

UNITED NATIONS



NATIONS UNIES

THE SECRETARY-GENERAL

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MESSAGE ON THE UNITED NATIONS
INTERNATIONAL DAY OF COOPERATIVES

2 July 2005

“Microfinance is our Business! Co-operating out of Poverty” is a fitting theme for the International Day of Cooperatives, in this United Nations International Year of Microcredit. It highlights the fact that both cooperatives and microfinance, when used and managed appropriately, can help give those most in need the power to improve their lives.

Cooperatives have a long history of providing financial services to poor and low-income people. Cooperative banks and credit unions were initially established to reduce poverty and high indebtedness among small-scale farmers and craftsmen in urban and rural areas. Cooperatives continue to serve this mission today -- often by providing affordable and equitable access to microfinance services. UN studies suggest that, by providing improved access to credit, safe and secure savings and insurance, such services can help poor people to boost their incomes, protect their assets and reduce their vulnerability to crises.

Cooperatives are well placed to help poor people do this, especially in areas underserved by commercial banks. Unlike financial institutions that operate for profit, financial cooperatives focus primarily on the provision of services for the benefit and welfare of their members. Cooperatives are owned autonomously and operated democratically by member-clients. They enjoy close ties to the communities that they serve and are well placed to implement policies and programmes adapted to the local environment and to their members’ interests and needs. As such, cooperatives can strengthen the participation and inclusion of the poor in financial decision-making and management. At the same time, they can help create a social context that promotes high rates of loan repayment.

That is why, in our global effort to reduce poverty and achieve sustainable development, we should view cooperatives as instruments of proven effectiveness in extending the reach of microfinance to poor people, particularly women, and thereby empowering them to take control of their own lives. For that reason, the United Nations works hard to promote cooperatives. On this International Day, I strongly encourage Governments and all stakeholders to do so as well.