

**2012 – The United Nations Year of Co-operatives:  
Reflecting on what has been done and what needs to be done,  
the importance of financial co-operatives**

by  
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## 2012 – the UN Year of Co-operatives

- Thanks to Iain Macdonald, retiring Director, and Ivano Barberini, former ICA President
- And to: other ICA board members, many national co-op leaders, several national politicians
- UN and ILO

## Much to celebrate...

- Nearly 200 years of growth in size, variety and location
- Over one billion members
- More than 300 different types
- Serving need from cradle to the grave
- Contributions to social capital
- UN: providing at least one key service to over 3 billions (1/2 of world population)

## Why important?

- Opportunity to celebrate accomplishments
- Opportunity to raise public profile
- Opportunity to influence public policy
- opportunity to bring various kinds of co-operatives more closely together

## Reflecting co-operative reality...

- Create opportunities to reflect on co-op movement: what accounts for its successes? What impedes it? What more can be done?
- Provide a clearer picture of what movement is about
- Address the “big picture”
- Think about how to achieve greater co-op unity

## Asia and 2012

- Need to ensure that Asia (and other parts of the world than the North Atlantic) are fully reflected for their accomplishments and diversity
- Importance of Asia for the co-operative future: value of its diversity; home to the world’s largest movements; economic change sweeping the region; growth of consumerism; urbanisation, rural change, food issues; Asia and food issues
- Importance of Asian traditions and Co-operation: traditional, imperial, independence, contemporary
- Co-operation and Asian issues: population, environment, unequal wealth distribution

### Some views of the Asian credit union situation

- Not an expert but here are a few observations I will expand on briefly
- the complexities of building a movement that includes credit unions at different levels of development
- the necessarily slow and steady ways in which credit unions develop;
- the need for a higher profile;
- and the value of more and deeper thought about credit unions and co-operativism

### Building a movement that includes credit unions at different levels of development

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| <ul style="list-style-type: none"> <li>• <b>Hettiarachchi</b></li> <li>• “new”</li> <li>• “developing”</li> <li>• “developed”</li> <li>• “consolidating”</li> </ul> | <ul style="list-style-type: none"> <li>• <b>MacPherson</b></li> <li>• Formative</li> <li>• Stabilizing</li> <li>• Building</li> <li>• Rethinking and reformulating</li> </ul> |
|---|---|

### Managing differences

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• <b>New</b></li> <li>• Importance of training/education</li> <li>• Need for enabling legislation</li> <li>• Close personal relationship with members</li> <li>• Need to achieve independence</li> <li>• Charismatic leadership</li> <li>• Etc.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Developed/consolidating</b></li> <li>• Independence achieved</li> <li>• Focus on economic value</li> <li>• Less formal connections with community</li> <li>• Multi-faceted, professional staffs</li> <li>• Can be declining commitment to co-ops</li> <li>• Greater integration into market</li> </ul> |
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### Credit union approach is slow and steady...

- People in well-established credit unions forget what was involved
- Governments impatient and moved by their agendas
- Public has weak understanding
- Media ignores them
- Rarely explained in educational systems
- Contrast with Grameen and World Bank approaches

### Wait is worth it...

- Create real and permanent wealth
- Not manipulated on stock market
- Revolves within communities
- Permanent and known ownership, management and governance
- Empowers members
- Less affected by economic crises
- The contrasts with the main stream economy could not be more striking

### Need for higher profile...

- Comparison with Grameen approach
- Rarely acknowledged contributions to social and human capital
- Appreciation of work done by AACCU: adaptations of microfinance to credit unions; benchmarking, rural finance, co-ordination
- But still we all need to do more to explain the importance of credit unions locally, nationally, regionally, and internationally

### Need for more thought...

- People motivated by ideas as well as economic interest: clear in the history of credit unions
- Today's issues (economic stability, draining of local and community resources, growing shortages in energy, food, and water provide considerable opportunity for co-ops
- Must study and understand why we do what we do as well as how we do it
- Needed for presenting clear option, training and education of members, directors and staff
- Possibilities offered by new technologies

### Happy 40<sup>th</sup> Birthday in2011

'You have a rich and colourful tradition. You have accomplished much under very diverse and often very difficult circumstances. May you long continue to do so. As they say in the lands of my ancestors, "May the road rise to meet you. *May the wind* be always at *your back*. May the sun shine warm upon your face." '

Thank you!!!!

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