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Session II: Through the 300 to Business Innovation

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We are living in a globalized economy. The multinational corporations are playing a decisive role. Directly as well as indirectly they dictate terms and conditions for their operations. Some claim that they have a bigger say than national governments.

Walmart, the largest retailing firm in the world claims that “ if we were a country, we would be the 20th largest in the world, if we were a city, we would be the fifth largest in America.”

Are cooperatives big business?

Well, when we talk about cooperatives we concentrate on the fact that we are a peoples' based organization. . We are there to serve individuals and families and provide a service that will help to improve their livelihood. That is our primary objective and that is what we were set up for. And when we talk about our international movement we proudly state that we represent over 800 million people worldwide. Because our role in the community of people, what we do in the various sectors like agriculture, fishing, housing, consumers, workers cooperatives, banking and insurance etc. our movement has a recognized role with the United Nations, ILO, FA and so on.

Big Business! That is not how we are perceived and being looked upon. The fact that we started small and have grown into large service providers is not recognized. In some countries, new legislation has unfairly treated the cooperative organizations in favour of public limited companies.

But in fact, in aggregate terms, cooperatives around the world are bigger and play a more important role in the local community than Walmart. That fact is not realized and consequently business, mass media and political decision makers tend to treat Walmart with more respect and concern than domestic cooperatives.

Cooperatives shall be proud of their role in the community of people and shall continue to be active players. However, it is of utmost concern for us to tell the world about the role of cooperatives and their importance in the business sector, not only domestically but also internationally.

To create an awareness among leaders of cooperatives of their aggregate importance will lead to a spill-over effect in the global community. In many cases cooperatives are market leaders in their own country and sometimes world market leaders in their business sector.

The ICA Global 300 Project gives fascinating opportunities and prospects for us to show, demonstrate and argue our case with clear facts and figures in a way that has not been possible before. Gary Cronan will in a short while inform and explain what this new avenue can and will lead to. And also inform about the economic importance the 300 listed cooperatives and mutuals represent in a global perspective. It is an amazing figure.

In the United States the National Cooperative Bank has for a number of years produced a list of their largest cooperative enterprises. Besides that it has been a model for the ICA project, it has also showed what can be achieved and its effect in creating a better understanding at a national level, especially with legislators at state and federal level. In addition it has also opened the eyes of the cooperators themselves. For cooperative members and leaders working very hard in their community it has been an awakening who the others are in their national cooperative family.

The Cooperative Group in the United Kingdom has also produced a list of their largest members. It has been a most rewarding exercise. As Pauline Green, the Chief Executive of the Cooperative Group stated: "Now we can claim what we know and can prove we know. Not what we wish we were or think we were". Any discussion with the new Prime Minister of the United Kingdom, Mr Gordon Brown, whom our British friends have close contact because of his background in the Cooperative Party can now be held with a much higher confidence.

The Global 300 Project can also be categorized as a Data Base project. To accumulate facts and data to show and prove who we are.

I will give you a practical example of what can be achieved. Demutualization of the cooperative and mutual insurers was an eminent threat in many countries which the members The International Cooperative and Mutual Insurance Federation, ICMIF, were facing. There were actually organized attacks by private and institutional investors to convert cooperative and mutual insurers into private limited companies. Australia, Canada and the UK suffered severely. The attackers had several arguments for demutualization one of which was that public limited companies were more efficient for policyholders and staff. This negative view about efficiency of our sector, both in terms of costs and our growth in the market also influenced business journalists and what they were reporting in their articles. Even worse, it had also a negative effect on political decision makers and legislators both at a national and European level.

ICMIF then decided to do a proper analysis of what the real situation was. By building a solid database in which we put official and published facts from verified annual accounts we could prove that the situation was reverse. The cooperative and mutual insurance sector was measured against the public limited sector. Our costs were lower, our premium growth bigger and our investment portfolios as efficient. We were running our operations better to the advantage of our members, the policyholders.

With this information at hand we could publicly speak out with a convincing voice and argue our case. Also, we were able to set up a group of Members within the European Parliament acting as a voice for our case. Without such a database we would face difficulties in proving the merits of the cooperative and mutual insurance sector.

Let me come back to the globalized economy. Not only for the cooperative organizations in the financial industry but also for the movement as a whole the globalized economy are resulting to new set of rules. Conformity in financial reporting and how mergers and acquisitions shall be financially handled are examples. I am mentioning this point as some of us are facing forthcoming effects, if we have not already, of the likely decisions of entities as the International Accounting Standards, decisions which may have adverse and negative effects for the Cooperative Societies. Our voice has to be stronger from a business point of view.

The ICA office is in located in Geneva, Switzerland. Not far away from Geneva is Davos, where the World Economic Forum has its seat. Business and political leaders from all over the world go to Davos once a year to attend the Forum and its various sessions. Mass media like Davos. In our newspapers and on our television screens we get reports from what is being said and discussed. The World Economic Forum is very prestigious.

By developing a first class database we as well will be able to extract useful business intelligence and other facts that could form basis for concrete networking that will enhance our movement at all levels. I am here thinking of global CEO meetings to widen awareness of one another and explore international cooperation. In addition we can arrange visibility of the cooperative sector for academic and research institutions not to mention background material for political lobbying.

Cooperative Friends

What Gary Cronan now will report to you is not only a list of the 300 largest cooperative and mutual organizations in the world. He will also report on what cooperative organisations stand for with regard to how they serve members in a wider sense, what we define as Corporate Social Responsibility.

For us, this is not something new. Many cooperatives, if not most of us, had it as a primary from the very beginning – when they started. In line with the cooperative principles and in fact, as they are peoples based organizations.

There are more and more questions being raised about the effects of multinational corporations and how they operate. And here I am talking about negative effects.

People are staring to look for alternatives. More and more they are looking for alternatives. Then we have to be there, to be an obvious and clear option. And to prove that we are what we claim we are.

The Global 300 project is a very important step in the right direction.

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