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August, 1998

(Source: ICA News, Issue No. 3/1998)

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## **ICA President Addresses International Organisations (1998)**

August, 1998

(Source: ICA News, Issue No. 3/1998, pp1-2)

ICA President Addresses International organisations

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### **ICA President Meets UNCTAD Secretary-General**

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Roberto Rodrigues met with Rubens Ricupero, the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) on 11 June at the UNCTAD offices at the UN Building in Geneva.

Given the shared interests of co-operatives and UNCTAD in trade and development issues, the ICA President proposed several potential areas of collaboration, including communications technology and trade, small and medium enterprise development, rural credit, and human resource development. He also informed the Secretary-General of the continuing collaboration between the International Co-operative and Mutual Insurance Federation (ICMIF), through ICA, and the UNCTAD Standing Committee on Developing Services Sectors (Insurance).

As a result of the visit, the ICA was invited to participate as an observer in a workshop on Agricultural Trade in the Multilateral Framework: Latin America and Caribbean Perspectives, jointly organised by the Latin American Economic System (SELA) and UNCTAD.

The workshop was held in Geneva at the end of June. The ICA was represented by Americo Utumi (ICA Advisor), Gilman V. Rodrigues (Vice President of the Confederacao Nacional do Agricultura) and MariaElena Chavez, ICA Director of UN/NGO Relations. The ICA presentation focused on the need for governments to include consultation with the private sector - including co-operatives - prior to determining their negotiating positions in the upcoming World Trade Organization's (WTO) agricultural negotiations.

The meeting aimed at sharing information on the effects of the Uruguay Round commitments on agriculture and identified potential issues to be addressed in the 1999 agriculture negotiations.

The ICA secretariat is presently following up with the UNCTAD secretariat to identify other areas of collaboration.

### **Roberto Rodrigues Addresses ILO**

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ICA President Roberto Rodrigues spoke on 10 June to the 86th session of the International Labour Conference in Geneva. Noting that ICA's permanent observer status with ILO dates back to the very founding of the ILO, he stressed that co-operatives share the ILO's concern for social justice and for a more equitable distribution of the results of globalisation. This in turn has led to a number of joint programmes and activities.

He emphasised the important role which co-operatives, as economic bodies, play in creating employment, which was recognised in several of the documents prepared for the annual session.

The ICA President concluded by calling for a revision of Recommendation 127, the ILO document dealing with co-operatives which was adopted in 1966. In view of the new economic and social conditions in which co-operatives are now operating, he said that a new Recommendation 127 would form the basis for an even more effective working partnership between ILO and the co-operative movement.

## ICA President Visits World Trade Organisation

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Roberto Rodrigues met in Geneva on 9 June with Ambassador Nestor Osorio, President of the Agricultural Committee of the World Trade Organization. The ICA President emphasised the importance of considering agricultural co-operatives' views and interests during WTO discussions and negotiations, given the fact that agricultural co-operatives are responsible for nearly one-third of total agricultural turnover in the world. The ICA President also proposed that the ICA's International Co-operative Agricultural Organisation, under the chairmanship of Churll-Hee Won of Korea, could be an important forum to provide information and advice to the WTO.

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## ICA President Addresses International Organisations (1998)

August, 1998

(Source: ICA News, Issue No. 3/1998, pp.2)

Stop Press World Overview

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Philippines

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Estrada's Co-op Agenda

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Co-op leaders in the Philippines recently sought a commitment from President-elect Joseph Estrada that his government would support sustainable community-based co-operative development. They were attending a briefing session on priorities during the first 100 days of the new administration.

The session examined the role that co-ops can play to improve the social conditions of Filipinos.

(Source: Visayas Cooperative Development Centre (VICTO), Philippines)

USA

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Co-ops and Microcredit

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Co-ops were show-cased at a Micro-Credit Summit held in New York from 27-31 June, providing confirmation of the important role that co-operatives take in the delivery of microfinance including microcredit. Developpement international Desjardins (DiD), a Canadian institution, led a workshop at this Summit with the Canadian Co-operative Association, Victo from the Philippines and Freedom From Hunger (USA), demonstrating the effectiveness of using this formula to help the world's poorest.

DiD has been providing support for nearly thirty years for setting up and consolidating networks of financial co-ops in over 25 countries that are in development or transition. This Summit was a follow-up to that held in Washington in February, 1997. It allowed organizations from around the world to discuss how best to take action in coming months to offer financial resources to attack poverty. The goal up to the year 2005 is to provide loans to support self-employment for 100 million of the poorest in the world, especially women. (Source: VICTO, Philippines & DiD, Canada)

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## World Overview (1998)

August, 1998

(Source: ICA News, Issue No. 3/1998, pp.3-5)

World Overview

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Black Sea

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Black Sea Co-ops Discuss Business

----- Co-operative representatives from Bulgaria, Turkey, Greece, Yugoslavia, Romania, Moldova, Georgia and Russia met in Varna, Bulgaria, from 2-5 June, 1998, to exchange information on current commercial developments and discuss possibilities for trade, foreign investment, and joint ventures. Ota Karen, Vice Chairman of ICA Europe, represented ICA.

Participants concluded that the meeting, organised by Panacho Ivanov of the Central Co-operative Union in Bulgaria, had been an important initiative in terms of promoting closer commercial ties among co-operatives in the Black Sea region. Similar business meetings should be held in the future.

Canada

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Credit Unions Study Integration

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Canada's English speaking credit unions have established a national task force to examine options for combining the delivery of their services across the country.

At present Canada's 873 credit unions, with assets of 47 billion Canadian dollars, are provincially regulated. However, the recently-announced mergers involving the four largest Canadian Banks have spurred the credit unions to look at ways in which they can improve their service delivery.

"My vision," says Credit Union Central of Canada's chairman Bobby McVeigh, "is a credit union system that has a standardized service and products across the country... However, the credit union philosophy - one member, one vote - will not change", he insisted.

(Source: The Globe and Mail, Toronto, 14 July)

Chile

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Coopeuch Celebrates 30 Years of Success

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The savings and credit co-operative representing the staff of the University of Chile celebrated its 30th anniversary last year. According to its annual report, 1997 profits increased by 29 per cent to 9.1 million U.S. dollars. During the last few years Coopeuch has become an active member of the International Co-operative Alliance, and in 1997 organised an international seminar on risk evaluation involving 60 foreign delegates.

France

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## Credit Mutuel Takes over CIC

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On 14 April, the French Government announced the transfer of the CIC group of regional banks to the Credit Mutuel. CM takes over 67% of the capital for the sum of 13.4 billion francs, with the insurance group GAN maintaining 20%. The CM-CIC Group represents a market share close to 12%. The commercial banks belonging to the French Bankers' Association (APB) had been campaigning actively for several months in order to stop the CIC from being taken over by a co-operative bank. However, the Government opted for the Credit Mutuel's project proposal rather than that of the Societe Generale or ABN Amro. The Government considered this offer to be the best both from an economic and strategic angle and also a good political and social choice in terms of employment, taking account of regional interests and social dialogue. The French Minister of the Economy, Mr. Dominique Strauss-Kahn, also welcomed this "exemplary" transaction.

The stormy privatisation process undergone by the CIC has greatly contributed to making the general public aware of the success experienced by French co-operative banks. It has also made known to the media the co-operative solution as an alternative to the capitalist model.

Greece

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## Award for Greek & Turk Farmers

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The farm organisations Paseges (Greece) and Tzob (Turkey) have been awarded the peace and friendship prize which recognises peace initiatives between the two countries. This prestigious prize is awarded once a year by a foundation that includes the Turkish newspaper, Millyet, and the Greek magazine, Eleftherotipia. The two organisations were honoured for their work together on both bilateral and international levels.

(Source: World Farmer, Jan-March, 1998).

Ireland

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## New Housing Association against Exclusion

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The Novas-Ouvertures Group of voluntary organisations is proposing to set up a new Housing Association in the Republic of Ireland. This Association will be locally based and controlled, but able to tap into the expertise and resources of other Group members in the finding of innovative solutions to the housing needs of excluded groups in society, e.g. young single homeless, single parents, travellers, and those with special needs. The Association, which will be based in Co. Cork, is in the process of registration. It will be managed by a committee of experienced and committed local people.

For information contact: Jose Ospina, Services Development Manager, Tirna Droichead, the Wooden House, Rosnagoose, Skibbereen, Co.Cork, Tel.(+353)28 21890 Fax. 28 21897.

Italy

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## Co-operative Entrepreneurship in 2000

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On 30 November and 1 December 1998, an important European Conference on 'The Co-operative Entrepreneurship in Europe in 2000' will take place in Bologna. This initiative, supported by DG XXIII of the European Commission, is the fruit of a partnership between the Instituto Luzzatti, the four intersectorial Italian co-operative organisations (Confcoop, Legacoop, AGCI and UNCI) and CIRIEC International, in collaboration with CIRIEC-Italia.

Its objective is to define the orientations that could be followed by the European Commission in its policy with respect towards co-operatives.

(Source: CIRIEC International)

Poland  
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### Polish Co-operatives on "Top 500 List"

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The June issue of the Gazeta Bankowa (Banking Newspaper), Poland's most read financial paper, published a list of the 500 largest enterprises. This year 15 co-operative societies are listed: ten in retail distribution, four dairy co-ops and one workers' co-op.  
(Source: Gazeta Bankowa, No.22/1998).

### Polish Housing Co-ops Make Good

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A recently published study by the United Nations Commission for Europe notes that "Housing co-operatives could be considered as the main private-sector operator in Poland's housing sector with considerable tasks ahead, both in the existing housing stock and in new construction. In 1996 co-ops were responsible for 77 per cent of all new housing construction in Warsaw and held 2.8 of the national housing market. The study, Country Profiles on the Housing Sector in Poland, notes that the housing co-operative movement has gone through considerable changes. Prior to 1990 the movement was considered a 'quasi-governmental' structure which lost credibility as an effective agent in a market-oriented housing sector. Today, however, housing co-operatives are operating according to recognised co-operative principles and "...should clearly be considered as the main developer of new housing".  
(Source: The 1998 study (ref.ECE/HBP/107) is available from the UN)

Russia  
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### New Apex Association Established

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Representatives of consumer, agriculture, production, and financial co-operatives have established a new apex organisation, the Association of Co-operative Organisations of the Russian Federation. Its main purpose will be to coordinate discussions with state authorities on behalf of all co-operative sectors. Mr. Valentin Ermakov, Chairman of the Council of Centrosoyus, was elected chairman of the new association.

Sweden  
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### SCC Receives Social Economy Award

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The Swedish Co-operative Centre has been awarded the Txemi Cantera Social Economy Prize for 1997. The award is made annually by the Basque Association of Workers Incorporated Companies to institutions or individuals who have been outstanding defenders of the principles of participation, democracy, and solidarity. The award, consisting of a bronze sculpture and cash prize of one million pesetas, was presented in Bailbao to SCC Chairman Lars Hillbom.

### New Co-operative Library

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The Swedish Co-operative Union and Wholesale Society (KF) has transferred its archives and library to the Swedish Co-operative Institute (Koopi). The more than 90,000 volumes will be available to researchers, journalists, and other interested parties. The new and expanded Koopi Library has also been recognised as an ICA-affiliated library. Other interested libraries should contact the ICA.

Switzerland  
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### Restructuration not Globalisation

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Co-op Switzerland is undergoing a phase of restructuration at a speed and intensity never experienced before according to Vice President Anton Felder. In spite of this, in 1997 its turnover increased over 1.7% to CHF

11,9 billion, with sales peaking at 10.9 billion Francs, due essentially to the phenomenal success of its ecological products. The net profit in 1997 was 129 million Francs, a sum which the President, Hansueli Loosli wants to increase to 200 million by the year 2002. Co-op is rationalising operations in order to cut prices. Last year Co-op suppressed 93 small shops and opened 69 new, generally larger stores. Certain regional societies have merged into larger units and this trend will continue in the future. Fifty-one jobs have been suppressed during restructuration and under these conditions the policy is not to expand into other countries.

(Source: Le Temps, 24 April 1998)

United Kingdom

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### CWS Reports Continued Progress

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The Co-operative Wholesale Society, Europe's largest consumer co-operative, increased its total consolidated sales in 1997 to over #3 billion, with consolidated operating profit increasing by #6 million to #92 million. Of this, #38 million was generated from trading activities and #54 million from banking.

According to Chief Executive, Graham Melmoth, the major strategic review of retail business conducted in 1997 is now largely over and a new top management team is in place. The Dividend Card has now been introduced into every CWS food retail outlet.

Mr. Melmoth stressed that these developments "must be seen as part of a new determination to look for sustainable growth rather than retrenchment, and to invest in our strengths".

Co-operative values and principles have been incorporated into a new Code of Business Conduct, and a social audit process is currently being developed, he told members.

(Source: CWS Annual Report, 1997)

U.S.A.

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### Credit Union Campaign

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The U.S. Supreme Court has dealt a potentially heavy blow to the U.S. credit union system by supporting, in a 5-4 decision, the position of the U.S. Bankers Association that credit unions should not be allowed to draw their members from a variety of occupations.

The battle will now move to Congress, where the credit union system has launched a large lobbying campaign in order to amend the Federal Credit Union Act of 1934 through passage of a new Credit Union membership Access Act that would allow credit union to serve multiple groups in their membership.

(Source: NCBA Co-operative Business Journal)



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## Appeal for Contributions (1998)

August, 1998

(Source: ICA News, Issue No. 3/1998, pp. 5)

Appeal for Contributions

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Stop Press - Geneva, 11 August, 1998

The ICA President, Roberto Rodrigues has requested that a special international fund be established for co-operators wishing to show their solidarity to their fellow co-operators affected by the bomb which rocked the Kenyan capital on the morning of Friday, 7 August, 1998.

The nearly simultaneous bombings at U.S. embassies in Nairobi, Kenya and Dar es Salaam, Tanzania left nearly 250 people dead, over 5,000 injured and many people still missing. Kenya was hardest hit, especially the co-operative community in Kenya.

The explosion in Nairobi completely destroyed the offices of the Ufundi Savings and Credit Co-operative Society located next door to the Embassy and blew out the windows of the Co-operative Bank, an ICA member organisation located next door to the Ufundi Co-operative Building.

On August 11, ICA representative in Nairobi reported that 35 staff and five members have been killed at the Ufundi Savings and Credit Co-operative Society and nine staff were still missing. At the co-op bank, three staff were dead and 14 were missing.

Expressions of sympathy from co-operators around the world have been pouring into co-operative organizations around the world. Individuals or organisations who wish to make a donation to support the Kenya co-operatives can make a bank transfer in US dollars to the following account:

Account Number 205 202 60 Q

UBS, 1211 Geneva 2, Switzerland

with the following reference: "Kenyan Bombing Solidarity Fund"

For further information about co-op losses in bombing in Nairobi, please see the press releases on the ICA Web site at the following URL: <http://ica.coop.org/pressreleases/index.html>

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## Specialised Bodies - ICA Research Committee at Values in a Global Context (1998)

August, 1998

(Source: ICA News, Issue No. 3/1998, pp. 6)

### Specialised Bodies

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### ICA Research Committee at Values in a Global Context

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A total of 50 participants from 20 countries attended the ICA Research Committee's Annual Conference which was held at the University of Cork's Centre for Co-operative Studies from 13 to 17 May, 1998.

The theme of the conference, "Developing Value Based Practices and Adding Economic Value", raised considerable interest. The changes in the agricultural sector, e.g. the economic options taken by societies in Canada which are issuing stocks, and the shift in farmers' expectations regarding their membership, were analysed in several papers from Sweden, Norway and Canada.

A workshop on consumer co-operatives and globalisation highlighted experiences from Japan, Spain and the United States. Social audit, co-operative identity and semantics were discussed during two sessions on Trust that brought forth a wide range of views and perspectives presented by authors from the United Kingdom, Finland, Sweden and Israel.

Workers' co-ops today represent a thriving and expanding sector. The service-oriented nature of workers' co-ops that are often leaders in care professions, was stressed in presentations from United Kingdom, Sweden and Finland.

The special workshop on Development and Training organised with the assistance of the ICA Global Human Resource Development Committee, focused on the need for investment in education by co-operative organisations.

Presentations on the financial mutuals in Greece and the commitment of the state to their development, the credit unions in Canada, and the re-organised co-ops in Poland and Russia, raised many questions as to the viability of the co-op model and its relationship with authorities. Research in the Eastern and Central European countries has been suffering for years from limited resources. This may have serious consequences for the future of the co-operative sector in these countries.

The next meeting will be held in Paris in October 1998. The theme is Women, Entrepreneurship and Co-ops. This conference is being organised by the ICA Research Committee in association with the ICA Global Women's Committee and will bring together researchers and development workers to report on research and best practice.

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## Specialised Bodies - Agricultural Committee (ICAO) (1998)

August, 1998

(Source: ICA News, Issue No. 3/1998, pp. 7)

Specialised Bodies

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Agricultural Committee (ICAO)

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The International Co-operative Agricultural Organization (ICAO), one of the specialized organizations of the ICA, held its General Assembly on 28 May at the Philippine International Convention Center in Manila. Twenty delegates from nine countries attended.

ICA President, Roberto Rodrigues, opened the meeting on behalf of Mr. Mario Dumais who had resigned as ICAO President in March. Mr. Rodrigues recommended the nomination of Mr. Churll-Hee Won, the President of National Agricultural Co-operative Federation (NACF) in Korea, for the next President of ICAO and his recommendation was unanimously approved. In his acceptance speech, Mr. Won proposed that ICAO focus its efforts on the expansion of membership, the increase of meeting opportunities among members, the strengthening of relations with UN organizations and NGOs, the exchange of information and experiences among members, and the amendment of ICAO Rules.

Mr. Won appointed Mr. Shil-Kwan Lee, General Manager of NACF International Co-operation Office, as ICAO Secretary, and Mr. Won-Sik Noh, Agricultural Co-operative Advisor of HO as Associate Secretary. The next General Assembly will be held in August 1999 in conjunction with the ICA General Assembly in Quebec, Canada.

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## Co-op People and Obituaries (1998)

August, 1998

(Source: ICA News, Issue No. 3/1998, pp. 7)

### CO-OP PEOPLE

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Suzanne Maisonneuve-Benoit, administrator at the Federation des caisses populaires Desjardins in Quebec, was nominated to the Board of Confederation des caisses populaires et d'economie Desjardins.

This is the first time ever that there have been two women on the Board. The other woman is Mrs. Madelain Lapierre, President of the Federation des caisses populaires Desjardins of Richelieu-Yamaska.

### OBITUARIES

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Roger Kerinec, former President of the International Co-operative Alliance, passed away on 1 April, 1998, at the age of 76. He was President of the French National federation of Consumer Co-operatives (FNCC) from 1973 to 1983. Roger Kerinec was President of the ICA from 1975 to 1984.

Woytek Pawlak, an expert in co-operative banking in Poland died at the age of 42. Born in Poland, Woytek Pawlak started his professional career at the French Credit Agricole. He subsequently worked as adviser to the Minister of Agriculture and the Parliament in Poland. He was one of the co-authors of the Law on Restructuring of the Co-operative Banks, which laid the foundations for the development of modern banking system in rural areas.

Jirozaemon Saito died on 12 June 1998 at the age of 89. Mr. Saito served as President of primary level fishery co-operatives for 43 years. He was the Chairman of the ICA Fisheries Committee for 16 years from 1976 to 1992.

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## 76th International Co-operative Day Message (1998)

August, 1998

(Source: ICA News, Issue No. 3/1998, pp. 8)

76th International Co-operative Day

Saturday, 4 July, 1998

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Message from the International Co-operative Alliance

Co-operatives and the Globalisation of the Economy

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"In an increasingly interdependent world, we must all recognise that we have an interest in spreading the benefits of economic growth as widely as possible and in diminishing the risk either of excluding individuals or groups in our own economies or of excluding certain countries or regions from the benefits of globalisation."

The positive effects of globalisation have not yet been felt by the majority of people of the world. The end of the cold war, deregulation and free trade agreements and the unprecedented advances in telecommunications and information technology have not brought about the peaceful and prosperous society for all which we might have hoped. Instead we have more economically polarised societies which struggle with high unemployment, conflicts and global environment problems.

The drive for profit for profit's sake has had the effect of producing an increasingly unequal society with fewer and fewer large corporations owning most of the world's resources. While the developing world may be the most hard hit by many of these issues the developed nations are not spared. The global reach of corporations means that workforces in the developed world are now being put into direct competition with those of developing nations, thus creating unemployment and driving down wages and living standards in many countries worldwide.

But globalisation has also had many positive effects, leading to economic efficiency and increased development worldwide. The globalisation process has also had a positive impact for co-operatives in many countries, opening up markets and allowing the growth of better and more efficient enterprises. However, this is a situation which differs from country to country depending on the economic and political environment in which the co-operatives are operating and the ability of the different co-operatives to rapidly adapt to the challenges of the new world order.

In the present environment however, co-operatives have become increasingly subject to attacks from the private sector, largely due to a lack of public knowledge about the co-operative difference. It is essential to develop a strong system of communication within the movement so that the different economic sectors understand and support each other as this will lead to stronger ideological unity. Education is essential at all levels and it is of paramount importance that the movement invest in promoting the co-operative image and telling the world about the co-operative difference which is based on our Co-operative Principles and Values. Co-operatives play multifunctional roles that are not only economic, but also social and environmental, which cannot be acquired only through trade. A co-operative differs from other commercial organisations as its main aim is to serve its members, while also having a beneficial impact on the community in which it operates.

Co-operatives cannot survive in the present environment unless countries create a legal and regulatory environment in which independent democratic co-operatives can grow and become competitive and

sustainable. In the absence of such conditions some co-operatives have been forced to change their status to that of limited company.

In order to reverse this trend, co-operatives at the regional and national level must follow the co-operative principle of Co-operation between Co-operatives and form their own alliances not only to promote their economic interests but also to form lobbies to ensure that they too benefit from global opportunities which will not only benefit their members but also ultimately benefit local communities. Wise governments will understand that co-operatives, with their seventh principle of concern for community, can be allies in the provision of services to society.

The ICA and its member organisations must take a leading role in this major battle. Co-operatives at the community level must mobilise their members to press for reforms to help other people-oriented groups build a society which puts people first and promotes social justice and environmental protection, rather than unsustainable development.

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