



# Reconnecting Financial Services with the Community



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## Italian Trade Union Movement & Cooperatives



Mauro Bossala

Mauro Bossala representing the FABI Italy outlined the Regional Cooperative Banking System that has been in existence for over 130 years in Italy.

Mauro highlighted the symbiotic relationship that exist between the trade unions and cooperative systems in Italy.



### COOPERATIVE CREDIT STATUTE (BCC)

For over 130 years, the Italian cooperative credit banks (BCC) have been exercising their role of territory banks as provided by art. 2 of their statute, which says:

«In the exercise of its activity the Bank is inspired by the principles of mutuality without private speculation purposes... It has the scope to assist the members and those who belong to the local communities in the bank operations and services... pursuing the improvement of the moral, cultural and economic conditions of the latter... the education towards saving...the social cohesion and the responsible and sustainable growth of the territory...for the social health and the construction of public wealth.»

Italian Cooperative Banks, and the Mutual Benefit funds extend special assistance to members for following :

1. Supplementary Pension Scheme
2. Long term Elder care facilities
3. Health Care Facilities

### COOPERATIVE CREDIT BANKING SYSTEM (BCC)



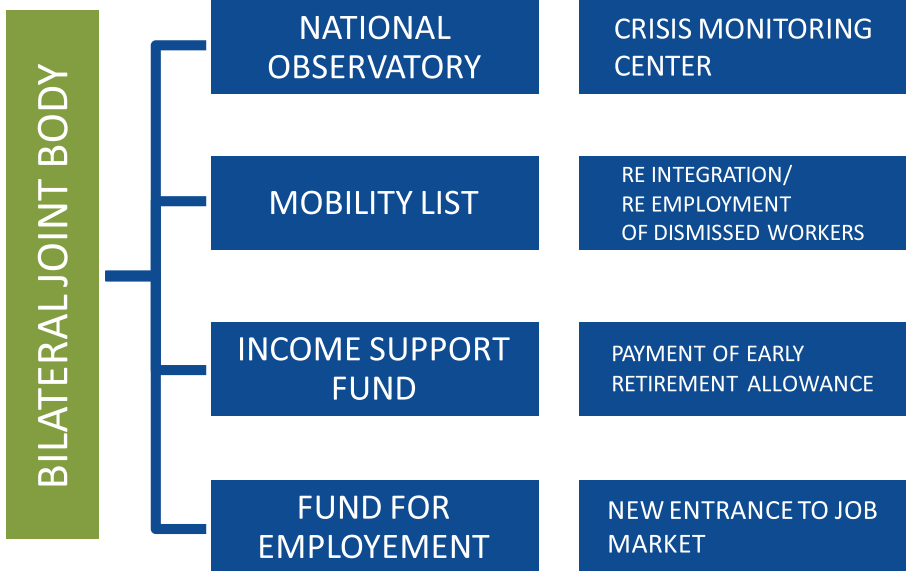
- 1 National Federation
- 15 Local/Regional Federat.
- 394 B.C.C.
- more than 60 connected companies
- 4.448 branches
- 1.135.096 members
- 36.700 employees
- 7.000.000 customers

### COOPERATIVE CREDIT INSTITUTIONS IN ITALY

1. Cooperative Credit Banks (BCC)
2. Cooperative Popular Banks

LOANS DISBURSED	EURO—BILLIONS	BCC %	BANKS %
TOTAL	138.9	7.7	92.3
LOANS TO FAMILIES	47.5	17.5	82.5
LOANS TO SME'S	91.4	22.6	77.4

## SOCIAL SECURITY AND EMPLOYMENT PROTECTION SCHEMES PROVIDED BY COOPERATIVE CREDIT BANKS (BCC) IN ITALY



# BCC - SUPPLEMENTARY HEALTH SECURITY FUND

## MUTUAL BENEFIT FUND

SOURCE OF CONTRIBUTION	FIXED	VARIABLE UPTO 2013	VARIABLE FROM 2014
COMPANY/ EMPLOYER	Euro 553.00	0.17%	0.17%
WORKER	0	0.09%	0.13%
TOTAL	553.00	0.26%	0.30%

Out of 700 Euros contribution per annum only 60 Euros charged to Worker  
For long term care – 0.15% contributed by employer and 0.05 % by employee

# SUPPLEMENTARY PENSION FUND BCC NATIONAL PENSION FUND

## SUMMARY TABLE OF CONTRIBUTIONS

YEAR OF EMPLOYMENT	WORKERS COMPULSORY	COMPANY	SEVERENCE INDEMNITIES (OPTIONAL)	TOTAL
UPTO 2000	2%	4.4%	6.9%	13.3%
W.E.F 2001	2%	5.2%	6.9%	14.1%
W. E.F 2013 FOR APPRENTICESHIP	2%	7.2%	6.9%	16.1%

## Rokin Banks - Labour Banks In Japan



Tetsuya Kawano

### PURPOSE OF LABOUR BANKS

The goals of Labour Banks are to provide more accessible financing for the welfare of workers and mutual aid efforts of labor unions and consumer livelihood cooperatives.

Contribute to improve the financial status of workers and to promote sound growth of Labour Banks.

Worker's Autonomous Welfare Movement—Programmes implemented by Working Population for their own benefits.

### OVERVIEW OF LABOUR BANKS IN JAPAN

as of March 2012



Bank	13 banks
Branches	642 branches
Member organizations	56,636 organizations
Individual members	109,469 members
Constituents	10,039,661 members
Deposit balance	17.4379 trillion yen
Loan balance	11.5708 trillion yen

### PRINCIPLES OF LABOUR BANKS

Not permitted to engage in activities for profit - making purposes. Must engage directly to be of service to the members. Must remain equal for its members and remain politically neutral.

### DIFFERENCE BETWEEN LABOUR BANKS AND COMMERCIAL BANKS

- Our Objectives Differ
- Labour Banks are financial institutions organized as cooperatives created by partnerships of members from labour unions and consumer-livelihood cooperatives who pool funds to mutually assist each other.
- We Are Differently Managed
- Labour Banks are managed not for profit-making purposes.
- Our Fund Management Differs
- Funds deposited by working people are used to support fellow workers and their families as valuable joint assets. They are used to finance homes, cars, education and child care and service to make the lives of working people even richer. No business loan for profit-making business

## IDEALS OF LABOUR BANKS

'Labour Banks are financial cooperatives that cultivate the dreams and ideals of our workers. Labour Banks consider their objectives to be of two fold. One is to promote economic, welfare, environmental and cultural activities by their members and the other is to create, a society by working together in which all people can live in happiness'.

'Labour Banks are based on labour unions and organizations that keep their doors open to a wide range of citizens. This network of member organizations is the essence of the Labour Banks'.

'Members participate in the administration of Labour Banks as equals, seeking to improve the activities and projects of the banks'.

'Sincerity, fairness and openness are key Labour Bank principles. By their commitment to sound management, Labour Banks will endeavor to keep faith with their members'.

## FINANCIAL SERVICES EXTENDED BY LABOUR BANKS TO THE MEMBERS

Offers Low-Interest Loan Products (Child care support loans • Financing and aid for NPOs)  
Protects members from Multiple Debt Liabilities.

Set up Special Loan Programmes that correspond to Workers' Emergency Situations - the Workers' Livelihood Support Financing Programmes and Union Activities

In December 2008—Labour Banks Established an Employment Security Fund Loan program jointly with Health, Labour and Welfare Ministry of Japan. to meet financial needs of the following:

- Members who were retrenched as a result of business downsizing and lost their homes.
- People those who are looking for jobs (currently unemployed).
- Those who do not have adequate savings, bank deposits to meet urgent financial needs.

## LIVELIHOOD SUPPORT PROGRAMMES OF LABOUR BANKS THROUGH FINANCIAL ADVISORY SERVICES TO MEMBERS :

Helping members to re-schedule loan repayments to avoid multiple debt obligations and indebtedness.

Promote low interest financial products, educate and increase awareness about financial planning to avoid debt burdens.

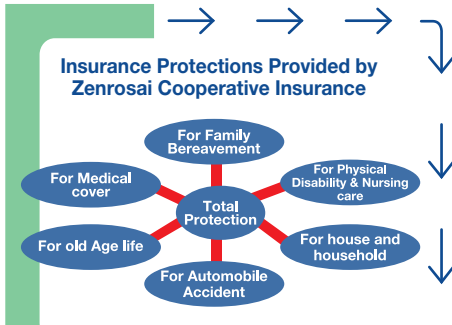
Introduce sound investment opportunities to build up an asset portfolio according to income flows of each member.

# ROSAI ROREN— NATIONAL FEDERATION OF WOKERS & CONSUMER COOPERATIVES IN JAPAN NON PROFIT ORGANIZATION ESTABLISHED

IN 1957 PROVIDE TOTAL COVERAGE FOR MEMBERS THROUGH TRADE UNIONS SOLIDARITY AND MUTUAL AID



Yutaro Ito



## PROFILE OF ROSAI ROREN

10 Million Members

46,774 Affinity Groups :

- 34,890 Trade Unions.
- 7,641 Other Associations.
- 4,243 Community associations.
- Organizers total : 27,795
- Workplaces : 24,482
- Communities : 3,313

1100 CLAIMS HONORED TO 2011  
EARTHQUAKE & TSUNAMI VICTIMS

**US\$ 1400 MILLION**

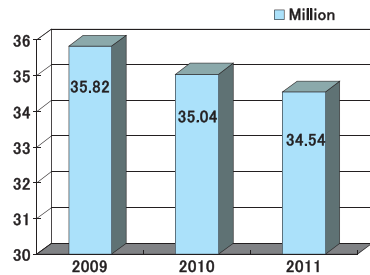
## Social Contributions of ZENROSAI

To stakeholders in the Society

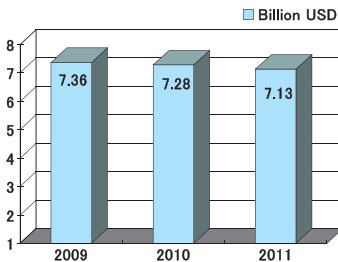
Foster Care Activities

- Charitable Donations
- Cultural and education Activities
- Raising Awareness & Tackling with Environmental Issues
- Promoting Work Life Balance and a Meaningful Life for Members
- Supporting Cooperative societies
- Promoting International Activities

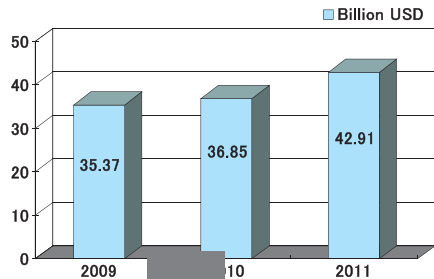
## TOTAL INSURANCE POLICIES



## TOTAL PREMIUM INCOME



## TOTAL ASSETS



## NOHKYO—VOLUNTARY ORGANIZATION BY FARMERS AGRICULTURE COOPERATIVES IN JAPAN



**Hiroshi Ogawa**

In 1945 after the WW II farmland reform as a part of democratization policy in Japan resulted in creating many small-scale land own farmers.

Agricultural Cooperative was established in 1947 with a goal to improve the economic and social status of the small farmers who were relatively economically vulnerable against large capitals through mutual aid and cooperation in the production and consumption

Restoration of the founding philosophy of agricultural cooperative in modern society

### Innovate the NOHKYO

#### Cooperatives centered on agriculture

- To establish collective bargaining power with which we can solve the problems individual farmers cannot resolve alone
- To feed back market needs and evaluation to farm producers
- To cultivate farming successor and support agriculture as "project"

#### Cooperatives based on communities

- Community-based mutual-aid program meet with various needs
- Credit business and mutual-aid program
- A level of risk taking and self-reliant management

### NOHKYO'S ROLE IN FINANCIALLY EMPOWERING & CONNECTING RURAL COMMUNITIES :

Small farmers become financially unstable owing to risk of crop failure and decline in agricultural prices. As a result, it is difficult to take out private insurance. In 1955 NOHKYO Mutual Aid Scheme was launched.

Rural farming community collaborate with each other for water and other Agricultural inputs and labour.

NOHKYO has supported the development of the infrastructure in rural community by providing financial and insurance services based on mutual aid.

### CURRENT BUSINESS VOLUMES OF NOHKYO

#### Current situation of mutual aid business and credit business

#### 1. Credit business

- » Deposit balance: 89 trillion 691.6 billion yen
- » Loaned balance: 21 trillion 564.1 billion yen as of 31 March 2013
- » Deposition ratio: 24%

If you look at the amount of total funds, it is comparable to three mega-banks in Japan (MUFG: 110 trillion yen, SMBC: 73 trillion yen, Mizuho: 56 trillion yen)

#### 2. Mutual aid business

- » Total amount of the security of the building and life insurance was 303 trillion 72.8 billion yen as of 31 March 2012

If you just look at the total amount of insurance in force, it has surpassed *Nippon Life Insurance Company*