

# The Time Is Now to Harness the Power of CU Philosophy

Once upon a time, groups of idealistic men and women formed credit unions based on financial need and the philosophic premise that, by operating cooperatively, they could effectively grow financially

strong. Over time, credit unions' people-helping-people philosophy fostered growth, but its ideological underpinnings seem to become less important to the members who benefited



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from their existence.

At World Council of Credit Unions, we witness daily the critical role credit union philosophy plays in developing countries. Credit unions thrive because of philo-

perate for the value cooperative financial services bring. The Development Educators program helps remind credit unions in the developed world of the importance of this vital characteristic.

Last year, WOCU joined with the National Credit Union Foundation, which has successfully managed the DE program for the past 12 years, to launch a new International DE designation. The designation is designed to help reignite interest in the credit union philosophy in a time when new ideas from the international movement have become crucial to helping credit unions face the global financial crisis.

The importance of the financial cooperative ideal wasn't originally limited to credit unions. In 1981, thanks to U.S. government mandate and funding

from the U.S. Agency for International Development, the agency's own DE Program emerged to help revive awareness of the value of cooperative concepts. When the DE program privatized 10 years later, WOCU

program's emphasis refocused largely on U.S. credit union development, a move we would now like to see broadened to create a more unified international program.

Expansion of that program will be as critical to the growth of the credit union movement overall as it will to participants' education. Credit union philosophy is at its most evident—and its value most easily seen—in countries where economic lifelines cut closest to the bone.

In Africa, credit unions are called savings and credit cooperatives, or SACCOs. In addition to providing financial services to people barely making a living, the SACCOs undertake an aggressive approach to HIV/AIDS education, including caring for the thousands of orphaned children. In this case, member service means physical and economic survival.

In Afghanistan, credit unions are known as Islamic investment and finance cooperatives, or IIFCs. The institutions must function under the guidance of Islamic laws. In addition, the country itself is becoming increasingly dangerous thanks to a resurgence of Taliban forces. Great care has to be taken to remove all English signage and influence from the IIFCs, making

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In this case, human lives really do depend on it.

In both countries, the cooperative philosophy provides the driving force behind credit union development and operations. The challenges may differ, but they are no less critical in terms of members' day-to-day survival. Credit unions themselves would not survive, much less thrive, were it not for the philosophy that lay at the movement's core.

In 2009, a time of great economic challenges for both developed and developing countries, credit unions are being tested. And many have gained strength from the cooperative philosophy. Participants in WOCCU's International Partnerships Program, which pairs U.S. and Canadian credit unions and leagues with

their counterparts in developing countries, have told us the greatest advantage they gain from participation is realizing how vital credit union philosophy remains in countries where financial transactions may not yet even be automated. It's a message we hear time and again.

In the end, the characteristics that have

made credit unions part of the solution to the global economic crisis, rather than part of the problem, are philosophy, member ownership and a destiny determined by service rather than self-interest. WOCCU sees that equation at work daily among new credit unions in developing countries. Our goal is to bring that lesson back to

many who may have forgotten its power and its virtue.

Through the international spread of credit union philosophy, we hope to reignite its importance among credit unions in developed as well as developing countries, especially those currently facing financial challenges.