

SPECIAL ISSUE — October 2002

MESSAGE FROM LARS HILLBOM, ICA EUROPE PRESIDENT

How does one summarize seven years of activity as President of ICA Europe? It has been challenging and changeable. Looking back over the past years I remember the First Regional Assembly held in Prague in October 1994. Sir Graham Melmoth was then elected President of ICA Europe. I participated in the preparatory work from 1993-1994. Priorities for the Region were then decided. It was already clear from the Prague meeting that co-operation between Central and Eastern Europe and Western Europe was a top priority, among others of course.

1995 marked the Centennial of ICA and at the General Assembly in Manchester Lars Marcus stepped down as ICA President and was succeeded by Sir Graham Melmoth. I was then elected President of ICA Europe and Vice President of ICA.

Although, today, I leave my position as President of ICA Europe for personal reasons, I do not leave the Co-operative Movement, which is my life. Allow me now to highlight some turning points along the path of these fulfilling years I have had with you.

In my view and to my great satisfaction, the situation of the Co-operative Movement in today's New Europe is promising. The years after the fall of the Berlin Wall were tough ones. We witnessed the breakdown of the Soviet Union where many politicians were of the opinion that co-operatives belonged to the communist era. Thanks mainly to ICA and competent co-operative leaders in the Central and Eastern European countries, this situation has changed for the better. Today politicians realize the importance of the co-operative movement for their country. Co-operative leaders are recognised and considered as partners. Co-operatives have become true enterprises, owned, ruled and controlled by their members. Co-operative leaders from Central and Eastern Europe are eager to learn from the experiences of Western European countries.

In the past there were many political threats against co-operatives, and some disappeared. At present, under better conditions, it is up to the co-operative movements of Central and Eastern Europe to develop their own ability to compete and produce benefits for members.

In Western Europe, co-operatives face tough competition in the market. The consequences of globalisation and increasing integration exert strong pressure on co-operative enterprises on a daily basis. EU countries now have to sharpen their tools to get stronger in the marketplace. One tool for co-operatives is cross border co-operation. There are a number of good examples. The recently adopted Statute for a European Co-operative Society (ECS) will allow for even more cross-border co-operation in the future.

The political climate in Western Europe has been favourable towards the co-operative movement. There are many signs of this positive slant: The European Commission has been discussing a consultation paper entitled "Co-operatives in Enterprise Europe". The ECS' adoption is also a positive signal from the European Union vis à vis co-operatives. The new ILO Recommendation 193, adopted last June will be an excellent tool for co-operative development, not only for Europe but also for co-operatives all over the world.

I strongly believe that the future for the co-operative movement in Europe is very bright. Most of the conditions for a positive future have been united: the political climate is favourable. Europeans today want real solutions to global problems and more and more people think that the co-



operative way is the best way. The co-operative difference has proven to be the solution to many of today's problems. People have grown tired of an egoistic approach and want to be responsible for shaping their own future.

The time has come for us – co-operative leaders and members of the co-operative movement to openly co-operate and speak with the same voice, be united within the movement and not walk in different directions – we should all follow our ideals and believe in our common vision.

The co-operative movement is made up of true co-operators. I have visited almost all European countries, in addition to some overseas. I have met fantastic people everywhere over the years and I will carry great memories with me for the rest of my life.

It is my duty and pleasure to wish the new leadership of ICA Europe all the success and at least as much support from all over Europe that I have enjoyed over the past seven years. I take this opportunity of wishing you all a long, prosperous and ultimately co-operative future.

NEWS FROM MEMBER ORGANISATIONS

☆ **Bosnia and Herzegovina**

A new legislation on co-operatives was adopted by the Parliament in late September. The National Federation of Co-operatives gives special thanks to the German and Swedish co-operative movements for their expertise and support in drafting the new legislation. An English translation of the law is available from the ICA Europe Secretariat.

☆ **Croatia**

The Department for Co-operative Development (Ministry of Crafts, Small and Medium Size Enterprise) has analysed deficiencies in the revitalization of co-operatives. Consequently, a new apex organisation covering all sectors, the Co-operative Federation of Croatia has been set up by the government. The main responsibilities of the new organisation are: to keep a register on co-operatives and their unions, conduct co-operative audit, promote the setting up of new co-operatives and develop the existing ones, represent the interests of co-operatives to Government authorities as well as at international level.

☆ **Czech Republic**

Recent floods in the Czech Republic have caused irrevocable damage not only to historical sights but also to everyday life. Co-operative property has been inundated and their work has been paralysed – 2,500 co-operatives in all have been flooded. The recovery period will be long and the amount will add up to billions of Czech Crowns. Our Czech colleagues appeal to partner co-operative organisations world-wide to help them through this catastrophic situation by giving financial and material assistance.

Flood Account No. 51-0111390267/0100 - Komerčni banka, Praha1, Spalena 51

☆ **Hungary**

Ivano Barberini, ICA President had an audience with the Prime Minister and the President of the Republic during his recent visit to Hungary. The present government in power since last May has assured Mr. Barberini and the co-operative leaders of its commitment to bring some amendments to the co-operative law which, adopted during the previous right-wing government, has not provided a clear and supportive environment for co-operative development. Both the President and the Prime Minister appreciated the high-level visit and expressed their wish to take advantage of the expertise and support of ICA. Pál Bartus, President of Co-op Hungary and member of the ICA European Council and Audit and Control Committee, together with his colleagues in the



Presidium of the National Co-operative Council, were extremely pleased with the outcome of these high-level meetings in order benefit of co-operative membership.

☆ **Poland**

“ I believe that we have the human resources, motivation and knowledge coupled with a good business and co-operative system on which to build our future ” said Ivano Barberini, ICA President during his visit to Poland on the occasion of the International Co-operative Day celebrations. Ivano Barberini met with head of state A. Kwasniewski who expressed confidence that the co-operative movement in Poland would recover and grow in strength following several years of politically motivated degradation by successive right-wing governments.

As of 1 September the National Association of Co-operative Savings and Credit Unions is holder of Quality System Certificate ISO 9001 version 2000. First granted the Certificate in 1999, the National Association is once again the first financial institution in Poland to obtain such a certificate in compliance with the new International Standard ISO 9001:2000. Granting this Certificate confirms the effectiveness of the National Association and its capacity to ensure safety and soundness of credit union operations and to meet their needs and expectations in terms of quality of service.

☆ **Romania**

As a consequence of a letter signed by the ICA President and Vice President for Europe the Romanian government has postponed its decision to adopt a government regulation which would have involved direct government intervention, thus infringing co-operative democracy and be in contradiction with the present co-operative law in force. Our member organisations, UCECOM and CENTROCOOP have expressed their gratitude for ICA's timely reaction and were pleased to report on certain improvements, mainly their involvement in the drafting process which was not the case before. The Minister of SMEs and Co-operatives requested ICA to provide legal experts for reviewing and amending the draft regulation. ICA Europe is co-ordinating their assistance with the ILO Co-op Branch.

NEWS FROM THE SECTORS

☆ **Agriculture**

“A new Europe: the Farmers' role” was the theme of the recent Congress of European Agriculture, organised by the Confederation of European Agriculture (CEA) together with COPA and COGECA, held in Tallinn, Estonia. This year's congress gave Franz Fischler, EU Commissioner for Agriculture and Fisheries, the opportunity to address issues like how best to run the Common Agricultural Policy in the future, on how to position the European Commission's understanding of how agriculture should be run on the international stage and on how to manage the further integration of Europe so that it becomes a success.

The protocols of agreements which determine the modalities of further co-operation in view of the forthcoming European enlargement were signed on 12 September between European farmers and their co-operatives from the EU member countries and from candidate countries. Representatives of the farm and co-operative organisations of the candidate countries can now participate in COPA and COGECA meetings and share information services. Calling attention to the fact that full enlargement meant a 25 per cent increase in population, Mr. Marcus Bergstrom, President of COGECA also drew attention to the fact that this will mean a 40 per cent increase in arable land and an extraordinary 100 per cent increase of the farming population. More information is available at www.copa-cogeca.be



EUROPEAN COMMISSION

☆ **“Statistics at our service”**

President of the European Commission, Romano Prodi stressed the importance of using figures we can trust. At the conference of Presidents speaking on the theme “Statistics at our service”. Mr. Prodi said that based on 2001 figures, the EU population will rise from 378 to 453 million, an increase of almost 20 per cent, however, using 2001 figures as a basis once again – the EU’s GDP will rise by only 4.6 per cent and agricultural production by 7.9 per cent. This meaning that the economies of the ten prospective new members are still small compared with the EU economics, and agriculture still accounts for a big share of them. Furthermore, there will be no lack of human capital to support this rate of growth over the medium term. The ten candidates’ population may only equal one fifth of the current EU’s, but university degrees granted in those countries come to 25.1 per cent.

☆ **Creating an entrepreneurial Europe**

Speaking at a recent meeting, European Commissioner, responsible for Enterprise and the Information Society, Mr. Erkki Liikanen, emphasised the importance of fostering firm creation and entrepreneurship in order to promote knowledge-based economy. He stated that entrepreneurial firms do not only act as job-creators, but also as agents for innovation and change. A Green Paper on entrepreneurship is currently being worked on, which is intended to launch a wide public debate in Europe on the subject, and will give a clear definition of entrepreneurship, a dynamic and complex phenomenon, and notoriously hard to define or measure. To those who think that EU enlargement and the inclusion of candidate countries will spoil Europe’s competitiveness, Mr. Liikanen replies that this is an alarmist and short-sighted viewpoint. Analysis shows that an enlarged EU offers to industry opportunities for competitive reorganization, thus strengthening Europe’s position on the global market. According to Mr. Liikanen, Europe needs to become more entrepreneurial, European firms need to be more growth-oriented and an integrated approach towards entrepreneurship is needed.

☆ **Women speak out**

Anna Diamatopoulou, European Commissioner for Employment and Social Affairs stated in her speech at the recently held European Women’s Lobby seminar on the “Convention on the Future of Europe: “We are all but excluded from the work of building the future of Europe. The Convention is now in full swing, meeting on a regular basis in Brussels. With its 105 representatives from current, and aspiring, Member States governments and Parliaments, it is making rapid progress across a number of areas, which are being dealt with in the various working groups. The Convention is a body reflecting the institutions of European society.

The institutions, which in their turn, should reflect the opinion of the 500 million future European citizens, more than half of them women. How is it possible that only 17 per cent of the members of the Convention are women? Is our voice being heard?”, she asked

☆ **Research supporting SMEs**

The European Commission has recently presented its research initiatives devoted to small and medium-sized enterprises (SMEs). The forthcoming 6th EU Research Framework programme is targeting SME-related research and innovation by allocating 2.2 billion Euro, the largest budget ever earmarked for this type of initiative. Out of this, 5 billion Euro will focus on actions for SMEs across all sectors.



COUNCIL OF EUROPE

☆ Participatory status for International NGOs

The Council of Europe (CoE), the oldest European political institution has a permanent structure for co-operation with international NGOs. Called the NGO Liaison Committee, it celebrated its 25th anniversary on 24 September. ICA enjoying consultative status with CoE as an international NGO was elected as member of the Liaison Committee consisting of 25 organisations, two years ago.

Roughly 3 million NGOs with 100.000 members are linked to the activities of the CoE through the Liaison Committee. To mark the closeness of partnership between the governing structures of CoE and the international NGOs, a new status is being discussed, which would replace consultation with participation. The Council of Europe will be the first international organisation to give the INGOs a status which reflects their actual role within the “Quadrilogue” the term that is applied to this radical new form of institutional governance. Thus the 50 years of partnership (date of establishing the consultative status of NGOs in the CoE) will hopefully lead from consultation to participation.

☆ Working visit of CEE delegates to the CoE

During the latest session of the Parliamentary Assembly in Strasbourg, 23-26 September 2002, a special working visit was organised for representatives of NGOs from CEECs. Among the 20 candidates selected out of 50, one was the nomination of ICA. Thus a representative of the National Federation of Bosnia and Herzegovina participated in this visit and took advantage of her presence to follow up a project proposal on setting up a co-operative multi-ethnic village, which was submitted to the CoE for financial support.

☆ Pan-European enlargement

“The European Union is preparing itself for the most far-reaching enlargement in its history. All the candidate states are full partners in the discussions on the future of the Union of which they will be members”, stated Mr. Walter Schwimmer, Secretary General of the Council of Europe in his memorandum on the Convention on the Future of Europe. The Council of Europe has practically achieved its own enlargement to become a truly pan-European organisation. By next year, all European states (46 in all), except Belarus will be members. “ Even after completion of the enlargement process currently under way, almost half of the states of Europe will remain outside the European Union. Therefore, the CoE will continue to be the only truly European organisation in which all European states co-operate on an equal footing.” - emphasised the Secretary General.

PEOPLE

No stranger to the Open University having completed her BA in European Politics, Pauline Green, CEO of the Co-operative Union, UK, has recently been awarded an honorary degree of Doctor. Pauline also has an MS in Comparative Government from the London School of Economics.

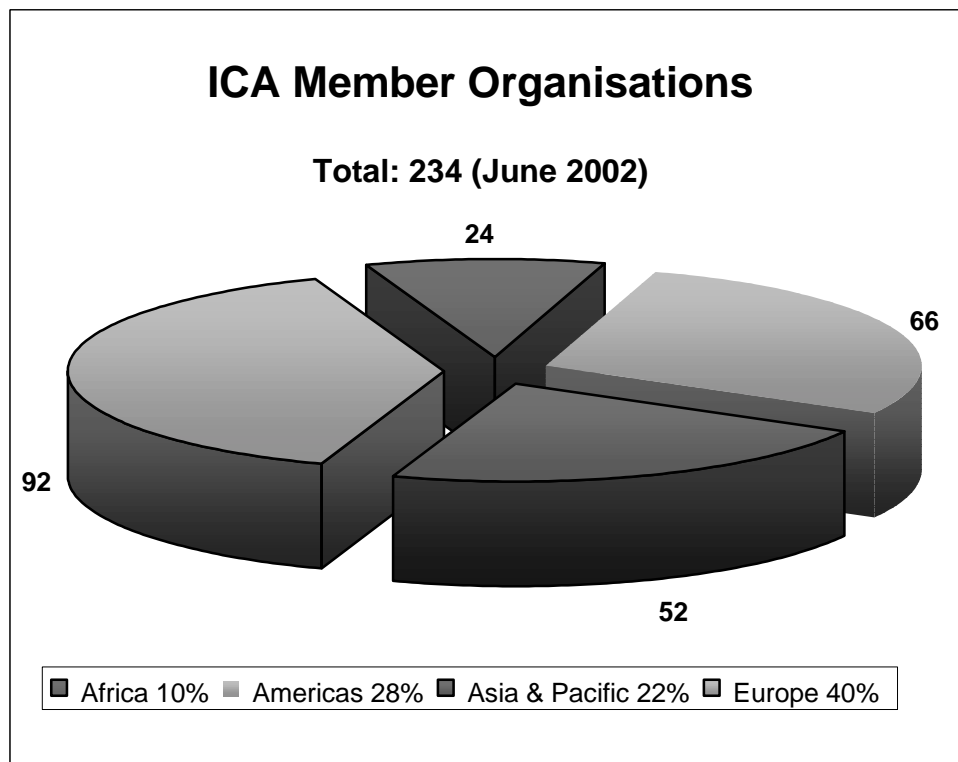
Professor Kari Neilimo was appointed Chairman and CEO of SOK Finland, following the early retirement of Jere Lahti on 31 July 2002. With his financial, accounting and business administration background, Professor Neilimo has extensive knowledge of the S Group and is well versed in managing its practical operations through being Chairman of the Supervisory Board and playing a central role in building the S Group’s strategy along with its administrative and decision-making system. ICA Europe wishes Jere Lahti a happy retirement and wishes his successor luck for the future.



ICA MEMBERSHIP 2002

Total ICA Member Organisations	234
a) National members	224
b) International members	4
c) Associate members	6

ICA member organisations by country / region	
Total number of countries within ICA membership	94
Africa	24
Americas	66
Asia & Pacific	52
Europe	92





HOW TO CONTRIBUTE

All member organisations are kindly requested to send us any relevant information they want to share with other members.

Please send correspondence to ICA Europe at the address below.
Deadline for receiving contributions for the next issue is 30 November 2002

HOW TO CONTACT US

For more details on any of the topics mentioned in the Bulletin please write to:

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