

Cooperatives and Development

Action speaks louder than words

Ignace Pollet and Patrick Develtere

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This article is based upon a survey report – *Development Co-operation: How Cooperatives Cope* by Pollet and Develtere. The work was jointly commissioned by the Belgian [Cera Foundation](#) and the [Belgian Raiffeisen Foundation](#) (BRS) who contracted the [Higher Institute of Labour Studies](#) (a research institute attached to the Catholic University of Leuven) to carryout a survey among large cooperatives and international institutions (with cooperative-oriented programmes). The survey was undertaken in summer 2003 and provides an up-to-date and representative picture of North-South coop-to-coop assistance.

The survey reveals that the tools used by many organisations for their development work are also very much linked to their cooperative origins and background. It revealed that technical assistance remains the most important development instrument used by agencies actively involved in the creation of favourable institutional and legal frameworks for cooperative development in southern countries. However, in recent years many cooperative agencies have been instrumental in creating trading and business linkages between northern and southern cooperatives. Quality-wise, cooperatives are spearheading many of these trading and business development activities. The report concludes by suggesting that the cooperative movement and its associated institutions need to greatly enhance the visibility of the cooperative model for development.

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Old wine in new bottles? A recent survey

In both industrialised and developing countries the interest in cooperatives is again growing. So is the interest for cooperation between cooperatives in the North and South. This new development agenda is a window of opportunities for cooperatives and cooperative development agencies because it insists on:

- participation of multiple actors (multi-stakeholdership);
- decentralisation, member-control and independence from government;
- growth and local entrepreneurship;
- arresting and reducing poverty and social exclusion; and
- specialisation and professionalism.

Cooperatives and their related organisations in western industrialised countries have done a lot of soul searching over the past 10 years. It may be that they do not have to ride new horizons in order to find their identity. Rather, it looks as if the new development rigours have come to the cooperative world. In other words: what cooperatives have done for times remembered is all of a sudden found '*cool*'.

In order to give evidence on this, this article provides insights into the results of a survey of the major cooperative development agencies belonging to the cooperative sector of northern industrialised countries. The research was set up basically to find out what role northern cooperatives play in supporting their colleagues in the south. It

was commissioned by the Belgian Cera Foundation in order to use the results for the work of its own development agency, the Belgian Raiffeisenstiching.

The survey was conducted during the summer of 2003 and was designed to provide a representative picture of the existing coop-to-coop assistance. About 45 questionnaires were sent out by e-mail or used as a key for interview. 35 agencies completed and returned questionnaires. In addition to this, websites and brochures were used to get information on some organisations. The results of this data-gathering gave insights into the strategies and institutional frameworks used by these organisations, as well their ways of mobilising financial and human resources. In this article, we focus upon the activities deployed to supported development cooperation in the South. The organisations which collaborated in the survey are listed in Annex 1.

Asked which activities cooperative development agencies carryout, the answers most frequently given were:

- technical assistance;
- financial support;
- transfer of know-how; and
- training.

Less frequent but still of importance was the development of cooperative laws and regulation. Equally important are development and support of trade activities, with fair trade gaining significance in the eyes of the public. One of the lead questions in this overview, and indeed in this research as a whole:

Is what makes cooperatives different as development agents compared to International NGOs, bilateral cooperation and other international initiatives?

Technical assistance

Technical assistance remains the number one activity of Northern cooperative development agencies. In this respect, they do not differ so much from international development NGOs. However, the length of the partnership tends to be longer for cooperative development agencies than for NGOs. The content of the assistance given might also differ. International development NGOs often provide technical assistance of a more general nature. Cooperative development agencies give more specialised cooperative and business related expertise. To put it differently, international NGOs provide a more holistic approach to development and technical assistance and focus on particular target groups and their needs. The accent is on assistance rather than on technical issues. Cooperative development agencies have a narrower approach to development and technical assistance. They focus on the cooperative business instrument or mechanism. Their emphasis is on the technical rather than on assistance. The personnel involved in cooperative technical assistance not only adhere to the cooperative philosophy but are also more often trained in one or other aspects of cooperative business. In many cases the technical assistance provided is inspired by technical know-how developed and accumulated over the years in the cooperative sector in the North and the South. The following example illustrates this.

“From its own history, the Rabobank Group knows how important it is to set up savings and lending systems in order to stimulate a country’s economy and its prosperity. The spearhead of the Rabobank Foundation is therefore to advise and give its active support to cooperative financial systems and institutions in developing countries. Rabobank experts are available for this purpose. Under the guidance of a Rabobank expert the Union Bank of Cameroon (UBC) has turned out to be an ‘expander’. This cooperative bank has now proved its worth as a regional bank in the western part of the country. One ongoing subject of discussion however is UBC’s strategic relationship with the credit union movement under the CAMCULL. The collaboration relationship with aid organisation, SNV Kameroon, was renewed and the contract with our own employee was extended for a further two years. The foreign loans portfolio was further expanded in the year under review. A total 32 new loans were granted for a total upwards of 2 million Euros to 32 partners in 16 countries, three of which were to pre-finance the coffee and cocoa harvest. Two thirds of the loans were granted for the Latin America region. The total outstanding sum in loans on 31 December 2001 was 6.6 million Euros an increase of 23 percent compared to the end of 2000. It is the Foundation’s policy not to disrupt local financial markets and to request an interest rate which is at least above the rate of inflation. While borrowers thus pay an acceptable rate, the main advantage is that they are at least able to borrow.” (Rabobank Group, 2001)

But not everything is savings and micro-credit in cooperative-to-cooperative assistance. More often than not, cooperatives tend to work in multiple sectors in more than one sector at a time, influencing the different aspects of life (housing, food security, access to credit, etc). The German agency DESWOS, for example takes its own sector (housing) as a point of departure but gradually tackles the whole complexity of poor livelihoods. Local cooperatives act like a trigger on educational and income generating activities. (Hachmann, 2001)

Due to their integrated approach and their size, cooperatives may act as a vehicle for inducing more sustainable ways of farming, as experimented by the Swedish Cooperative Centre (SCC). By having a large cooperative as their partner in Zambia, they were allowed to introduce organic growing as a cheap eco-friendly way of farming:

“Zambian small-scale farmers are experiencing problems with smaller harvests. One of the causes is the recurrent drought another is that farmers use cultivation methods which require access to water and expensive seed, fertiliser and pesticides. In Chongwe district, the Swedish Cooperative Centre has therefore supported a training program for small-scale farmers based upon alternative eco-farming methods so that they do not have to use expensive imported chemicals. Agricultural advisers have established demonstration farms in which they use natural fertiliser and compost. Over one thousand farmers participated in field days demonstrating alternative methods. More than one third of them were women. The Swedish Cooperative Centre’s cooperating partner KATC has introduced study circles as a method of spreading the knowledge about environmentally friendly farming. They have produced material on sustainable agriculture, village forestry, pond construction and vegetable growing for study circles. In 2001 around 150 small-scale farmers took part in 10 study circles”. (SCC 2001)

Financial support

The second most important activity reported by the cooperative development agencies under review is financial support. This support can be very technically diverse and serves a variety of purposes. In most situations financial support is given as a grant. But increasingly cooperative development agencies use new financial instruments such as revolving funds, loans, equity capital or guarantees.

Financial support can be given as start-up capital, to cover certain recurrent or operational costs of partner organisation, to finance outreach activities or networking. Many cooperative development agencies have started reflecting on the consequences of the different types of financial support given to local cooperative and cooperative type structures. There is a growing concern with regard to the local embeddedness and sustainability of the activities financed and for a reduction of donor-dependency of local partners.

“The Canadian Cooperative Association has been strengthening cooperative organisations, networks and individuals in Indonesia since 1989. In 2002 CCA continued its work forming 15 model cooperatives in the financial and agricultural sectors in Java and in Sulawesi. A cooperative development team, a group of knowledgeable Indonesian development workers trained by the CCA over the past 3-years, was engaged to help with the development of the cooperatives. As the project nears completion in March 2004, these pilot cooperatives are becoming increasingly autonomous, transparent, member-based organisations”. (CCA questionnaire, 2003)

Transfer of know-how and training

A large majority of the cooperative development agencies under review also invest a lot in the transfer of know-how and training. Most of this transfer of know-how and training is directly related to cooperative issues such as management of cooperatives, cooperative governance, bookkeeping and accounting or human resource development. Several agencies run special international and national training programmes. Agencies such as the World Council of Credit Unions (WOCCU), the International Labour Organisation (ILO), the Canadian Cooperative Association (CCA) and others have also developed specialised training materials. Much of it has been adapted to local contexts and has been translated into local languages. Agencies often also use new training instruments such as videos or Internet-tools.

In recent years efforts have been made to evolve from a top-down transfer of knowledge approach to a bottom-up knowledge acquisition approach. In the former model the cooperative development agencies decides upon the content of the training and the training process. In the latter system, the beneficiary has more ownership of the training process. He or she identifies the training needs and gets the choice between a variety of training opportunities.

“The Irish Foundation for Cooperative Development (IFCD) funding of the Ugandan Community Development Organisation (CEDO) has proved to be very successful in expanding and developing cooperatives, producer marketing groups, credit and savings groups and women’s income generating groups. In 2002, CEDO has built on

its success in previous years. The success in developing new groups is attributed to the capacities of CEDO, its access to IFCD advice and funding and the fact that earlier successes are now being repeated in the regions. The cooperative and producer marketing groups are active in the production and marketing of beans, groundnuts, cassava, maize, coffee and livestock products. ...

Over 2-years (2001-02) IFCD has reached 51 cooperatives, 30 women's groups, 33 micro-income generating groups and 7 credit and savings groups. The women's groups and the micro-income generating groups are composed of women and they are involved in seed multiplication and crafts as income generating activities. The credit and savings units are being developed in tandem with the cooperatives and producer marketing groups. CEDO also provided in-depth advice and training to its cooperative and producer marketing groups on issues such as monitoring progress, cassava production, income generating, value added techniques and product marketing. In 2002, it is estimated that up to 642 advice and training activities have been completed to the benefit of 14,830 farmer and group members". (website: www.icos.ie)

Beyond projects: regulatory and system approaches

During the last decade the major cooperative development agencies have revived their interest for the broader institutional environment in which their partners operate. A major constraint to cooperative development in many countries is the poor enabling environment with restrictive laws and regulations that still stem from the populist-nationalist approaches of the 1970s and 1980s. This poor legislative and regulatory environment impacts upon the autonomy and business performance of cooperatives. Agencies therefore lobby for enhanced legal foundations that allow cooperatives to function as autonomous private member-controlled businesses. Some agencies help their members in drafting model cooperative legislation or finance a reflection process within the cooperative sector on the cooperative-state relationship. Relations with government cooperative departments, but also with central bank and fiscal authorities are then also taken into consideration. In a number of cases, agencies have been giving technical advice to governments for the redrafting of cooperative laws. In the 1990s the Canadian Development International Desjardin (DID) assisted the Central Bank of West African States in the preparation of a regulation on credit and savings cooperatives in seven counties in this region.

"The ILO Cooperatives Branch has established a documentation centre on cooperative legislation that contains the cooperative acts of the great majority of ILO Member States. Short descriptors of these laws have been entered into the NATLEX database, which can be consulted through the Internet. In addition, a database containing a selection of modern cooperative laws in full text has been published on the Internet. In a large number of countries, the ILO has provided advisory and technical services on cooperative legislation. Among the most significant publications of the Programme are: 'Framework for Cooperative Legislation' which is available in English, French, Spanish, Portuguese, Russian, Chinese and Arabic, and the 'Manual for Participatory Cooperative Policy Making' which is available in English, French and Portuguese." (ILO Cooperatives Branch)

Another way of going beyond separate projects is shown by the German Cooperative and Raiffeisen Confederation (DGRV). It applies a 'systems approach' to cooperative development. In this approach cooperative partners are seen as actors in a wider system. Their development depends not only on their performance but equally on a broad spectrum of other factors. DGRV, together with its partners, identifies these enabling and obstructing factors and tries to make an impact on them. In this sense, many DGRV projects include collaborative work with governments, with central banks, with parliaments, with banking supervisory authorities, with marketing boards, with cooperative apex bodies and training institutions. This requires a huge effort on the part of all concerned, which however leads to remarkable successes.

"The promotion approach of DGRV is system-orientated: individual cooperatives are to be enabled to fulfil the mandate of promoting their members' interests because only economically efficient cooperatives and their members can be the motor of structural change and development. The individual cooperative, however, must be part of a system; this requires the building up of cooperative centres and federations which take up functions on behalf of these cooperatives in line with the principle of subsidiarity. Building up training systems, cooperative auditing institutions in cooperation with the relevant State bodies (banking supervisory authorities, cooperative support State bodies of governments), establishing (mobile) field service teams who provide advice to cooperatives in the rural areas in particular and cooperative central institutions – these are all measures taken in the course of project implementation.

For example, a savings and loans cooperative of small businessmen was founded in Ecuador in 1990 in Puyo, a small town in the tropical forest, with an initial capital of US\$60. At the end of 2003 the cooperative had 13,900 members, among them many women and small craftsmen, savings of US\$3.5 million and an equity capital of US\$1.5 million was possible by the initiative of the manager and the commitment of the members. Without the special project approach of DGRV, which incorporates comprehensive support and advice, this would not have been possible, as those in charge of the cooperative confirmed. But by establishing a cooperative training institute, a central bank (FINANCOOP), an EDP-service company and an auditing firm, the 125 cooperatives in Ecuador themselves had already taken major steps towards the building up of a cooperative link-up structure. The credit fund initiated by DGRV provided refinancing loans for business loans at market terms. FINANCOOP was recognised by the banking supervisory authority in 2001 and was finally granted a licence as a central cooperative bank in May 2003. In line with the stipulations of the banking supervisory authority, FINANCOOP had accumulated the required US\$1million in equity by the end of 2003 which was raised by the member-based primary cooperatives without external grants". (Armbruster – IRU Courier 3/98)

Cooperative Fairtrade

A recent member-survey report commissioned by the Oxford, Swindon and Gloucester Coop in the UK showed that among the types of support that northern cooperatives should offer 'creating opportunities for trade' and 'knowledge and experience sharing' were most wanted. In recent years many agencies have added a trade dimension to their programmes.

The UK Coop Group makes the following case for Fairtrade:

“The Fairtrade banana currently only accounts for 1.4 percent of the total volume of bananas sold in the UK. Last year, a total of 700,000 tonnes of bananas were sold. Fairtrade bananas accounted for 10,000 tonnes of these – 1.7 percent of the value of the UK banana market in 2001. Compare this to Coop sales. Eleven percent of its total banana sales last year were Fairtrade, and Fairtrade bananas made up 40 percent of the Coop’s pre-packed banana sales. If all retailers were to make the same commitment, the amount of Fairtrade bananas sold in the UK would increase from 10,000 tonnes to 64,000 tonnes. Meanwhile the most mature of Fairtrade markets – the ground coffee sector, the Coop has enjoyed unprecedented success, where Fairtrade now accounts for some 20 percent of all Coop ground coffee sales. Setting up a Fairtrade cooperative creates a virtuous circle: getting a decent, stable return for their labour means growers can plan for their own future and that of their children, with less vulnerability to human exploitation and natural disaster”. (UK Coop Group)

Likewise, the Italian Legacoop proudly claims to be the first Italian chain of supermarkets to sell fairtrade products. At the moment the range consists of 12 products: coffee, honey, cocoa, tea, fruit juices and a variety of balls for sport. In 2003 these products will be inserted into the cooperative brand products with their own line called *solidal*. This choice will enlarge the current selection to 25 products compared with the previous 12 with a relevant increase in product turnover. Furthermore, these products will be even more competitive in terms of price. COOP is a founder member of *Transfair Italy*, the only certification authority in Italy for fair trade products. Fair trade products come from Central America, South America, Kenya, India, Pakistan and Palestine. Sales have been in constant increase since 1996. In 2002 they totalled 3.5 million Euros.

It is not only cooperative development agencies that are linked to northern consumer cooperatives who get involved in fair trade arrangements. The Dutch Rabobank Foundation participates in risk-bearing capital and trade financing for fair trade networks. The Canadian NGO SOCODEVI sees its role as a broker and assists its partners in penetrating the fair trade market. But it also explicitly broadens the concept of fair trade by favouring cooperative-to-cooperative trade and North-South cooperative joint ventures. In this way in 2003 it helped Ivorian cocoa cooperatives sell 3 million tons of cocoa on the international market through inter-cooperative trade. In Guatemala SOCODEVI assisted in the creation of a cooperative factory handling cabbages and leeks. The cooperative is co-owned by Guatemalan cooperatives (51 percent) and a Canadian Cooperative retailer (49 percent). Some Canadian cooperatives used the CIDA Industrial Cooperation Programme (CIDA Inc.) to do feasibility studies on potential inter-cooperative trade. Similar business-twinning arrangements are stimulated by the Norwegian NORCOOP. Consumer cooperatives in Honduras have business relations with Norwegian consumer cooperatives and housing cooperatives in Guatemala are involved in joint ventures with Norwegian housing cooperatives.

In April 2004 an International Cooperative Trade Fair is being organised in Beijing, China. The initiative is a joint undertaking of the All China Federation of Supply and

Marketing Cooperatives, the Canada cooperative Atlanta, the UK Cooperative Group, the Singapore NTUC Fairprice and the International Cooperative Alliance (ICA).

Some agencies add an advocacy-in-trade component to their work. This is the case for the Belgian NGO FOS. FOS supports the lobby and advocacy work of partners who want to influence regional or international trade issues such as Mercosur in South America, SADCC in Southern Africa or the consequences of the European Common Agricultural Policy on agricultural trade with southern countries.

Partners – specialised and long-term

In which regions do the cooperatives from the North seek their partners?

The survey does not permit us to make an exact calculation, but Latin America and Africa seem to compete for getting the most attention, with Asia not far behind. This indicates that needs and poverty are certainly not the only parameters which count in identifying likely partners: ideological links and probability of successful outcomes presumably have an equal weight in the equation. A distribution table calculated by USAID (2001) shows that between 1971 and 2001 the eight leading US Cooperative Development Organisations allocated 42.3 percent of their funding to Latin America and only 13.4 percent to Africa.

Most of the agencies we reviewed, spent about 75 to 80 percent of their budgets in the South, the remainder going to research, campaigning and sensitisation, lobbying and different kinds of overhead costs. On average about 80 percent of expenditure in the South goes to cooperatives, another 15 percent to micro-finance institutions (other than cooperatives) and the remainder to NGOs and governments.

Some agencies search out their partners in a pro-active way, taking into account the needs and the capability of the organisation. Others work in a more responsive or demand driven way. However, commitment, good governance and shared ethics serve as selection criteria. Since the cooperative system is invariably built upon mutual trust, financial soundness and reliability are also important features. Others still combine both identification strategies or work via a large networks to which agencies and partners-to-be belong.

Among the type of partners worked with apex-bodies or secondary cooperatives are the ones most named. The other options come in equal numbers: primary cooperatives, training institutions linked to cooperatives, micro-finance institutions, and NGOs supporting cooperatives. A few respondents also mentioned social movements (farmers' movements, women's movements or workers' movements) and governmental agencies as partners.

The partners are usually supposed to be long-term. They are often invited to become part of the international movement or the network the agency belongs to (*e.g.* the International Cooperative Alliance (ICA) or one of its sectoral networks and regional federations, networks of Raiffeisen savings and credit cooperatives, the World Council of Credit Unions, the International Federation of Agricultural Producers, etc). Because of this partnership network or movement approach, the agencies also invest a lot of energy in bilateral and two-way exchange of information and contacts. To this

end agencies make use of training courses, visits and internships, Internet, brochures and manuals.

Beneficiaries – the poorest or a mix?

Who are the final beneficiaries of cooperative-to-cooperative development support?

In other words for which type of members are the partner cooperatives in the South catering for? From the examples we gathered it became clear that cooperatives could be created for (and owned by) very specific target groups. The Canadian DID for instance recognised the impact which women entrepreneurs could have on the Senegalese economy and decided to improve their access to credit (DID 1998). A number of ILO-launched projects have targeted specific professional groups, also workers in the informal economy (e.g. Uganda Shoe-shiners Industrial Cooperative Society) ethnic or tribal minorities (e.g. Orissa, India). (Birchall, 2003 and ILO 2001)

An important question, however, which touches the core of the development strategy of cooperatives, is whether the poorest classes are considered a prime target group. The answers we received to this question are not clear cut: some say yes, meaning yes (Rabobank, Land O'Lakes, SOCODEVI), others no, meaning no (SCC), but most said either yes or no with a comment leading to a rather yes nor no point of view. DGRV focuses very much on people who can help themselves but looks at the same time which exact needs could be answered by cooperatives. CCA promotes cooperatives to be organised amongst the poor and on top of that assists middle class cooperatives to down-market their products and services amongst the poor. The American NCBA reports that the cooperatives it works with *'all serve members who fall below the poverty line for their country – but are not the poorest'*. WOCCU claims that diversity (i.e. having different income levels among members) does generate a much higher return for the poor than exclusive focussing on the poor.

The issue of targeting the poorest versus assuming the poorest will benefit from a more general approach has been widely debated in the circuits of cooperative development agencies and unfortunately research on the issue is very limited. Birchall (2003) makes the point that *"cooperatives have the potential to reduce poverty and – provided their values and principles are respected – will do this more effectively than other forms of economic organisation. However, this potential may not always be realised, either because members lose sight of the needs of other potential members, or because those concerned with poverty reduction see cooperatives as tools rather than as autonomous organisations"*. In line with this, Munkner (2001) states that *"cooperatives do not help the poor, but by working together, by pooling their resources, by submitting themselves to group discipline and by accepting to combine self-interest and group solidarity the poor can solve some of their problems by way of organised self-help and mutual aid better than alone."*

Available literature indicates that most members of cooperatives are not the poorest of the poor, but they do reach many poor people because of the breadth of their outreach. Cooperatives tend to have a mixed membership composition and clientele, which provides them with assets that are key to the sustainability of cooperatives as self-governed businesses. Such assets are amongst others: financial capital, capabilities of

different sorts and social capital (Zeller 2003, Develtere 1994, and Develtere & Fonteneau 2003).

Many cooperative development agencies have in recent years adapted their strategy and have explicitly been working on the outreach towards the poorer sections of the population. Most have therefore started work with other types of self-help organisations such as solidarity groups, village banks and micro-finance institutions.

Cooperatives in the development business – king, queen and jack

Looking at the comparative advantages of cooperative-to-cooperative support, it becomes clear that cooperatives stand out as the type most wanted by Southern partners, if only for the way they embody all principles of community-based organisations. They tend to have a legally ratified ownership structure, self-help as a pre-condition for receiving assistance, institutionally embedded accountability from and towards the members and – obviously – institutional sustainability because of its business operations and attention to financial issues. Cooperators in the North and their partners in the South speak the same language. When talking about such diverse issues as *member participation, cooperative decision-making, dues, shares, savings or distributions of profit* they understand pretty much the same thing. Or at least, they can share experiences and information on how they put cooperative operating principles into practice.

Besides, cooperatives do not constitute insular movements. They are well-g geared for linking up to each other in all sorts of networks - national and international. We have seen that northern cooperative agencies prefer to give support to cooperatives that belong to the same network or, alternatively, they invite them to get involved in it. This makes that the relationship between the two *partners* less of a blind date. There is normally a fair bit of exchange of information and contacts before they chose to work together on a project basis. Being part of a network also creates a horizontal relation between the partners concerned as well as reciprocity in both rights and duties. The role of the northern cooperative is therefore not to substitute but to invest some of its multiple resources (know-how, finance, contacts, markets, etc.) whenever needed, as much as needed and as long as needed for the partner cooperative to become a viable social and business operation of itself. This type of linkage affects the time-horizon, making it a long-lasting partnership (in comparison to many development partnerships which tend to live and die upon the rhythm of the project-cycle). As has been illustrated in the former sections, the network can materialise powerfully by practices of fair trade.

Third, it has been shown that cooperatives are seldom one-issue organisations. The point of departure might be one issue (sharing of raw materials, infrastructure, distribution and credit systems) but they tend to grow in a multi-purpose and integrative way. The consequence of this is that they have to deal with many different aspects of the social or economic fabric of society.

We cannot turn a blind eye to an outright challenge for the cooperative sector. Northern cooperatives do have a problem with visibility as a development actor compared to northern NGOs or public development agencies, for which development cooperation is their *raison d'être*. Many northern cooperatives (like trade unions and

private companies) consider development cooperation only as a side issue, even when the amount spent on it is considerable. Cooperatives should emerge as leading protagonists in the current tendency that development is something for all agents in society, not just for the government and NGOs. The resources available within the northern cooperative sector are enormous. But many remain untapped. We have seen that some cooperative development agencies use the expertise of their own cooperative personnel in their programmes. But much more of it could be invested. We have also seen that some cooperative development agencies creatively use their cooperative environment for mobilising financial resources. However, most agencies look (increasingly) at government agencies or the 'development project market' to uplift their financial capacities. Many complain that this comes with strings attached. Bilateral and international donors see cooperative development agencies and cooperatives as instruments to achieve their own agenda. This strategy is also questionable and contradictory in cooperative terms and tradition. Cooperatives should be spearheading the drive for product and people-orientated fundraising. It gives them more autonomy and legitimacy. They should use their cooperative endowments: well established cooperative businesses looking for a new mission, to reach larger and different chunks of the societies in the South.

That said, the overall conclusion is an optimistic one. Integrated approach, specific target groups, fairtrade, ecological soundness, promotion of decent work and a factor to overcome civil unrest, etc: cooperatives seem to cover it all. Out of their own historical legacy, they do hold the secret formula to groups and populations on the tracks of development.

Annex – Organisations collaborating in the survey

Agricord (International); BRS (Belgium); CCA (Canada); CICM (France); CHF International (USA); Confcoop Piemonte (Italy); Confcooperative (Italy); Cooperative Group (UK); Cooperativa sociale Spazi Mediani (Italy); COPAC (International); DGRV (Germany); DID (Canada); FAO (International); FDC Demark); Federkasse (Italy); Federcoopesca (Italy); FOS (Belgium); ICA (International); IFCD (Ireland); ILO-Coop (International); IRU (International); Land O'Lakes (USA); Legascoop (Italy); Pellervo (Finland); NCBA (USA); NRECA (USA); NORCOOP (Norway); OCDC (USA); Rabobank Foundation (Netherlands); SCC (Sweden); SOCODEVI (Canada); United Nations (International); USAID (USA); WOCCU (International); World Bank (International); WSM Belgium.

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Further Information

The **Cera Foundation** and the **Belgian Raiffeisen Foundation (BRS)** form the social arm of **Cera Holding**, a dynamic cooperative group with 450,000 members, with a tradition stretching back more than 100 years, and a passion for further developing and promoting the cooperative model. The Cera Foundation supports projects in the following areas: medical/social; struggle against poverty; agriculture, horticulture and environment; education and training/entrepreneurship; and art and culture. The Belgian Raiffeisen Foundation (BRS) is the sixth are and supports credit and insurance cooperatives in Third World countries.

The **Higher Institute of Labour Studies** (Hoger Instituut voor de Arvbeid – HIVA) is a research institute attached to the Catholic University of Leuven. **Ignace Pollet** is a senior researcher specialising in organisation and co-operation studies at HIVA.

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