

Report from the I.C.A.

The article in Journal 67 by Steve Worthington "Hungarian Co-operatives in an Era of Change" based on his visit in mid-1989 is very relevant to the political and economic changes which are running widely and deeply in Eastern and Central Europe and so too in his conclusion on Co-operative development:-

"To conclude, the rapid changes . . . offer both opportunities and threats to Hungarian Co-operators; to survive and prosper in the 'new' Hungary the Co-operative movement will have to redefine its theoretical stance and re-evaluate its practical objectives."

As a background to future articles on Co-operative prospects in that region we are printing below a statement by the International Co-operative Alliance of the Conclusions of Consultations which took place in Geneva 20-21 March 1990 with Co-operative leaders from the countries of Eastern and Central Europe.

I. Introduction

The major political and economic changes underway in the countries of Eastern and Central Europe (ECE) are welcomed by Co-operatives in all countries. They provide Co-operatives with an opportunity to return to their traditional democratic roots and to strengthen their economic efficiency. At the same time, since Co-operatives were important economic forces under the previous political and economic systems, they are now confronted with severe challenges which threaten their development and, in some cases, their very survival.

II. Priority Needs

If Co-operatives are to play an important role in rebuilding political democracy and economic pluralism in ECE countries, a number of requirements must be met.

At the more global or macro-economic level, there is a need for *economic and political* restructuring to proceed in order to provide the necessary policy environment within which Co-operatives, like other parts of the economic system, will be able to progress.

Within the Co-operative movements there is an urgent need for the preparation of *national Co-operative development strategies*, agreed to by members, so that Co-operative movements will determine their own priorities for the future.

It is widely agreed that *education and training* is a key requirement. This includes management training, technical training, and member education.

In many countries *improved Co-operative legislation* is needed. In some cases existing legislation is excessively bureaucratic; in others new legislation has been enacted hastily and requires amendment.

Co-operatives throughout the region wish to offer *financial services* to their members. This includes Co-operative banking, Co-operative insurance, and Co-operative savings and credit (credit union) facilities.

Economic links with Western countries are necessary if Co-operatives are to have access to the credits, technology, joint venture opportunities, and other forms of collaboration which they need in order to compete in their new market economies.

There is a common requirement for *information* about developments in neighbouring countries and about the interests and activities of organisations offering assistance.

III. Opportunities for East-West Collaboration

There is a clearly-demonstrated interest on the part of Co-operative organisations in Western Europe and elsewhere to offer assistance in the above areas to existing Co-operatives and to new Co-operative activities in the region, and to undertake commercial collaboration.

Many governments have allocated substantial amounts of money for Eastern and Central Europe. The European Community has funds available and has been designated the coordinator for the activities of the OECD countries.

Co-operatives, however, are likely to benefit from some of these resources only if, in the countries of East and Central Europe, they convince their own governments of the importance of supporting Co-operative development, and demonstrate their capacity to serve their members efficiently.

Opportunities exist for national Co-operative organisations to support direct movement-to-movement collaboration, especially in the areas of training and exchanges. However, it is unlikely that Western Co-operatives themselves will be the sources of major financial support.

Whatever assistance is forthcoming from the West, it will be only supplementary to the efforts and contributions made by Co-operatives in the region, who themselves are responsible for their own development. Assistance must correspond to their priorities and wishes.

IV. Role of ICA

The International Co-operative Alliance has committed itself to support of its member organisations in Eastern and Central Europe. It is also prepared to provide assistance to governments, social and economic organisations, and others who wish to support authentic Co-operative development in the region.

ICA will attempt to provide support in the following ways:

- a) Within its secretariat it will create a "*working group*" on Eastern and Central Europe in order to coordinate its activities and ensure this issue remains a high priority.
- b) ICA will emphasise the provision of *information*. Its documentation section will develop a data bank on recent trends and issues in the region, and on the activities of organisations providing assistance. ICA member organisations will be kept informed of developments and needs through regular reports in the ICA News and Review, and through an update report at the Central Committee meeting in Madrid. ICA will also attempt to provide information to the public on the role of Co-operatives in ECE by providing articles for newspapers and journals, and making contact with other media representatives.
- c) When requested, ICA authorities will be prepared to undertake *policy dialogue* missions to discuss Co-operative needs and interests with relevant governmental authorities.
- d) ICA will organise a *regional seminar on Co-operative legislation* in order to sensitize governments to the need for change in this area and provide advice to Co-operative organisations. If resources permit, this could be followed by national activities of legislative review and drafting. The participation of ILO will be requested.
- e) ICA will encourage and support active involvement of its specialised organisations in the region. It will ask its Banking and Insurance Committees to organise regional workshops, followed by national seminars, and to encourage their members to provide direct support. It will continue its secretariat support to the efforts of the Agriculture, CICOPA, Consumer and Tourism Committees. It will support the activities of INTERCOOP's new regional office.
- f) ICA will maintain close contact and coordinate efforts with the World Council of Credit Unions, through its European Office, in order to support thrift and credit Co-operative activities or institutions where they are desired.

g) ICA will support the *education and training* needs of Co-operatives and others by providing material and, to a limited extent, arranging translations. ICA will seek resources to organise regional training-of-trainer seminars, follow-up national workshops, and the establishment of a Regional Training Centre.

h) ICA will seek *financial resources* for its own efforts and for the efforts of its member organisations and Specialised Organisations who wish to support Co-operatives in the region. These resources will be supplementary to resources currently used to support Co-operative development in the South.

V. Future Action

ICA will make immediate contact with the Commission of the European Economic Community and with the World Bank to examine opportunities for financial support. This will include close contacts with the Co-operative organisations of the EC in Brussels.

A follow-up consultation meeting should be organised in Madrid, to coincide with the Central Committee meeting, to review recent developments and discuss future steps.

ICA members in Eastern and Western Europe will be asked to keep ICA informed of all relevant developments, and to co-ordinate their activities in the region to the greatest extent possible.

ICA's Structure Committee will examine the possibility of creating an institutional mechanism to promote regular interaction between Co-operatives of Eastern and Western Europe.

ICA members will be informed of the results of this consultation, and will be requested to provide support - especially in the key areas of economic collaboration and training as quickly as possible."