

A time of opportunity for co-operatives

It is difficult not to talk about the worsening financial crisis. Even my own country of Scotland is seriously affected by the mismanagement of its financial institutions. In Scotland, we were brought up to hold these organisations in high regard, representing, as we thought they did, the highest standards of financial probity and good governance as befitting our Presbyterian principles.

It is intriguing that in a country which saw some of the earliest co-operative developments, we didn't see the inherent contradictions. Well, we do now!

Hopefully, something positive will emerge from all this, and we, in the co-operative movement, have a real responsibility to speak out and publicise our solutions.

We have never been good at promoting our own case, but it is imperative to sort that out now. ICA has written, on three separate occasions, to the G8 and G20, appealing for serious consideration

of the co-operative option. I have received some sympathetic responses, but little of real substance. None of this is new of course, and history shows that attempts to persuade governments to recognise the benefits of co-operation is no easy task.

Even those who appear closer to our philosophy seem to think there are only two ways of running businesses - state control, or investor-owned enterprise. There is never any mention of the co-operative option, which, as the **Global 300** project has shown, is already a massive part of the world economy.

We are gathering evidence to show how co-operative enterprises are surviving the current crisis better than others.

Perhaps, at last people will listen to us!

Our next board meeting, in Poland, will be another step forward in developing our global strategy. Following agreements reached in Rome

last year, Board committees on membership, governance, human resources and audit and risk have been activated and will meet, in one capacity or another, before the end of March. Together, they signal a professional approach to building the ICA into an organisation that will ultimately win the arguments outlined above.

We are also setting up an international legislation working group to complement the existing one on international accounting standards. Indeed, recent evidence has shown that our members seek information and advice on legislation and policy more than on any other issue. And, of course, in this very uncertain economic climate, our members need to have the security of strong legislation to protect their co-operative enterprises.

As you will read in this issue, the theme for International Day of Co-operatives this year is "Driving global recovery through co-operatives". So, let's do it!

DG's Report



Iain Macdonald
ICA director-general

"Trying to persuade governments to recognise the benefits of Co-operation is no easy task."

Iain Macdonald,
ICA DG

G-20 should give serious consideration to co-operative model

On 6 March, the ICA reissued its letter to the G-20 asking that they give serious consideration to the advantages of the co-operative model of business during their upcoming meeting in April in London.

Signed by all members of the ICA Board, the letter noted that with over 150 years of commercial success in all economic fields, co-operative enterprise, with its unique set of values and principles, can provide

possible solutions particularly in promoting stability in the global economy.

It further calls on political leaders to protect the world's people from the worst effects of the global recession that are being faced today as a result of the corporate mismanagement of the investor led model of business; to ensure that in the struggle against recession, and in any reform of the global financial structures such as a new regulatory

system, G-20 leaders take special note of the stability and security of the co-operative global economy and its value to the millions of individuals and families which it is supporting in all corners of the world, and give this model of business the recognition and political support that its contribution demands; and finally to ensure a level playing field between countries and banking models, and take account of the diversity of banking systems in future rules.

See

www.ica.coop/publications/pressreleases/2009-03-g20.pdf

for full text