



# ILO and Cooperatives

COOPERATIVE PROGRAMME (EMP/COOP)

International  
Labour  
Organization

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## Last minute news

Mr. Peter Poschen-Eiche has been nominated as the new Director of EMP/ENTERPRISE, the Department of which EMP/COOP forms part.

## "Monument" for the Rochdale Pioneers



design, construction and operations standards. With 15 storeys, the building will provide a modern working environment and facilities which will allow greater freedom for flexible working of staff members.

The new building is a clear demonstration of the dynamism of cooperatives.

The Manchester City Council has approved the Cooperative Group's plans to build its new head office building which is planned to open in 2012. The building will feature a large central atrium and will be one of the most environmentally sustainable in Europe with its

## Editorial

This newsletter is atypical in two respects: While not neglecting other regions, it has a clear focus on Africa, and analysis is rather implicit than explicit in the various reports. On the other hand, the long announced recurrent columns are taking shape now: Under the following headings you will find regularly information: "Cooperative education and training" (in this issue on Poltava University), "Cooperative law and policy" (in this issue the announcement of the first meeting of the ICA-ILO Legislation Working Group) and "To be read ..." (new publications). The first two columns mirror two of the four activities upon which the International Cooperative Alliance (ICA) and the ILO agreed to cooperate under their 2003 MoU. Other columns will possibly be added.

Most of the other contributions to this issue of the newsletter attest to the renaissance of the cooperative way of doing business and, more generally, to the fact that what had almost become a *pensée unique* in economic thinking is being challenged more and more.

The first one is a report on the Social Economy Conference in Johannesburg. The conference resulted in an Action Plan which puts social economy organisations and enterprises at the centre and recognises the role cooperatives continue to play, be they classified as social economy actors or, according to other traditions, simply as actors for whom profit maximisation is not the primary objective. As mentioned in the report on the 1<sup>st</sup> Cooperative Summit of the Americas, some countries, especially in Latin America and in Europe, as well as India have already adopted, or are in the process of adopting, legislation on the social economy actors. The report on the ICA Ministerial Conference in Nairobi further illustrates the renaissance. It was precisely this renaissance which led to the DFID funded COOP<sup>AFRICA</sup> project. The reports on Kyrgyzstan and on the savings and credit cooperatives in the CIS countries do not but confirm this tendency. It is being reinforced by the fact that the bulk of cooperatives have fared rather well during the current crisis. The award of the Nobel Prize for Economic Sciences to Prof. Ostrom and Williamson is also to be read as rewarding work on alternative organisational models. The most probable declaration by the United Nations of an International Year of Cooperatives (2012) will further emphasise the shift.

The 1<sup>st</sup> Cooperative Summit of the Americas also demonstrated how cooperatives realign their advocacy work in order to better communicate that the enterprise type matters. It matters beyond the economic implications. This will help renewing the necessary link between economics, politics and law.

The report on the training of Nigerian cooperative stakeholders in Kenya is an example of South-South cooperation; the report on phasing out ILO's involvement in the activities in Lebanon is proof of its success.

The report on home based care goes with the news from the United States, where health cooperatives were considered as a complementary way to organise health care.

H. Henry

## ILO Regional Conference on Social Economy decides on a Plan of Action

*A key question is for countries to find the right stimuli for private and public enterprises, including social economy firms such as cooperatives and similar institutional forms, as well as for foreign capital and domestic savings, so as to promote entrepreneurship and initiative in enterprises within a sustainable development framework.*

Mr. Juan Somavia, ILO Director General, in his Report at the 98th ILC - 2009  
"Tackling the global job crisis – Recovery through Decent Work policies" (§151)

The International Labour Organisation (ILO) Regional Office for Africa organised the above mentioned conference with the technical support of EMP/COOP and many other technical units in Headquarters (Green Jobs initiative, Social Finance Programme, the Social Protection Sector, ILO AIDS), with the support of experts from the field (in particular COOP<sup>AFRICA</sup>, ILO Office in Pretoria, as well as Sub-Regional and Area offices), and with the logistics support of the ILO International Training Centre in Turin.

The success of this initiative relies on the large and diverse audience, which agreed by consensus on a Plan of Action for the Promotion of Social Economy Enterprises and Organisations in Africa.

The conference brought together more than 200 participants coming from Africa and other regions of the world. While social economy actors, promoters and stakeholders from Africa constituted the bulk of the audience with 40 African countries represented, this ILO initiative on social economy also echoed outside the African continent, with 11 additional countries from Europe, Latin and North America and Asia. Besides, national, regional and international apex bodies of cooperatives and other social economy entities also attended with, for instance, the participation of high representatives of the International Co-operative Alliance (ICA) and the Association Internationale de la Mutualité (AIM).

Renowned academics and practitioners from throughout the world shared their experiences and good practices relevant to social economy activities. International and Regional Organisations were also involved such as the International Organisation of Employers, the International Trade Union Confederation, the World Bank, the United Nations Food and Agriculture Organization and the European Economic and Social Committee (EESC).

The involvement shown by ILO constituents, ILO representatives and ILO staff from Africa and elsewhere added significantly to the success of the conference. Indeed, ILO represented some 25 % of the overall audience.

The conference agreed on the adoption of a Plan of Action aiming at promoting and strengthening the social economy in Africa in response to the crisis at the micro, meso, national, regional and the international level.

A definition of "social economy" is contained in the preamble of the Plan of Action. It reads:

*"the social economy is a concept designating enterprises and organizations, in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises, which have the specific feature of producing goods, services and knowledge while pursuing both economic and social aims and fostering solidarity".*

The Plan of Action defines four strategic objectives according to the different levels of intervention needed for promoting social economy enterprises and organisations in a coherent manner. These objectives are defined as follows. We cite only those items which relate directly to the work of the Office:

### 1. At the global level:

**"An increase in the recognition of, and partnerships with social economy enterprises and organizations.**

(...) 1.1.1. *Suggest for consideration by the Governing Body (GB) a discussion on the contribution of the social economy enterprises and organizations to the Decent Work Agenda during the International Labour Conference*

1.1.2. *Increase the capacity of the International Labour Office in promoting social economy enterprises and organizations and in providing adequate services to its constituents; (...)"*

### 2. At the regional level:

**"Increase knowledge related to the promotion of social economy enterprises and organisations and the reinforcement of African social economy networks.**

(...) 2.1.2. *Mobilize resources in order to establish a social economy programme for Africa (...)"*

### 3. At the national level:

**"Establish an enabling policy, legal and institutional environment for social economy enterprises and organisations; as well as strengthening and promoting social economy structures at the national level.**

(...) 3.1.1. *Support the development of national platforms of coordination, advocacy and dialogue among ILO constituents, social economy enterprises and organisations, promoters and policy makers*

3.1.2. *Establish country specific detailed action plans, designed on a dialogue basis – through the national platforms – and in accordance with policy and institutional frameworks and existing social economy initiatives in the countries (...)*

3.1.6. *Develop collaboration between United Nations agencies and development partners in order to strengthen social economy enterprises and organization."*

#### 4. At the micro and meso levels:

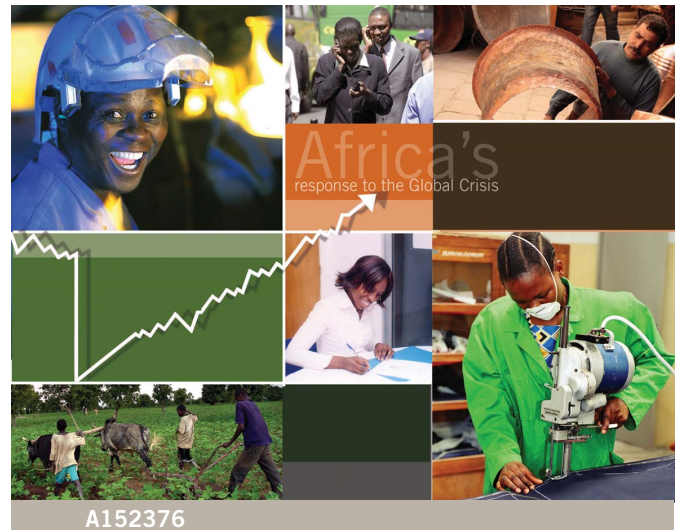
"The social economy enterprises and organisations become more effective, efficient and contribute to the populations' needs in terms of income creation, social protection, employment promotion, rights at work, food security, environmental protection, fight against HIV-AIDS, elimination of child labour and the impact mitigation of the crisis.

(...) 4.1.3. *Use and mobilise ILO's and other development partners' knowledge and expertise in building capacities (through technical units and regional/national cooperation programme) in order to facilitate and support capacity building and tools development for apex bodies of cooperatives, mutual benefit organisations and associations (...)"*

This Plan of Action for the Promotion of Social Economy Enterprises and Organisations should be seen as a first step towards a tool, which would also contribute to achieving Decent Work and to fostering Social Justice.

All conference related documents can be found on the ILO Regional Office for Africa website:

[www.ilo.org/public/english/region/afpro/addisababa](http://www.ilo.org/public/english/region/afpro/addisababa)



A152376

## The Social Economy: Africa's response to the Global Crisis

19 – 21 October 2009  
Johannesburg, South Africa

## Sommet extraordinaire des chefs d'Etat et de gouvernement:

### «Réponses coopératives à la crise alimentaire, sociale, économique et financière en Afrique»,

12 décembre 2009 à Lomé (Togo)

A l'initiative du Président de la République togolaise et Parain de la Conférence Panafricaine Coopérative, un sommet extraordinaire des chefs d'Etat et de gouvernement africains se tiendra à Lomé le 12 décembre 2009. Ce sommet sera précédé (du 7 au 11 décembre) d'une série d'activités préparatoires, à savoir: une réunion des experts, un forum des partenaires techniques et financiers engagés dans la promotion coopérative et une réunion des ministres africains en charge des coopératives. La réunion des experts devrait faire le point sur les conséquences de la crise sur la sécurité alimentaire,

les problèmes sociaux (en particulier l'emploi, le logement et la santé), et la situation économique et financière en Afrique. D'autre part, elle analysera comment les coopératives dans les secteurs concernés ont réagi face à la crise et les potentialités africaines que les coopératives peuvent exploiter pour prévenir les crises futures. Les travaux des experts seront présentés au forum des partenaires qui à son tour préparera le dossier pour la réunion des ministres pour leurs validation et présentation au sommet extraordinaire. Le BIT a été sollicité pour son appui à ce sommet.

## Kenyan President wants Cooperative Movement to Target Youth

The 9th African Ministerial Co-operative Conference “Driving African Social and Economic Recovery through Innovative Co-operative Enterprise” of the International Co-operative Alliance was opened by His Excellency Hon. Mwai Kibaki, President of the Republic of Kenya, at Kenyatta International Conference Centre, Nairobi, on 22 October 2009.

In his opening speech, he stressed that the Conference was being held at a time when the African continent was facing challenges arising from the global economic slowdown and emphasized the major role cooperatives play in the socio-economic development of African countries. In his opinion, “co-operatives offer the best avenue of fighting poverty on our continent because of their ability to reach out to the majority of our people, both in the rural and urban areas.” However, he also asked the forum to critically review and determine the way forward for the cooperative movement as, in his opinion, the movement would face two major challenges: firstly, its characterization as being

a preserve of the older persons and, secondly, its slowness with regards to innovation. The Kenyan President stated that the movement “must come up with innovative products for young co-operators and open up to new ideas of interest to the young and educated members of the population.”

The President expressed his government's commitment to support the cooperative ideals and integration both locally and globally. On the growth of the cooperative movement in his own country, the Head of State explained that Kenya has now over 12,000 cooperative societies registered with over 8 million members and that about 70% of the Kenyan population directly and indirectly depend on cooperative related activities for their livelihood.

The full speech is available online at:

<http://www.statehousekenya.go.ke/speeches/kibaki/oct09/2009221001.htm>.

## Nigerian and Kenya exchange on cooperative entrepreneurship in agriculture

Development of entrepreneurship in Nigeria's agricultural cooperative movement is bound to be enhanced if and when the knowledge and ideas gained from an eight-day training course attended by twenty-six of its senior leaders are put into practical action.

The training course held at the Cooperative College of Kenya in Nairobi was jointly organized by the ITC ILO (Turin), ILO COOP<sup>AFRICA</sup>, Agriterra and Wageningen University and Research Centre of the Netherlands. The twenty-six participants trained in the course comprised Federal and State directors of agricultural cooperatives as well as top officials of the State and Federal cooperative organizations (senior managers and board chairpersons).

The training course covered a wide range of subjects relating to the organization and management of agricultural cooperatives. It provided the participants the opportunity to share experiences and gain new knowledge in the organization and management of agricultural cooperatives.

Among the topics covered were:

- The renaissance of the African cooperative movement
- Cooperative policy and legislation in the context of ILO Recommendation 193; opportunities and challenges for agricultural cooperatives
- Cooperative economic services to farmers
- Internal governance and basic economics of agricultural cooperatives: conditions for cooperative entrepreneurship
- Agricultural arena, stakeholder relations and agribusiness clusters
- Navigating business entrepreneurial capacities; value chain analysis and farmer empowerment
- Access to financial services

- Professionalizing production and facilitating access to inputs
- Facilitating added value creation through post-harvest operations
- Managing information and harnessing ICT
- Marketing of agricultural produce; market and product development

Kenya's impressive cooperative experience in agricultural cooperative development and financial cooperatives was exposed to the participants through classroom interaction with senior officials from cooperatives, farmers organizations and financial institutions.

The programme also featured field visits that afforded the participants an opportunity to see various types of cooperative activities in rural Kenya, in addition to meeting key cooperative leaders and experts in the agricultural cooperative movement of that country to share ideas and experiences.

For many of the participants – a vigorous and highly motivated group – the course was both an eye-opener and an inspiration. The knowledge and ideas gained from it will constitute an input into an Action Plan that would define the role of cooperatives in the context of Nigeria's plan for promoting agricultural development. The Action Plan thus developed would be integrated in the National Agricultural Plan and Budget.

Also the co-organizers found the training a successful pilot in bringing together expertise on agricultural cooperatives. Joint follow-up activities for capacity building for agricultural cooperatives was foreseen. For instance, Agriterra, ILO/COOP<sup>AFRICA</sup> and ITC-ILO co-organized a writers' workshop for the revision of MATCOM training manuals on the management of agricultural cooperatives at the Cooperative College in Nairobi, from 19 October – 6 November 2009.





## The cooperative model and the provision of home based care (HBC) for HIV/AIDS

Over the last three decades, more than 25 million people died from AIDS. Africa remains the hardest hit continent, with 1.5 million deaths in 2007 in the sub-Saharan region only. HIV/AIDS impacts on social and economic spheres of societies including the world of work. With regards to cooperatives, like any other organizations, they are directly affected by the pandemic by losing their members, their workforce and their leaders, what in turn indirectly affects members' revenue and cooperatives' capacity to address their members' needs.

Home-Based Care (HBC) is an innovative approach to provide a comprehensive continuum of prevention, care, treatment, and support services to meet the needs of people living with HIV/AIDS in resource-limited settings. HBC calls for partnership among family members, health care workers, health facilities, local communities, community-based organizations (CBOs), non-governmental organizations (NGOs) and the ill people themselves in providing care and support. CBOs are particularly in the forefront of responding to HIV/AIDS such as in Kenya where 80% of the country's HIV/AIDS interventions are implemented by CBOs. Where universal health coverage is not achieved and the accessibility to the public health system is compromised despite their promotion since the Alma Ata

Declaration (1978) and the Bamako Initiative (1987), communities organize themselves and set up self-help initiatives to address their own health needs including those related to HIV/AIDS.

Considering the features and values of cooperatives, the COOP<sup>AFRICA</sup> programme is undertaking a study to examine in which form the cooperative approach could be used for the provision of HBC for HIV/AIDS to their members. The study was based on a literature review and on case studies undertaken in Kenya and Lesotho.

There are several characteristics of the cooperative model that could be applied to the design of a HBC for HIV/AIDS programme. For instance, the governance structure of the cooperative model that ensures members' control over the decision making process and the accountability, can contribute to reflect members' priorities and specific needs, potentially those related to HIV/AIDS. Thus, through the democratic member control but also the voluntary membership, members are empowered to take control over and responsibility of their own needs. The cooperative model provides an arena of discussion that can



identify individuals' capacities and strengths on which a HBC programme could use for its functioning.

Nevertheless, the study found out through these field cases that cooperatives are not yet really involved in HBC strategies. Members do not have a comprehensive understanding of what HBC is and how it is carried out. HIV/AIDS is often not included in their strategic plans and therefore members looked upon it as a side issue that diverted them from their key activities. For those that have started HBC activities, the main HBC service in which they seem to be fully involved is the continuum of care through the implementation of income generating activities (IGAs), such as vegetal and animal farming. The objective is to enhance the living condition of their affected and infected members. A second service where cooperatives are active and that is often linked to IGAs is transport for referrals to health facilities. When funds coming from the proceeds of the IGAs they run are sufficient, they are able to provide transport whereas in most cases the cost of transport falls on the affected family. Eventually, education through awareness raising sessions is the third services in which cooperatives appear as a player, although the study pointed out

that stigma and discrimination can still prevent members from disclosing their status. Cooperatives seem to be less involved in the provision of care mainly due to a lack of appropriate training of HBC caregivers who are often volunteers, a lack of equipment and more generally limited financial resources.

Even though some cooperatives started to implement part of HBC for HIV/AIDS services, several questions were found to remain. Considering that public health issues tend to be largely addressed by public-private partnership (PPP), can an organization legally registered as a cooperative be involved in such a partnership considering its principle of autonomy and independence? How sustainable can be a HBC programme run by a cooperative considering the financial burden that such a programme implies?

More research and investigation on the potential of the cooperative model in the provision of HBC for HIV/AIDS need to be undertaken. All national and local stakeholders involved in the response to HIV/AIDS should question the distribution and coordination of roles in the delivery of HBC programmes and the best model to adopt.

According to the World Health Organization, HBC and CHBC requires a holistic approach that integrates essential elements for a sustainable and effective service. Those elements that integrate the various needs of the people infected and affected by HIV/AIDS can be defined into seven main categories

- *Provision of care* including basic physical care, palliative care, psychological support and counselling and care of affected and infected people;
- *Continuum of care* including accessibility through overcoming the financial and social barriers to access to care), continuity of care through referral systems, case finding, case management and community coordination;
- *Education* of ill people, family members, health and social professionals, community health workers and community volunteers on prevention, treatment, care and stigma;
- *Supplies and equipment* including health centre supplies, home kits, location of HBC team and monitoring;
- *Staffing*;
- *Financing and sustainability* including budget and financial management, technical support, community funding and other resources;
- *Monitoring and evaluation* including quality assurance and supervision.

Source: World Health Organization (WHO). 2002. Community home-based care in resource limited settings, a frame-work for action (Geneva, WHO).

## Nobel Prize 2009

The 2009 Nobel Prize for Economic Sciences was awarded to Professor Elinor Ostrom of Indiana University in Bloomington and Professor Oliver E. Williamson of the Haas School of Business at the University of California at Berkeley for their groundbreaking work on non-market approaches to economic activities.

Prof. Ostrom is distinguished for her analysis on rules and mechanism that dictate the behavior of individuals and groups in the use of common resources. Instead of turning to markets or government regulations to distribute scarce public goods, Ostrom's findings show that users also create their own systems of resource management. Prof. Williamson's work discusses why some transactions do not take place in markets, but rather within firms. Williamson addresses the "boundaries of the firm" and more importantly why large volumes of business are done

within enterprises and not in the open market. His reasoning behind this model is that companies are a more cost effective means of resolving problems. Large enterprises dominate market transactions because conflict resolution is more effective and simpler when a small group of individuals render decisions rather than in the market place where continued negotiations between parties is time consuming and costly.

Their findings are relevant to EMP/COOP's work in several respects. First of all, traditionally cooperatives have been found to be an appropriate organizational form to manage public goods, for example common grazing grounds in Switzerland. The provision of utility services and the management of infrastructure through cooperatives in many countries are other examples. Secondly, cooperatives as "associations of persons" lend them-



selves to democratic decision taking and control. Lastly, the Nobel Prize Committee seems to underline the need for change in economic thinking to ensure that diverse enterprise types be available to meet the diverse needs of people.

For more information, please consult: [http://nobelprize.org/nobel\\_prizes/economics/laureates/2009/ecoadv09.pdf](http://nobelprize.org/nobel_prizes/economics/laureates/2009/ecoadv09.pdf)

## In the news ...

US Health-care option: cooperatives? The cooperative business model has been on the top of the political agenda in the United States. Lawmakers explored the creation of national not-for-profit health care cooperatives as an alternative or complement to a public health care system.

## 1<sup>st</sup> Cooperative Summit of the Americas/ 1<sup>a</sup> Cumbre Cooperativa de las Américas

*EMP/COOP participó en la I Cumbre Cooperativa de las Américas sobre "El Modelo Cooperativo: respuesta a las crisis mundiales", organizada por ACI Américas, la organización regional de la Alianza Cooperativa Internacional, en Guadalajara/México, del 21 al 25 de septiembre del 2009.*

*Casi todas las ponencias, contribuciones, textos oficiales etc. se encuentran en español en la página web de la ACI Américas. Por esta razón, no se estima necesario de dar un resumen de la participación en español y se entrega a continuación solamente un resumen en inglés.*

ICA Americas, the Regional Office of the International Cooperative Alliance for the Americas, organised from September 21 to 25 the I Cumbre Cooperativa de las Americas (the 1st Cooperative Summit of the Americas). ICA Americas is the fastest growing region of ICA in terms of new cooperatives and membership. The estimate at the Summit was that this development raised total membership of ICA to close to 1 billion.

Whereas ICA Asia and ICA Africa organise every second year a Ministerial conference (cf. Kenyan president wants...), ICA Americas had organised so far every second year a meeting of parliamentarians, not the least as it was the guardian of a model framework law on cooperatives elaborated by the now defunct Organisation of Cooperatives of the Americas (OCA) in 1988. This Summit was to give these meetings a new format, one which would allow for a more effective exchange of views and experiences between government, cooperative organisations and academia. It yielded the expected results by bringing together ca. 400 representatives from outside Mexico and ca. 800 from Mexico.

The underlying theme of the Summit was the crisis. The results of the study "Resilience of the Cooperative Business Model in Times of Crisis" (cf. To be read...), prepared by the ILO and the ICA early this year, fuelled thoughts on how to use the cooperative business model for a sustained recovery. There was a clear consensus that cooperatives are enterprises, albeit of a specific type, that undue state involvement, be it in the form of preferences, be it in the form of control, is to be rejected, that the cooperative self-help principle needs strengthening and that for all purposes reliable and comparable statistics are needed. As also reported from Europe, there is a growing awareness that in order to achieve these results and in order to increase their lobbying capacity, cooperatives might need to organise on the lines which distinguish them from other types of business organisations, rather than on the lines of their activities.

Three plenary sessions covered a wide range of subjects, such as development paradigms and new economic order, climate change, economic and financial challenges for cooperatives and changing cooperative business models. EMP/COOP contributed with thoughts on "La promoción del modelo cooperativo por la ACI y la OIT en el nuevo orden económico global" (the promotion of the cooperative business model by the ICA and the ILO in the new economic order).

Many participants drew attention to the growing interest in the social economy, whose main actors in the region, as elsewhere, are mutual societies, so-called employees' funds and – the bulk – cooperatives. A number of national constitutions refer to the social economy. In some countries, like for example in Colombia and Ecuador, the social economy has become an object of legislation. A similar evolution can be observed in Europe (Great Britain, Italy and Spain) and in Asia (India). Attention must be paid to not lose gains had through long lasting and ongoing efforts to raise the awareness that cooperatives are enterprises.

Furthermore, EMP/COOP participated in the 2nd Meeting of the Institutos de Promoción, Fomento, Supervisión y Crédito Cooperativo (public cooperative promotion agencies). ICA Americas urged participants to assist in the dissemination of the 2002 ILO Recommendation 193 on the promotion of cooperatives (ILO R.193) and to take account of the new, 2008 Ley marco para las cooperativas de América Latina, the "2nd edition" of the above mentioned 1988 model cooperative law. The main drafter of this model law, Prof. Cracogna, presented its contents and rationale. The ILO had participated over several years in the elaboration of this new model law and is now participating through ICA in the implementation of it. The model law reflects ILO R.193. The declaration of this 2nd Meeting of the cooperative promotion agencies refers to ILO R.193, as does the final Declaration of the Summit. EMP/COOP contributed to the Meeting with a presentation on ILO R.193 under the title "La Recomendación 193 de la OIT y el rol de los Institutos de Promoción, Fomento, Supervisión y Crédito Cooperativo" (ILO R.193 and the role of public cooperative development agencies), explaining its legal nature in the context of public international law and laying emphasis on its geographical and thematic scope, on the meaning of "promotion" (including supervision/control), suggesting that rather than discussing individual promotional measures it is important to have a clear understanding of the finality of the promotion, as well as of the meaning of equal treatment of cooperatives as compared with other business organizations. 

Finally, EMP/COOP participated in a Forum on the Ley marco para las cooperativas de América Latina. This forum also discussed ways on how to lobby for the implementation of ILO R.193 and for the respect of the principles laid down therein.

It became clear that policy and law making is a multi-layered and multi-faceted process, where the national is being more and more interwoven into regional and international, even global processes and where standard setting by private entities is gaining more and more influence.

EMP/COOP made a presentation on “La evolución del derecho cooperativo en el mundo” (the evolution of cooperative law worldwide).

In addition, EMP/COOP discussed with different stakeholders key points and requirements for a stronger presence in the form of a project which would match the longstanding and sustained support in the region for ILO R.193. This could include ongoing or imminent cooperative and/or social economy legislation projects (for example in Colombia, Costa Rica, Ecuador, Guatemala, Mexico and Peru), the elaboration of policies to deal with the phenomenon of falsas cooperativas (false cooperatives), the establishment of cooperative specific audit systems and of vertical cooperative structures that have both economic and representative functions, the elaboration of statistics, the differentiation between the various social economy actors (cf. also report on Social Economy Conference in Johannesburg), the formalisation of informal economy actors etc..

## The ILO South Lebanon Project's Training of Trainers Workshop on Cooperative Extension Work

**Local cooperatives are becoming self-reliant in their management before the ILO's withdrawal**

A two-weeks trainers' workshop was organized by the ILO project entitled “Local Socio-Economic Recovery in War-Affected Areas in South Lebanon” in Tyr (South Lebanon) in June 2009. The seminar formed an integral part of the project's exit strategy and represented the starting step in its gradual withdrawal from various field activities until its termination in 2010. The objective of the workshop was to capacitate the trainers of local partners who are expected to gradually take over project staff's functions after an initial training period.

The workshop was attended by 28 participants (amongst them 11 women), coming from the National Cooperative Federation of Lebanon, two regional cooperative unions, local primary cooperatives and the Beekeepers Syndicate of South Lebanon, as well as from four main partner NGOs of the project. The workshop was facilitated by the ILO Cooperative Training Consultant (former EMP/COOP member) Huseyin Polat. In his opening remarks, Mr. Assaad Eldor, Project Manager, presented the achievements of the project and gave an outline of the workshop contents. Mr. Maurizio Bussi, Regional Deputy Director, then highlighted the role of cooperatives in job creation and social development, with reference to the ILO mandate to promote cooperatives within the context of Promotion of Cooperatives Recommendation, 2002 (No. 193). He further pointed out that the workshop would contribute to the efforts of local capacity building initiatives of the UN agencies working in South Lebanon. By transferring the ILO staff members' functions to the trained local staff, ILO would help local cooperatives to become self-reliant in their management and look for local solutions for their problems. Another highlight was the presentation by Senior Gender Specialist from ILO Beirut, Ms. Simel Esim, on gender issues in cooperatives. ILO training materials, including MATCOM, were extensively used throughout the whole workshop. A field trip was organized to visit a partner NGO and a women's food processing cooperative society.





## ***Cooperative education and training***

### ***Education et formation coopératives***

### ***Educación y formación cooperativa***

Since the Poltava University of Consumer Cooperatives has commenced its educational work in 1961, its organizational



structure and academic spectrum have considerably spread and diversified over time. Today, the teaching staff comprises 390 professors, associate professors and other teachers, and the total number of students is exceeding 10,000 nationwide.

The University offers bachelor and master study programs in, inter alia, economic cybernetics, international economics, finance, banking, accounting and auditing, marketing, business management and food technology. Its publications, textbooks, scientific monographs and journals in the fields of economic, technical sciences and humanities, are widely known. Besides the well-equipped library, the University offers accommodation, sports, catering and medical facilities.

The educational union "Osvita" also falls under the umbrella of the Poltava Cooperative University. Once founded on the remnants of the former Soviet cooperative educational system, it now comprises more than 40 higher educational establishments and five secondary schools.

## **International cooperative conference in Bishkek**

An international conference "Contribution of cooperatives to employment and poverty prevention in Kyrgyzstan" took place in Bishkek from 24 to 25 June 2009. 100 participants from the capital and all regions attended, among them representatives from the local GTZ office, the German Cooperative and Raiffeisen Confederation (DGRV) offices in Ankara (Turkey) and Kiev (Ukraine), the Federation of Trade Unions, the National Confederation of Employers, and the Chairman of the Tajik National Association of Marketing Managers.

The Minister of Agriculture opened the conference while high-level representatives from the Ministry of Labor and Social Development and from the Migration and Employment Governmental Committee took also part in the opening session. A Member of Parliament and a high-level representative of the Kyrgyz National Bank, who are both involved in the promotion of the cooperative sector, participated in the panel discussions. The event was extensively covered by national mass media.

Among the issues discussed by the conference were the immediate need to create a platform, that should study and analyze the best practices of numerous cooperative projects in Kyrgyzstan, and the need for cooperative training outside the system of technical cooperation because of the latter being by its very nature limited in time. Another pressing topic was the world economic crisis and the cooperative system. The ILO WIND Program (Work Improvement for Neighborhood Development) was presented, with a special emphasis on its substantial

interrelatedness with the cooperative approach, e.g. the role and place of cooperatives concerning the promotion of social dialogue in the informal rural sector.

The ILO cooperative experience was found useful and appropriate not only for Kyrgyzstan, but also for the whole Central Asian region. Special attention was given to ILO Recommendation 193 on the promotion of cooperatives, especially as it



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Кооперативов  
Кыргызстана

**Международная  
конференция  
"Вклад кооперативов в  
предотвращение бедности  
и содействие занятости"**

**Бишкек, 24-25 июня 2009г.**

relates to trade unions and employers' organizations. The participants agreed that new methodological literature and manuals are needed. Translation and adaptation of the materials developed by ILO/MATCOM was considered one way to satisfy this need. The setting up of a cooperative training center in Kyrgyzstan was also identified as an urgent need. The Credit Unions Act of 1999 seems to rather hamper the further expansion of the credit unions sector in Kyrgyzstan. The assistance of EMP/COOP as for its amendment was requested.

A final resolution, which summarized the two days intensive work and outlined perspectives for the cooperative movement in the region, was unanimously adopted by the participants on the last day. As the development of the cooperative movement in Kyrgyzstan is much more advanced than in other Central Asian countries, the extension of the Kyrgyz cooperative experiences to countries like Tajikistan and Uzbekistan was considered paramount. The Kyrgyz Credit Unions and the Cooperative National Union expressed their will to collaborate with the ILO on this field.

## Credit cooperatives in CIS countries: perspectives of collaboration

For the last 15 years, there was a steady tendency of credit cooperatives revival in the countries formed after the dissolution of the USSR.

So far, this movement has had significant success in a number of states. However, in some countries it is still at its initial stage. Many of the countries have received assistance and support from different international governmental and non-governmental organizations in order to create conditions which enable credit unions to develop.

Further support in practical terms is needed. Cooperative philosophy suggests that participants not only give financial support, but also closely cooperate with their respective partners, and, thus, the support of colleagues can be considered an invaluable factor in the development of national credit union systems.

During the period of 2006 to 2009, organizations and individual experts, who were engaged in credit union development in CIS countries, initiated and carried out a number of bilateral and multilateral international events, which forged closed ties. Currently, representatives of Azerbaijan, Belarus, Kyrgyzstan, Lithuania, Russia, Ukraine and Uzbekistan are part of these national movements'

circle. Also representatives of state structures from Kazakhstan and Tajikistan have shown interest in such interaction.

Analysis of the current situation suggests that the movements are at a comparable stage of development, are confronted with similar difficulties and need to solve the same problems. The conclusion imposed itself: why not unite and use more effectively joint potential?

Thus, the leaders of the credit cooperative movement in the majority of the countries mentioned above decided to form a non-profit association. This association is not only supposed to help solving the more vital problems of the credit cooperatives development in the region, but also to involve new partners especially those who already have experience in assisting the population of various regions with difficult social and economic conditions.

ILO seems to be a natural partner. Its strategic goals and its way to achieve them coincide in many respects with the main objectives of the credit cooperatives in CIS countries.

Letter by **Vadim Kalinichev**  
(Chief Executive Officer, Russia Union League)

## Cooperative policy and law

### *Politique et droit coopératifs*

### *Política y derecho cooperativo*

#### ICA-ILO Legislation Working Group to convene for the first time

On November 18, during this year's General Assembly of the International Cooperative Alliance (ICA), the ICA-ILO Legislation Working Group will meet for the first time. The Group was set up by the ICA Board early this year. Group members so far are Chantal Chomel (COOP de France), Dante Cracogna (Prof., University of Buenos Aires), Dra. Clemencia Dupont (ConfeCoop, Colombia), Isabel-Gemma Fajardo (Prof., University of Valencia), David Grace (WOCCU), Paul Hazen (President and CEO, National Cooperative Business Association, USA), David Hiez (Prof.,

University of Luxemburg), ICA-Africa, ICA-Asia/Pacific, Manuel Mariño (ICA-Americas), Agnes Mathis (CooperativesEurope), Yuan peng (Prof., Chinese Academy of Social Sciences – CASS). EMP/COOP Manager Hagen Henry coordinates the work.

The ICA Board decision responds to a growing need to formulate expert opinions on cooperative law in its broadest sense. Besides organizational matters, the Group will debate during its first gathering the position of cooperatives in the constitutional practice of various countries. One of the questions will be whether and how the reference in national constitutions to cooperatives, where applicable, can be used in policy dialogues.

***To be read...***

***A lire absolument...***

***Lectura importante...***

**Arcand, M.:  
«La gestion du changement»  
(Montréal: Editions Nouvelles, 2007)**

Le livre traite de façon accessible et attractive la gestion des nouvelles contraintes pour les entreprises, résultantes des changements significatifs qui ont marqué le début du XXI<sup>ème</sup> siècle.

Cet ouvrage a remporté le Prix du livre d'affaires 2008 au Canada. Dans la logique de ce premier succès, deux autres ouvrages sur la même problématique sont en cours de préparation par l'auteur et seront bientôt publiés.

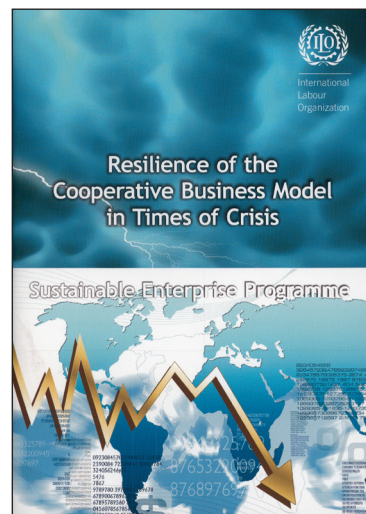
**Michel Arcand** est Professeur agrégé au Département des sciences de la gestion de l'Université du Québec à Trois-



Rivières. Ses articles et ouvrages sont régulièrement publiés dans des périodiques scientifiques au Canada, en France, Belgique, Grande Bretagne, Suisse et en Allemagne. Dans le passé il a collaboré avec EMP/COOP et le Bureau du BIT à Moscou, ce qui a abouti en 2000 au programme d'enseignement coopératif destiné aux écoles secondaires et aux collèges en Russie.

**Birchall, J.; Ketilson, L.H.; ILO:  
“Resilience of the Cooperative Business Model in Times of Crisis”  
(Geneva: ILO, 2009)**

This publication provides evidence that proves that the co-operative model of enterprise survives crises and maintains the livelihoods of the communities in which cooperatives operate.



**Nuevo DVD: “Las cooperativas en el desarrollo económico y social”**

La Oficina de la OIT en México produjo un DVD con el fin de promover la Recomendación 193 de la OIT sobre la promoción de las cooperativas en 2002. En el DVD se explica la tarea de la OIT en la elaboración y adopción de normas internacionales de trabajo en general, así como el contenido de la Recomendación y se presentan testimonios de cooperativistas, funcionarios de gobierno y especialistas que promueven las cooperativas.





Develtere, P.; Pollet, I.; Wanayama, F.; ILO:

## «L'Afrique solidaire et entrepreneuriale. La renaissance du mouvement coopératif africain» (Dar Es Salaam: OIT, 2009)

(Extraits)

L'éradication de la pauvreté en Afrique subsaharienne reste l'un des défis majeurs de la communauté internationale. Au cours des 25 dernières années, le nombre de pauvres a doublé, en passant de 150 millions à 300 millions de personnes dont la moitié survit avec un dollar ou moins par jour. C'est pourquoi l'Afrique a besoin d'entrepreneurs et d'un dynamique secteur de la petite entreprise afin de tirer la croissance de l'innovation et de la productivité, nécessaires à une réduction à long terme de la pauvreté.

L'histoire du développement coopératif en Afrique a abouti à deux conclusions répandues mais très contradictoires.

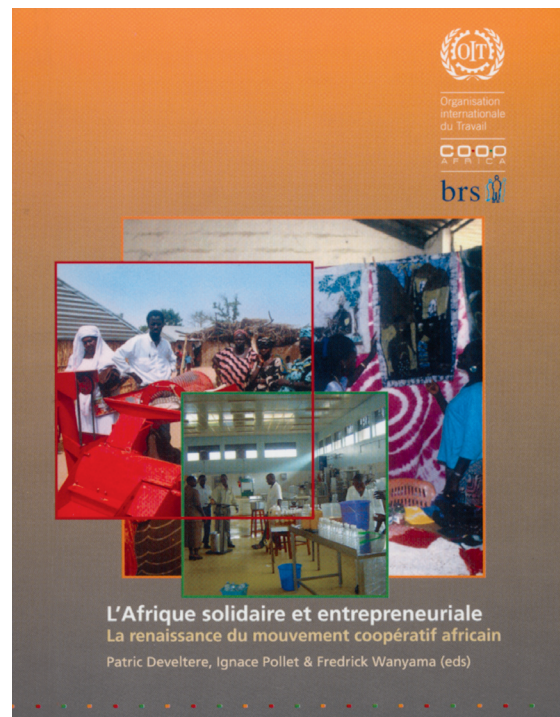
Certains considèrent que les coopératives ont échoué à relever les défis du développement lorsqu'elles ont été confisquées par les gouvernements et autres agences d'Etat. En tant qu'instruments du gouvernement, elles ne sont plus en phase avec la culture locale, ce qui explique la dégradation des performances et du fonctionnement pour nombres d'entre elles.

D'autres sont d'avis que l'esprit coopératif est la clé du développement africain. Les partisans de cette vision soutiennent que les coopératives en tant qu'entreprises privées s'intègrent très bien aux cultures communautaires en Afrique et que l'initiative économique (pour la mobilisation des ressources), combinée au souci du bien-être de la communauté, ont amené de nombreuses coopératives à aider les pauvres à s'extraire de leur condition et à créer de la richesse dans leurs communautés.

Ce projet de recherche a été mis sur pied afin de contribuer à démêler ces perceptions contradictoires qui préoccupent depuis longtemps les dirigeants et les membres des coopératives, ainsi que les gouvernements et les bailleurs de fonds. Son ob-

jectif principal était donc de mener une analyse objective sur l'état du secteur coopératif en Afrique depuis la libéralisation de l'économie au début des années 1990.

Disponible sur le site internet du programme COOP<sup>AFRICA</sup>: [www.ilo.org/public/english/employment/ent/coop/africa/info/publ.htm](http://www.ilo.org/public/english/employment/ent/coop/africa/info/publ.htm)



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