



CCW Policy Guide

Peter Hunt

V Cooperative Summit of the Américas - Buenos Aires - October 23-26, 2018

About Mutuo

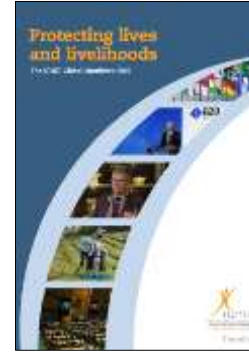


- ❖ Established 2001
- ❖ Facilitates cooperatives and mutuals to work together
- ❖ Improve the business environment for the sector
- ❖ Policy-led approach
- ❖ Since 2013, this work has been global
- ❖ Work with businesses, trade bodies, think tanks

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Policy Guides



UK Mutuals
Manifesto
2010

European
Insurance
AMICE 2014

Australian
Blueprint
2014

UK Mutuals
Manifesto
2015

ICMIF Global
Policy Guide
2015

The People's
Business
2016

ICA Global
Policy Guide
2018

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Objective

‘To develop **coherent policy positions** that can be used by CCW members. It will be used as a tool to **align key public affairs** and **policy messaging** across the Sector to maximise impact in multiple jurisdictions and institutions.’



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CCW Members Survey

The online survey was open from **1 May to 8 June**, with invitations to participate extended to all CCW members.

27 responses to the survey from the following ICA regions:

- ✓ 2 Americas
- ✓ 3 Asia-Pacific
- ✓ 22 Europe

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Key impediments to the growth of consumer co-operatives in your country?

1. **Competition** pressures from listed competitors
2. **Insufficient understanding** of our business model by policymakers and/or regulators
3. Restrictions on **access to capital** growth for co-operatives
4. Restrictions on or lack of, **cross-border trading**

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Threats to your co-operative business?

1. Competition from **domestic retailers**
2. Competition from **multi-national businesses**
3. Action by **policymakers** and/or regulators
4. Risk of **demutualisation**/asset leakage

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The majority of respondents saw their particular **co-operative governance structure as a challenge**

...with some noting that these are 'critical' for example, the need to:

- Ensure there is a mandate for decision making in a company with joint ownership
- Increase member engagement in democratic activities
- Improve members commitment to co-operative societies
- Achieve greater participation and sense of belonging of members

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The **main advantages** of your co-operative structure?

1. Ability to follow a different business strategy
2. Member/customer relationships
3. Market advantages
4. Co-operation between co-operatives

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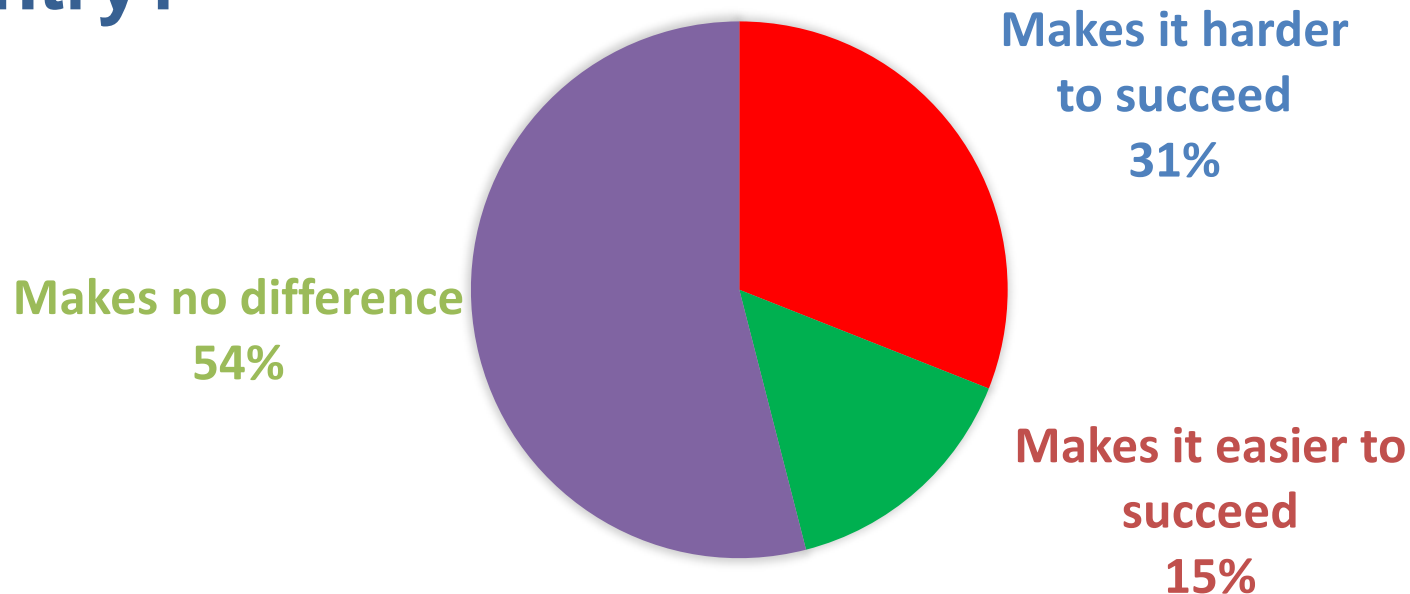
In your opinion, is your consumer co-operative sufficiently **understood** by:

1. Employees (score: 75%)
2. Members (score: 63%)
3. Politicians and regulators (score: 41%)
4. Consumers more generally (score: 39%)

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Does your **co-operative ownership structure** have an **impact** on the way that national **government relates** to your business in your **country**?



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What is your view on the proposal for **harmonised legal frameworks** or model legislation for co-operatives?

We received a **mixed response** to this question, with most respondents considering it a **good objective** to work towards, if difficult to achieve in practical terms.

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What are the **safeguards**, if any, against **demutualisation** in your country? Do you have any suggestions for dealing with this risk?

Three categories:

- ✓ Co-operative rules (statutes)
- ✓ Legislation to protect assets
- ✓ Quality communications of the benefits of co-operatives

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What is your opinion of the **quality of lobbying** on behalf of consumer co-operatives?

In your country	53%
Globally	54%
In your region	56%

Success factors:

- ✓ **Education** about co-operatives
- ✓ Strong **political engagement** and communications
- ✓ **Co-ordinated** action across the sector

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Can you point to a region or country where the consumer or retail co-operative movement is particularly **successful**? What do you think are the **factors** which help there?

There was a great deal of agreement in identifying the countries that are deemed to have a **successful consumer co-operative movement**. However, there was no real consensus understanding the factors in play in this.

Clearly this is an area worthy of further detailed analysis.

Most mentioned: Finland, Japan, Switzerland, Norway, Italy, Denmark

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What actions do your co-operatives take to ensure that **elected members** understand and adhere to their **duties** representing the **long term interests** of members?

Typically, co-operatives will provide some kind of **mandatory education programmes** for candidates and elected representatives, and this varies considerably across the world.

However, this variation suggests an inconsistent approach that may benefit from **sharing experience and practice**.

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How does your co-op maintain customer / member **loyalty** and do you have suggestions for new ways of building loyalty?

1.	Loyalty programmes	39%
2.	Price	22%
3.	Other member & community benefits	17%
4.	Dividend/Discounts	11%
5.	Communications with members	11%

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Are there **new areas of business** activity by consumer co-ops, for example, tourism or shared services, that should be explored?

- More co-operation between producer and consumer co-operatives in food production
- Shared services
- Personal finance
- Education
- Pharmacies
- Fuel Stations
- Tourism
- Social Activities
- Health Care
- Elderly residential care
- Telephony, TV, Internet
- Funeral services
- Insurance,
- Digital Services

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What do you think about...

...ICA global standards in the **training and qualifications** of staff and consumer co-operatives' relations with the co-op academia.

Most respondents **strongly supported** this proposal, with a minority unconvinced.

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Recommended Actions

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Improving the national policy environment

National governments should **adopt a positive policy environment** towards co-operatives, to ensure that they can grow and prosper in the competitive markets that they operate.

- ✓ Government should act on the **UN 2002 Recommendations** to promote co-operative business
- ✓ Government departments and ministers should be sufficiently skilled and supported to **work with co-operatives**
- ✓ Governments should facilitate a **deeper understanding** and appreciation of co-operatives and mutuals through the education system

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Improving national co-operatives legislation

National co-operative legislation should match global best practice and facilitate modern co-operative business operations in the same way that it enables investor owned firms to succeed.

- ✓ Governments should establish the **legal principle of indivisible reserves** to safeguard co-operative assets for the purpose they were intended
- ✓ Governments should legislate for new **co-operative capital raising instruments**
- ✓ Governments should facilitate **cross border trading** for co-operatives

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Co-operation between co-operatives: **CCW facilitated actions**

Member Panels:

- ✓ Business intelligence
- ✓ Public affairs
- ✓ New business areas
- ✓ Education & training for elected representatives

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Co-operation between co-operatives: CCW facilitated actions

✓ **Lobbying plans**

CCW members should consider producing, if they have not done so already, a **national lobbying plan** that builds on their own experience and addresses their particular priorities.

✓ **Statistical resources**

The World Co-operative Monitor does not correctly reflect the consumer co-operative sector. CCW should consider how to address this **information deficit** through a separate collection of verifiable statistics for this important sector.

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Example of best practice

Policy-led influence: Australian Business Council for Co-operatives & Mutuals



- ✓ 2013 **Establishment** of BCCM (legal entity)
- ✓ 2014 **Blueprint** for an enterprising nation
- ✓ 2016 **Senate inquiry** into co-op business environment
(17 recom. with bi-partisan political support)
- ✓ 2017 **Government adopts** this as policy
- ✓ 2018 Government introduces **new legislation**

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