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10th ILO - JICA Public Seminar

Future of Work × Africa × Cooperatives

14:00~16:30 pm, Friday, 13th September, 2019

United Nations University, 1F, Annex Hall





ILO × Cooperatives

ILO Constitution

“The International Labour Organization may make suitable arrangements for such consultation as it may think desirable with recognized non-governmental international organizations, including international organizations of employers, workers, agriculturists and **cooperators**.” (Article 12.3)

Promotion of Cooperatives Recommendation, 2002 (No. 193)

“... 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 cooperatives in their various forms promote the fullest participation in the economic and social development of all people, and recognizing ... that **stronger forms of human solidarity** at national and international levels are required to facilitate a more equitable distribution of the benefits of globalization ...” (Preamble)

ILO Centenary Declaration for the Future of Work

“... taking into account the profound transformations in the world of work, and further developing its **human-centred approach to the future of work**, the ILO must direct its efforts to: ... (ix) supporting the role of the private sector as a principal source of economic growth and job creation by promoting an enabling environment for entrepreneurship and sustainable enterprises, in particular micro, small and medium-sized enterprises, as well as **cooperatives and the social and solidarity economy**, in order to generate decent work, productive employment and improved living standards for all”



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< Opening Remark >

Eiichi Honda (Vice-President JCA / President, JCCU)



The ILO and Japanese Consumers' Co-operative Union (JCCU) has co-organized a Study Tour Programme for African Cooperative Leaders annually since 2010. This year is the centenary year for the ILO, and this study tour has celebrated its 10th anniversary. This year five cooperative leaders of cooperatives from Kenya, Nigeria, and Uganda and Tanzania have

joined the study tour and visited cooperatives in Tokyo, Saitama, Chiba and Nagano.

As the ILO has launched the Centenary Initiative, Future of Work, this study tour also reflects the theme related to this initiative. As a part of this programme, the ILO and JCA have co-organized this public seminar with all the tour participants.

< Organizer's Remark >

Akiko Taguchi (Director, ILO Office for Japan)



Ms. Taguchi referred to the establishment of the ILO Cooperative Unit in 1920.

The ILO celebrates its centenary this year and the ILO COOP Unit will celebrate centenary next year.

She also referred to the Tokyo International Conference on African Development (TICAD) VII held this August and growing interest in Africa among Japanese citizens.

This public seminar is also a partner project of the TICAD VII.

< Key Note Address >

【Future of Work, Cooperatives and Social Solidarity Economy (SSE)】

Guy Tchami (Cooperative Policy and Research Specialist, ILO)



In his keynote speech, he firstly explained the role of cooperatives in addressing the change of world of work, and secondly explained ILO's activities on the promotion of cooperatives and social solidarity economy (SSE).

1. Cooperatives and the changing of world of work

First, he pointed out four main drivers that have influence on the transformation of the world of work. Four factors include; (1) **Demographic factors**, such as youth population growth, growing aging population, and urbanization, (2) **Technological factors**, such as AI, automation, and digitalization, (3) **Economical factors**, such as globalization and expansion of inequality and (4) **Environmental factors**, such as climate change and resource depletion

Then, he talked about the role of cooperatives in dealing with these changes of the world of work.

(1) Demographic change and the role of cooperatives

Regarding the issues of demographic change, he stressed the growth of youth population worldwide and necessity of creating jobs for them.

He also pointed out the effect of the aging society, in which increasing needs for care and health can also be opportunities for creating new jobs.

In addition, he referred to the migration of population to the urban area, which leads to the informalization of jobs.

Regarding the role of cooperatives, he introduced the examples of home care delivery service provided through cooperative model in Japan. He also introduced vulnerable workers such as migrant workers or refugees using the cooperative model to access to decent jobs.



(2) Technological change and the role of cooperatives

He articulated that work is more and more done by gig economy and digital platforms, which has influence on the rights and benefits of workers. Also, he referred to the risk of massive job loss due to automation.

Platform cooperatives can be one answer to the challenges, he said, introducing the examples of the cooperatives of taxi drivers, where they set up online applications to eliminate the intermediation of ride-hailing companies which withhold rights and benefits from the drivers.

He also introduced the use of AI technology to enhance operation of cooperatives, such as use of AI to predict the order by the customers in the consumer cooperative that he visited in the study tour.

(3) Economic transformation and the role of cooperatives

Expansion of inequality as a result of the unequal distribution of the result of globalization has negative impact on the informal economy workers.

Cooperatives also play important roles in informal economy. He introduced the examples of informal economy workers establishing cooperatives, including waste pickers, domestic workers, and street vendors.

Also, he stressed the importance of the cooperation between cooperatives beyond national borders. He picked up the example in garment industry, workers' cooperative or marketing cooperative in India, selling ready-made garments to consumer cooperative in Japan.

(4) Environmental change and the role of cooperatives

While the issues regarding environment have huge risk on the world of work, but at the same time provide new job opportunities in the area of renewable energy and recycling. He pointed out the example of energy cooperatives which deal with these issues.

He concluded the first part of his keynote address by briefly presenting ILO's Initiative on the Future of Work organized as part of ILO's Centenary. This initiative was launched in December 2015 with national dialogues organized by ILO's Member States. It also involved the establishment of a Global Commission on the Future of Work which released its report in January 2019. The International Labour Conference held in June 2019 was the climax of the Centenary with the adoption of the Centenary Declaration. He explained that vision of ILO's human-centred development Agenda for the Future of



Work aiming at strengthening the social contract by placing people and the work they do at the centre of economic and social policy and business practice. He stressed that the vision was in line with reflections from national dialogues that took place in Japan that highlighted the fact that “technological progress will allow people to work, no longer only for money, but that all individuals will find their own way of contributing to society, whether through work or something else” or that “employment will not simply be a means of earning money, but will also be a means of contributing to society, helping other people around us”. He pointed out the relevance of their resonance with the topics discussed at the seminar: *cooperation and social and solidarity economy*.

2. ILO’s work on cooperatives and social solidarity economy (SSE)

The relationship between the ILO and cooperative society goes back to the period of its establishment. He referred to the fact that the first Director General of the ILO, Mr. Albert Thomas, was a cooperator, and the ILO Cooperative Unit was established in 1920, one year after the establishment.

Also, the ILO is the only UN agency that has an explicit mandate on cooperative (Promotion of Cooperatives Recommendation, 2002 (No. 193)). The ILO Centenary Declaration for the Future of Work, adopted in 2019, also has specific reference to cooperatives and SSE.

Having explained the relationship between the ILO and cooperatives, he then referred to the concrete areas of ILO’s work on cooperatives and SSE.

(1) Legal and policy advice

He briefly explained the ILO’s activities for legal and policy advice, including tools in this area such as the guidelines for cooperative legislation, and guidelines concerning statistics of cooperatives.

(2) Training and capacity building

The ILO also conducts various training and capacity building activities for cooperatives. He introduced variety of tools including “My.Coop”, package for the management of agriculture cooperatives, “Think.Coop”, orientation course on cooperatives; “Start.Coop”, a step-by-step guide for people willing to establish cooperatives, and “Manage.Coop”, a guide for improving the management of cooperatives.



(3) Knowledge generation

He provided examples of publications produced by the Unit in a broad range of areas (e.g. formalization, women empowerment, green economy, rural economy, care economy etc.)

(4) Development cooperation

He first provided a few examples of development cooperation projects on cooperatives and the wider SSE implemented by the ILO in different countries and covering various issues (e.g. child labour, rural development, women empowerment, migration, youth employment). Then, he presented a few highlights using the four transformational drivers of change of the world of work:

- **Demographic trends**

He introduced project for the promotion of cooperatives in the health sector in Kenya and Cameroon, and also introduced projects using the cooperative model to address refugee crises in Kenya, Uganda, Ethiopia, Sudan and Jordan etc.

- **Technology and ILO's cooperation**

Regarding the issues of technology, he introduced a research project aiming at documenting emerging business and organizing models among self-employed workers engaged in digital platform economy. He explained that the ILO has been identifying interesting practices in this area through a joint research project on the role of SSE and Social Finance in sustainable development and the Future of Work.

- **Economic trends**

Regarding economic trends, he introduced various initiatives whose objectives range from promoting SSE for youth employment in Tunisia, advancing domestic workers rights through cooperatives, to fighting against child labour with the help of cooperatives in agriculture sector in African countries (e.g. Mali, Ivory Coast, Nigeria, Uganda, Malawi) or harnessing cooperatives' competitiveness potential for trade in Tanzania and Zimbabwe.

- **Environmental trend**

Finally, for the environmental issues, he mentioned a pilot initiative aiming at formalizing the work of waste pickers in recycling value chain in Senegal, and another one to explore the potential of energy cooperatives in Mozambique.



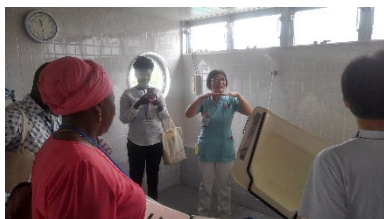
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< Introduction of the Study Tour Programme >

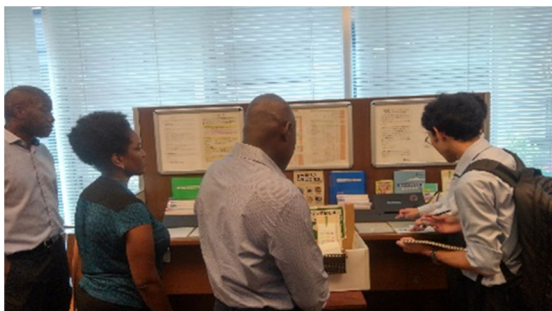
Haruyoshi Amano (Manager, International Department, JCCU)

In 2010, JCCU and ILO launched a joint study tour programme to encourage the exchange of knowledge and experiences and explore possible cooperation between African and Japanese cooperatives. From 2010 to 2018, nine editions of the study tour were organized and 38 senior cooperative leaders from 16 African countries (Ethiopia, Kenya, Lesotho, Niger, Rwanda, South Africa, Tanzania, Uganda, Zimbabwe, Ghana, Nigeria, eSwatini, Democratic Republic of the Congo, Tunisia, Côte d'Ivoire, and Cameroon) participated in this programme. This year, five participants from Kenya, Nigeria, Tanzania and Uganda took part in the tour and learned about a range of the Japanese cooperatives' activities and its strongly membership-based approach through lectures and field visits in Tokyo, Chiba, Saitama and Nagano.





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<Presentation>

Joan Susan Atuhurra (Kenya) Head, Finance & Administration, African Confederation of Co-operative Savings and Credit Associations (ACCOSCA)



As a senior officer of ACCOSCA, a saving and credit cooperative federation, she explained the overviews of SACCOS (saving and credit cooperative societies), and the role of ACCOSCA to promote the challenges of SACCOS in Africa.

1. Overview and challenges of SACCOS

First, she explained the overviews of SACCOS in Africa. SACCOS are financial institutions operating under the cooperative principles and play important roles in promoting financial inclusion.

- Challenges

On the other hands, there are also various challenges for SACCOS. She first pointed out fair regulation issues of SACCOS, as SACCOS are sometimes regulated differently depending on their types.

Lacking in data is also a challenge for the operation of SACCOS. She showed the figure of the data of SACCOS and pointed out that this data was collected form 174 SACCOS in Kenya, while rest of 6000 SACCOS in Kenya is uncollected. This insufficient data makes the contribution of SACCOS unknown.

In addition, she also pointed out weak governance structure of SACCOS, interference by the government, and poor saving culture, etc.



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2. What ACCOSCA does?

As a federation of SACCOS, ACCOSCA conducts capacity building activities for member SACCOS to deal with these challenges.

She introduced various capacity building activities including meeting with members for discussing key challenges, discussion with regulating authorities, and also holding sessions for discussing development issues.

Ursullah Bwari Gesembe (Kenya) Co-operative advisor, Co-op Consultancy & Ins. Agency



She explained the overview of Co-op Bank and its subsidiary agency, Co-op Consultancy and Insurance Agency, where she currently working as an advisor. She finally mentioned some takeaway of this study tour.

1. Co-op Bank

The Coop bank started in 1968, and originally owned 100% by cooperative societies, but now owned 65% by cooperatives and 35% by other individuals and institutions. The Co-op Bank Group consists of several companies including Co-op Consultancy and Insurance Agency (CCIA), which does capacity building for cooperatives.

2. Co-op Consultancy and Insurance Agency (CCIA)

The Co-op Consultancy and Insurance Agency, is one of the subsidiary agencies of Co-op Bank and was established to do capacity building to help SACCOS and cooperatives.

The agency consists of three main departments that directly deal with the cooperatives. (1) advisory service (2) donor projects for agribusiness value chains (3) learning and education (training and capacity building). She introduced the capacity building activities including development of strategic plan for cooperatives, reconstruction and reorganization of cooperatives, and investment advisory service for cooperatives which helps promoting and diversifying cooperatives' investment activities.

As a concrete project example, she introduced project activities to improve value chains for processing row bananas.

3. Learning in the study tour

She finally referred to her takeaways in this study tour. She raised the examples of cooperative activities in Japan such as agriculture insurance, recycling systems and health care systems through cooperative models and the relationship between the government and cooperatives, which she wants to replicate in her home country.

Oladipo Olanrewaju Shobule (Nigeria) Board member, Lagos Local Governments Multipurpose Cooperative



He gave an overview of the cooperative movement in Nigeria, and activities of Lagos Local Governments Multipurpose Cooperative, where he serves as a board member. He also referred to difference between cooperative legal systems in Japan and Nigeria which he found during the study tour.

1. Cooperative movement in Nigeria

The cooperative movement in Nigeria started from very early period and these movements were led by traditional community institutions and modern cooperative society was established in the era of British rule in 1937.

2. Legal system of cooperatives in Nigeria

He stressed that cooperatives are highly regulated in Nigeria and the government is also highly involved in the cooperative activities through regulations. In Nigeria, there are laws for cooperatives at the apex level, state level and primary society level.

He found this regulation system quite different from that in Japan, there are no laws that cover across all the cooperative activities, and each cooperative is regulated by a set of different laws. He emphasized that, compared to the Japanese ones, Nigerian cooperatives subject to uniform rules, which is an advantage for Nigerian legal system.

3. Lagos Local Governments Cooperative Multipurpose Society Ltd

Lagos Local Governments Cooperative Multipurpose Society Ltd was developed from thrift and credit cooperatives and diversified its activity to become multipurpose

cooperatives. He introduced the activities and achievements including thrift and credit operation, assisting housing loan, providing educational loan to members, etc.

Somoe Ismail Nguhwe (Tanzania) Chairperson, TANESCO

Saving and Credits Cooperative Society (TANESCO SACCOS)



She talked about cooperative movement in Tanzania, and the activities and challenges for TANESCO SACCOS, where she serves as a chairperson.

1. Cooperative movement in Tanzania

The history of cooperatives in Tanzania goes back to 1925, when small coffee farmers in Kilimanjaro started cooperatives with the purpose of enabling them to capture at least part of the trade profit of crops. She also mentioned the history of SACCOS in Tanzania. SACCOS emerged in 1950s helped by missionaries, mainly in northern part of Tanzania. There were about 239 SACCOS in Tanzania. It has increased to 419 by 1990, 1700 in 2005 and 4115 in 2018.

2. TANESCO SACCOS

TANESCO SACCOS was formed in 1968 by a group of ten staff from TANESCO (Tanzania Electric Supply Company Limited) as founder members and established under the Cooperative Society Act, and is the first licensed SACCOS in Tanzania. The mission is to promote thrift saving through education programs to members.

Loan products including development loan, education loan, emergency loan.

3. Achievements and challenges

Regarding the achievement, she explained the increase in membership since 2004. At that time, the members are only about 300 while the number has increased to be around 5800 in 2018.

She also pointed out the increase in employment of the staff. On the other hands, she raised competition between commercial banks as one of the challenges for the SACCOS. In addition, although the membership increases recently, the increase is not promising due to staff retirement and contract termination.



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August Ernest Kimario (Tanzania) , Joint Enterprise Coordinator, Kilimanjaro Dairy Coop Joint Enterprise (KDCJE)



In the dairy sector in Kilimanjaro area, the productivity of cows is still low and value chains are not structured well. However, he is trying to change the situation by using the cooperative network in dairy sector.

1. KDCJE

KDCJE has four main activities for dairy farmers: (1) Dairy production and productivities; (2) Processing milk products; (3) Market linkages; and (4) Advisory services. The target of this cooperative is the women and youth in rural area in the dairy sector. The goal is to increase the income and employment of women and youth in Kilimanjaro.

2. Challenges

He pointed out that the heart of the problem is only about 30% of milk is processed and becomes more value-added goods, while other 70% becomes waste or goes to informal markets (as they are not used to drinking fresh milk). In addition, other challenges include low capacities of milk production facilities leads to the milk spoilage, domination of milk hawkers, lack of transport facility for the KDCJE to implement its activities especially in order to foster capacity building of the cooperatives, etc. On the other hands, considering the fact that 75% of households are dairy farmers, dairy sector can also produce business opportunities.

Toward further development of dairy sectors

In order to develop dairy sector, constructing value chains for processing raw milk is crucial. He finally introduced new plan for the next step. KDCJE plans to establish a milk collection center to collect raw milk from primary cooperatives in order to enhance access for milk processing markets. He is also now seeking a joint venture partner who can invest in this milk collection facility. In addition, KDCJE plans to conduct feasibility study to clarify the economic viability of this plan.



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<Discussion and Q&A>

Kenya Embassy



Although cooperatives play as important tools across the world, cooperative sector's inward looking is problematic. Majority of those cooperatives do not go beyond the border of the country. If Japanese companies have difficulty in doing business in Africa, the reason is the lack of good business partner and information.

Using the cooperative approach can bridge the gap.

Nigeria Ambassador



Cooperatives are very important in Nigerian economy, across all sectors, from village to city. Through cooperatives, respective farmers gain better prices to sell products and buy inputs. Some banks do not provide loan to individual farmers directly, but they provide through farmers cooperatives, as the

cooperatives are expected to guarantee loans. Cooperatives negotiate with banks, which is better than individual deals.

Nigeria Ambassador



Who finally resolve the disputes among cooperatives?

Ursullah



In terms of disputes, we have Cooperative Dispute Tribunal. If there are any disputes such as leadership of cooperatives or disputes among cooperatives, they will be settled by the tribunal.



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Nigeria Ambassador



Regarding the KDCJE, amount of milk produced by the cow is too small. In addition, I want to suggest that you should promote the population drinking fresh milk. In many countries in Africa, including Nigeria, we do not like to drink fresh milk. Then, unprocessed milk can also be entered to the market.

August



It is true that six liters is quite small volume, but it should be noted that these small dairy farmers are just producing milk without technical advisory services, so KDCJE currently provides technical advice on how to feed cows, and how to increase value by using small capacity machines that we currently have. Another thing we are doing is that we promote safe milk drinking, which helps promote drinking fresh milk.

