



International Co-operative Alliance  
Alliance Coopérative Internationale  
Alianza Cooperativa Internacional

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## Brief for 'Doing Co-operative Business'

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### Objective

To develop a report and supporting database that ranks countries according to the progressiveness of their legal and policy framework in supporting co-operative development.

The report would be modeled upon and supplement the annual Doing Business report produced by the International Bank for Reconstruction and Development / World Bank. The scope, however, would be substantially more contained, with a limited number of factors assessed and, initially, a targeted set of countries.

The report would explore national practices that discriminate against co-operatives and would be used to shape a policy agenda.

### Background

#### The International Co-operative Alliance

The International Co-operative Alliance is a non-profit international association established in 1895 to advance the co-operative social enterprise model. Its members are national level federations of co-operatives and individual co-operative organisations, primarily operating at a national level.

ICA's members, representing co-operatives in 100 countries, have established seven principles that define the essence of co-operative organisations. One of ICA's primary responsibilities is to advance, interpret, and maintain the relevance of these principles.

To accomplish its purposes, ICA is organised with a Global Office, four Regional Offices (Europe, Africa, Americas, and Asia-Pacific), and eight Sectoral Organisations (Banking, Agriculture, Fisheries, Insurance, Health, Housing, Consumer Co-operatives, and Worker Co-operatives).

#### The 2012 United Nations International Year of Co-operatives

In December 2009, the General Assembly of the United Nations proclaimed that 2012 would be the 'International Year of Co-operatives' (UN Resolution A/RES/64/136). Since 1959, the UN has proclaimed International Year observances in order to contribute to the achievement of purposes of the UN Charter and promote awareness of and action on important political, social,

cultural, humanitarian or human rights issues.

The UN produced a logo for the IYC and a slogan: 'Co-operative enterprises build a better world.' These were widely adopted by ICA members.

ICA established a Steering Committee for the IYC, participated in joint planning for the launch of the Year at the United Nations in New York in October 2011, and a close to the Year in Manchester, UK in October 2012. ICA members provided leadership in their respective countries to leverage the political and public awareness opportunities the IYC presented.

To ensure that the potential that the United Nations had brought to co-operatives did not expire at the end of 2012, and recognizing the interest in co-operatives that was sparked by the worldwide financial crisis originating in 2007, the ICA initiated a planning process at the end of 2011 for a post-2012 strategy. This process, shaped by input and feedback from ICA's members across the globe, resulted in the drafting of a 'Blueprint for a Co-operative Decade'.

### **Blueprint for a Co-operative Decade**

ICA's membership approved the adoption of the Blueprint at a General Assembly in October 2012. While the ICA provides leadership to the implementation of the Blueprint, its goals can only be achieved if the worldwide movement embraces it and collectively seeks to achieve it. The ambitious vision in the Blueprint is for the co-operative form of business by 2020 to become:

- The acknowledged leader in economic, social and environmental sustainability
- The model preferred by people
- The fastest growing form of enterprise

To achieve the vision, the Blueprint strategy concentrates on five critical interlinked themes, and establishes an individual strategy in relation to each of them. The overarching agenda for the ICA, its Members and the co-operative sector generally is to:

- Elevate **participation** within membership and governance to a new level
- Position co-operatives as builders of **sustainability**
- Build the co-operative message and secure the co-operative **identity**
- Ensure supportive **legal frameworks** for co-operative growth
- Secure reliable co-operative **capital** while guaranteeing member control

The Blueprint strategy summary states that:

"The starting point for the strategy for a global co-operative future is the powerful claim which co-operatives make to the outside world: that they have a way of doing business which is better than the one which is currently failing.

- *Co-operatives are better because they give individuals **participation** through ownership, which makes them inherently more engaging, more productive, and both more useful and more relevant in the contemporary world*
- *Co-operatives are better because their business model creates greater economic, social and environmental **sustainability***

Chapters 1 (Participation) and 2 (Sustainability) explain why co-operatives offer a

better way of doing business; they are differentiators of the co-operative model.

Chapter 3 effectively sets out the co-operative proposition for today: what it means to be a co-operative and what are the defining characteristics or “irreducible core”.

- *This is looked at through the lens of **identity** – how co-operatives communicate their powerful message and how they are to be seen and understood by everybody from policy-makers to the general public.*

Attention turns in chapters 4 (Legal Framework) and 5 (Capital) to what facilitates or inhibits co-operatives.

- *The Blueprint seeks to ensure supportive **legal frameworks** for co-operative growth.*
- *Co-operatives need access to **capital** if they are to be established, grow and flourish.*

## The Concept

Chapter 3 of the Blueprint identified a number of conditions in the legal framework in which a co-operative operates that effects its ability to be successful. These include:

- Coverage of the co-operative model in the education and training of those going in to the business world, which contributes to financial, legal and regulatory infrastructures that are essentially designed for the greater majority of businesses which are profit-oriented, shareholder-owned businesses, but are inappropriate for co-operatives in certain important respects
- The adoption of measures identified in ILO Recommendation 193 on the promotion of co-operatives
- Ensuring that co-operatives receive appropriate government support, but do not become dependent on or controlled by the government
- Treatment in tax law and in competition and anti-trust law that recognize the unique nature of co-operative enterprises and their frequent formation for community benefit
- Regulations on, for example, the raising of capital that reflect the distinctive nature of co-operative capitalization
- The ability of co-operatives in all sectors to contract with government

## The Process

1. The delivery schedule must allow for a preliminary report, covering 10-15 countries, to be presented to the ICA Board at its meeting in Cape Town, South Africa, 2 November 2013. Depending on the feedback from this meeting, the project would move to a second stage, where the database and factors would be expanded with a view toward publication of an initial report at the Co-operative Summit in Québec City, Canada, 6–9 October 2014.
2. The ICA Global Office can facilitate or arrange discussions with key informants that might be able to provide input and feedback for the draft, but the author should have familiarity with the subject and access to key thinkers in this field.

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