



# EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS



MORE THAN A BANK  
A CO-OPERATIVE BANK

## CSR IN CO-OPERATIVE BANKS

The co-operative banking movement was born in the 19th century in Europe to fight against the financial exclusion of social groups and alleviate the plight of rural population. Originally, co-operative banks were associations enabling their members to build up savings, to give access to loans and to create an independent livelihood, which was not possible with existing banking institutions, providing financial services almost exclusively to the upper class. **“The co-operative principles of self-reliance, personal responsibility and autonomy”** were at the origin of the movement.

Responsibility and solidarity have been integral parts of the co-operative banks' activities since their creation and are in **harmony with the co-operative principles and identity.**

Corporate Social Responsibility is in fact a new word for old co-operative practices or **Co-operative Social Responsibility.**

The global financial crisis of the last four years has resulted in bailouts and bankruptcies of major financial institutions around the world, declines in stock market values and recessions in developed economies. So, interest in sustainable alternatives is growing. **Co-operative banks want to be a part of the solution and can be a driving force to a more sustainable society and economy** with their 65.000 outlets and 50 millions members. They also promote an ambitious vision of Corporate Social Responsibility (CSR).

However, the challenge for co-operative banks is to combine their co-operative specificities with external guidelines for CSR (i.e. Global Reporting Initiative, UN Global Compact, OECD, etc) in order to enshrine the co-operative banks' contribution to a more sustainable economic and social development.

EACB - The voice of 4,000 local and retail Banks - 50 millions Members - 181 million Customers

[www.eacb.eu](http://www.eacb.eu)

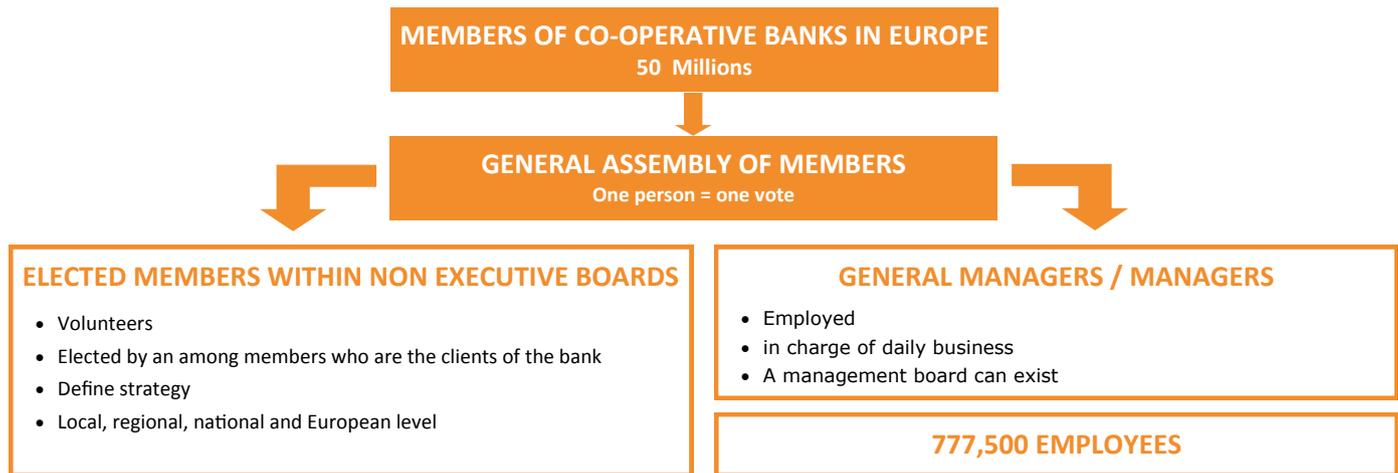
# 1. CO-OPERATIVE GOVERNANCE

**Our banks are co-operative.** What does it mean? Our enterprises are effectively **owned and controlled by their local members**. Members actively participate in setting their policies and making decisions according to the **funding principle "1 person = 1 vote"**.

Co-operative enterprises are accountable to members, not to shareholders.

"Co-operatives play a key role in the structure and dynamism of the economy. Moreover, they offer their members unique solidarity mechanisms, creating solid ownership structures conducive to a strong group ethos, shareholding and long-term investments."

Communication from the European Commission: "Towards a Single Market Act – for a highly competitive social market economy" 10/2010.



# 2. CONCERN FOR COMMUNITIES AND ENGAGEMENT IN LOCAL ECONOMIES

Thanks to our dense networks of branches, we reach the most remote areas in Europe. Through our members, we are **locally rooted** and integral part of the community. We understand our customers and speak their language. Our banks are dedicated to **sustain the real economy** by creating and fostering local jobs, accompanying key territory actors and giving local communities the means for their own social and economic development.

**Co-operative banks** play a key role in local development:

- We animate local economy with a social role
- 65,000 local outlets with dense presence in remote areas
- 1/3 market share in SME financing & 20 % ATM market share

"Since most of co-operative banks activity is run at the local level, their widespread local agencies allow retails activities for local communities which couldn't be served otherwise.

Europe needs an accountable and solid set of banks, well capitalized and well connected to the regions, to the economic tissue and to the real economy.

This is the way to ensure a balanced and diverse banking sector and macroeconomic stability. In this respect co-operative banks have a fundamental role to play."

Giovanni Pittella, Vice-President of the European Parliament, "Stakeholders views on co-operative banks", 2010.

### 3. ENCOURAGING ECONOMIC AND ENVIRONMENTAL SUSTAINABILITY

Making human beings a central concern, pursuing their goals in a **responsible** way and promoting mutual support are co-operative banks' founding principles.

These principles are enshrined in the solidarity and proximity values that are applied on a daily basis in response to ecological, social and society-wide challenges, for which we are all collectively responsible.

In a sustainable approach, the co-operative banking model is based on **maximising members value** in a long-term relationship rather than on short term profit maximization.

**Co-operative banks** are a key player in the area of Socially Responsible Investment (SRI) products. Green finance is increasingly gaining importance and a variety of investment solutions allow the customers of co-operative banks to contribute to the preservation of the environment.

"The co-operative model of enterprise is a sustainable form of enterprise able to withstand crisis, maintaining the livelihoods of the communities in which they operate." It is "a means to address the current crisis and avert future crisis."

International Labour Organisation (ILO) - Report "Resilience of the Co-operative Business Model in Times of Crisis" (2009).

### 4. SOLIDARITY AND SOCIAL COMMITMENT

Co-operative banks foster **self-help, responsibility and solidarity**. They emphasize the common good of society. They were historically founded as an innovative answer to unequal access to financial services and the principle of mutualisation was a mean to emancipation.

**Co-operative banks** are significant actors for micro-credit in Europe, providing loans to persons and small companies that would otherwise be financially excluded. They are engaged in founding local organizations and projects and take responsibility for the society and environment that they are active in. In general, they strive to provide inclusive services to the more vulnerable segments of the population.

"There is a lot to say about the banking sector. There are co-operative banks and their stakeholders are doing well despite the current difficult economic situation.

Co-operative banks aim for the common good of society, for the real economy. They are also active in the micro-credit field."

Marc Tarabella, Member of the European Parliament, Committee on Agriculture and Rural Development (Conference Social Business, 2011).

### 5. PROMOTING KNOWLEDGE AND SKILLS

We encourage training, knowledge and skills in line with the co-operative principle that "**co-operatives provide education and training for their members, elected representatives, managers and employees** so they can contribute effectively to the development of their co-operatives". Our banks inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

**Co-operative banks** are providing training programmes to their members, their voluntary representatives and managers of local and regional banks.

This is crucial for an effective governance function, in particular following the crisis due to their role in risk management and development of the banks.

Co-operative banks are engaged in educating their staff. They devote in average 3% of the payroll to trainings.

"Co-operatives provide young people with opportunities to create their own businesses, work with enterprises that are value based, flexible and that provide as a rule skills training for members and employees."

ILO COOP message brought to the Youth Employment Forum held at ILO headquarters in Geneva, 23-25 May 2012.

# THE UN SECRETARY GENERAL'S MESSAGE FOR THE INTERNATIONAL DAY OF CO-OPERATIVES 7 JULY 2012

On this International Day of Co-operatives, we celebrate how co-operatives build a better world by advancing sustainable development, social integration and decent work.

Co-operatives empower their members and strengthen communities. They promote food security and enhance opportunities for small agricultural producers. They are better tuned to local needs and better positioned to serve as engines of local growth.

By pooling resources, they improve access to information, finance and technology. And their underlying values of self-help, equality and solidarity offer a compass in challenging economic times.

Co-operatives are also critical in supporting indigenous communities, and in offering productive employment

opportunities for women, youth, persons with disabilities, older persons and others who face discrimination and marginalization.

**The global financial and economic crisis has also demonstrated the resilience of alternative financial institutions such as co-operative banks and credit unions.**

In this International Year of Co-operatives, I encourage all stakeholders to continue building awareness and pursuing policies to strengthen co-operatives everywhere. By contributing to human dignity and global solidarity, co-operatives truly do build a better world.

For more information about the related CSR activities of our members, please consult the full CSR brochure at [www.eacb.eu/en/csrbrochure.html](http://www.eacb.eu/en/csrbrochure.html)

## MEMBER ORGANISATIONS

### FULL MEMBERS

#### Austria

- Fachverband der Raiffeisenbanken
- Österreichischer Genossenschaftsverband (Schulze-Delitzsch)

#### Bulgaria

- Central Co-operative Bank

#### Cyprus

- Co-operative Central Bank Ltd.

#### Finland

- OP-Pohjola Group

#### France

- Confédération Nationale du Crédit Mutuel
- Fédération Nationale du Crédit Agricole
- BPCE

#### Germany

- Bundesverband der Deutschen Volksbanken und Raiffeisenbanken – BVR
- DZ BANK AG

#### Greece

- Association of Co-operative Banks of Greece

#### Hungary

- National Federation of Savings Co-operatives

#### Italy

- Associazione Nazionale fra le Banche Popolari
- Federazione Italiana delle Banche di Credito Co-operativo - Casse Rurali ed Artigiane

#### Luxembourg

- Banque Raiffeisen

#### Netherlands

- Rabobank Nederland

#### Poland

- Krajow Zwiasek Bankow Spoldzielczych – KZBS

#### Portugal

- FENACAM – Federação Nacional das Caixas de Crédito Agrícola Mútuo, F.C.R.L.

#### Romania

- Central Co-operatist Bank Creditco-op

#### Slovenia

- Deželna banka Slovenije d.d.

#### Spain

- Unión Nacional de Cooperativas de Crédito

#### Sweden

- Landshypotek AB

#### United Kingdom

- The Co-operative Bank p.l.c.

### ASSOCIATED MEMBERS

#### Canada

- Mouvement des Caisses Desjardins

#### Denmark

- NYKREDIT

#### Japan

- The Norinchukin Bank

#### Lithuania

- Lithuanian Central Credit Union

#### Switzerland

- Raiffeisen Schweiz

CO-OPERATIVE ENTERPRISES BUILD A BETTER WORLD



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