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*Chairman of the  
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## ICBA NEWSLETTER October 2008.

Dear Members,

The annual meetings of the Association International Co-operative Banking Association were held in Paris on last 20 and 21 October 2008; organized jointly with ICBA Europe.

As a real high point in the second half of 2008, the international seminar in particular provided an opportunity for joint discussions on current co-operative topics: the notion of Co-operative groups, and CSR indicators for co-operative banks. The get-together between the actors in the co-operative banking world was a vector of exchanges that will be enriching for us all!

Moreover, our General Meeting saw the official presentation of the work done recently by the ICBA, i.e. the 2008 ICBA Directory, Global 50, and our new Internet site. However, you can get a preview and find out more by going to the *Activities* section in this newsletter.

I also wanted to share with you the fruits of my recent trip to Washington, at the core of the Bretton Woods institutions: an opportunity to promote the co-operative banking model among international institutions, and also a chance to assess how they see us. Although the IMF and the World Bank sometimes seem to prefer the capitalist banking model, they also recognize the expertise of co-operative banks in micro-finance and in the rural areas of developing countries: they would seem to be realizing at last that co-operative banks are an asset for growth and stability of financial systems.

Finally, the latest news from the ICBA also concerns reforms in the International Co-operative Alliance, ICA. From now on, a single subscription will be paid in to the ICA, which will then allocate a budget to the ICBA. We have to point out here that the amount thus forwarded cannot be lower than the total amount of the contributions received for 2008. I thus have to call on our members to ensure that the ICBA has the wherewithal to put our ambitions into practice!

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Yours co-operatively,

Jean-Louis Bancel.  
*Chairman of the ICBA and  
Vice-chairman of Crédit Co-opératif*



## Activities

### 2008 ICBA Directory

As announced in its 2007 action plan, the ICBA is working on an international directory of co-operative banks. An initial version of the directory was presented during the meetings in Singapore in October 2007. The work to gather data has continued since, and more than 80 co-operative banks have been contacted. The 2008 version of the ICBA directory will be officially presented in Paris on 20 and 21 October 2008. In due course, the ICBA directory is to be put online on the association's Internet site.

### The Global 50 Co-operative Banks

On the basis of the ICA's Global 300, the ICBA has drawn up a worldwide classification of the 50 biggest co-operative banks: the Global 50. The classification is based on the financial data available for the entities concerned. The 2008 ICBA Global 50 will be distributed in October 2008 during the meetings in Paris.

### The ICBA Internet site: <http://ICBA.coop/>

Since 2007, the ICBA has had its own Internet site with a .coop address. The ICBA secretariat recently overhauled the Internet site and put online some new sections on the latest news for co-operative banks and the ICBA. Furthermore, publications and articles about co-operative banks and international accounting standards are now available online at <http://ICBA.coop/>.

## Meetings

### Montabaur (Germany) 24-28 February 2008: "Co-operative Dialogue" Conference.

The ICBA took part in the first "Conference for Co-operative Dialogue" organized jointly by DGRV, ADG and the ICBA, during the Academy of German Co-operatives. It examined the problem of "a sound financial system: regulation and control of the structures, processes and instruments".

### Washington (USA) 26-31 March 2008: visit to the Bretton Woods institutions.

In his position as chairman of the ICBA, J-L Bancel went to the IMF and World Bank headquarters in Washington at the end of March 2008, for a dozen or so interviews with experts at those institutions.



### The IMF and the World Bank are interested in co-operative banks

The IMF suggested that the ICBA could publish a compendium on the similarities and differences between co-operative banks in various countries of the world. Although the Fund has no objections to the co-operative system as a principle, it would like to be able to refer to a legal structure providing a minimum of guarantees concerning transparency and the rules of governance.

The IMF also admitted that it had no conceptual framework at its disposal as to correct articulation between the security and soundness of the financial operators, the objective of consumer protection, and governance of financial institutions.

Historically, the World Bank has promoted a positive view of co-operative banks, in spite of a marked tendency to highlight the private sector in the 1980s.

The latest studies thus set out to show the positive role played by co-operatives for the most disadvantaged.

However, it would apparently like the ICBA to shed more light on concrete examples of success for co-operative banks before moving on to the legal aspects and the prudential framework. Furthermore, the problem of governance for co-operative structures was also put forward.

## International Co-operative Alliance

### Rome (Italy) 5 and 6 June 2008

An Extraordinary General Meeting of the ICA was held on 5 and 6 June in Rome, to examine the recommendations made by the working group concerning restructuring and the changes to be made in the organization's operating rules. After 2 years of discussions, an overall agreement was reached around the will to see the ICA as a global entity. Moreover, the recommendations underline the fact that the ICA is organized at worldwide, regional, sectoral and thematic levels, and meets its objectives at all these levels. Furthermore, the Meeting considered that all the components of the ICA were of equal importance, whether the centre, the four regions or the nine sectoral organizations (including the ICBA) were concerned, and that henceforth they are all to be official bodies of the ICA. As the ICA is a global entity, the main changes are that from now on, there will be just one subscription, payable to the ICA, and just two types of members – Members and Associate members. This means that all the organizations taking part in the ICA at any level will be members, and the subscription will cover all the ICA structures, at all levels – global, regional, sectoral or thematic. From a budgetary standpoint, the subscription will be divided up between the centre, the regions and the sectors. On this last point, we would like to underline the fact that the subscription system for 2008 remains unchanged: the changes will only come into effect as from 2009. Moreover, the ICA has undertaken to pass on to the ICBA an amount at least equivalent to the amount of subscriptions received for 2008.



## Event: Annual ICBA Meetings in Paris 20 & 21 October 2008.

*Maison de l'Amérique latine, 217 bd Saint Germain, Paris.*

### AGENDA

20 October 2008, 9:00 am – 12:00 noon:  
ICBA Europe Executive Committee meeting, Paris, France

20 October 2008, 2:00 – 3:00 pm:  
ICBA Executive Committee meeting, Paris, France

20 October 2008, 3:00 – 5:00 pm:  
ICBA General Assembly, Paris, France

21 October 2008, 9:00 am - 5:00 pm: Annual ICBA seminar, Paris, France

2 and 3 December 2008, ICA Board meeting, Hanoi, Vietnam

4-6 December 2008, ICA Asia-Pacific General Assembly, Hanoi, Vietnam



## The Notion of Group in the co-operative world

Groups appear in a context of adaptation of co-operatives to an economic environment that is more competitive and hence more open, or more open and hence more competitive.

Although the historical roots of co-operatives go back to the 19<sup>th</sup> century, co-operative Groups, for their part, stem from the success of local co-operatives in the second half of the twentieth century and more precisely during the last 30 years.

Co-operative groups are found in various different economic sectors. What points do they have in common? Certainly a state of mind, and an evolution in the co-operative form. These evolutions are motivated by different ambitions: the will to bring together similar structures to create mass effects, to structure and rationalize from a standpoint of national and international economic competition, logical and historic integration built up over time, etc. These evolutions take into account above all a determination to preserve the co-operative model as a basis for corporate governance and reconcile economic efficacy, growth and respect for the co-operative balances patiently built up.

A Group takes shape thanks to relations of reciprocity, and these relations go from the base towards the summit, as it is the members who own the overall structure, and from the summit towards the base concerning the strategic orientations and services provided for all concerned, and also thanks to the transversal relations between members sharing the same organization and the same values.

As currently pertinent, the notion of a co-operative group raises several major questions. Groups are made up of legal entities linked together, so the legal aspect is fundamental. Economically, all the parts of a group act to reach a joint objective and set up relations involving financial reciprocity and solidarity. Lastly, a group is also, and perhaps above all, the manifestation of a simple, strong will: that of individuals seeking to work together in a joint dynamic spirit.

[A financial approach  
To hybrid groups](#)  
Mr Michel Roux  
*Paris Nord University*

[A legal approach  
To co-operative groups](#)  
Mr Laurent Gros  
*Lille II University*

[Round table  
Some examples of co-operative groups  
in Europe](#)

Mrs Chantal Chomel  
*Legal and fiscal Director,  
Co-op de France*

Mr Juan Lopez  
*Studies and  
Research Department  
BCC - FEDERCASSE*

Mr Adrian Celaia  
*Secretary general of Mondragon and  
Chairman of ECG*

[European prospects for Co-operative  
groups](#)

Mr Apostolos Ioakimidis  
*MD Enterprises and Industry, European  
Commission.*



Promoting the co-operative identity via CSR

Mrs Nadine Richez Battesti  
*Méditerranée University*

The strategic concerns of CSR to through comparison and grading

Mrs Andrée de Serres  
*Quebec University, Montreal*

Efficiency, membership and CSR

Mrs Nazik Beishenaly  
*Grenoble II University*

Round table:  
CSR and its actors

Mr Joseba Polanco  
*Director of the confederation of Catalan co-operatives*  
*Co-op CSR Programme*

Mrs Brigitte Drege,  
*Sustainable development department*  
*Crédit Agricole*

Mrs Ruth Woodall  
*CSR Adviser*  
*The Co-operative Bank*

## Moving towards CSR indicators in the banking world

Co-operatives are moving towards promotion of their organizational identity.

They express a need to set themselves apart and rediscover the originality and pertinence of their own enterprise model. They are seeking to highlight their best practices and improve other practices. The meeting point with the concept of Corporate Social Responsibility (CSR) is thus a logical extension of affirmation of the co-operative identity.

Proving today that an entity is socially responsible is an obligation imposed by market and consumer watch. The law is also constantly attempting to bring enhanced transparency to management of complex business entities in order to preserve shareholder arbitration. Unlisted companies are under no obligation to comply with this logic. Nonetheless, many co-operative societies have opted for this reporting system, for several reasons. These societies have always carried out a wide variety of social and societal actions, and their actions are often set out in numerous internal publications. However, they do not always obey the canons drawn up by the dominant Anglo-Saxon standards that influence reflections about CSR. In general, co-operatives show originality, all the more so in that CSR has been a constant practice for them since they were first set up, well before the concept as such was defined.

Co-operatives can thus shed fresh light on the current trends in the field. The seminar sets out to work, on a joint basis, on the opportunity of seeing future CSR criteria emerge that are more in line with the co-operative identity as such.