



# International Co-operative Alliance



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## PRESS RELEASE

### FOR IMMEDIATE RELEASE

### **Brazilian Co-operative sector sets example to nations' leaders**

*ICA Director-General Gould points to economic sustainability and scalability*

*Brasilia, Brazil. 20 August 2012;* World nations, in the face of a sustained, debilitating global financial downturn, should look to the Brazilian co-operative sector as a leading example of economic sustainability in action, said Charles Gould, Director-General of the International Co-operative Alliance, today.

With the Dilma Rousseff government unveiling an economic stimulation package last week, the role of the Brazilian co-operative sector in safeguarding jobs and supporting the economy is even more vital.

Mr Gould, who is in Brasilia to meet fellow co-operative leaders and address a credit co-operative conference beginning tomorrow, pointed to the Brazilian co-operative sector's remarkable scale including credit co-operatives which account for 17 per cent of the nation's bank branches. Brazil's Unimed is the world's largest health co-operative and Copersucar S.A. is one of the world's largest 300 co-operatives and a major global sugar player.

"From the outset, Brazil has done the groundwork to ensure co-operatives have a fertile financial system in which to grow and thrive," said Mr Gould. "The nation which hosts the first credit union to be founded in Latin America, Sicredi Pioneira, has fostered an inclusive banking system which has granted formal credit to those who might otherwise have fallen outside the commercial banking system which has all contributed to Brazil's economic growth."

"Brazil is also playing an important role in lobbying for higher recognition of the co-operative model at global level, including at the United Nations, which should be emulated by others," he said.

Mr Gould said nations needed to embrace a new financial world order, one in which they recognise in their legislative and budget decision-making, that the co-operative model of enterprise has a rightful place as one of the world's leading enterprise forms.

The credit union sector for example accounts for 23 per cent of bank branches worldwide making it the second largest financial services network in the world, according to the World Bank.

And values-based banks – mostly credit unions and co-operative banks – generally delivered higher financial returns than some of the world's largest financial institutions, with a return on assets averaging above 0.5%, compared to just 0.33% for the Globally Systemically Important Financial Institutions (GSIFI); and returns on equity averaging 7.15%, compared to 6.6.% for the GSIFIs, according to a Global Alliance for Banking on Values report.

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**COOPERATIVE ENTERPRISES BUILD A BETTER WORLD**



"The statistics are unequivocal; co-operative enterprises have scale, are values based – fair banking is at the core of why credit co-operatives were founded," said Mr Gould.

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#### **NOTES TO EDITOR**

1. **The International Co-operative Alliance** is the global voice for the values-based business model of the co-operative, uniting co-operatives worldwide and providing a forum for knowledge and concerted action.

ICA was established by co-operatives in 1895. In 1946 the ICA became one of the first three non-governmental organisations to be accorded "consultative status" with the United Nations. Membership is growing and the ICA currently has around 270 members in almost 100 countries active in all sectors of the economy: agriculture/forestry, banking/credit unions, consumer, health, insurance, workers, fisheries, housing, transport and tourism. ICA members represent around one billion people worldwide, and employ 100 million people.

2. **Co-operatives** are successful values based businesses owned by their members. Whether they are customers, employees or residents, the members get an equal say in the business and a share of the profits.
3. The United Nations has declared 2012 the **International Year of Co-operatives**. With its theme of 'co-operative enterprises build a better world', the Year is an opportunity to raise public awareness of how co-operatives are successful values based businesses owned by their members.
4. Further information about the International Year of Co-operatives is available at [www.2012.coop](http://www.2012.coop).
5. Follow the ICA on **twitter** at @icacoop. Like the ICA's **Facebook** page at [www.facebook.com/internationalcooperativealliance](http://www.facebook.com/internationalcooperativealliance)
6. For stories on Sicredi Pioneira and other Brazilian co-operatives visit [www.stories.coop](http://www.stories.coop)