



ICA Digest

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Provisional Global 300 listing of co-op and mutual businesses unveiled at Globalisation Forum

The first ever "provisional" global ranking of co-operative and mutual businesses is being launched in Lyon, France on 25 October 2006 as part of the *Forum for a Responsible Globalisation*.

The **Global 300**, an initiative of the ICA, is the result of detailed research into co-operative and mutual businesses internationally. Such a listing has never before been undertaken on this scale. It represents a first step in developing better global databases and statistics on large co-operatively and mutually owned businesses. The ranking will be regularly reviewed, refined and updated.

The provisional listing, which is based on revenue highlights that the largest 300 co-operative and mutual enterprises are of world class significance.

Using 2004 data, the research shows that together these businesses have a combined turnover of close to \$1,000 billion (USD). Just to compare, Canada, the 9th economy in the world in 2004 had a GDP of \$979 billion.

It is expected that these figures will be a surprise not only to the wider business and general community, but also the co-operative movement itself!



See our special feature on the provisional **Global 300** list on pages 12-14

Fight back on demutualisation

The last two decades has seen the demutualisation of many organisations in a number of countries, throughout the world.

However, the mutual and co-operative movement are fighting back.

Research is proving that co-operatives and mutuals offer

better long term benefits for their members.

Based on this finding and a renewed confidence in the underlying values and principles of democratic member owned enterprise, many national movements are increasingly opposing such conversions.

Read more inside...

“ signs are that the demutualisation tide is turning....”

Also in this month's issue:

- A special report from ICA Africa
- Reports on the recent ICA Board meeting
- Planning underway for the 2007 General Assembly
- Preview of the forthcoming *Co-operatives Europe* Regional Assembly

From the editor's desk



Garry Cronan
Editor

Welcome to the fifty second edition of the ICA *Digest*.

We lead this month with a special report on the ICA's **Global 300** launch. This project signals a commitment by the ICA to better understand and promote the co-operative business model. Over the next few months we will unveil a series of related business oriented initiatives.

Our other lead item looks at recent responses to the

threat of demutualisation in several countries. As ICMIF, the ICA's insurance sector organisation has demonstrated, it is important to help members defend their co-operative and mutual character.

This issue also contains reports on the ICA's activities in Africa, along with items from other ICA regions and sectors.

In our popular interview series, we feature Nelson Kuria, the CEO of the Co-

operative Insurance Company of Kenya. His is an interesting and inspiring story.

Other items deal with our news aggregation and analysis services as well as reports on recent poverty, education, gender and development initiatives.

As usual we would welcome your comments on or contributions to the **Digest**.

Garry Cronan

ICA Board

Board meets in Stockholm - starts global strategic process

The ICA Board met in Stockholm on 6 September 2006.



Board members at the strategic planning meeting

Real progress was made in shaping a new strategic direction for the ICA

strength of their movement was evident to all with 536,000 members in 4000 housing co-ops in her own organisation HSB, alone.

This board meeting had been preceded on 4-5 September by a two-day strategy session where board members began discussion on a global strategic framework for ICA.

Board members were welcomed to Sweden by Martin Leila, the Minister for Sustainable Development. He described the political situation in Sweden, before looking at the question of sustainability, particularly in connection with the environment, energy and demographics. He emphasised the importance of the co-operative housing sector and how the co-operative movement was especially valued in Sweden.

Gun-Britt Mårtensson continued this theme and gave a presentation on housing co-operatives in Sweden. The

Led by the UK Co-operative College and the Governance Working Group, it is hoped to have this work completed in time for the General Assembly in Singapore next year. Work on strategic planning will continue at the next meeting in Italy as well as a board skills audit and discussion on the draft standing orders.

Members agreed that this work was well overdue and

that ICA role's as a global apex needed to be clarified.

The Regionalisation Working Group report was approved and it was accepted that ICA should establish *Co-operatives Europe* as an integral part of ICA and as its European region.

At the same time the President's Committee recommended the setting up of a Structure Working Group chaired by Alban D'Amours to take over the work of the Regionalisation Working Group, concentrating particularly on membership issues.



The venue, for the strategic planning and board meetings is owned by the Swedish co-op movement.

Progress in a number of areas

It is always a pleasure to visit Stockholm.

The people, the buildings, the general appearance always seem to be so bright and clean -- at least in summer! And the co-operative movement generally in Scandinavia is in pretty good health, all things considered.

Whether it is the consumer, housing, agriculture or financial sector - the co-operative movement has a serious place in the economy and society as a whole.

Such a shock then when just

in Stockholm reflected the seriousness with which we take our democracy and how to relate it to our businesses.

We agreed on the theme and plans for the General Assembly in Singapore next year. *Innovation in Co-operative Business* will be our theme, continuing that of Cartagena last year. It is clear that this is now the overall direction of global ICA and developments such as the **Global 300** reflect that.

We are also setting up a Structure Working Group, chaired by Alban d'Amours,

Mutuo has developed excellent links with the British government who are supporting the development of co-operative and mutuals in the fields of health, finance, utilities and transport, as well as other areas. It shows us that demutualisation is not inevitable and there are tremendous examples of commercial success in our sector. Hence the excitement being caused by the **Global 300** project which is also something which Mutuo is showing a great deal of interest in.

The **Global 300** was also the subject of a presentation I made at the same time to the ICMIF board in Manchester, who pledged their support. As possibly our most successful and progressive sector, it is a very positive development to see the increasing co-operation between ICA and ICMIF. During a week of activities the co-operative and mutual insurance world came together in Manchester for a very successful conference.

It is good to see that our African colleagues were represented in Manchester, showing how African co-operation can succeed and compete at the highest level. At the time of writing I am about to attend our regional assembly in Tanzania and this is the positive message I will be taking there.

Iain Macdonald
October 2006

DG's report



Iain Macdonald
Director-General

"The theme for next year's General Assembly has been agreed. It will be:

Innovation in Co-operative Business..."

You can read all of the Director-General's recent monthly reports by going to www.ica.coop/directorpage/index.html



Iain Macdonald with José Manuel Salazar-Xirinachs, ILO Executive Director at the signing of the agreement seconding Maria Elena Chávez Hertig to the ILO, (see page 5)

after the Board meeting the Swedish people rejected social democracy and moved to the right. But on the other hand it shows that democracy is alive and well and that we can never take the people for granted. Not a bad lesson for the co-operative movement as well!

Indeed our Board meeting

which will continue the good work of the regionalisation working group, but in a more strategic setting. The same meeting accepted that ICA should establish *Co-operatives Europe* as an integral part of ICA and as its European region. All pointing to an exciting future for ICA.

I also sit on the board of *Mutuo*, the UK's co-operative think tank. At its recent AGM we reiterated our belief that co-operatives and mutuals have to go on the attack rather than just be on the defensive.

2007 General Assembly



Agreement signed between ICA and Singaporean Co-operative movement to host 2007 General Assembly

The ICA has formally signed an agreement with the Singapore National Co-operative Federation to host the 2007 General Assembly. Planning has already commenced in earnest for the General Assembly in Singapore, with venues being booked, speakers identified and invited and other administrative matters commenced.

The **Digest** will carry regular progress reports leading up to the event.

Photo shows ICA President, Ivano Barberini congratulating Zulkifli Mohammed, Chief Executive, SNCF on the signing of the hosting agreement



Messages of support from the ICA for international poverty eradication and rural women's days

Two recent messages of support for international days have been issued by the ICA.

World Rural Women's day was celebrated on 15 October 2006.

The ICA Gender Equality Committee issued a statement in support of the role of rural women

and in particular honouring the role they play, in agricultural production.

International Day for the Eradication of Poverty was celebrated on 17 October 2006.

The ICA/ILO *Co-operating Out of Poverty* campaign issued a statement in support.



For the full text of both statements see www.ica.coop/

HIV/AIDS

Co-operatives fighting against HIV/AIDS



Participants at the Workshop held at the Institute of Co-operative Management in Hyderabad, Andhra Pradesh

ICA Asia-Pacific is carrying out an initiative to protect the co-operative community against the major challenge of HIV/AIDS. It

sexually transmitted infections through education and training for co-operators.

The project started in

involves the implementation of a comprehensive and sustainable programme focused on prevention of HIV/AIDS and other

India because of all the countries in the region, India is said to have the largest number of infections - approximately 5 million. It's being implemented in 4 states.

The project has a number of objectives, including sensitising co-operative leaders/managers to the problem and increasing training capacity to impart knowledge about HIV/AIDS. For more information please contact Savitri Singh savitrisingh@icaroop.coop

New president for ICA Asia-Pacific

Li Chunsheng has been appointed President of ICA Asia-Pacific. Commenting on his new position, Mr Chunsheng said, "I am honoured to take the office of President, ICA Asia-Pacific. I thank Mr. Mu Li my predecessor for his marvelous leadership in the past years and other co-operators for their tireless efforts to make the co-operative movement this successful in Asia-Pacific".

Mr. Chunsheng is Vice President of All China Federation of Supply and Marketing Co-operatives (ACFSMC). He holds a doctorate degree in Botany and during his long period of service, Mr Chunsheng has worked with Helihe farm in Heilongjiang Province, Ministry of Forestry, and the State Council in China. At the State Council he

was deeply engaged in strategic planning and policy-making for rural areas making a great contribution to co-operative development in China. In 1995, he joined ACFSMC as Deputy Secretary General and Director of Farm-inputs Bureau. He was later appointed Secretary General and Director of International Co-operation Department before being elected Vice President of ACFSMC in 2000.

At present, his responsibilities in ACFSMC include supervision of Co-operative Guidance Department, Department for Science, Technology, Education and Industry, International Co-operation Department, and China Chamber of International Commerce SMC Sub-Chamber. Mr Chunsheng has responsibility for a range of co-operative works, inter alia, the reform

and growth of affiliated enterprises and primary co-operatives, guild development, industrial planning and guidance, co-operative legislation, scientific research and innovation, training and education, and international relation, co-operation and trade promotion.

On the tasks and challenges of his new appointment, Mr Chunsheng said, "Co-operatives around the world are faced with a range of challenges and issues, which we must confront rather than pass on to future generations. Being trusted and supported by great friends and colleagues within our region and in the whole ICA world, I solemnly pledge to dedicate myself to the prosperity and success of the co-operative movement in Asia-Pacific region and ICA global."

People



Li Chunsheng the new ICA Asia-Pacific President

Maria Elena Chávez Hertig appointed to new joint ICA/ILO position

From the beginning of July this year Maria Elena Chávez Hertig has been seconded for 50% of her time to the International Labour Office (ILO). This marks the latest development in ILO/ICA relations and takes our Memorandum of Understanding to new heights. Maria Elena's main task will be to

ensure that the common co-operative agenda of the MoU is activated and is more than just a piece of paper. Amongst her activities will be raising the profile of the international co-operative movement, maintaining and renewing relations with United Nations and its agencies, and promoting the advancement of the social/

solidarity economy through conceptual work and projects.

Of course she will continue as the Deputy Director-General of ICA, with special responsibilities for membership and international standing -- areas which very much complement the work she is doing with ILO.



Maria Elena Chávez

New ICA sectoral co-ordinator appointed

Bruno Roelants, General Secretary of CICOPA, has agreed to take on the role of coordinator of the sectoral organisations on a part-time basis.

In particular he will coordinate the work of the ICA

Sectoral Organisations Liaison Group in the implementation of its activities and strategic plan. This will include the development of an appropriate institutional relationship between the sectoral organisations and ICA's governing structure,

as well as organisation of intersectoral meetings and seminars. The fact that Bruno is also member of our governance group will be particularly helpful, given its close link with the new strategy process.



Bruno Roelants

Research

ICA in research collaboration with Agriterra and CIDIN



Jan-Eirik Imbsen, ICA Director Development

The ICA has recently entered into a research collaboration with Agriterra (The Netherlands), and the Centre for International Development Issues Nijmegen (CIDIN).

A research proposal on *Co-operatives and Chains* has been submitted to the Dutch funding institution WOTRO.

The four year research programme will be carried out in Sub-Sahara Africa, Southeast Asia and Latin America.

The research will inter

alia result in the identification of suitable policy instruments and feasible strategies for strengthening co-operative performance.

One outcome will be an instrument for assessing performance and strength of agricultural co-operative societies that can be used by institutions involved in rural development co-operation.

It will improve the accountability of development agencies working with agricultural co-operative societies and generally aim at improving the role of economic farmers' organisations in development.



It will furthermore constitute an input for a database to be constructed on the performance of agricultural co-operative societies.

For more information contact Jan-Eirik Imbsen, ICA Director, Development imbsen@ica.coop

Education

International course on change management in co-operatives



Dr Peter Davis, Director of the Unit for Membership Based Organisations, University of Leicester, UK

A new course on change management in a co-operative context is to be held on 4-13 December 2006 in Israel.

The course is being offered by The International Centre For Co-operative Studies (ICECOS), The Negev Institute for Strategies of Peace and Development (NISPED) and the University of Leicester.

The course outline notes:

“Change often requires new thinking, innovation sometimes referred to as entrepreneurship, and the highest quality of leadership.

The ability to adopt co-operative implementation strategies that rebuild or retain co-operative identity and purpose whilst ushering in necessary change in a turbulent environment will be the crucial hallmark of the successful co-operative

in the 21st Century.

Preparing co-operative managers, volunteers, staff and board members for the opportunities and challenges of change created by globalisation is the primary focus of this course.”

The academic programme will be supervised by Dr Peter Davis and Dr Yehudah Paz. For more information contact: Rafi Goldman, ICECOS, rafig@nisped.org.il

The focus of the ICACC meeting will be on achieving greater co-ordination across the ICA network

ICA Communications Committee meeting in Manchester, UK

The next meeting of the ICA Communications Committee will be held in Manchester just prior to the European Regional Assembly on 9 November 2006.

The meeting will be focused on getting greater co-ordination of communications activities right across the whole ICA network.

Issues to be discussed will include sharing of database, IT software and content, better co-ordination of publications and other media activities and identifying the key strategic directions for communications over the next few years. Contact Garry Cronan cronan@ica.coop



Caroline Naett, Chair of ICACC

European Regional Assembly and Co-operative Conference, 9-11 November

Regions Europe

A major international conference focussing on Co-operatives: the alternative business model and how co-operatives can meet the challenges from the EU is attracting attention from European co-operators with an interest

rate governance, corporate social responsibility and sustainable developments, delegates will examine how co-ops could be integrated into EU initiatives like the Alliance for CSR or projects on the code of governance.

partnerships at local level.

A workshop that focuses on good practice cases like the Italian inter-sectoral co-operative organisations, Legacoop and ConfCooperative, will examine Integrated co-operative systems.

A European Co-operative Society workshop will look at opportunities for co-



in the co-operative business model and its potential in the expanding European marketplace.

300 delegates from 23 countries have already confirmed their attendance at the Manchester conference, which will run from 9-11 November. Delegates will come together for three days of discussion and decision-making that will drive forward the image, visibility and development of the co-operative model of enterprise.

The event has been organised by *Cooperatives Europe* and leading co-operative organisations.

Keynote speakers include European Social Affairs Commissioner, Vladimir Špidla, UK government minister, Ed Balls MP, Economic Secretary to the Treasury, the EU's SME Envoy, François Le Bail, along with representatives from the European Parliament, Phillipe Busquin MEP, and ICA President, Ivano Barberini.

In a workshop on Corpo-

A workshop on Communities in regeneration will look at mutual ownership of land and housing by examining the Scottish experience of Community Land Trusts and the mutual models that are being developed to meet housing needs in England along with co-operative housing models from Sweden and Italy.

Delegates will look at best practice examples in product branding, the use of the DOTCOOP web domain name and a new European Co-operative Think Tank in a workshop titled: Building a dynamic co-operative image through theory and practice.

The co-operative development partnerships workshop explores the necessary tools, resources and services that can be adopted through

operatives to extend their activities beyond national boundaries now that there is a European legal framework.

Co-operatives Europe will present its activity, performance and evaluation reports and the outcome of the ICA regionalisation debate will help to define the future organisation of European co-operatives with the assembly adopting plans for future strategic actions.

Full Programme details can be found at: http://coopseurope.coop/article.php3?id_article=146 Register now on-line: <http://www.tcp-events.co.uk/coopseurope/> Sponsors Details may be found at: http://coopseurope.coop/article.php3?id_article=210

“over 300 delegates from 23 countries have already confirmed their attendance...”



Pauline Green, Co-Chair
Co-operatives Europe



Etienne Pflimlin, Co-Chair,
Co-operatives Europe



Rainer Schlüter, Director,
Co-operatives Europe

Regions Africa



Africa in the spotlight

This month's **Digest** puts Africa in the spotlight. Our feature interview with Nelson Kuria of leading Kenyan co-operative insurer, CIC, demonstrates how African co-operatives are going from strength to strength where there is a full and

uncompromising commitment to the co-operative ethos, and inspired leadership.

There are many regional developments 'on the ground' in Africa. ICA Africa Regional Director, Ada Suleymane

Kibora, provides an update on the latest work of ICA Africa, including the formulation of a strategic framework for ICA Africa, and the co-operative reform process of ICA Commission for Africa (see our report from Jan-Eirik Imbsen).

ICT to meet the challenges of African co-operatives



Ada Suleymane Kibora,
ICA Africa, Regional
Director

A key challenge in many African co-operatives is information management. At the regional level, co-operative members cannot access accurate, reliable and relevant data in a timely way. Thus they cannot make informed decisions. Kampala and Maseru African Ministerial Co-operative Conferences recognised the urgent need for information and computer technology to enhance business linkages with domestic, regional and global markets. ICA was re-

quested to provide expert support in software development to enable research and development.

ICA has supported and initiated the implementation of Co-operative Data Analysis System (CODAS), an effective and user-friendly system designed to monitor the status of co-operative societies in any country. The system allows easy data analysis and offers instant answers to many queries posed to the database on a day-to-day basis.

As recommended by the ministerial conferences, ICA Africa is spearheading the adoption of CODAS by co-operative movements in the region, beginning with a pilot in the Kingdom of Lesotho.

Several pilot research studies have already been undertaken to generate baseline data and evaluate the status of African co-operatives. CODAS has been used to collate and analyse the data generated from the studies. The research will be duplicated in other African countries.

Africa Regional Assembly



Participants at the
recent ICA Africa
Regional Assembly in
Tanzania

ICA's Africa region recently held its 7th Regional Assembly in Arusha, Tanzania. A number of related meetings were held in conjunction with the Assembly. The busy week started with a workshop on "Trade as an efficient Strategy for Sustainability and renaissance of Co-operatives in Africa". Good presentations and lively discussions

made the one and a half days workshop a very interesting event.

The Regional Assembly was opened by the Minister for Agriculture, Food and Co-operatives. It discussed a number of regional issues of importance. Much emphasis was given to the issue of expanding membership to all countries of the African Un-

ion, and members were urged to pay their fees. The Assembly agreed to extend the Africa Vice President's term of office for 2 more years. The statutory meetings also included a meeting of Africa's interim Executive Committee which also had its mandate extended for 2 more years. The next Regional Assembly in 2008 will be held in Abuja, Nigeria.

African Women Co-operators' Forum

Africa

An African Women Co-operators' Forum brought together women co-operators from the whole region.

The meeting was chaired by Stefania Marcone, chair of ICA's Gender Equality Committee. Rahaiah Baheran, chair of the Asia-Pacific Regional Women's Committee also participated. The meeting was inspiring and one outcome was a decision to revamp the regional women co-



operators' network. Lesotho offered to organize the next meeting in 2007.

Participants from the African Women Co-operator's Forum

African co-operatives embrace challenges of globalisation

The sweeping changes of the past decade - structural adjustment, economic liberalisation and policy reforms - have been a challenge for co-operatives in Africa.

From independence though the 70s and 80s, African co-operatives had grown accustomed to prevailing systems of state managed economies and government intervention in co-operative governance.

Many co-operatives were unprepared, both as enterprises and as members of civil society, for the changes, but the co-operative model is still a significant and relevant structure for the development of Africa in the new environment.

ICA Africa believes the legal and policy framework governing co-ops must be designed with an understanding of co-operative principles and best practices, if co-ops are to make an effective contribution to national

development and poverty reduction in Africa.

A number of macro-level policy reforms in which co-operatives interests are not represented will have a major impact on co-operatives. ICA Africa, in collaboration with CCA (Canada) and SCC (Sweden), is supporting a series of interventions at national level to address these issues.

In Swaziland, a translated version of the Co-operative Societies Act, launched on 29 March 2006, has helped facilitate a better understanding of the Act. Regional workshops involving members, leaders and other stakeholders have been held in different parts of the country as a validation process, to ensure the translation can be understood and to help publicise the Act.

A Siswati version will be published next. An English version of the 'Laypersons Guide' has been published and is ready for use by members. A website is being developed with the aim of linking key co-operative stakeholders. To make the legislation more

accessible to Tanzanians, policy and the legal framework will be translated into Kiswahili. More publications of the policy have been produced and distributed throughout the membership of Tanzania Federation of Co-operatives (TFC).

In 2005, training workshops were held to inform people about the co-operative reforms. More regional workshops have been conducted this year to publicise a simplified co-operative guide: "People, Co-operatives and Development". A website was developed last year and staff have been trained in how to update the site and administer the database. Visit: www.ushirika.coop



*Esther Gicheru ,
Principal of the Kenyan Co-operative College and member of the ICA's Audit and Control C'tee*

Following last year's 3-day forum on "Re-building the Image of Co-operatives" in Lesotho, ICA Africa supported a proposal for a review of co-operative policy and legislation. In August, ICA Africa attended the national co-operative consultative workshop. The facilitator was Mrs. Gicheru, principal of Kenyan Co-operative College.

Africa

ICA's African Commission also meets in Arusha, Tanzania



Stanley Muchiri, ICA
Vice President Africa

Another notable event which occurred at the recent ICA Africa Regional Assembly was the meeting of ICA's Commission for Africa which discussed strategic, operational and financial issues which will form the basis of its recommendations to the ICA Board.

The African Commission

was established in May at the ICA Board meeting, in Washington, to oversee the restructuring of the ICA in Africa.

The Commission will propose recommendations aimed at developing co-operative enterprise in Africa. In addition, the Commission will review the resources ICA Africa requires to fulfil its

statutory role: to retain a meaningful service delivery for members, to remain a relevant development partner, and to contribute to the empowerment of co-operatives in Africa. The Commission will report to the ICA Board and then to the General Assembly in Singapore in 2007. More information: Jan-Eirik Imbsen imbsen@ica.coop

Visit to Ugandan Co-operative Alliance's AGM

Prior to the Regional Assembly in Tanzania, the ICA President and Director of Development attended the 36th Annual General Meeting of the Uganda Co-operative Alliance, the apex organization of the Ugandan co-operative movement. The visitors were also able to meet with government representatives. The Minister of State for Trade, Gagwala Wambuzi, assured them of his ministry's support to the strengthening of autonomous co-operative enterprises.

The ICA delegation also met with Dr. Ezra Suruma, Minister of Finance, Planning and Economic Development, and the Minister of State for Micro Finance,

Gen. Oriba. At a reception hosted by the UCA, the delegation held discussions with members of Parliament and Dr. Speciosa Wandira, former Vice President of Uganda.

Before they left the country, the ICA delegation accompanied by the Minister of State for Trade and the Uganda Co-operative Alliance Chairman Joseph Mukasa, visited the Vice President of the Republic, Prof. Gilbert Bukenya at his country home outside Kampala. During the meeting, Mr Mukasa raised a number of issues with the Vice President, including the supervision of SACCOS, the wish for a study on the status of the co-operative movement

in Uganda, and concern over the delay in finalising the draft co-operative policy and proposed revised co-operative law.

The Vice President urged co-operatives to encourage their members to build competitive co-operatives with strong commodities to sell. They should also diversify away from the traditional crops and activities to more money making ventures including crafts and painting.

The ICA President called for government support for co-operatives with minimal political interference saying the ICA is committed to achieving the millennium development goals and using every possibility to set up systems to share knowledge.



Joseph Mukasa,
Chair of the Ugandan
Co-operative Alliance
and member of the
ICA's Governance
Working Group

Japan meets West Africa

Nobu Kitajama from the Health Co-operative Association of Japanese Consumer's Co-operative Union (HCA-JCCU) paid a visit to ICA office in Ouagadougou, Burkina Faso on 20 September.

Mr Nobu is also Chief Secretariat of the Asia-Pacific Health Co-operative Organisation (APHCO).

Mr. Nobu took the opportunity to discuss his ideas regarding health co-operatives in West Africa and the continent in general, with ICA staff.

He is planning a special visit to Africa next year, to visit co-operative health clinics in Benin and in other regions to see how his organisation can provide support to that sector in Africa.



Nobu Kitajama visiting ICA's
office in Ouagadougou,
Burkina Faso

Visit was an opportunity to discuss role of health co-ops in West Africa

International Co-operative Trade Fair, Tehran, Iran

Asia-Pacific

The ICA and Iran Chamber of Co-operatives (ICC) have organised an international co-operative trade fair to take place in Tehran on 27-29 October. The fair brings producers and buyers together to exchange co-operatively

commodities like dates, pulses, dry fruits, fresh fruits, carpets and natural minerals. The fair will attract buyers of commodities like tea, sugar, rice, home appliances, gems & jewellery, textiles, construction materials and accessories.

On the opening day of the fair there is a symposium to discuss effective trade networking among co-operatives. This event will provide an opportunity for co-operative leaders and managers to discuss their views on the role of co-



produced products. Organisers aim to find global markets for Iranian products, especially in the Asia-Pacific region.

Iranian co-operative producers will exhibit non-oil

More than 1000 exhibitors from Iran and around the world will promote their products with a view to establishing long-term partnerships for the export and import of co-operatively produced products.

operatives in mobilising fair globalisation and to make suggestions for the development of co-operatives through inter-cooperative partnerships.

“Body-building” for co-ops - 4th Regional Co-operative Forum

Robby Tulus reports from the 4th ICA Regional Co-operative Forum, which was held on 17 August in Colombo, Sri Lanka.

The theme of the forum was *Capacity Building: the Priority of the Co-operative Enterprise*. While relevant, we also learned from the various presentations that we need capacity strengthening, as co-ops exist in an increasingly heterogeneous world with more diversified responses to it.

Participants heard many practical yet substantive case studies and two distinct conclusions emerged: The first was a re-emphasis of current and burning issues in our co-operative world, and the second was a challenge for future cultural change in our co-operative world.

The overriding importance of membership was emphasised in the presentations. Members are at the centre of the governance process. A cycle of scandals and historic weaknesses gave rise to a critical need to get co-op membership more involved. For example, National Land Finance Co-op in Malaysia had shown how members benefit from visionary and creative social schemes provided to them. Openness and transparency are therefore important traits to ensure a more engaged membership.

Most forum participants represented developing countries in Asia-Pacific where the role of government remains prominent and highly visible. The argument to review its role is therefore as relevant today as it was even a decade ago.

Key-note speaker, Mr. Lalith Weeratunga, Secretary to the President of Sri Lanka, said bureaucratic interference must be minimised, rigid rules must be reviewed and changed, because “co-operative is a business, not a government department”.

Case studies from the UK and Japan showed that leadership is pivotal in the transformation process of the co-operative movement.

ICA President, Ivano Barberini, addressing the forum said that leadership means being able to nurture the co-op by “not waiting for others to solve our problems”. For leaders it means more communication with members to put values into practice, and to enhance their self-determination. To access Robby Tulus full report click [here](#)



Robby Tulus reporting from the ICA Asia-Pacific Regional Assembly and Forum



For more details on this project, its methodology etc please contact Garry Cronan, Global 300 Director
cronan@ica.coop



Global 300 launch and seminar

A special media launch has been arranged to release the provisional listing. It will take place at the Lyon Town Hall at 11.00 am on Wednesday 25 October 2006. The launch and the following seminar are part of the [Forum for a Responsible Globalisation](#).

The key speakers at the launch will include ICA President, Ivano Bar-

berini, Hans Dahlberg **Global 300** Chair, Shaun Tarbuck, CEO ICMIF, Jean-Louis Bancel, Crédit Coopératif, France, Barry Silver, NCB, (USA) and Garry Cronan, **Global 300** Director.

In addition to the media launch itself the **Global 300** material is being distributed to global media outlets. Several national co-op apex organisations with co-operative businesses in the list are also distributing related media

material.

A **Global 300** seminar has also been organised for the afternoon of the 25th October to enable co-operative representatives and Globalisation Forum participants to get a better understanding of the project. The local SCOP organisation is also organising a luncheon see page 15.

Forum for a Responsible Globalisation ideal venue to launch *Global 300*

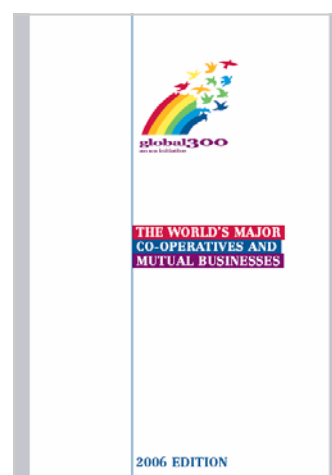
The organisers of the *Forum for a Responsible Globalisation* invited the ICA to launch the **Global 300** at their event.

There are good reasons why such an event is particularly appropriate for the launch.

Co-operatives are based on the values of self help, self responsibility, democracy, equality, equity and

solidarity. These values will be at the heart of any responsible globalisation.

The **Global 300** also demonstrates that co-operative and mutual businesses can compete in an increasingly competitive global environment. They are living proof that values and competitiveness can go together, that there are other alternatives to the dominant investor oriented model.



Copies of the **Global 300** pamphlet are available on the new www.global300.coop website or by contacting cronan@ica.coop

Top 10 co-operative & mutual enterprises in provisional Global 300 list

Rank	Name	Industry	Country	Created	Turnover 2004 USD millions
1	Zen-Noh	Food and Agri	Japan	1948	53,898
2	Zenkyoren	Insurance	Japan	1951	46,680
3	Crédit Agricole	Div financial	France	1897	32,914
4	Nationwide	Insurance	USA	1925	23,711
5	NACF	Agri +	Korea	1961	22,669
6	Groupama	Insurance	France	1899	21,651
7	Migros	Retailing	Switzerland	1925	17,779
8	The Co-op Group	Retailing	UK	1863	16,556
9	Edeka Zentrale AG	Retailing	Germany	1898	15,986
10	Mondragon Corp	Diversified	Spain	1956	14,155

Key findings from the provisional Global 300 list

Below is a summary of some of the key aspects of this first ever global ranking.

- This provisional list is the result of detailed research into co-ops/mutuals internationally, never before undertaken – it is a first step to develop better global data-base/statistics on co-operative and mutual business models – it will be regularly reviewed, refined and updated
- The combined revenue of the **Global 300** co-op/mutual businesses is much larger than many people – including many in the co-op/mutual movement, think! . Almost 1 trillion USD in aggregate, USD 965 billion on FY 2004 figures. By way of comparison, Canada the 9th economy in 2004 had a GDP of USD 979 billion (World Bank)
- Turnover ranges from a minimum of around USD 600 million for number 300 up to the top co-operative on USD 53 billion
- The **Global 300** comprises a range of co-operative and mutual business structures which can be further classified into at least the following:
 - consortium + federation
 - co-operative groups
 - companies controlled by co-operatives
 - co-operative enterprise
 - mutual enterprise
- **Global 300 are** concentrated into three (3) key industry sectors:
 - Agriculture – around a third of the list, represented in virtually every country
 - Financial institutions – insurance, banks, credit unions and diversified financials – round one quarter (25%) of the list
 - Retailing and wholesaling – around one quarter (25%) of the list
 - Other areas represented include, energy, health and manufacturing
- Many **Global 300** businesses are long-established. Co-ops/mutuals can plan for long-term growth, not tied by the markets' needs for short-term profit distribution – nearly half of **Global 300** formed by 1940, four out five formed by 1990
- Twenty eight (28) countries were represented in the list: Europe 15, Americas 4, Asia Pacific 9
- Countries with the largest total **Global 300** turnover were in order France, Japan, USA, Germany and the Netherlands
- Countries with the most businesses in the **Global 300** were in order USA, France, Germany, Italy and the Netherlands
- Countries with the largest % of GDP from **Global 300** revenue were in order Finland, New Zealand, Switzerland, Netherlands and Norway



The **Global 300** have combined revenues the equivalent of the GDP of the 10th economy in the world!

The size and importance of co-operative and mutual businesses can no longer be ignored!

Note for the future: the criteria for this first ranking, was revenue - this measure is often used in wider business lists, it has also been the basis of the NCB's Top 100 USA co-operatives for over a decade. However, a revenue ranking does not necessarily represent all types of co-operatives, particularly financial ones, to best effect. It also understates the important role of some sectors such as co-operative housing and worker co-operatives and of course does not measure co-operative other social contributions, employment etc. Next year we will be widening the research to include a range of other criteria.

Visit the new **Global 300** website for all the details on this project including the full 300 listing

www.global300.coop



Garry Cronan, Global 300 Director, optimistic we can build on these first steps

Only a first step.....

Compiling the **Global 300** list has not been an easy task.

It is seemingly a simple job to just list the largest co-operative and mutual businesses in the world. However, the further one journeys into it, the more complex it becomes.

There are two main sets of issues:

- Access to data, and
- Definitions - which organisations should be included or excluded.

Access to reliable and consistent global data is a real problem for the broader co-operative movement. This problem at global level is mirrored at national and sectoral level as well.

This project has gone some way to creating, for the first time a comprehensive data set on the largest co-operative and mutual businesses in the world.

It is, however, only a first step.

We are aware there are a number of major co-operative and mutuals businesses missing from this first list. It is hoped as was the case with the USA Top 100 list, that the publication of the first ranking brings forth much more information for inclusion in the next one.

The launching of the provisional listing also provides us with an opportunity to start to systematically build a more consistent and co-ordinated global data and knowledge base. One in

which regional, sectoral and national statistics are integrated and linked to each other and at the global level.

We need to establish global collection standards so that when we collect data it is consistent and usable in a variety of ways.

The above point on collection standards relates to the definitional issue as well. What is, or accepted as a co-op/mutual business varies throughout the world. We need to agree on what we should be collecting and why.

There is much room for improvement in collection and also refinement of methodology. It is hoped however, that we can build on this first step.



Hans Dahlberg, Chair Global 300 is looking to extend the range of people and organisations already involved in the **Global 300** project

Invitation to participate and help develop *Global 300*

To help move the **Global 300** process forward, a number of committees have been formed.

These included a **Global 300** Reference Group, chaired by Hans Dahlberg which includes a number of ICA Board members.

A **Global 300** Data Validation Group has also been formed. This group has been very active over the last cou-

ple of months in helping to develop the **Global 300** methodology and in finalising the provisional list.

It is clear that this Data Group will have a key role to play in the future in helping to extend and further developed the global database outlined above.

The **Global 300** team is also seeking funding to help consolidate the work al-

ready undertaken and to build a more sustainable base for this type of business knowledge and analysis.

In that regard we would like to particularly thank NACF from Korea and Desjardins from Canada for their financial support for this project. If you wish to support this effort please contact Hans Dahlberg Hans@ICMIF.org

Special thanks

We would like to extend our thanks to all the people and organisations who have help produce this first provisional **Global 300** listing. In particular we would like to thank: Ivano Barberini, Onno-Frank von Bekkum, Andrew Bibby, Dave Chesnick, John Dunn, Pauline Green, David Griffiths, Rachel Griffiths, John Gully, Paul Hazen, Carolyn Liebrand, Graham Mitchell, Art Jaeger, Hassan Kashef, Ann Lavoie, Dave Lenton, Felix Lozano, Iain Macdonald, Graham Mitchell, Bruno Roelants, Barry Silver, Shaun Tarbuck, Patricia Vaucher.

ICAO – farmers face uncertain future

ICA sectoral organisation, the International Co-operative Agricultural Organisation (ICAO) will hold a seminar on recent developments in the WTO/DDA negotiations, on 9 November 2006, at New Century House in Manchester, UK.

Recent suspension of the Doha Development Agenda negotiations is regarded as a setback for WTO members. It is uncertain how the suspension will influence future agricultural trade trends around the world.

This seminar will highlight this recent development in the agricultural negotiations and discuss its

impact on family farms and agricultural co-operatives. A case study session will also look at how farmers from different regions are facing the rapid globalisation phenomena.

A related session will be held on agricultural marketing issues. Globalisation has forced local farm organisations to face unprecedented competition in markets. This session will examine how farmers are facing the difficulties, maximising the value of farm products and finding the “Blue Ocean”.

Specialists and delegates from international organisations including ICA, ICAO, IFAP members will be invited to share their views and experiences. The seminar is

open to non-ICAO members also.

ICAO will hold its annual general meeting on 9 November, 2006. Members will hear reports on ICAO activities and future plans, since the last AGM, which focused on the diverse issues facing agricultural co-operatives.

WTO/DDA issues, food safety and solidarity among ICAO members will be discussed.

For more information contact Jin Kook Kim, agricultural advisor and sectoral information manager: kim@ica.coop

www.ica.coop

Sectors Agriculture



Health

IHCO – Targeting funds for health co-operatives

ICA sectoral organisation, the International Health Co-operative Organisation (IHCO) is holding a seminar and board meeting in Manchester on the same day as the ICAO events.

The seminar examines fund-raising for co-operative projects. Ses-

sions include:

- ICA Report on Mobilisation of Resources to Support International Co-operative Development (Ola Nord/Edgar Parnell (1999);
- Financing Co-op Development.

- the A-B-C of Fund-Raising for NGOs, with Mr. Noam Perski, fund-raising consultant.

For more details contact IHCO direction@fundacionespriu.coop also see <http://www.ica.coop/ihco/index.html>



Dr José Carlos Guisado,
Chairperson, IHCO

SCOP Entreprises Rhône-Alpes to jointly host lunch at Global 300 launch

The ICA and SCOP Entreprises Rhône-Alpes are taking the occasion of the **Global 300** launch and seminar to host a special luncheon for co-operative and media representatives.

Bruno Lebuhotel, President of SCOP Entreprises Rhône-Alpes has welcomed the opportu-

nity to extend hospitality to the international co-operative representatives who will be attending the **Global 300** launch as well as the Globalisation Forum.

Also in attendance will be the mayor of Lyon, the originator of the idea for the *Forum for a Responsible Globalisation*.

The luncheon will also be taking place in the historic Lyon Town Hall the venue also for the official opening of the Forum on Wednesday night.

Bruno Lebuhotel, President of
SCOP Entreprises Rhône-Alpes



Special Feature

“...Signs are that the demutualisation tide is turning....”

“...credit union conversions violate co-op principles because they are, “involuntary, undemocratic, and harmful to the community....”

Co-op movement comes out swinging against demutualisation

National Co-operative Business Association, the US peak body representing co-operatives across all sectors of the economy, has strongly opposed the latest high profile demutualisation bid by an American co-operative financial business.

Lafayette Federal Credit Union in Kensington, Md., wants to convert to a mutual savings bank - an interim step to be-



Paul Hazen, President and CEO of NCBA

coming an investor-owned bank.

NCBA President and CEO, Paul Hazen said credit union conversions violate co-op principles because they are, “involuntary, undemocratic, and harmful to the community.

“Invariably, they are hatched by a small group of board members or senior managers and are usually forced on the membership with a minimum of discussion and debate,” he said.

Hazen said credit union members lose in two ways from conversions: they lose control of a business they previously owned, and they will eventually see higher interest rates on loans and lower interest

rates on savings.

The Lafayette proposal is by no means unique. A decade long demutualisation trend has severely impacted on the credit union, mutual insurance and agricultural co-operative sectors in the US, UK and Australia. However there are strong indicators, evidenced by the vocal US opposition that the tide is



Adrian Coles, DG of the UK Building Societies Association

beginning to turn.

Adrian Coles, Director-General of the Building Societies Association, which represents all 62 of the UK's mutually owned mortgage lending and savings institutions said, “We went through the demutualisation craze in the mid-late 1990s. The last building society demutualisation was in December 2000. What has been clear, evidenced by independent academic (and other) research, is that demutualisation leads to branch closures, lower service standards, more confusing pricing strategies for consumers to grapple with, higher margins, and a tougher attitude to those with mortgage repayment difficulties.

“In contrast the remaining mutuals have redefined their mutuality so as to substantially improve their corporate governance, retain branches, become more involved in local communities, and develop their own distinctive culture which puts consumers, rather than shareholders, first. As a result mutual building societies are among the most trusted



Shaun Tarbuck, CEO, ICMIF

financial institutions in the UK.”

The UK mutual insurance sector has experienced a similar strengthening of core values. Shaun Tarbuck, Chief Executive of both International Co-operative and Mutual Insurance Federation (ICMIF) and the UK's Association of Mutual Insurers said, “The decision by Standard Life to demutualise received widespread coverage with speculation that others might follow this route. However the UK mutual insurance sector has never been stronger.

“Following the establishment of the AMI in 2004, now effectively representing 98% of the UK mutual insurance market, and the

Demutualisation feature continued.....

subsequent Myners Review and Report leading to the introduction of an Annotated Combined Code (ACC) of Practice for mutual life insurers, the UK mutuals are working together to sustain their trend of gaining an increasing share of the market.

“We are now seeing AMI working to raise the profile of the mutual insurance sector and the individual insurers are all working toward further improving communication with their members to encourage greater participation.”

But in Australia, a fragmented mutual sector has been unable to find an effective voice to counter the many spurious arguments used to support demutualisation and as a result a large percentage of the sector has disappeared.

“The mutual is an effective form of business that has been part of Australian history but has been pushed into the background with the blind adherence to the economic rationalist approach,” says Peter Gates, head of the Australian co-operative development agency, The Mercury Centre Co-operative, and a long time observer of Australian mutuals.

“Australia suffers from the political mantra of privatisation, supported by both sides of politics...Unfortunately for the mutual and co-operative sector, this mentality has been used to support the demutualisation of many member owned organisations”.

What drives demutualisa-

tion?

The late Paul Fitzgerald, former General Manager of the Australian Centre for Co-operative Research and Development, (ACCORD) said Australia has led the way internationally in the speed and scale of demutualisations. “There is an underlying belief of the proponents of demutualisation that the mutual form is inherently less efficient than a traditional company structure.”

A recent editorial in the UK’s Financial Times illustrates this prevailing opinion. Commenting on the mega-merger of Portman and Nationwide building societies into a mutually owned bank with more than £150bn in assets, the editor noted: “Large mutuals around the world, from Prudential Insurance in the US, to the Halifax building society in the UK, have decided to turn their members into shareholders.

They have done so, it said “because of two main problems with the mutual model. First, the only ways a mutual can raise equity finance is to retain profits or ask members for money, and both sources are limited. The result is mutual banks that lack the capital to invest in new technology and mutual insurers that cannot ride out market downturns.”

The complexity of raising capital for co-operatives is the most cited reason for demutualisation.

However, research undertaken by the Association des Assureurs Cooperatifs et Mutuels Europeens has refuted

this claim.

The study of 97 companies in 11 countries within the European market shows that mutuals outperform stockholder companies in greater claims payments, lower costs and better overall financial performance.

The ICMIF Report makes interesting reading, in this regard, as it demonstrates that most co-operatives seeking to inject new capital into their organisation, have usually fallen prey to a takeover once they have become stockholding entities. The report concludes that the arguments for demutualisation are not so much based on hard facts, but more often on the ideology of demutualisation.

“Unless the notion of mutual ownership is understood and valued by the membership, demutualisation of co-operatives will continue [in Australia],” said Fitzgerald.

One of the advantages of the mutual structure is the ability to collect profits and retain them as capital without the need to pay shareholder dividends. A good mutual board balances the need to provide appropriate pricing to members with the need to retain a percentage of profits for the future. As the years pass and the capital grows it creates a source of free funds to put to use for the benefit of the members.

Whether and how co-operatives foster and facilitate member loyalty and involvement critically determines the impact of the conversion challenges.cont’d

Special Feature



Peter Gates, CEO,
Mercury Centre
Co-operative,
Australia

“..unless the notion of mutual ownership is understood and valued by the membership demutualisation of co-ops will continue....”

Special feature

Demutualisation feature continued.....

“...the remaining mutuals have redefined their mutuality ..”

“...Co-ops have the right to convert. But member-owners need to be fully informed of what is being proposed,”

“...when asked was demutualisation a good thing 49% said it had been a mistake...”

It requires a board a management and a membership who have an ongoing commitment to co-operative values and principles.

“Co-ops have the right to convert. But member-owners need to be fully informed of what is being proposed,” says Paul Hazen. Hefty cash payments and stock options for a co-op’s board and leadership are often the end-result behind conversions. And members aren’t always privy to the details of the packages available to the leadership.

NCBA has lobbied for increased disclosure of the details of conversions and has opposed several recent high profile conversion attempts. In addition, NCBA is building a cross-sector database of thousands of committed co-op advocates who can be rallied to be sure members understand what’s at stake in conversions and other attacks on the co-operative business model.

Signs are that the demutualisation tide is turning. Strategies such as the NCBA database are one way of fighting this threat. Of equal importance is that the co-op movement continue to fight for good governance and communication with members.

A USA study on Strengthening Co-operative Business Structures: Lessons Learned From Demutualisation & Co-operative Conversions (E.G. Nadeau and Rod Nilsestuen, 2004) has concluded that a co-operative’s level of commitment to its members and its community, and member awareness of, and trust in,

the co-op varies inversely with the likelihood of conversion: Members who are aware of their ownership role and are pleased with the services they receive are more loyal to their co-operative.

Adrian Coles says the negative consequences of demutualisation have been widely recognised; “Unfortunately this was not clear before the demutualisations because building societies had not done enough before the mid-90s to distinguish themselves from stock companies. It took the demutualisations to shake the remaining mutuals out of their complacency - that is the last thing you would accuse them of now.”

Also important, however, have been the defensive measures building societies have taken. One of the features of UK demutualisations has been large windfall payouts to members, in compensation for giving up membership rights that few knew they had. Of course, everyone voted in favour of this, because they didn’t, then, think they were losing anything - it was seen as money for nothing.

“The solution to this has been very effective. All new members have to agree, as part of the account opening process, to assign any windfalls arising from conversion to stock status to a charity. The various remaining societies introduced this requirement between 1997 and 2000. This has

slowed what was an overwhelming number of account applications, but also reduced the vested short-term interest that members have in demutualising.”

In Australia, the media is starting to report on the negative consequences of some famous late-90s demutualisations. Australian newspapers continue to run stories on the financial services company AMP. Established in 1849, in 1998 AMP was a mutual with a capital of \$8 billion. In 1998 it was demutualised and it was argued that this was in the best interests of everyone. It was recently reported that five of ten board members have resigned - after AMP announced a 48% fall in interim profit and with a looming expected net loss of \$896 million - the seventh largest in Australian corporate history. In the past 12 months, the loss of market value of AMP has been \$12.9 billion.

The results of the first Australian Social Attitudes Survey, managed by the ACSPRI Centre for Social Research at the Australian National University, revealed that when asked if they agreed or disagreed that changing ownership from members to shareholders in organisations such as AMP and NRMA had been a good thing, 49% said it had been a mistake and only 19% said it had not been a mistake.

More information:

www.australia.coop
www.bsa.org.uk
www.ncba.coop
<http://www.icmif.org/>
<http://www.mutualinsurers.org/>

News commentaries identify trends

To complement the icanews.coop service the ICA has also introduced a series of weekly



commentaries by independent co-operative and business journalist Andrew Bibby.

Over the last few weeks, Andrew has covered a variety of topics including world trade issues, co-ops and sustainable energy, demutualisation, and

online membership strategies in co-operatives.

In the last couple of weeks his attention has been on the role of governments throughout the world in promoting, or otherwise, co-operative development.

In one of the recent commentaries Andrew looked at Malaysia, where the government is establishing a new Co-operatives Commission. He has also recently commented on reports on icanews.coop about new co-operative legislation in Australia, and activities by gov-

ernments in South Africa, Malaysia, Barbados, Vietnam in relation to co-operatives and the role of the state.

It is clear from these commentaries that a lot of the media reporting of co-operatives is about this movement-state relationship.

You can access these commentaries at www.ica.coop/icanews/index.html

icanews.coop



Andrew Bibby providing his own weekly interpretation of news coming into icanews.coop

Positive response to communications offer to members

The ICA has recently written to all its members and regional offices with the following offer:

- Free installation of icanews feed boxes on member's websites
- Exchange of logos – encouraging greater links between ICA and its members, including a new ICA Members Logo
- Free distribution of the ICA **Digest** to your members

We have received a very positive response to this offer.

Over the next few weeks we will be working to assist our members, regions and sectors install the free news feed box on their site. Organisations that have already requested the service include:

- Cooperatives Europe
- ICA Asia-Pacific
- CICOPA
- ICA Housing
- NZ Co-op Association

- GNC (France)
- Co-operatives UK
- Ascoop
- Dot coop

It is not too late to take advantage of this special offer.

If you want more information see www.ica.coop/members/members.html or contact Garry Cronan cronan@ica.coop

Our online poll on www.icanews.coop found that 91% of visitors consider icanews.coop a useful source of news on co-ops

Would you like the ICA member logo on your site?

As outlined above, the ICA has developed an ICA member logo, for use on members sites or publications and promotional material.

The design has been developed by Wave, the UK based worker (design) co-op we have been working

with on a variety communications related activities.

We are asking members for their views before we finally make it available for use.

If you have any views could you please contact us and let us know what you think.



Do you like this draft member's logo?

Let us know contact cronan@ica.coop

Annual Reports

Latest ICA Annual Reports available

The 2005 Annual Reports for the ICA and a number of its regions have recently become available.

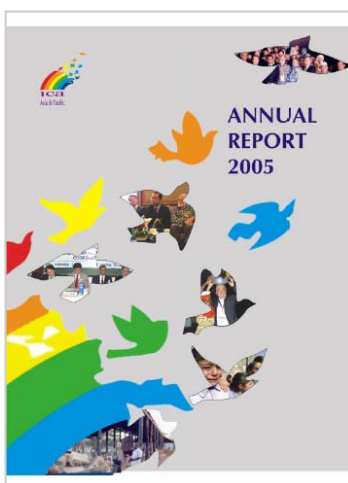
be sent to all ICA members and will also be available for downloading from the ICA www.ica.coop website.

Americas have also recently published 2005 Annual Reports. These are also available for the ICA's main website or from the regions own websites.

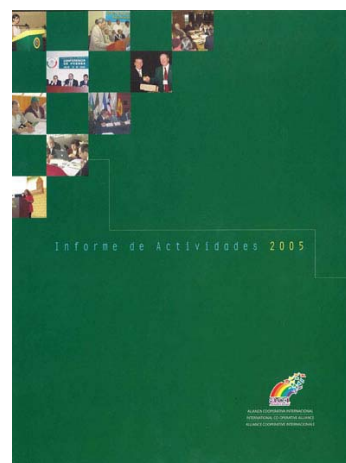
The global report will shortly ICA Asia-Pacific and ICA



ICA (Global) 2005 Annual Report



ICA Asia-Pacific 2005 report



ICA Americas 2005 report

ICA Review

Research issue of ICA Review published

The latest issue of the ICA's Review of Co-operation has just been published.

The issue is edited by Dr Olive McCarthy and Dr Ian MacPherson. The next edition of the **Digest** will contain an interview with Dr McCarthy on future directions for the Review, including the need to investigate the need for peer review of articles.

Volume 99 No 1/2006 contains a selection of research papers presented at the International Co-operative Research Conference, hosted by the Centre for Co-operative Studies, University College, Cork, Ireland in August 2005.

Next year, 2007 will also be the centenary of the journal.



New HRD Website

New global HRD network for co-operatives

A new portal Global HRD Network for Co-operatives www.hrd.coop has recently been launched.

The objective of the new website is to globally network Co-operative Training and Education Institutions. The portal is promoted, developed and maintained by National Co-operative Union of India (NCUI) and Vainunth Mehta National Institute of Co-operative Management (VAMNICOM), Pune in collaboration with ICA. The site is part of the wider Co-operative Learning Centre initiative.

Co-operative training institutions are being encouraged to register with the above portal. For further information please contact webadmin@hrd.coop

The Global HRD Network for Co-operatives



Promoted, developed and maintained by NCUI and VAMNICOM in collaboration with ICA
This portal is part of CLC

Visit the site at www.hrd.coop

Celebrating co-operatives Argentine style

The stories about how you celebrated the 84th International Day of Co-operation on 1 July, continue to roll in from around the globe. This month you can read how they celebrated in Argentina.

Ivano Barberini, President of ICA and Carlos G. Palacino Antia, President of ICA-Americas participated in the 84th International Day of Co-operation celebrations in the city of Sunchales, Santa Fe Province, Argentina on July 12-13.

This was the city's first anniversary as the "National

Capital of Co-operation" since the declaration by Congress. Gonzalo Toselli, from the city of Sunchales presented Ivano Barberini with an Honorary Degree and the Key to the City.

Sunchales also hosted a delegation from the City Council of Mondragón, Spain. The meeting provided the opportunity for the towns to exchange documents and celebrate their future alliance.

Mr Barberini and Mr Palacino visited co-operatives and other public services, including the Institute of Higher Education and Co-operatives,

and the industrial milk plant, San Cor Co-operative, which was celebrating its affiliation as a member of ICA.

Carlos Palacino spoke at a ceremony to unveil a monument to Argentine Co-operation. Felisa Micele, a Argentina Government Minister; Juan Carlos Nadalich, Minister of Social Development; Jorge Obeid, Province Governor, and Ivano Barberini also attended.

International Day of Co-operatives



Ivano Barberini

Hungarian movement celebrates IDC

International Co-operatives Day in Hungary was celebrated by a special meeting in the Parliament and by the laying of a wreath in front of the statue of Count Sandor Karolyi, founder of the Hungarian co-operative movement.

Mr. Farkas addressing the Parliament during the celebration of the 84th Int. Day of Co-operation.



12th National Gathering of Co-operation - Japan

The 12th National Gathering on "Developing co-operation now" in Kobe will be held on November 11th to 12th of 2006.

The Executive Committee including municipalities, various co-operatives, NGOs, companies and etc, hosts the gathering. It is held every two years.

The main topics are

'seeking decent life and work' and 'seeking for community renaissance with humanity in communities and society'. Two thousand participants will be expected.

There are over 3 million unemployed and with casual labour also increasing. Over 30 thousand people commit suicide every year. The gap between the rich and the poor has widened. Co-

operators want to achieve a fulfilling and decent working life through co-operatives. It will change human life and community.

For more information please contact Mami G e m b a gembam@roukyou.gr.jp



Feature interview

Inspired leadership rooted in co-operative principles - Nelson Kuria

This month's interview features, from the international co-operative and mutual movement, Nelson C Kuria, who used inspired and dynamic leadership to transform a failing Kenyan insurance company into Africa's biggest co-operative insurer, CIC Kenya. He discusses his 'calling' for the co-operative movement. Nelson C Kuria is the Managing Director and CEO of Co-operative Insurance Company of Kenya Limited (CIC Kenya), the biggest co-operative insurer in Africa. He speaks to the **Digest** about saving his company, poverty reduction and his belief that the co-operative movement is a 'calling'.

Digest: How did you get involved in the co-operative movement?

Kuria: I became involved in the co-operative movement in 1998 when I joined CIC Kenya. Although, I have only been working in the co-operative movement for



Nelson Kuria, addressing the CIC Annual General Meeting in May 2006

eight years, I feel like I have been there all my life. The past eight years have been the most fulfilling of my life and I cherish the day I joined the co-operative movement and became a strong advocate and propo-

"I live, think and breath co-operatives.To me, the co-operative movement is a calling."

Nelson Kuria

nent of the co-operative model.

Digest: What are your current roles?

Kuria: I joined CIC Kenya in 1998 as part of a succession rescue plan. I took over as Managing Director and CEO in 2001. CIC Kenya is a National Co-operative Organisation (NACO) with a progressive profile whose services cut across all types of co-operatives. I am a member of the development committee of ICMIF and sit on the board of the Association of Kenya Insurers.

Digest: How did you influence the performance of CIC when you took up your position 1998?

Kuria: When I joined CIC, the company was barely surviving and there was a need for urgent radical transformation rather than incremental changes, as a means of ensuring survival. I led a recovery plan which involved: re-branding and re-launching the company; building our image; diversifying our customer base; developing strategic alliances with other co-operatives; and staff development. These strategies worked wonderfully within the framework of our new vision, mission and core values, powerfully captured in the slogan: "We Keep Our Word". The plan culminated in a rapid and progressive reposi-

tioning of the company.

CIC Kenya has experienced a meteoric rise and is one of the fastest growing insurance companies in Kenya. We rank in the top 10 insurance companies in Kenya and we are the near-exclusive insurer for the co-operative movement. Our slogan, "We Keep Our Word", has stood the test of time and we are known for our impeccable track record in claims settlement, integrity and ethical behaviour.

Guided by the co-operative principle of "concern for community", we are working with co-operatives and microfinance institutions to develop innovative micro-insurance solutions for the very poor sectors of Kenya's population, especially low ticket health and life insurance policies.

Digest: What is your relationship with ICMIF and how does it support mutuals?

Kuria: In 1995/96, ICMIF helped to save the company from insolvency and imminent deregistration by the Commissioner of Insurance, by injecting USD1.5 million into CIC through its capital injection facility, Allnations Inc. CIC's existence today is an affirmation of the role of ICMIF in assisting and promoting the development of

Nelson Kuria interview...continued

co-operative and mutual insurers worldwide, especially in the third world.

Digest: *In your view, is it good time for co-operatives in Africa?*

Kuria: Kenyans, like most African people, face severe economic, political and social crisis. Poverty, most people agree, is the most pressing problem facing Africans' today. In order to redress the situation, it is necessary to tackle the structures that lead to poverty, underdevelopment and extreme inequality.

The global co-operative campaign against poverty, "Co-operating out of poverty", demonstrates that co-operatives are one of the most appropriate institutional mechanisms for poverty reduction. In many countries, co-operatives have a long history of enabling their members, especially the poorest, to improve their living conditions.

In Kenya, the co-operative movement has played a major role in the economic empowerment of ordinary Kenyans by bringing them into the national grid of economic activity. Co-operatives have demonstrated their ability and effectiveness not only in poverty reduction but also in facilitating a fairer distribution of resources. Development, from a co-operative sense, means more than improving the lives of the poor, it involves greater human dignity, security, justice and equality. Co-operatives in Africa are more relevant than ever and are expected to play an increasingly im-

portant role in development.

Digest: *What are the priorities for the co-operative movement?*

Kuria: In Africa, our first priority is to raise the profile of the movement through mass education and communicating the successes of co-operative enterprises.

We need to improve and promote good co-operative governance in order to develop effective and sustainable organisations, especially in the wake of economic liberalisation and globalisation. This will help improve the image of co-operatives and act as an incentive for many more people to join co-ops. Sustainable co-operative development must embrace the centrality of member empowerment.

Co-operatives world-wide must shed their perceived "lethargic and old fashioned" heritage by practicing modern management techniques, responding knowledgeably to the challenges and opportunities, of the modern world. They must embrace communication technology to improve service quality and productivity. "The option is to adapt to the rapid changes and innovate, or perish."

Another priority, is to develop an enabling environment for co-operatives through appropriate policy and legislation. Govern-

ments should assist the development of the co-operative movement because of its importance in achieving their socio-economic agenda, especially under the Millennium Development Goals.

But, in revitalising and building a strong co-operative movement in Africa, co-operators should not look to government but rather to visionary, enlightened and committed leadership.

Digest: *What are the benefits of mutuals in a global economy?*



Kuria: The wave of demutualisation that started in Europe in the 90s, spread like wild fire and was based on the non-empirical notion that mutuals are inherently inefficient, especially when compared to stock companies." This notion was discredited in a study titled, "Valuing Our Mutuality" (2001), commissioned by the Association of European and Mutual Insurers (ACME). The study established that mutuals consistently outperform stock com-

Feature Interview

panies in areas like market performance, claims payments and costs. In the area of financial performance, there was no significant difference between stock companies and mutuals. The study showed that the mutual idea places customer value at the centre. CIC's customer-centric approach is strongly based on our core value of "commitment to the customer" and "concern for people".

Digest: *You received a state award from the President of the Republic of Kenya in December 2005. What was the award and why were you honoured?*

Kuria: I am truly proud of the award of the "Order Of The Grand Warrior" of Kenya (OGW), because it affirms that the Kenyan Government recognises the importance of the co-operative movement. The award was given in recognition of outstanding leadership in the co-operative movement, especially the transformation of CIC.

"I am proud that CIC Kenya is a success story and a role model for the co-operative movement in Kenya and Africa."

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2006 ICA and related
events.....\)](#)

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site www.ica.coop

2006 Calendar of ICA events and related co-operative activities

12-13 Oct	XXIV ICA-Americas Regional Council, Argentina. Contact: member@aciamericas.coop More information on www.aciamericas.coop
18-21 Oct	Association of European Co-operative and Mutual Insurers (ACME) and the Association Internationale des Sociétés d'Assurance Mutuelle (AISAM) First Joint Congress, Bruges, Belgium.
19-22 Oct	ICA Research Conference, Dourdan, France. Contact: Jean-François Draperi draperi@cnam.fr
25 Oct	Global 300 Launch and Seminar, Lyon, France. Contact Garry Cronan cronan@ica.coop see www.global300.coop
25-30 Oct	International Co-operative Trade Fair, Tehran, Iran. For details www.icc-coop.ir/ica/index.htm
26-29 Oct	International Economic and Social Forum , Lyon, France. Contact: Jacques Terrenoire, jacques.terrenoire@biovision.org
6-8 Nov	Gender Integration in co-operatives -- 10 Years before and after", Tagaytay City, Philippines. Contact: Savitri Singh, savitrisingh@icaroap.coop
9 Nov	UK Co-operative College has organised a meeting for co-operative development agencies., Manchester, UK. Contact: Mervyn Wilson mervyn@coop.ac.uk
9 Nov	Meeting of the ICA Communications Committee, Manchester, UK. Contact: Garry Cronan, cronan@ica.coop
9 Nov	ICAO General Meeting, Manchester, UK. Contact: Jin Kook Kim, kim@ica.coop see www.agricoop.org/
9 Nov	ICAO Seminar, "Recent developments in the WTO/DDA negotiations". Manchester, UK. Contact: Jin Kook Kim, kim@ica.coop
9 Nov	IHCO Board meeting, Manchester, UK. Contact: direccion@fundacionespriu.coop s
9 Nov	IHCO Seminar, "Fundraising for co-operative projects". Manchester, UK. Contact: direccion@fundacionespriu.coop see www.ica.coop/ihco/index.html
9 Nov	CECOP - Board meeting , Manchester, UK - Social enterprises & worker co-operatives European seminar: comparing models of corporate governance and social inclusion - Contact: Olivier Biron - also see www.cecop.coop/article.php?id_article=281
9 Nov	UK Co-operative Forum, Manchester, UK - The future of public sector housing: co-operative models making a difference - Contact: Helen Seymour helen.seymour@cooperatives-uk.coop
9 Nov	Consumer Co-operatives Worldwide (CCW). CCW is ICA's global consumer sectoral organisation., It will be holding a seminar on Common sourcing of products for European Consumer Societies. Contact: CCW's Chair, Bob Burlton bob.burlto@midcounties.coop
9-11 Nov	Co-operatives Europe Regional Assembly and Co-operative Conference, Manchester, UK. Contact: Rainer Schluter, r.schluter@coopseurope.coop
16 Nov	ICFO Annual General Meeting, Singapore, Contact: panpacific@pacific.net.sg More information on http://singapore.panpacific.com/
16 Nov	ICFO Annual Executive Members Meeting - Room "Ocean I ", Pan Pacific Hotel, Singapore
21-24 Nov	Agricultural Co-operatives Workshop organised by NCAF, MAF, IFAD, Seoul, Korea.
7-8 Dec	ICA Board meeting, Trento, Italy. Contact: Iain Macdonald macdonald@ica.coop
2007	
22-24 May	International Health Co-operative Organisation (IHCO) Board meeting, Stockholm, Sweden. Contact: direccion@fundacionespriu.coop
24-29 Sept	ICMIF World Congress, Brussels, Belgium. Contact: Shaun Tarbuck, shaun@ICMIF.org
13-19 Oct	ICA General Assembly, Singapore. See www.icasingapore.coop/