



AUSTRIA AND THE ICA

Eva Bauer, former Housing Economist of Österreichischer Verband gemeinnütziger Bauvereinigungen – Revisionsverband (Austrian Federation of Limited-Profit Housing Associations)

Austria(-Hungary) may not be regarded as a core founding member of the International Cooperatives Alliance but without doubt at least a part of the Austrian cooperatives did support the international movement from the very beginnings and became member right after the foundation of ICA.

According to the reports presented to the members of the biggest cooperative umbrella organisation¹ in its regularly published gazette, a representative of this organisation had been invited to but could not attend the London meeting of 1895. The foundation of the international association nevertheless was welcomed and a written report concerning the cooperatives' movement in Austria was submitted to the London congress². The following year (1896) we find 14 representatives of Austria-Hungarian cooperatives and their associations in the "Grand Comité" of ICA as well as a "President of Honour"³.

In those times the cooperatives' movement in Austria-Hungary was quite heterogenous in many respects. Reflecting the political situation in the Austro-Hungarian Monarchy the bonds between the two parts of the empire were not too strong; political and ethnical differences within Austria had consequences in respect to the cooperatives' movement as well. The manifold fields of cooperatives' activities gave ground for different organisations alongside different branches; regional aspects contributed to the fragmentation of the cooperatives' movement as well. And moreover, the cooperatives were confronted with critics and opponents. Partially the cooperatives were regarded as disturbing element within the market. On the political level there was mistrust as well as support in almost any of the then existing parties.

Most prominent in the late 19th century within the about 4000 cooperatives in Austria-Hungary were the lending associations (about 2700), followed by consumers' associations (about 460), and smaller numbers of producing, commodities, agricultural and housing cooperatives. The above-mentioned, most important umbrella organisation within Austria and it's about 2100 cooperatives represented 300 cooperatives of all branches except the agricultural one und was built on strict principles – such as rejecting nationalist tendencies and declining any active state involvement including subsidisation and instead strongly relying on own initiative and self-support of people. The leading position within the cooperatives' movement was achieved

¹ Allgemeiner Verband der Erwerbs- und Wirtschaftsgenossenschaften in Österreich

² Die Genossenschaft, Organ des Allgemeinen Verbandes der Erwerbs- und Wirtschaftsgenossenschaften in Österreich; Year 1895 p. 155, p. 185

³ *ibid*, Year 1896, p. 186. The "President of Honour" was Mr. Karl Wrabetz, the director of the mentioned "Allgemeiner Verband"; the same had submitted the Austria-Report at the First ICA Congress.

through intense networking, lobbying and involvement in building-up the legal framework for the cooperatives' activities.

We did not find written evidence of specific motivations joining the international cooperatives' association besides the general support of its goals. There is good reason that the background of the mentioned umbrella organisation stated a closer link to international relations than did the principles of other cooperatives. The domination of lending on the other hand stated a clear distinction to other countries – with the exception of Germany, where the structure of cooperatives resembled that of Austria a good deal. Maybe that was an extra challenge for Austria-Hungary to become a member in the international association.

The relations between Austria's cooperatives and ICA in the course of time have not been without disruptions. The history about these relations is not written yet; but there have been periods of major disagreements on principles between parts of the Austrian members and ICA. The membership of the Austrian leading organisation (Allgemeiner Verband) was even dissolved some years later - without knowing yet if all Austrian(-Hungarian) representatives left and if and when the membership was resumed later. That must not provoke too much of a surprise. Even if the first ICA constitution confirmed distance to any political or religious affiliation, the big questions of these times – the relations between the social classes, state involvement, the national question – could not be kept outside the cooperatives' movement.

In consequence the link between the Austrian cooperatives and the ICA has not been a permanent one in the last 125 years. A detailed historical description could without any doubts reveal most interesting facts thus leading to a better understanding of the developments.

In Austria itself the cooperatives' movement took a quite eventful history. The different branches evolved in different patterns and orientation on different principles, which was reflected in the differentiation of their umbrella organisations. The last big disruption in Austrian cooperatives' history was the NAZI-period when the cooperatives were under huge political pressure but could survive. Since the end of this period the cooperatives' principles are very well accepted and supported – which does not imply that there have not been major problems and even breakdowns of cooperatives.

The international relations before this background came to a new life, maybe in contrast to the founding period more fruitful on the branch level. Today the main Austrian cooperative branches – banking and housing – are ICA-members (either direct or via European cooperative networks). There the exchange of information - especially on the details of institutional solutions, the legal framework, finance and public assistance - creates an added value on the national level. Finding solutions to answer the challenges on European or worldwide level require international cooperation. Learning from each other not only provides opportunities of improving the own performance but also builds up bonds between international partners thus improving and strengthening the model of cooperatives as such. There are manifold challenges in the upcoming years and it is not unlike that cooperatives can provide solutions on the level of organisations and principles.