**Measuring cooperatives:
A progress update on the ILO Pilot study
on the applicability and implementation
of the Guidelines concerning statistics of
cooperatives in five countries**

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Statistics of cooperatives
Statistiques des cooperatives
Estadísticas sobre las cooperativas

Participants in the Conference are invited to: (a) review the room document containing a progress update on the evaluation studies on measuring cooperatives; (b) comment on the outstanding issues and recommendations outlined in the room document; and (c) indicate their support for and interest in contributing to the ongoing work to test and further develop the *Guidelines concerning statistics of cooperatives* and their supporting documentation in collaboration with the Office.

Les participants à la Conférence sont invités à: a) examiner le document de séance présentant l'état d'avancement des travaux d'évaluation sur les statistiques des coopératives; b) formuler des observations sur les questions en suspens et les recommandations décrites dans le document de séance; c) faire part de leur soutien aux travaux en cours et de leur souhait d'y contribuer pour expérimenter et continuer de faire évoluer les *Directives concernant les statistiques des coopératives* et les documents qui s'y rapportent, en collaboration avec le Bureau.

Se invita a los participantes en la Conferencia a que: a) examinen el documento de sala que contiene información actualizada sobre los progresos en los estudios de evaluación relativos a la medición de las cooperativas; b) comenten las cuestiones pendientes y las recomendaciones que figuran en el documento de sala, y c) indiquen su apoyo e interés en contribuir a la labor en curso para probar y seguir desarrollando las Directrices relativas a las estadísticas sobre las cooperativas y su documentación complementaria en colaboración con la Oficina.

ILO Guidelines concerning statistics of cooperatives

Adopted in October 2018 at the 20th International Conference of Labour Statisticians (ICLS)

- Approved by the Governing Body of the ILO in March 2019.

They define concepts, classifications, statistical units, and definitions needed to compile statistics on cooperatives

➢ consistent with the current international standards for economic and labour statistics.

The characteristics and breakdowns of cooperatives, members of cooperatives, and employment that should be included in statistical reports on cooperatives

Potential data sources and frequency.

✓ Regular, preferably annual, monitoring of cooperatives based on administrative records if adapted for statistical purposes, as well as on establishment surveys.

✓ Data on persons who are members of cooperatives can also be collected through household surveys

❖ **However, the Guidelines do not provide detailed guidance on data collection methods**

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Further work needed to put the Guidelines into practice

The Guidelines state that the ILO should work together with interested countries and institutions to arrange for testing to develop methods for collecting the data required to measure:

- the number and types of cooperatives;

- members and membership of cooperatives;

- work in cooperatives; and

- the economic contribution of cooperatives.
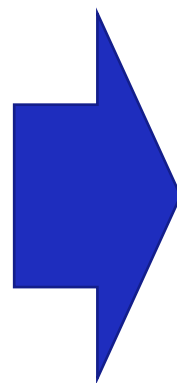
The results of the testing activities should lead to:
➢ improvement and extension of statistics of cooperatives at national level,
➢ identification of information:
  ✓ to improve the Guidelines themselves
  ✓ develop comprehensive international guidance on methods to collect statistics of cooperatives.

✓ Strategy paper on the development of methodologies to collect data on cooperatives in line with the Guidelines.

✓ *Statistics of Cooperatives: Concepts, classification, work and economic contribution measurement* published in 2020.

✓ Information Guide, Measuring Cooperatives released in 2022

✓ **Pilot study on applicability and implementation of the Guidelines concerning statistics of cooperatives in five countries**

ILO initiative on advancing the Guidelines concerning Statistics of Cooperatives

Evaluate and make recommendations on the information specified in the guidelines in five countries

- ➢ Costa Rica,
- ➢ Italy
- ➢ Republic of Korea
- ➢ Tanzania
- ➢ Türkiye

To provide national inputs to the development of an ILO manual on cooperative statistics

- Identify the legislative and administrative frameworks, research institutions, policy concerns and uses and requirements for statistics on cooperatives.

- Assess the relevance and completeness of existing statistics on cooperatives

- Identify potential data sources and methods that could be used to fully implement the guidelines

- Develop a national plan for improving national statistics concerning cooperatives in a way that could meet national requirements for statistics of cooperatives and reflect national as well as global policy concerns.

National advisory committees (NAC) drawn from the national agencies and APEX groups with an interest in statistics of cooperatives supported the work of the consultants appointed by the ILO to conduct the studies in each country

Cooperatives and the social and solidarity economy (SSE)

Resolution concerning decent work and the social and solidarity economy adopted in June 2022 at the 110th Session of the International Labour Conference (ILC.110 Resolution II)

- Stresses the relevance and role of the SSE, including cooperatives, in the achievement of decent work and universal, adequate, comprehensive and sustainable social protection systems, and in building community solidarity.

UN resolution on promoting the social and solidarity economy (SSE) for sustainable development (April 2023)

- Recognizes that cooperatives and social enterprises, can help alleviate poverty and catalyse social transformation by:
  - strengthening the productive capacities of those in vulnerable situations
  - producing goods and services accessible to them.
- Acknowledges the potential of the SSE to contribute to the achievement and localization of the Sustainable Development Goals (SDGs)
- **Encourages Member States to make visible, when feasible, the contribution of the SSE in the compilation of national statistics.**

Why do we need statistics on cooperatives?

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Cooperative ownership model and democratic governance principles ensure that cooperatives are driven by the needs of their members

Unique and special role in promoting sustainable economic growth, high quality employment, decent work and social justice.

Need for hard data to inform policy and assess the special impact of cooperatives in promoting:

- Economic growth

- Economic resilience and stability

- Sustainable development, especially in agriculture

- Employment and decent work

- Transition from the informal to the formal economy

- Re-organization and flexibilization of work reflecting technological change and the future of work

- Equitable and affordable access to housing, social and financial services.

❖ Demographic explosion
  ➢ but aging population in many countries
❖ Migration,
❖ Climate change
❖ Pandemics
❖ Advances in technology

Unprecedented and rapid change the nature and organization of work

Putting members' needs ahead of profits can mitigate negative impacts.

Main national policy concerns on cooperatives in the five countries

- Promote social integration, solidarity and mutual assistance
- Balanced and sustainable development of the national economy
- Employment creation
- Support and promote cooperatives, through strengthening the institutional framework
- Differentiated fiscal treatment as part of government policy to promote cooperatives
- Strengthening of education about cooperatives
- Cooperative management training programs, especially in rural areas, to improve the management of small cooperatives
- Provision of opportunities for equitable market participation and the development of new markets
- Provision of community services
- Financial support and services to individuals and to businesses.

✓ Cooperative sector requires statistical information on cooperatives to demonstrate the current relevance of cooperatives in the local and national economy; and to demonstrate the impact of public policies on cooperatives.

✓ Government agencies use statistics to assess the contribution of and relevance of cooperatives in formulating and evaluating policies on national and economic development, taxation, sectoral development, poverty reduction and promotion of cooperatives themselves.

Statistics produced by the cooperative movement

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Good quality statistics are produced in some countries by cooperative confederations or government agencies responsible for cooperatives from:

- administrative registrations
- censuses or surveys of institutions registered as cooperatives

Provide an important part of the statistical picture on cooperatives and can cover:

- ➢ the number and types of cooperatives,
- ➢ the number of members of cooperatives,
- ➢ the number of employees working in cooperatives
- ➢ economic performance (such as value added, turnover, equity and assets).

❖ Not usually fully comparable with official statistics on the wider economy and the labour market, or with statistics from other countries.

❖ Not always produced on a regular basis, such as annually, and may vary with respect to the scope of the data collected.

❖ Provide only relatively basic information, such as age and sex, about people who work in cooperatives, or are members of cooperatives.

The Guidelines can help cooperative associations and agencies improve the comparability of statistics from different sources and improve consistency and harmonization with mainstream economic and labour statistics.

Invisibility of cooperatives in most official statistics

The contribution of cooperatives is rarely identified in official national statistics.

✓ Identification of cooperatives in censuses and surveys used in official economic statistics could unlock a wealth of information already collected but not visible.

✓ Identification of work in cooperatives and membership of cooperatives in official household surveys could allow provision of information about the impact of cooperatives on the lives and work of individuals and their families.

The Guidelines provide the definitions needed to allow producers of official statistics to :

➢ improve identification of information cooperatives in data sources,

➢ compile a coherent, wide and comparable range of statistics to measure the contribution of cooperatives to the economy, labour market and society

In four of the five countries included in the study (Italy is the exception), statistics on cooperatives are mainly compiled by the Government agencies responsible for cooperatives, with varying degrees of collaboration with the national statistical office

Institutional arrangements for statistics of cooperatives

Recognized in all five countries that comprehensive statistical information about cooperatives cannot be compiled from a single source:

➢ statistics need to be integrated and harmonized with mainstream official statistics

➢ initiatives to improve the integration and harmonization of these statistics with mainstream official statistics.

Data collections that target cooperatives specifically can allow the collection of in-depth information on topics relevant to cooperatives

❖ may not be fully comparable with mainstream economic, social and labour statistics.

❖ Need for long-term sustainability, regularity and frequency of census and surveys of cooperatives.

Long term strategy:

✓ Incorporate statistics of cooperatives in the regular economic statistics program

✓ Conduct less frequent censuses, surveys targeting cooperatives

✓ Separate identification of cooperatives from other types of enterprise in selected regular statistical outputs

✓ Periodic special reports on cooperatives that incorporate both administrative and survey data from various sources

Identifying cooperatives in statistical data sources

The key requirement is to identify cooperatives in relevant data sources.

Cooperatives are already included in:

▶ Administrative records
   ✓ Company registers
   ✓ Registers held by cooperative confederations

▶ Statistical business registers

➤ Establishment censuses

➤ Establishment surveys

❖ Statistical businesses registers frequently do not distinguish cooperatives from other types of enterprise.

❖ Registers of cooperatives may be incomplete unless registration is compulsory

❖ Registers may not be kept up to date

❖ May include records pertaining to inactive or defunct cooperatives.

✓ Need to improve harmonization of statistical registers with cooperative registers

Definition of Cooperatives

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The reference concept of cooperatives is derived from the definition of cooperatives given in ILO recommendation No. 193

A cooperative is defined as an autonomous association of persons and/or legal entities united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

4 criteria for operational identification of cooperatives for statistical purposes

- A cooperative should be a formally established institutional unit (non-financial corporation, financial corporation or non-profit institution).

- A cooperative should be controlled democratically by its members according to the principle that each member has an equal vote.

- Membership of the cooperative should be voluntary and non-restrictive.

- Distribution of profits or surpluses among the members is not directly linked to the capital contributed by each member.

- ❖ Unregistered cooperatives should be identified separately from cooperatives, based on the last three criteria

Types of cooperatives

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The Guidelines define four main types of cooperatives based on the main interest of their members:

- Producer cooperatives
- Worker cooperatives
- Consumer/user cooperatives
- Multi-stakeholder cooperatives

Statistics of cooperatives should be systematically tabulated:

- by the four main types of cooperatives as well as by nationally specific sub-types where relevant and feasible

- by branch of economic activity

- by regions relevant to national purposes, including by urban and rural areas.
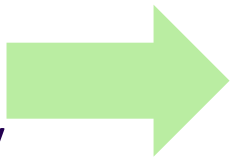
This is a simplification and rationalization of the various classifications of cooperatives used by countries to allow the comparison and aggregation of data on cooperatives in a consistent way at national and international levels.

✓ Direct correspondence between categories in the national typology and a single type specified in the Guidelines, can be represented in a <u>correspondence table</u>

❖ If this is not possible information on the nature of the members' interest in the cooperative should be collected in data sources:
- ➢ cooperative census
- ➢ application forms to register a business as a cooperative.

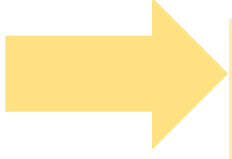**International Labour Organization**

The scope of statistics of cooperatives.

Statistics of cooperatives should include statistics on

- Cooperatives
- Subsidiaries that are not cooperatives (incorporated enterprises owned or controlled by cooperatives)

→ Could be identified by the concept of the Enterprise Group, defined in the units model used for economic statistics

- Enterprises that are members of cooperatives.
  - ➤ To the extent possible, statistics should be compiled separately for each of these types of enterprise
  - ➤ This broad scope is essential to allow full assessment of the economic and social contribution of cooperatives.
  - ❖ Inactive cooperatives should be identified separately and excluded from statistics on cooperatives.

→ Questions on membership of cooperatives (and possibly other SSE institutions) could be included in enterprise surveys and censuses.
  - ➤ particularly relevant in surveys targeting sectors of economic activity where cooperatives are important, such as agriculture.

Work within the scope of statistics on cooperatives

Statistics on work generated by cooperatives, particularly in employment, should be compiled and tabulated separately for work performed by members and non-members in:

➢ cooperatives

➢ economic units that are members of a producer cooperative or multi-stakeholder cooperative; and

➢ subsidiary enterprises owned or controlled by a cooperative.

This is essential to measure the full impact of cooperatives on the labour market and household income

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Members and memberships of cooperatives

According to the Guidelines, members of cooperatives may be persons or legal entities.

Membership **is defined as the number of members of each cooperative.**

- Both persons and legal entities can be members of more than one cooperative.

- Statistics on memberships are not equivalent to statistics on the number of people and enterprises that are members of at least one cooperative

- Statistics about the number of memberships of an individual cooperative, or of particular types of cooperatives, may be useful in assessing their size, significance and impact.

✓ Cooperatives themselves can provide information on the number and basic characteristics (such as sex) of their members.

✓ Questions on membership of cooperatives (and possibly other SSE institutions) could be included in enterprise surveys and censuses.

✓ Statistics on the number of persons who are members of at least one cooperative could be obtained by including a question membership in household surveys

The economic contribution of cooperatives

Different measures may be needed depending on the type of cooperative and would require information on:

- employment
- revenue
- value added
- assets
- liabilities
- investment
- the use of profits or surpluses,
- the earnings of workers within the scope of statistics on cooperatives, and
- the share of transactions with members and non-members.

Conventional measures, such as value added, do not fully assess the positive economic effects of cooperatives:

- ▶ countervailing market power
- ▶ pro-competitive effects
- ▶ economic stability and resilience
- ▶ technical efficiency and innovation

ILO, in collaboration with interested parties, should work on the development of measures to assess the economic contribution of cooperatives

value received,

value shared,

value of volunteer work,

patronage refunds,

share of intermediate consumption with members

National Action Plans

The national reports of the five pilot studies, identified

➢ the changes and modifications to national policies needed to fully implement the Guidelines

➢ the steps needed to improve national statistics on cooperatives and fully implement the Guidelines

➢ the business case for some or all of the proposed actions.

❖ Commitment to the plan from the agencies represented in the National Advisory Committees

• There can be no one-size-fits all template for a national action plan to improve national statistics on cooperatives in harmony with the Guidelines

➢ Start with a thorough assessment and evaluation of the national situation,

➢ It will then be possible to develop and agree on a national action plan and present the business case for it.

✓ The global report provides an outline of this approach and identifies the main elements that may need to be included in a national action plan.

Outstanding issues related to the Guidelines where further methodological work is needed

- **Advancing the work on measuring the special economic effects of cooperatives**

- **Measuring the social and environmental impact of cooperatives**

- **Identification and measurement of unregistered cooperatives**

- **Data collection methodologies for the various topics included in the guidelines.**

Proposed ILO Manual on Cooperative Statistics
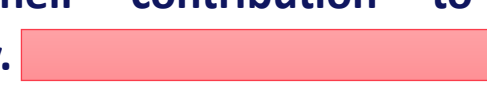
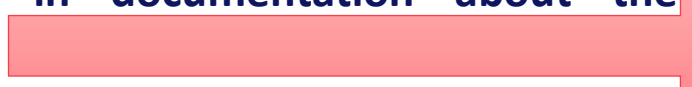## Seven modules are proposed

1. **Overview of the Guidelines and the importance of statistics on cooperatives.**

2. **Assessment and evaluation of the national situation and requirements for statistics of cooperatives**

3. **Developing a national action plan to improve statistics of cooperatives**

4. **Identifying and measuring cooperatives, their subsidiaries and types**

5. **Measuring members and memberships of cooperatives**
   (a) Memberships
   (b) Enterprise members
   (c) Persons

6. **Measuring work in cooperatives**

7. **Assessing the economic, social and environmental impact of cooperatives.**

Purposes of the Manual

➢ Provide practical guidance as needed by those wishing to collect and compile statistics in line with the guidelines

➢ Facilitate the development and use of a coherent, harmonized, and standardized set of statistics on cooperatives

➢ Relevant to implement all or only some elements of the guidelines as part of a programme to improve national statistics on cooperatives

➢ Help users to understand the statistics

❖ Developed and presented in modular form, rather than as a linear publication

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Summary of recommendations

❖ **Possible updates to the Guidelines**

1. **Establish a working group to develop methods to measure the special economic effects of cooperatives.**

2. **Develop indicators to measure the social and environmental benefits and impacts of cooperatives, and their contribution to economic sustainability.**

3. **Clarify the operational definition of cooperatives in documentation about the Guidelines.**

4. **Consider and develop case to update the operational definition of cooperatives.**

➢ **Pending future update of the Guidelines**

5. **Highlight importance of disseminating key economic indicators to compare cooperatives with other types of enterprise.**

6. **Indicators of the social and environmental impact of enterprises, including selected SDG indicators, should be compiled for cooperatives where feasible and relevant.**

➢ **New and improved documentation**

7. **Update ILO information guide, "Measuring Cooperatives".**

8. **An ILO manual on statistics of cooperatives should be developed in modular form and presented at the 22nd ICLS.**

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▶ **Participants in the Conference are invited to:**

(a) review the room document containing a progress update on the evaluation studies on measuring cooperatives;

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(c) indicate their support for and interest in contributing to the ongoing work to test and further develop the *Guidelines concerning statistics of cooperatives* and their supporting documentation in collaboration with the Office.