



International Co-operative Alliance



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PRESS RELEASE

FOR IMMEDIATE RELEASE

Highest cost of Eurozone crisis borne by the young: Dame Pauline Green

Santander, Spain. 17 July 2012; Dame Pauline Green today called upon global leaders and corporations to take note of the co-operative business model's success rate at maintaining and creating jobs during economic recession, labelling it a "secret weapon" and within their reach.

As Spanish workers have marched on the capital Madrid to protest jobs cuts and Spanish youth unemployment has surged to more than 50 per cent, the President of the International Co-operative Alliance highlighted the role model of Mondragon Corporation, one the world's largest co-operative enterprises.

"It is young people who first fall victims to recession. They are the first to be cut when companies begin to contract and often have no safety nets on which to fall back. Youth unemployment as high as Spain's places the very fabric of society at risk," said Dame Pauline.

"These young people have been disenfranchised by a financial system which is driven by the need to maximise profit above all else. In Spain a property boom was fed by unscrupulous banks handing out high risk loans to a public which it became apparent in a market downturn were not in a position to repay them."

Identifying a generational lack of employment and future prospects, Spain's King Juan Carlos recently took the rare measure of making a public statement urging the government not to forget Spain's unemployed youth, as it announced new austerity measures in the face of demanding Eurozone conditions on which Spain's bailout will hinge.

Speaking from the co-operative stronghold of Santander in northern Spain, Dame Pauline said that the time to embrace the "Mondragon model" of doing business had arrived. "Mondragon grew from the need of young Spaniards in this region with little prospect of finding work to seek an alternative. They began building paraffin stoves and as their business and others grew and they needed expansion capital they created their own co-operative bank."

"They did this and now 70-odd years later Mondragon is one of the leading co-operatives in Europe, one of the top 300 co-operatives in the world and an employer of more than 85,000 people. The troubled US steel industry has recently turned to Mondragon as it struggles with the survival of its sector."

"This is what co-operative enterprises have done and still do because they are people-centred enterprises."

COOPERATIVE ENTERPRISES BUILD A BETTER WORLD



Dame Pauline was in Spain to speak at a Summer School organised by Mondragon at the International University Menéndez Pelayo (UIMP) which was focused on the co-operative business model.

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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.
5. Follow the ICA on **twitter** at @icacoop. Like the ICA's **Facebook** page at www.facebook.com/internationalcooperativealliance
6. For stories on Spanish co-operatives and Mondragon please visit www.stories.coop and <http://stories.coop/stories/written/paraffin-stoves-steel>