



**Statement by Juan Somavia
Director-General of the ILO
to the General Assembly of the
International Co-operative Alliance**

**Cancun, Mexico
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Estimados amigos,
Distinguished guests,
Cooperative leaders,

Queridos amigos mexicanos – gracias por ser sede de este gran evento. Mexico es un país que está en mi corazón desde los días de la dictadura en Chile.

My warmest greetings to you all as you gather in Cancun.

This message comes to you with the strength of my long standing belief in cooperative ideals and my support for cooperative action.

The ILO is pleased to join the International Co-operative Alliance in the launch of the UN International Year of Cooperatives.

This re dedication to the cooperative model is most timely.

Your movement and the ILO converge on the objective of social justice in and through the world of work.

The cooperative movement

Your movement nurtures so much that is needed in the world today.

I think of the values of solidarity, equity, participation and empowerment as well as a model of business based on those values.

In communities all over the world, cooperatives keep food on table, the water running, the credit flowing, jobs secure and hope growing.

Let me note that cooperatives have proved to be an effective channel for promoting gender equality in diverse circumstances.

The distinctive blend of values and a vehicle for action places the cooperative movement squarely on any road map to social justice.

Rooted in the real economy and the reality of people's lives, you – all of you together – are agents of change in building fairer, more inclusive and equitable societies.

With so much in common, since its founding in 1919 the ILO has had a close relationship with the cooperative movement.

Among other things we have:

- Advocated the cooperative form of enterprise;
- promoted an enabling legislative and policy environment for cooperatives;
- provided technical support for cooperative development in the areas of job creation and social protection; and
- applied our standard-setting system to cooperative development in these last years, through the Recommendation 193 on the Promotion of Cooperatives.

The cooperative sector is a force to be reckoned with. You know well but I will just mention the following:

- With nearly 1 billion members, cooperatives provide 100 million jobs.
- The top 300 cooperatives and mutuals have aggregate sales of US\$1.6 trillion.
- You provide financial services to over 857 million people.
- And 50 per cent of agricultural output is marketed through cooperatives.

The situation today

And you have big challenges today. Let me endorse what Dame Pauline Green said. “We need to demonstrate that the values and principles that have inspired our movement for nearly 200 years are even more relevant today, and that we collectively are a movement of creativity, innovation and flair that is producing solutions to the problems of today’s world.”

We have experienced the worst crisis since the 1930s. And today the global scenario is one of imbalance, inequity and uncertainty. A double-dip recession is looming ahead.

In an interconnected global economy fates are intertwined – as is well recognized in the ILO’s Constitution which states – and I quote, “Poverty anywhere is a threat to prosperity everywhere”.

Let me highlight some facts to show what we are dealing with today:

- Globally, 3.5 billion people have the same income as the top 61 million people.
- More than 200 million are officially unemployed worldwide, including nearly 80 million young women and men. And the figure is growing as we speak.
- Already before the crisis, half of total employment outside agriculture was in the informal economy and two workers in five worldwide lived below the poverty threshold of \$2 per person per day.
- Only one out of five persons has access to adequate social protection.
- Nearly one billion suffer from chronic hunger.

The bottom line is that increasingly too many people feel excluded; that they do not matter. Some banks too big to fail, some people too small to matter.

The future can be different. And as we know, across all regions there is a growing mobilization for a future with greater equity.

The ILO has highlighted the need for a different model of growth that is equitable both socially and economically to underpin sustainable development.

A fundamental step is investing in the decent jobs and social protection that people need.

It means investing in the real economy especially in small and medium-sized enterprises and ensuring a fair distribution of income.

It means investing in measures that afford at least a social protection floor and which also empower people and supports demand.

Decent and productive work is central to human dignity, to the stability of people's lives and families, to peace in our communities as well as in our societies – and to strong, sustainable economic growth. It's an agenda for rights, jobs, social protection and voice.

Cooperatives and crisis

In every crisis lies an opportunity, and this is an opportunity for cooperatives to shine even more as central actors for more just, more productive, more balanced societies.

The evidence shows that cooperatives are highly resilient in times of crisis – a time when the strength of numbers, the power of organization and the reassurance of solidarity are all the more appreciated.

In responding to the crisis and beyond, cooperatives have a key role to play:

- Promoting financial inclusion – cooperatives can provide much needed financial services to micro and small enterprises which support jobs and livelihoods yet are commonly starved for credit;
- Providing an efficient model for enterprise development from production to marketing or in the delivery of services;
- Extending social protection through cooperative services; and
- Giving your opinions on what a fair economic system is about.

Dear Friends,

This International Year offers a great opportunity to promote awareness of the success and reach of the cooperative enterprise creating jobs, protecting people, defending rights, giving voice and the strength that comes from organization.

The ILO looks forward to continue working with you to ensure that cooperatives have the space and support they need to be effective entrepreneurs of social justice.

And we count on the cooperative movement and its partners to join with the ILO in striving for a new era of growth with social justice.

To end let me say thanks to you cooperators, for your leadership, for the values you are upholding, the example you are setting.

Y a mis amigos mexicanos, gracias por ser sede de este gran evento. Tengo a México en mi corazón desde los tiempos difíciles en Chile. Conocí personalmente la solidaridad del corazón mexicano. Y a todos los amigos que están en México, les digo que la cooperativa, las cooperativas, los cooperadores, deben estar en el corazón de una nueva era de justicia social en el mundo.

Un gran abrazo para todos.