



Weekly Digest

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Editor: Garry Cronan
Email: cronan@ica.coop

ICA
15 Route des Morillons
1218 Grand Saconnex
Geneva, Switzerland
Tel +41 22 929 8888
Fax +41 22 798 4122
Website : www.ica.coop

Editorial

Welcome to issue twenty-two of the Weekly Digest. This is our first digest after a three-week summer break. It is a varied mix this week including reports on recent co-operative conferences on topics ranging from globalisation and co-operative culture through to developing stronger business relationships between co-operatives. Our two lead items highlight key issues for the ICA. One is gender equality; the other, the international accounting standards issue, is really about protecting the co-operative identity when challenged.

Gender Equality is Good for Business

The Swedish co-operative movement has proven that “gender equality is good for business”. The idea that gender equality was not only good of itself, but also for business was one of the rationales for ICA adopting its Gender Strategy in 2000.

A recent study by Kooperativa Institutet (KOOPI) shows that increasing the participation of women in decision-making positions helps co-operatives remain competitive. Women make up 41% of the boards of co-operative businesses, which hold between 15% and 30% of market share in Sweden. This compares to the 13.5% representation rate for women that non-co-operative businesses are reporting.

ICA member, HSB Riksförbund, a housing co-operative organisation, leads with 11 women on their board or 46%. It is headed by Gun-Britt Mårtensson, President of HSB and member of the ICA Board, *pictured above*. However, even for those sectors where gender equality has been difficult to promote, women are gaining significant ground with some sectors seeing a doubling in the number of women on their boards. ICA’s other members in Sweden have all reached the critical mass of 30%. Kooperativa Förbundet KF (consumer) reports 30% of its board are women; the Federation of Swedish Farmers LRF 37.5%, Folksam (life insurance) 40%, and Riksbyggen (housing) 44%. Swedish co-ops have adopted a strategy to have no more than 60% of any one sex represented on their boards to ensure that their boards bring added value to their membership and community - valuing differences for social and economic benefits.



Co-operative Movement Active on International Accounting Issues

Interaction with the International Accounting Standards Board (IASB) continues. In addition to previously reported campaigning in reforming ISA 32 (classifying co-op shares as debt) another issue has arisen. A number of co-operative organisations from Asia, South America, North America and Europe sent letters last week to the IASB (International Accounting Standard Board) in order to reject an amendment proposal to the recently published IFRS3 standard, by which co-operatives would be obliged to use the purchase method when doing “business combinations” (mergers or groups) among themselves.

(...continued on page 4)

Italian Conference – An Outstanding Success

The *Culture of Development, Globalisation and Co-operative Enterprises* conference held in Genoa, (Italy) 2-3 July was a great success. The conference, timed to coincide with International Co-op Day was organised by Legacoop in collaboration with ICA. It attracted over 500 participants from 25 countries and featured an extensive range of leading international speakers. (Photo shows, Giuliano Poletti, President Legacoop, Bruno Giontoni, President Legacoop Liguria, Ivano Barberini, Giuliano Amato, Italian Senator, along with other Legacoop representatives.)



The conference principally focused on the role of co-operatives in a global economy. It showcased the innovative and leading role of Legacoop and the Italian movement. Particularly impressive is Legacoop's commitment to international co-operative development – part of its culture of global solidarity. One of the keynote presentations was by Joseph Stiglitz, Nobel Prize Laureate and Professor of Economics at Columbia University, New York, (photo left). Professor

Stiglitz explained the challenges of globalisation; and suggested co-operatives “must take up the banner of human rights and the dignity of the individual. Globalisation is a fight about values,” he said. “Co-ops help make globalisation work in a fairer way”.



Other speakers echoed similar themes about the role the co-operative movement can play in creating a fairer globalisation. Donald Lee, Chief, Poverty Eradication and



Development Section, United Nations, spoke strongly in support of co-operatives and offered a series of suggestions on what they needed to do, including strengthening the co-op identity and member services; promoting professional management and employing new technologies, while finding new and innovative applications for the co-op model. (Photo left shows Franco Manzitto, Editor, “La Repubblica, Stefania Marcone, ICA Board member and Donald Lee.)

ILO Executive Director Göran Hultin stressed the role of co-operatives in conflict resolution and as a mechanism in making a lasting and just peace. ICA Europe President, Pauline Green identified a sense of disassociation as one of the main negative aspects of globalisation. She noted, “it is in addressing this disassociation that our co-operative movement has most to offer”.



Co-operative historian Johnston Birchall, (photo right) outlined the role of co-operatives in helping to meet the United Nations, Millennium Development Goals. Petros Aklilu, World Bank (photo left) noted, “that producer organisations and co-ops have



an essential role to play” in addressing poverty throughout the world. For more, see www.legacoop.it/.

Regional Workshop on Co-operative Business Partnerships

It is a valid dictum that “Co-operation among Co-operatives” is easier said than done – it needs actions not just words to make it happen. An initiative of Singapore’s NTUC Income Co-operative to hold a Regional



Business Workshop on July 19-22, 2004, did just that. The idea was to enhance existing business partnerships with co-operatives in the region, and also initiate and explore new ones. 35 co-operative leaders, from Hong Kong, India, Indonesia, the Philippines, Singapore, Sri Lanka, Taiwan, Thailand, and Vietnam participated, including the President of Asian Confederation of Credit Unions.

Three main topics were covered, reinsurance partnerships; internet applications for co-operatives/credit unions, (including a, Global Co-operative Payment System, a Web-based Insurance System, and a Credit Co-operative Accounting System); and non-insurance services. Tan Kin Lian, CEO of NTUC Income, profiled his organisation’s existing business relationships with other regional co-ops including SANASA ALMAO (Sri Lanka), CULROC (Taiwan), NATCCO (Philippines), and NAFSCOB (India). The Workshop generated concrete steps towards building C2C partnerships in the Insurance, Internet Applications and other non-Insurance services such as Car-Sharing Co-operatives, Co-op Referral services, and Home-stay Services. Contact Robby Tulus, Chief Coordinator of the Workshop, rtulus@magma.ca

International Seminar held in Bratislava

The Co-operative Union of Slovak Republic recently held an International Seminar for the Boards of its member organisations on 30 June – 1 July. Mr. Daniel Pavel, President of CUSR, (*on left of photo opposite*) opened the seminar, in Bratislava. One of the main speakers was Mr. Rainer Schlüter; (*on right of photo opposite*), CECOP and CCACE Secretary General. Mr. Schlüter’s presentation focused on the new European Co-operative Statute and more generally on the importance of the Social Economy in the European Union. He also outlined the significance of the new collaborative arrangements between the ICA Europe and CCACE.



Other speakers included Mrs. Agata Fisterova of the Ministry of Construction and Regional Development of Slovak Republic. Presentations were also made by the chairpersons of CUSR’s member organisations. A highlight of the seminar was the awarding of the Samuel Jurkovič Co-operative Prize. Samuel Jurkovič was the founder of the first co-operative society in Slovakia almost 160 years ago. The prize was awarded to 16 individuals and teams who have contributed to the development of the Slovak Co-operative System. In his concluding remarks Mr Pavel expressed his conviction that events like the international seminar supported co-operatives and helped the Slovak Co-operative Movement generally in conquering difficulties connected with the changed socio-economic situation as well as entering into the European Union“.

First Central America, Caribbean and Andalucia Meeting

The first Central America-Caribbean and Andalucia Meeting, organized by CEPES-Andalucia took place in Spain from 17-24 May 2004. The ICA-Americas Regional Director, Manuel Mariño, was invited to participate in this meeting.

Through the ICA-Americas efforts, other representatives from Central America and the Caribbean were also invited to attend. They included Carlos Rivas, Salvadorian Major of San Salvador, El Salvador; Enrique Valderrama, Superintendent of the Solidarity Economy of Colombia; Jeremías Vargas, Labor Vice Minister of Costa Rica; Héctor Córdoba, member of the Salvadorian Parliament; Rosal García International Labor Organization Regional Office for Central America and the Caribbean; Luis Arturo Muñoz, Executive Director of Co-operative Colombian Association and Leonidas Ávila, ICADE's Manager, Honduras. Among the conclusions of the meeting was the necessity to define how the Social Economy concept can be developed to take account of local circumstances in the Caribbean, Central America, México and Colombia. Participants also agreed to actively collaborate on common programmes and to meet again in 2005.

Co-operation between ICA Americas and Spain

During his visit to Spain, see above, Manuel Mariño, ICA Americas Regional Director met with the New Executive Advisor of the Estate Secretary for International Co-operation of Spain, Ms. Carmen Coll. Various issues were discussed among them, micro credits, work associate co-operatives, the ICA-America's role and the XIII Regional Conference to take place in Argentina next November. Ms Coll has been invited to participate in this regional conference. *Photo shows Carmen Coll with Manuel Mariño.*



Two-Week Intensive Seminar on Co-operative Policy and Legislation



The ILO has announced that their International Training Centre in Turin, Italy will be holding a two-week intensive training course on co-operative legislation and policy from 18 -29 October 2004. The course is aimed at all those involved in the decision-making, design and implementation of co-operative policies and legislation, including: government officials; co-operative sector representatives and representatives of organisations dealing with the development of co-operatives who have a legal background and/or relevant work experience; private professionals and consultants advising governments in co-operative policy and legislation. The programme will cover a wide variety of topics relating to co-operative policy and legislative developments and offer practical experience in drafting appropriate legislation as well as showing how international instruments like the ILO Recommendation 193 and the ICA Co-operative Principles can be used to help reform legislation in individual countries. For more information contact sme@itcilo.it or phone 39 011 693 6663.

Accounting Lobbying Continues.....

The open consultation period for comment on this latest change to international accounting standards for co-operatives closed on 31 July. A working group of experts, established 2 weeks earlier by CCACE (Coordinating Committee of European Co-operative Associations), and coordinated by ECG (European Association of Co-operative Groups), had agreed about the need to reject the amendment proposal. Its conclusions have been circulated by the ICA.

As far as IAS 32 is concerned, CCACE, in a press release dated 19 July, welcomed the interpretation done by the IFRIC (Committee of Interpretation of the International Accounting Standards) about the treatment of co-operative shares. The EACB (European Association of Co-operative Banks) had previously negotiated this interpretation with the IFRIC on behalf of the co-operative movement. This interpretation is now the subject of an open consultation, closing on 13 September 2004.

Copies of the Weekly Digest are archived on the ICA's website www.ica.coop