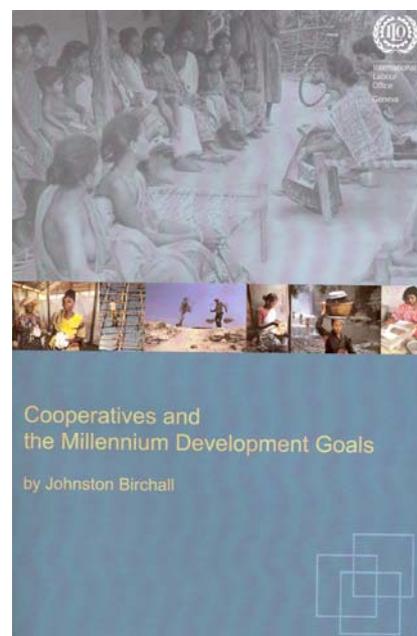
### **Q. What role should government policy play in assisting co-operatives generally and in particular in countries such as Poland?**

One of the key roles for government is to acknowledge and promote co-operatives as a valued and vital part of the economy of their country. For some of the countries of East and Central Europe, it has been a struggle to lift the sights of governments over and above the recent history when the co-operative movement in their country was closely allied to the communist state.

However, in a modern European state, co-operatives that take the ICA's statement of identity as their core philosophy and truly implement it, are adding hugely to the economy, to local regeneration, sustaining communities and providing jobs. The EU recognises that the future for job creation resides with small and medium enterprises. The co-operative movement often forget that they are an important element of that sector. So the key role for government is establishing an enabling environment in which co-ops can flourish alongside other forms of business enterprise.

### **Co-operatives and Millennium Development Goals**

Another new ILO/COPAC publication on co-operatives has just been published. It is titled *Co-operatives and the Millennium Development Goals* by well known co-operative author Dr Johnston Birchall. The book examines the role and potential of co-operatives in relation to the eight MDG's. It draws on the history of different types of co-operatives and describes their current contribution to developed and developing world economies. It analyses their potential role in poverty reduction, the empowerment of women, the fight against HIV/AIDS, a sustainable development and the other four MDG's. It shows how co-ops are beginning to get involved in the design and implementation of national, poverty reduction strategies. Also, the key role of co-operative development agencies in the MDG process is highlighted. Contact either COPAC [copac@ilo.org](mailto:copac@ilo.org) or ILO [coop@ilo.org](mailto:coop@ilo.org)



### **Corporate Governance receives attention**

The Task Force which reported to the 2003 General Assembly in Oslo identified the need for the ICA to seriously examine corporate governance throughout its entire structure. The General Assembly unanimously endorsed this report. To help drive this process a new ICA Governance Working Group has recently been formed.

The Task Force made clear that there was “a need for very clear governance rules, within the framework of shared values, respected by the whole ICA”. There needed to be greater transparency in its operation and decision making. The specific tasks the new governance group are expected to undertake include examining the role of the ICA Board and its relationship to regional boards, developing organisational charts highlighting roles and responsibilities throughout the ICA, reviewing with the view to developing training for elected board members, articulating the role and responsibilities of elected officials and executive bodies within the ICA, and on the basis of these activities formulating codes of best practice for the board and other ICA officials.

Its members include Gun-Britt Mårtensson, ICA Board; Mauro Gori, Legacoop, Italy; Anne Reynolds, NCBA, USA; Dante Cracogna, Intercoop, Argentina; Mervyn Wilson, Co-operative College, UK and Garry Cronan, ICA Head Office.

The first meeting of the group is expected to take place in the week prior to the forthcoming Board meeting in Warsaw. For more information contact Garry Cronan [cronan@ica.coop](mailto:cronan@ica.coop)

## The latest on the Co-operative Learning Centre

One of the most exciting recent co-operative initiatives is about to become a reality. The creation of a Co-operative Learning Centre (CLC) is a project of the ICA's Human Resource Development (HRD) Committee with support from the ILO. The CLC is an internet gateway designed to provide access to an extensive collection of information about the co-operative model. The development work for the CLC was done by the UK Co-operative College. The Committee would like to express its appreciation for this work. Building on this earlier work the Committee has asked the British Columbia Institute for Co-operative Studies (BCICS) to further develop the CLC project. The CLC is expected to be available online within 2 months.



The photo above shows from left to right, Professor Ian MacPherson, BCICS, Yehudah Paz, Chair of the HRD Committee, Jan-Eirik Imbsen, Secretary, HRD Committee and Dr Gabriele Ullrich, Co-Chair HRD Committee discussing the implementation of the CLC.

## New ICA Research Digest to be launched

The success of the Weekly Digest has shown that there is great potential in better harnessing, in a timely manner the flows of information within the broader ICA network. Access to information, expertise and knowledge is one of the key benefits of ICA membership and participation. Similar opportunities exist within the ICA research committee and broader co-operative research network.

To help realise this potential a new publication, modelled on the weekly digest format is about to be launched. It will be known as the *ICA Research Digest* and will be initially issued 4 to 5 times a year. Professor Ian MacPherson, BCICS will be editor; Patricia Vaucher, ICA Head Office will be Assistant Editor. Given Professor MacPherson's role in the new CLC initiative described above this should ensure much greater communication occurs between these two important ICA thematic committees. The editors will be working closely with the ICA Research Committee secretary and chairs, and regional vice chairs to maximise the opportunities for communicating the results of the latest co-operative research. The first issue should appear within the next 2 months. If you would like to receive a copy or for more information contact the ICA Research Committee secretary Garry Cronan [cronan@ica.coop](mailto:cronan@ica.coop)

## Bernard Kadasia Leaves the ICA

ICA Regional Director for East, Central and Southern Africa, Bernard Kadasia, left the ICA at the end of August 2004. Bernard has accepted a job with the International Aids Society in Geneva.

Bernard through his commitment, professional attitude, unassuming manner and eloquence has made a lasting impression on those who have known him. His presentations to both the ICA General Assembly in Oslo and more recently to the UK Co-operative Congress left few in doubt about his lasting commitment to the cause of co-operation. All his colleagues within the ICA wished him the best and look forward to working with him in his new role with the International Aids Society.



Copies of the Weekly Digest are archived on the ICA's website [www.ica.coop](http://www.ica.coop)