

Preparing for the Next 100 Years

by Bruce Thordarson

When the leaders of the world-wide Co-operative movement assemble for the Centennial Congress of the International Co-operative Alliance in Manchester in September 1995, they will have the double task of celebrating the significant achievement of 100 years of international Co-operation and at the same time preparing for the very real challenges of the future.

1995 has already been a significant year of celebration for the ICA. For the first time in history the United Nations joined with the international movement in recognising the International Co-operative Day. In his official message, Secretary-General Boutros Boutros-Ghali observed: "Recognising that Co-operatives in their various forms are becoming an indispensable factor in the economic and social development of all countries, the United Nations General Assembly has proclaimed the first Saturday of July, starting from this year, as International Co-operative Day. As we move into a new century and a new millennium, the partnership between the United Nations and the International Co-operative Alliance becomes increasingly important."

The fact that institutional longevity, especially at the international level, is not something which can be taken for granted is the central theme of the ICA's centennial publication: *The International Co-operative Alliance during War and Peace: 1910-1950*, by Rita Rhodes. This adapted Ph.D. thesis, based on extensive research in the ICA archives, concludes that the ICA's survival during the tumultuous years through the two World Wars and the Cold War was essentially due to its ideological consistency and its organisational strength.

Both themes will be at the forefront during the ICA's Centennial Congress. The proposed revision of the Co-operative Principles, in the new form of a *Co-operative Identity Statement*, will test whether the ICA authorities have found the right balance between the forces of change and tradition. The second theme, *Sustainable Human Development*, although also global in nature, will focus more specifically on Co-operatives in Asia, Africa, and the Americas, where the new, decentralised ICA structure is providing more opportunities for non-European Co-operators to influence the policies and activities of the ICA.

Present Structure

The ICA has grown rapidly, during the last decade in particular, and is

now regarded as the largest membership-based non-governmental-organisation in the world, with over 750 million individual members belonging to its 235 member-organisations in 101 countries. Asia and the Pacific has now surpassed Europe in terms of the number of individual members (65 per cent of the ICA total), although the financial strength of European member-organisations continues to be reflected in their membership fees (56 per cent of the ICA total).

The organisational structure of the Alliance, based upon the Rules amendments adopted by the 1992 Tokyo congress, has distinct political, technical, and sectoral components.

The governing bodies of the Alliance are the General Assembly (the highest authority, which meets every second year); four Regional Assemblies, for Asia-Pacific, Africa, the Americas, and Europe (which also meet biennially, alternating with the General Assembly); the Board (composed of 16 members, elected by the General Assembly for four-years terms, of which the four Vice-Presidents are nominated by the Regional Assemblies); the Audit and Control Committee (which is elected by and reports to the General Assembly); and the President (the chief representative of the ICA, who also presides over the General Assembly and Board). Congress, the highest authority prior to 1992, is now convened by the General Assembly for special occasions, such as the 1995 Centenary.

Staffing the Alliance

The technical work of the ICA is carried out by its Head Office and Regional Offices, under the overall authority of the Director-General. The Head Office, located in Geneva, currently consists of 11 staff members. Regional Offices, with another 56 staff, exist in New Delhi, for Asia and the Pacific; in Moshi, for East, Central and Southern Africa; in Abidjan, for West Africa; and in San José, for the Americas. All are headed by Regional Directors, who take policy guidance from their respective Regional Assemblies, but report administratively to the Director-General. In Europe, at the request of the Region, Head Office provides part-time staff support for the work of the new European Region, which includes the position of Secretary to the Council set up last year by the Regional Assembly.

The Specialised Bodies

In addition to these technical offices, the ICA has a network of Specialised Bodies which bring together both ICA members and non-members in specific sectoral and functional fields. There are presently 10 Specialised Organisations (agriculture, banking, consumer, fisheries, housing, insurance,

consumer trade, industrial and artisanal production, tourism, and energy) and four Specialised Committees (communications, research, education and training, and women). Each has its own set of rules, organisational structure, and work programme. The Specialised Bodies report regularly on their activities to the General Assembly, where each has one representative with voting rights.

Current Priorities

Although the physical move of the ICA's headquarters from London to Geneva took place in 1982, the next few years were devoted largely to putting the Alliance's own house into order. As ICA President Lars Marcus described the situation: "The Executive Committee therefore instituted what was virtually an emergency plan, consisting of the following efforts: bring finances under control; increase contacts with the main ICA members; reform the development programme by reorganising the Regional Offices, attracting new donors, and expanding into Latin America; improve the management efficiency of the Head and Regional Offices; and improve the annual meetings by changing the content and attracting important international personalities. The measures were drastic, and not always pleasant, but they succeeded. The response of our members was very positive. By 1988 it was possible for the ICA to turn its attention once again to the major challenges facing its membership."

Realising that an organisation with a vast and diversified membership on the one hand, and limited resources on the other, cannot do everything that is wished or expected of it, the ICA has chosen five priority areas to guide its work since that time.

1. Promotion and Defence of Co-operative Values and Principles

From the outset, the ICA's members have seen the Alliance as the custodian of their shared values and principles. The current review, which will culminate in Manchester, has been motivated by a widespread concern that Co-operative identity is under increasing attack both from within and without. This is why, instead of undertaking a revision only of the Co-operative Principles, as was done in 1966, the current review has focused on the "Statement on Co-operative identity", which includes three components: a concise definition of a Co-operative (to complement that of the ILO's Recommendation 127, currently the only widely-accepted international definition); a summary of basic Co-operative values (to emphasise that Co-operative values are consistent and unchanging); and the Principles themselves (to reflect some of the changes in Co-operative

behaviour resulting from the current economic, political, and social environment).

Another major change, which is more explicitly stated in the Background Paper prepared by the project coordinator, Dr. Ian MacPherson, is that the 1995 version of the Principles is targeted more clearly than ever before at all five of the Co-operative movement's major traditional sectors-consumer, agriculture, finance, worker-production, and service. Although the 1995 draft may still appear too "consumer-oriented" for some of the ICA's newer members (and non-members) from the other sectors, a real effort has been made to find terminology and concepts with which all can feel comfortable - and which each sector can subsequently use to develop its own statement of "operating practices" which apply in more detail to its own activities.

The link between Co-operative theory and practice will likely be the major way in which ICA will pursue this subject after Manchester. Assuming that a consensus is reached on the Identity Statement, the next step will be to work with member organisations on the complex task of applying these principles to every-day activities. Already the ICA's European Region has made an important start in this direction through its work on the highly-relevant issue of Co-operative Governance. The "Co-operative Declaration for the 21st Century" - another Centennial Congress document - will also focus attention on the internal and external issues which Co-operatives must address in the future.

2. A Forum and Network to Promote Joint Action

Although the modern concept of networking was unknown to the ICA's founders in 1895, they already saw in the Alliance a vehicle to promote common activity and exchange of information. As with other membership organisations, the years have shown that those members who actively participate in the ICA are the ones most likely to obtain the greatest benefit from it.

It was this networking role of the ICA, more than anything else, which prompted the decision of the Tokyo Congress in 1992 to make the first major revision in the ICA's structure since 1895. The basic thinking was that the increasingly necessary collaboration among Co-operatives can best be carried out among similar kinds of organisations. Hence the concept of decentralisation, which was at the heart of the 1992 rules changes. By placing greater emphasis on political, sectoral, and technical activities at the regional level, the Alliance hopes to stimulate more and better

collaboration among its members. The importance of global collaboration is by no means ignored, but it should be more effective if it is based on a stronger regional and sectoral focus.

A good example of continental focusing can be found in the Americas region, where members from Canada to Argentina have agreed that business development is their highest priority. Accordingly, the ICA's Regional Office for the Americas (ROAM), with important support from development agencies in Canada and Sweden, has been concentrating its own efforts on ways to improve the competitive position of Co-operatives in the region. It is significant that, in this way, ROAM has moved away from the traditional, purely-developmental role of Regional Offices into activities designed to bring about a mutually-beneficial commercial relationship between Co-operatives in the north and the south.

The Specialised Bodies which operate under the general auspices of the ICA represent the other main focal point for common activities. The ICA's decision (in 1992) to welcome the greater autonomy of these Specialised Bodies was not without a certain risk to the cohesion of the global organisation. Almost without exception, however, the fact that members have had to take responsibility for their financing, organisation, and secretariat services has led to a greater sense of commitment and professionalisation of their activities. Most have chosen to work closely with the ICA Head Office and Regional Offices in such areas as development, UN relations, information, Co-operative principles, the Agenda 21, and conferences. Nevertheless, one of the ICA's major challenges for the future will be to work with the Specialised Bodies to bring about a closer practical collaboration.

The Specialised Bodies are also helping the ICA respond to some of the new challenges of the future. In 1992 a new International Co-operative Energy Organisation was established in recognition of the increasingly-important role played by Co-operatives in distribution of electricity and other sources of energy. In Manchester, leaders of health service Co-operatives from around the world will examine a proposal to establish a similar organisation in their field, one of the most rapidly-growing areas of Co-operative activity (and need).

3. Information about and for Co-operatives

Rita Rhodes' book demonstrates how the ICA's publications played a key role in maintaining the unity of the Alliance during the difficult war years. Communication with member organisations remains a high priority. The

traditional publications - the "ICA News" and "Review of International Co-operation" - have been steadily improved during recent years in terms of both content and lay-out. Unfortunately, financial constraints have meant that they are published only in English (except for the Review, which is translated into Spanish by Intercoop Editora in Argentina). Much of this material is, nevertheless, used by member organisations in their own publications.

Traditionally Co-operatives have done a relatively poor job communicating with the outside world about who they are and what they are doing. The ICA is attempting to address this issue through a new project on electronic networking. The establishment of e-mail linkages will have practical benefits in terms of improved communication within the ICA family (Head Office, Regional Offices, Specialised Bodies, and members). It will also be the means by which extensive information on Co-operatives is made available through the Internet. In collaboration with interested organisations in the U.S., Britain, and Australia, ICA is in the process of establishing a Listserv, a Gopher, and World Wide Web Pages about Co-operatives. This should be one of the best ways of bridging the information gap about Co-operatives - especially with young people - in the coming years.

4. A Catalyst for Co-operative Development

Since the opening of its first Regional Office in 1960, the ICA's work in promoting Co-operative development has grown rapidly. Today its annual development budget, based on contributions from more than 30 national and international agencies, is over 9 million Swiss francs. Development remains the main priority of the four Regional Offices (in Asia-Pacific; East, Central and Southern Africa; West Africa; and the Americas), which receive assistance from Head Office in planning, budgeting, and donor liaison.

In carrying out this work, ICA has taken care to avoid the temptation of becoming a "development agency", which could bring the risk of entering into competition with member organisations. Instead, the Alliance has chosen to focus on activities which complement and support the work of its members, and where its unique nature as a global Co-operative body gives it a distinctive role. Current priorities include influencing governments in order to create a favourable legislative and policy environment for Co-operative development; providing technical assistance for strategic planning and institution-building; promoting human resource development, including women's integration; and mobilising financial resources for Co-operative development.

The ICA Board is currently studying a proposal to establish a Development Trust which would structurally separate development activities from the other ICA functions. This would have the advantage of "protecting" the core ICA from possible financial risk, which is inherent in almost any development activity. On the other hand, it would also demonstrate to development partners that none of their support could be "siphoned off" into other non-development areas.

5. Representations to National Governments and the United Nations

The ICA's representational function has been very much in evidence in recent years, particularly in Eastern and Central Europe, where numerous visits by the ICA President and other representatives have demonstrated that Co-operatives can be as relevant to the countries in transition as they are in the OECD nations. The extent of this progress is remarkable, especially when one recalls that only five years ago the newly-elected president of one Eastern European country found it impossible to believe that Co-operatives could possibly exist in a capitalist country like the United States, and were therefore totally inappropriate for the new transition economies.

Government liaison has also become an important work of the ICA Regional Offices, especially in Asia and in East, Central and Southern Africa, where a series of Co-operative Ministerial conferences and related follow-up activities have helped to focus attention on the need to improve Co-operative legislation and policy. Numerous examples from both regions - Viet Nam, Philippines, Malaysia, India, Sri Lanka, Uganda, Kenya, and Namibia - demonstrate the progress that is being made in this direction.

As one of the first three organisations to receive Category One consultative status with the UN's Economic and Social Council in 1946, the ICA continues to represent Co-operative interests within the United Nations system. Given the sheer volume of UN activities, priorities must be chosen with care. The recent series of global conferences - Rio in 1992, Vienna in 1993, Copenhagen and Beijing in 1995 - has provided the ICA with an opportunity to influence the content of the meetings and related documentation on such important issues as sustainable development and the environment, human rights, social development, and women. The Programme of Action adopted by the World Summit for Social Development, for example, contains no fewer than nine positive references to Co-operatives, which will subsequently serve as guidelines for the actions of international agencies and national governments.

Influencing the heavy UN process is a complex task, for which the ICA relies on the support of its voluntary representatives in various UN cities, its member organisations, the Committee for the Promotion and Advancement of Co-operatives (COPAC), and the Specialised Bodies. Many of the latter have been able to use the ICA's special consultative status to participate in, and influence, particular UN events and conferences of interest to them. The International Co-operative and Mutual Insurance Federation, for example, still uses the 1977 UNCTAD declaration on the importance of insurance Co-operatives as a key policy justification in its discussions with national and international agencies.

Finances

No one familiar with the ICA will be unaware of the long, almost perpetual, discussions about its financial difficulties. The mobilising of sufficient financial support for an international organisation, much of whose activity is far removed from the daily preoccupations of its members, to say nothing of their members, is a constant and probably never-ending challenge. Like most membership associations (including the United Nations itself, which derives some two-thirds of its budget from 14 countries), the ICA relies on a small number of members for its key support. By mid-1995, Co-operatives from 17 countries had contributed some 75 per cent of the ICA's total subscription income of approximately 2 million Swiss francs, as follows:

- More than CHF 200,000	Japan
- CHF 100,000 to 200,000	U.K. Sweden France Russia
- CHF 50,000 to 100,000	Canada China Germany Norway USA Denmark Korea

- CHF 25,000 to 50,000

Italy
Finland
Switzerland
India
Czech Republic

Since the reorganisation of its internal financial systems and Regional Offices in the mid-1980s, ICA has managed to end every year since 1988 (except one) with a modest surplus. However, this has been due more to cost-reduction measures than to major increases in income. Both the Board and Audit-Control Committee have concluded that the current Head Office staff of eleven should not be reduced any further. Some costs can be further limited by using the resources available in the ICA network; this year, for example, a staff member has been engaged in the New Delhi office with responsibility for ICA's global membership correspondence and statistics.

Increasingly, however, the priority must be on new ways of increasing revenue. Responsibility for membership recruitment and follow-up now rests with the Regions, which are closer to national activities. A number of existing members, such as the National Co-operative Business Association of the United States, have changed their own internal policies in order to encourage ICA affiliation by their own major members. The ICA's minimum fee is rising every year so that the large number of minimum-dues-payers are collectively making an increasingly important contribution to the ICA finances. Although there has not been any change in the overall subscription formula since 1984, most members seem to prefer increasing their contribution through fee-for-service payments of various kinds rather than an increase in the annual dues.

The Future

It seems fair to conclude that, in spite of all the challenges facing both ICA and its members, the Alliance is entering the next 100 years of its existence in a stronger position than it has had for many years. Political support from the membership is generally strong, and the new regional structure has provided opportunities for greater participation by many movements. The sectoral work performed through the Specialised Bodies is steadily improving, as is their policy collaboration with the ICA offices. The technical work of ICA, carried out by the 11 Head Office staff and the other 56 staff members in the Regional Offices and Project Offices, is being steadily harmonised in order to make best use of available resources.

One of the first tasks facing the ICA Board after Manchester - where a quarter of its members, including the President, will be newly-elected - will be to assess the strengths and weaknesses of this present situation. Are the five priority tasks still appropriate? Has the new structure brought the expected results? Can the financial situation be improved? And - perhaps above all - how can the ICA be more useful to its members in the years ahead? The details may have changed greatly since 1895, but the basic challenge remains remarkably similar.

The Author

BRUCE THORDARSON has been at the ICA since 1985 - as Director since 1988. His university studies were in political science and international relations; his Co-operative service has included the posts of Director of Government Affairs, Canadian Co-operative Credit Society and of Executive Director, Co-operative Union of Canada; and his two books and various articles have addressed both areas - Canadian government and foreign policy and Co-operatives and international development.

In Passing

"Co-operative Studies in Other Countries": under this title in Bulletin 1 of the Society for Co-operative Studies, dated June 1967, W.P. Watkins welcomed the establishment of the SCS and, for its encouragement, reviewed older organisations with similar aims in Western Germany, France and America.

Bulletin 4 included his first article with the title International Notes and gave the glad tidings that the "former Director of the International Co-operative Alliance . . . will be reporting regularly on Co-operative studies abroad."