

Promoting **Co-operatives**

A guide to ILO Recommendation 193



the
co-operative
college

The author

Stirling Smith is an associate at the Co-operative College, Manchester, England. He began his career in trade union education and worked for the ILO as a Chief Technical Advisor in South Asia from 1992–1994. He has written a number of education manuals for the ILO: *Trade unions and child labour* (2000); *HIV/AIDS and the world of work: an education and training manual* (2002) and *Social Dialogue* (2004). Stirling Smith has worked in more than 20 countries and for a wide range of trade union organisations. He has also written a Guide to another ILO instrument, Convention 176 on safety and health in mines. Currently, his main activities are teaching, writing education materials, project development/project evaluation and social auditing.

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The SGA, which commenced in October 2003, is designed to achieve three objectives:

1. To raise awareness in the British co-operative movement about the nature of global poverty and the millennium development goals; to increase understanding of DFID's mission; and to understand what co-operatives can do to help people out of poverty – specifically what UK co-operatives can do to help achieve the MDGs.
2. To increase contacts between the UK co-operative movement and other organisations concerned with fighting global poverty.
3. To build the capacity of British co-operatives to design and deliver effective and appropriate help to co-operatives in the south.

Co-operators think that all people, every man, woman and child, anywhere in the world deserve a decent life. Everybody has the right to a fair livelihood, adequate health, educational opportunity and access to water and energy.

We share these aims with the UK Department for International Development. Real change is possible – we are the first generation in history which can abolish poverty.

The consortium of co-operative organisations is led by the Co-operative College. For more information about the SGA, please contact sga@co-op.ac.uk

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Preface

In 2002, the International Labour Conference adopted a new 'Recommendation' – an international policy guideline, which provides a framework for co-operatives for the 21st century.

In the 1980s and 1990s, the quest for economic progress often failed to recognise the potential of co-operatives. Instead they were often portrayed as models from a previous area that had 'served their time'. Now the extraordinary power of the simple idea of co-operatives – democratically owned and controlled enterprises, serving their members' needs, rooted in their communities – is again proving popular, as co-operatives demonstrate themselves to be 21st century businesses.

This publication is a guide for those who want to know more about the ILO Recommendation, and how it provides a basis for law and policies on co-operatives. But it also shows how and why we need to campaign for co-operatives.

The publication is designed for use anywhere in the world. We have tried to keep it as simple as possible. We hope it will be translated into other languages, and we welcome proposals for translation, and any suggestions for improvements in future editions. We have used the UK convention of spelling co-operative with a hyphen.

I would like to thank Mervyn Wilson, Chief Executive and Principal of the Co-operative College, Iain MacDonald and Jan-Eirik Imbsen of the International Co-operative Alliance and Jürgen Schwettmann, Chief of the ILO Co-operatives Branch, for their comments on earlier drafts of the guide. Gillian Lonergan, of the Co-operative College, has done a brilliant job editing the text. None of them are responsible for any errors, which are mine alone.

Stirling Smith
Co-operative College

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Kuapa Kokoo co-operative, Ghana.
Annual general meeting 2003.
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Foreword

Ivano Barberini
International Co-operative Alliance President

Co-operation is one of the most natural things in the world. Human beings do it every day – in their everyday life, at work, at leisure.

Co-operatives are also one of the most ‘natural’ phenomena in the world. After all, we have more than eight hundred million members.

But co-operatives have become invisible in many countries and in much development theory. They are too often dismissed as a relict from the past. Our model of solidarity combined with enterprise is too often ignored by policy makers.

Recent years have seen a growing realisation that co-operatives have a great deal to offer, not only for our members, customers and employees, but also for society as a whole.

An expression of that renewed interest in co-operatives is the ILO’s *Promotion of Co-operatives Recommendation, 2002* (No 193).

The ICA and its members have worked together with ILO constituents in order to incorporate the co-operative view into the text of the instrument. As Mr Juan Somavia, the ILO’s Director General, has pointed out, the Recommendation

is the only international policy framework for co-operative development that has the added value of being adopted by governments, employers’ organisations and trade unions, and supported by relevant civil society organisations.

Recommendation 193 provides a framework for governments to develop the laws, administrative systems and policies that can enable co-operatives to flourish. The ICA played a central role in developing the Recommendation. ICA members were present in all three constituencies at the International Labour Conference that adopted the Recommendation – governments, employers and workers.

Recommendation 193 is not an end in itself. It must be translated into action. We need to ensure both that national poverty-reduction strategies promote co-operatives and that we develop the mechanisms to enable people to organise themselves and bring the power of co-operation into their communities.

We have a valuable tool in the Recommendation. We need to see that it is used. This Guide, prepared by the Co-operative College in the UK in collaboration with the International Co-operative Alliance and the Co-operative Branch of the ILO, will help co-operators, workers, employers and government officials to realise the importance of the Recommendation, and how it can be used. Only with the active support and partnership of all these players can Recommendation 193 be turned from aspiration into reality.

Kuapa Kokoo co-operative, Ghana.
Annual general meeting 2003.
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Introduction: why this guide?

The 90th Session of the International Labour Conference adopted the *Promotion of Co-operatives Recommendation*, 2002 (No 193), providing a framework for the renewed growth of the co-operative movement.

The International Labour Organisation has, since its inception, been involved with co-operatives. Albert Thomas, the ILO's first Director General, was a leading figure in the international co-operative movement in the early years of the last century.

The new Recommendation on co-operatives is a step forward for the ILO and the world co-operative movement.

Getting the new Recommendation understood and used as a framework to review national policies on co-operatives is a high priority for the ILO and the ICA. This guide has therefore been prepared for two groups:

- Co-operators who may not know very much about the ILO and its system of international Conventions and Recommendations.
- The ILO's social partners – employers' and workers' organisations, as well as ministries of labour, who may not know very much about co-operatives.

We hope that the traditional ILO constituents and the co-operative movement, working together, can use the Recommendation to help co-operatives prepare for the challenges of the 21st century.

How to use the guide

You can use the guide alone, but it is best used as a tool in workshops about the Recommendation.

You do not need to read through the guide from start to finish. You only need to refer to those sections which apply to your situation at the time.

| Choosing the right section from the guide | |
|---|---|
| If you do not know much about the ILO, or ILO standards | Look at the sections 'What is the ILO?' 'What are International Labour Standards?' |
| If you do not know much about the co-operative movement | Read the section 'Why co-operatives?' |
| If you need an overview of why the Recommendation is so important and what is in it | Read the section 'What is so important about Recommendation 193?' |
| If your government has not considered the Recommendation | Read the section 'Considering the Recommendation' |
| If you want to organise a workshop about the Recommendation | Read the section 'Tripartite Seminar on Recommendation 193' |
| If you want to discuss how the Recommendation could change national law or policy | Use the activity in the section 'Putting the Recommendation into practice' |
| If you want to understand your government's obligations to the ILO | Read the sections 'What are International Labour Standards?' and 'Considering the Recommendation' |

What is the ILO?

The International Labour Organisation (ILO) is a specialised agency of the United Nations (UN) which deals with the world of work. It was founded in 1919 under the Treaty of Versailles, at the same time as the League of Nations, which was a weaker, earlier version of the UN. It became the first UN specialised agency in 1946 and is based in Geneva, with a network of offices in more than 40 countries.

Each part of the UN system is responsible for a particular area – its ‘mandate’, in UN jargon. The ILO’s mandate is social questions – especially the world of work and employment. So industrial relations, child labour, vocational training, policy on employment creation, health and safety at work and, of course, co-operatives are some of the issues dealt with by the ILO.

Like all UN organisations, the ILO is financed by member states. Countries have to join the ILO separately. Not all countries that are members of the United Nations are members of the ILO. Currently, the ILO has 175 member states. Some governments also give the ILO extra funds for projects.

The politicians who assembled in 1919 to draw up the Treaty of Versailles met in the shadow of a huge wave of strikes, revolutions and uprisings all over the world. The Russian Revolution was only two years old. Workers were demanding that one outcome of the suffering caused by the war should be social justice. So the ILO’s constitution states that

universal and lasting peace can only be established if it is based upon
social justice

The huge social unrest in 1919 was one reason for the ILO. But the idea of international legal action for workers was not something completely new. There had been movements for such an organisation for many years.

Tripartism and social dialogue

What makes the ILO unique among international organisations is its tripartite nature. All the other international organisations – the UN itself, the World Bank, World Trade Organisation etc, are run exclusively by governments. But in the ILO, governments, trade unions and employers are all represented at the International Labour Conference and on the ILO Governing Body.

The concepts of tripartism and social dialogue are at the very heart of the ILO. The ILO is based on the belief that trade unions, employers and governments should work together and try to seek consensus on issues which affect them, at every level – in the enterprise, at industry level and at national level.

The ILO defines social dialogue as:

all types of negotiation, consultation or exchange of information between representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.

In some countries, for example Vietnam and South Africa, the co-operative movement is included as a partner in the social dialogue mechanisms.

At the ILO Conference, each member state sends four delegates. Two represent the government; one employers and one trade unions. Delegates do not sit together as national delegations, but form three groups at the conference: government, employers and workers.

The Governing Body of the ILO which runs its affairs is composed in the same way: out of 56 full members, 28 are from governments, and 14 each are elected by the delegations of workers and employers.

Activities of the ILO

The main activities of the ILO are:

- Standard setting – the adoption of international Conventions and Recommendations.
- Research, publications and meetings.
- Technical co-operation.

Standard setting

ILO standards have been developed in all work related issues, such as: fundamental human rights; employment promotion and vocational training; social security; conditions of work; occupational safety and health; labour administration and labour inspection; maternity protection; the protection of indigenous peoples and migrant workers; and for special groups of workers, such as seafarers, plantation workers and women.

There is a comprehensive supervisory mechanism for the application of the standards.

Research, publications, meetings

The ILO undertakes much research into work related issues, and assists other organisations with their research. The ILO has the largest library in the world specialising in labour subjects. It collects and publishes labour statistics from all over the world.

The ILO is a major publisher, in several languages. Some of its publications are the *World Employment Report*, *Year Book of Labour Statistics*, *Key Indicators of the Labour Market*, *International Labour Review*.

Tripartite meetings – involving governments, employers and workers – for key industrial sectors are held by the ILO on a regular basis to promote consensus and best practice.

Technical co-operation

Technical co-operation is a tool for translating the ILO's guiding principles and standards into practice. It can take many forms from longer-term projects to short-term training events. Probably the best known ILO programme currently is the International Programme on the Elimination of Child Labour. There is a long history of technical co-operation in the field of co-operatives, run by the ILO's Co-operatives Branch, which is known as COOP.

Hill Tribe co-operative
traditional handicraft worker,
Chiang Mai, Thailand
© ILO INDISCO



Co-operatives and the ILO

The ILO has been involved with co-operatives since its very foundation.

1919 **Albert Thomas, an active co-operator, becomes ILO's first Director-General.**

Albert Thomas (born 1878 in Champigny-sur-Marne – died 1933) was a historian, journalist, politician, international civil servant, co-operator and a member of the Executive Committee of the International Co-operative Alliance.

1920 **Establishment of the ILO's Co-operative Branch.**

The Peace Treaty foresees that the ILO should not only be concerned with the conditions of work but also with the conditions of workers. By and large, it is under the organisational form of co-operatives that this concern is best addressed for the largest part of the population. The Co-operative Section will not limit itself to the questions of distribution, but will also research into the question of housing, leisure time of workers and transportation of the workforce etc.

Extract from Annex 3
of the second Governing Body of the ILO, 1920

Albert Thomas set up *Le Service des Cooperatives* at the ILO in March 1920 on the occasion of the third meeting of the Governing Body. At first, it assumed the role of one of the fourteen independent technical branches of the ILO. However, during his time as the Director-General of the ILO, Albert Thomas pushed actively for giving co-operatives an equal say in the ILO vis-à-vis employers and workers.

It seems to me that the ILO should be, within the group of organisations belonging to the League of Nations, the institution to which the co-operative movement should be attached.

Albert Thomas,
letter to delegates to the National Co-operative Congress of France 1920

1924 **First issue of ILO's *Co-operative Information* which continued for over sixty years.**

1960 **Technical co-operation begins.**

1966 **Recommendation No 127, Co-operatives (Developing Countries) is adopted.**

1998 **'Decent Work' adopted as the aim of the ILO.**

2002 Recommendation No 193 adopted.

It's the first time for a long time a formal official policy has been produced by an international organisation of the status of the ILO,

Iain Macdonald, ICA

2003 Mr Juan Somavia, ILO Director-General, addresses the ICA's General Assembly in Oslo.

Co-operatives empower people by enabling even the poorest segments of the population to participate in economic progress; they create job opportunities for those who have skills but little or no capital; and they provide protection by organising mutual help in communities.

Juan Somavia, International Labour Conference, 2003

2004 The ILO and ICA agree a Memorandum of Understanding.

Home-made biscuits cooked by members of the rural co-operative founded by women from the Kesavarayampatti village, Madras.

© ILO



What are International Labour Standards?

The system of international labour standards takes the form of Conventions and Recommendations. They are adopted by the International Labour Conference, which meets every year in Geneva during the month of June. A tripartite committee will discuss the text line by line, normally over two years. When the committee agrees a text, it is sent to the entire conference for adoption.

International Labour Conventions are drawn up under international law. When a text is finally agreed or adopted, countries can then choose to ratify. Just because a country voted for the text of the Convention, does not mean it is bound by it. Ratification of the Convention is a separate and voluntary process. No country can be forced to ratify or sign a Convention. When a country signs a Convention, this is similar to signing a treaty.

Two member states must ratify an ILO Convention before it comes into force. 'Coming into force' is a legal term which means that the Convention is now a part of international law.

International Labour Conventions are only open to ratification by member states of the ILO. They are international treaties that are binding on the countries that ratify them.

When a country ratifies a Convention, which is a voluntary process, they undertake to apply the provisions, to adapt their national law and practice to their requirements, and to accept international supervision.

Complaints about alleged non-compliance may be made by the governments of other ratifying States or by employers' or workers' organisations and procedures exist for investigation and action upon such complaints.

By 2003, the International Labour Conference had adopted 185 Conventions and 194 Recommendations. Some of these are now out of date and have been replaced by revised Conventions or Recommendations.

The Conventions have received a total of 7,212 ratifications (by May 2004 when this Guide was prepared). It is sometimes said that the standards are 'too difficult' for developing countries to adopt. It is therefore important to note that around two thirds of these ratifications have been made by the governments of developing countries.

International Labour Recommendations are not international treaties. They set non-binding guidelines that may orient national policy and practice. Governments do **not** ratify Recommendations. Sometimes a Recommendation is adopted by the International Labour Conference at the same time as a Convention, to give more detailed guidance on how the provisions in the Convention can be applied. Other Recommendations – like Recommendation 193 – are not linked to a Convention at all.

Although Conventions are not open for ratification, member states have certain important **procedural** obligations in respect of **Recommendations**:

- To submit the texts to their legislative bodies.
- To report on the resulting action.
- To report occasionally at the request of the Governing Body of ILO on the measures taken or planned to give effect to the provisions.

In addition, the ILO Governing Body may request the office to conduct a special survey on the impact of a certain Recommendation.

The process of adopting 193

In common with most other ILO standards, Recommendation No 193 was adopted as a result of two major discussions at the International Labour Conference (ILC). The first discussion took place in June 2001 at the 89th Session of the ILC which deliberated the 'Proposed Conclusions' or the provisions proposed to be incorporated in the new instrument. These 'Proposed Conclusions' were formulated on the basis of responses to a questionnaire circulated to ILO member States in January 2000. The 89th ILC adopted 'Conclusions' which in turn were utilised by the International Labour Office as the basis for a proposed draft of the new Recommendation. The proposed text was circulated to member States in August 2001 and their responses were collated and incorporated in a new text, which was the subject of a second and final deliberation at the 90th ILC in June 2002. This discussion paved the way for the adoption of a new ILO Recommendation on the Promotion of Co-operatives – Recommendation No 193.



Mark Levin, *The Promotion of Co-operatives*

Why co-operatives?

The co-operative sector is large and diverse. A co-operative is both an enterprise *and*, as a membership based and membership driven organisation, part of civil society. The prime purpose of all co-operatives is to meet the needs of their members, not to make a profit for shareholders. Much of the surplus earned by co-operative enterprises is used for social purposes. In some co-operatives, members also receive a dividend, which depends on the amount of their trade with the society, not the size of their shareholding. Co-operatives are governed on the principle of one member, one vote.

The co-operative movement can trace its origins back to at least the eighteenth century. Working people responded to the process of industrialisation by creating many types of organisation, including trade unions and co-operatives. There are records of co-operatives going back to at least the 1770s.

In Britain, the modern co-operative movement traces its origins to 1844, when a group of workers came together in the town of Rochdale, in North West England, to set up a shop. This was not the first co-operative enterprise, but the first one to be successful based on a set of principles, generally known as the 'Rochdale' principles. These principles, amended and modernised, are the basis for the *Statement on Co-operative Identity*, which is accepted today by co-operatives all over the world. They form part of Recommendation 193.

Just a few decades later, in Germany and the Netherlands, co-operatives were being established in rural areas using a model of self-help agricultural credit developed by Friedrich Raiffeisen. Urban co-operative banks were founded by Schulze-Delitzsch.

These different co-operative movements quickly spread to other countries.

Co-operatives were originally established as a practical means whereby working people could meet their everyday needs, *as a route to building a better society*. Their vision was not simply about credit or retailing, but about how, through self-help, they could improve their working and living conditions, and their communities.

Why are co-operatives special?

The essential characteristic of a co-operative is that it is a democratic organisation engaged in the market place, providing goods and services. It is nevertheless based on people, not on capital or government direction. In its essence it can never escape, even if it wanted to, the capacity of members to exercise control whenever they wish to do so.

Ian McPherson, 'The Co-operative Identity in the Twenty First Century'
Review of International Co-operation 3/94

Co-operatives today

As a source of credit, food, social protection, shelter and employment, co-operatives play an important role. The United Nations estimated (in 1994) that the livelihood of three billion people was made more secure by co-operatives. At least 800 million are members of co-operatives and 100 million are employed by them.

The new Recommendation states: "The promotion of co-operatives should be considered as one of the pillars of national and international economic and social development."

Participation and inclusion are central to a new approach to poverty reduction. Co-operatives are an ideal instrument in such a strategy, and the ILO has long drawn on the strength of the movement. Meeting the challenges of globalisation requires strong local communities, strong local leadership and strong local solutions. Co-operatives have proved to be a key organisational form in building new models to combat social exclusion and poverty, for example through local development initiatives. Co-operative members learn from each other, innovate together and, by increasing control over livelihoods, build up the sense of dignity that the experience of poverty destroys.

Working Out of Poverty, Report of the Director-General,
International Labour Conference, 91st Session 2003

Co-operatives and poverty

What can co-operatives do about poverty? The answer is: a lot.

Co-operatives have a number of important roles to play in securing the rights and livelihoods of poor people:

- Co-operatives are schools for democracy, and require the development of citizenship skills to maximise their potential.
- Providing services the state cannot, or services captured by elites, where private provision is too costly or too difficult: health, education, utilities, credit, and agricultural extension services. These could be of enormous importance in helping to achieve the Millennium Development Goals.
- Business co-operation – small farmers and entrepreneurs co-operate to obtain production inputs, help with processing and marketing. This has the potential to enable small primary producers to combine and reach the critical mass to break into export markets.
- Capital accumulation, credit and savings – especially important for disadvantaged groups who do not have access to credit.

Lessons from the past

Modern co-operatives had their origins in collective attempts by working people and farmers to counter the adverse circumstances and economic shocks that they faced during the early years of the industrial revolution in Europe. For instance in Britain co-operatives had their origins in attempts to counter the poverty and vulnerability of waged workers in the rapidly growing industrial towns and cities.

Consumer co-operatives, organised along Rochdale lines, subsequently developed in many other countries, particularly in northern Europe. Worker co-operatives became well established by the end of the nineteenth century, notably in France and Italy. Co-operative banks and Volksbanks also became established, as a means of saving and borrowing for farmers and artisans, and of servicing co-operative enterprises. Each of these traditions can be seen as having developed as a response to economic hardship and distress.

More recently, many of the successful agricultural co-operatives in North America (for example the marketing co-operatives in California and the wheat pools in Canada) had their origins in the economic depression of the 1930s, whilst the extremely successful Mondragon family of

co-operatives was established in 1956 in the Basque country in Spain by a priest working with a small group of unemployed workers.

Co-operatives began by enabling people to raise themselves out of poverty and reduced the risks of vulnerability by providing pooling mechanisms for their resources and building up collective approaches to social protection. As the movement developed it became a means by which low and middle-income people continued to accumulate economic advantages. Co-operatives raised whole classes of people out of poverty and prevented them from slipping back into it.

Developing countries

What of the experience in developing countries? The co-operative form was established early in the twentieth century by colonial governments who passed co-operative statutes and set up co-operative registrar departments.

From the 1950s onwards, in the emerging post-colonial nations, co-operatives were seen as organisations that could build up national economies, in some cases (for example, Tanzania, Zambia and Ghana) as a stage on the road to socialism.

There were some notable successes. Where an export market or a large local urban market could be created for farmers, agricultural co-operatives became strong: coffee and cocoa co-operatives in Africa, dairy co-operatives in India, and beef production co-operatives in Argentina and Brazil are good examples. Sometimes, as in the Indian dairy co-operatives, these developments helped smaller farmers as well as larger – some 11 million families in India earn part of their income from dairy co-operatives.

However, organisations which were supposed to be member-run and democratic, were planned, initiated and often controlled from above, by government departments or co-operative regulators.

There is a growing consensus that co-operatives must be returned to their members.

As the ILO comments:

One of the main reasons is that the word ‘co-operative’ has been badly misused in the recent past. In many countries, state-controlled ‘co-operatives’ failed to mobilise members, who perceived them as being controlled by government-appointed managers. The co-operative vision of enlarging the economic power of individual members through membership-driven entrepreneurship was devalued and discredited. However, the rich legacy of co-operatives and its value to community-based models of sustainable development should not be discarded. Development strategies need to rediscover co-operation as a model for local development. Co-operatives are in fact a very significant part of the global economy.

Working Out of Poverty, Report of the Director-General,
International Labour Conference, 91st Session 2003, page 51

This is precisely why a new ILO instrument was required – to restate the basic principles, to reclaim the concept of co-operatives from the misuse of the past and to propose a modern framework.

Co-operatives and Millennium Development Goals

The recently signed Memorandum of Understanding (MOU) between the International Co-operative Alliance and the ILO (February 2004) emphasises the role which co-operatives can play in working towards achieving the MDGs.

The ICA and ILO are committed to formulating a Common Co-operative Agenda, among other things identifying activities to contribute effectively to the attainment of the MDGs.

The ILO and ICA have agreed to:

- Design and implement technical co-operation programmes with co-operative organisations aimed at reducing poverty and creating jobs in developing countries.
- Work on scaling up successes to national level, in collaboration with national organisations and governments.
- Influence the Poverty Reduction Strategy Papers (PRSP) process by working together to incorporate co-operative perspectives into PRSPs.
- Clearly demonstrate at national and international level the contributions that co-operatives can have on poverty reduction.

The agreement and its annex emphasise that co-operatives have a significant contribution to make to all the MDGs, but there is a stress on the role that co-operatives can and do play in rural areas. This is where the poorest of the poor live, where jobs are scarce and basic services are weak. Often the nearest institutions to the poor are local co-operatives and strengthening their capacity will have a positive impact on rural poverty.

The Millennium Development Goals (MDGs)

The Millennium Development Goals are an ambitious agenda for reducing poverty and improving lives that world leaders agreed on at the Millennium Summit in September 2000. For each goal there is one or more specific target, most for 2015, using 1990 as a benchmark, along with specific social, economic and environmental indicators used to track progress towards the goals.

The eight goals represent a partnership between the developed countries and the developing countries determined, as the Millennium Declaration states, “to create an environment – at the national and global levels alike – which is conducive to development and the elimination of poverty.”

1. Eradicate extreme poverty and hunger

Target for 2015: Halve the proportion of people living on less than a dollar a day and those who suffer from hunger.

More than a billion people still live on less than US\$1 a day: sub-Saharan Africa, Latin America and the Caribbean, and parts of Europe and Central Asia are falling short of the poverty target.

2. Achieve universal primary education

Target for 2015: Ensure that all boys and girls complete primary school.

As many as 113 million children do not attend school, but the target is within reach. India, for example, should have 95 per cent of its children in school by 2005.

3. Promote gender equality and empower women

Targets for 2005 and 2015: Eliminate gender disparities in primary and secondary education preferably by 2005, and at all levels by 2015.

Two thirds of illiterates are women, and the rate of employment among women is two thirds that of men. The proportion of seats in parliaments held by women is increasing, reaching about one third in Argentina, Mozambique and South Africa.

4. Reduce child mortality

Target for 2015: Reduce by two thirds the mortality rate among children under five.

Every year nearly 11 million young children die before their fifth birthday, mainly from preventable illnesses, but that number is down from 15 million in 1980.

5. Improve maternal health

Target for 2015: Reduce by three quarters the ratio of women dying in childbirth.

In the developing world, the risk of dying in childbirth is one in 48, but virtually all countries now have safe motherhood programmes.

6. Combat HIV/AIDS, malaria and other diseases

Target for 2015: Halt and begin to reverse the spread of HIV/AIDS and the incidence of malaria and other major diseases.

Forty million people are living with HIV, including five million newly infected in 2001. Countries like Brazil, Senegal, Thailand and Uganda have shown that the spread of HIV can be stemmed.

7. Ensure environmental sustainability

Targets:

- Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.

- By 2015, reduce by half the proportion of people without access to safe drinking water.
- By 2020 achieve significant improvement in the lives of at least 100 million slum dwellers.

More than one billion people lack access to safe drinking water and more than two billion lack sanitation. During the 1990s, however, nearly one billion people gained access to safe water and the same number to sanitation.

8. Develop a global partnership for development

Targets:

- Develop further an open trading and financial system that includes a commitment to good governance, development and poverty reduction – nationally and internationally.
- Address the least developed countries' special needs, and the special needs of landlocked and small island developing States.
- Deal comprehensively with developing countries' debt problems.
- Develop decent and productive work for youth.
- In co-operation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.
- In co-operation with the private sector, make available the benefits of new technologies – especially information and communications technologies.

Source: United Nations Development Programme, www.undp.org, accessed 28 May 2004

Co-operatives and the informal economy

Defining the informal economy is difficult and complex. The term *informal sector* is more familiar to many. It was originally developed by the ILO in the 1970s. The term 'informal economy' is now preferred to show that informal activities are not separate and limited to a specific sector, but span all types of work from commerce and services to industry and agriculture. Indeed, it is important to understand the many linkages between formal and informal work.

The size of the informal economy

In many countries the informal economy is the main source of employment and its importance is growing. The ILO has noted that:

... the informal economy has been growing rapidly in almost every corner of the globe, including industrialised countries – it can no longer be considered a temporary or residual phenomenon.

Decent Work and the Informal Economy,
a report to the 2002 International Labour Conference

In the face of the debt crisis and structural adjustment – causing a massive loss of formal jobs – the informal economy has offered the possibility of survival for many. In Africa, informal work is estimated to account for over 90 per cent of new jobs, almost 80 per cent of non-agricultural employment, and over 60 per cent of urban employment.

Some characteristics of businesses and workers in the informal economy include:

- They are not recognised by legal and regulatory frameworks.
- Their employment relationships and incomes are generally insecure and irregular.
- They are seldom organised and therefore have few means to make their voices heard.
- They are outside social protection mechanisms and systems.
- They cannot access public benefits and services, eg credit, business information, training schemes.
- They are vulnerable to interference by public authorities as they are sometimes perceived as ‘outside the law’. As a result they may experience police harassment.
- Their turnover is not counted in official statistics but their economic contribution may be greater than that of formal enterprises.
- Activities are informal either because the costs of formalising them are too high or the procedures for doing so are too complicated, intimidating and time-consuming.

The term ‘informal sector’ or informal economy does not include the ‘hidden’ or ‘underground’ economy. Many enterprises operate outside the law deliberately, often very profitably, for example in criminal and socially undesirable activities such as drug trafficking or prostitution.

Paragraph 9 of the Recommendation recognises the role that co-operatives can play here:

Governments should promote the important role of co-operatives in transforming what are often marginal survival activities (sometimes referred to as the ‘informal economy’) into legally protected work, fully integrated into mainstream economic life.

The ILO report *Decent work and the informal economy* saw co-operatives as probably the best way of workers in the informal economy getting organised: “... the most effective membership based organisational structure may be that of a co-operative”.

The ILO makes a distinction between smaller “informal co-operatives or unregistered ‘pre-co-operatives’ which show great vibrancy and potential” and the formal co-operative movement which

has been unable to play a more dynamic role in the development of the informal sector ... the potential benefits that could be obtained by associating the informal organisations that already exist, or that could be encouraged to exist, with a genuine, officially recognised, co-operative movement are obvious.

Decent Work and the Informal Economy, ILO 2002, page 93

Indigenous Communities

Another area where co-operatives have great potential, and have already proved their value, is in employment creation and poverty alleviation for some of the poorest and marginalised communities in the world – indigenous peoples. The ILO’s Interregional Programme to Support Self-Reliance of Indigenous and Tribal Communities through Co-operatives and other Self-Help Organisations (known as INDISCO), for example, has a special mandate to enable and help indigenous peoples to establish co-operatives and to create decent employment, at the same time respecting cultural diversity. In the last six years, INDISCO projects in Asia and Africa created some 15,000 sustainable jobs for indigenous peoples through co-operatives.

Co-operatives and the rural economy

The majority of the people who are living in poverty in the world today live in rural areas.

Co-operatives play a significant role in agriculture around the world – more than 50 per cent of global agricultural output is marketed through co-operatives. In addition a large share of the markets for agricultural commodities is handled by co-operatives and some enterprises are very large, particularly in grains, dairy, livestock and some export crops. In response to trade liberalisation and intense global competition from transnational agro-food corporations many co-operatives have begun to adopt new organisational models.

In developing countries co-operatives play a significant role in many rural areas with agricultural marketing and supply co-operatives (AMS) being the most important type in Asia, South and Central America and Africa. They provide farmers with agricultural inputs and sell their crops on to wholesalers, marketing boards, inter-co-operative partnerships, Fair Trade organisations or other types of overseas customers. Many AMSs also offer other direct services to members such as credit facilities, insurance and transportation. In addition many AMSs contribute funds to help improve a variety of rural social services such as education, primary health, water and electricity supplies, care facilities and other community needs. AMS co-operatives are often the only providers of off-farm waged employment in rural areas.

The Food and Agriculture Organisation (FAO), another specialised agency of the United Nations believes that

co-operatives, as an outstanding form of civil society organisations have the potential to play an important role in developing a strong social capital [and that in rural areas this] is regarded as a pre-requisite for food security and sustainable development.

Committee for the Promotion and Advancement of Co-operatives
<http://www.copacgva.org/idc/fao-idc2002.htm>, accessed 8 June 2004

This view is shared by other agencies. For example, the World Bank has recently highlighted the important role that Rural Producers Organisations (RPOs) – which are often co-operatives – can play. A recent paper highlighted the positive results for rural development when RPOs were involved: poverty reduction and food security, sustainable resource management, agricultural growth and competitiveness, empowerment and policymaking and the improvement of livelihoods.

Information meeting
in a co-operative, Côte d'Ivoire
© ILO/J Maillard



What is so important about Recommendation 193?

You may be thinking: “How can a Recommendation, which was drawn up thousands of miles away help co-operatives in our country?” This section tries to highlight the most important features of Recommendation 193. You will see that if it were put into practice, it would make a real difference.

The core tools co-operatives need in order to flourish are advice on capacity building, entrepreneurship development, leadership training, market research, accessing loan finance and grant aid, inter-co-operative networking, and federation building. For such grass-roots support to work effectively, co-operatives need a secure legal framework governing their status.

*Working Out of Poverty, Report of the Director-General,
International Labour Conference, 91st Session 2003, page 52*

Much co-operative legislation dates from the colonial era, or the post-colonial period, when many governments supported co-operatives, but often did not allow them the autonomy which is essential for them to thrive. In former centrally planned economies, where the government in reality controlled co-operatives, laws passed in the 1990s, in the immediate post-communist period, may be inappropriate.

How is Recommendation 193 different from Recommendation 127?

[This section draws on Mark Levin, *The Promotion of Co-operatives*, ILO, see enclosed CD ROM]

The ILO had an earlier Recommendation, number 127, adopted in 1966.

Since the time of the adoption of Recommendation No 127, Co-operatives (Developing Countries), political, economic and social changes have affected the situation of co-operatives throughout the world. As a result, in March 1999, the ILO's Governing Body decided that a new universal standard could help enable co-operatives to develop more fully their self-help potential, placing them in a better position to meet current socio-economic problems such as unemployment and social exclusion, and help them compete in a global market place. At about the same time, the United Nations began debating new guidelines on co-operatives, which were adopted by the General Assembly on 19 December 2001. The ILO Governing Body's decision to revise Recommendation No 127 was based on the following:

- The focus of Recommendation No 127 was limited to developing countries while new roles for co-operatives in both the industrialised and the former communist countries had emerged in the last thirty years.

- Recommendation No 127 mirrored the development concerns of the 1960s where co-operatives were seen primarily as tools in the hands of the government. The Recommendation thus overemphasised the role of the government in co-operative development and underestimated the autonomous character of co-operatives. In accordance with the reformulated universally recognised co-operative principles, the Governing Body considered that co-operatives should be regarded primarily as a means for their members to achieve their common economic and social goals. Their autonomy as a form of private enterprise guided by ethics and principles should be upheld.
- In many countries, political, economic and social changes have put pressure on government to limit its involvement in economic and social affairs. The State's role is increasingly limited to that of providing the political, legal and administrative framework for the development of private organisations including co-operatives. Recommendation No 127 had yet to take account of these developments.
- In industrialised countries, new forms of co-operatives and new co-operative enterprise structures had emerged to take advantage of the challenges and opportunities opened up by globalisation and technological changes. Heightened competition from other forms of business enterprises had also necessitated these changes. These facts required recognition in a new ILO standard on co-operatives.
- In 1995, the International Co-operative Alliance had held its Centenary Assembly and adopted a new Statement on the Co-operative Identity. This clearly re-defined co-operatives as autonomous, member led enterprises, with a distinctive set of values and principles. An extract from the Statement forms part of the text of Recommendation 193.

So to assist countries in developing a new legal and policy framework for co-operatives, Recommendation 193 was adopted.

It is the only international policy framework on co-operatives, and has been adopted by a tripartite organisation – bringing together employers, workers and governments.

It has come at an opportune time. The idea – the myth some would say – that the free market, company driven model could solve economic problems has been seen to be untrue. A different model of enterprise, business driven and democratically controlled, can offer a different way.

Key points of the Recommendation

- Co-operatives operate in all sectors and all countries (Recommendation 127 was limited to developing countries).
- Co-operatives are based on principles and values.
- The ICA statement of co-operative identity which states those values and principles is accepted as the basic definition of a co-operative.
- Co-operatives should enjoy equal treatment with other types of enterprise.
- Governments should create an enabling environment and facilitate access to support services.
- Employers' and workers' organisations should promote co-operatives.
- Co-operatives should co-operate internationally.

The role of Government

- To provide a conducive policy and legal environment.
- To grant support when justified by special circumstances.
- To develop partnerships with co-operatives where appropriate.

The role of employers' organisations

- To extend membership and provision of services to co-operatives wishing to join.

The role of workers' organisations

- To assist co-operative employees to join trade unions.
- To assist trade union members to establish co-operatives.
- To participate in setting up co-operatives to create or maintain employment.
- To promote productivity, equality of opportunity and rights of worker-members.
- To undertake education and training.

The role of co-operative organisations

- To work with the social partners (employers' and workers' organisations) to create a favourable climate for co-operative development.
- To provide technical, commercial and financial support services.
- To promote the horizontal and vertical integration of co-operatives.
- To invest in human resource development.
- To represent co-operatives at the international level, and encourage international collaboration.

How the Recommendation has been used already

Since the adoption of Recommendation 193, a number of countries have already started to reform their co-operative laws and policies.

- The government of **Guinea-Bissau** in December 2002 passed a new *National Policy on Co-operative Development* based on Recommendation 193. Guinea-Bissau became the first ILO Member State to translate the new instrument into law.
- In **China** a conference organised by the All China Federation of Supply and Marketing Co-operatives, which represents 160 million rural households in China, agreed that the basic co-operative principles and values outlined in Recommendation 193 should form the conceptual basis for China's future reform of co-operative legislation.
- **South Africa** has revised its Co-operative Law, including moving responsibility for the sector into the Department of Trade and Industry.
- In **Ethiopia** and **Uganda** co-operatives have been prioritised in Poverty Reduction Strategy Papers (PRSP) documents as important instruments in poverty reduction and growth in relation to rural development and employment strategies.
- In **Russia**, the Duma (Parliament) held a parliamentary hearing on co-operative development in December 2002. The text of Recommendation 193 was the main source of arguments and justification for proposed action in favour of co-operatives, in particular in rural areas. The hearing adopted a long list of concrete recommendations addressed to the Duma, the Russian government and others, calling for a comprehensive co-operative development programme.
- The National Union of Consumers' Co-operatives in **Turkey** has used the new Recommendation to defend the (existing) right of workers in larger enterprises to have their own, workplace based consumer co-operatives which a new, draft labour law threatened to abolish.
- The Government of the autonomous **Canadian** province of Québec adopted in March 2003 a co-operative development policy statement, which is based on broad consultations among the principal stakeholders involved in co-operative development, and which shall contribute to Canada's medium-term strategy "en route to full employment". The policy quotes the Recommendation.
- **Ethiopia** has formulated a new co-operative development policy based on Recommendation 193.
- **Croatia, Bosnia Herzegovina** and the **Ukraine** have adopted new co-operative laws that incorporate elements of the Recommendation.

- **Poland** and **Germany** are to organise national conferences.
- **Cameroon** is about to adopt a new policy paper.
- **Colombia** has incorporated 193 into its national development plan, and has enacted a new co-operative law based on the Recommendation.
- The co-operatives of **Bolivia** and **Kenya** are using Recommendation 193 to protect their autonomy – threatened by new co-operative laws.
- **Hungary** has drafted a new co-operative law based on Recommendation 193.
- **Malaysia** has finalised a new national co-operative development policy on the basis of Recommendation 193.
- **India** has adopted a new national co-operative development policy and a new multistate co-operative law that is strongly influenced by the ‘conclusions’ of the first discussion of the Recommendation.

A good start – this leaves more than 150 countries where action is needed to promote the Recommendation.

The European Union

The European Union (EU) has for many years taken a strong interest in co-operatives and other types of social economy organisations. As part of the European Employment Strategy (established in 1997) the EU identified the co-operative sector as a being a key partner in promoting social inclusion and enhancing a cohesive European society through, among other things, employment training, job creation and the provision of social facilities and services.

In early 2004 the European Commission published its most recent ‘communication’ *On the Promotion of Co-operative Societies in Europe*. This document observes that in the European Union there are at least 300,000 co-operatives providing 2.3 million jobs. It refers to Recommendation 193. Appendix 4 provides more information.

Considering the Recommendation

Soon after the ILO conference adopted the Recommendation in June 2002, the ILO secretariat wrote to every member state with the final text. Governments then had one year (18 months in exceptional circumstances) to submit the Recommendation to the appropriate body – this is almost always the parliament or national assembly. This is an obligation under the ILO Constitution (Article 19).

So the Recommendation should have been tabled for discussion in the parliament by the end of 2003 at the latest.

When placing the text before the parliament, the Government should indicate what action it considers desirable. It is good practice (and an obligation under ILO Recommendation 144 if that has been adopted) for Governments to consult employers' and workers' organisations before making their suggestions.

Again, according to the ILO constitution, governments must inform the ILO of the measures they have taken to submit the texts. This report to the ILO must also be sent to the trade unions and employers, which can comment on them.

There are several possibilities in this procedure for co-operative organisations to get involved.

If the government has not even tabled the texts, then that is the first step to request.

What co-operative organisations will want is for a good discussion in parliament, with the chance to lobby members of the parliament, and to influence the debate.

If the government has tabled the text of the Recommendation, but without proposing any action, then you may wish to lobby, or even launch a campaign, to have that decision reconsidered. The most probable grounds you could argue would be that the Recommendation has not been properly discussed.

Checklist

1. Contact the ministry (it may be the ministry of labour or the ministry with responsibility for co-operatives) and ask for a report on the submission process.
2. Has the Recommendation been laid before 'competent authority' (almost always parliament)? If not, lobby for it to be tabled.
3. Has the appropriate ministry called any tripartite meetings to discuss the Recommendation? If not, suggest it.
4. If a country has a federal system, have provincial or state assemblies debated the Recommendation?
5. If the texts have been laid before Parliament, and no decision on action was taken, then seek to get the issue re-opened. Call for a tripartite workshop as a first action.
6. Contact friendly government officials or parliamentarians and discuss the matter with them.
7. Ask the ICA and/or the ILO for advice on draft legislation on co-operatives.

Brasswear co-operative member
finishing the application of resin in mould,
Tugaya, Philippines
© ILO INDISCO



Putting the Recommendation into practice

Our goal is to encourage governments to use the Recommendation as a guideline in drafting and/or revising the national co-operative policy and legislation.

Then discussions must be held on amendments to the law or legal codes, or instructions to registrars of co-operatives.

There are also points where employers' and workers' organisations, as well as co-operatives themselves, must consider action.

At this point, the following exercise should be useful. It should show what changes should be made. It looks long and complicated. In fact, it is simple, though it may take some time. Divide up the work amongst several groups. This exercise should also be done in the workshop with social partners, if possible.

Activity: Comparing the Recommendation and the law

Aims: To help you compare the standards in the Recommendation and your present law.

Task: You will be asked to work in small groups. Each group will take one part of the Recommendation. The main provisions are restated in the boxes, but you should refer to the actual text if you can. Compare what the Recommendation says with your current law. Quote the exact section or part of the law which corresponds, if any. It is, of course, possible that there will be no corresponding part of the national law. In the final box, suggest the wording for a clause to be added or amended in your national law.

Section I covers scope, definition and objectives.

| Recommendation 193 | Current law or policy | Your proposal |
|--|-----------------------|---------------|
| <p>1. It is recognised that co-operatives operate in all sectors of the economy. This Recommendation applies to all types and forms of co-operatives.</p> | | |
| <p>2. For the purposes of this Recommendation, the term 'co-operative' means an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.</p> | | |
| <p>3. The promotion and strengthening of the identity of co-operatives should be encouraged on the basis of co-operative values ... and principles. [As detailed in the ICA <i>Statement on Co-operative Identity</i>.]</p> | | |
| <p>4. Measures should be adopted to promote the potential of co-operatives in all countries, irrespective of their level of development, in order to assist them and their membership to: ... [Are all items on the list covered in your law?]</p> | | |
| <p>5. The adoption of special measures should be encouraged to enable co-operatives, as enterprises and organisations inspired by solidarity, to respond to their members' needs and the needs of society, including those of disadvantaged groups in order to achieve their social inclusion.</p> | | |

Section II is about the policy framework and role of governments.

| Recommendation 193 | Current law or policy | Your proposal |
|--|-----------------------|---------------|
| <p>6. Governments should provide a supportive policy and legal framework consistent with the nature and function of co-operatives and guided by the co-operative values and principles ...</p> | | |
| <p>(a) an institutional framework with the purpose of allowing for the registration of co-operatives in as rapid, simple, affordable and efficient a manner as possible;</p> | | |
| <p>(b) promote policies aimed at allowing the creation of appropriate reserves, part of which at least could be indivisible, and solidarity funds within co-operatives;</p> | | |
| <p>(c) provide for the adoption of measures for the oversight of co-operatives, on terms appropriate to their nature and functions, which respect their autonomy, and are in accordance with national law and practice, and which are no less favourable than those applicable to other forms of enterprise and social organisation;</p> | | |
| <p>(d) facilitate the membership of co-operatives in co-operative structures responding to the needs of co-operative members;</p> | | |
| <p>(e) encourage the development of co-operatives as autonomous and self-managed enterprises, particularly in areas where co-operatives have an important role to play or provide services that are not otherwise provided.</p> | | |

Clause 7 has some general comment on the content of national policies on co-operation.

| Recommendation 193 | Current law or policy | Your proposal |
|--|-----------------------|---------------|
| <p>7 (1) The promotion of co-operatives should be considered as one of the pillars of national and international economic and social development. [In the developed countries, this would also imply that part of the development budget is earmarked for support to co-operative sector.]</p> | | |
| <p>(2) Co-operatives should be treated in accordance with national law and practice and on terms no less favourable than those accorded to other forms of enterprise and social organisation. Governments should introduce support measures, where appropriate, for the activities of co-operatives that meet specific social and public policy outcomes ...</p> | | |
| <p>(3) Special consideration should be given to increasing women's participation in the co-operative movement at all levels, particularly at management and leadership levels. [Are we doing enough about this ourselves?]</p> | | |

Clause 8 has some very specific suggestions on the content of national policies on co-operation.

| Recommendation 193 | Current law or policy | Your proposal |
|--|-----------------------|---------------|
| 8 (1) National policies should ... | | |
| (a) promote the ILO fundamental labour standards and the ILO Declaration on Fundamental Principles and Rights at Work, for all workers in co-operatives without distinction whatsoever; [See Appendix 2 for an explanation of these standards and the Declaration.] | | |
| (b) ensure that co-operatives are not set up for, or used for, non-compliance with labour law or used to establish disguised employment relationships, and combat pseudo co-operatives violating workers' rights, by ensuring that labour legislation is applied in all enterprises; | | |
| (c) promote gender equality in co-operatives and in their work; | | |
| (d) promote measures to ensure that best labour practices are followed in co-operatives, including access to relevant information; | | |
| (e) develop the technical and vocational skills, entrepreneurial and managerial abilities, knowledge of business potential, and general economic and social policy skills, of members, workers and managers, and improve their access to information and communication technologies; | | |
| (f) promote education and training in co-operative principles and practices, at all appropriate levels of the national education and training systems, and in the wider society; | | |
| (g) promote the adoption of measures that provide for safety and health in the workplace; | | |

| Recommendation 193 | Current law or policy | Your proposal |
|--|-----------------------|---------------|
| (h) provide for training and other forms of assistance to improve the level of productivity and competitiveness of co-operatives and the quality of goods and services they produce; | | |
| (i) facilitate access of co-operatives to credit; | | |
| (j) facilitate access of co-operatives to markets; | | |
| (k) promote the dissemination of information on co-operatives; | | |
| (l) seek to improve national statistics on co-operatives with a view to the formulation and implementation of development policies. | | |
| (2) Such policies should: | | |
| (a) decentralise to the regional and local levels, where appropriate, the formulation and implementation of policies and regulations regarding co-operatives; | | |
| (b) define legal obligations of co-operatives in areas such as registration, financial and social audits, and the obtaining of licences; | | |
| (c) promote best practice on corporate governance in co-operatives. | | |
| 9. Governments should promote the important role of co-operatives in transforming what are often marginal survival activities (sometimes referred to as the 'informal economy') into legally protected work, fully integrated into mainstream economic life. [See the section in this guide on this important role for co-operatives.] | | |

Section III of the Recommendation is about the implementation of policies for the promotion of co-operatives.

| Recommendation 193 | Current law or policy | Your proposal |
|--|-----------------------|---------------|
| <p>10 (1) Member States should adopt specific legislation and regulations on co-operatives, which are guided by the co-operative values and principles set out in Paragraph 3, and revise such legislation and regulations when appropriate.</p> <p>(2) Governments should consult co-operative organisations, as well as the employers' and workers' organisations concerned, in the formulation and revision of legislation, policies and regulations applicable to co-operatives.</p> | | |
| <p>11. Governments should facilitate access of co-operatives to support services in order to strengthen them, their business viability and their capacity to create employment and income. [There is along list of such services in the Recommendation]</p> | | |
| <p>12. Governments should, where appropriate, adopt measures to facilitate the access of co-operatives to investment finance and credit. Such measures should notably ... [Again, there is a list of suggested measures, are all items on the list covered in your law?]</p> | | |
| <p>13. For the promotion of the co-operative movement, governments should encourage conditions favouring the development of technical, commercial and financial linkages among all forms of co-operatives so as to facilitate an exchange of experience and the sharing of risks and benefits.</p> | | |

Section IV of the Recommendation deals with the role of employers' and workers' organisations and co-operative organisations, and relationships between them.

| Recommendation 193 | Current policy of employers' and workers' organisations | Your proposal |
|---|---|---------------|
| <p>14. Employers' and workers' organisations, recognising the significance of co-operatives for the attainment of sustainable development goals, should seek, together with co-operative organisations, ways and means of co-operative promotion.</p> | | |
| <p>15. Employers' organisations should consider, where appropriate, the extension of membership to co-operatives wishing to join them and provide appropriate support services on the same terms and conditions applying to other members.</p> | | |
| <p>16. Workers' organisations should be encouraged to:</p> | | |
| <p>(a) advise and assist workers in co-operatives to join workers' organisations;</p> | | |
| <p>(b) assist their members to establish co-operatives, including with the aim of facilitating access to basic goods and services;</p> | | |
| <p>(c) participate in committees and working groups at the local, national and international levels that consider economic and social issues having an impact on co-operatives;</p> | | |
| <p>(d) assist and participate in the setting up of new co-operatives with a view to the creation or maintenance of employment, including in cases of proposed closures of enterprises;</p> | | |
| <p>(e) assist and participate in programmes for co-operatives aimed at improving their productivity;</p> | | |

| Recommendation 193 | Current policy of employers' and workers' organisations | Your proposal |
|---|--|----------------------|
| (f) promote equality of opportunity in co-operatives; | | |
| (g) promote the exercise of the rights of worker-members of co-operatives; and | | |
| (h) undertake any other activities for the promotion of co-operatives, including education and training. | | |
| 17. Co-operatives and organisations representing them should be encouraged to: | | |
| (a) establish an active relationship with employers' and workers' organisations and concerned governmental and non-governmental agencies with a view to creating a favourable climate for the development of co-operatives; | | |
| (b) manage their own support services and contribute to their financing; | | |
| (c) provide commercial and financial services to affiliated co-operatives; | | |
| (d) invest in, and further, human resource development of their members, workers and managers; | | |
| (e) further the development of and affiliation with national and international co-operative organisations; | | |
| (f) represent the national co-operative movement at the international level. | | |

Section V is about co-operation between co-operatives on the international level.

| Recommendation 193 | Current policy and practice of your co-operative movement | Your proposal |
|---|---|---------------|
| <p>18. International co-operation should be facilitated through:</p> <p>(a) exchanging information on policies and programmes that have proved to be effective in employment creation and income generation for members of co-operatives;</p> <p>(b) encouraging and promoting relationships between national and international bodies and institutions involved in the development of co-operatives in order to permit:</p> <p>(i) the exchange of personnel and ideas, of educational and training materials, methodologies and reference materials;</p> <p>(ii) the compilation and utilisation of research material and other data on co-operatives and their development;</p> <p>(iii) the establishment of alliances and international partnerships between co-operatives;</p> <p>(iv) the promotion and protection of co-operative values and principles;</p> <p>(v) the establishment of commercial relations between co-operatives;</p> <p>(c) access of co-operatives to national and international data, such as market information, legislation, training methods and techniques, technology and product standards; and</p> <p>(d) developing, where it is warranted and possible, and in consultation with co-operatives, employers' and workers' organisations concerned, common regional and international guidelines and legislation to support co-operatives.(f) promote equality of opportunity in co-operatives;</p> | | |

Tripartite seminar on Recommendation 193

A useful part of your campaign could be a tripartite workshop on the Recommendation. This would be attended by equal numbers of representatives from government, employers' and workers' organisations and the co-operative movement.

If the ILO has not already organised such a workshop, you can take the initiative, and suggest such an event. You could offer to help with organisation of the event.

Here is a sample letter to the ILO Director for your country requesting such a workshop. (Not every country has an ILO office. If you are not sure where your ILO office is, contact the ILO Co-operatives Branch.)

xxxxx,
Director,
ILO zzz Area Office,

Dear xxxxx,

I am writing to request your assistance in implementing ILO Recommendation 193 on The Promotion of Co-operatives.

So far, there has not been a detailed discussion of the new standard on a tripartite basis. (You can mention what action, if any, the government has taken.) We consider that it would be helpful if there was a tripartite workshop to:

- Inform all social partners of the provisions of Recommendation 193.
- Identify the areas where national legislation would need to be changed to conform to Recommendation 193.
- Identify what Technical Co-operation might be required to help comply with the standard.

Our organisation is affiliated to the International Co-operative Alliance (ICA), which was closely involved in the discussions leading to the adoption of the Recommendation.
[Use this paragraph if appropriate.]

We would be happy to work together with you in organising the workshop.

I look forward to your reply.

Yours sincerely,

General Secretary/President

Draft programme for a tripartite workshop on ILO Recommendation 193

Day 1

- Introduction of participants.
- The contents of the Recommendation: an overview.
- Initial views: one contribution, for no more than 15 minutes from each of:
 - Government
 - Apex or national co-operative organisations
 - Employers
 - Workers
- Working groups on different areas of the Recommendation such as:
 - Definitions
 - Public policy to promote co-operatives

Note: Co-operators, workers, employers and government will be mixed for the group work and asked to identify how far the existing law matches the standards in the Recommendation and where there are gaps.

Day 2

- Reports from working groups.
- Consolidation of reports. How practical is compliance with the Recommendation standards?
- Future plans.
- Evaluation of the workshop.
- Close.

Appendix 1: Full text of the Recommendation

Promotion of Co-operatives Recommendation, 2002

The General Conference of the International Labour Organisation,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its 90th Session on 3 June 2002, and

Recognising the importance of co-operatives in job creation, mobilising resources, generating investment and their contribution to the economy, and

Recognising that co-operatives in their various forms promote the fullest participation in the economic and social development of all people, and

Recognising that globalisation has created new and different pressures, problems, challenges and opportunities for co-operatives, and that stronger forms of human solidarity at national and international levels are required to facilitate a more equitable distribution of the benefits of globalisation, and Noting the ILO Declaration on Fundamental Principles and Rights at Work, adopted by the International Labour Conference at its 86th Session (1998), and Noting the rights and principles embodied in international labour Conventions and Recommendations, in particular the Forced Labour Convention, 1930; the Freedom of Association and Protection of the Right to Organise Convention, 1948; the Right to Organise and Collective Bargaining Convention, 1949; the Equal Remuneration Convention, 1951; the Social Security (Minimum Standards) Convention, 1952; the Abolition of Forced Labour Convention, 1957; the Discrimination (Employment and Occupation) Convention, 1958; the Employment Policy Convention, 1964; the Minimum Age Convention, 1973; the Rural Workers' Organisations Convention and Recommendation, 1975; the Human Resources Development Convention and Recommendation, 1975; the Employment Policy (Supplementary Provisions) Recommendation, 1984; the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998; and the Worst Forms of Child Labour Convention, 1999, and

Recalling the principle embodied in the Declaration of Philadelphia that "labour is not a commodity", and

Recalling that the realisation of decent work for workers everywhere is a primary objective of the International Labour Organisation, and

Having decided upon the adoption of certain proposals with regard to the promotion of co-operatives, which is the fourth item on the agenda of the session, and

Having determined that these proposals shall take the form of a Recommendation;

adopts this twentieth day of June of the year two thousand and two the following Recommendation, which may be cited as the Promotion of Co-operatives Recommendation, 2002.

I. Scope, Definition and Objectives

1. It is recognised that co-operatives operate in all sectors of the economy. This Recommendation applies to all types and forms of co-operatives.
2. For the purposes of this Recommendation, the term 'co-operative' means an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.
3. The promotion and strengthening of the identity of co-operatives should be encouraged on the basis of:
 - (a) co-operative values of self-help, self-responsibility, democracy, equality, equity and solidarity; as well as ethical values of honesty, openness, social responsibility and caring for others; and
 - (b) co-operative principles as developed by the international co-operative movement and as referred to in the Annex hereto. These principles are: voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; co-operation among co-operatives; and concern for community.
4. Measures should be adopted to promote the potential of co-operatives in all countries, irrespective of their level of development, in order to assist them and their membership to:
 - (a) create and develop income-generating activities and sustainable decent employment;
 - (b) develop human resource capacities and knowledge of the values, advantages and benefits of the co-operative movement through education and training;
 - (c) develop their business potential, including entrepreneurial and managerial capacities;
 - (d) strengthen their competitiveness as well as gain access to markets and to institutional finance;
 - (e) increase savings and investment;
 - (f) improve social and economic well-being, taking into account the need to eliminate all forms of discrimination;
 - (g) contribute to sustainable human development; and
 - (h) establish and expand a viable and dynamic distinctive sector of the economy, which includes co-operatives, that responds to the social and economic needs of the community.
5. The adoption of special measures should be encouraged to enable co-operatives, as enterprises and organisations inspired by solidarity, to respond to their members' needs and the needs of society, including those of disadvantaged groups in order to achieve their social inclusion.

II. Policy Framework and Role of Governments

6. A balanced society necessitates the existence of strong public and private sectors, as well as a strong co-operative, mutual and the other social and non-governmental sector. It is in this context that Governments should provide a supportive policy and legal framework consistent with the nature and function of co-operatives and guided by the co-operative values and principles set out in Paragraph 3, which would:
 - (a) establish an institutional framework with the purpose of allowing for the registration of co-operatives in as rapid, simple, affordable and efficient a manner as possible;
 - (b) promote policies aimed at allowing the creation of appropriate reserves, part of which at least could be indivisible, and solidarity funds within co-operatives;
 - (c) provide for the adoption of measures for the oversight of co-operatives, on terms appropriate to their nature and functions, which respect their autonomy, and are in accordance with national law and practice, and which are no less favourable than those applicable to other forms of enterprise and social organisation;
 - (d) facilitate the membership of co-operatives in co-operative structures responding to the needs of co-operative members; and
 - (e) encourage the development of co-operatives as autonomous and self-managed enterprises, particularly in areas where co-operatives have an important role to play or provide services that are not otherwise provided.
7. (1) The promotion of co-operatives guided by the values and principles set out in Paragraph 3 should be considered as one of the pillars of national and international economic and social development.

(2) Co-operatives should be treated in accordance with national law and practice and on terms no less favourable than those accorded to other forms of enterprise and social organisation. Governments should introduce support measures, where appropriate, for the activities of co-operatives that meet specific social and public policy outcomes, such as employment promotion or the development of activities benefiting disadvantaged groups or regions. Such measures could include, among others and in so far as possible, tax benefits, loans, grants, access to public works programmes, and special procurement provisions.

(3) Special consideration should be given to increasing women's participation in the co-operative movement at all levels, particularly at management and leadership levels.
8. (1) National policies should notably:
 - (a) promote the ILO fundamental labour standards and the ILO Declaration on Fundamental Principles and Rights at Work, for all workers in co-operatives without distinction whatsoever;

- (b) ensure that co-operatives are not set up for, or used for, non-compliance with labour law or used to establish disguised employment relationships, and combat pseudo co-operatives violating workers' rights, by ensuring that labour legislation is applied in all enterprises;
- (c) promote gender equality in co-operatives and in their work;
- (d) promote measures to ensure that best labour practices are followed in co-operatives, including access to relevant information;
- (e) develop the technical and vocational skills, entrepreneurial and managerial abilities, knowledge of business potential, and general economic and social policy skills, of members, workers and managers, and improve their access to information and communication technologies;
- (f) promote education and training in co-operative principles and practices, at all appropriate levels of the national education and training systems, and in the wider society;
- (g) promote the adoption of measures that provide for safety and health in the workplace;
- (h) provide for training and other forms of assistance to improve the level of productivity and competitiveness of co-operatives and the quality of goods and services they produce;
- (i) facilitate access of co-operatives to credit;
- (j) facilitate access of co-operatives to markets;
- (k) promote the dissemination of information on co-operatives; and
- (l) seek to improve national statistics on co-operatives with a view to the formulation and implementation of development policies.

(2) Such policies should:

- (a) decentralise to the regional and local levels, where appropriate, the formulation and implementation of policies and regulations regarding co-operatives;
- (b) define legal obligations of co-operatives in areas such as registration, financial and social audits, and the obtaining of licences; and
- (c) promote best practice on corporate governance in co-operatives.

9. Governments should promote the important role of co-operatives in transforming what are often marginal survival activities (sometimes referred to as the 'informal economy') into legally protected work, fully integrated into mainstream economic life.

III. Implementation of Public Policies for the Promotion of Co-operatives

10. (1) Member States should adopt specific legislation and regulations on co-operatives, which are guided by the co-operative values and principles set out in Paragraph 3, and revise such legislation and regulations when appropriate.
 - (2) Governments should consult co-operative organisations, as well as the employers' and workers' organisations concerned, in the formulation and revision of legislation, policies and regulations applicable to co-operatives.
11. (1) Governments should facilitate access of co-operatives to support services in order to strengthen them, their business viability and their capacity to create employment and income.
 - (2) These services should include, wherever possible:
 - (a) human resource development programmes;
 - (b) research and management consultancy services;
 - (c) access to finance and investment;
 - (d) accountancy and audit services;
 - (e) management information services;
 - (f) information and public relations services;
 - (g) consultancy services on technology and innovation;
 - (h) legal and taxation services;
 - (i) support services for marketing; and
 - (j) other support services where appropriate.
 - (3) Governments should facilitate the establishment of these support services. Co-operatives and their organisations should be encouraged to participate in the organisation and management of these services and, wherever feasible and appropriate, to finance them.
 - (4) Governments should recognise the role of co-operatives and their organisations by developing appropriate instruments aimed at creating and strengthening co-operatives at national and local levels.
12. Governments should, where appropriate, adopt measures to facilitate the access of co-operatives to investment finance and credit. Such measures should notably:
 - (a) allow loans and other financial facilities to be offered;
 - (b) simplify administrative procedures, remedy any inadequate level of co-operative assets, and reduce the cost of loan transactions;

- (c) facilitate an autonomous system of finance for co-operatives, including savings and credit, banking and insurance co-operatives; and
 - (d) include special provisions for disadvantaged groups.
13. For the promotion of the co-operative movement, governments should encourage conditions favouring the development of technical, commercial and financial linkages among all forms of co-operatives so as to facilitate an exchange of experience and the sharing of risks and benefits.

IV. Role of Employers' and Workers' Organisations and Co-operative Organisations, and Relationships Between Them

14. Employers' and workers' organisations, recognising the significance of co-operatives for the attainment of sustainable development goals, should seek, together with co-operative organisations, ways and means of co-operative promotion.
15. Employers' organisations should consider, where appropriate, the extension of membership to co-operatives wishing to join them and provide appropriate support services on the same terms and conditions applying to other members.
16. Workers' organisations should be encouraged to:
- (a) advise and assist workers in co-operatives to join workers' organisations;
 - (b) assist their members to establish co-operatives, including with the aim of facilitating access to basic goods and services;
 - (c) participate in committees and working groups at the local, national and international levels that consider economic and social issues having an impact on co-operatives;
 - (d) assist and participate in the setting up of new co-operatives with a view to the creation or maintenance of employment, including in cases of proposed closures of enterprises;
 - (e) assist and participate in programmes for co-operatives aimed at improving their productivity;
 - (f) promote equality of opportunity in co-operatives;
 - (g) promote the exercise of the rights of worker-members of co-operatives; and
 - (h) undertake any other activities for the promotion of co-operatives, including education and training.
17. Co-operatives and organisations representing them should be encouraged to:
- (a) establish an active relationship with employers' and workers' organisations and concerned governmental and non-governmental agencies with a view to creating a favourable climate for the development of co-operatives;

- (b) manage their own support services and contribute to their financing;
- (c) provide commercial and financial services to affiliated co-operatives;
- (d) invest in, and further, human resource development of their members, workers and managers;
- (e) further the development of and affiliation with national and international co-operative organisations;
- (f) represent the national co-operative movement at the international level; and
- (g) undertake any other activities for the promotion of co-operatives.

V. International Co-operation

18. International co-operation should be facilitated through:
- (a) exchanging information on policies and programmes that have proved to be effective in employment creation and income generation for members of co-operatives;
 - (b) encouraging and promoting relationships between national and international bodies and institutions involved in the development of co-operatives in order to permit:
 - (i) the exchange of personnel and ideas, of educational and training materials, methodologies and reference materials;
 - (ii) the compilation and utilisation of research material and other data on co-operatives and their development;
 - (iii) the establishment of alliances and international partnerships between co-operatives;
 - (iv) the promotion and protection of co-operative values and principles; and
 - (v) the establishment of commercial relations between co-operatives;
 - (c) access of co-operatives to national and international data, such as market information, legislation, training methods and techniques, technology and product standards; and
 - (d) developing, where it is warranted and possible, and in consultation with co-operatives, employers' and workers' organisations concerned, common regional and international guidelines and legislation to support co-operatives.

VI. Provision

19. The present Recommendation revises and replaces the Co-operatives (Developing Countries) Recommendation, 1966.

Annex

Extract from the Statement on the Co-operative Identity, Adopted by the General Assembly of the International Co-operative Alliance in 1995

The co-operative principles are guidelines by which co-operatives put their values into practice.

Voluntary and open membership

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Democratic member control

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.

Member economic participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative.

Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

Autonomy and independence

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

Education, training and information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.

Co-operation among co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

Concern for community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

The hen house of a mushroom and hen house project set up as alternative work for local women in Mtongani (Dar Es Salaam). The women would otherwise be employed in stone breaking in the quarries.

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Appendix 2: ILO's core labour standards

What are the ILO's core labour standards?

They are the eight International Labour conventions which are regarded as defining basic human rights.

- **Forced Labour Convention, 1930 (No 29)**
 Aims at the immediate suppression of all forms of forced or compulsory labour. There are five exceptions compulsory military service; certain civic obligations; prison labour resulting from a conviction in court; work needed during emergencies such as war, fires and earthquakes; and minor communal services, for example, Special Youth Schemes.
- **Freedom of Association and Protection of the Right to Organise, 1948 (No 87)**
 Guarantees the removal of acts of discrimination against trade unions; the protection of employers' and workers' organisations against interference or restrictions by public authorities.
- **Right to Organise and Collective Bargaining, 1949 (No 98)**
 Protects workers who are exercising the right to organise; upholds the principle of non-interference between workers' and employers' organisations; and promotes voluntary collective bargaining.
- **Equal Remuneration Convention, 1951 (No 100)**
 Underscores the principle of equal pay between men and women for work of equal value. This concerns all payments made by an employer for work by men and women: basic wages and any additional payments whether direct or indirect, cash or kind.
- **Abolition of Forced Labour Convention, 1957 (No 105)**
 Provides for the abolition of all forms of forced or compulsory labour as a means of political punishment or education; as punishment for the expression of certain political and ideological opinions; as workforce mobilisation; as labour discipline; as a punishment for taking part in strikes; and as a measure of racial, social, national or religious discrimination.
- **Discrimination (Employment and Occupation) Convention 1958 (No 111)**
 Protects the right to equal opportunity and treatment. Provides for a national policy designed to eliminate, in respect of employment and occupation, all discrimination based on race, colour, sex, religion, political opinion, national extraction or social origin.
- **Minimum Age Convention, 1973 (No 138)**
 Requires States to pursue national policies which will effectively abolish child labour. It establishes a minimum age for employment so that young people can develop physically and mentally before entering the workforce.

■ **Worst Forms of Child Labour Convention, 1999 (No 182)**

Defines as the worst forms of child labour such practices as child slavery, forced labour, debt bondage, trafficking, serfdom, prostitution, pornography and various forms of hazardous and exploitative work. It calls for immediate and effective measures to secure the prohibition and elimination of these forms of child labour as a matter of urgency.

The ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up

In 1998, the International Labour Conference adopted the **ILO Declaration of Fundamental Principles and Rights at Work and its Follow-up**. The declaration recognises that all states, by their membership in the ILO, have an obligation to respect, promote and put into practice in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of the core Conventions. The first two articles of Declaration state:

The International Labour Conference,

1. Recalls:
 - (a) that in freely joining the ILO, all Members have endorsed the principles and rights set out in its Constitution and in the Declaration of Philadelphia, and have undertaken to work towards attaining the overall objectives of the Organisation to the best of their resources and fully in line with their specific circumstances;
 - (b) that these principles and rights have been expressed and developed in the form of specific rights and obligations in Conventions recognised as fundamental both inside and outside the Organisation.
2. Declares that all Members, even if they have not ratified the Conventions in question, have an obligation arising from the very fact of membership in the Organisation, to respect, to promote and to realise, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions, namely:
 - (a) freedom of association and the effective recognition of the right to collective bargaining;
 - (b) the elimination of all forms of forced or compulsory labour;
 - (c) the effective abolition of child labour; and
 - (d) the elimination of discrimination in respect of employment and occupation.

The existing supervisory machinery of the ILO provides the means of assuring the application of conventions on the states that have ratified them. For those that have not, the Declaration makes an important new contribution. Each year, the states that have not ratified the core Conventions

will be asked to report on progress made in implementing the principles enshrined in them. This is an opportunity for states to re-examine the obstacles to ratification.

In addition, a global report will be prepared each year, focusing on one of the four fundamental rights and this will be submitted to the International Labour Conference.

The first cycle of such reports is:

- 2000: Freedom of Association
- 2001: The elimination of all forms of forced or compulsory labour
- 2002: Child Labour
- 2003: The elimination of discrimination in employment

The cycle will then be repeated.

Neela is a member of a co-operative project in Kesavarayampatti village, Madras. The co-operative harvests and roasts peanuts then sells them in a shop in a nearby town.

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Appendix 3: Statement of Co-operative Identity

Co-operative Statement of Identity and Principles as Approved at the ICA Congress, Manchester, September 1995

Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

1st Principle.

VOLUNTARY AND OPEN MEMBERSHIP

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2nd Principle.

DEMOCRATIC MEMBER CONTROL

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote), and co-operatives at other levels are also organised in a democratic manner.

3rd Principle.

MEMBER ECONOMIC PARTICIPATION

Members contribute equitably to, and -democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as

a condition of membership. Members allocate surpluses for any of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4th Principle.

AUTONOMY AND INDEPENDENCE

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5th Principle.

EDUCATION, TRAINING AND INFORMATION

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.

6th Principle.

CO-OPERATION AMONG CO-OPERATIVES

Co-operatives serve their members most effectively and strengthen the Co-operative Movement by working together through local, national, regional and international structures.

7th Principle.

CONCERN FOR COMMUNITY

Co-operatives work for the sustainable development of their communities through policies approved by their members.

Appendix 4: European Commission Communication on Co-operatives

An important text *On the promotion of co-operative societies in Europe* was adopted by the European Commission in February 2004.

In 2002 the Commission undertook a wide public consultation of co-operative businesses in Europe. The communication is a result of that and focuses on three main issues:

- The promotion of the greater use of co-operatives across Europe by improving the visibility, characteristics and understanding of the sector.
- The further improvement of the co-operative legislation in Europe.
- The maintenance and improvement of co-operatives' place and contribution to community objectives.

It points out that there are 300,000 co-operatives in the European Union, providing 2.3 million jobs. They exist in all states and candidate countries. There are more than 140 million European citizens who are members of co-operatives.

Co-operatives "thrive in competitive markets and although they do not seek to maximise profits on capital they have achieved significant market shares in areas where capitalised companies are very strong such as banking, insurance, food retail, pharmacy and agriculture. They are growing fast in the sectors of health care, services to business, education and housing."

The Commission believes that the potential of co-operatives has not been fully utilised and that their image should be improved at national and European levels. Particular attention should also be paid to the new Member States and candidate countries, where despite extensive reforms the instrument of co-operatives is not fully exploited.

The Commission believes that there is an increasingly important and positive role for co-operatives as vehicles for the implementation of many Community objectives in fields like employment policy, social integration, regional and rural development, agriculture, etc. The Commission believes that this trend should be maintained and that the presence of co-operatives in various Community programmes and policies should be further exploited and promoted.

There is a specific reference to Recommendation 193, which was *officially approved by the Governments of all Member States of the EU as well as by the Governments of all accession and candidate countries*.

The Co-operative College

The Co-operative College was founded in 1919 and is recognised throughout the world as a centre of excellence for co-operative learning.

The College provides learning, education, training, consultancy and research for the co-operative, social enterprise and mutual sectors in the UK and internationally, offering tailored workshops and qualifications for members, directors, staff and managers in co-operatives, social enterprise and mutual organisations.

The College also works outside of the co-operative movement with schools, young people and public bodies, raising the awareness of the difference co-operatives and co-operative values can make to individuals and their communities.

The College is working with funding bodies including the European Union and UK Government agencies, on projects that help the co-operative movement become better informed and equipped to meet the business and social challenges of the new millennium. The Strategic Grant Agreement with the Department for International Development is a groundbreaking agreement enabling the co-operative movement and DfID to work towards the achievement of the Millennium Development Goals (MDGs) on halving world poverty.

The College also houses the National Co-operative Archive Collection, a substantial resource of primary source material including many of the writings of Robert Owen. It also manages the Rochdale Pioneers Museum at Toad Lane in Rochdale.

Co-operative College

Holyoake House

Hanover Street

Manchester M60 0AS

Tel: +44 161 246 2926

Email: enquiries@co-op.ac.uk

Website: <http://www.co-op.ac.uk>

<http://archive.co-op.ac.uk>

<http://museum.co-op.ac.uk>

The International Co-operative Alliance

The International Co-operative Alliance is an independent, non-governmental association which unites, represents and serves co-operatives worldwide.

The ICA was founded in London in 1895. Its members are national and international co-operative organisations in all sectors of activity including agriculture, banking, energy, industry, insurance, fisheries, housing, tourism and consumer co-operatives. ICA has more than 230 member organisations from over 100 countries, representing more than 760 million individuals worldwide.

In 1946, the ICA was one of the first non-governmental organisations to be accorded United Nations Consultative Status. Today it holds the highest level of consultative status (General Category) with the United Nations Economic and Social Council (ECOSOC).

Working from its Head Office and Regional Offices, ICA helps to build strong, viable co-operatives in developing countries by acting as a co-ordinator and catalyst of co-operative development.

ICA

15 route des Morillons
1218 Grand-Saconnex
Geneva - Switzerland
Tel: +41 22 929 88 88
Email: ica@ica.coop
Website: <http://www.ica.coop>

ICA Regional Office for the Americas (ICA ROAM)

Apdo: 6648-1000
San Jose - Costa Rica
Tel: +506 296 0981
Email: alianza@aciamericas.coop
Website: <http://www.aciamericas.coop>

ICA Regional Office for Eastern, Central and Southern Africa (ICA ROECSA)

Off Gichunga Road
Kileleshwa
PO Box 67595
Nairobi - Kenya
Tel: +254 2 434 3060
Email: ica@icaroecsa.coop
Website: <http://www.icaroecsa.coop>

ICA Regional Office for Asia and the Pacific (ICA ROAP)

9 Aradhana Enclave
Sector 13
R K Puram - Ring Road
New Delhi 110 066 - India
Tel: +91 11 2688 8250
Email: icaroap@vsnl.com
Website: <http://www.icaroap.coop>

ICA Regional Office for West Africa (ICA ROWA)

Avenue Kwame N'Krumah 01 B P 6461
Ouagadougou 01
Burkina Faso
Tel: +226 5030 73 28
Email: acibrao@fasonet.bf

International Labour Office

The International Labour Organisation is the UN specialised agency which seeks the promotion of social justice and internationally recognised human and labour rights.

The ILO formulates international labour standards in the form of Conventions and Recommendations setting minimum standards of basic labour rights: freedom of association, the right to organise, collective bargaining, abolition of forced labour, equality of opportunity and treatment, and other standards regulating conditions across the entire spectrum of work related issues.

It promotes the development of independent employers' and workers' organisations and provides training and advisory services to those organisations. Within the UN system, the ILO has a unique tripartite structure with workers and employers participating as equal partners with governments in the work of its governing organs.

Co-operative Branch

The work of the Co-operative Branch, based on the new ILO Recommendation No 193, (2002), includes: providing policy advice to ILO Member States; technical co-operation; organising international meetings; producing documentation and information to increase public awareness of co-operatives; and promoting co-operative values and principles. The technical co-operation activities cover a wide range of themes from co-operative legislation and human resource development to job creation, poverty alleviation and local economic development.

International Labour Office

4, route des Morillons

CH-1211 Geneva 22

Switzerland

Tel: +41 22 799 7445

Email: coop@ilo.org

Website: <http://www.ilo.org/coop>

Further Information

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Promoting **Co-operatives**

Ranging from small-scale to multi-million dollar businesses across the globe, co-operatives are estimated to employ more than 100 million women and men and have more than 800 million individual members. Because co-operatives are owned by those who use their services, their decisions balance the need for profitability with the wider interests of the community.

The ILO's 2002 Recommendation on the Promotion of Co-operatives is a new, internationally agreed template for national policy. This guide will help co-operatives, governments, employers' and workers' organisations work together to understand the Recommendation and how it can be used to realise the potential of co-operatives for the 21st century.

