

ICA Proof Points

A. Co-operatives are large and growing. They are a serious and scalable model.○ **Worldwide**

1. Co-operatives have **1bn members around the world**, amounting to 1 in 5 people over the age of 15. This is three times the number of individual shareholders globally (328m) and can be as much as six times as many in Africa. [Worldwatch Institute, *Vital Signs* publication, 22/2/2012]
2. There are **1.4m co-operatives** across the world and **3bn people rely on them** for their livelihoods [*Global to Local*, published by the Conservative Cooperative Movement]
3. **100m jobs** are provided by co-operatives, 20% more than by multinational corporations [*ILO Cooperative Branch*]
4. The 300 largest co-operatives had a **combined annual generated revenues of USD1.6tr in 2008**, equivalent to the world's ninth largest economy (or the economy of Canada). [*Global 300 Report 2010: The World's Major Co-operatives and Mutual Businesses* (Geneva: 2010)]
5. There were **8 million new credit union members in 2011** [*World Council of Credit Unions (WOCCU)*]

○ **Developed world****With Context**

1. **UK:** The number of co-operatives is increasing at a rate of 9% a year, equivalent to 450 new co-operatives. There are now over 13.5m members of co-operatives in the UK (having grown 19.7% 2008-2011), making co-operatives the largest membership movement in the country. The UK's co-operative economy has grown 21% in the last three years to a £33bn turnover and to

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provide 236,000 jobs.

[<http://www.uk.coop/2012/about/surprising-facts>]

2. **UK:** Between 2008 and 2011 the number of memberships grew by 19.7% from 11.3m. Last year the number of co-operatives grew by 8.9% to 5,933. Between 2008 and 2011 the numbers grew by 23% from 4,820.

[<http://www.thenews.coop/article/co-operatives-grow-twice-rate-uk-economy>]

3. In New Zealand, co-operatives generated 3% of the GDP in the year leading up to March 2009, and in 2010-11 the top 40 co-operatives had a combined turnover/revenue of more than NZD39bn. Despite feeling the effects of the global recession in 2008-9, the New Zealand economy has recovered more quickly than many other developed countries, achieving 1.7% growth in 2010 and 2% growth in 2011. *[Global to Local;*

<https://www.cia.gov/library/publications/the-world-factbook/geos/nz.html>] [<http://www.nz.coop/top-4>]

4. In **Italy**, the province of Trentino has a well-developed and consolidated co-operative system. As of 2005 it involved 623 firms and 229 thousand members, with a total capital of €2 billion and a production value equal to €3,259 billion. While co-operatives in the Province of Trento represent just 1% of the total number of local firms, they generate 13% of the total value of production and account for 15% of local employment.

[<http://euricse.eu/it/node/607>]

No context

5. **USA:** The 29,000 co-operatives in the USA own USD3tr in assets and generate USD25bn in wages and 2m jobs (equivalent to 1.3% of the workforce) *[National Co-operative Business Association: www.ncba.coop/ncba/about-co-ops/research-economic-impact]*

Over 130m (43% of) Americans are already members of some form of co-operative, with 93m Credit Union member-owners.

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[*csmonitor.com: 'Co-operative businesses provide a new-old model for job growth' 02/04/2012*]

6. **Canada:** The 9,000 co-operatives in Canada, with their 18m members (52% of the population), employ 155,000 people and have an annual revenue of CAD50bn. [*The Globe and Mail, 15/5/2012*]
7. **Europe** has 150m co-operatives members (roughly 1 person in 5). In several countries more than half of the population are co-operative members. E.g. 70% in Ireland, 60% in Finland [*SOK Corporation Annual Report 2004*] and 59% in Austria. European co-operatives have an annual turnover well over £100bn. [*Global to Local*]
8. **Australia** has more than 13m memberships of co-operatives, and the top 100 have a AUD14.7bn turnover and 26,000 employees. [*Co-operatives Australia: 'Australia's top 100 co-ops, credit unions and mutuals by annual turnover'. April 2011*]

- **Developing world** [all *Global to Local*]

With Context

1. **Ethiopia:** The Self Help Africa co-operative development program – an international charity project which uses co-operatives to increase agricultural production in Ethiopia and enable farms to achieve economic independence- has seen a sixty-fold increase in capital in the last decade. When it was started in 2002, there were 12 founding co-operatives in the Meki Batu Fruit and Vegetable Grower Farmer Co-operative Union and now there are 135 co-operatives with almost 17,500 farmers.

[<http://changeherlife.org/selfhelp/Main/PR-ETH-co-ops.htm>]

No Context

2. **India:** 239m (NB ICA site says 97.6m) people belong to co-operatives (20% of the population), which support the needs of

67% of rural households. In April 2012, India became the world's fourth largest economy and poverty has declined from 37.2% in 2004-05 to 29.8% in 2009-10

[<http://www.worldbank.org/en/country/india/overview>]

3. **Kenya:** 1 in 5 people are co-operative members and 20m people (half of the population) directly or indirectly make their livelihood from them. They generate 45% of GDP. The Kenyan economy is outpacing global economic growth, with predictions for growth during 2012 at 5% compared to the global forecast of 3.5%.

[<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEEXT/0,,contentMDK:23163695~pagePK:146736~piPK:226340~theSitePK:258644,00.html>]

4. **Indonesia:** 80m individuals are co-operative members, amounting to 1 person in 3. Indonesia continues to post significant economic growth: as of April 2012, the country's economy is expected to grow by 6.1 percent in 2012 and increase to 6.4 percent in 2013.

[<http://www.worldbank.org/en/country/indonesia/overview>]

5. **China:** 180m individual members (13% of the population). In 2009, 8124 co-operatives were responsible for 4.96% of GDP. China has seen exceptionally strong growth between 2003-2007, averaging about 11% per year, and in 2010 China became the world's second largest economy.

[<http://www.worldbank.org/en/country/china/overview>]

6. **Vietnam:** co-operatives contribute 8.6% of GDP. The ratio of population in poverty has fallen from 58 percent in 1993 to 14.5 percent in 2008.

[<http://www.worldbank.org/en/country/vietnam/overview>]

7. **Iran** co-operatives contribute 6% of GDP and 1.5m jobs.

B. The co-operative model can be more economically successful and stable

- **Financial sector**

With Context

1. **US Credit Unions:** Whilst 10m bank accounts have left the largest US banks since 2010, following the Move Your Money campaign, US Credit Unions have enjoyed a surge in business as a result, so that 30% of the now population belong to co-operatively owned credit unions (increased from 89m in 2008 to 94m currently). In 2012, for the first time ever, the Credit Union National Association announced that credit union assets rose above USD1tr. [*csmonitor.com: 'Co-operative businesses provide a new-old model for job growth' 02/04/2012*]
2. From 2008 to 2010, **British financial services** co-operatives grew 12.9%, compared to 8% for the rest of the sector. [*http://www.uk.coop/economy2012*] and the Co-operative Bank consistently comes top of the UK Customer Satisfaction Index on customer satisfaction, complaint handling and net promoter score.
3. Annual figures released by Co-operatives UK, show the **British movement** has grown 1.5% in 2011, which is twice the rate of 0.7% in the UK economy. The co-operative economy has grown 19.6% since 2008, whilst the UK economy is 1.7% smaller than in 2008. [*http://www.uk.coop/performance-co-operative-economy*]
4. "Co-operative businesses are **more resilient**, 98% are still in operation after three years compared to 65% of all businesses, over half of them (56%) are in disadvantaged areas in the UK and 88% seek to minimize their environmental impact when 44% of businesses say they have taken no action whatsoever." [*http://www.thenews.coop/article/co-operatives-grow-twice-rate-uk-economy*]
5. According to a Global Alliance for Banking on Values report, **values-based banks** – mostly credit unions and co-operative banks

- **delivered higher financial returns** than some of the world's largest financial institutions, with a return on assets averaging above 0.5%, compared to just 0.33% for the Globally Systemically Important Financial Institutions (GSIFI) including JP Morgan, Citicorp, Deutsche Bank and Barclays; and returns on equity averaging 7.15%, compared to 6.6.% for the GSIFIs' [<http://www.gabv.org/our-news/report-shows-sustainable-banks-outperform-worlds-largest-banks>]

6. **NTUC Income** is Singapore's leading insurer and has 2m policyholders and last year reached SGD34.4bn in assets, a 4.6% increase on the previous year, and premium revenue rose 13.9% to a record SGD5.2bn, despite the uncertain global outlook. They have an AA- rating, making them one of the strongest financial institutions in the region.

[<http://www.income.com.sg/aboutus/annreport/index.asp>]

No Context

7. A 2010 World Bank Report found that credit union branches serve 870m people **globally** and account for 23% of bank branches worldwide, making them the second-largest financial services network in the world.

8. **Europe:** co-operative banks have 20% of the market share, 159m customers and 45m members [De Vries, April 2009. *European cooperative banks in financial and economic turmoil*, Paper for the UN expert group meeting on Co-operatives, New York.]

9. **Canada:** 1 in 3 are members of the credit union system [*The Globe and Mail*, 15/5/2012] and the credit unions have a growing share of the retail deposit markets and the residential mortgages markets, which were at 16% and 19% respectively in 2010. [*Moody's investors service global banking report 123026, April 2010*] As of the first quarter of 2012, Desjardins ranks 16th of

7,500 deposit taking financial institutions in North America and is 2nd for its Tier 1 Capital Ratio, which is at 16.0%. [*Desjardins Group Q1 2012 Financial Report*].

C. Co-operative values also bring social benefits to their members and beyond.

○ Developed World

1. **Canadian Credit Unions** offer CAD81m in sponsorships and scholarships compared to CAD54m for average Canadian bank [*The Globe and Mail – May 15, 2012*]
2. 72% of **Americans** think co-ops such as credit unions and rural electric co-ops are ‘helpful to consumers’ with only 11% saying they are ‘unhelpful’ [*US National Cooperative Business Association and Consumer Federation of America Survey, May 2012*]
3. **Wind-power co-operatives** are growing in number: The model – whereby local communities invest in a wind farm, allowing them reduced energy costs in the long-term - is popular in Scandinavia but has also spread elsewhere in the last decade: e.g.1 in North Frisia, Germany, 90% of the 60 wind farms are community-owned. E.g.2 National Wind, a Minneapolis company founded in 2003 is a developer of large-scale community based wind power projects, which have an aggregate capacity of over 4,000 MW and seek to revitalise rural economies by promoting investment in domestic renewables.

[<http://www.renewableenergyworld.com/rea/news/article/2012/07/community-wind-arrives-stateside?cmpid=WNL-Friday-July6-2012>]

○ Developing World:

1. **Développement International Desjardins** (DID) works with the Canadian International Development Agency and is a leader in

microfinance, with 8.8m members and clients globally and an overall loan portfolio of CAD2.5bn. Recent projects include funding rebuilding in Haiti, a USD11m loan portfolio in Panama at end of Dec 2011 loan portfolio, supporting 1700 entrepreneurs and a loan portfolio of ZMK34.4bn (CAD7m) in Zambia, where they account for 35% of the microfinance market [<http://www.did.qc.ca/en/our-partners/performance-report/>]

2. In **China**, co-operatives provide 91% of microcredit. [*Global to Local*]
3. An ILO survey found that in **Colombia, Kenya and Rwanda** found that half of co-operative members are first time users of financial services and 1 in 3 live in rural areas. [*Crear, 2009: Co-operative banks, credit unions and the financial crisis, Paper for the UN Expert Group Meeting on Cooperatives. April, NYC.*]
4. Credit unions allow a **remittance system** to provide low cost money transfer from people working in developed countries to their families in developing countries, which is especially important in Latin America [*ILO Sustainable Enterprise Programme: Resilience of the co-operative business model in times of crisis, p. 26.*]

D. Co-operatives provide stable employment and wages

1. Since the downturn began more than 30,380 people have created their own jobs in **Spain**, constituting 3,760 new co-operatives. In Valencia specifically, there are nearly 3000 co-operatives which are growing, employing over 75,000 people. The jobs in co-operatives are also stable - about 75 per cent of co-operative jobs are permanent positions while in Valencia it is higher at 85 per cent. This is a nice comparison to the jobless figures where the June improvement was due to non-permanent, seasonal jobs.

2. **Co-operatives survive longer in Canada** than private businesses: 6/10 last more than 5 years compared to only 4/10 private sector businesses and 4/10 co-operatives last 10+ years compared to 2/10 for private sector businesses. [*Canadian government study in '100m jobs', ILO Cooperative Branch*]
3. In **France**, 21,000 co-operatives provide over 1 million jobs representing 3.5% of the active working population. [*Source: Top 100 des Entreprises Coopératives et panorama sectoriel, 2010*]
4. Fair wages are a main principle of co-operatives: for example, the UK's 4th largest co-operative, **SUMA wholefoods producers**, aim to increase the universal pay 5% each year and model their business plan around that. [*Financial Times, 03/07/2012*]
5. Point of comparison: Global unemployment has reach an unprecedented high, increased from 170 million in 2007 to 197 million in 2011 and the number in vulnerable employment has reached 1.53billion (half of the world's labour force, but 77% in South Asia, 76% in Sub-Saharan Africa and 61% in South-East Asia and the Pacific). [ILO estimates in United Nations - E/2012/xx]

E. Governmental/international organisation interest in promoting the model

1. A number of **European countries offer tax incentives** for co-operatives. For example, in France, worker co-operatives do not pay professional tax (1.5-2.5% of revenues) and in Italy, profits from co-operatives are exempt from tax so long as they are reinvested in the business. Likewise, Spain taxes co-operative profits at just 10% compared to corporate tax rate of 28%. [*Global to Local, published by the Conservative Cooperative Movement*]
2. In 2009, the **Indian government amended its constitution** through its Constitution (111th) Bill which made right to form co-operative societies as a fundamental right. The House also accorded right to set up a specialised agency on the lines of the

Election Commission which can conduct election of the co-operative societies

[<http://agricoop.nic.in/cooperation/hpcc2009new.pdf>]

3. In **Denmark**, tax exemptions are available for families who **generate their own electricity through co-operative wind farms** (or who purchase their own turbine outright, though this rarely happens), which has helped Denmark become a leader in wind-energy and helped communities reduce their environmental impact. For example, Samsø islanders funded an offshore windfarm which provides 100% of their electricity.
[<http://www.scientificamerican.com/article.cfm?id=samsø-attempts-100-percent-renewable-power>]
4. The **Russian Federation** has recently passed legislation that includes more effective measures to protect member rights and reinforce the economic sustainability of co-operatives, which has helped to bring membership numbers up to 60m in 2009.
5. In a speech on the 4th July 2012, **UK Deputy Prime Minister Nick Clegg** revealed a number of strategies to raise awareness of mutual and co-operative models, including the formation of a new FTSE Employee Share Ownership Index.
[<http://www.thenews.coop/article/british-firms-can-be-saved-employee-ownership-says-deputy-prime-minister>] On 3 July 2012 the Conservative Co-operative Association launched a publication called 'Global to Local: an industry whose time has come,' in which Prime Minister David Cameron says that “in the UK at least, co-ops are a hidden secret.”
6. International attention is being drawn to the co-operative movement by the UN’s **International Year of Co-operatives**, unanimously approved by the UN General Assembly and supported by events in 90 countries. It is also part of the ILO’s ongoing work on the ILO Recommendation 193 from 2002 - ‘The

promotion of Co-operatives' to increase awareness and understanding of the model- and have since then assisted more than 70 countries in the revision of legislation to enable co-operatives to develop.

F. Examples of successful co-operatives

1. **Mondragon** is the world's largest worker co-operative, with generated revenues of 23.34 USDbn, and Spain's seventh largest business. It operates in 19 countries and employs 83,000 worker-owners (compared to 53,000 in 2000) [<http://www.mondragon-corporation.com/ENG/Economic-Data/Employment/Evolution-of-employment.aspx>] [<http://2012.coop/en/media/library/global-300/global300-report-2011>] Despite the credit crisis, the total assets have remained stable at €33bn and its total revenue at €14bn [<http://www.mondragon-corporation.com/language/en-US/ENG/Economic-Data/Most-relevant-data.aspx>]
2. **Desjardins group** control 40% of the financial services market and 100% of the credit union deposits and is the largest employer in Quebec and named one of Financial Post's Top 10 companies to Work For 2012. [*The Globe and Mail*, 15/5/2012]
3. **Vancity**: Canada's largest English-speaking credit union, with 479,500 members and USD16.1bn in assets. In April 2008, Vancity officially announced it has achieved carbon neutrality. [<https://www.vancity.com/SharedContent/documents/reports/2011annualreport.pdf>]
4. **Agropur**: Just one of 1300 co-ops in Canadian agriculture, it has CAD3.6bn in sales annually and produces 25% of the milk in Canada. [*The Globe and Mail* – May 15, 2012]
5. **Rabobank** has maintained top credit ratings from all major ratings agencies and was ranked 6th in Global Finance's 'World's safest banks'.

[http://www.rabobank.com/content/about_us/Keypoints/ratings/index.jsp]

6. **Amul Dairy:** India's largest food brand, which has 6.7m members and an annual turnover of INR121.7bn (USD3.6bn) for 2011-12, which is a 19.3% increase on the previous year.
[<http://www.amul.com/m/38th-annual-general-body-meeting-held-on-31st-may-2012>]
7. **IFFCO** [Indian Farmers Fertiliser Co-operative Ltd.] The number of member co-operatives in the group has grown to nearly 40,000 in 2011-12 from 57 upon its formation in 1967-8. Its turnover for 2011-12 is INR276.6bn (USD5bn) and nearly every third bag of fertiliser produced and sold in India belongs to the IFFCO.
8. **Land O'Lakes:** US dairy co-operative has 3200 producer-members, 1000 member co-operatives, and about 9000 employees who process and distribute products for about 300,000 agricultural producers; handling 5.2 billion litres of milk annually. It is the nation's second-largest co-operative with nearly USD13 billion in annual sales. *[<http://landolakesinc.com/businesses/default.aspx>]*
9. **Ocean Spray:** US agricultural co-operative which is owned by more than 600 cranberry growers across North America and Canada and over 70 Florida grapefruit growers. Ocean Spray posted fiscal 2011 gross sales of over USD2 billion and net proceeds of USD321 million and grew its sales volume by 20 percent in 2011. *[<http://www.oceanspray.com/Who-We-Are/Corporate/Annual-Report.aspx>]*
10. **Migros** co-operative is Switzerland's largest retailer and largest employer. 2m of Switzerland's population of 7.2m are members. It spends 1% of its annual turnover on financing cultural projects. Its revenue in 2011 totalled CHF34.86bn (USD35.6bn).
[<http://m11.migros.ch/fr/points-forts-10/rapports-des-presidents>]

11. **Mountain Equipment Co-op** is a Canadian consumers' co-operative which has 3.6m members. We ended the year with gross sales of CAD268 million, up 3.4% from 2010.
[<http://www.mec.ca/AST/ContentPrimary/AboutMEC/Governance/HowWeMeasureUp/FinancialStatements.jsp>]
12. **Barcelona FC:** 175,000 owner-members contribute an annual subscription and it is the world's second-richest football club in terms of revenue, with an annual turnover of €398 million.
[http://www.deloitte.com/view/en_GB/uk/industries/sportsbusinessgroup/sports/football/deloitte-football-money-league-2011/5b80592254e35310VgnVCM2000001b56f00aRCRD.htm].
Real Madrid is the richest in terms of revenue with an annual turnover of €438.6 million.
[http://www.deloitte.com/view/en_GB/uk/industries/sportsbusinessgroup/sports/football/deloitte-football-money-league-2011/410bb91edfd35310VgnVCM3000001c56f00aRCRD.htm]
Athletic Bilbao and Osasuna are also supporter-owned.
13. **NRECA** - NRECA is the national service organization for more than 900 not-for-profit rural electric co-operatives and public power districts providing retail electric service to more than 42 million consumers in 47 states and whose retail sales account for approximately 12 percent of total electricity sales in the United States. [<http://www.nreca.coop/about/Pages/default.aspx>]
14. **Tine** – Tine is the largest Norwegian dairy co-operative with over 15,000 members and a revenue of NOK18.9 bn.
[<http://www.tine.no/om-tine/var-virksomhet/samvirkebedriften>]
15. **Nortura** - Nortura is a Norwegian agricultural co-operative owned by about 31,200 farmers. It has an annual revenue of NOK15 bn. [<http://www.nortura.no/>]