



Cooperatives at the crossroads of social innovation and sustainable development

Simel Esim, Manager

Cooperatives Unit, Enterprises Department, International Labour Office

I would like to thank the International Cooperative Alliance Asia Pacific Region and the Iranian Ministry of Labour, Welfare and Cooperatives for extending an invitation to the International Labour Office to participate in this session with a video message.

As this session is on innovation and sustainability, I would like to reflect on social innovation and sustainable development in relation to cooperatives. Coming from the ILO, the examples I will present will be from the world of work and connected to the United Nations sustainable development goal on decent work and economic growth.

In recent years, social innovation is being discussed widely across policy circles. However, this is not a new phenomenon. People have always tried to find new solutions to pressing social needs through “bottom-up strategic initiatives with local roots” that emphasize improvement in social relations through solidarity, reciprocity, shared values and association.

In fact the concept goes back to the 17th century and was rediscovered by social movements in the last decade following the economic and financial crises. Cooperatives were a micro level social innovation in the 19th century where collective action was needed to respond to the challenges of the then industrial revolution. Starting at the beginning of the 20th century, the ILO’s international labour standards emerged as a normative social innovation. Both of these social innovations are around today and still as relevant as ever.

In the face of the current demographic, economic, environmental and technological challenges, social innovation is enjoying a well-deserved regeneration. Social innovation should not be understood solely in economic terms, but also in social and environmental terms. Nor should social innovation be strictly equated to social entrepreneurship: it can come from different types of organizations in public and private spheres and in civil society and emerge from partnerships among them.

As we position ourselves to achieve the goals of the United Nations 2030 agenda for sustainable development what are the types of social innovation on which we need to focus? I think social and solidarity economy is a good place to start in locating socially innovative practices that have a social transformation potential. Cooperatives, mutuals, foundations and associations that typically seek to collectively satisfy insufficiently-met human needs. They can also contribute to building more cohesive social relations and more democratic communities.

What are some promising social innovations emerging from the cooperative movement today that also have the potential of being socially transformative? I will give three examples, and how they can be supported. You will no doubt be discussing others during your deliberations.

I consider that in many contexts the restructuring of enterprises to worker cooperatives is such a promising example for three reasons. First, it fulfills a social purpose by preserving jobs in the face of bankruptcies. Second, it has solidarity building elements to it: workers coming together to take ownership of a given business often with support from workers' and cooperative movements. And third, it has a social political empowerment dimension: giving voice to workers in deciding their future in these enterprises. The success of such initiatives depends on an enabling legal and institutional environment.

A second promising example is cooperative provision of care services such as childcare, elderly care and mental health care. This is a social innovation because it addresses growing unmet needs for care in the face of demographic changes in a collective manner. Our research shows cooperatives providing care services encourage beneficiaries to actively participate in care plans in a holistic manner. They also provide better and fairer wages and benefits to workers, especially their members. In these cooperatives, women are often the majority of workers and members. For cooperatives in care provision to be sustainable, they need the engagement of public institutions, local and national, not only in regulation, but also in financing.

A third promising example is the use of cooperatives among waste pickers in urban areas to provide much needed services for improved waste management and recycling. They integrate members into waste management systems, and improve their access to occupational safety and health, training, and financial services. This is a social innovation because it moves toward addressing decent work deficits faced by informal workers. To become sustainable, it is important that such initiatives are integrated into urban municipal waste management systems and that training is provided for them to manage their cooperatives sustainably.

At the ILO we welcome cooperatives' efforts to advance fundamental principles and rights at work, in their own businesses and across the global supply chains in which they operate. We have been engaging with cooperatives that are active in these areas of fundamental principles and rights at work, namely: the elimination of forced or compulsory labour, the abolition of child labour, freedom of association and the effective recognition of the right to collective bargaining, and the elimination of discrimination in respect of employment and occupation. Such efforts have yet to gain momentum. For them to become more widespread beyond isolated initiatives there is a need for strategic alliances.

The ILO offers a platform for cooperative movements to work together with governments, workers' and employers' organizations to make their decent work commitments a reality. To track progress, we need adequate statistics. A number of countries in the Asia Pacific region, including South Korea, Iran and the Philippines, supported the adoption of the guidelines on statistics of cooperatives at the 20th International Conference of Labour Statisticians in Geneva last month. The guidelines are an important step toward securing better data on cooperatives and their

contributions to sustainable development goals. The next step will be pilot testing in selected countries, including in the Asia Pacific region.

At the ILO we wish you a fruitful conference and look forward to the learning emerging from your deliberations.

Moteshakkeram.

Thank you.