



ICA GENERAL ASSEMBLY
"Co-operation and Peace in the Era of Globalisation"
15 - 17 October, Seoul - Korea

Report of the ICA Director-General, Karl-Johan Fogelstrom

Mr. President, dear delegates, observers, invited guests, ladies and gentlemen,

The year 2000 was one of challenges, change and refocus. It was a time of challenge for many co-operative movements. The world is rapidly changing, economically, socially and politically - all interlinked with the accelerating process of globalisation.

For many it resulted in difficult times, while for others it reinforced what we cherish as a movement – that the co-operative model of working together for a common cause is as relevant today as it was in the early days – probably even more so.

Internally too, ICA was challenged by the need to refocus its activities more effectively on its core issues – “the ICA Agenda” – promoting co-operative identity, improving international presence, strengthening development efforts and networking.

ICA also made progress in a number of thematic issues that affect co-operatives and their ability to develop and thrive, including gender equality, youth, co-operative legislation, and peace. A number of initiatives were also introduced to take advantage of the opportunities offered by the internet and new technology.

I will, referring to the ICA Annual Report 2000 for more detailed information, just briefly highlight the four focus areas and the main thematic areas and initiatives in the year 2000 before I go into commenting on ICA’s financial result for last year and the motion the ICA Board has submitted to the ICA General Assembly on ICA Financial Stability .

The Four Focus Areas

- Enhancing co-operative identity and image
- Promoting international co-operative representation and presence
- Support to co-operative development
- Networking – keeping the ICA family together

Enhancing co-operative identity

There is a great need to enhance co-operative identity and image globally, regionally, nationally. ICA has a major role to play in enhancing co-operative identity and image.

Promoting co-operative representation and presence internationally

There is a need for the cooperative sector to be visible globally, regionally and nationally. To make the co-operative mode of operation known, recognised and appreciated on all these levels, there is a commitment to some 760 million individual co-operative members worldwide from virtually all sectors of the economy.

Poverty and development co-operation

Fighting poverty through development co-operation is an indispensable instrument for promoting peace and global security, democracy and human rights as well as for achieving economically, socially and environmentally sustainable development, supporting co-operative development

A hundred years ago developed countries of today were still poor, some extremely poor. This was the time when agricultural, consumer, savings & credit etc co-operative societies were founded. The co-operative movement played an important role in the economic and democratic development of these today developed countries. Good grassroots co-operatives play the same role today in many developing countries.

Support to co-operative development is a moral commitment and it makes sense.

Networking – keeping the ICA family together

An important rationale for forming the ICA was to create a common global platform, an arena where co-operatives could meet and exchange experiences, learn from one another and discuss what they could do together to add value to their members in their own countries.

This rationale is as valid today as it was a hundred years ago. The great challenge today is to find new ways and means to meet the ever increasing international competition – to find ways for trans-border co-operation between co-operatives to find ways to develop and adjust to the modern context.

Thematic issues and initiatives

- Gender
 - Youth
 - Co-operative Legislation
 - Peace, Justice, Equity
 - .coop
 - Internet-based Global Learning Centre
 - Rochdale Pioneers Prize
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Gender

The ICA Board approved a new Gender Strategy, recognising that gender equality is not simply a question of rights, but is a strategic focus for the co-operative movement that ultimately will be decisive in its capacity to develop and grow.

Youth

The ICA Board supported the creation of an ICA Youth Network, recognising that the participation of youth in the co-operative movement is key to the future survival of the movement.

Co-operative Legislation

The ICA Board created its own Legislative Committee to replace the ICA Global Legislative Committee, assisted by an advisory group of co-operative legislative experts.

Peace, Justice, Equity

On the initiative of the ICA Americas, the Rio Co-operative Declaration, was drafted and today a motion it is submitted to the General Assembly for approval.

.coop

A major initiative for ICA is the new top level domain .coop. With the support of the ICA, ICA's member in the United States, the National Co-operative Business Association (NCBA), was awarded the management of .coop in November 2000.

.coop

- Will be an important means to promote the co-operative idea and model worldwide
- ICA's participation on the governing bodies will provide the required globality to .coop
- Will be a common home on the Web for co-operatives

The Rochdale Pioneers Prize

Approval came in 2000 for a further initiative, the introduction of the Rochdale Pioneers Prize to recognise outstanding individual contributions to the worldwide co-operative movement. And, as you all know, the first Rochdale Pioneers Prize went to Dr. Kurian of Anand, Gujarat India.

ILO 127 Recommendation

ICA Board decided in its meeting in April in Rome that the revision of the ILO Recommendation 127 should be approved taking into account the following four points:

- That co-operatives should be identified via the Identity Statement of the ICA
- That there should be an emphasis on autonomy and democracy
- To make sure that there is an equal opportunity with all other forms of enterprises or social organisations (the "level playing field")
- That co-operatives are for everyone, the emphasis should not be on any specific group, but expressing that co-operatives can serve the needs of all kinds of human beings in all countries.

The ICA Secretariat got the task to prepare an ICA Position Paper with these amendments, to send the Position Paper to all Member Organisations asking them to lobby Governments in order to have co-operative Delegates or Observers in the National Delegations.

This was done and the Director-General and the Deputy-Director General participated throughout the ILO Conference in June this year, actively speaking and lobbying for the ICA Position.

The Draft Recommendation that resulted from the June ILO Conference does not in all aspects meet the criteria as spelled out in the ICA Position Paper.

ICA will endeavour to co-ordinate and collaborate with all co-operative sectors in the work towards the final draft to be agreed upon in June 2002.

ICA's Financial Situation

I will now go to the financial situation of the ICA.

As you have been informed in the Annual Report 2000, ICA had a very difficult year 2000 - a huge deficit depleting the reserves of the ICA.

The main sources of the deficit is to be found in exceptional expenses in conjunction with two senior staff members leaving the ICA Secretariat and losses in two of the Regional Offices.

All this information is contained in the Annual Report 2000 sent to all ICA Member Organisations.

The Board received full information about the financial result in its meeting in Rome in April. The Board decided that the Director-General, within two months, should prepare a revised Work Plan and Budget for 2001. The ICA Board Finance Committee met in Geneva in June and in Geneva in early September to review ICA's financial situation.

The Secretariat has made concerted efforts, throughout the year, to remedy the situation, to improve the management and control, to increase efficiency and to reduce costs wherever possible in order to bring balance between ICA's revenues and expenditures.

The projected financial result for this year for ICA, the Secretariat and the Regional Offices, is a small surplus. In other words, it seems as if ICA, in 2001, is achieving balance between its total revenues and total expenditures.

The motion on ICA Financial Stability, that the ICA Board asks the General Assembly to approve today, aims at addressing:

- ICA's liquidity situation that, as a result of the deficits, has developed in a negative direction requiring urgent action
- The need to restructure, reform and improve the efficiency of the work of ICA in its entirety
- The need for increased revenue in order to maintain the stature of ICA as global organisation based upon the objects as stated in the ICA rules.

The ICA Board has decided to create a Task Force to work together with the Director-General with the restructuring and reforming of the ICA. The ICA Board has, furthermore, decided that ICA shall reduce its budgeted expenditures by 10% in 2002.

Based upon the Board's Motion on ICA Financial Stability, the budget for ICA, for the year 2002 would be:

Secretariat:	
Total revenue(CHF)	2 570 000
Total expenditures	2 401 300
Financial result Secretariat	168 700
Regional Offices	+ 80 000
Consolidates result ICA	+ 248 700
CHF 100 000 for restructuring costs are included in the expenditures	

I have, with these few words, tried to highlight ICA's Financial Situation, what has happened, what has been done and what is planned to be done.

I would like to end my presentation with the following:

Co-operatives and peace

Economic growth shared by many and democracy are the two most important factors for peace in the world. This is where co-operatives, being socially inclusive, have their important role to contribute to peace in the world.

ICA in the world of today and tomorrow

I believe that cooperatives with a business efficiency and an efficient use of their capital, at least at par with other actors in the various markets, and with a clear cooperative profile of positive identity and image, that is known, understood, recognised and appreciated internally as well as externally, is the concept for success – a concept that would not be easy for other actors to copy.

Relevance of co-operatives

My belief is that the cooperative mode of working together for a common cause is as relevant today as it was in the early days, probably even more so.

International Co-operative Alliance
“coops - for a better life”