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Visibility of Co-operatives & International Year of Co-operatives 2012 Charles Gould, ICA Director-General

I am new to the position of ICA as of 1 September. There are advantages and disadvantages to being new. But I'm going to focus on the main advantage which is the freedom to speak unencumbered by the burden of what we've done in the past; the freedom to dream a bit and to imagine; the freedom to not take anything for granted.

When I look at the co-operatives around the globe, I see a movement with solutions to serious challenges that confront the world today. And I believe we have a responsibility to tell our story

Our story is about the essential and vibrant part of the world economy that co-operatives represent today:

- Our size and scale: collectively and individually
- 1 billion members of ICA co-operatives in 91 countries around the globe
- 100 million individuals employed in co-operatives around the world
- 20% more jobs than multinational corporations which receive so much attention for their workforce impact – but negative workforce impact of late.

Here, in this region, 1 out of every 3 households in Japan is a member of a co-operative; half of the people in Singapore; one quarter of the people in Malaysia; one-third of those in New Zealand. The Global 300 report that ICA produces, featuring the world's largest co-operatives, have combined annual turnover in excess of US\$1 trillion. It shows that co-operatives are 10% of the world economy - and that's just the top 300. The report further shows that 40% of the top 10 are from this region.

Co-operatives are at the centre of global business.

But we have to tell our story not just because of our size and scale, but also because of our relevance, our importance especially at this time in history, and because of the solutions we bring.

ICA was recently commissioned by the ILO for a study, "Resilience of the Cooperative Business Model in Times of Crisis". That report reveals that, even in this time of recession:

- Consumer co-operatives' turnover is above that of previous years
- Agricultural co-operatives are showing profits, despite volatile markets
- Financial co-operatives are still financially sound with "Customers are flocking to bank with them because they are highly trusted"
- Worker co-operatives are growing

When people hear of this success, they want to know why.

We know why – our model is focused on solving a problem that members confront. It's not focused on the monolithic goal of seeing how much money we can make for shareholders who have no emotional connection to the product being offered. Consequently, we have a very different approach to risk. We take prudent risks appropriate to the purpose of the co-operative and we don't "bet the bank" on aggressive risks in pursuit of more and more money. And so co-operatives are surviving in these difficult days; some are growing; and some are thriving. Member-owners are demonstrating their confidence in co-operatives as a safe place to invest their funds and as a place to turn to solve the problems they're encountering in their lives.

Our story is not one, of course, of only meeting crises. Co-operatives are successful business models even after the crisis has passed including in times of normalcy - that's the message of the Global 300: To demonstrate that co-operatives are an important part of the global economy day in and day out.

It's not surprising that co-operatives thrive in times of crisis. We grew out of crises; our methods were forged in the crucible of systemic economic disruption: The displacement of workers and craftsmen; The collapse of prices for products; Chaos in credit markets. We – our fore-bearers – crafted a solution – the co-operative model -- to overcome those systemic failures, which had led to so much personal loss

Today there is a need for a values-based business model - one that can apply local solutions to global problems. And so, this is a time of opportunity for the co-operative movement.

Why do we want public awareness? Because awareness will lead to growth. It will lead to growth of existing co-operatives by stimulating interest in them and it will lead to the formation of new co-operatives As more people understand how to apply this model to solve their own challenges.

In fact, I believe that, by the end of this decade that co-operatives could very well be the fastest-growing business model in the world.

And so we have a responsibility to tell our story – The story of the scale and the impact that co-operatives are having around the world.

We have the responsibility to tell our story because, if we don't governments will unwisely emphasise the corporate structure in their economic development strategies. Today, the international community is searching for solutions to the global recession. We have a solution.

Now we're modest people. We don't claim that the co-operative model will single-handedly solve every problem in the world today . . . but it goes a very long way indeed toward providing economic stimulus, providing employment, creating markets. And it does this while advancing responsible social policies – on the environment, on community engagement, on energy – not because of some marketing strategy we've adopted, but because these kinds of policies are integral to what it means to be a co-operative. They are why the model works.

We are responsible institutions by design – and that story needs to be heard.

We have the responsibility to tell our story because, if we don't workers, craftsmen, farmers will languish due either to the recession and stagnation affecting much of the world today or due to the rapid economic growth in other countries that always leads to the economic displacement of some. They will languish unaware that co-operatives offer them a way to improve their lives.

We aggregate the market power of individuals who, on their own, have no way out. We enable self-employed people and family businesses to survive in a competitive marketplace. We let them pool capital and access otherwise unaffordable services. We bring scale to

individual entrepreneurs. We offer them the social services that are otherwise outside of their reach, services that allow them to work and to provide for their families. For two centuries, we've helped individuals take control of their own economic well-being.

We're not charity – we're self-help, self-responsibility. And we're not corporate -- we're a values-based business model.

With members who are both investors and consumers, we achieve true loyalty and member participation. Corporations try to mimic these values with a Corporate Social Responsibility mantra or with customer service jargon - an attempt to add a veneer of concern on top of their real concern – a singular drive to maximize profit. There's probably a place for that model, but it has caused a lot of damage, it has required a massive public bailout, and it ought not to be as dominant as it is.

We have to tell our story.

We have the responsibility to tell our story because, if we don't someone else will define the co-operative brand, because we will have left a vacuum for this to happen. Banks will talk about the danger of credit unions; business competitors will disparage consumer co-operatives; and well-meaning developers will share old, tired stories of the limits of the co-operative model in economic development.

They don't know the real story; we do; and we have to tell it.

Fortunately, we have a made-to-order opportunity to tell our story - the United Nations International Year of Co-operatives in 2012. This is a rare gift – a not-to-be-missed opportunity --to breakthrough all of the marketing noise out there and tell our story.

ICA has established a web page as a central source of information on the International Year at www.ica.coop/activities/iyc. You'll find a calendar of events there and a *Countdown to 2012* news bulletin..

We are working closely with the United Nations, of course, and they are looking to ICA to provide leadership in implementing the year.

14 countries have already created national committees and appointed focal points, including Japan, Mongolia, and the Philippines in this region. Our hope is that every nation does the same.

We encourage you to contact your government to ensure that a national committee is formed and that they are an active partner in the Year.

We are working with the UN now to help select celebrity ambassadors for the Year.

This can't be a one-time event. We can't tell our story in 2012 and then be silent. We will need to leverage the 2012 opportunity to claim ongoing attention in the years following.

If we use the International Year properly, we will have laid the foundation for continuing visibility; we will have strengthened our relationships with key media channels; we will have positioned co-operatives as an important media source for future business stories; and we will have improved our capacity to distribute consistent messages through the channels within our movement.

This means that we will have to have internal discipline and alignment. We need to be able to drive home the same focused messages time and again. We need to be saying the same things about co-operatives. Over time, the media ought to be seeking us out for our position on key business and social development news. That takes time; That takes relationships; And that takes substance – there has to be something behind the words.

We have the substance . We have tremendous substance. We have the story to tell. We can build the relationships. And the time to start is now.

In preparation for the 2012 Year, and in the coming weeks we'll be refining the key messages for our target audiences. Getting that message out will require each of you - everyone in the co-operative family - to be "on-message". The greatest breakthrough – the maximum impact – will come if we're repeating the same message.

The week before last we commemorated the 115th anniversary of the founding of ICA when leaders in the co-operative movement from around the world, and including, of course, the Asia and Pacific region, gathered in London in 1895 to agree to work together to advance the co-operative movement. It's been a remarkable journey - one with successes and failures, as any journey worth taking encounters.

The International Year promises to be one of the key milestones that will be remembered when future generations look back to learn from the past. Our hope, our belief, is that they will look back and say - the alignment of that opportunity for visibility together with the tremendous need the world was facing at that time for just such a solution as co-operatives represent unleashed a golden age of co-operative impact that improved the lives of millions of people.

I'm looking forward to being part of that journey with you. And I thank you for letting me become part of your work.