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Dear Readers,

We are delighted to relaunch COOP Dialogue! As the name suggests we hope to start a dialogue on issues that are relevant to cooperatives. The experience of cooperatives across the Asia and Pacific is rich and diverse and we would like to bring these together in COOP Dialogue to share, inform, and learn. In each issue, we will focus on a theme, present different perspectives and have a dialogue. COOP Dialogue in its earlier avatar was a printed version; this time around we hope to use digital and social media platforms to promote and have a conversation around cooperatives.

We invite you to join us in the dialogue, share your experience and enrich the cooperative community.

The 33rd World Cooperative Congress in December 2021 will be on the theme, ‘Deepening the Cooperative Identity.’ We felt it is apt to cover ‘Cooperative Identity in the Asia Pacific’ as the theme for COOP Dialogue. In 1997, cooperators from the Asia-Pacific region met in Jaipur, India to deliberate over the Statement of Cooperative Identity (SCI) which was adopted at the centenary year of the ICA in 1995. As the ICA celebrates 125 years of its existence and 25 years since the ...
We reached out to experts in the region to get their perspectives on how they see the SCI applied in practice, areas where it has worked and places where it needs improvement. Prof. Akira Kurimoto, Chairperson of the ICA-AP Research Committee in his piece, *Deepening cooperative identity in Asia and Pacific*, links the global issues we face and the SCI. To address widening inequality, deepening political and social divide, damaging climate change and ongoing pandemic, requires a collective approach, which cooperatives through their values and principles have provided to stand the test of time. In the ongoing discussion on large and small cooperatives, Gary Cronan, Strategist and Researcher from Australia in his piece, *Cooperative Size and Identity*, makes the case that size of cooperatives is a big determinant in how Cooperative Identity is practiced and how the cooperative movements are shaped. Understanding the patterns as to why some large cooperatives succeed, and in what circumstance; while others fail is, is critically important. Mr. Bhima Subrahmanyam, Chairperson of the International Cooperative Banking Association, looks at the *Cooperative Identity and the Banking Sector*. Cooperative banks and credit cooperatives are vital to...
the principles are put into practice and how actionable items can be undertaken to differentiate cooperatives from other forms of businesses.

Cooperative values and principles are closely aligned to the needs and aspirations of youth. Youth need a place that values their voice, provides democratic space, gives them ownership, and lifelong learning. Parinaz Asareh, a young cooperator from Iran in her piece, Cooperative Principles and Values: Impact on Youth, shares her views on how we can create awareness and encourage youth to participate in the cooperative movement.

Women play an important role in cooperatives but there is more to be done to increase their voice and representation. Ms. Mirai Chatterjee, Chairperson, SEWA Cooperative Federation, India talks about how SEWA promotes the SCI among the informal women workers (IWW) and helps them internalise it. She also shares SEWA’s work to deal with the post-pandemic situation in India – particularly relating to women (and workers) in the services and social sectors.

The voice of cooperatives needs to be amplified in the discussions around the Social and Solidarity Economy (SSE). Ms. Juhee Lee
The support of Ms. Simren Singh and Ms. Shivali Sarna from the ICA-AP Regional Office has been invaluable.

Balasubramanian Iyer
Regional Director

The support of Ms. Simren Singh and Ms. Shivali Sarna from the ICA-AP Regional Office has been invaluable.

Editorial

from the SAPENet Development Center, iCOOP Korea talks about the Intersection of Legal Frameworks for SSE and Cooperatives in light of the ongoing efforts to pass the Framework Act on SSE for ten years; the differences between the proposed Act and the 2012 Framework Act on Cooperatives, and iCOOP’s position. She shares insights from iCOOP’s experiences on elements of Cooperative Identity like education of members and cooperation among cooperatives.

I hope you enjoy reading the diverse perspectives from across the Asia and Pacific region. Please share your feedback and suggestions to coopdialogue@icaap.coop.

My thanks to our Advisory Committee – Prof. Aira Kurimoto, Japan; Dr. Sidsel Grimstad, Australia; Dr. Hema Yadav, India; and Ms. Anahita Eslapazhir, Iran – for their advice and guidance.

SEND US YOUR FEEDBACK AND SUGGESTIONS AT COOPDIALOGUE@ICAAP.COOP.
Cooperative Identity in Asia and Pacific

Twenty-six years have passed since the Statement of Cooperative Identity (SCI) was adopted during the centenary year of the ICA in 1995. In December 2021, the 33rd World Cooperative Congress in Seoul, with the theme, Deepening the Cooperative Identity, will celebrate and deepen understanding of the SCI. Soon after the SCI’s formulation, cooperators in the Asia and Pacific region convened in Jaipur, India in 1997 to deliberate on the SCI and its implementation in practice. It was recognised by them as a not so “rigid framework” and subject to flexible interpretation by ICA members in the region. The ICA Asia and Pacific (ICA-AP) Regional Office organised a series of online consultations with members in 2021 to reflect on the SCI in their day-to-day operations and engagement with stakeholders. The! SCI continues to be seen as foundational and integral to the sustenance and growth of the cooperative movement. As a linchpin that connects this vast movement across countries, divided by geography and culture, it affirmatively offers cooperators a noticeable sense of collective belonging that is unparallel in a globalised world.
The 33rd Congress comes both at a time of celebration and crisis. While we celebrate the 125th anniversary of the ICA and the 25th anniversary of the SCI, we also battle challenges on several fronts. In the third decade of the twenty-first century, as a generational shift in the movement is fast nearing, it is important to note the challenges. Challenges that appear in the form of global health pandemic, climate change, widening inequalities, migration, refugee crisis, intra and inter-state conflicts, competition with other businesses and among cooperatives themselves, ageing demography, population explosion, rising unemployment and discontent among youth, increasing violence against the marginalised, girls and women, and diminishing tolerance towards others. As diverse as these challenges are the status of the Cooperative Identity and cooperative movement’s visibility in the Asia and Pacific region. The consultations with members in Asia and Pacific showed that the SCI continues to be looked at in a flexible and fragmented manner not just across countries but also among cooperators from the same country. This is a sign both reassuring as well as worth reflection.

The regional consultation with members reflected on how the SCI guides day-to-day operations (practical challenges and strategies to overcome them); sets cooperatives (membership and value-based) apart from other business enterprises; fosters member interest and responsibilities; enhances the effective ‘cooperativeness’ of their organisations; and helps relationships with government and stakeholders. The consultations were held with members from India, Iran, Jordan, Malaysia, Nepal, Philippines, Palestine, Singapore, and from the Africa region including Egypt, Kenya, Lebanon and Tunisia in partnership with the ICA Africa Regional Office.
Back in 1997, inputs from ICA members concluded that the diversity of the Asia and Pacific region may cause the implementation of the SCI to take different forms. For example, the National Cooperative Union of India (NCUI) sent the “SCI and reformulated principles of cooperation to all its member organisations for incorporation in their bylaws so that the cooperative values and principles are reflected in the business policy/ day to day functioning of cooperatives. VICTO National in the Philippines “developed a ‘paradigm shift agenda’ to give responsibility and decision-making of running VICTO to its affiliates/members.” It set grounds to implement Principle 2: Democratic Member Control with transitional slogans such as “membership from stockholders to stakeholders,” “organisational posturing – from the secretariat to movement,” and “management systems – from managing development programs to managing the development process.” These are to infuse the spirit of Cooperative Identity in VICTO’s DNA. During the recent consultations, the Iran Chamber of Cooperatives (ICC) noted that it takes various initiatives to ensure the implementation of cooperative principles.

For example, in line with Principle 2, it has established associations for supervising elections of subsidiary cooperatives; and strengthens the supervisory role of members by informing and encouraging them to effectively participate in general assemblies, and consciously select cooperative managers and inspectors. Ms. Sylvia O. Paraguya from the National Confederation of Cooperatives (NATCCO) in the Philippines during the consultations commented that “there is a connection between cooperative principles and the way we operate and/or how we use our net surplus.” NATCCO has developed a cooperative development fund in line with Principle 7: Concern for Community, and cooperative training and education fund, in line with Principle 5: Education, Training and Information.

Some of the issues and challenges noted for the execution of Cooperative Identity back in 1997, continue to exist in some contexts. For example, during the 1997 workshop, the Malaysian National Cooperative Movement (ANGKASA) had noted that “differences in theory and practice of cooperative principles are found among people.” It was added that “some members and leaders not only lost the pioneering commitment but they have also unconsciously been influenced by corporate approaches to enterprises. Money is seen to be more important than service and loyalty.”
In Singapore too, Singapore National Cooperative Federation (SNCF) had pointed that while the Cooperative Identity crisis was not observed as such, yet corporatisation of some cooperatives such as the National Trade Union Congress (NTUC) Comfort had happened due to limitations in the cooperative law. The corporatisation of cooperatives or cooperatives appearing as corporates in their business approaches is becoming to be a common phenomenon. During the recent consultations, cooperators from the Philippines noted that while many cooperatives display the SCI in their offices, it may not always be apparent in practical business applications.

THE RELATIONSHIP BETWEEN COOPERATIVES AND GOVERNMENTS WHICH HAS EVOLVED FOR THE BETTER IN SOME COUNTRIES CONTINUES TO ASSUME PROMINENCE IN DETERMINING THE SUCCESS OF SCI IN THE REGION.

The National Cooperative Federation of Nepal (NCF) too raised this concern, highlighting that many cooperators fail to become real cooperators for they do not adopt cooperative principles fully. Some are also involved in both the private and cooperative sectors, thus finding it difficult to realise and showcase their uniqueness as cooperators. The relationship between cooperatives and governments which has evolved for the better in some countries continues to assume prominence in determining the success of SCI in the region. Autonomy and independence of cooperatives from government control and regulation are critical for the free and democratic execution of cooperative principles. Historically, cooperatives were set up as agents of community development by newly elected governments in erstwhile colonial countries. They were viewed as critical apparatus to implement government schemes and programs on a large scale. As the government’s agents of change, cooperatives were not devoid of bureaucratic control and interference. In some countries, while this was unavoidable, in others it was considered desirable. In 1997, ANGKASA while sharing its views on the SCI stated that the principle of autonomy and independence was “poignantly missing from the Malaysian Act...()...and the bureaucratic administration under which the Act is administered indicated that autonomy as is not exactly a perceived object at present. ...()... Government interference and/or presence in cooperatives was considered as desirable.” Fearing that too much government interference would rob cooperatives of “genuine participation” of people, VICTO National had commented that “it is
advantageous for cooperatives to work with government but not be used by it.” Two and a half decades later, cooperatives in the region have mixed views towards their relationship with the government.

According to National Land Finance Cooperative Society Ltd. (NLFCS) from Malaysia, the government always has a role to play in the development of cooperatives. However, the relationship between the government and cooperatives needs to evolve with time. While earlier, the development of cooperatives has mostly been top-down but moving forward, devolution of power and making cooperatives autonomous would be a good way to promote the cooperative movement.

ANGKASA noted that the Commission for Cooperative Development in Malaysia has a very clear policy on cooperatives under the National Entrepreneurship Policy. The Policy mentions cooperatives as one of the instruments for community development.

However, not all laws in the country under different Ministries recognise cooperatives as business enterprises. The idea of entrepreneurship is mainly limited to Small and Medium Enterprises (SMEs) and cooperatives are seen differently. It was noted that the government is aware of this and taking steps towards resolving this issue. The Malaysian government sees social enterprises and cooperatives differently. For cooperatives to be recognised as social enterprises, they need to fulfil criteria set by the government for social enterprises. For ANGKASA, this is an area of concern at present as through such distinctions made by the government, the Cooperative Identity gets blurred. It was noted that ANGKASA believes that cooperatives are social enterprises and very much part of the evolving Social and Solidarity Economy (SSE).

SNCF highlighted a similar concern. Not many in the government are aware cooperatives. This is because, in Singapore, the government is the regulator of cooperatives. SNCF is trying to advocate with the government to influence them to make policies that encourage the development of cooperatives. Earlier, SNCF was successful in influencing the government to change the membership requirements to form a cooperative. n 2018, the amendment in the Cooperative Law reduced the minimum membership in cooperatives from ten to five. The reduction in membership criteria is important for certain businesses like technology cooperatives or freelancers’ cooperatives. The membership criteria set by the
government to form cooperatives play an integral role in how cooperatives are viewed in today’s times especially among youth who are interested in pursuing social entrepreneurship. However, this is not to generalise and present a dismal relationship between cooperatives and governments. Cooperators have persistently lobbied with governments for the inclusion of cooperative definition and strengthening of identity through various instruments such as cooperative policy, bills, acts, and/or laws. The efforts made by Indian cooperators resulted in the 97th amendment of the Indian Constitution in 2011 and recognised forming of cooperatives as a fundamental right of citizens. State governments were mandated to make a conducive legal environment for the promotion of autonomous cooperatives. It is a matter of another political consideration that parts of this amendment were struck down in 2021 as it conflicted with the Indian federal-state structure.

In Japan, specific laws on cooperatives have helped in the growth of agriculture, consumer and credit cooperatives and the recently passed Workers Cooperatives Act 2020 has given an added boost to the sector. Post 2000, in South Korea, the potential of cooperatives and social enterprises was recognised by the government as a means to ensure jobs and reduce dependency on the welfare economy. To mark the ‘International Year of Cooperatives’ in 2012, the ‘Framework act on cooperatives’ was enacted in Korea. Numerous cooperatives in diverse fields, including those providing services in nursing, daycare, cleaning, and recycling have been established. In 2012, in Vietnam, the amendment in the Cooperative Law provided more clarity on the definition and nature of cooperatives as compared to the earlier amendments and aligned with the basic principles of the international cooperative movement. With support from international organisations and cooperators, the cooperative movement in Palestine has seen a positive impetus on an enabling policy and legal environment for cooperatives. Having said this, it is still pertinent to note that there is scope for an enhanced cordial relationship between cooperatives and the government. ICA members in Iran have noted that there is a “lack of serious determination among government executives to support, strengthen and develop the cooperative sector.” If cooperators engage more with government officials, tables could be turned by showcasing positive contributions made by cooperatives in the communities.
This practice is being followed by ICA members from the housing sector in Egypt who regularly touch base with government officials demonstrating their impact on the poor and ways in which they align their business goals with the government’s development agenda.

A snapshot of ICA Member from Egypt during Consultation on Cooperative Identity

A striking development taking form in the region is competition among cooperatives. Instead of working together in line with Principle 6: Cooperation among Cooperatives, some cooperatives appear to be competing and scrambling for the same resources and/or space in the market.

While competition among cooperatives like any other business organisation is encouraged, amicable relations between cooperatives, demonstrating solidarity and support towards each other especially in distressed times could take the movement far. ICA members in the Philippines opined that there is more competition among cooperatives than cooperation. Cooperatives seem to be creating their own digital platforms and competing with each other. If they were to come together and use common digital platforms it would go a long way to bridge gaps between producers and consumers, eliminate middlemen, and give scale. Limited cooperation among cooperation is also closely linked to how cooperatives are seen outside the movement. Mr. Romulo Moreno Villamin from MASS–SPEC in the Philippines opined that competition among cooperatives “has affected the image of cooperatives to an extent. This could be one reason why cooperatives are not seen by the public in a manner that they should be seen. Cooperative do not exhibit in behavior the principles and values that they claim to follow.” In strengthening cooperative membership and their active role in cooperative operations, the value of self-help was highlighted. For example, small cooperatives in the Philippines comprise more than 80% of the movement but is dependent on the government rather than working with other cooperatives. When the government intervenes in the cooperative movement, it “violates the principle of autonomy and independence; it violates the value of self-help.”
The main issues today are inequity and inequality. Father Francis Lucas from the Federation of Peoples’ Sustainable Development Cooperative (FPSDC) in the Philippines noted that “the competitive advantage of cooperatives should be Cooperative Identity (it’s soul) and not that they are tax-free.” Caring for the community and the poor, and cooperation among cooperatives, especially big and small cooperatives can be the competitive advantage for cooperatives. If strong examples are set by cooperatives that help in the provision of basic needs of the poor like water, housing and electricity, and can show their impact in numbers, they can develop their competitive advantage naturally. Father Lucas noted that it is about “how cooperatives choose to advocate themselves. The cooperative values are our virtues that can be applied in real life.” Most ICA members such as ICC take notable initiatives to assist in networking between unions and cooperative businesses through specialised commissions, meetings and social networks. But as noted by the Union of Metro Manila Cooperatives (UMMC) in the Philippines, initiatives by big cooperatives could easily be perceived as tokenism by smaller cooperatives if they don’t show genuine commitment, “even if big cooperatives show some support it is like a token and does not show their commitment to strengthen the movement.”

**PRINCIPLE 5 IS AN AREA WHERE MORE COULD BE DONE BY COOPERATIVES.**

Principle 5 is an area where more could be done by cooperatives. While ICA members are already doing commendable work in educating and training their members and/or staff on various aspects of cooperative business, a review of these initiatives is required. Cooperatives in Nepal, as noted by NCF, have a special education fund and a lot is spent on organising, coordinating and executing educational programs and/or trainings. But they have found that many members and employees are not very interested. According to the Central Union of State Rural Production Cooperatives of Iran (CURP) in Iran, cooperatives keep facing new challenges from time to time. However, the readiness of cooperators to educate and train themselves about the challenges and ways to overcome them can reduce the risks for cooperatives. Implying that they are not very enthusiastic to upskill themselves. Cooperatives in the Philippines require prospective members to go through pre-membership education seminars (PMEs) before being granted membership. The SCI is usually included in the PMEs.
It was noted that “whether this translates into ‘enlightened’ membership is another matter. Anecdotal evidence suggests that the emphasis on ‘selling’ cooperative products and services (e.g., loans) and the accompanying benefits during the PMEs have led to members thinking more of themselves as borrowers rather than as responsible owners.”

Moving forward, Principle 5 is seen as a critical instrument for the sustenance of the movement by bringing in the younger generation. Exposure to school/ university cooperatives and/or cooperative education programs at an early age is suggested as one of the ways to attract youth to the movement. According to NCUI, “cooperative education programs are excellent forums to raise awareness among the local communities and to instil the cooperative spirit among the youth”. But cooperative education is not as mainstream in ICA member countries as expected. In some countries such as India, Japan, Korea and Malaysia, the model of school and/or university cooperative is present where young people get exposed to the model and its management structure from an early age. They get hands-on experience in being members and operating the cooperative serving their needs and those of others on the campuses. However, along with practical knowledge, theoretical knowledge on cooperatives in the mainstream curriculum of schools and universities is also important. This helps youth in learning the history, types, management, operations and governance of cooperatives. But in some countries, such as Malaysia where the school cooperative model is actively present and encouraged by the government, there is no formal curriculum on cooperative education yet in schools. Mainstreaming of cooperative education in schools/universities is an area to work on in the region.

**PRINCIPLE 5 IS SEEN AS A CRITICAL INSTRUMENT FOR THE SUSTENANCE OF THE MOVEMENT BY BRINGING IN THE YOUNGER GENERATION.**

Young people also get left behind when it comes to assuming leadership roles in cooperatives. It was noted by CLIMBS Life and General Insurance Cooperative (CLIMBS) from the Philippines that the average age of members in CLIMBS is 48 years and is increasing. There is a need for members to go back to volunteerism to open up spaces for youth.

Releasing soon: A collection of case studies from Philippines on the cooperative identity by Bayan Academy, Union of Metro Manila Cooperatives (UMMC), and the Philippine Cooperative Center (PCC).
In the Philippines, the cooperative movement is witnessing a paradigm shift with policies being enforced to mainstream women in cooperatives. The participation of women at the leadership level has increased over years. This is not just limited to federations that advocate for women’s empowerment but also strong support from the government. The Philippine Plan for Gender-Responsive Development (1995-2025) mandated the implementation of gender and development (GAD) in the public and private sector, in accordance with the provision of human rights guaranteed by their Constitution.

The Cooperative Development Authority (CDA) through its Circular on the ‘Guidelines to Mainstream Gender and Development in Cooperatives’, mandates all the registered cooperatives to mainstream GAD in policy; cooperative development plan; and programs, activities and projects. It also provides for gender mainstreaming through GAD budget, GAD committee, GAD educational and training programs, among others. Gender mainstreaming in cooperatives makes room for the strengthening of Principle 1: Open and Voluntary Membership. Women are present in cooperatives in large numbers at the membership and mid-management levels. Yet, when it comes to senior leadership at the decision-making levels, they usually miss out on the opportunity to assume leadership positions, despite their capability and years of expertise accumulated through their experience in the movement. There is a fine line between professing and practising gender equality and cooperative movement can benefit a lot by erasing these differences.

This can be done through youth engagement as part of community development. The community development fund can be used to enhance interaction and engagement between members and youth. Youth are attracted to social impact and cooperatives can come up with specific impactful projects for them. Besides giving leadership opportunities to youth, engaging them in the movement is another challenge. In Malaysia, the engagement of the Cooperative Institute of Malaysia (CIM) with youth is for promoting cooperatives as a way of doing business. One of the objectives of the CIM is to promote continuity between school cooperatives, university cooperatives and encourage students to set up or take employment in cooperatives after completing their studies. CIM engages with youth through seminars and other programs. However, it was noted that nowadays youth are more exposed to social entrepreneurship and MNCs. Therefore, it is a challenge to keep them encouraged to be part of the cooperative movement.

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A focus on membership along with core business can go a long way in the movement. If cooperatives take seriously the SCI which emphasises on the ‘centrality of membership’, to use the term of Dr. Ian McPherson, cooperatives can protect their membership in general and the most vulnerable among them, in particular”.

The SCI is not cast in stone and as illustrated through developments in the Asia and Pacific region, Cooperative Identity is being looked at and practiced in multiple ways by ICA members. In a world where competition with other organisations such as those in the SSE is deepening, perception about coops needs to be strengthened.

One common identity that is manifested through the SCI offers a window to stand out and make themselves more visible in the growing market. From traditionally operating in conventional sectors such as agriculture and housing, cooperatives are venturing into new sectors to meet the evolving needs of the community such as those concerning technology and innovation. As the appreciation for people-centered businesses is improving in the post COVID-19 world, there is immense potential for cooperatives to leverage their position and contribution in the economy and society by embracing their Cooperative Identity together as a movement.

The relevance of SCI and deepening the Cooperative Identity lie in the hands of cooperators who are working directly at the grassroots and engaging with people on the basis of cooperative principles and values. Execution of these principles and values is a business choice that cooperators have undertaken, to be seen as unique in
The ICA-AP is grateful to Mrs. Om Devi Malla, ICA Global Board member, Vice-President of NCF, and Prof. Akira Kurimoto, member of the ICA Principles Committee, Chairperson of the ICA-AP Committee on Cooperative Research for facilitating the recent consultations and offering their invaluable advice. We would like to extend our heartfelt thanks to the following members who participated in the consultations:

INDIA
National Cooperative Union of India (NCUI), Centre for Cooperatives and Livelihoods-Autonomous (CCL), Indian Farm Forestry Development Cooperative Ltd. (IFFDC), Krishi Bharati Cooperative Ltd. (KRIBHCO), National Federation of Farmers Procurement, Processing and Retailing Cooperatives of India Ltd. (NACOF), National Cooperative Agriculture and Rural Development Banks’ Federation Ltd. (NAFCARD), National Agricultural Cooperative Marketing Federation of India (NAFED), The Tamil Nadu Small Tea Growers Federation Ltd.

Contract Cooperative Society Ltd. (ULCCS), and National Federation of State Cooperative Banks (NAFSCOB).

IRAN
Iran Chamber of Cooperatives (ICC), Central Union of state Rural Production Cooperatives of Iran (CURPC), Central Union of Rural & Agricultural Co-operatives of Iran (CURACI), Rah-e-roshd Cooperative Educational Complex (RCEC), Iran Oilseeds and Vegetable Oil Processing Factories Cooperative (FARDA Coop), Pishgaman Cooperative Union (PCU), Taavon Insurance Company (TIC), and Tose’e Ta’avon Bank (TT Bank).

MALAYSIA
ANGKASA (Malaysian National Cooperative Movement), Cooperative Institute of Malaysia (CIM), and National Land Finance Cooperative Society Ltd. (NLFCS).

the market and as caring for the society. The implementation of Cooperative Identity in the region over the past twenty-six years has been also dependent on a suitable policy environment that enables the practical application of the principles. Moving forward lies the opportunity for cooperators to take proactive steps such as lobbying with the government and collaborating with each other to strengthen the cooperative policy environment in their countries and deepen the Cooperative Identity in Asia and Pacific.
MIDDLE EAST AND NORTH AFRICA (MENA)
ICA members: Economic and Social Development Center (ESDC), Cooperative Work Agency (CWA), General Union of the Palestinian Peasants and Agri Cooperators, Jordan Cooperative Corporation (JCC) from Middle East; General Authority for Construction and Housing Cooperative, Cooperative University of Kenya, Ministry of Municipal, Rural Affairs and Housing, and Tunisie Coop from North Africa.

Non-ICA members: Ministry of Municipal, Rural Affairs and Housing, Saudi Arabia and Ministry of Agriculture, Lebanon.

NEPAL
National Cooperative Federation of Nepal (NCF), National Cooperative Bank Ltd. (NCBL), and Nepal Agricultural Cooperative Central Federation Ltd. (NACCF).

PHILIPPINES
The National Confederation of Cooperatives (NATCCO), Philippine Cooperative Center (PCC), VICTO National Cooperative Federation and Development Center (VICTO National), Federation of Peoples’ Sustainable Development Cooperative (FPSDC), MASS-SPECC Cooperative Development Center (MASS-SPECC), Union of Legitimate Service Contracting Cooperatives (ULSCC), Cooperative Development Authority (CDA), 1 Cooperative Insurance System of the Philippines Life and General Insurance (ICISP), and CLIMBS Life and General Insurance Cooperative (CLIMBS), and Union of Metro Manila Cooperatives (UMMC).

SINGAPORE
Singapore National Co-operative Federation (SNCF).
CONTINUING CONVERSATION ON THE COOPERATIVE IDENTITY

On June 24, 2021, MASS–SPECC Coop Development Center (MASS–SPECC) held the Coop Leaders’ Dialogue on the Cooperative Identity.

A series of Cluster and Regional Steering Committee meetings were also conducted from August to October 2021 to continue the on-ground conversations to identify action points for cooperatives to strengthen our cooperative identity. The initial results of the dialogue are summarized here as the basis for further discussions by coop leaders on this important subject.

DEEPENING COOPERATIVE IDENTITY
Not all of the cooperative principles are consistently put into practice by cooperatives right now. Coop leaders focus mostly on the business side of the enterprise. Coop principles have not been given their deserving importance and due credit in the operations. There are no supporting policies to ensure consistent application of the coop values and principles. To ensure that cooperatives put into practice the values and principles, there must be a comprehensive review and monitoring of the policies and business practices of coops.
We need to integrate coop values and principles in our plans, programs, policies, and business operations. Continuous education must be taken into consideration for coop members, officers, and staff on the coop values and principles.

To deepen our cooperative identity, actionable recommendations were identified. The vision statement must focus on the coop membership. MASS-SPECC needs to facilitate the Coop Strategic Planning to ensure that the values and principles are principally considered and incorporated within the plans of the cooperatives. Subsequently, the movement vision must be adopted by all member coops. They must integrate coop values and principles in the key performance indicators (KPI) of their plans. A capacity-building program and movement vision monitoring tool must be put in place to measure coop achievement on its vision. In order to visualize the coop values and principles in all coop offices, MSP has to come up with a common logo and branding materials and use multimedia platforms, including social media, for promotion and information dissemination. We must individually set up our own committees to monitor our organization’s compliance with the values and principles in the practices and operations of our coop.

DIFFERENTIATING COOPERATIVES FROM OTHER BUSINESSES

Members must see cooperatives as different from other businesses. Coops must focus on members, specifically on improving their quality of life, financial and social empowerment, quality service, satisfaction, and engagement. There should be a conscious application of coop values and principles in their operations. Coops have to prove they are socially responsible enterprises, putting premiums on people, the planet, and prosperity. To effectively differentiate cooperatives from other businesses, they must ensure that coop products and services translate into improving the lives of members and the community. Coop products and services must be imbued with coop values and principles. There is also the crucial need to improve coop governance, focus on members, promote transparency of operations, and the empowerment of members.

The dialogue has fleshed out several actionable recommendations to differentiate cooperatives from other businesses. Coops need to create a platform for membership engagement, such as clustering of members by sector or geographical location. Coops have to review their policies and products in view of improving members’ lives. The best practices on programs and products must be directed in addressing the quality of the lives of the members. MSP should initiate a branding and image program that is collective and each member coop will have a stake at it. MSP has to standardize modules and approaches for the continuing education of the
members on coop values, principles, and ways on how members can improve their quality of life. Competencies on values and principles of leadership and management must be also enhanced. Coops need to create a wealth–building program for their members. Network–wide standard products, services and programs, need to be more visible in the cooperatives and included in committee composition.

INCREASING THE COMPETITIVENESS OF COOPERATIVES

Cooperatives are slowly losing out to competition mainly because of complacency. Lending rates are uncompetitive in the market. Coops are not operationally integrated and the business processes are becoming less and less efficient. To ensure that cooperatives remain competitive in the present market environment, they must embrace innovation (e.g., use of technology, digitalization, the efficiency of operations, and delivery of quality service to members), including attracting and involving the youth, working together with other coops, improving member relations, adding value to members, and enhancing the competencies of their leaders, staff, and members.

Coops are recommended to invest and participate in shared services within the cluster or inter-cluster activities and institutions (e.g., hospital, processing facility, etc.).

Products and services must be focused on the needs of the coop members. Coops have to create youth programs to encourage innovations and to attract the younger generation to join the coop movement.

COOPERATION AMONG COOPERATIVES

There is competition among coops in Mindanao due to lack of government regulation, absence of mechanism, policy guidance, and structure for self–regulation. Leaders lack a common vision, strategy, and commitment to the coop movement. The prevalence of individual over common interest also aggravates the competition. Cooperatives have to rectify or improve the present situation where there is competition among coops. A system of self–regulation needs to be put in place and agreed upon by all coops, by creating standards, internal guidelines, harmonization of policies, mechanisms for dialogue, collaboration, knowledge building, and regular enforcement and
MSP shall work closely and critically with government regulators on the development of the standards and guidelines. Recommendations in the three themes above can also be considered in this area.

**ENVIRONMENTAL AND SOCIAL RESPONSIBILITY**

Environmental programs of coops have limited impact because the resources of individual coops are limited. These resources are not pooled for greater impact. Environmental programs are only seasonal, not sustainable.

As a group, coops can fulfill their environmental and social responsibility effectively by pooling resources so that their environmental initiatives will have a greater impact. Coops need to partner with environmental groups and local government units (LGUs) in implementing environmental and social programs. MASS–SPECC should coordinate and monitor the implementation of these programs and inform cooperatives of the results and recommend future actions.

In the midst of the global pandemic, coops need to coordinate among members of the cluster and other coops in the city in addressing COVID-19 and other environmental initiatives, including engaging with the LGUs and civil societies. Coops must also help in promoting the use of solar-powered lights for streets, buildings, and housing projects implemented at the cluster level and the use of other renewable energy sources. MSP is also recommended to implement SCOOPS and lead in the institutionalization of 3Rs (Re-use, Recycle, Reduce) as a coop policy.

**NEW INITIATIVES: AGRICULTURE, HEALTH SERVICES, ETC.**

In addition to the existing initiatives on agriculture and health services, coops are encouraged to support Yaman ang Kalusugan Program (YAKAP) and Agri-Based Enterprise
Linkages must be established with government agencies and civil society organizations. Coops need to strengthen support to agriculture through value chain development (financing, marketing, direct link to consumers and external markets, and adoption of the clustering approach).

As actionable recommendations, coops or clusters must facilitate an online health consultation for members with member health professionals.

Coops need to promote YAKAP with the assistance of MSP. Members are encouraged to engage in gardening in the context of FAITH Program (Food Always In The Home) and establish a shared or common facility for agri-products processing. Coops also need to expand farmer schools to out-of-school youth and K-12 students in other regions.

System (Agri-BEST) programs, emphasize the value of healthcare for members, and promote the wholistic program for farmers, involving coops in the value chain. Coops must also collaborate with government agencies (such as DA, NIA, DOH, among others) and civil society organizations.

To pursue these initiatives, coops need to agree on a common goal in promoting healthcare, agriculture, and other services that will benefit coop members.
Deepening Cooperative Identity in Asia and Pacific

NEED FOR COOPERATIVE IDENTITY

We witness the growing inequality, political and social divides, while we are threatened by the consequences of climate change and rampant pandemics. We could not succeed in overcoming these challenges when we desperately needed cooperation and solidarity among people. In such a difficult time, we have to address these global issues relying on our basics, Cooperative Identity, crystalized in the ICA Statement on Cooperative Identity. The ICA Statement was agreed as the greatest common factor of Cooperative Identity among cooperators worldwide in 1995.

It was then included in the UN Cooperative Guidelines (2001) and the ILO Recommendation 193 on the Promotion of Cooperatives as a part of the international public law. It contains the definition of a cooperative, its values and principles that are universal. The Guidance Notes of Cooperative Principles were published in 2015 to help understand and practice the cooperative principles.

CHARACTERISTICS OF THE ASIA-PACIFIC COOPERATIVES

Asia-Pacific region has a vast diversity of the political-legal system, economic system, level of development, culture, and religion.
The political system is mostly based on the development states that prioritize socio-economic catch-up to the advanced West. The legal system is the common law in newly independent countries and Oceania, while the statute law is dominant in East-Asian countries. The economic system is based on a market economy with a varying degree of state intervention while the region includes the richest and least developed countries. The ethnocentric culture and nationalism often fuel conflicts among nations while religions also create persistent conflicts. Such diversity makes regional political and economic integration very difficult.

The cooperatives in Asia and Pacific operate under such circumstances. Asian cooperatives are characterized by the dominant state roles in regulation and promotion while Pacific cooperatives face strong competition with the for-profit sector. The British Empire introduced the Cooperative Credit Societies Act of India with strong government control in 1904, which became a prototype of cooperative legislation in most of the colonized countries. Even after the independence, such top-down tradition was inherited since national leaders had seen cooperatives as an engine of national development. The ICA in Asia and Pacific has convened the biennial cooperative minister’s conference since 1990 that aims to strengthen cooperative autonomy and independence based on constructive partnership, but the progress has been very slow. In most countries, cooperative ministers or registrars have dominant roles in regulating cooperatives. Even Japan has a strong bureaucratic system that controls cooperatives to promote specific industrial policies (e.g., agriculture, banking etc.).

DEEPENING COOPERATIVE IDENTITY FROM THE ASIA– PACIFIC PERSPECTIVE

The ICA 33rd World Cooperative Congress will be held in Seoul, South Korea, in December 2021 with the main theme “Deepening Cooperative Identity”. This is the second occasion following the ICA Tokyo Congress in 1992 that discussed basic cooperative values. Seoul Congress is a good opportunity to reflect on the Cooperative Identity after 26 years since its adoption and renew our commitment to deepen it. The International Cooperative Research Conference and the Cooperative Law Forum will be held as pre-events discussing the same. As far as the definition and values are concerned, there have been very few discussions. A Korean researcher proposed to combine the “Asian values” with universal values in the Research Conference held in conjunction with the Tokyo Congress, emphasizing collective orientation as against Western individualism but could not give an impact.
The concept was advocated by Mahathir Mohamad (Prime Minister of Malaysia) and by Lee Kuan Yew (Prime Minister of Singapore) as a political ideology of the 1990s, which defined elements of society, culture, and history common to the nations of Southeast and East Asia, aiming to use commonalities – for example, the principle of collectivism – to unify people for their economic and social good and to create a pan-Asian identity as contrasted with perceived European ideals of the universal human rights. However, the popularity of the concept waned after the 1997 Asian financial crisis.

The 1st Principle: Voluntary and Open Membership addresses no discrimination. In the Asian context, the participation of women and youth is the most relevant issue since male and senior leaders are prevalent in cooperatives, reflecting on the culture embedded in the public and domestic spheres. The legal tradition of land ownership that is confined to men in farmers’ coops may be a factor influencing the composition of membership and leadership. There are cooperatives exclusively composed of women in India, Iran, Malaysia, etc. to avoid gender discrimination while women occupy most of the membership and boards in consumer coops in Japan and South Korea. The youth is also an underrepresented group, the lack of youth participation and young leaders may endanger the sustainability of cooperatives.

The 2nd Principle: Democratic Control is concerned with the internal governance of a cooperative. Recently, we witnessed the failure of governance leading to the serious setback of the Cooperative Group in the UK and the bankruptcy of Fagor domestic electric company, a flagship workers’ cooperative of the Mondragon group in Spain. The ICA’s Guidance Notes to the Cooperative Principles exhibit guidelines for a wide range of governance issues. In response to scandals including manipulated account and appropriation of cooperative property by chief executives in the mid-90s, the
the ASEAN Cooperative Organization (ACO) needs to create tangible benefits in the sub-regional cooperation.

The 7th Principle: Concern for Community is a new principle added in 1995. This is related to cooperatives’ community engagement through policies approved by members. It is noteworthy that this principle presented a notion of sustainable development 20 years ahead of the SDGs. In the Asia and Pacific region, prone to natural disasters caused by earthquakes, tsunami, and typhoons/cyclones, that frequently brought formidable human and monetary losses, we can note the cooperative responses to such calamities in both rescue and rehabilitation phases. We observed cooperative endeavors to rehabilitate victims’ life in Indonesia, India, Sri Lanka and so on after the Indian Ocean Earthquake/Tsunami in 2004. After the Kobe Earthquake in 1995 and the East Japan Earthquake/Tsunami in 2011, the Japanese cooperatives made tremendous efforts to rescue victims and helped them to rehabilitate lives. Additionally, cooperatives succeeded in enacting the Act to Help Victims to Rehabilitate Lives in 1998.

There exist many best practices of implementing cooperative values and principles that are not necessarily known widely, but some of them are analyzed in the case studies in the volume “Waking the Asian Pacific Cooperative Potential” published in 2020. We need to document these cases to draw lessons and do better in meeting challenges through deepening Cooperative Identity in the future.

READ CASE STUDIES ON COOPERATIVE VALUES AND PRINCIPLES IN THE VOLUME “WAKING THE ASIAN PACIFIC COOPERATIVE POTENTIAL” PUBLISHED IN 2020
Cooperative Principles and Values: Impact on Youth

I am Parinaz Asareh, a 21-year-old cooperator, studying Material Science and Engineering at Sharif University, Iran. A member of the Rah-e-roshd cooperative, I have been born and brought up in a cooperative environment.

My first encounter with the cooperative was within my family. Most of my family is situated in Dezful which is a southwest city in Iran. About 25 years ago they formed a cooperative and with the limited resources they had, they bought some land on the outskirts of Dezful and built some greenhouses to grow and provide fresh vegetables for the community. That was only the beginning! Today, this cooperative provides families whatever they need, hold training classes and organize cultural events for the people in town.

“FORMING A COOPERATIVE IS THE SMARTEST WAY TO ACHIEVE COMMON GOALS FOR OUR COMMUNITY.”
Our school, Raheroshd, was super keen on doing festivals and little gatherings on holidays and special events and more often than not, these events were fully organized by the students. This was completely voluntary and my friends and I would always volunteer because we loved working on these events and planning them together. At that time the school educated us on cooperatives; the way they worked, the laws about them and more importantly, how to start one. Therefore, with the help of our school, we decided to form a student cooperative. There were some ups and downs initially as all of us were teenagers and there were conflicts and differences of opinions but there was nothing we couldn’t solve. Thankfully we had our school to support us and at the end of the day, we all trusted each other. I think that’s the beauty of cooperatives; despite all the hardship and all the navigating we had to do, we were in the same team and worked for the same goal.

Our student cooperative went on to organize and hold various events in the scientific, cultural and religious fields. We were so glad to finally be a part of an official group with a defined structure. The student cooperative allowed us to organize school events in the most specific way ever. We did this so that other students could also learn about cooperatives and have strong a foundation to grow on. This cooperative prepared me for where I am now.
After graduation, we could no longer be a part of the student cooperative. However, we were all determined to continue working in this fascinating group as we were more aware of the advantages of cooperatives. After 12 years of studying in Raheroshd and using my past experiences in the cooperatives, I am now a part-time tutor and a member of the Raheroshd cooperative. It was and still is an interesting experience of being able to both study and work in a cooperative school.

**I CAN SEE HOW COOPERATIVE TEAMWORK HAS AFFECTED MY UPBRINGING AND HOW IT’S CREATING A NEW WAY OF TEACHING.**

Now I can see how cooperative teamwork has affected my upbringing and how it’s creating a new way of teaching. Now, at Raheroshd, the goal is to embed cooperative behaviour in the workplace and even use it as a teaching tactic.

Nowadays, with the younger generation joining the Raheroshd cooperative every year after graduating, it has been working more successfully towards improving the teaching system and school curriculum. I am trying to learn from those around me with more experience.

I am also part of the 25 voices campaign by ICA, which is a great way to attract more people to the cooperative movement. I’ve had many classmates ask me about what this movement is and even if they don’t join the cooperative movement, at least this campaign got them curious. Nowadays with social media and the internet, I think more and more people can get influenced by others and who better to influence the youth than someone their own age? I strongly believe that if we put enough time and energy into correctly explaining to them what the cooperative movement is, many people would want to join.

After graduation, we could no longer be a part of the student cooperative. However, we were all determined to continue working in this fascinating group as we were more aware of the advantages of cooperatives. After 12 years of studying in Raheroshd and using my past experiences in the cooperatives, I am now a part-time tutor and a member of the Raheroshd cooperative. It was and still is an interesting experience of being able to both study and work in a cooperative school.

**Parinaz at Raheroshd Cooperative**

My experience in the cooperative world has shown me the effects of successful teamwork. I believe that as long as there are people who have the same goal and share the same concerns for themselves and their community, forming a cooperative is the smartest way to achieve said goal. By showing people that two minds work better than one in a literal sense, we can invite more and more people to join the cooperative movement.
Audio Interview: Cooperatives As Panacea for Informal Women Workers

Driven by the ideology to not leave anyone behind, we spoke to Ms. Mirai Chatterjee from SEWA Cooperative Federation where she notes that as trade union workers and cooperative members, cooperative principles and values are integral to women. Women workers under the SEWA Cooperative Federation, practice solidarity to protect themselves from vulnerability, volatility and uncertainty in their immediate environment. Small scale cooperatives in the form of waste pickers cooperative, home care cooperative and stationery cooperative, for example, have provided decent livelihoods to many women workers from the informal economy, dignity at work and protection from deprivation. Having associated with cooperatives during the COVID-19 pandemic helped women stay afloat in difficult times. Ms. Chatterjee believes that moving forward, the digitalisation of cooperatives in India is essential but it needs to be inclusive, for strengthening women’s cooperatives will strengthen communities and ensure their prosperity.
Listen to this engaging conversation with Ms. Mirai Chaterjee to know why Cooperatives are a panacea for informal women workers in India and what works for women on the ground!
Cooperative Size and Identity

Cooperatives define themselves through a set of agreed values and principles. One of the key roles of the International Cooperative Alliance (ICA) is to act as the global steward of these principles.

The ICA last revised its international principles in 1995, at its Centennial Congress in Manchester, United Kingdom. The resulting Statement on the Cooperative Identity, including a newly spelt out definition, values and updated and new principles were, like the previous two revisions of the original ‘Rochdale’ principles in 1937 and 1966, the result of extensive consultations over several preceding years.

In each case, these revisions have reflected both the changing external environment in which cooperatives were operating and the internal tensions and adaptions occurring within these organisations.

The resulting 1995 principles have been included in a number of international instruments, recommendations, and guidelines, as well as being included and referenced in a wide range of individual countries’ legislation and policy settings. In this sense, the principles have acted as a guiding and unifying light for movements and governments throughout the world.

GARRY CRONAN, COOPERATIVE STRATEGIST, POLICY SPECIALIST, COOPERATIVE BUSINESS RESEARCHER
Greater harmonisation of laws and policies, between and within countries, is possible because of the wide acceptance of these international principles. However, sometimes the devil is in the detail. While cooperative representatives can agree on a set of informing principles and definitions, how these are put into practice can vary widely throughout the world. Several different cooperative traditions of thought and practice along with different institutional and historical experiences have shaped national movements and how cooperatives, particularly large cooperative businesses, have operationalised the ICA principles.

Large cooperative businesses have witnessed, in the period leading up to and following the adoption of the 1995 ICA principles, very significant global change. Not least the ascendancy of neoliberalism and increased and more competitive globalisation of the markets in which they have traditionally operated. These trends have represented, for some, an almost existential threat to their very nature and way of doing business. In several countries, there have been major commercial failures of long-established cooperatives. Additionally, there have been, particularly in Anglo-Saxon countries, waves of demutualisation of large and very significant national and international cooperative businesses. This has been particularly the case, in my home country, Australia.

It is worth noting that most demutualisation if they are contested by the membership, are fought locally. An opportunity exists for the international cooperative movement to show solidarity and defend the cooperative identity – as well as define and promote it – by helping to resist the loss of many of these large, viable and important cooperatives. Early actions such as a coordinated international/national campaign of support against local conversions may well prove decisive in addressing what are often self-serving arguments against the cooperative model. Nevertheless, these, often high-profile business failures or demutualisation, should not obscure the overwhelming sustainability of large cooperative businesses throughout this period. The cooperative business model has proven remarkably resilient and adaptable. Understanding how to meld cooperative principles and values into sustainable business models appropriate for national and industry settings and institutional histories is the key to survival. Knowing, how and why these large businesses survive during this period is therefore not only of real and urgent interest to the large cooperatives themselves, and their members, but is a key strategic issue for the wider international cooperative movement. Large cooperative businesses are almost always long-lived organisations. Many can trace their formation back, often to over 100 years. They are the survivors of several waves of major economic, social, and political changes over this period. In one sense, they are the living history of the cooperative movement.
The result of both organic business growth and mergers between similar cooperative businesses. They contain the ‘DNA’ of countless cooperative members, practitioners and traditions built up over many years.

There is much that can be learnt from how these large, complex cooperative businesses have adapted to these changing and challenging circumstances. The ICA itself has been aware of this and has in some of its research and publications including its Guidance Notes to the Cooperative Principles focused on the particular challenges of applying the principles in large complex cooperatives facing very competitive market situations. Increasing size or scale has often been pointed to in research as holding the prospect of weakening cooperative identity. Levels of trust can decline the further the members are from the management and governance of these complex businesses, which often include hybrid structures, non-cooperative (for-profit)
subsidiaries, and external equity. Increasing heterogeneity among differing membership bases within the large cooperatives has again been examined as a possible problem for the retention, and advancement of cooperative identity.

**HOW LARGE COOPERATIVE BUSINESSES EMBRACE THEIR PRINCIPLES, STRUCTURE THEMSELVES, AND BEHAVE TOWARDS THEIR MEMBERS AND IN THE MARKETPLACE, IS THEREFORE OF STRATEGIC IMPORTANCE.**

How large cooperative businesses embrace their principles, structure themselves, and behave towards their members and in the marketplace, is therefore of strategic importance. A significant part of the global cooperative asset and revenue base is concentrated in these large businesses. Resources that are available to help promote and support their national and international cooperative movements. They are also the conduit through which large numbers of the public, by way of their membership, see cooperative principles in action, or not. And finally, it is these businesses that are most visible to the government and help shape their opinion and the resulting policy and legislation governing not only the large cooperative businesses but the wider cooperative movement including its new and innovative applications to changing societal needs.

Therefore, cooperative identity needs to work and be relevant, in larger and older as well as in smaller, younger cooperatives. Indeed, it could be argued that it is even more important for cooperative identity and values to be at the centre of successful scaled-up business models if cooperatives, are to be able to offer, as seems a real possibility now in a post–global financial crisis, post–COVID world a genuine alternative to the investor-owned, profit-driven models dominant during neoliberalism. In this sense, it is also important to acknowledge that the ability of cooperatives to scale-up and be competitive globally with large investor-owned firms is somewhat limited.

Only, certain industry sectors seem to have been able, through a combination of market conditions, institutional history, and business models to scale and be sustainable over time, while retaining a cooperative structure and character. Understanding the patterns as to why some large cooperatives succeed, and in what circumstance, while others fail is, therefore, critically important. More research is required to better understand this and the key relationship between cooperative size and identity.
Cooperative Identity and the Banking Sector

The theme for this event is “Deepening our Cooperative Identity” to strengthen the cooperative movement’s role in addressing global challenges and exploring avenues to improve lives at the local and global levels.

The International Day of Cooperatives (IDC) 2021 was celebrated on 03 July 2021 with the theme ‘Rebuild Better Together’ which has been incorporated as a powerful advocacy tool by the United Nations (UN). The International Cooperative Alliance (ICA) celebrated its 125th anniversary in August 2020 and the 25th anniversary of the Statement of Cooperative Identity (SCI) in September 2020. It was celebrated showing longevity and strength that only a few international organizations can claim to have. ICA is holding its 33rd World Cooperative Congress in December 2021 in Seoul, South Korea.

The Banking Regulations (Amendment) Act, 2020 enacted by Parliament in the 71st Year of the Republic of India, received the assent of the President of India on 29 September 2020. The Supreme Court of India gave its verdict on 20 July 2021 for an appeal made by the Government of India against the Judgement of Gujarat High Court on 22 April 2013 on the Constitution (97th Amendment) Act 2011 (hereinafter called as Act 2011).

BHIMA SUBRAHMANYAM,
MANAGING DIRECTOR,
NAFSCOB & PRESIDENT, ICBA
Let us briefly understand these events. Let us recapitulate that “ICA was established in 1895 to promote the cooperative model. Today, cooperative members represent at least 12% of humanity. As businesses driven by values and not by the remuneration of capital, the 3 million cooperatives on earth act together to build a better world. Cooperatives are people-centred enterprises jointly owned and democratically controlled by and for their members to realize their common socio-economic needs and aspirations. Managed by producers, users or workers, cooperatives are run according to the 'one member, one vote' rule. As businesses driven by values, not just profit, cooperatives share internationally agreed principles and act together to build a better world through cooperation. Putting fairness, equality and social justice at the heart of the enterprise, cooperatives around the world are allowing people to work together to create sustainable enterprises that generate long-term jobs and prosperity. Cooperatives allow people to take control of their economic future because they are not owned by shareholders, the economic and social benefits of their activity stay in the communities where they are established. Profits generated are either reinvested in the enterprise or returned to the members.”

TODAY, COOPERATIVE MEMBERS REPRESENT AT LEAST 12% OF HUMANITY. AS BUSINESSES DRIVEN BY VALUES AND NOT BY THE REMUNERATION OF CAPITAL, THE 3 MILLION COOPERATIVES ON EARTH ACT TOGETHER TO BUILD A BETTER WORLD.

ICA celebrated the 25th anniversary of the SCI in September 2020. In 1995, participants in the ICA’s 31st World Cooperative Congress in Manchester agreed on the definition of cooperatives, identified their shared values and added the Concern for Community as the 7th cooperative principle. This statement provides guidance and advice to cooperative enterprises worldwide. The seven cooperative principles are guidelines by which cooperatives put their values into practice.

Having understood the background of the cooperative identity, it may be relevant to relate the same to the main issues in India viz; National Cooperative Policy on Cooperatives 2002, the impact of the Banking Regulation (Amendment) Act, 2020, and Supreme Court Verdict on Constitution (97th Amendment) Act 2011.

NATIONAL COOPERATIVE POLICY ON COOPERATIVES 2002

The objectives of the National Cooperative Policy on Cooperatives 2002, includes ensuring the functioning of the cooperatives based on basic cooperative values and principles as enshrined in the declaration of the ICA Congress, 1995.
A perusal at the two decade’s old National Policy on cooperatives results in the following observations: The policy document remains more relevant even after two decades of its formulation but calls for an appropriate revision as the implementing agencies (including the Government of India and State Governments) do not appear to have achieved the objectives of the policy. There are various developments since the current policy was formulated. The developments need to be documented while most of the constraints listed in the 2002 policy remained more or less the same. A few more constraints have been added during the last 10 years which need to be illustrated. The ideology of cooperatives/basic cooperative principles have not witnessed any change but there is a need to introspect the extent of addressing these principles during the governance of the cooperatives at various levels. The objectives of the National Policy may be framed in such a way that makes it easy to be implemented.

The impact of the amendments in the banking-related activities on cooperative identity needs to be assessed and the salient features may have to be justifiably documented in the national policy.

**BANKING REGULATION (AMENDMENT) ACT, 2020**

The impact of the Banking Regulation (Amendment) Act, 2020 on the cooperative identity right from its definition, ethics, values and democratic principles will have long term implications on the future of cooperatives. It also needs to be tested whether the SCI has been ignored. By the provisions of Section 12 and 45, it is perceived and widely believed, that it impinges on the rights of the member-driven cooperatives and states. The provisions related to the issue and regulation of paid-up capital and securities by cooperative banks are to be further examined as they may not be directly related to the banking area of operations.

**SUPREME COURT’S VERDICT ON THE CONSTITUTION (97TH AMENDMENT) ACT 2011**

The spontaneous reactions to the verdict of the Supreme Court of India on 20 July 2021 for an appeal made by the Government of India against the Judgement of Gujarat High Court on 22 April 2013 on the Constitution (97th Amendment) Act 2011 (hereinafter called as Act 2011), depicted a sense of shock, unhappiness, dissatisfaction, and disappointment! Some even expressed the need to relook into the discrepancies, eliminate the loopholes in the Act 2011, and reintroduce it in Parliament. In the context of these developments, it may be helpful to understand the background of the issue, the efforts put in to draft the Constitution (111th Amendment) Bill, 2009, the details of the verdict by both Gujarat High Court and the Supreme Court on the validity of the Act 2011, and the suggestions to be considered for future course of action to ensure the main objectives of the proposed Constitutional amendments are met.
On 22 November 2004, a national level meeting was held under the Chairmanship of Shri Sharad Pawar, the then Union Agriculture Minister, to consider the proposals for constitutional amendments ensuring autonomous, democratic, and professional functioning of the cooperatives. Pursuant to this suggestion, a 13-member committee constituted under the Chairmanship of Late Dr S. S. Sisodia, the then President, NCUI, met on 27 November 2004 to finalise the proposals. The committee discussed formulating a strategy, primarily because under the Government of India Act, 1919, the subject ‘cooperative societies’ was originally contained in entry 13 of the Provincial list and continued in entry 33 of the Provincial list by the Government of India Act, 1935. Later, the subject of ‘cooperative Societies’ was continued by the Constitution of India as a part of entry 32 within Schedule VII List II, i.e., the State List. I was part of both the above meetings. Subsequently, a conference of Ministers of Cooperation of various states held on 7 December 2004 resolved to amend the constitution on the lines of the above proposals i.e. to address key issues of empowerment of cooperatives.

The consultations by the Government of India resulted in identifying eight areas for Constitutional Amendments: i) Number and term of members of the board and its office bearers, ii) Election of members of the board, iii) Supersession and suspension of the board and interim management, iv) Audit of accounts of cooperative societies, v) Convening of general body meetings, vi) Right of a member to get information, vii) Returns, and viii) Offences and penalties.

**Constitution (111th Amendment) Bill, 2009:** As a result, this Bill, 2009 was drafted, widely discussed, and introduced in the Parliament to further amend the Constitution of India to ensure the contribution of cooperatives in the country’s economic development, to serve the interests of members and the public at large, and to ensure cooperatives’ autonomy, democratic functioning, and professional management. The sitting Parliamentary Committee on Agriculture (PCA) invited me on 18 June 2010 to present my views on the proposed amendments, particularly on issues such as insertion of new article 43B, promotion of cooperative societies, definitions, incorporation of cooperative societies, application of multi-state cooperative societies (MSCS), application to Union Territories, the continuance of existing laws etc. Finally, the Act 2011 was passed by the Lok Sabha on 22 December 2011 and by the Rajya Sabha on 28 December 2011. It received the assent of the President of India on 12 January 2012 and the amendment came into force on 15 February 2012 after its notification in the Gazette of India of 13 January 2012.

**Continuation of Existing Laws:** The Act 2011 through the amendment provided one year, from the date of its commencement to the states to amend the state laws on cooperative societies. A National Conference was organised by NCUI on 12 October...
2012 under the leadership of Dr Chandra Pal Singh Yadav, Ex. Member of Parliament & the then president of NCUI, wherein, all the states/union territories were requested to take necessary measures to amend their State cooperative Societies’ Acts in tune with the Act 2011. By September 2012, 22 states amended their state laws according to some provisions of the Act 2011.

**Gujarat High Court Verdict 2013:** The Gujarat High Court on 22 April 2013 passed the judgement – “the amendment is violating the basic structure of the Constitution so long as the subject of “Co-Operative Societies” is in the List II of the 7th Schedule and at the same time, the provisions of Article 368(2) has not been complied with. The Constitution has not permitted curtailment of the power of the State Legislatures over the subject mentioned in List II without taking recourse to Article 368(2). We, therefore, allow this Public Interest Litigation by declaring that the Constitution [97th amendment] Act, 2011 inserting part IXB containing Articles 243ZH to 243ZT is ultra vires the Constitution of India for not taking recourse to Article 368(2) of the Constitution providing for ratification by the majority of the State Legislatures. This order, however, will not affect other parts of the Constitution [97th amendment] Act, 2011.” Further, the prayer for ‘stay order’ of the judgement was refused.

**Supreme Court Verdict 2021:** The Bench of the Supreme Court perused the impugned judgment of the Gujarat High Court and presented the judgement –

“The judgment of the High Court is upheld except to the extent that it strikes down the entirety of Part IXB of the Constitution of India. As held by us above, it is declared that Part IXB of the Constitution of India is operative only insofar as it concerns multi-state co-operative societies both within the various States and in the Union territories of India. The appeals are accordingly disposed of.”

The reportable dissenting judgement mentioned, “…More importantly, once the Court has painted the relevant provisions, which are the substantial provisions (Article 243ZI to 243ZQ), with the brush of unconstitutionality, rendering those provisions, still born, it would appear that the provisions contained in Article 243ZR and Article 243ZS would not have the crutches without which these provisions cease to be workable and are impossible to sustain. The unconstitutional part, which is to be an integral part of Article 243ZR and Article 243ZS, must continue to exist, if the provisions, in question, are to bear life. In other words, to sustain these provisions the court would have to resurrect the dead provisions contained in Article 243ZI to 243ZQ and Article 243ZT. The Doctrine of Severability must apply on surer foundations. It is my view that unless the provisions, which have been found unconstitutional, are kept alive, Articles 243R and 243ZQ are plainly unworkable. In this view of the matter, I respectfully disagree with the view taken by my learned and esteemed Brother in regard to the
application of the Doctrine of Severability. In this view of the matter, the Appeals are dismissed.”

Suggestions for future course of action:

1. The verdict by the Supreme Court does not rule out the possibility of one or more states/UT governments deciding to amend (reverse) the provisions of their cooperative Societies’ Acts. Such likely possibilities, if any, should not be allowed to take place.

2. Now, there is an urgent need to expedite the amendments in the MSCS Act 2002 to impress upon the need to incorporate the identified eight areas of the amendment. Any further delay in amending the MSCS Act 2002 may impact the credibility of the efforts by the Government of India. Such delay shall also cause indefinite uncertainty for the state governments to bring in amendments in their state cooperative laws.

3. In the context of the Verdict by the Supreme Court, the provisions of the Banking Regulations (Amendment) Act, 2020 emerged out of the amendments to the Banking Regulation Act, 1949 (AACS), as related to cooperative banks may perhaps require a re-examination of the regulation.

4. Union Ministry of Cooperation may also simultaneously hold consultations considering the amendment shall also require to be ratified by the Legislatures of not less than one-half of the States by resolutions to that effect, passed by those Legislatures, before the Bill making provision for such amendment in future.

5. The Government of India shall always keep into consideration that the power to make laws for the States in respect of matters listed in List II in the 7th Schedule is exclusively that of the State Legislatures.”
The proposed Social and Solidarity Economy (SSE) Framework Act in Korea is still not a government priority but would help integrate policies and programs for cooperatives and other SSE organisations (SSEOs), enabling them to contribute effectively to the economy and society. We spoke to Ms. Juhee Lee and she explains how the proposed Act will not override existing legislation for cooperatives but will only strengthen their relationship with other SSEOs. Cooperatives and other SSEOs in Korea such as social enterprises and community-based enterprises undertook many initiatives during COVID-19 to support communities but they largely remain unknown among the general public. An umbrella law on SSE is a welcome proposal by iCOOP which engages with other SSEOs on the ground to support communities, realise SDGs and build an inclusive economy.
Listen to this audio interview with Ms. Juhee Lee to know how having an umbrella SSE Act in Korea will provide an enabling environment to cooperatives and other SSE organisations which share common values and have similar social goals.
ICA 33rd World Cooperative Congress

The ICA 33rd World Cooperative Congress is being held in Seoul, Republic of Korea from 1 to 3 December 2021. The Congress will be a hybrid event, will take place both in person and virtually for those who are unable to travel.

The Congress will enable the cooperative movement to explore its identity to build a more secure future. Using the current global crisis as a framework, discussions will aim to deepen the cooperative identity by examining its values, strengthening its actions, committing to its principles and living its achievements.

The theme for the Congress is, “Deepening our Cooperative Identity” to strengthen the cooperative movement’s role in addressing global challenges and explore avenues to improve lives at the local and global levels.

For more information, visit https://icaworldcoopcongress.coop/.