

UN International Day of Co-operatives

Transcript of Tamara Vroomans's opening remarks



Opening Remarks: Tamara Vrooman, President and CEO, Vancity credit union

*UN International Day of Co-operatives
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*UN Headquarters – Conference Room 5
New York, NY*

- Good afternoon, welcome to everyone.
- For those of you that waited outside and braved the heat to join us this afternoon, your participation and interest in co-operatives is very much welcome.
- My name is Tamara Vrooman—I'm the president and CEO of Vancity credit union, Canada's largest community-based credit union, based in Vancouver, British Columbia on the west coast of Canada.
- It's my honour to be here today representing the International Co-operative Alliance, which is the current the chairing organization of the Committee for the Promotion and Advancement of Co-operatives (COPAC).
- In 2009, the General Assembly of the United Nations proclaimed 2012 to be the United Nations International Year of Co-operatives.
- That declaration acknowledged that co-operatives are an important part of the economy that make significant contributions to the financial and social well-being of their communities.
- Now, as the High-Level Political Forum on Sustainable Development takes place and the post-2015 development agenda is being negotiated, it seems like more than a fitting time to discuss how we can take the co-operative model to the next level.
- The dominant model of capitalism isn't working for all... or even for the majority of people around the world.
- The global income gap has continued to widen over the past years.
- Many of the challenges we're facing derive from a business model that puts financial return ahead of human need—that values short-term gain over long-term sustainability.
- That's why the co-operative model is uniquely suited to achieving sustainable development and its goals.

- As co-operatives, we are people-centered and values-driven.
- We bring economic resources under democratic control.
- We exist for the sole benefit of our members and the communities in which they live and work—and we make decisions based on what's in their best interest.
- The pursuit of efficiency shouldn't come at the expense of social justice—it should enhance it, as extreme inequality is very wasteful in almost any calculation.
- There is no proven method in our market-driven economy to systemically embrace both efficiency and externality.
- However, it has been shown that co-operatives are good agents for solving both efficiency and externality as their governance generally includes all stakeholders.
- And co-operatives aren't a niche, unproven model.
- Revenues of the largest 300 co-operatives have grown by almost 12% to reach 2.2 trillion dollars (USD) in 2012, equivalent to the gross domestic product of the country of Brazil.
- Co-operative enterprises worldwide employ 250 million people, and employ almost 12% of the employed population within the G20 nations.
- And they're already making a significant contribution towards alleviating our pressing global problems.
- However, co-operatives face many challenges that limit their growth and development.
- A constraint in many countries is a poor enabling environment, either due to restrictive laws and regulations or, in some cases, a complete absence of a co-operative legal framework.
- With better supports in place, co-operatives could contribute even more than they already do today.
- We're going to hear different examples from our speakers today, but I'd like to start by providing an example from my own organization.
- Vancity was founded almost 70 years ago in Vancouver, Canada by 14 members—each wanting to create a model of providing access to credit to ordinary working men and women.
- Today it has grown into one of Canada's largest financial institutions and the largest community-based financial co-operative, with over 500,000 member-owners and over 18-and-a-half billion dollars in assets.

- Our co-operative model is one of our greatest strengths—our model is fundamentally different from that of most banks and therefore we can do things that banks in Canada simply cannot.
- Our values-based approach to banking incorporates a commitment to serve members of the community that are often excluded from the mainstream financial system.
- With the release in Canada of the Truth and Reconciliation Commission's final report last month and the United Nations report on the situation of indigenous peoples in Canada last year, it's clear that Canada has much work to do in terms of reconciliation and rebuilding relationships with Aboriginal people and our communities.
- For years Vancity has been investing in Aboriginal communities to support them in achieving economic strength and independence.
- We believe the key to success is building trusting relationships early on, so that we can grow and develop together.
- A great example of building trusting relationships is our new initiative, on reserve, on Cormorant Island.
- Cormorant Island is a remote island off the Central Coast of British Columbia, half way between Seattle and Alaska, with about 1,500 residents, the majority of which are First Nations.
- Unfortunately the island lost its last physical financial institution just last year.
- We had an existing relationship with the 'Namgis First Nation, located on the island.
- And we reached out to find out more about the impact of no financial service access to them and their community.
- We know that having in-person banking services is critical to the health and well-being of an entire community.
- But providing banking services in remote areas in Canada can be a challenge.
- This initiative is the first in Canada that brings together a financial services provider with a First Nation government and a Municipality to provide access to local banking services in a remote market.
- And it is possible because of the co-operative model.
- We believe the branch is going to have a huge impact on the community.
- Already it is a model that is being examined by governments and First Nations across Canada because it means that economic independence can be struck within a rural and remote community.

- This fall we will also be supporting the delivery of entrepreneurship and financial literacy workshops to the community to further strengthen the base there.
- We will be taking the learnings from this initiative to see where else we can apply them in the many rural and remote communities, particularly indigenous communities in Northern Canada.
- This is just one example of the kind of innovation and focus on sustainability that co-operatives bring to system business and social problems.
- There is much more potential to be unlocked and co-operatives need to have the support to be able to build and innovate into the future.
- As a first step, we encourage you to advocate that co-operatives be included in the Post-2015 Development Agenda as a distinct and differentiated way to implement the Sustainable Development Goals.