



ica News

INTERNATIONAL CO-OPERATIVE ALLIANCE

Issue No 3/1999

Editor: Mary Treacy

ICA Board Meets in Stockholm

The ICA Board met in Stockholm on April 12 and 13, 1999, where they concentrated their efforts on the final conclusions and recommendations arising from the Organisational Review of ICA structures and activities. Following extensive input from ICA Members, Regions, and Specialised Bodies, the Board agreed upon the contents of a ten-page document, entitled "ICA 2005", which will be submitted to the ICA General Assembly at its meeting in Quebec City on September 1. This report was sent to ICA Members, along with other Congress-General Assembly documentation, at the end of June.

The Board expressed its pleasure about the March decision of the ILO Governing Body to establish co-operatives as one of the ILO's three priorities in preparation for its Conference in 2001. The Board endorsed the ILO Declaration on Fundamental Principles and Rights at Work as another example of the close collaboration which exists between ILO and ICA.

Following a proposal by ICA Board member, Ivan Prikryl of the Czech Republic, the Board agreed that legislation is a priority area for ICA at both global and regional



ICA Board, Stockholm, April 1999

levels and that Dr. Prikryl should be asked to continue the development of a global co-operative legislative data bank and registrar of experts. Additional possible initiatives will be discussed at the next Board meeting.

The Board accepted a proposal from the ICA President to initiate a global award programme for outstanding co-operative leaders. It asked management to do further work on the concept of a meeting of the Chief Executives of the world's largest co-operatives, an idea raised several times during the Organisational Review.

Financial problems faced by member organisations in many regions

have resulted in a ten percent decrease in subscription income for ICA, and management was asked to revise the ICA budget in light of this major change.

Finally, the Board accepted nine new members from the Americas, two from Africa, and two from Europe; granted associate membership status to organisations from Namibia and Mauritania; and granted leniency from payments overdue to the ICA's four members in Honduras, who are still recovering from the effects of last year's Hurricane Mitch.

The ICA Board met again in Quebec City on August 27.



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Inauguration of the Jawaharlal Nehru Co-operative Complex

Roberto Rodrigues, President of ICA, inaugurated the new building of the National Co-operative Union of India named "Jawaharlal Nehru Co-operative Complex" in New Delhi on April 19, 1999. He also opened the National Seminar on Women and Youth at the same venue.



ICA President with MMK Wali, G.K. Sharma, B.S. Vishwanathan, Brijender Singh and R.C. Dwivedi

Over 400 co-operative delegates and govern-

ment representatives were present, including Mr. Sompal, Minister of State for Agriculture, Mr. Hegde, the Minister of Commerce, Mr. Suresh Prabhu, Minister of State for Environment and Chaturanan Mishra, the former Minister of Agriculture.

On this occasion the past presidents, general secretaries, and other eminent co-operators who have contributed greatly to the development of the Indian co-operative movement, were honoured. The first-ever Co-operative Women and Youth Forum

also attracted over 150 women and youth from all over India.

The ICA President while inaugurating the Complex, mentioned that he was happy to be in New Delhi. He said it was in 1989 in New Delhi itself that his organisation had been accepted to the ICA fold and now exactly 10 years later, he is back as the President of ICA.

While in India, he visited the Regional Office.

He said he is keen to visit India again to study the various sectors of the Indian Co-operative movement, especially the agriculture sector and the sugar co-operatives.

ICA to have a new Vision - Interview with ICA President

During his stay in New Delhi in April, Roberto Rodrigues shared his views on various issues relevant to the co-operative movement in view of the ever-changing economic scenario in the world.

Q: Mr President, Sir, do you think that the ICA is on the right track, in tackling the growing insecurities faced by the co-operative movement globally, in face of multi and trans-national competition from the private sector corporations, the rapidly worsening financial situation, especially in the Asia-Pacific Region? And what are the results of your leadership initiative to have an organisational review of the board and membership?

A: We have just discussed the changes in the organisation of ICA at the Stockholm meeting. We will

not change the rules or our mission, but we will have to change our "Vision", because of recession and competition in the market in the light of globalisation of the economy.

Globalisation of the economy is not making people happy and co-operatives have a big responsibility to help its members. ICA must change its operations to closely serve the members in this respect.

We expect that we will be able to finalise our changed "Vision" statement at the Congress in Quebec next August and change the manner in which we work

As for the Asia-Pacific Region, this is the ICA's largest Region and the most important need is for education and training. I know this Regional Office has been very effective in promoting education and training, especially to women and

youth, who make up half the members, so I feel this Regional Office is working in the right direction. With the active participation of women and youth in co-operative affairs, the co-operative movement in this Region will survive and flourish.

Q: From the various surveys and consortia in the Region, we here, have been able to get some solace from the fact that co-operatives still stand a chance and that the co-operative form of business has more survival factors than any other form of enterprise. What are your views on this?

A: I agree. Co-operatives will survive better as realised after the Co-operative Think Tank Consortium organised in Manila, Philippines last year, which concluded that the co-operatives suffered less from the financial crisis. At least in the bank-





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ing sector, it has been seen that co-operative banks have fared much better, maybe because the co-operative banking sector does not go for much speculation and the co-operative banks registered a much better result..

In a globalised economy, small enterprises can grow, but there are some problems. In such an economy, the ultimate thing is the market share. In such a scenario, the enterprise has to grow. How can we grow? The only way is to merge. By merging, you reduce the cost of operations. By having one President and one CEO in place of several. Merging is the only solution..

Q: Governments have been involved all along with co-operative development in most parts of the world and particularly in the Asia-Pacific and African regions. While Government involvement has negative aspects, there is also a positive side to this phenomenon, in-as-much as co-operatives, which are very small business enterprises, get support from the government. Several Ministers' Conferences were held in the Asia-Pacific and African Regions to improve government-movement relations. What are your views on this approach?

A: Indeed, co-operatives can be ideal partners with honest and democratic governments. What is an ideal government? One which provides justice, employment to everyone, social services, reduces inequalities, provides good infrastructure, proper distribution of the national resources, environmental protection and food security. All these are issues tackled by good governments and these are the same ethos by which co-operatives operate and so co-operatives can be ideal partners with honest and democratic governments.

Then co-operatives become the economic arms of society. Governments can help society through co-operatives in providing ideal services. Co-operatives should not be treated as some kind of family members or employees but they should work as partners, providing equal status and au-



ICA President at the Regional office Library

tonomy. Co-operatives cannot afford to alienate themselves from Governments.

Q: Some time ago, when the Kenyan co-operative movement was targeted by bombing, you issued a call to support the beleaguered Kenyan movement. What has been the response from the global co-operative movement to this?

A: It has been a fantastic example of co-operative solidarity. The fund which ICA set up in Geneva attracted more than 140,000 Swiss francs in contributions - mostly from ICA members, but also from individual co-operators. Co-operatives in the United States and Canada have also made their own contributions. And Our members have lobbied their gov-

ernments - especially in Britain and the United States - in order to encourage them to make large-scale contributions towards rebuilding financial co-operatives in Kenya.

Q: What are the results of your initiative to have an organisational review of the Board and membership?

A: ICA Board completed its work on the Organisational Review at its recent meeting in Stockholm. The recommendations will be discussed at the General Assembly in Quebec City. If I can summarise the results of this extensive consultation process, which involved all the regions and sectors of ICA, I would say that people do not want to change the basic ICA structure, which is based on a combination of global, regional, and sectoral activities, but they would like all parts of this structure to work in a more co-ordinate, efficient way.

This means, for example, a much closer working relationship between ICA and the sectoral organisations. At the beginning of the review, some people suggested that ICA should reduce the emphasis it places on promoting co-operatives and should instead work harder on helping co-operatives improve their business performance - but the results of the consultation have shown that promotion and defence of the co-operative identity remains the first and most important task of ICA in the minds of its members. We need to strengthen our capacity for doing this, both at the Head Office and in the Regional Offices.

Q: We know your views on the communication revolution and the role it plays in developing business globally. With your knowledge of the global co-operative movement, do you think that co-operatives have been using it satisfactorily?



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A: Like most enterprises, co-ops have only scratched the surface regarding the potential of Information Technology.

However, they are moving quickly. When our Board met in Stockholm in April, we were informed that the consumer co-ops in Sweden have set up a new programme for selling via the Internet, and they estimate that within a few years around five per cent of their total business will be done electronically.

We are discussing the possibility of setting up a data bank that would allow co-ops to exchange information about their import and export interests in collaboration with the World Trade Centre in Geneva. This might also allow ICA to become involved in selling certification rights for these transactions.

The Internet allows co-operatives to improve their internal communications capacity.



ICA President with a group of Indian co-operators at a dinner organised in his honour by IFFCO, India

ICA opened its Business Office in Singapore

The ICA has officially opened its Business Office in Singapore with effect from July 10, 1999. It was officially opened and inaugurated by Mr. Abdullah Tamugi, Minister of Community Development, of the government of Singapore, and attended by no less than 100 guests from all over the world.

It will be managed and directed by Mr. Robby Tulus, Regional Director of the International Co-operative Alliance for Asia and the Pacific.

It is located at 04-01A SLF Building, 510 Thomson Road, Singapore 298135, Tel (65) 358-2322, Fax (65) 359-2292.

African Co-op Ministers hold sixth Conference

Ministers of co-operatives, government officials, and co-operative leaders from 14 African countries participated in the 6th ICA African Ministerial Conference held in Swaziland from August 4-6, 1999. The conference, officially opened by King Mswati III, was chaired by the Minister of Agriculture and Co-operatives of Swaziland, Hon. Roy Fanourakis. In his speech to the Opening Ceremony, ICA Director-General Bruce Thordarson observed that, "Having survived the impact of structural adjustment and economic liberalisation, having put into place new legislation and policies, co-operatives and their national governments are now reconstruct-

ing-or, in some cases, constructing from scratch--their movements. The task is certainly not easy, but neither is it impossible. There is even some evidence that international development agencies are re-discovering the importance of co-operatives in such essential areas as micro-finance and agricultural marketing."

A progress report prepared for the conference concluded that an enabling policy and legislative environment has been created during recent years in many African countries. The conference participants concluded, in their final press release, that "The reforms carried out so far require follow up with restructuring programmes that will

bring the practice of co-operative development and business in line with current and emerging realities."

The participants approved strategies in 11 action areas which will serve as guidelines for national and regional co-operative development programmes during the next three years.

The way in which such reconstruction should be carried out was discussed in detail by government officials and co-operative leaders at an ILO-ICA seminar entitled "From Reform to Reconstruction" held on August 3, 1999.

The next African Conference will take place in Uganda in 2002.



World Overview

Argentina

ICA Project office moved

The ICA Project Office for the Southern Cone of Latin America has moved to new premises, which were officially inaugurated on June 11 in the presence of national authorities and co-operative leaders. The new address is: Maipu 267, Piso 18, 1084 Buenos Aires, Argentina.

Phone numbers: (0054-11) 4325-6177/4325-6179

Fax number: (0054-11)4394-988

E-mail: csimone@acibue.cci.org.ar



Cristina Simone with Juan Carlos Fissore, President of the Confederacion Cooperativa de la Republica Argentina

Canada

Credit Union Members Block Sale

The proposal to sell one of Canada's largest credit unions, Surrey Metro Savings, was blocked by a vote of credit union members on March 17, 1999.

Surrey Metro Savings issued shares on the Toronto Stock Exchange in 1992.

This year the credit union's board agreed to sell the shares of the credit union to Canada Trust Company for 131 million Canadian dollars. However, while non-voting shareholders approved the sale by 86 percent, the credit union's members voted 20,560 for to 6,669 against the sale.

According to the Canadian Co-operative Association, "The proposed sale of Surrey Metro Savings shares to Canada Trust prompted one of the most dramatic, democratic grassroot responses in recent co-operative history."

Following the aborted sale, the credit union's Chief Executive Officer, who told members that "no one cares about the credit union philosophy", was voted

out of the Board of Directors, prompting speculation about his ability to continue in his position.

(Source: *Inter-Sector, CCA, spring 1999*)

New Co-operative Act Proclaimed

The new Canadian Co-operatives Act was proclaimed and, with its regulations, will come into force on December 31, 1999. The Act modernizes the corporate governance rules relating to non-financial co-operatives and is partly modeled on the Canadian Business Corporations Act. It replaces the old Canadian Co-operative Associations Act adopted in 1970.

The new legislation is a culmination of years of effort by the national co-operative associations, the Canadian Co-operative Association and "*le Conseil Canadien de la Coopération*". The legislation provides co-operatives with greater flexibility in responding to the demands of the competitive domestic and global marketplace. Federal cooperatives now have greater access to sources of capital other than member capital, providing them with an important tool to compete with business corporations.

The new legislation gives co-operatives more flexibility and respects their unique nature. The co-operative principles and values are set out clearly in the Act. With this new legislation, Canadian co-operatives are well-positioned to continue making important contributions to the Canadian Society and its economy.

Information on the new Regulations as well as information kits on the new Act are available on-line at <http://strategis.ic.gc.ca/corporations>.

USA

America's First Urban Utility Co-op Established

Deregulation of the utilities in the United States has helped to create a new type of co-operative business: the "urban" electric co-op. Since the 1930's the United States has seen the birth and expansion of the rural electric co-op movement. The NRECA (National Rural Electric Co-operative Association) recently welcomed 1st Rochdale Co-operative, located in New York City, as its first "urban" member.

1st Rochdale, started by New York City co-operative leaders, will serve the large co-op community in and around the city, an estimated 500,000 households, as well as other residential and business customers.



World Overview

France

Higher Council of International Co-operation

In France the Higher Council of International Co-operation has recently been created. This body, which reports to the Prime Minister, was set up by a decree on February 10, 1999, published in the *Journal Officiel*. This measure had been proposed by all associations, local authorities and organisations actively involved in development aid and international solidarity.

The Council is made up of 60 members appointed by the Prime Minister and selected from among representative organisations which have activities in the area of development aid and/or other institutions participating in international solidarity efforts (employers' and employees' unions, etc.).

Institutions belonging to the social economy (mutual and co-operative organisations) will appoint several members of this body in order to make the specific nature of the support known. They can provide for the creation of co-operative and mutual networks.

This Higher Council is responsible for organising regular consultations between its members and proposing new measures in the areas for which it is competent. The Higher Council will submit an Annual Report and possibly organise an international co-operative conference.

(Source: *La lettre du GNC*)

Italy

Legacoop Celebrates 35 years

Italian Prime Minister, Massimo D'Elema and the ICA President were among the official guests at the 35th Congress of Legacoop which was held in Rome, April 14-16, 1999. Foreign delegates from ten countries and participants from the European Commission and the ILO also participated in the Congress which addressed the theme "Rethinking Co-operation to Grow in a Free Market and a Good Society". Among the strategic objectives which emerged from the debates was a decision to identify partnerships with other ICA member organisations and to set up a network in order to enhance the opportunities for co-operative development. Ivano Barberini was re-elected President of Legacoop. The Congress report

is available in English and Italian from Legacoop Fax: 0039-06 84439406 or e-mail s.marcone@legacoop.it. (Source: *ICA Europe Bulletin, No. 2, July 99*)

UN SG Report Available in Italian

As part of the celebrations of the International Day of Co-operatives, the Italian Co-operative Movement translated the UN Secretary-General's Message into Italian. His report, "Status and role of the co-operative movement in the light of new economic and social trends", and its annex on UN Guidelines is aimed at creating a supportive environment for the development of co-operatives. In addition to making the Italian version of the SG report on both the Lega and Confcoop available on Web sites, the UN message and articles on the report were included in the co-operative press.

Annual Assembly of Confcooperative

Four hundred nationwide delegates attended the Annual Assembly of Confcooperative in Rome in June, 1999. Luigi Marino, President of Confcooperative addressing the political leaders participating in the meeting, underlined that Italian co-operation can be considered among the most relevant World and European co-operative movements which show how the social economy can represent a powerful tool to foster development and employment. In fact, jobs created within the Confcooperative's system in the last biennium have increased by 12%. This is why the Italian co-operation movement asks the Government to pay more attention to this particular kind of enterprise by creating conditions more appropriate to the co-operative development in accordance with the UN Secretary General's Report. (Source: *ICA Europe Bulletin, No 2, July 1999*)

Morocco

International Day of Co-operatives

A national celebration was held in Rabat, July 1999, where more than 200 people participated. The Minister for General Affairs issued a message on this occasion followed by the reading of the ICA Co-operative Day Message and the reading of the UN Secretary-General's Message by the United Nations Development Programme Resident representative. The event was covered by television, radio and newspaper correspondents. Similar celebrations were also held in Ojda, Tanger, Boumane, Marrakesch, Agadir, and Meknes.



World Overview

Russia

International Co-operative Forum

The International Co-operative Forum was held on June 16-18, 1999, at the Belgorod University of Consumer Co-operatives on the theme “Improving Co-operative Management. Increasing Efficiency and Service to Members”. The organiser was Centrosoyuz, Russia on the threshold of the third millennium. Galina Kisseleva, deputy chair of the ICA Global Women’s Committee and member of the European Council also attended the meeting.

The ICA President Roberto Rodrigues and Vice-President Lars Hillbom attended and addressed the meeting. Presentations were made, among others, by Edgar Parnell (UK), Senior Advisor of Plunkett Foundation on “New initiatives and new structures: co-operative success in the competitive market economy - the Kooperativa Forbundet (KF) experience”. The 145 participants of the Forum represented consumer societies, regional unions, the Board of Centrosoyuz Russia and scientists from co-operative academies. Delegates from 12 foreign countries took part in the Forum.

(Source: ICA Europe Bulletin, No 2 July 1999)

Sweden

Centennial Congress of KF

Roberto Rodrigues, ICA President was presented with the prestigious Albin Johansson medal during the Centennial Congress of Kooperativa Forbundet (KF), the Swedish Co-operative Union and Wholesale Society, in Stockholm on June 12, 1999.

Mr Lars Hillbom, ICA Vice-President, was present during the presentation.



United Kingdom

CRS to sell non-food business

Co-operative Retail Services (CRS), the second largest Co-op retailer in the UK, announced the sale of its non-food business after revealing operating losses of more than 57 million for the 1998/99 trading year. The non-food division suffered badly from an economic downturn and reduced consumer spending. More than 3,000 employees at Homeworld superstores and Living departmental stores face an uncertain future; many of the stores may continue trading with new owners, but no security on jobs has been given. CRS’s recently-appointed Chief Executive, Andy Meehan, predicted that actions taken to improve performance in the Society’s food division - including developments in purchasing, distribution, merchandising and management - would result in a “significantly improved performance” next year. Meanwhile Peter Rowbotham, CRS Chairman for six years, announced his resignation and said he would relinquish the post at the Society’s Board meeting in June, when a successor would be elected.

(Source: Coop Union, UK)

Celebration of International Co-op Day, UK

The Industrial Common Ownership Movement (ICOM) and Industrial Common Ownership Finance (ICOF) joined forces for the first time this year to organise a policy conference in celebration of the international day of co-operatives which was sponsored by CWS and The Co-operative Bank.

The Minister for Small Firms, Mr Michael Wills highlighted the strengths of co-operatives in terms of community businesses, and their flexibility, imagination, and ability to change. He announced the creation of a new Enterprise Fund, worth 160 million over 3 years, which “will complement the work of organisations like Industrial Common Ownership Finance” in providing smaller scale equity. Other speakers included Ed Mayo from the New Economics Foundation, Hilary Wainwright, Editor of Red Pepper, and Peter Couchman of Oxford, Swindon & Gloucester Co-operative Society, who provided tips on his innovative “one percent” donation to co-operative development in the region.

Jean Whitehead, National Organiser of the Co-operative Party, Stephanie Sturrock, MD of Shared Interest Society Ltd and Iain MacDonald, Manager of Membership Affairs at CWS also spoke.

(Source: ICOM)



World Overview

Japan

Extension of supplemental aid to Co-op Sapporo

JCCU, at their interim Board of Directors meeting on March 31, determined the contents of how to best utilise the supplementary support fund extended to Co-op Sapporo for their restructuring measures. Among the supports discussed were, 3.7 billion yen as a grace toward merchandise payment and 2.5 billion yen for direct financing for a total of 6.5 billion yen. In addition, 1.5 billion yen will be made available for retirement allowance of Co-op Sapporo's staff and employees.

Member co-ops of JCCU will also send some of their own Directors and Managers to support Co-op Sapporo's restructuring measures.

Korea

Co-operative Deposits at Record High

The total deposits made by members of agricultural co-operatives in Korea have exceeded one hundred trillion won (91 billion U.S. dollars), making the agricultural co-operatives the largest deposit-taking institution in Korea with 12 percent of total deposits.

This represents twice the size of the deposits of the largest commercial bank in Korea.

The amount is shared almost equally between the National Agricultural Co-operative Federation and its member co-operatives.

(Source: NACF News)

CO-OP PEOPLE

MASSIMO COCCIA, President of Federcoopescas, the fisheries sector Federation of Conf-cooperative, has been appointed Chairman of the Fisheries Section of COGECA, the agricultural and fisheries association based in Brussels.

RAIJA ITKONEN, retired in April from the Finnish Co-operative Movement after having served the Co-operative Movement for more than 35 years, including 13 years as an ICA Board member. Her successor as International Director of the Finnish Consumer Co-operative Association is **ANNE SANTAMAKI**.

CARL MAUFE has been promoted to the new post of national non-food operations manager at CWS Retail in UK.

SURENDRA PATNAIK took over as Chairman of the Board of Directors of National Federation of State Co-operative Bank., Ltd. on the resignation **Moinul Hassan**.

The Uganda Co-operative Alliance Annual General Meeting elected **BENSON TAYEBWA** as new Chairman of Uganda Co-operative Alliance replacing **Bernard Wolimbwa**.

ICA CALENDAR

- September 13-19, 1999
ICAO/NACF Workshop
Seoul, Korea
- September 20-21, 1999
2nd European Development Workshop
Budapest, Hungary
- October 11-16, 1999
5th Minister's Conference
Beijing, China
- October 14-17, 1999
ICA European Research Conference
Weimar, Germany
- October 26, 1999
COPAC Open Forum
Berlin, Germany
- November, 1999
32nd meeting of ICA Committee on Consumer Co-operation for Asia and the Pacific
Bali, Indonesia
- November 10-14, 1999
Regional Seminar on Co-operative Tourism
Langkavi, Malaysia
- Nov. 12, 99 to April 22, 2000
14th ICA/Japan Management Training Course for Agricultural Co-operatives
India, Thailand and Japan