There is a renaissance of interest in cooperatives, as democratically owned and controlled enterprises, in achieving socially inclusive sustainable development.


This report sets out to answer some key questions on the standard:

- Has it played a role in the revival of cooperative enterprises around the world?
- Has it managed to provide a practical and contemporary framework for the development of new cooperative legislation and policies?
- How many countries have used it in revising and reforming their cooperative legislation and policies?

In addition, the report provides an overview of:

- The reasons as to why an update to an earlier standard on cooperatives was needed;
- The process towards the adoption of the new standard;
- How Recommendation No. 193 has been used since its adoption; and
- The impact it has had on legislation, policies and practices around the world.

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The Story of the ILO’s Promotion of Cooperatives Recommendation, 2002 (No. 193)
A review of the process of making ILO Recommendation No. 193, its implementation and its impact

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Foreword

There is a renaissance of interest in the cooperative enterprise model as a way to achieve socially inclusive sustainable development. This is borne out by the outcome document of the Rio+20 Conference ‘The future we want’. The resilience of cooperative enterprises to the recent financial and economic crises has added to the appeal of cooperatives as democratically owned and controlled form of business, rooted in communities. From its creation in 1919, the ILO has recognized the importance of cooperatives as a means of pursuing its mandate to achieve social justice and full employment. The ILO remains the only specialized agency of the United Nations with an explicit mandate on cooperatives. Central to ILO’s mandate is a system of international labour standards that promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and dignity.

An ILO international labour standard that has been proved highly relevant for the revival of cooperative enterprises in many parts of the world is the Promotion of Cooperatives Recommendation, 2002 (No. 193). This international policy instrument, adopted by the International Labour Conference more than a decade ago, has provided a practical, contemporary framework for the development and revision of cooperative policies and legislation in more than 100 countries worldwide.

The present publication highlights how the Recommendation No. 193 is being used, and its impact on the laws, policies and practices of countries. The publication also provides a brief account of the ILO’s engagement with cooperative development.

This publication is the third product of a package on cooperative legislation that also includes ILO “Guidelines for Cooperative Legislation” (already in its third edition), and the “Promoting Cooperatives: An Information Guide to ILO Recommendation No. 193” (second edition). The package is ILO’s contribution to the legal framework pillar of the Blueprint for a Co-operative Decade, developed by the international cooperative movement.
Intended as a reference for lawmakers, co-operators, workers’ and employers’ organizations, researchers and students alike, we hope that this new publication provides valuable insights into the process of developing an international standard through social dialogue in action and the benefits of its application.

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Abbreviations

**ACOPAM** Appui Coopératif et Associatif aux Initiatives de Développement à la base (Cooperative and Organisational Support to Grassroots Initiatives) an ILO programme implemented in 1978–1999

**ACT/EMP** Bureau for Employers’ Activities (ILO)

**ACTRAV** Bureau for Workers’ Activities (ILO)

**CEACR** Committee of Experts on the Application of Conventions and Recommendations (ILO)

**CICOPA** International Organisation of Industrial, Artisanal and Service Producers’ Cooperatives (a sectoral organization of the ICA)

**COPAC** Committee for the Promotion and Advancement of Cooperatives

**COOPAFRICA** Cooperative Facility for Africa (an ILO programme)

**COOPNET** Human Resource Development for Cooperative Management and Networking (an ILO programme)

**COOPREFORM** Structural Reform through Improvement of Cooperative Development Policies and Legislation (an ILO programme)

**FAO** Food and Agriculture Organization of the United Nations

**ICA** International Co-operative Alliance

**ICFTU** International Confederation of Free Trade Unions

**IFAP** International Federation of Agricultural Producers

**ILC** International Labour Conference

**ILO** International Labour Organization

**ILO COOP** Cooperatives Unit
INDISCO  Inter-Regional Programme to Support Self-Reliance of Indigenous and Tribal Peoples through Cooperatives and other Self-Help Organisations (an ILO programme)

IOE  International Organisation of Employers

ITUC  International Trade Union Confederation

IYC  United Nations International Year of Cooperatives (2012)

MoU  Memorandum of Understanding

OHADA  Organisation pour l’Harmonisation en Afrique du Droit des Affaires (Organisation for the Harmonisation of Business Law in Africa)

SYNDICOOP  Poverty Reduction among Unprotected Informal Economy Workers through Trade Union-Cooperative Joint Action (a project of ILO COOP with ACTRAV, ITUC and the ICA)

UN  United Nations

UNDP  United Nations Development Programme
Introduction

More than 12 years have passed since the International Labour Conference (ILC) adopted the Promotion of Cooperatives Recommendation (No.193).\(^1\) Why was it necessary to update the earlier Co-operatives (Developing Countries) Recommendation, 1966 (No. 127)? How did the process to complete the revision go? How has it been used by the ILO member States and other stakeholders? What has been its impact? What can we learn from the efforts over the past 13 years to promote cooperatives?

Recommendation No. 193 is an international instrument that aims to guide ILO member States in the design and implementation of favourable cooperative development policies and legislation. It sets out a series of measures that, taken together, can enable cooperatives to contribute to the economic and social well-being of their members and of society at large. It provides some basic technical inputs on cooperative policy and legislation, stressing the need for a level playing field for cooperatives and other business organizations. It also underlines the need to create more awareness and understanding of the cooperative form of enterprise, so that people are able to choose which business model best suits their needs, and calls for a concerted effort to improve the documentation of the contributions made by cooperatives. Furthermore, it includes special provisions to strengthen the relationships between cooperatives and employers’ and workers’ organizations, as well as relationships between cooperatives themselves.

This review of the process towards the adoption and implementation of Recommendation No.193 looks at its general contribution to the creation of a favourable environment for the development of cooperatives, including a particular focus on cooperative policy and legislation. This publication is not, however, intended to single out policy and legislation as the most important elements of the Recommendation, as adequate cooperative policies and legislation are only one of the many promotional measures suggested by the Recommendation. Success of cooperative enterprises requires that the ground is well laid through a coherent design and concerted implementation of various measures.

\(^1\) Recommendation concerning the promotion of cooperatives, 2002 (No.193) is available in NORMLEX database under the heading “Instruments” at: www.ilo.org/normlex
Since the adoption of Recommendation No. 193 in 2002, public awareness of the importance of cooperative policy and legislation in supporting the development of cooperatives has been increasing. The fact that cooperatives are weathering the turmoil of the financial and labour markets relatively well – for the second time in their modern history – has contributed to this increased interest. Also important was the declaration and observance of the UN International Year of Cooperatives (IYC) in 2012, which drew additional attention to the significance of cooperative policy and legislation. Cooperative legislation and policy reform often figured in national plans of action that were established for the IYC. The ICA’s Blueprint for a Cooperative Decade also has identified legislation as one of its five building blocks.

Within the ILO, the role of cooperatives has been recognized on several instances since the adoption of Recommendation No. 193. The 2009 Global Jobs Pact recognizes that cooperatives provide jobs from very small businesses to large multinationals. Several Conclusions adopted by the International Labour Conference emphasise the role of cooperatives. These include the Conclusions on the promotion of sustainable enterprises in 2007; the youth employment crisis in 2012; and achieving decent work, green jobs and sustainable development in 2013.

Interest has led to action, and this paper reviews what actions have been taken to promote Recommendation No. 193. However, it also describes the contexts of these actions, by first providing a brief account of the engagement of the ILO with cooperative development and the history of Recommendation No. 193. It also presents information and an analysis of implementation processes related to cooperative policies and legislation.

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3 United Nations General Assembly Resolution A/RES/64/136.
1. The ILO and cooperatives: A brief history (1920s–1980s)

A. The early years of ILO’s engagement with cooperatives

Albert Thomas and the creation of the Cooperative Branch

The ILO recognizes the importance of cooperatives in article 12 of its Constitution, which provides for consultation with co-operators including employers, workers and agriculturists through their recognized international organizations.9

ILO’s interest in cooperatives can be traced back to Albert Thomas, the first Director of the International Labour Office (the Office). He had worked for the French cooperative movement, and at the time of his nomination he was a sitting International Co-operative Alliance (ICA) Board member. While having great respect for the tripartism of the ILO (with governments, employers’ organizations and workers’ organizations of the member States being the constituents of the ILO), he knew that a large proportion of the economic and social actors were missing from this structure. Attempts in the 1920s to turn the ILO into a quadripartite structure, by including cooperative organizations, failed.10 However, by a unanimous decision of the Governing Body, taken at its Third Session (March 1920) in view of “the close relations which exist between the problems of labour and those of co-operation”,11 the Cooperative Service was created within the ILO.12 Its role was to “give careful attention to the study of different aspects of co-operation which are connected with the improvements

9 “The International Labour Organization may make suitable arrangements for such consultation as it may think desirable with recognised non-governmental international organizations, including international organizations of employers, workers, agriculturists and cooperators.” Article 12(3) of the ILO Constitution. http://www.iolo.org/public/english/bureau/leg/download/constitution.pdf
12 The entity currently responsible for cooperatives at the ILO is the Cooperatives Unit (ILO COOP), previously called Cooperative Organisations Service; Cooperative, Rural and Related Institutions Branch; Cooperative Branch; and Cooperative Programme.
of the economic and social conditions of the workers”.

The Story of the ILO’s Promotion of Cooperatives Recommendation, 2002 (No. 193)

The Correspondence Committee on Co-operation was established by the ILO in 1923, during the 17th Session of the Governing Body. The Committee’s members were experts appointed by the most qualified cooperatives with respect to the Committee’s function. The establishment of the Committee represented an important contribution to the ILO’s work on cooperation, both in theoretical and practical terms. Moreover, it allowed the ICA to be informed about the agenda of the ILC.

In 1931 the Correspondence Committee on Cooperation became the International Committee on Inter-Cooperative Relations. The creation of this Committee resulted from action taken by Albert Thomas during the International Cooperative Congress in Ghent, Belgium in 1924, and from the joint initiative of the ICA and the International Confederation of Agriculture as a consequence of a resolution adopted by the International Economic Conference in 1927. Thomas turned this Committee into an instrument through which he could give as much impetus and influence to the cooperative movement as to the ILO. Its purpose was twofold: (a) to promote the development of moral and economic relations between the consumers’ and the agricultural cooperative organizations, and (b) to act as a liaison body between the cooperative movement as a whole and the ILO. Its Chairman was always the Director of the ILO, and its secretariat was provided by the Cooperative Service of the ILO.

The creation and work of this Committee characterized the diversity, unity and continuity of action that Thomas deployed, not only in the ILO, but also within the French and international cooperative movements. The ILO had thus established a strong link with the cooperative movement. The Committee was disbanded in 1938.

1. The ILO and cooperatives: A brief history (1920s–1980s)

Georges Fauquet and Maurice Colombain

In 1929–1930 Thomas persuaded the agricultural cooperatives not to form a central international organization rivalling the ICA, but to create a special committee within the International Commission of Agriculture. In this committee he united the representatives of the ICA with those of the agricultural cooperatives. In 1924, in a report presented to the Ghent Congress with Dr Georges Fauquet, Thomas urged cooperative societies to form, everywhere where technical conditions allowed, labour limited partnerships among their employees. In line with Thomas’ proposal, Dr Fauquet, together with French cooperators, established an association in Paris to promote worker cooperatives.14

Between the two World Wars, research and information gathering and dissemination were the ILO’s main activities in the field of cooperation. A programme of practical activity (technical cooperation) was initiated in 1932. The first cooperative technical assistance mission was undertaken by ILO staff at the request of the Moroccan Government. Between 1932 and 1947, Maurice Colombain, then the chief of the Cooperative Branch, provided advice on a policy for the development of cooperatives in Morocco.

Cooperatives in territories

The 26th Session of the ILC, held in Philadelphia in 1944, adopted the Social Policy in Dependent Territories Recommendation, 1944 (No. 70). Article 45 in section 14 concentrates on cooperative organizations, stressing the national development of cooperatives.15 The Recommendation stressed the need for adequate legislation covering all forms of cooperatives. It underlined the need for assistance and development of cooperative societies, including cooperative organizations of workers for the promotion of health, housing and education, to be accepted as part of the economic programme of competent authorities in dependent territories.

Advisory Committee on Co-operation

In May 1946 the ILO Governing Body, at its 98th Session, decided to establish the Advisory Committee on Co-operation. At its First Session, in Geneva in October 1949, the new Committee studied a number of questions, including

15 ILO Social Policy in Dependent Territories Recommendation, 1944 (No. 70). Available in NORMLEX database under the heading “Instruments” at: www.ilo.org/normlex
the possibilities for cooperative action in less developed countries. In its recommendations, the Committee emphasized the need for a study of cooperative law, to help the governments of the countries concerned to establish or improve “a legal framework adapted to the special conditions of development of the co-operative movement”.16

It was later suggested that the Committee should be enlarged. The ILO Governing Body decided that the Committee should henceforth function as a Correspondence Committee, from which panels of members might be convened for consultation on specific subjects from time to time. The Committee was dissolved in 1953, but it left behind some useful resolutions and consultations on cooperative development.

**Technical assistance programmes with cooperatives**

During the period 1949–1953, the ILO’s activities in the field of cooperation through cooperatives intensified. In fact, this was one of the major subjects in ILO’s technical assistance programme. Projects ranged from general surveys and the overall planning of administrative and promotional machinery to measures concerning specific activities, such as cooperative banking, consumer cooperatives, industrial cooperatives and cooperative education and training schemes. The ILO’s efforts, whether made alone or in collaboration with other international organizations, underlined the potential role of cooperation in economic and social development, and provided direct benefits to the cooperative movement in many countries.

**Cooperatives in regional conferences and the work of technical committees**

Cooperation also figured frequently on the agenda or in the discussions of other organs of the ILO. Thus the 26th Session of the ILC in 1944 included specific references to the desirability of encouraging cooperative organizations.17 ILO Regional Conferences in Asia (1947 and 1950) and the Near and Middle East (1947) both adopted separate resolutions concerning cooperative development in their respective regions. They also included references to the value of cooperative action in other resolutions on economic requirements for social progress

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and conditions of life and work of primary producers. Technical Committees of the ILO, such as the Permanent Agricultural Committee, the Committee of Experts on Social Security and the Permanent Migration Committee, considered cooperative activities as relevant subjects in their respective domains.

**Box 1. Dr Georges Fauquet, the first Chief of the ILO Cooperative Branch**

The ideas of Dr Fauquet form a transition between the preceding school of thought and the socialist philosophies of cooperation. Fauquet’s main contributions to cooperative studies span a number of years:

- **1924** Collaboration with Albert Thomas on his report before the Ghent Congress of the ICA, “Relations between the different forms of cooperation”;
- **1927** Article on the main types of cooperative relations that exist between producers and consumers of agricultural products, in the *Annals of Collective Economy*;
- **1933** Article in the *Mélanges Edgard Milhaud*;
- **1934** Report to the International Institute of Cooperative Studies;
- **1935** First edition of the book *Le secteur coopératif*, which contains the preceding two chapters.

Various of his articles written between 1932 and 1946 were gathered in a volume under the title *Regards sur le movement coopératif*, published in 1949. This volume also included the notes of his lecture in 1939 on the moral value of cooperation, which he defended and demonstrated better than anyone else. His other contributions are of interest chiefly in connection with the problem of unity of cooperation under its various forms; the integration of cooperatives; the distinctions between enterprise and association; cooperation taken as a service enterprise; and the moral nature of cooperation.

At the ICA’s 19th Congress, held in Paris in 1954, Dr Fauquet was awarded the ICA Jubilee Triennial Prize for his eminent qualities of mind and character and his precious contributions to cooperative thought. A remarkably life-like portrait of Dr Fauquet was presented to the headquarters of the Alliance in the name of the French and Swiss Cooperative Movements. A cooperative centre was opened under his name in Rabat, Morocco in 1952, following the mission of the then Chief of the Cooperative Branch, Maurice Colombain (G. Fauquet Centre for Studies and Cooperative Action of Morocco).


**Meetings of panel of experts**

In 1953 and in 1962 the Correspondence Committee on Cooperation organized meetings of a panel of experts to discuss and review recent trends and developments in the cooperative movement around the world. The role of such expert meetings was to advise the Director General of the ILO in the preparation of subjects relevant to the ILC.
At its 157th Session in November 1963, the Governing Body of the ILO decided to include the “Role of Cooperatives in the Economic and Social Development of the Developing Countries” among the items on the agenda of the 49th Session of the ILC (1965).

In 1964 the Office went through a reorganization. As a result, the functions of the Cooperative, Rural and Related Institutions Branch of the Social Institutions Development Department were changed to include investigating questions related to agrarian reform, land settlement, agricultural organizations, government services related to the social and occupational protection of rural populations, indigenous and tribal populations, and the institutional aspects of overall rural development, including community development.

During the years 1964–1965 the ILO had as many as 80 experts on cooperatives working in 40 different countries.

B. The first ILO standard on cooperatives: Co-operatives (Developing Countries) Recommendation, 1966 (No. 127)

Adoption of the Recommendation

ILC Reports VII (1) and VII (2), The role of cooperatives in the economic and social development of developing countries, were discussed at the 49th and 50th Sessions of the ILC in 1965 and 1966. Subsequently, the Co-operatives (Developing Countries) Recommendation, 1966 (No. 127) was adopted by 317 votes to zero, with six abstentions.

The ILC also adopted two resolutions on the subject of cooperation through cooperatives. The first drew attention to the need for international cooperative banking, to increase the availability of financial aid from international sources for cooperative development. The second invited the international bodies concerned to collaborate to the greatest extent possible, both among themselves and with member States, to aid and encourage the cooperative movement in developing countries.

The adoption of Recommendation No. 127 marked a decisive step for cooperative policy and legislation, particularly as it was adopted at a time of intensifying technical cooperation with developing countries.

ICA Congress and discussions on the impact of Recommendation No. 127

The year 1966 was of special importance to the cooperative movement; in addition to the adoption of Recommendation No. 127, the 23rd Congress of the
ICA revised its Cooperative Principles for the second time. As a result of the revision, two new principles, cooperation among cooperatives and the need for cooperatives to provide education and training to their members, were added.

In October 1968 a panel of experts on cooperatives discussed non-conventional forms of cooperatives, the reasons underlying the establishment of cooperative enterprise development centres in developing countries and the influence of Recommendation No. 127. The meeting concluded that a framework for the ILO’s cooperative development policy had been established, but that it was too early to assess the consequences of such a far reaching Recommendation. However, over the following 25 years, the ILO organized no further meetings of experts on this subject. Instead, the ILO’s Cooperative Branch concentrated its efforts on the implementation of technical cooperation projects for cooperative development.

On December 1968 the UN General Assembly adopted a resolution recognizing the role of the cooperative movement in economic and social development. The resolution requested the ILO and other concerned UN agencies to increase their support for the cooperative movement in order for it to be able to better contribute towards economic and social development of developing countries.

The impact of Recommendation No. 127

As former colonies gained their independence, mainly during the 1960s, and in line with the policies suggested for the first UN Development Decade, launched in 1961, development of and through cooperatives gained importance at the international level. Cooperatives were seen as important means to achieving global development goals. In 1966 the now legally binding human rights instruments were adopted. One of these was the International Covenant on Economic, Social and Cultural Rights, which reflects the principles of the first UN Development Decade and emphasizes matters which are common to the defined objectives of cooperatives, i.e. that “development concerns not only man’s material needs, but also the improvement of the social conditions of his life and his broad human aspirations”.

Recommendation No. 127 was used intensively by technical cooperation projects from the 1960s until the late 1990s to train not only cooperative managers and board of directors, but also supervisors, consultants and government officials. In particular the definition of cooperatives given in the Recommendation was used to change the mindset of government officials about the role

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of government in cooperative development. This definition was also adopted by several cooperative laws. In Tanzania, for instance, the Cooperative Societies Act of 1982 was largely influenced by the wording of Recommendation No. 127.

Starting in the 1970s, ILO technical cooperation programmes assisted cooperatives to become self-reliant in managing their businesses and provided advice to governments on cooperative policy and legislation. These programmes included MATCOM (Materials and Techniques for Cooperative Management Training), COOPNET (Human Resource Development for Cooperative Management and Networking) and COOPREFORM (Structural Reform through Improvement of Cooperative Development Policies and Legislation). To work in conjunction with the COOPNET and COOPREFORM programmes, the ILO developed a third inter-regional programme, INDISCO (The Inter-regional Programme to Support Self-Reliance of Indigenous and Tribal Communities through Cooperatives and other Self-Help Organizations). This was designed to assist indigenous and tribal peoples to organize in cooperatives for their self-reliance. COOPREFORM and INDISCO worked together to develop culturally sensitive cooperative by-laws for indigenous groups using Recommendation No. 127.

Chapter III of Recommendation No. 127, on the implementation of policies for cooperative development and cooperative education and training, provided the basis for this technical cooperation. In Africa, one of the longest-lasting and larger ILO technical cooperation programmes, ACOPAM (Cooperative and OrganizATIONAL Support to Grassroots’ Initiatives), supported the formulation of national policy reforms and legislation on rural cooperatives, using Recommendation No. 127, in addition to supporting national strategies on food security and the establishment of cereal banks. The Food and Agriculture Organization of the United Nations (FAO) also referred to the Recommendation, particularly in its training programmes for agricultural cooperatives and land reform in the 1970s and 1980s, some of which were

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19 The Recommendation No. 127 defines a cooperative as “an association of persons who have voluntarily joined together to achieve a common end through the formation of a democratically controlled organisation, making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking in which the members actively participate”.


21 A joint COOPREFORM and INDISCO workshop organized in Baguio city, the Philippines, in partnership with the Cooperative Development Authority (CDA), in 1993, assisted the representatives of seven major indigenous groups in the design of specific by-laws to meet their cultural needs, using Recommendation No. 127.

organized jointly with the ILO and the United Nations Development Programme (UNDP).\textsuperscript{23}

One important impact of Recommendation No. 127 was on the ILO’s efforts to strengthen its field structure with regard to supporting cooperative development in the early 1970s. In order to reinforce local development through cooperatives and “give practical impact to Recommendation No. 127, the resources of its Regular Budget established a system of regional advisers on cooperative development for each region; Asia, Latin America, Caribbean, East Africa, West Africa and Arab States”.\textsuperscript{24}

In the spirit of the times, ILO Recommendation No. 127 had consolidated the splitting of the world of cooperatives into three parts: cooperatives in industrialized economies, those in centrally planned economies, and those in developing countries. However, following the structural adjustment programmes of the Bretton Woods institutions in the 1980s,\textsuperscript{25} and with the radical geopolitical changes at the end of that decade, this classification was increasingly called into question, as well as the way cooperative promotion should be addressed.

\begin{itemize}
\item \textsuperscript{23} FAO: \textit{FAO, the first 40 years} (Rome, 1985).
\item \textsuperscript{24} J. Fazio: “The ILO and cooperatives – Ninety years of partnership for a more decent world for working people”, in \textit{COOP News} (No. 1, 2009).
\item \textsuperscript{25} For the effects of structural adjustment programmes on cooperative development policies, see the collection of articles in: B. Harms and A. Kückelhaus (eds): \textit{Co-operative development and adjustment in Anglophone Africa}, (Feldafing, Deutsche Stiftung für internationale Entwicklung, 1997).
\end{itemize}
2. Towards a new Recommendation: The story of a participatory process

A. Meeting of experts

By the early 1990s the ILO had not held any comprehensive discussions on cooperatives since the adoption of the Co-operatives (Developing Countries) Recommendation, 1966 (No. 127). In view of emerging developments, in 1993 and 1995 the ILO organized two meetings of global cooperative experts. These meetings were intended to assess developments of relevance to the ILO mandate and, accordingly, to debate the need for revision and replacement of the ILO Recommendation No. 127 by a new instrument, in which cooperative legislation would have greater importance.26

The meeting in 1993 focused on the analysis of ILO Recommendation No. 127, the role of human resource development in the economic viability, efficient management and democratic control of cooperatives, and the role of cooperatives in the promotion of employment and income. The 1995 meeting highlighted cooperative legislation, in particular the impact of labour laws, industrial relations and international labour standards on cooperatives and cooperative legislation, as well as the regulatory role of the State.

Based on the recommendations of these meetings of experts, it was determined that a new instrument should be developed, and that it should address the following aspects:

Universality – A new standard should include developed as well as developing countries, because cooperatives are important players in economic and social life and in civil society.

Self-sufficiency – Cooperatives work best when they are least dependent on public supervision and finance.

Identity – Cooperatives are organizations established and managed by working people for clear economic and social purposes. Although the public authorities have the right and obligation to register and regulate any business enterprise or organization, cooperatives should not be regulated as parastatal entities.

Human resources – Cooperatives require properly trained members and elected executive officers to ensure they have the best standards of internal management and the business capacity to compete in open economies.

Legal framework – There should be a favourable legal environment for the establishment and operation of cooperatives as people’s organizations. At the same time, the law should not be intended as a means of public utilization and administration of cooperatives.

Basic values and principles – Cooperatives are a unique form of business and social organization, guided by certain values and principles. These are best described in the ICA’s Statement on the Cooperative Identity and should be duly recognized by the ILO member States. These principles include voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives and concern for the community.

B. Governing Body decision

Following the two meetings of experts, discussions were held with the ILO’s social partners, namely employers’ and workers’ representatives, in order that the cooperative proposal could be included in the Governing Body’s agenda. For this purpose, several consultations were held with the President of the Governing Body and its Employers’ and Workers’ groups. The Cooperative Branch undertook continuous lobbying activities with the Governing Body members before and during the Governing Body meetings in 1998 and 1999. The Branch worked closely with the internal ILO units, including the Bureau for Employers’ Activities (ACT/EMP) and the Bureau for Workers’
Activities (ACTRAV), to reach the social partners. In addition, contacts were established and technical meetings were held with the International Organisation of Employers (IOE) and the International Confederation of Free Trade Unions (ICFTU) to convince employers and workers about the need for a new standard on cooperatives. The ICA, which participated in all expert meetings, contacted its member organizations, particularly those in developed countries, and requested them to contact their governments and ask them to support the initiative of a new cooperative standard at the ILO Governing Body meetings. The Employers’ group in the ILO Governing Body included representatives from cooperative enterprises, who were particularly contacted and asked to talk to other members of the Governing Body in order to convince them about the proposal.

In March 1999, at its 274th Session, the ILO Governing Body decided to place an item regarding the promotion of cooperatives on the agenda of the 89th and 90th Sessions of the ILC, with a view to a revised standard being adopted in 2002. The Governing Body felt that the development of a new, universally recognized standard could enable cooperatives to more fully develop their self-help and employment-generating potential and address a number of current socio-economic issues, including unemployment.27

C. The law and practice report of 2000 and the reasons for the revision

Following the above-mentioned decision of the Governing Body, the Cooperative Branch prepared the first law and practice report. This report, produced in 2000, presented the reasoning for and discussions about the new Recommendation. A questionnaire to be sent to the ILO constituents was annexed to the report. The report explained why Recommendation No. 127 needed to be revised. In particular, it highlighted the following issues:

- The focus of Recommendation No. 127 was limited to developing countries. Universal standards would better enable cooperatives to address a number of current socio-economic problems. They would also better reflect the Cooperative Principles, as adopted by the ICA (see box 2).

- The status of cooperatives in developing countries had changed since the 1960s – they were no longer seen as tools of government.

The introduction of the market economy in former communist countries left behind state enterprises that carried the cooperative name but did not adhere to cooperative principles and structures.

The economic situation in industrialized countries was characterized by changes in the structures of cooperative enterprises and the introduction of new forms of cooperatives, as well as increasing privatization of cooperative support services.

Recommendation No. 127 underemphasized the business orientation of cooperative enterprises.

Recommendation No. 127 did not consider the changing political, economic and social realities, including those related to structural adjustment programmes.28

The law and practice report was a compilation of evidence explaining why a new cooperative policy framework was needed and highlighting the potential of cooperatives. The report also pointed out prerequisites for success of cooperatives – these were presented under the following subheadings, which were taken into account when structuring the new Recommendation:

- Cooperative entrepreneurship and management skills;
- Government policy and cooperatives;
- Cooperative legislation;
- Cooperative support services;
- The role of the social partners;
- Structural change within cooperatives; and
- International cooperation.

In conclusion, the law and practice report proposed that Recommendation No. 127 be revised to provide an appropriate framework for the promotion of cooperatives in the 21st century. That framework should be universal in its application, emphasize the position of cooperatives as privately owned

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member-controlled organizations and recognize the need for them to function within a competitive environment and to sustain their identity, having a distinctive role as economic enterprises and within civil society.29

Box 2: Cooperative principles

- Voluntary and open membership
- Democratic member control
- Member economic participation
- Autonomy and independence
- Education, training and information
- Cooperation among cooperatives
- Concern for community


D. Member State questionnaire

A questionnaire was sent to governments of ILO member States to be returned to the ILO by 1 June 2000. In accordance with article 12, paragraph 3 of the ILO Constitution and article 39 of the Standing Orders of the ILC, Government members are invited to consult the most representative employers’ and workers’ organizations as well as cooperative organizations.30 The questionnaire addressed the following issues:

- Form of the international instrument: Whether a new international instrument on cooperatives was needed and, if so, whether it should take the form of a Recommendation.

- Preamble: Whether the instrument should include a preamble referring to certain labour standards.

- Objective, scope and definition: Whether the instrument should seek to promote the potential of cooperatives; whether it should apply to all types and forms of cooperatives in all sectors; whether it should include a definition of cooperatives, or whether it should be left to national laws; whether the instrument should encourage strengthening of cooperative identity on the basis of cooperative principles; and whether the instrument should encourage measures enabling cooperatives to respond to the needs of disadvantaged groups.

29 ibid.
30 ibid.
The roles of governments, employers’ and workers’ organizations and cooperative organizations and the relationships between them: Whether cooperative organizations should be invited to establish an active partnership with employers’ and workers’ organizations and development agencies with the aim of creating a favourable climate for the development of cooperatives.

The policy framework for cooperatives: Whether the instrument should recommend the promotion of voluntary and independent cooperatives as one of the objectives of national economic and social development; whether cooperatives and other enterprises or social organizations should be treated on equal terms; and the types of measure that should be included in member States’ policies. Measures for implementing policies for the promotion of cooperatives (including: (a) legislation and (b) the establishment of support services for cooperatives).

International cooperation: Whether the instrument should recommend that members take appropriate measures to facilitate international cooperation.

E. Drafting of the Recommendation

The Office received replies from a total of 99 member States, with the majority of replies suggesting that the new instrument should take the form of a Recommendation. This would not be open to ratification, but would provide guidance on policy, legislation and practice for ILO member States. It would ensure flexibility and the possibility of adaptation to different local conditions and circumstances. The Office then prepared the first draft Recommendation, taking into account the replies received from the member States.

F. The 2001 ILC debate and the revised Recommendation

The Committee on the Promotion of Cooperatives was set up by the ILC at its first sitting on 6 June 2001. The Committee was originally composed of 173 members (80 Government members, 35 Employer members and 58 Worker members). The composition of the Committee was modified several times during the Session.

The Employers’ group agreed with the reasons for replacing Recommendation No. 127. It considered that cooperatives should not be treated more favourably than other forms of enterprise. There should be a level playing field and this should feature in the new instrument. Although there was clearly still a role to be played by governments, the level of presence foreseen in Recommendation No. 127 was no longer appropriate.
The Workers’ group considered that the new instrument should deal with a number of questions of principle. Most importantly the instrument should be truly universal, covering all countries, since the cooperative form of enterprise could be helpful in society across all levels of development. The instrument should “not try to fix what was not broken”, and it should incorporate those elements of Recommendation No. 127 that were still valid. The instrument should also promote the application of best practice labour standards in cooperatives.

Twenty-two government representatives expressed their opinions about the need for a new instrument, pointing out that it should be universal, viable and flexible. The need to minimize the regulatory role of government was emphasized. Cooperative development experiences from the Caribbean and African countries were summarized, highlighting the role of cooperatives in employment creation and poverty reduction. The importance of equal treatment of cooperatives was also highlighted.

The ICA representatives participating in the Committee meeting as observers considered that four basic but fundamental points should be considered by the Committee. First, the definition should refer to the ICA’s Statement on the Cooperative Identity, as it clearly noted the autonomous nature of cooperatives and defined cooperative values and principles and the role of cooperatives in promoting economic, social and cultural development. Second, the autonomy of cooperatives must be guaranteed. In this regard, the role of government is to create and maintain an enabling environment for cooperative development and not necessarily to promote cooperatives, as that might give too active a role to government. Third, cooperatives should have real equality with other types of associations and enterprises. Finally, cooperatives should be for everyone and should not be limited to specific groups of people or sectors of the economy.

In response to the Government group, the Workers’ group noted that there seemed to be a broad consensus on the need for a new universal standard, on the importance of cooperative autonomy and independence, and on the role of cooperatives in development. There also seemed to be strong support for applying international labour standards to cooperatives, as well as a consensus that cooperatives should not be the subject of discrimination and that special measures should be taken to support cooperative development. The Workers’ group added that the ICA principles would need to be taken into account in the Committee’s discussion.31

The Employers’ group stressed the importance of a simple, flexible and workable instrument and had been encouraged by the fact that most Government members seemed to prefer that the new instrument take the form of a Recommendation. The proposed conclusions, which included that the form of the instrument should be a Recommendation, were sent to the ILC for approval on 21 June 2001. After discussion, the report was adopted.

G. The debate at the 2002 ILC

After the debate at the 2001 ILC, governments were invited to send, after consulting the most representative employers’ and workers’ organizations and national cooperative organizations, any amendments or comments on the text, and to inform the Office on whether they considered the proposed text to be a satisfactory basis for discussion by the 2002 Conference. The Office received replies from 56 member States and, based on these, prepared the second draft report, which was submitted to the 90th Session of the ILC as Report IV (2B). On the basis of this report and the discussion at the 89th Session (2001) of the ILC, a second discussion entitled “Promotion of cooperatives” was held at the ILC in 2002.

The Employers’ group started by listing “five guiding lights”. First, the instrument should be universal, to ensure its widest possible acceptance. Second, it should contain simple language and its intentions should be clear. Third, it should not become a charter of workers’ rights and international labour standards, since the body of existing ILO Conventions and Recommendations already applied to workers in cooperatives. Fourth, it should not accord any special privileges to cooperatives, but rather it should promote a level playing field on which cooperatives and other forms of business could compete on equal terms. Fifth, it should promote the role of cooperatives in job creation and sustainable development.

The Workers’ group indicated that the draft instrument needed to address the three components of cooperatives: the enterprise, its members and its workers. On the enterprise aspect, the instrument should deal with issues such as legal and tax policies and accounting and audit regulations. On members, it should contain guidance on issues such as cooperative values, including autonomy and independence, democratic member control, member economic participation, voluntary and open membership, etc. On workers, it should address such issues as decent work, international labour standards and the ILO Declaration on Fundamental Principles and Rights at Work. The instrument would be unbalanced and inappropriate if it did not address all three components.

Twenty-four government representatives took the floor to speak about the proposed text and to address the comments of the Employers’ and Workers’ groups.
The President of the ICA (the ICA participates in the ILC and the Governing Body as a special observer with the right to speak to any ILO body or at their meetings) said that the proposed Recommendation was very important. The ICA hoped that the new instrument would provide a long-term policy reference framework for ILO member States; that it would be global in nature and scope; that it would have the flexibility necessary to address the needs of all types of cooperatives in all sectors of activity; and that it would focus on ensuring that enabling conditions existed for cooperatives to function and thrive. The ICA considered that the internationally recognized definition of cooperatives as well as the text of its Statement on the Cooperative Identity should be included in the instrument. This would provide a more comprehensive understanding of cooperatives. The statement had been agreed upon by cooperatives from a wide range of traditions and sectors, each having special needs and priorities. It was a universal statement that reflected the diversity of the movement while pinpointing the essence of the cooperative enterprise.\(^{32}\)

Concluding the general discussion, the Chairperson indicated that there seemed to be a consensus that an instrument was necessary, that it should be results-oriented and that many members had promised to work together to achieve this in a spirit of fair play.

After the general discussion was concluded, the Committee proceeded to adopt the proposed Recommendation, paragraph by paragraph, and in its totality. At the end of the Committee work, the Director-General of the ILO visited the Committee and congratulated the members on their achievement. He was particularly pleased that the result reflected a truly tripartite effort to reach consensus based on mutual comprehension. He considered cooperatives a very effective instrument for promoting the Decent Work Agenda. Cooperatives could also make a very positive economic and social contribution to globalization, given their emphasis on participation.

The Vice-Chairperson of the Employers’ group, in the last session of the Committee, indicated that the discussions in the Committee had not always been easy. He was therefore glad that a consensus had been reached on an instrument that was workable and could be implemented across geographical, philosophical and ideological divides. After lengthy discussions, particularly about the Preamble and the level playing field, including the phrase “equal treatment” and the wording “no less favourable”, the Committee reached a good compromise. The proposed Recommendation would indeed help to ensure that the benefits of globalization are shared.

Following this, the Vice-Chairperson of the Workers’ group said that the instrument highlighted the distinctive social sector, a sector that combines entrepreneurial spirit with a social soul, and that the instrument would make a timely and fitting contribution to the search for social justice and economic efficiency. In the Preamble, he said, it laid some significant foundation stones. He added “it quotes those ringing words from the Declaration of Philadelphia that proclaim that labour is not a commodity, and it recognizes that stronger forms of human solidarity are required at national and international level to address the equitable distribution of the benefits of globalization”.

On 20 June 2002, in its 90th session, the ILC adopted the new Recommendation by an overwhelming majority (with 436 votes in favour); only three delegates abstained. The result is a Recommendation that roots cooperatives in the wider framework of Decent Work and social development.

3. Implementation and impact of Recommendation No. 193: ILO’s contribution to creating a favourable environment

A. Introduction

Promotion of Cooperatives Recommendation, 2002 (No. 193) has had an influence not only on policy and legislation specific to cooperatives, but also on wider policies and legislation that apply to cooperatives. However, tracking direct cause and effect is difficult unless there is detailed knowledge of the processes of review, revision and adoption behind these policies and pieces of legislation. Efforts to track these links are made even more complicated by the multitude of stakeholders involved. These stakeholders include not only those specifically addressed by the Recommendation – governments and workers’, employers’ and cooperative organizations – but also development agencies, non-governmental organizations, training institutions, social enterprises and a wide range of other actors. Often many different stakeholders are involved in providing information, training and technical support concerning the development of cooperatives within a single country.

When going through this review, it should be borne in mind that that while Recommendation No. 193 may influence policy and legislation, this does not necessarily translate into full implementation of the Recommendation. Despite the relatively high number of countries reporting reviews, revisions and new cooperative laws, the work undertaken to fully reflect Recommendation No. 193 is incomplete and, even in these countries, further efforts to disseminate the Recommendation, engage in capacity building and provide technical advisory services are needed.

To improve understanding of the influence of Recommendation No. 193 and identify further actions to promote its implementation, this review focuses on policy and legislation, and:
1. identifies regions and countries in which there has been a review, revision or adoption of cooperative policy or legislation, indicating, where possible, whether the ILO played a role in providing advisory services;
2. reports on the wide range of capacity-building activities undertaken and the partnerships that are in place, which play an important role in building knowledge and expertise on the content and application of Recommendation No. 193;
3. identifies trends in implementation; and
4. draws lessons for future action.

The new ILO standard on cooperatives began to have an influence several years before it was adopted in 2002 as Recommendation No. 193. Therefore, the review takes into consideration activities going back to 1997, a period of five years prior to the adoption of the Recommendation. This is justified by the fact that in December 1996 the UN General Assembly passed a resolution “requesting the Secretary-General to ascertain, in cooperation with the Committee for the Promotion and Advancement of Cooperatives (COPAC), the desirability and feasibility of elaborating United Nations guidelines aimed at creating a supportive environment for the development of cooperatives”.

In 1997 COPAC prepared a report on guidelines on government policy concerning cooperatives. It also held a consultation meeting at which 22 cooperative experts reviewed the initial work undertaken and provided comments and suggestions. The experts were provided with a series of documents to assist their discussions, including the ICA Statement, Recommendation No. 127, the UN Guidelines for Consumer Protection, the Cooperative Guidelines of the International Raiffeisen Union and Proposal for a Review of ILO Recommendation No. 127 of 1966. The report of the meeting and the ensuing documents had an impact on policy and legal reviews of the time and related to the key legal features of what became Recommendation No. 193. And in 2001, before Recommendation No. 193 had been adopted, the UN released draft guidelines aimed at creating a supportive environment for the development of cooperatives.

The ICA has been a partner of the ILO since the foundation of the ILO in 1919. As the representative organization of cooperatives, with a direct membership of over 200 cooperative organizations in over 85 countries around the world, ICA played a special role in the preparatory stages of Recommendation No. 193, in its negotiation through its membership and more directly during the sessions of the ILC in 2001 and 2002. It continued to play an important role in the implementation of the Recommendation after its adoption. For example,
3. Implementation and impact of Recommendation No. 193

cooporative policy and legislation featured in an expert forum at the 2001 ICA General Assembly, where the revision of Recommendation No. 127 was specifically discussed. Further, this ICA General Assembly passed a resolution entitled Cooperative Policy and Legislation, which specifically committed the ICA to collaborating with the ILO in the revision of Recommendation No. 127 while endorsing the Guidelines for Cooperative Legislation. It further called on each ICA member organization to make contact with their government to ensure that they are aware of the initiatives taken by the ILO and the UN with regard to cooperatives and that they support the following:

1. the definition of a cooperative as “autonomous associations of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise”;
2. the recognition of the ICA cooperative values and principles with special emphasis on the fact that co-operatives are autonomous, self-help organizations controlled by their members;
3. governmental policies should create enabling environments to enable the growth of cooperatives taking into consideration the special character of the co-operative model of enterprise, its goals and contributions to the economic and social development of local communities and countries;
4. governments should in collaboration with cooperative organizations identify and remove obstacles that persist and do not allow cooperatives to compete on a real equal footing with other forms of enterprise.36

This review further includes reported events held immediately prior to the adoption of Recommendation No. 193 that dealt with cooperative legislation under the assumption that the draft Recommendation would pass its second debate by the ILC in 2002 without major changes, at least as far as cooperative policy and legislation were concerned. This includes, for example, the ICA General Assembly of 2001, for which the ICA had published the revised version of the Framework for Cooperative Legislation37 as Guidelines for Cooperative Legislation,38 which the General Assembly of the ICA was to endorse.39 With

37 Originally published as Canevas de législation coopérative (Geneva, BIT, 1997). In addition to an English version the Office and others have produced versions in Arabic, Chinese, Portuguese, Russian, and Spanish.
minor changes, these Guidelines were published by the ILO as a second edition of its *Guidelines on Cooperative Legislation* in English and French, in 2005 and 2007, respectively, and in 2012 the ILO released a third revised edition. Thus, not only did the ILC integrate the main parts of the ICA Statement into Recommendation No. 193, but the ICA had earlier endorsed a document on cooperative law which took account of the future Recommendation No. 193, as far as policy and legislation are concerned.

Finally, this review includes information contained in two previous reports on the implementation of Recommendation No. 193. In 2006, a paper entitled *Rec. No 193 on the Promotion of Cooperatives: Activities carried out since its adoption in June 2002* was prepared by the ILO Cooperative Branch, which in particular reviewed dissemination activities. In 2010 the ILO undertook a survey providing a first appreciation of the implementation of Recommendation No. 193. The survey report, *General Survey concerning employment instruments in the light of the 2008 ILO Declaration on Social Justice for a Fair Globalization*, was discussed by the Conference Committee on the Application of Standards, and was then submitted to the 99th Session of the ILC, which endorsed it.

The ILO Declaration on Social Justice for a Fair Globalization was adopted by the Governing Body in 2008. It highlighted the promotion of employment as one of its four strategic objectives. Shortly after the Committee of Experts on the Application of Conventions and Recommendations (CEACR) prepared the *General Survey concerning employment instruments*. This was the first time the measures adopted by member States on the provisions of Recommendation No. 193 were examined by the supervisory bodies of the ILO. The survey questionnaire was sent out to all ILO member States on the role of the most important instruments related to employment, Recommendation No. 193 being one of them. For this purpose, the questionnaire, approved by the ILO Governing Body, encouraged member States to provide information on the establishment of policy and legal frameworks favourable to the development

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of cooperatives. A total of 108 member States responded to the Survey, providing information on the role of cooperatives in the establishment and development of income-earning activities and sustainable and decent jobs in numerous countries.

In 2010 the CEACR reconfirmed the importance of the Recommendation No. 193 as an employment instrument providing a framework for the creation and maintenance of cooperatives, which create jobs and contribute to income generation. Furthermore, the CEACR emphasised the democratic structure of cooperatives, as well as the importance of combating pseudo-cooperatives, which are created for tax evasion or labour law avoidance purposes. Finally, the CEACR noted that policies and programmes designed to promote cooperatives should enhance cooperative-specific management, marketing skills and good governance.

The Committee for the Recurrent Discussion on Employment endorsed the CEACR conclusions on cooperatives in ILC 2010. The Committee encouraged the governments of member States to target their assistance for the creation of decent employment and income opportunities for vulnerable and disadvantaged groups, including through cooperatives, SMEs and labour-intensive infrastructure investments. It also emphasized improved productivity and social progress through enhancing and expanding accessibility of vocational and entrepreneurship training, especially for cooperatives. For the Office, the Committee recommended that strengthening its work on cooperatives and social economy for employment creation should be among its priorities.

B. International and regional implementation of Recommendation No. 193 through partnerships and instruments

A number of key elements of Recommendation No. 193 have been included in other international and regional instruments on cooperatives. This has created a multiplier effect, increasing the effectiveness of the Recommendation.

A major impetus for the implementation of Recommendation No. 193 has come from the partnerships in which ILO has been engaged, many of which existed prior to its adoption. The various partners’ activities have included the

44 Ibid.
dissemination of the Recommendation through awareness raising and/or the integration of the key elements of the Recommendation No. 193 into their own policy statements and instruments, and also its implementation through capacity-building activities, including technical advisory services.

ICA member organizations from a number of countries were included in the delegations of ILO constituents – governments and workers’ and employers’ organizations – at the 2001 and 2002 ILCs, where they played a direct role not only in the drafting of Recommendation No. 193, but also in its implementation after adoption.

Moreover, the ILO and ICA signed a Memorandum of Understanding (MoU) in February 2004 to further strengthen their existing partnership. The MoU made a special reference to the promotion and implementation of Recommendation No. 193. The Director-General of the ILO and the President of the ICA started to meet regularly (once a year) from 2004 onwards to discuss the implementation results of the MoU as well as the impact of the Recommendation on the ICA member organizations. In 2007, during a meeting to review progress on the implementation of the MoU, the parties further agreed to concentrate their joint efforts on four areas, one of which was cooperative policy and legislation.

Many ICA initiatives, at both global and regional levels, relate specifically to policy and legislation, including resolutions, declarations, policy documents, capacity building and technical advice. The ICA’s regional ministerial conferences held in Africa, in Asia-Pacific and in the ICA Americas regional meetings of cooperative parliamentarians established in 2003 and the network of cooperative promotional, regulatory and supervisory organizations established in 2007 all specifically addressed Recommendation No. 193, resulting in a number of commitments and declarations by ministers with responsibilities for cooperatives and by parliamentarians. In addition, the ICA has entered into agreements with other institutions to implement Recommendation No. 193, including the May 2012 agreement between ICA Americas and the Latin American Parliament (Parlatino), in which both parties reaffirm the importance of Recommendation No. 193 and commit to its application and evaluation.46

ICA also established a Global Legislative Working Group in the 1990s. In 2001 this was transformed into a Legislative Working Group of the ICA Board,

which brought together cooperative leaders and experts in cooperative legislation. In 2012 the ICA established a cooperative law committee, according to article 30 of its statutes.

The ILO’s position as a founder member of COPAC, which has supported its cooperative promotion and development activities since 1968, has also had an impact on the implementation of Recommendation No. 193. Since its official foundation in 1971, COPAC has brought together the major international actors in the promotion of cooperatives as members or associates. It also was key to establishing the *Guidelines on Cooperative Legislation*, which include specific reference and recommendations regarding policy and legislation. ILO was able to include issues of cooperative policy and legislation on the agendas of COPAC’s meetings and integrate these in the events organized by COPAC, such as expert meetings organized individually and in collaboration with the UN, and meetings of cooperative development agencies held in 2003, 2004, 2005, 2006 and 2010, where policy and legislation were discussed.

In addition, COPAC members individually and jointly also played roles in implementing Recommendation No. 193. During the period under review, the following organizations were members or collaborators of COPAC as cooperative development partners of the ILO Cooperative Branch and took part in promoting the Recommendation:

- Food and Agriculture Organization of the United Nations;
- International Co-operative Alliance and its federations;
- International Federation of Agricultural Producers;
- International Cooperative and Mutual Insurance Federation;
- International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Associations;
- Swedish Cooperative Centre;
- World Council of Credit Unions;
- United Nations;
- Co-operative College, UK;
- German Cooperative and Raiffeisen Confederation, Germany;
Lega Nazionale delle Cooperative e Mutue, Italy; 

Canadian Cooperative Association; and 

Overseas Cooperative Development Council, USA.

In 2015, COPAC membership consists of ILO, FAO, ICA, the UN and the World Farmers’ Organization (WFO).

A number of initiatives that COPAC members undertook are worthy of mention. These all included specific references to policy and legislative reviews in their own reports, meetings, resolutions and policy documents, either echoing Recommendation No. 193 or specifically citing the instrument.

The UN mobilized support for the implementation of Recommendation No. 193, creating awareness, building knowledge and capacity and taking policy decisions on cooperative legal policies. These actions had an impact not only on the UN member States, but also on other cooperative stakeholders. For example, starting in 1996, the UN adopted a number of resolutions on cooperatives that call on governments to “keep under review, as appropriate, the legal and administrative provisions governing the activities of cooperatives”.

In addition, as part of the preparation and dissemination of the 2001 UN Guidelines aimed at creating a supportive environment for the development of cooperatives, a number of expert group meetings were held which featured policy and legislation on the agenda. The UN Guidelines include relevant elements of Recommendation No. 193 and have been cited as the basis for reviewing and revising cooperative legislation, especially following the declaration of the UN International Year of Cooperatives 2012 (IYC) in 2009.

The IYC declaration included the establishment of appropriate policy as one of its aims; more specifically, it “encourage[s] Governments and regulatory bodies to establish policies, laws and regulation conducive to cooperative formation and growth”. A number of countries report having undertaken revisions of their policy and legislation as part of their observance of the IYC.

The partnership between ILO and FAO has been, and continues to be, an avenue for the implementation of Recommendation No. 193. The ILO–FAO MoU signed in 2004 specifically sets out policy coherence and promoting coherent


normative instruments in its objectives and mentions joint action concerning cooperatives as one of the areas of collaboration.\textsuperscript{49}

Cooperative organizations involved in cooperative development outside of their own countries also played an important role in promoting and implementing Recommendation No. 193, often in partnership with the ILO. For example, the German Cooperative and Raiffeisen Confederation (DGRV) partnered with the ILO in implementing the Recommendation No. 193 in Africa and the Asia-Pacific region, while the Swedish Cooperative Centre supported ICA initiatives, particularly in the Americas and in Africa, to implement Recommendation No. 193 through policy and legislative reform. The ILO also entered into an MoU in 2007 with one of the national cooperative organizations in Italy, Lega Nazionale delle Cooperative e Mutue (Legacoop), which is involved in national and international cooperative development. The MoU specifically sets out collaboration on the implementation of Recommendation No. 193.\textsuperscript{50} The guidelines prepared by a group of American cooperatives on cooperative legal reform, CLARITY, also used Recommendation No. 193 as a basis.\textsuperscript{51}

Other noteworthy regional instruments support the implementation of Recommendation No. 193 in the area of policy and legislation, are described below as per region:

\textit{Africa}

The Organisation pour l’Harmonisation en Afrique du Droit des Affaires (or Organisation for the Harmonisation of Business Law in Africa; OHADA) adopted a uniform cooperative law in 2010 (\textit{Acte uniforme relatif aux sociétés coopératives}) for its 17 member States in West and Central Africa.\textsuperscript{52} The ILO supported the idea of the elaboration of such a uniform act as part of the business laws of OHADA since 1997, when the idea was first discussed on the occasion of a cooperative law reform act in Burkina Faso.

In addition to the ILO, a number of international organizations, including the ICA and some cooperative movements from the North, stepped in and played a decisive role in creating a new generation of cooperative laws. The 1995 ICA

\textsuperscript{50} Protocollo di intesa tra l’Organizzazione Internazionale del Lavoro e la Lega Nazionale delle Cooperative e Mutue, 4 July 2007.
\textsuperscript{51} CLARITY: \textit{Enabling cooperative development: Principles for legal reform} (USAID, 2006).
\textsuperscript{52} OHADA member States include: Benin, Burkina Faso, Cameroon, Central African Republic, Chad, the Comoros, the Congo, Côte d’Ivoire, Equatorial Guinea, Gabon, Guinea, Guinea Bissau, Mali, Niger, Senegal and Togo.
Statement on the Cooperative Identity and Recommendation No. 193 had catalyzing effects on efforts to change the relationship between government and the cooperative sector and the concomitant new legislative framework. The ILO’s Cooperative Branch assisted a number of national governments in formulating modern, comprehensive cooperative development policies.53

Several workshops were organized in partnership with the ICA Regional Office and the African Regional Organization of ICFTU to promote the Recommendation No. 193 in African countries between 2003 and 2012. The ILO’s COOPAFRICA programme used the Recommendation No. 193 extensively to improve policy and the legal environment for cooperatives in seven countries in Eastern and Southern between 2007 and 2012.

To build capacities among different groups of workers and entrepreneurs, including those in the informal economy, Recommendation No. 193 was used extensively during the implementation of several other technical cooperation programmes. Between 2004 and 2006, the ILO, with the ICA and the ICFTU, implemented the SYNDICOOP programme. This programme aimed to strengthen the capacity of trade unions and cooperatives to work together to organize workers in the informal economy to improve their working conditions. It was first launched with co-funding from the Netherlands in East Africa (2004–2006) and was later replicated in South Africa with co-funding from the Flemish Regional Government.54

The African Union also referred to Recommendation No. 193 in its work on poverty reduction and sustainable development. At its summit in Ouagadougou in 2004, the African Union explicitly mentioned the development of cooperatives as a key requirement for poverty reduction and sustainable development.55

Recommendation No. 193 has also been used by the ICA Regional Office in Africa and other cooperative development partners of the ILO when implementing programmes on capacity building, advocacy and networking for cooperatives in the region. One example was the Enabling Environment Project, funded by the Canadian Cooperative Association, which aimed to improve the policy and legal environment for cooperative development in Eastern, Central and Southern Africa.56

55 ibid.
56 ibid.
A special reference to Recommendation No. 193 was made in the South African Cooperative Amendment Act of 2013, which is aligned with Recommendation No. 193, supported by the South African Government.57

**Americas**

The Framework Law on Cooperatives in Latin America (*Ley marco para las cooperativas de America Latina*) provides policy-makers with a generalized cooperative law that covers all types of cooperatives and can be used for guidance for updating national laws.58 It contains 102 articles and is organized into chapters, beginning with general provisions, rules on statutes, members, economic set-up, social bodies and cooperative integration as well as dissolution and liquidation. The framework includes chapters that specifically address public authorities responsible for the oversight of cooperatives as well as cooperative public policy. The ILO was represented on the commission established by ICA Americas to update the original 1988 framework law. After a wide consultation process, involving parliamentarians and government representatives, a new version was endorsed in 2008 by cooperatives of the region.

**Asia and the Pacific**

In 2003, a regional workshop was organized in Singapore at the request of and in partnership with ICFTU-APRO (Asia Pacific Regional Organization) for trade union and cooperative representatives from Asia-Pacific. In partnership with the ICA Regional Office for Asia and the Pacific in New Delhi, a two-day regional workshop was organized in 2004 in Bangkok, Thailand to discuss Recommendation No. 193 and its implementation. Twenty-five participants from government and cooperative organizations from several Asian countries attended the workshop. The Recommendation was presented at several meetings held in the Asia-Pacific region between 2003 and 2010, in India (ICA Ministerial Conference), Thailand (ICA Regional Assembly), Indonesia in 2005, the Philippines, Mongolia, Vietnam and Sri Lanka.

**Europe**

European Council Regulation No.1435/2003 establishes a legal statute for a European Cooperative Society (SCE), which makes a reference to

58 Available at: http://www.aciamericas.coop/IMG/pdf/LeyMarcoAL.pdf
Recommendation No. 193. An SCE may be established by natural persons residing in or by legal entities established in at least two different EU Member States.\textsuperscript{59} The purpose of the Regulation is to guarantee equal terms of competition between cooperative societies and capital companies. It also contributes to the development of cross-border activities by cooperative societies. The 2004 Communication from the Commission to the Council and the European Parliament, the European Economic and Social Committee and the Committee of the Regions on the promotion of cooperative societies in Europe suggest ways in which the wider promotion of cooperatives across Europe may be encouraged. In 2012, the European Parliament adopted a resolution on the Statute for a European Cooperative Society with regard to the involvement of employees, which also makes a reference to Recommendation No. 193.

C. National implementation: Review, revision and adoption of cooperative laws and policies

In the period from 1997 to 2014, Recommendation No. 193 helped in the review, modification or initiation of new cooperative laws and policies in 97 (52.4 per cent) of the 185 ILO member States. If only the period after the adoption of the Recommendation is considered, the number still reaches 86 countries. The difference relates more to the way that policies and laws are formulated and less to Recommendation No. 193 in particular. The ILO and other stakeholders continue to carry out activities supporting policy and legislative reform in many countries. For example, in South Africa, Recommendation No. 193 has influenced changes in law and policies over many years. Initial advisory services were provided by the ILO in 2004 and further activities have been undertaken nearly on a yearly basis. These activities have covered various aspects of cooperative legislation and policy, such as determination of who can be a member of a cooperative (legal vs. moral persons), taxation issues, and modification of legislation to allow for new forms of cooperatives or to provide clarification of the labour relations of worker-members in worker cooperatives (the “bogus cooperative” issue). South Africa is not the only country where cooperative law and policy reform has benefitted from multiple activities (capacity building, technical advice, independent reviews, etc.) over the years. Mexico, Paraguay, Peru, Poland, Romania, Serbia, Swaziland, Trinidad and Tobago, Turkey, Uganda and Vanuatu are among the countries where the ILO has been particularly involved. Often changes to existing policies and laws are made incrementally and over time in response to both political and administrative constraints.

\textsuperscript{59} See: http://europa.eu/legislation_summaries/employment_and_social_policy/social_dialogue/l26018_en.htm
Chart 1 Policy and legislation influenced by Recommendation No. 193 by region during the period 1997–2014

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List of countries by region with policy and legislation influenced by Recommendation No. 193 during the period 2002-201

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* Countries in which the ILO provided advisory services
The ILO was active in the majority of countries that have benefitted from the implementation of Recommendation No. 193. It has provided technical advisory services at the national level – including assistance in policy and law formulation, evaluation and commentaries, and capacity building in the form of seminars and workshops. It has also conducted regional capacity-building activities, creating awareness, promoting understanding of the content of Recommendation No. 193 and building knowledge and expertise. In a number of countries, the ILO’s partnership with the cooperative movement enabled joint activities to be undertaken. The particularly significant role of the ICA in this context should be recognized.

There are many other countries where cooperative policies and laws are in the process of review or have been reviewed, revised or adopted. Although no specific evidence links these initiatives specifically to the implementation of Recommendation No. 193, some cite other policy documents as having influenced their processes. These include the UN Guidelines aimed at creating a supportive environment for the development of cooperatives, the Framework Law on Cooperatives in Latin America, the OHADA Uniform Act on Cooperatives, and the resolution declaring the UN International Year of Cooperatives. These policy documents refer to the key legal features of Recommendation No. 193, and therefore it has also had an influence on cooperative policy and legislation in countries such as Antigua and Barbuda, Bahamas, the Dominican Republic, Republic of Korea, Philippines, St. Vincent and the Grenadines, United Kingdom and the United States. If these countries were included in the count, the overall number of countries in which Recommendation No. 193 has been implemented would rise to 115.

D. International, regional and national capacity building

A total of 108 global and regional capacity-building events related to the implementation of Recommendation No. 193 and concerning cooperative policy and law have been identified for the period between 1996 and 2002. The impact of these events in terms of building up the capacity of national stakeholders is difficult to measure within the scope of this review. However, and as elaborated further below, the commitment of major cooperative stakeholders in the promotion of Recommendation No. 193 indicates a significant impact on its national implementation across regions.

The activities reported under capacity building should be understood in the wider sense of sharing knowledge and building expertise on the content and application of the Recommendation. These activities include technical seminars and training courses, conferences and workshops, and multi-stakeholder
meetings, all dealing with cooperative policy and/or legislation and the implementation of Recommendation No. 193.

The analysis of capacity-building events reveals that the ILO and the ICA were the main promoters of Recommendation No. 193 in Africa. In the Americas, promotion was more balanced between the different stakeholders, while in Asia and the Pacific there was strong ICA collaboration with governments. In Europe and Central Asia, national and regional cooperative organizations were the main bodies involved in capacity-building activities, but other cooperative stakeholders, such as ILO social partners (regional and national employers’ and workers’ organizations), universities and research centres, were also involved, among which ILO social partners played an important role.

**Chart 2 International capacity-building events by stakeholder**

It is also useful to highlight the different types of stakeholders that were involved in the promotion of Recommendation No. 193 through the organization of capacity-building events. As pointed out above, in Asia and Africa, regional organizations of employers’ and workers’ Organizations, ITUC and IOE played an important role in promoting the Recommendation among their member organizations, and they also used the Recommendation in capacity-building activities related to cooperatives for their members.

Events organized solely by the ILO primarily took the form of training courses or workshops on cooperative policy and legislation. These include training courses
organized at the ILO’s International Training Centre at Turin (both in French and English) since 2003, as well as those organized by COOPAFRICA, an ILO Cooperative Branch regional technical cooperation programme and the ILO Academy on Sustainable Enterprise Development. Other ILO events with a cooperative policy and law component were mostly inter-regional research conferences.

Activities undertaken by the ICA to promote Recommendation No.193 included engaging in discussions on cooperative policy and law during conferences and assemblies organized at the global and regional levels, including during its statutory meetings (general and regional assemblies) since 2001. Various meetings of the global cooperative legislation committee of the ICA, meetings of ministers in charge of cooperatives held in Africa and Asia-Pacific and meetings of networks of parliamentarians and promotional institutions in the Americas region also all specifically addressed Recommendation No.193 and its application.

**Box 3: Selected ICA meetings with policy-makers addressing policy and law**

**ICA African Ministerial Conferences**
- 8th Ministerial Conference, Maseru (Lesotho), 2005
- 9th Ministerial Conference, Nairobi (Kenya), 2009
- 10th Ministerial Conference, Kigali (Rwanda), 2012

**ICA Asia-Pacific Ministerial Conferences**
- 7th Ministerial Conference, New Delhi (India), 2004
- 8th Ministerial Conference, Kuala Lumpur (Malaysia), 2007
- 9th Ministerial Conference, Bangkok (Thailand), 2012

**ICA Americas Encuentro de Parlamentarios Latinoamericanos**
- I Encuentro: Declaración Puerto Rico 2003
- II Encuentro: Declaración Argentina 2004
- III Encuentro: Declaración México 2005
- IV Encuentro: Declaración Perú 2006
- V Encuentro: Declaración San José 2008
- VI Encuentro: Declaración Buenos Aires 2010
- VII Encuentro: Declaración de Panamá 2012

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60 See: http://api.ning.com/files/BqP6Z2gyvdpA3pLSNe0mn*7qe4whlG*hX-Y0NG7awBBGJbtv8yVj*D-sILh27LIB5WD-DKZ-HhTsJSKRC8U9yTHxz*p-a7cEc/10th_Min_Conference_Recommendations_and_resolutions_1_.pdf


The majority of the international capacity-building events were jointly organized by cooperative stakeholders, half of which were organized by the ILO and the ICA through COPAC activities. These include COPAC annual board meetings (since 2003) and global and regional meetings of cooperative development agencies (2004, 2005, 2006, 2010), where COPAC members discussed and shared progress about the implementation of Recommendation No. 193. COPAC also facilitated cooperation among its members for the elaboration of the UN Guidelines through a consultation meeting (1997), as well as the preparation and coordination activities of the UN International Year of Cooperatives through UN expert meetings (2002, 2006, 2009, 2011 and 2012). Other capacity-building events jointly organized by the ILO and the ICA were international conferences focusing on the promotion and implementation of Recommendation No. 193.

Chart 3 Jointly organized international/regional capacity building by stakeholder groups

COPAC member organizations, ITUC and IOE, national and local governments, cooperative organizations, universities and research centres all hosted a variety of regional and inter-regional conferences and workshops that were either dedicated to or included discussions on cooperative policy and law.
Box 4: Dissemination and translation of Recommendation No. 193

Recommendation No. 193 was provided to all ICA member organizations and all ILO field offices. An explanatory background paper and generic presentation was prepared in English, French and Spanish, and provided via CD-ROM to all ILO field offices and some 35 cooperative development partners. The information was updated twice for further dissemination.

Recommendation No. 193 has been translated to 36 national and vernacular languages: Amharic (Ethiopia), Arabic, Arabic (Palestinian version), Bulgarian, Chinese, Czech, Danish, Dutch, English, French, Finnish, German, Greek, Hebrew, Hindi, Hungarian, Icelandic, Bahasa Indonesia, Italian, Japanese, Korean, Lithuanian, Mongolian, Norwegian, Polish, Portuguese, Portuguese (Brazilian), Romanian, Russian, Serbo-Croatian, Sinhalese, Spanish, Swahili, Swedish, Thai, Turkish, Vietnamese. Commentaries in English, German, Greek, Russian, Japanese and Polish, among other languages, are also available.

The promotion of Recommendation No. 193 at the national level was mainly undertaken through technical training sessions and seminars focusing on cooperative policy and law. These were initiatives of universities and research centres, national cooperative organizations and national governments. In addition, in some countries in Asia-Pacific and Africa, technical cooperation projects funded by donor agencies aimed at strengthening cooperatives and/or employment creation through cooperatives used Recommendation No. 193, among other training materials, in capacity-building activities for cooperative representatives and policy-makers.

Universities and research centres were responsible for 62 per cent of conferences and workshops, with a minor focus on cooperative policy and development, whereas national cooperative organizations and governments

Chart 4 National capacity-building events organized by region
held practical workshops on the implementation of Recommendation No. 193. Sectoral and national cooperative organizations also organized a number of meetings that included information sessions on cooperative policy and law.

The geographical distribution of national capacity-building events confirms that technical training events and research conferences on cooperative policy and law predominantly took place in Europe and Central Asia, organized mostly by universities, research centres and national cooperative organizations. In the Americas, as well as in the Asia–Pacific region, both cooperative organizations and governments took the initiative in organizing seminars and technical workshops specifically addressing cooperative policy and law.

With regard to other cooperative stakeholders, and in particular the ILO and the ICA, both provided technical expertise to a limited number of events focusing on cooperative policy and law and the implementation of Recommendation No. 193 at the national level.

Finally, a number of manuals, guides, reports and other tools were prepared by the ILO, the ICA and other cooperative stakeholders to assist in building capacity on the policy and legal aspects of promoting cooperative in line with Recommendation No. 193. A selected list is given in box 5.

**Box 5: Selected publications to assist in the implementation of Recommendation No. 193 with regard to policy and law**


Under the COOPREFORM programme, which supported ILO member States in revising their cooperative policies and legislation, the ILO commissioned in 1996 a paper entitled *Framework for cooperative legislation*. After its revision (1998), the paper was presented to and endorsed by the ICA General Assembly 2001 in Seoul. Based on this revised version, the *Guidelines for cooperative legislation* (2005) were jointly released by the ILO and COPAC. This was meant to be a checklist of items to be considered when amending or making a cooperative law. The added value of this second edition is in line with the adoption of Recommendation No. 193. It considered matters related to cooperative law not only in countries of the South, but in all ILO member countries. The third edition of these ILO-COPAC guidelines (2012) was produced to incorporate new developments that impact on the development of cooperative law, including the general trend towards harmonization of law, the emergence of international regulations that directly impact enterprises, new regional cooperative legislation and regional framework laws, as well as innovation in the

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64 Originally written in French, this working paper has been translated to Arabic, Chinese, English, Portuguese, Russian, Spanish and Turkish.
cooperative form of enterprise itself. The third updated edition of the guidelines has been translated into French, Spanish, Arabic and Russian.

This joint publication of ILO-ICA-Cooperative College of the United Kingdom aims to provide guidance and knowledge about Recommendation No. 193 and how it provides a basis for laws and policies on cooperatives. This guide targets both cooperators and ILO constituents (governments and employers’ and workers’ organizations) in order to promote the role of the ILO and its system of international Conventions and Recommendations and to raise awareness on the need to promote cooperatives. A revised second edition, called Promoting cooperatives: An information guide to ILO Recommendation No. 193 was published in 2014.

Third critical study on cooperative legislation and policy reforms in the Asia Pacific region (2004), ICA Asia and Pacific
Fourth critical study on cooperative legislation and policy reforms in the Asia Pacific region (2012), ICA Asia and Pacific
The Third Critical Study assessed the outcome of reforms initiated in countries following the adoption of Recommendation No. 193 and the UN Guidelines (2001) and highlighted matters which warranted intervention of governments. The Fourth Critical Study was commissioned as part of the related activities to the 9th ICA Asia Pacific Cooperative Ministers’ Conference (27–29 February 2012, Bangkok, Thailand) on “Enabling Cooperative Legal Environment and Policy for Sufficiency Economy”.

Enabling cooperative development: Principles for legal reform (2006), Cooperative Law and Regulation Initiative (CLARITY), USA
This first report of the Cooperative Law and Regulation Initiative (CLARITY)65 offers to cooperative movements worldwide a set of nine core principles as a valuable tool for evaluating and reforming cooperative laws and regulations. This report is the result of workshops, research and consultations with cooperative development organizations and other cooperative stakeholders on cooperative law reform in various countries. The report is available in Arabic, English, Kiswahili, Mongolian, Portuguese and Spanish.

Cooperative policy and law in East and Southern Africa: A review (2010), by Jan Theron, CoopAFRICA Working Paper No. 18, ILO
This paper presents a comparative analysis of the policies regarding cooperative development and cooperative legislation for the countries of East and Southern Africa. It argues that there is a complex interaction between policy and law within national boundaries, and also between countries within the region. The benefit of a comparative analysis is that it develops a regional perspective regarding the policy and legislative framework, in order to identify common problems with this framework and to stimulate debate as to how countries in the region can collaborate in strengthening the position of cooperatives.

International handbook of cooperative law, edited by Dante Cracogna, Antonio Fici and Hagen Henry (2013)
This handbook offers a unique comparison of cooperative laws in more than 30 countries, representing all regions worldwide. The first part sets the analytical and conceptual framework used for understanding, studying and assessing cooperative laws from a transnational and comparative perspective. The second part focuses on cooperative law harmonization. The third part provides an overview of more than thirty national cooperative laws. The final part highlights trends and prospects and provides a comparison of these national cooperative laws, thus building a comparative cooperative law doctrine.
E. Trends

A number of general observations can be made on the information related to policy and legislative changes:

- Recommendation No. 193 has influenced policy and legislation in all regions, thus confirming its universality. The implementation conforms to the needs that it addresses in countries around the world – from the so-called developing countries to the highly industrialized countries.

- Where there have been reviews, revisions or new formulations of cooperative policy and legislation, the key legal features of Recommendation No. 193 are those most commonly addressed. In particular, this relates to the issue of legal personality, autonomy, new sectors and new types of cooperatives, equal treatment of cooperatives with other forms of enterprise, particularly with regard to access to appropriate supportive or promotional measures.

- There has been a move away from the adoption of new laws. Instead, more emphasis is given to ensuring the implementation of existing laws that already incorporate the key legal features of Recommendation No. 193.

- In countries where cooperative policy and legislative revisions are taking place, there is a trend of isomorphization or approximation of cooperatives with stock companies, contradicting the essence of ILO R.193 which calls for policy and law that recognizes the specific nature of cooperatives. This has led to the harmonization of cooperative law and policy with other laws also with regard to labour law, competition and tax law, accounting/prudential standards, bookkeeping rules, and audit and bankruptcy rules. This “stock companization” of cooperatives is part of a wider process of standardizing all enterprise types on the features of stock companies and not only cooperatives, leading to a legal isomorphism of enterprise types.66

Regionalization of cooperative policy and legislation has also increased during the period under review, as seen by the regional instruments in Africa, the Americas and the EU. This trend continues, with parliamentary initiatives further addressing cooperative policy and legislation at regional and sub-regional levels, including most recently in East Africa.

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65 CLARITY was created in 2005 by members of the United States Overseas Cooperative Development Council, with support from the United States Agency for International Development. For more information, see: http://www.clarity.coop/about.html

Conclusions and lessons learnt

Recommendation No. 193 has had a significant influence on the development of cooperative policy and legislation. Over 100 countries have in some way or another reviewed, revised and/or adopted new policy and legislation in the light of the Recommendation. The ILO has been active in the dissemination and implementation of the instrument, and thanks to the wider network of cooperative stakeholders, Recommendation No. 193 has also been used at regional and national levels.

The role of COPAC and the ICA has created a multiplier effect, increasing the impact of the Recommendation on policy and legislation. There is enormous potential for it to have even greater impact, due to the fact that the Recommendation has influenced so many international, regional and national policy documents and declarations. For example, the OHADA Uniform Cooperative Act is binding law in 17 countries, the European Union Regulation on the Statute for a European Cooperative Society (SCE) applies in 27 countries and the Framework Law of Cooperatives in Latin America affects an additional 25 countries.

The strategy document *Blueprint for a cooperative decade*, which was approved by the ICA General Assembly in Manchester in 2012, refers to Recommendation No. 193 as one of the major international legal instruments for cooperatives to be used during the decade. The document includes a legal framework as one of the five priority themes for the decade: identity, participation, sustainability, capital and legal framework. It highlights the need for further consideration of efforts to support legislation as follows:

*One of the great successes of the 2012 International Year is that policymakers and regulators are finally waking up to the difference that cooperatives make and the benefits they deliver. There is much already to celebrate here. However, assistance must be provided to law-makers and regulators, if the growing enthusiasm for the cooperative form of enterprise is to be translated into the types of supportive legal frameworks that will unleash the cooperative growth that everyone will benefit from.*

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The Blueprint further suggests that assistance should be provided for local authorities dealing with cooperatives through the creation of an International Network for registrars and regulators, and for parliamentarians, legislators and policy-makers through the comparative study of the way laws apply to cooperatives in different jurisdictions. The relevance and contribution of Recommendation No. 193 will continue through these efforts.

The future of Recommendation No 193 is important as, despite the fact that it has already had an influence in over 100 countries, it has not yet been fully implemented. There continues to be an under-recognition of the contribution of cooperatives to economic and social development and therefore too little understanding about this model of enterprise. In this situation, Recommendation No. 193 has to be further disseminated and capacity building efforts have to continue to ensure there is wider compliance with the Recommendation. Priority must be given to the requests coming from the ILO member States that have not yet used the Recommendation in revising their cooperative policies and legislation.

Further, as the cooperative form of enterprise lends itself to nearly all areas of economic activity, it is likely that new challenges will require continued evaluation of policy and legislation to ensure that these can accommodate new types of cooperatives, which are active in new sectors, while ensuring there is a level playing field for all enterprise types.

As for the ILO, it is important to note that more emphasis needs to be put on capacity-building activities related to Recommendation No. 193, not only through the International Training Centre of the ILO (ITC) training courses, but also through regional and national training seminars, some of which could be organized as part of the technical cooperation projects. It is also important to continue capacity-building activities for specific target groups, i.e. national cooperative apex organizations and employers’ and workers’ organizations.

On the basis of lessons learnt from the implementation of Recommendation No. 193, it is suggested that the Recommendation could be used as a reference policy document in the improvement of policies and laws for other social economy enterprises.

Finally, it is also important to note the contribution of Recommendation No. 193 to the enterprise nature of cooperatives. It should be used more intensively in cooperative management training programmes to highlight the different governance structure for cooperatives.
Time and again Recommendation No. 193 has proven its relevance to countries in their efforts to provide a solid enabling environment for cooperative enterprises. While quite a number of years has passed since its adoption in 2002, the Recommendation continues to be a functional tool for development of national cooperative legislation and policies. As governments and national cooperative movements embark upon cooperative legislative reform, the text and the spirit of the Recommendation will continue to guide the process around the world. As the international cooperative movement’s Blueprint for a Co-operative Decade puts a renewed emphasis on cooperative legislation, the knowledge of the history around Recommendation 193 will help equip the new generations of policy makers and co-operators with critical insights in embarking upon relevant reform.
Key publications on Recommendation No. 193 (2002)

The Story of the ILO’s Promotion of Cooperatives Recommendation, 2002 (No. 193) is a part of a package on cooperative legislation, which is the ILO’s contribution to the legislation pillar of the International Co-operative Alliance’s Blueprint for a co-operative decade.

The package includes two other publications:


In addition, the following publications are recommended as key readings on cooperative legislation in general and Recommendation No. 193 (2002) in particular.


Annexes

Annex I:

Adoption: Geneva, 90th ILC session (20 Jun 2002)

Preamble

The General Conference of the International Labour Organization,

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

Recognizing the importance of cooperatives in job creation, mobilizing resources, generating investment and their contribution to the economy, and

Recognizing that cooperatives in their various forms promote the fullest participation in the economic and social development of all people, and

Recognizing that globalization has created new and different pressures, problems, challenges and opportunities for cooperatives, and that stronger forms of human solidarity at national and international levels are required to facilitate a more equitable distribution of the benefits of globalization, 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

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

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

Having decided upon the adoption of certain proposals with regard to the promotion of cooperatives, 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 Cooperatives Recommendation, 2002.

I. Scope, definition and objectives

1. It is recognized that cooperatives operate in all sectors of the economy. This Recommendation applies to all types and forms of cooperatives.

2. For the purposes of this Recommendation, the term “cooperative” 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 cooperatives should be encouraged on the basis of:
   (a) cooperative 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) cooperative principles as developed by the international cooperative 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; cooperation among cooperatives; and concern for community.

4. Measures should be adopted to promote the potential of cooperatives 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 cooperative 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 cooperatives, that responds to the social and economic needs of the community.

5. The adoption of special measures should be encouraged to enable cooperatives, as enterprises and organizations 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 cooperative, 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 cooperatives and guided by the cooperative values and principles set out in Paragraph 3, which would:
   (a) establish an institutional framework with the purpose of allowing for the registration of cooperatives 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 cooperatives;
(c) provide for the adoption of measures for the oversight of cooperatives, 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 organization;

(d) facilitate the membership of cooperatives in cooperative structures responding to the needs of cooperative members; and

(e) encourage the development of cooperatives as autonomous and self-managed enterprises, particularly in areas where cooperatives have an important role to play or provide services that are not otherwise provided.

7.

(1) The promotion of cooperatives 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) Cooperatives 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 organization. Governments should introduce support measures, where appropriate, for the activities of cooperatives 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 cooperative 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 cooperatives without distinction whatsoever;

(b) ensure that cooperatives are not set up for, or used for, non-compliance with labour law or used to establish disguised employment relationships, and combat pseudo cooperatives violating workers’ rights, by ensuring that labour legislation is applied in all enterprises;

(c) promote gender equality in cooperatives and in their work;

(d) promote measures to ensure that best labour practices are followed in cooperatives, 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 cooperative 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 cooperatives and the quality of goods and services they produce;

(i) facilitate access of cooperatives to credit;

(j) facilitate access of cooperatives to markets;

(k) promote the dissemination of information on cooperatives; and

(l) seek to improve national statistics on cooperatives with a view to the formulation and implementation of development policies.

(2) Such policies should:

(a) decentralize to the regional and local levels, where appropriate, the formulation and implementation of policies and regulations regarding cooperatives;

(b) define legal obligations of cooperatives in areas such as registration, financial and social audits, and the obtaining of licences; and

(c) promote best practice on corporate governance in cooperatives.

9. Governments should promote the important role of cooperatives 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 cooperatives

10. (1) Member States should adopt specific legislation and regulations on cooperatives, which are guided by the cooperative values and principles set out in Paragraph 3, and revise such legislation and regulations when appropriate.

(2) Governments should consult cooperative organizations, as well as the employers’ and workers’ organizations concerned, in the
formulation and revision of legislation, policies and regulations applicable to cooperatives.

11. Governments should facilitate access of cooperatives 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. Cooperatives and their organizations should be encouraged to participate in the organization and management of these services and, wherever feasible and appropriate, to finance them.

(4) Governments should recognize the role of cooperatives and their organizations by developing appropriate instruments aimed at creating and strengthening cooperatives at national and local levels.

12. Governments should, where appropriate, adopt measures to facilitate the access of cooperatives 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 cooperative assets, and reduce the cost of loan transactions;
   (c) facilitate an autonomous system of finance for cooperatives, including savings and credit, banking and insurance cooperatives; and
   (d) include special provisions for disadvantaged groups.

13. For the promotion of the cooperative movement, governments should encourage conditions favouring the development of technical, commercial and financial linkages among all forms of cooperatives so as to facilitate an exchange of experience and the sharing of risks and benefits.
IV. Role of employers’ and workers’ organizations and cooperative organizations, and relationships between them

14. Employers’ and workers’ organizations, recognizing the significance of cooperatives for the attainment of sustainable development goals, should seek, together with cooperative organizations, ways and means of cooperative promotion.

15. Employers’ organizations should consider, where appropriate, the extension of membership to cooperatives wishing to join them and provide appropriate support services on the same terms and conditions applying to other members.

16. Workers’ organizations should be encouraged to:
   (a) advise and assist workers in cooperatives to join workers’ organizations;
   (b) assist their members to establish cooperatives, 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 cooperatives;
   (d) assist and participate in the setting up of new cooperatives 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 cooperatives aimed at improving their productivity;
   (f) promote equality of opportunity in cooperatives;
   (g) promote the exercise of the rights of worker-members of cooperatives; and
   (h) undertake any other activities for the promotion of cooperatives, including education and training.

17. Cooperatives and organizations representing them should be encouraged to:
   (a) establish an active relationship with employers’ and workers’ organizations and concerned governmental and non-governmental agencies with a view to creating a favourable climate for the development of cooperatives;
   (b) manage their own support services and contribute to their financing;
   (c) provide commercial and financial services to affiliated cooperatives;
   (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 cooperative organizations;
(f) represent the national cooperative movement at the international level; and
(g) undertake any other activities for the promotion of cooperatives.

V. International cooperation

18. International cooperation 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 cooperatives;
(b) encouraging and promoting relationships between national and international bodies and institutions involved in the development of cooperatives in order to permit:
   (i) the exchange of personnel and ideas, of educational and training materials, methodologies and reference materials;
   (ii) the compilation and utilization of research material and other data on cooperatives and their development;
   (iii) the establishment of alliances and international partnerships between cooperatives;
   (iv) the promotion and protection of cooperative values and principles; and
   (v) the establishment of commercial relations between cooperatives;
(c) access of cooperatives 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 cooperatives, employers’ and workers’ organizations concerned, common regional and international guidelines and legislation to support cooperatives.

VI. Final provision

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

Extract from the statement on the cooperative identity, adopted by the General Assembly of the International Co-operative Alliance in 1995

The cooperative principles are guidelines by which cooperatives put their values into practice.

Voluntary and open membership

Cooperatives are voluntary organizations, 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

Cooperatives are democratic organizations 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 cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organized in a democratic manner.

Member economic participation

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

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 cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

Autonomy and independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.
Education, training and information

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

Cooperation among cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

Concern for community

Cooperatives work for the sustainable development of their communities through policies approved by their members.
Annex II:
Extract: ILO Co-operatives (Developing Countries)
Recommendation, 1966 (No. 127)

III. Methods of Implementation of Policy Concerning Co-operatives

A. Legislation

10. All appropriate measures, including the consultation of existing co-operatives, should be taken:
   (a) to detect and eliminate provisions contained in laws and regulations which may have the effect of unduly restricting the development of co-operatives through discrimination, for instance in regard to taxation or the allocation of licenses and quotas, or through failure to take account of the special character of co-operatives or of the particular rules of operation of co-operatives;
   (b) to avoid the inclusion of such provisions in future laws and regulations;
   (c) to adapt fiscal laws and regulations to the special conditions of co-operatives.

11. There should be laws or regulations specifically concerned with the establishment and functioning of co-operatives, and with the protection of their right to operate on not less than equal terms with other forms of enterprise. These laws or regulations should preferably be applicable to all categories of co-operatives.

12. (1) Such laws and regulations should in any case include provisions on the following matters:
   (a) a definition or description of a co-operative bringing out its essential characteristics, namely that it is an association of persons who have voluntarily joined together to achieve a common end through the formation of a democratically controlled organization, making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking in which the members actively participate;
   (b) a description of the objects of a co-operative, and procedures for its establishment and registration, the amendment of its statutes, and its dissolution;
   (c) the conditions of membership, such as the maximum amount of each share and, where appropriate, the proportion of the share due at the moment of
subscription and the time allowed for full payment, as well as the rights and duties of members, which would be laid down in greater detail in the by-laws of co-operatives;

(d) methods of administration, management and internal audit, and procedures for the establishment and functioning of competent organs;
(e) the protection of the name “co-operative”;
(f) machinery for the external audit and guidance of co-operatives and for the enforcement of the laws and regulations.

(2) The procedures provided for in such laws or regulations, in particular the procedures for registration, should be as simple and practical as possible, so as not to hinder the creation and development of co-operatives.

13. Laws and regulations concerning co-operatives should authorize co-operatives to federate.
Annex III:
Concerted action taken to promote Recommendation No. 193 during the first three years (2003–2005)

Promoting the Recommendation

- Recommendation sent to all 240 ICA member organizations and all 63 ILO field offices.


- Recommendation translated into 36 languages.

- Explanatory background paper and generic PowerPoint presentation prepared in English, French and Spanish, and sent on a CD-ROM to all ILO external offices and some 35 development partners; a second, enhanced version of the CD-ROM sent out in 2003, third version disseminated in 2004.

- Promotional materials produced, and sent to 240 ICA member organizations, to all donors supporting COOP projects and all ILO HQ units, external offices and field staff.

- Articles on Recommendation No. 193 published in World of Work, September 2003 and May 2005, and in several national publications (Finland, France, Germany, Ghana, Greece, Italy, Japan, Portugal (2), India (3), Madagascar, Mexico, Poland, Spain, Thailand (4), Turkey, the UK), plus guides on the Recommendation produced in English, Greek, Spanish, Polish, Portuguese, Indonesian and Turkish languages (by partners);

- ILO press release on the impact of Recommendation No. 193 one year after its adoption.

- Users’ guide on Recommendation No. 193 prepared by the UK Co-operative College in collaboration with ICA and ILO; officially launched in July 2004 in London at the House of Commons (French translation available).
Course on cooperative entrepreneurship on the basis of Recommendation No. 193 in collaboration with ITC Turin (held in March 2003); course on cooperative policy and legislation (held in October 2004); course on cooperative policy and legislation in French (held in October 2005).

New guidelines on cooperative legislation based on Recommendation No. 193, published jointly by ILO and COPAC (French version printed in 2006).

Project document for the implementation of the Recommendation designed.

ILO press release on the impact of Recommendation No. 193 one year after its adoption.

Global meetings and seminars organized

- Thirteen global meetings and conferences organized by the ILO and its partners:
  - Special meeting for Governing Body Members and ILO officials members in Geneva, November 2002.
  - ILO meeting with all ICA regional directors and the ICA President.
  - Special meeting of agencies involved in cooperative development (Stockholm, 6–7 March 2003: 11 international and 12 national cooperative development agencies participated).
  - COPAC Board meeting on coordinating the work on Recommendation No. 193 (5 March 2003, with FAO, ICA, IFAP and UN).
  - Global cooperative research conference held in Victoria, BC (Canada), involving 54 universities from 34 countries (May 2003).
  - Tripartite side event during the 91st ILC (17 June 2003) to inform constituents about the progress made in promoting the instrument.
  - Keynote address by the Director-General of the ILO at the ICA General Assembly (Oslo, 3 September 2003).
ICA/Legacoop meeting on Cooperatives and Globalization (Genoa, July 2004).

IRU General Assembly and Forum (Berlin, November 2004).


ILO-ICFTU-FES meeting on cooperatives and poverty reduction (New York, September 2005).


COPAC Open Forum (Colombo, January 2006).

ILO briefing visits to: FAO, IFAD, UN, UN-DESA, WFP, World Bank, European Commission, European Agency for Reconstruction, DFID, Japan, Norway, SIDA, Italian Cooperation, and several UNDP country offices FAO, IFAD, UN, UN-DESA, WFP, World Bank, European Commission, European Agency for Reconstruction, DFID, Japan, Norway, SIDA, Italian Cooperation, and several UNDP country offices.

Regular meetings of the ICA-ICFTU-ILO (COOP-ACTRAV) coordination committee (January 2006).

Regional and national meetings and seminars

Thirty regional meetings held in collaboration with partners:

**Africa:** ICA Regional Conference Mauritius, ICA Ministerial Conferences Kampala and Maseru, Biannual Panafrican Cooperative Conference in Dakar, meeting on cooperatives and PRSP, ICA Regional Conference Praia); subregional meeting on cooperative entrepreneurship (Brazzaville, July 2005); subregional conference on rural employment (Bamako, October 2005).

**Americas:** ICA Regional Conference Asuncion, regional HRD meeting Santiago, Capital Ownership Group meeting Washington, XII ICA Regional Conference, Buenos Aires.

**Europe:** ICA Regional Conference Lisbon, Conference of the Cooperative Movements of the Commonwealth of Independent States (St. Petersburg,
October 2003), Conference of cooperative movements of the ten EU Accession countries (Budapest, April 2004); Conference on the Social Economy (Brussels, May 2004); ICA Regional Conference Warsaw, Conference of cooperative movements of Southern Europe (Ankara, November 2004); 2nd European Cooperative Convention (June 2005).

- **Caribbean**: Special ILO meeting Trinidad and Tobago.
- **Asia**: Two workshops, Asian Cooperative Development Forum in the Philippines, ICA Regional Conference for Asia (Philippines), ICA/ILO/ICFTU workshop Singapore), ICA ministerial conference New Delhi, ICA legal committee meeting Kuwait, ICA regional conference Chiang Mai.

Forty-nine national conferences and meetings organized with, through or by local partners in: Argentina, Belgium, Belize, Benin, Botswana, Burundi, Cameroon, Chile, China, Colombia, Congo (Republic of), Congo (Democratic Republic), Costa Rica, Dominica, Dominican Republic, El Salvador, Ethiopia, Finland (2), France, Guinea-Bissau, Haiti, Honduras, Hungary, India, Indonesia, Italy, Japan, Kyrgyzstan, Laos, Madagascar, Mauritius, Mexico (2), Mongolia, Paraguay, Poland, Russia, Senegal, South Africa, Spain, Thailand, Trinidad and Tobago, Turkey, Uganda, United Kingdom (2), Zimbabwe (2).

**Advisory services**

Advisory services based on the new Recommendation provided to 42 countries: Benin, Bosnia-Herzegovina, Burundi, Cambodia, Cameroon, Chad, China, Colombia, Congo (Republic of), Congo (Democratic Republic), Croatia, Ethiopia, Georgia, Ghana, Guinea-Bissau, India, Indonesia, Japan, Kazakhstan, Kenya, Lebanon, Liberia, Malawi, Mexico, Moldova, Mongolia, Mozambique, Nigeria, Romania, Russia (North Ossetia), Rwanda, São Tomé and Príncipe, Serbia, Somalia, South Africa, Sudan, Tanzania, Trinidad and Tobago, Ukraine, Serbia, Somalia, South Africa, Sudan, Tanzania, Trinidad and Tobago, Ukraine, Zambia and Zimbabwe.

**Selected outcomes**

**Bolivia**

Bolivian cooperatives are using Recommendation No.193 to protect their autonomy, which would be threatened by new cooperative laws.

**Bosnia Herzegovina** has adopted new cooperative laws that are based on Recommendation No. 193.

**Burundi** is about to adopt a new cooperative policy paper.
Cameroon is about to adopt a new cooperative policy paper.

Canada (Québec)
The Government of the autonomous Canadian province of Québec adopted in March 2003 a cooperative development policy statement, which is based on broad consultations among the principal stakeholders involved in cooperative development, and which shall contribute to Canada’s medium-term strategy “en route to full employment”. The policy quotes ILO Recommendation No. 193, which calls upon member States to “provide a supportive policy and legal framework consistent with the nature and function of cooperatives, and guided by the cooperative values and principles set out by the International Co-operative Alliance.”

Chile
The University of Santiago de Chile has organized a training course on Recommendation No. 193.

China
The All-China Federation of Supply and Marketing Cooperatives, which represents 160 million rural households in China, has invited COOP to make a presentation in the new Recommendation No. 193 on the occasion of a national conference on cooperative policy and law. The conference agreed that the basic cooperative principles and values outlined in the Recommendation would form the conceptual basis for China’s future cooperative legislation. This new law is expected to be promulgated in early 2006.

Colombia
The Colombian cooperative movement uses Paragraph 8(1)(b) of ILO Recommendation No. 193 to combat pseudo-cooperatives that are set up by companies to establish disguised employment relationships with former employees. Colombia has incorporated the Recommendation into its national development plan, and has enacted a new cooperative law (Ley 812 of 2003) based on the Recommendation.

Croatia has adopted new cooperative laws that are based on Recommendation No. 193.

The European Commission has included references to Recommendation No. 193 in a “Communication” to the European Parliament and has included the ILO in its Expert Committee on Cooperative Law.

Ethiopia has adopted a new cooperative development policy, as well as new cooperative regulations based on Recommendation No. 193.

French-speaking Africa
The “Organisation for the Harmonisation of Business Law in Africa” (OHADA),
which represents 16 French-speaking countries in Africa, is currently working with ILO assistance on a common cooperative legal framework that would translate the provisions of ILO Recommendation No. 193 into revised cooperative legislation at the national level. The common framework is expected to be adopted soon.

**Guinea** has adopted new cooperative laws based on Recommendation No. 193.

**Guinea-Bissau**

In November 2002, COOP organized a cooperative policy advisory mission to Guinea-Bissau, which initiated a participatory process leading to the formulation of a National Policy on Cooperative Development, which is fully based on Recommendation No. 193. This national policy was formally adopted by the Government in December 2002. Guinea-Bissau thus became the first ILO member State to translate the new instrument into a national policy document. Moreover, Government requested ILO assistance in designing a project that would support the implementation of the new policy, through cooperative development in areas such as agriculture, fisheries, entrepreneurship and management, micro-finance and primary education.

**Hungary** has drafted a new cooperative law based on Recommendation No. 193.

**India (Orissa)**

Orissa State in India has adopted a new, “parallel” cooperative law, which is much in keeping with Recommendation No.193 and provides a sound basis for autonomous cooperative societies. This is the first such initiative in a tribal region of the state, and has evoked much interest in India.

**India** has adopted a new national cooperative development policy and a new multistate cooperative law that is strongly influenced by the “conclusions” of the first discussion of Recommendation No. 193. In addition, the Indian Government has introduced a draft amendment to the Constitution which would guarantee the autonomy of cooperatives.

**Japan**

Partners in Japan have included Recommendation No. 193 in the curricula of cooperative training institutions and are using the Recommendation to push for a new law on worker cooperatives.

**Kenya**

The Kenyan cooperatives are using Recommendation No. 193 to protect their autonomy, which would be threatened by new cooperative laws.

**Kyrgyzstan** adopted a new cooperative law in 2004 based on Recommendation No. 193.
Malaysia has finalized her national cooperative development policy on the basis of Recommendation No. 193.


Moldova is revising its cooperative law on the basis of Recommendation No. 193.

Mongolia requested ILO assistance in revising its cooperative law in line with Recommendation No. 193. An advisory mission was sent in February 2006.

Romania
On 29 August 2002, COOP received an urgent message from two Romanian Cooperative Federations, asking the ILO for help in preventing the Romanian Government from adopting an “emergency ordinance” that would have considerably reduced the autonomy of the Romanian cooperative movement. This request was addressed to the ILO because the cooperative federations considered the ordinance a violation of Article 2 of Recommendation No. 193. COOP then hired a lawyer who prepared a detailed commentary on the emergency ordinance, with Recommendation No. 193 serving as the bottom line. As a result, the adoption of the ordinance was suspended.

Russia
A preparatory meeting organized by the Inter-parliamentarian Union of the Commonwealth of Independent States (May 2002), which received technical support from ILO Moscow and COOP, was followed in December 2002 by a parliamentary hearing on cooperative development in the Russian Duma. The text of ILO Recommendation No. 193 was the main source of arguments and justification for proposed action in favour of cooperatives, 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 cooperative development programme. Partners in Russia have included Recommendation No. 193 in the curricula of cooperative training institutions.

Serbia and Montenegro has elaborated a new cooperative act based on Recommendation No. 193.

Slovakia
The cooperative movement has used the relevant articles in Recommendation No. 193 to demand the equal treatment of cooperatives with other types of businesses.

South Africa
The South African Government has adopted a cooperative development policy and strategy based upon Recommendation No. 193, and has drafted a new cooperative law that was promulgated in June 2005. ILO is assisting the
government in producing a lay-person’s guide on the new law. South Africa has also designed a cooperative development strategy to implement the new policy and legislation.

**Swaziland** has adopted a new cooperative law based on Recommendation No. 193, and launched a country-wide popularization campaign. In January 2006, Swaziland promulgated new Cooperative Regulations.

**Tanzania** adopted a new cooperative act in 2003, and has requested ILO assistance in designing a comprehensive cooperative reform programme to implement the legal changes.

**Trinidad and Tobago** has set up a task force to design a cooperative development policy on the basis of Recommendation No. 193.

**Turkey**
The National Union of Consumers’ Cooperatives in Turkey has used the new Recommendation to defend the (existing) right of workers in larger enterprises to have their own, workplace-based consumer cooperatives which a new, draft labour law threatened to abolish. The finally promulgated labour act (No. 4857 of 22 May 2003) maintains this right.

**Uganda** developed a cooperative policy based on Recommendation No. 193 in 2010.

**Ukraine** approved a new cooperative law on 10 July 2003, which is based upon Recommendation No. 193.

**United Kingdom**
The Department for International Development (DFID) has signed a strategic grant agreement with the British cooperative movement to enable the latter to promote Recommendation No. 193 in the UK. The UK Co-operative College has already published a guide on the instrument. The DFID magazine *Developments* (April 2005, printed in 500,000 copies) stated that “The most important recent development internationally for co-ops, however, has been the adoption in 2002 by the International Labour Organization of Recommendation 193”.

**Uruguay**
The Uruguayan cooperatives are using the stipulations of Recommendation No. 193 for a “benchmarking exercise” to check whether the four parties concerned (government, employers’ organizations, workers’ organizations, cooperatives) fulfil the roles that have been specified in the Recommendation. Moreover, the Recommendation has been used to develop an action plan focusing on three areas: (i) improving the image of cooperatives; (ii) support to the formation of new cooperatives; and (iii) development of cooperative extension services.
Vietnam amended its cooperative law in 2003 to facilitate the registration of cooperatives in line with Recommendation No. 193.

Zimbabwe
Almost immediately after the adoption of Recommendation No. 193, the ILO Sub-Regional Office in Harare prepared a project document for the design of a new cooperative development strategy for Zimbabwe, according to a participatory methodology developed by COOP. The project document was approved by UNDP in August, ten provincial and two national policy workshops were organized between September and November, and the finalized cooperative development strategy was approved by the Cabinet in March 2004, and was officially launched in November 2005. UNDP is considering financing the revision of cooperative legislation in Zimbabwe. A documentary video on cooperatives in Zimbabwe has also been prepared.
Annex IV:
Highlights from capacity-building initiatives undertaken between 2006 and 2014 using Recommendation No. 193

Africa

Ethiopia
In 2010, the Federal Cooperative Agency held consultations with COOPAFRICA regarding its proposed revision of the Cooperative Proclamation and the formulation of a new cooperative development policy.

Lesotho
In 2009-2010 COOPAFRICA provided technical assistance for the revision of the 1999 Cooperative Development Policy and the 2000 Cooperative Societies Act, and the preparation of a new policy for financial cooperatives. In 2010/11 the Government undertook, with COOPAFRICA support, an assessment of the likely impact of the first two measures on the ongoing restructuring of the cooperative movement and the revision of existing cooperatives’ by-laws, which will help devise effective implementation strategies for the new policies and law. It also harmonized the draft financial cooperatives policy with the Central Bank’s new financial policy. Government approval was expected during 2011.

Madagascar
In 2008-9 COOPAFRICA provided technical support to a cooperative stakeholder task force mandated to prepare a national policy on cooperatives.

Mozambique
COOPAFRICA provided technical support in 2008 to the network of civil society organizations that was a driving force of the cooperative legal reform. The new Cooperative Law (Lei Geral das Cooperativas) was adopted by Parliament on 30 April 2009.

Swaziland
COOPAFRICA provided technical advice and guidance for the formulation of a special Act for savings and credit cooperatives (SACCOS), completed in June 2010, and continues to provide technical support for the ongoing revision of the Cooperative Development Policy and the Cooperative Societies Act.

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68 COOPAFRICA support for formulation or revision of cooperative policies and legislation, COOPAFRICA fact sheet (in Cooperative Enterprises Build a Better World, ILO 2012, p.35).
Uganda
The Cooperative Development Policy, formulated in 2009 with COOPAFRICA financial support, was approved by government in May 2010. COOPAFRICA also provided financial support in 2010 for the revision of the 1991 Cooperative Societies Act, which was expected to be completed in 2011.

Zambia
At the request of the Attorney General, COOPAFRICA assisted with the technical revisions of the Cooperative Societies Act in 2009.

Zanzibar
Following the participatory formulation of a cooperative development policy in 2009 with COOPAFRICA’s technical and financial support, the draft policy was validated at a stakeholder convention in August 2010 and the final draft was submitted to the Government in September 2010. In 2010 COOPAFRICA also supported the revision of the 1986 Cooperative Societies Act with a similar participatory process. Both documents are now being reviewed by the government and their approval was expected in 2011.

Cooperative Roadmap for Egypt
The cooperative movement in Egypt, particularly the agricultural cooperative sector, has age-old legal and structural problems. There is no clear and consistent cooperative policy. There are seven different cooperative laws, one for each sectoral cooperative group and one for the General Union. There are also six different ministries dealing with the promotion of cooperatives and providing support services, including the Prime Ministry (for the General Union). This picture makes relations between the State and the cooperatives complicated and creates confusions and widespread different interpretations of laws and regulations. The ILO fielded a consultancy mission at the end of 2012 to assess the cooperative development potential and propose a step-by-step approach to developing a member-based, democratic cooperative movement. The report prepared by the ILO consultant was presented to a large stakeholders’ conference in January 2013 and discussed in detail. It is recommended in this report that a National Committee be set up, the first task of which should be to draft a national cooperative development policy, taking into account the provisions of the UN Guidelines (2001) and ILO Recommendation No. 193 (2002). On the basis of this policy document, a new cooperative law needs to be drafted and forwarded to the Government for consideration and submitted to the Parliament.

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Asia

The Philippines
The Philippine Government used Recommendation No. 193 in revising the Cooperative Code of the Philippines, No. 6938, and preparing the new one, the Philippine Cooperative Code of 2008, No. 9520, which contains full text of the cooperative principles.

Indonesia
The Government of Indonesia used Recommendation No. 193 (which was translated into Bahasa in 2003) to revise the cooperative law of 1992 in 2012 (Law 17/2012). The ILO was consulted about how to use the Recommendation in preparing the new law.

Sri Lanka
Upon request of the Sri Lanka Government, the ILO fielded a cooperative development consultant in 2012 and 2013 to prepare a cooperative development framework and, on the basis of this framework, assist the Government in preparing a national cooperative policy paper along with a cooperative development project document to be submitted to interested donors. In preparing the policy paper the ILO consultant worked with a national technical committee established by the Ministry of Cooperatives and Internal Trade. Recommendation No. 193 was taken as a basis in drafting the policy paper. The paper was finalized by the Ministry and submitted to the Council of Ministers for approval.

Arab Countries

Occupied Palestinian Territory
It was decided during a joint UNDP/ILO workshop entitled “Review of Cooperative Sector in the Palestinian Territories: Challenges and Opportunities” that the ILO’s technical assistance should continue to assist in the finalization process of the draft cooperative law, edit and print the cooperative sector study and develop a national cooperative policy. An ILO mission was fielded in November 2009 during which the said sector review study was edited and made ready for printing, a national cooperative policy and implementation

73 S. Sarsour and H. Polat (eds.): The Palestinian Cooperative Movement: Problems and prospects (ILO, 2010).
strategy\textsuperscript{74} was drafted and a project document was formulated (PAL-COOP: \textit{Support to Palestinian cooperatives to create employment and income to reduce poverty}). The ILO consultant’s second mission was to assist the Ministry of Labour to finalize the draft cooperative law with inputs provided by the Cooperative Branch. The cooperative law was later approved by the Palestinian Cabinet. Recommendation No. 193 was used in preparing both the policy paper and the cooperative law.

**Lebanon**

As a response to the call of the International Year of Cooperatives (2012) proclaimed by the UN General Assembly in December 2009, the Minister of Agriculture established a national committee in March 2011 to prepare a report (strategy) for the advancement of cooperatives in Lebanon. The strategy document prepared by the national committee summarizes the existing policy environment as “not favourable to cooperative development”. On the basis of this draft strategy, the Minister requested the ILO Regional Office to provide technical assistance in finalizing the process. The ILO Regional Office assigned a senior cooperative development consultant and a national consultant to review existing policies and law, undertake a quick situation and needs analysis, and propose a road map for a cooperative reform process in line with Recommendation No. 193.

The findings of the ILO team were shared with representatives of government, the cooperative movement, NGOs and donors in a national consultation and verification meeting organized on 11 April jointly by the Ministry of Agriculture and National Cooperative Federation which was supported technically by the ILO. During this meeting the draft strategy was presented by the Ministry and a proposed road map for reform was presented by the ILO consultant. The participants also discussed and contributed to a draft SWOT analysis of the cooperative movement prepared by the ILO consultant. There was a general consensus on the analysis of the present situation and the proposed way forward. Finally, the ILO consultant proposed a set of ten strategic outcomes with measurable targets to implement the cooperative reform process, including a new cooperative law to be prepared in line with Recommendation No. 193, with the support of a technical cooperation project.\textsuperscript{75}

\textsuperscript{74} H. Polat: \textit{Reforming the Palestinian cooperatives: Cooperative development policy and implementation strategy} (ILO draft report) (ILO, 2009).

\textsuperscript{75} H. Polat: \textit{Report on the cooperative reform process in Lebanon: Towards a cooperative development policy and a new legislation} (ILO Regional Office for Arab States, 2012).
Europe

ICA Europe, in partnership with the EU and Italian and German cooperatives, organized several workshops in south-eastern Europe to discuss how to improve cooperative policy and legislation. Recommendation No. 193 was used in these workshops as a guide. In a workshop organized in Montenegro in 2012, for instance, a new legal framework for cooperatives in Montenegro and the Balkans was discussed. An EU-funded project started in 2011, which had three objectives, one of them being legislative support in the preparation of general and other relevant sector-based laws on cooperative enterprises for rural development.

In Turkey the Government started preparing a national cooperative development strategy in 2010 in consultation with the cooperative movement. In the document, reference was made to Recommendation No. 193 along with other international instruments. The strategy identified seven priorities, among which improvement of cooperative legislation in line with the international instruments was highlighted. The strategy paper was completed, approved by the Government and publicized in 2012.

Latin America

Recommendation No. 193 has had an important impact on worker cooperatives in Latin American countries. Several trade union representatives complained about the misuse of cooperatives during the process of changing the ownership modality of companies in the case of plant closures. The ILO organized special workshop for trade union representatives to discuss how to combat pseudo cooperatives. Its impact in Argentina was explained in the CICOPA newsletter as follows:

Where plants are closed down, worker cooperatives reopen them. Out of 16,000 cooperatives in Argentina, half of them are worker cooperatives. They created 300,000 jobs and account for 10% of the gross domestic product (GDP). Therefore, worker cooperatives mean to recover jobs with dignity.

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Annex V:
Specific impacts of Recommendation No. 193 on the activities of employers’ and workers’ organizations

In Part IV, Recommendation No. 193 gives a specific role to employers’ and workers’ organizations in promoting cooperatives. Paragraph 14 says that “Employers’ and workers’ organizations, recognizing the significance of cooperatives for the attainment of sustainable development goals, should seek, together with cooperative organizations, ways and means of cooperative promotion”. Furthermore, the Recommendation elaborates what employers’ and workers’ organizations’ should do to promote and support cooperatives.

It was particularly because of these provisions that the ILO’s social partners IOE and ITUC started paying more attention to their relationships with the cooperative movement. Trade unions’ historical closeness to cooperatives has carried over a new and more constructive platform. The handbook prepared by the ILO Cooperative Branch to assist trade unions in promoting cooperatives for their members attracted many trade union organizers and trainers.80 In partnership with the ITUC’s regional organizations, the ILO organized two regional workshops, in Asia and Africa, respectively, to inform their member organizations about the Recommendation. In the two workshops organized in Asia and Africa a background paper was presented on trade unions and cooperatives,81 highlighting the areas for collaboration and elaborating the provisions of Recommendation No 193.

Paragraph 9 of the Recommendation, about the important role to be played by cooperatives in transforming the informal economy into legally protected work, was taken by the Cooperative Branch as a starting point to further strengthen the trade union–cooperative partnership. A new subregional project, SYNDICOOP, was designed in 2004 for four African countries to organize their informal economy workers through cooperative–trade union joint action.82 A special handbook was prepared to help trade union organizers in organizing the informal economy workers through cooperatives.83

82 SYNDICOOP – Poverty Reduction among Unprotected Informal Economy Workers through Trade Union-Cooperative Joint Action, implemented in partnership with ILO COOP and ACTRAV, ITUC and ICA between 2004 and 2006.
83 S. Smith: *Let’s organize!: A SYNDICOOP handbook for trade unions and cooperatives about organizing workers in the informal economy* (ILO, ITUC and ICA, 2006).
In December 2009 a subregional workshop was organized for the heads of employers’ organizations by the Pan-African Employers’ Confederation, the Federation of Kenyan Employers (FKE) and the ILO’s COOPAFRICA programme. The objective of the workshop was, among others, to agree on practical ways of promoting and strengthening collaboration between employers’ organizations and cooperatives in the context of Recommendation No. 193.84

The specific impacts of Recommendation No.193 on worker cooperatives should particularly be highlighted. Taking the Recommendation as a basis, CICOPA prepared its *World Declaration on Worker Cooperatives*, which was approved by the ICA General Assembly in 2005.85 It was a practical adaptation for a specific type of cooperative.

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85 Available at: [www.cicopa.coop/IMG/pdf/Declaration_approved_by_ICA_EN-2.pdf](http://www.cicopa.coop/IMG/pdf/Declaration_approved_by_ICA_EN-2.pdf)
There is a renaissance of interest in cooperatives, as democratically owned and controlled enterprises, in achieving socially inclusive sustainable development.


This report sets out to answer some key questions on the standard:

- Has it played a role in the revival of cooperative enterprises around the world?
- Has it managed to provide a practical and contemporary framework for the development of new cooperative legislation and policies?
- How many countries have used it in revising and reforming their cooperative legislation and policies?

In addition, the report provides an overview of:

- The reasons as to why an update to an earlier standard on cooperatives was needed;
- The process towards the adoption of the new standard;
- How Recommendation No. 193 has been used since its adoption; and
- The impact it has had on legislation, policies and practices around the world.