

The experience of SYNDICOOP in Africa: A model for trade union action?

Stirling Smith, Associate, Cooperative College, Manchester, United Kingdom

Introduction

SYNDICOOP was a project which operated in Africa from 2002 to 2006, aimed at improving the working and living conditions of unprotected informal economy workers through collaboration of trade unions and cooperatives. The project covered Rwanda, the United Republic of Tanzania, Uganda and Kenya. An attempt to extend the project to South Africa was unsuccessful.

SYNDICOOP is of interest as a rare example of a structured and deliberate collaboration between the trade union and cooperative movements.

This paper will provide a narrative of SYNDICOOP, attempt to draw up a balance sheet of its achievements, consider why the project did not take off in South Africa, and why it has not been replicated since 2006. Finally, this paper will reflect on what lessons the SYNDICOOP experience may have for wider issues of the trade union and cooperative relationship.

This paper will not consider other examples of trade union--cooperative joint action although these do exist.

The SYNDICOOP project

SYNDICOOP was conceived as a pilot project in East Africa for the purpose of improving the working and living conditions of unprotected informal economy workers. The project started in 2002, initially to cover Rwanda, the United Republic of Tanzania and Uganda. In 2004 Kenya was added as a fourth country. The project ended in April, 2006.

In South Africa, a pilot project was implemented in 2004, initially for one year and extended in 2005 for a further year, but without any real impact. From July 2006 the project was dormant.

At international and national level, the project was governed through formal relationships between trade union and cooperative structures. At international level, partners were the International Confederation of Free Trade Unions (ICFTU) and the International Cooperative Alliance (ICA); two offices within the ILO were involved: the Bureau for Workers Activities (ACTRAV) and the Cooperative Branch (COOP).

The overall objective of the project was to improve the working and living conditions of the unprotected workers in the informal economy in Kenya, Rwanda, The United Republic of Tanzania and Uganda. The immediate objectives were:

- § strengthening trade union and cooperative capacity to organize unprotected informal economy workers; and
- § improving the beneficiaries' working and living conditions through pilot projects.

The background

In 2002, the International Labour Conference (ILC) held a discussion on Decent Work and the Informal Economy. The report prepared for the meeting and the conclusions of the discussion contained a number of references to the potential of trade unions and cooperatives to organize in the informal economy. Examples were noted of the potential of cooperatives and in summary, the report stated:

Where there are major constraints to informal operators or workers joining existing employers' organizations or trade unions or establishing their own organizations the most effective membership based organizational structure may be that of a cooperative....The formal cooperative movement has not developed specific strategies for dealing with the informal economy -- mainly because "the boundaries between formal and informal are not as important to organizations that are used to dealing in the market economy as a whole" ILO, 2002, p. 93)

This was hardly a ringing endorsement; the implication was that cooperatives provided a fallback, a second best to the gold standard of workers' and employers' organizations. A similar statement occurs in reports prepared for the discussions on the Domestic Workers Convention, 2011 (No. 189).

The 2002 report clearly outlined some scope for a closer relationship:

Both the trade union and cooperative movements recognise that they each bring to the informal economy a set of strengths that are wide ranging and complementary and that there is therefore considerable potential for collaboration. (ILO, 2002, p. 94)

In the same year, the International Labour Conference adopted the Promotion of Cooperatives Recommendation, No. 193 (2002), which replaced Recommendation No. 127 (1966).

Recommendation No. 193 was strongly supported by the Workers' Group within the ILC, and has a strong emphasis on the importance of promoting workers' rights *within* cooperatives, as set out in section 8:

8. (1) National policies should notably: (a) promote the ILO fundamental labour standards and the ILO Declaration on Fundamental Principles and Rights at Work, for all workers in cooperatives without distinction whatsoever;

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

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

(d) promote measures to ensure that best labour practices are followed in cooperatives, including access to relevant information;

(g) promote the adoption of measures that provide for safety and health in the workplace; (ILO, 2002a)

In the earlier recommendation, there was no mention of workers' rights.

Recommendation No. 193 has undoubtedly had an impact, and has led to the law being updated in many countries. This is a real achievement, as ministries of labour, the ILO's natural counterparts, do not traditionally have much contact with cooperatives and, conversely, ministries for cooperatives and cooperative movements have had little contact with "labour", as noted by Smith (2004).

Whether trade union movements saw the relevance of Recommendation No. 193 is not clear. For example, the British Trade Union Congress (TUC) initially seemed to be unaware of the recommendation, or perhaps did not see it as of practical application. In a document prepared in the context of new mutuals for the public sector, published in 2010, there is no mention at all of the Recommendation. Given that a key focus of this paper was the protection of workers conditions as public sector functions were transferred to new mutuals, this is a surprising omission.¹

A high point of collaboration?

SYNDICOOP was also presented as a follow-up to the ILO International Symposium on Trade Unions and the Informal Sector, held in Geneva in October 1999, where cooperative--trade union joint strategies in the informal sector were prominently featured.

It may be that this period represented a high tide of collaboration between trade unions and cooperatives. The positive context of the discussion on the informal economy and the new Recommendation certainly represented a favourable environment for the launch of the new project.

How SYNDICOOP worked

¹ Two new draft agreements in the United Kingdom currently under discussion do reference the Recommendation. The first is between the apex Co-operativesUK and the TUC. In addition, trade unions for the education sector have also agreed a framework for working with the new cooperative schools sector, which indicates a more constructive relationship.

At national level the project partners were the national centres for trade unions and national apex bodies of cooperatives. On the government side, the project liaised with ministries responsible for labour and cooperatives.

A project coordinator (a former African Regional Director of the ICA) was based in Nairobi and a National Liaison Officer was appointed in each country. A gender consultant from the trade union or cooperative movement was also engaged in each country.

National committees identified suitable groups for support which took the form of training and loans from a revolving fund. In this latter sense, SYNDICOOP was another, small wholesale microfinance provider, but without the usurious levels of interest prevailing with other providers.

Organizing savings and credit

A major objective of the project was to organize workers. Evaluation data with hard numbers do not exist. In Uganda, it was estimated that ten groups were established, with 3,000 members. Rwanda developed between five to ten groups, with 2,500 members. One of these groups is discussed in detail below, although it was set up prior to SYNDICOOP. Other groups were much smaller, and in The United Republic of Tanzania and Kenya, where less data seem available, the average size of each group was around 50--60. It is possible that SYNDICOOP reached about 7,000 workers organized into cooperatives or trade unions.

Most of the groups were some type of savings and credit cooperative (SACCOs), or credit was a major activity and purpose of joining. Out of eight case studies written up by Smith and Ross (2006), only two were not primarily SACCOs. SYNDICOOP operated only in the urban informal economy and most groups identified for help were market traders or small traders. They borrowed money through the SACCO to build up their own business. The individuals no doubt benefited enormously, and would have had some extra training and some association with a trade union but otherwise, they could have been assisted by any mainstream microfinance programme.

It may assist in an understanding of SYNDICOOP to consider brief case studies of two organizations.

Case study #1: Kenya market traders

The Gikomba Self-Help Group was established in 2004 in Gikomba market, Nairobi. Thirty people formed the group for the original purpose of providing basic services such as water, toilets and washing facilities in the market. The group has gone on to open a market restaurant that provides cheap meals.

The group has also set up the Gikomba Wanabiashara SACCO (Savings and Credit Cooperative). Loans from the SACCO can help people to begin to trade, to develop their business, or they can offer a lifeline in the case of an emergency.

The first aim, to rehabilitate public toilets, was quickly achieved. The project started with each member contributing 50 Kenyan shillings to a fund every two weeks. Once 80,000 Kenyan shillings was saved, permission was sought from the municipal authorities to rehabilitate one toilet, thus creating a job for one caretaker/watchman. The organization charges two Kenyan shillings from each client who uses the facility. The group is not concerned solely to provide a service but also to create new jobs. The toilet/shower facility has expanded and now employs several workers. More importantly, it gives women the freedom to trade in the market. Indeed, without a toilet, they cannot spend all day by their stall.

The daily average income is 1,800 shillings. Sometimes collections hit as high as 3000. Usually, the women's facility generates more income than the men's.

The earnings that resulted from this first initiative were invested in a café which provides cheap food for market users and has created another 12 jobs.

The group is unusual in that it includes both men and women of different ages and from diverse ethnic communities.

Case study #2: Rwanda Informal transport workers

The members of Assetamorwa (Association de l'Esperance des Taxis Motor au Rwanda) are motorcycle taxi drivers in Kigali. Most drivers hire motorbikes from the owners and pay rental fees. After paying the owner, the petrol, and buying food, drivers were bringing home roughly 500 Rwandan francs per day -- less than US\$1. However, those that owned their own bikes were able to bring home US\$2 or US\$3 per day.

Other issues concerned crime: people can be injured or murdered for their bikes; and receive personal injuries: these are easy to sustain with long working hours on poor roads. Nearly 85 per cent of motorcycle taxis in Kigali run on adulterated petrol. The resulting pollution poses serious health hazards to drivers, apart from damage to engines.

A further obstacle faced by drivers can be the actions of the traffic police who can determine where the drivers ply their trade and who can, or cannot, have a permit.

The drivers created Assetamorwa in 1994, before SYNDICOOP, in response to these problems. SYNDICOOP provided additional loan funds to expand services. The organization is registered as a trade union and affiliated with CESTRAR, the national centre. Each member is an individual trader though, negotiating fares with passengers.

The services the organization provides include:

- § A savings and credit cooperative; this enables drivers to access long- and short-term loans as a proportion of the shares they own. Assetamorwa had

been able to help 57 members to buy motorcycles at the time of a visit in 2005.

- § The provision of equipment and uniforms for the drivers. All drivers wear a yellow tunic, so they recognize fellow members and assist each other.
- § "Auto Ecole" -- training school -- where students can learn their "trade" in courses such as the Highway Code and basic mechanics. The graduates of this school are readily accepted by the authorities and given an operating licence.
- § A garage and spare parts depot that supplies better quality fuel and cheaper spare parts.
- § "Collective bargaining" -- with the traffic police. This helps improve the drivers' livelihoods by allowing them to wait for customers at certain places.
- § A club to combat the spread of HIV/AIDS.

The point about Assetamorwa is that it has characteristics of both a trade union and a cooperative. It provides many services to members that a trade union would not normally provide. It is affiliated to CESTRAR and so accepted as a trade union; if it were *not* affiliated to CESTRAR, how would it be characterized?

Evaluation

A formal evaluation took place, supervised by the ILO's Evaluation Unit in 2005. County level evaluation studies were undertaken by consultants. An evaluation workshop was also held in Kigali, and a synthesis report prepared (ILO, 2005). SYNDICOOP had a number of objectives, including:

- § strengthening trade union and cooperative capacity to organize unprotected informal economy workers;
- § creating a number of jobs;
- § improving the beneficiaries' working and living conditions through pilot projects;
- § involving trades union and cooperatives in Poverty Reduction Strategies (PRSs) discussions in their respective countries.

Groups were organized and livelihoods secured for numbers of workers in the informal economy. As no reliable baseline data were collected at the start of the project, it is difficult to identify a figure for the number of jobs created by the project. Only one country level evaluation mentioned a figure for jobs generated, namely 300, which indicates one job per ten members. This seems unlikely, and the reality

may be that these jobs were in fact the membership of the SACCOs. So these “jobs” were not in formal employment, but livelihoods secured or enhanced.

A stocktaking report prepared in November 2007 (Lubasi, 2007) found that many of the groups were still operating, 18 months after the project had been effectively wound up.

The project “infrastructure” such as the national-level steering committee did not survive for long after the end of the project. Difficulties in handover are normal with most projects. But this has meant that the forum for trade union--cooperative dialogue established during the project was not sustained. In the policy area, there seems to have been little success in influencing PRSs.

Nevertheless, the idea of collaboration was shown to be possible and workable. The independent evaluation of the project, published by the ILO’s Evaluation Unit, found as follows:

In conclusion, it should be said that SYNDICOOP is a powerful model which should be rolled-out and replicated in other countries. A manual was also created to help the replication process. The groundwork has been done and consolidation and growth is now possible. This model promotes the idea of decent protected work amongst the very poor and unorganized as well of ways of organizing that are democratic, inclusive and equitable. (ILO, 2005, p.3)

The South African extension²

An attempt was made to extend the project to South Africa. Joint trade union and cooperative collaboration had been discussed much earlier, in 2002, at the time of the adoption of Recommendation No. 193. The Workers’ Group at the ILC Committee which drafted the Recommendation was led by a South African trade unionist, Ebrahim Patel.³

In 2004, ILO missions followed up the earlier discussions and drew up a project proposal. Two main interventions were discussed. The first was the promotion and establishment of cooperatives among unprotected workers in the informal economy, including in rural areas. The second was the promotion and establishment of workers' cooperatives for workers faced with layoffs as a result of the closure of private or public enterprises including in cases of outsourcing of support and services.

Thus trade unions had one view of the role of cooperatives, and how they could utilize them, which was principally helping redundant workers and also the establishment of saving and credit cooperatives (SACCOs); the latter is urgently

² This section draws on Theron (2007).

³ Now a minister in the South African government.

needed, as there has been an explosion of debt, according to James (2012), with unregulated credit agencies targeting urban workers in regular employment.

The focus of the SYNDICOOP programme however, was the informal economy. It does appear that there was a potential conflict between what COSATU wanted and what SYNDICOOP offered. In an independent review by Theron, this lack of clarity about the objectives on the project appears in the major reason for the inability of SYNDICOOP to be sustained in South Africa

Although there have been job losses in the formal economy and an expansion of the informal economy in South Africa, relative to other African countries its informal economy is not large and much employment is still in the formal economy. Inevitably, therefore, the focus of the well-established trade union federations including COSATU was towards the role that cooperatives could play for outsourced and retrenched workers. Establishing worker cooperatives as a strategy for saving jobs certainly interested the trade union movement in South Africa for a while.⁴

As the project was rolled out, there appears to have been very poor management by the organization contracted to run it, and weak oversight by the ILO Pretoria office. Additional difficulties were created by attempting to cover three scattered provinces of South Africa. Neither COSATU was engaged, nor other trade unions were. During this period, the national cooperative apex collapsed, and one of the most high profile organizations of the informal economy, SEWU, was dissolved. Not all project funds were spent, which indicates a low level of activity.

In summing up the disappointing results of the SYNDICOOP extension to South Africa, Theron, an observer friendly to both movements, noted that “it is questionable whether COSATU and its affiliates or trade unions in general, have any better understanding of cooperatives today than when the project was started.” (Theron, 2007) SYNDICOOP did not address the two issues that concerned South African trade unions where cooperatives could have helped - recovering enterprises and rapacious money lenders.

Was union or cooperative strength a factor?

It is interesting to note the relative strength of the trade unions and cooperative movements in countries that participated in the project.

In Kenya, the United Republic of Tanzania and Uganda the cooperative movement was (and remains) much stronger than the trade union movement, in the sense that membership levels and staff numbers are higher. The great majority of cooperatives are either agricultural or financial (SACCOs). Currently, the apex cooperative organization in Uganda, the Uganda Cooperative Alliance employs around some 40

⁴ In a communication from a COSATU officer to this writer dated 24 April 2013, it was admitted that there is now little interest in COSATU affiliates in cooperatives for this purpose.

people, which is about 10 times more than the number employed by the trade union centre, NOTU.⁵

In Kenya, where the trade union movement has been historically stronger than its neighbours', the cooperative sector is claimed to represent more than 40 per cent of GDP and is a major player in the country. In The United Republic of Tanzania as well, despite inconsistency in policy, the cooperative sector is particularly strong in a number of primary products, including coffee.

In Rwanda, the trade union movement was re-established promptly after the genocide and played an important role in establishing cooperatives, which had in any case been much less institutionalized, being based on a Belgian model. Rwanda's trade union movement and the formal economy are still very small. Nevertheless, at the time of the project the trade union movement was stronger than the cooperative movement.

By contrast, the South African trade union movement is one of the strongest in the developing world. The cooperative sector is extremely weak despite, or perhaps because of, government attempts at national and provincial level to promote cooperative enterprise. The easy availability of government loans and subsidies has produced many organizations claiming to be cooperatives, but in reality set up purely to attract government funding. Even more disturbing, according to Theron (2007), have been a number of pseudo cooperatives in the clothing industry that were formerly garment factories. These seem to have registered as cooperatives to avoid compliance with certain provisions of labour legislation.

It does not seem therefore as if the relative strength of the cooperative and trade union movements had any impact on the project.

A SYNDICOOP balance sheet

A Project Document for a new phase of SYNDICOOP was prepared, entitled Global SYNDICOOP, although it was not completed. The champions of SYNDICOOP within the ILO had moved on from the Cooperatives Branch, and it is not clear who now might advocate an approach to donors for funding for a new phase.

In East Africa, the project served as a catalyst for the formation of a number of groups which improved or supported the livelihoods of several thousand individuals. However, it is not clear whether the project has been successful in resetting the general relationship between trade unions and cooperatives at the conceptual organizational level.

Theron (2010) argues that the situation of workers in the informal economy is best understood in terms of two inter-related processes. The first is "informalization from above", whereby employment is increasingly externalized, resulting in a layer of

⁵ Uganda has a small trade union for employees of cooperatives.

workers ostensibly located in the formal economy to whom labour standards increasingly do not apply. The second, “informalization from below,” is manifested by the expansion of self-employment and survivalist activities.

Theron is a friend of the trade union movement, and played a key role in drafting South Africa’s cooperative legislation; he notes that the trade unions have not been able to respond effectively to informalization from above. But that is certainly much more their focus than “informalization from below”.

This probably holds good for most trade unions which would take the view that they should seek to “follow the members” when they leave the primary employer through outsourcing or redundancy.

SYNDICOOP, with its emphasis on the informal economy, was perhaps not a suitable vehicle for a comprehensive or systematic dialogue between cooperatives and trade unions. At most levels, the distance between them is so great that a good deal more preparatory work is necessary. It represents an unfinished and incomplete model.

Wider reflections on cooperatives and trade unions

At this point it is necessary to consider some wider questions. Firstly, I propose to examine what can be called the common philosophical basis of cooperatives and trade unions. This will be followed by reviewing how the ILO has regarded cooperatives since its founding in 1919. Finally, some suggestions for research and for action on trade union and cooperative collaboration.

The ideological roots of trade unions and cooperatives

From at least the 1790s, workers created a whole series of movements to resist the new forms of economic and social exploitation they experienced as a consequence of the Industrial Revolution. Some of these were purely defensive, and some elaborated thought-out programmes of reform. Some looked back to an ideal of independent peasant production and some looked forward to a new social order. Two of those movements became institutionalized: trade unions and cooperatives.

Cooperators and trade unionists share a joint intellectual basis for the activity of both movements. It is a belief that “full individual development can take place only in association with others. As an individual, one is limited in what one can try to do, what one can achieve. Through joint action and mutual responsibility, one can achieve more, especially by increasing one's collective influence in the market and before governments.” (MacPherson, 1995)

Just as the individual worker is unable to negotiate his or her terms and conditions of employment with an employer on an equal basis, so the individual consumer or farmer is unable to negotiate on equal terms with more powerful players in the market.

This idea is expressed by trade unions in the slogans that are sometimes found inscribed on banners, such as “Unity is strength” or “An injury to one is an injury to all”. Cooperatives have expressed this idea through symbols such as the wheat sheaf or the beehive.

The philosophy of cooperation has been discussed and developed over a century and a half; its latest expression is the Statement on Cooperative Identity and Principles approved at the ICA Congress held in Manchester in September 1995. This provides an authoritative, high-level expression of cooperative ideology - especially if read with the *Background paper on the Cooperative Statement of Identity*. The ICA statement has been recognized as a high level statement and attached to the text of Recommendation No. 193. It is interesting to note that no document of a comparable status exists for the trade union movement.

A historical perspective

If we take a historical and geographical view of all trade unions and cooperative organizations, they can look very different during different periods and in different countries.

For example, if we look back two hundred years ago in the countries where they first emerged -- Great Britain and Ireland -- those organizations which with hindsight are recognised as the forerunners of trade unions were usually mutual aid organizations. The membership was usually composed of skilled tradesmen whom we would now characterize as self-employed. In this period, the distinction between cooperatives and trade unions as separate categories was not at all clear in the minds of their members. In the early 1830s several craft unions in the building trade came together to form one national organization, the Operative Builders Union. This was governed by a “Builders’ Parliament” which in 1833 established a Guild to organise cooperative building production. Workers in the industry resented the growth of a new category of contractors that intervened between themselves and architects. (Pelling, 1971). The Operative Builders Union saw cooperatives enterprise as indistinguishable from trade union activity.

The organizations that existed two hundred years ago were more like the motor cycle taxi drivers in Rwanda discussed earlier. The boundaries between trade unions and cooperatives were more malleable.

The institutionalization of separate movements occurred around the mid-nineteenth century in the United Kingdom. However, there remained considerable interaction between them. Individuals were active in both movements and from the Cooperative side, at least, there was a clear recognition that the two movements were complementary. In 1894, the education syllabus produced by the UK apex body, the Cooperative Union, had a whole section on the relationship. As employers, cooperative consumer societies were in the forefront of providing good employment conditions, such as the eight hour day (for workers in factories owned by the Cooperative Wholesale Society which manufactured foodstuffs and other goods, not

for workers in stores), and recognizing trade unions, although the relationship was not without tension.

In other countries, trade unions and cooperatives were initiated separately, although linked under an umbrella such as the Socialist movement or the Roman Catholic Church, after Pope Leo XIII issued the Encyclical “Rerum Novarum” in 1891.

In these contexts, trade unions and cooperatives were seen as different expressions of an ideology and the links between them were quite explicit.

Based on this writer’s experience of working for international trade union organizations, trade union movements today still have expectations as to what a workers’ organization will look like in other countries and these perceptions inform their solidarity work. This is particularly important when trade unions in developed countries provide donor funds for movements in developing countries for initiatives such as organizing and education. Projects tend to “reproduce” the donor’s structures such as shop stewards (United Kingdom) or study circles (Sweden).

The ILO and cooperatives: towards an institutional history

It is also instructive to examine how the ILO has answered the question at different times in its history: *What are cooperatives for?* This could be the subject of a complete study within the ILO Century Project. We can suggest at least three answers to the question although it is clear that much research is required.

Cooperatives for industrial workers

The first ILO Director-General, Albert Thomas, was from the cooperative movement himself. His view was that the ILO should be concerned not solely with the conditions of work, but *the conditions of workers*. The earliest activities of the ILO revolved around standard-setting, through conventions setting hours of work or health and safety standards - the conditions of work. Albert Thomas also believed that cooperatives could help workers outside their work through the provision of housing or consumer stores, which would improve their lives. These workers were the classical proletariat of Western Europe and the United States, in larger organized workplaces.

This approach persisted for decades. There is an echo of it in the Recommendation No. 115 on Workers' Housing, 1961 (No. 115), where cooperatives are suggested as one option for providing workers’ housing.

Many trade unions have followed this approach. “Co-op City”, in the Bronx, New York City, is one of the largest cooperative housing developments in the world, built by the Amalgamated Clothing Workers of America. The union also set up other cooperatives including a credit union, grocery and milk deliveries, pharmacies and opticians, a furniture store, an insurance business and even a cooperative power plant.

In Singapore, the NTUC has promoted a range of consumer cooperatives with the explicit aim “to make the workers’ dollar go farther”. Many larger formal workplaces in, for example, India, have a consumer store attached to them, often a benefit negotiated through collective bargaining. A complete chapter of the Indian Railways Establishment Manual is devoted to support to cooperative societies for railway staff, in which the railway trade unions are strongly involved.⁶ These workplace consumer cooperative stores date from the 1950s and 1960s.

In recent years, the only advocates of factory level cooperatives have been global businesses including, perhaps surprisingly, the global sports brand Adidas (Adidas, 2004).

Cooperatives for poverty reduction

By the 1960s, and the adoption of Recommendation No. 127, the emphasis had shifted to more general poverty reduction and economic development. This is quite explicit in the Recommendation:

3. In particular, cooperatives should be established and developed as a means of--
 - (a) improving the economic, social and cultural situation of persons of limited resources and opportunities as well as encouraging their spirit of initiative;
 - (b) increasing personal and national capital resources by the encouragement of thrift, by eliminating usury and by the sound use of credit;
 - (c) contributing to the economy an increased measure of democratic control of economic activity and of equitable distribution of surplus;
 - (d) increasing national income, export revenues and employment by a fuller utilisation of resources, for instance in the implementation of systems of agrarian reform and of land settlement aimed at bringing fresh areas into productive use and in the development of modern industries, preferably scattered, processing local raw materials;
 - (e) improving social conditions, and supplementing social services in such fields as housing and, where appropriate, health, education and communications;
 - (f) helping to raise the level of general and technical knowledge of their members.

⁶ Personal communication from Shiv Gopal Mishra, General Secretary, All India Railwaymen’s Federation; see also <http://indianrailways.gov.in/railwayboard/uploads/codesmanual/est-manual-II/estbl-man2-chap23-p01-p20.htm#2301>.

This reflected the optimism in the 1960s that state-promoted and controlled cooperatives could successfully deliver a range of development objectives.

According to Münkner (2012) there was a large technical cooperation programme from the 1970s to the 1990s with 50 ILO member States in Africa, Asia, Latin America and the Caribbean receiving ILO/UNDP support for the development of agricultural producer cooperatives, cooperative food banks and other forms of cooperatives and at any one time, more than 100 technical field experts were being coordinated by the ILO Cooperative Branch to carry out this development work.

At the same time the ICA had its own large programme, and many donors had bilateral programmes to support cooperatives.

With hindsight, of course, we can see that state-controlled cooperatives were not cooperatives at all, and unsurprisingly, many cooperative “members” welcomed the dismantling of the system of parastatals and cooperatives.

Cooperatives for Decent work

Recommendation No. 127 did not mention *workers' rights within cooperatives* at all, although by 2002 and the adoption of R 193, this aspect had much more prominence, as we have seen already.

A main concern of the Committee of Experts on the Application of Conventions and Recommendations (CEACR) and the FOA Committee has been bogus cooperatives (ILO, 2010). In the *General Survey concerning employment instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization* there are no examples of workers' organizations promoting cooperatives of any type. The submissions of trade unions were all regarding “pseudo cooperatives” used to establish “disguised labour relationships”. There is little doubt that this is a serious problem in some countries which the global cooperative movement is aware of, but there has been no dialogue between cooperatives and trade unions on how to resolve it.⁷

The Global Jobs Pact adopted by the ILC at its 98th Session (2009) as a response to the crisis included “recognizing that *cooperatives provide jobs* in our communities from very small businesses to large multinationals and tailoring support for them according to their needs” (emphasis added).

Münkner (2012) suggests that the ILO's orientation, flowing from Recommendation 193, combined with the Decent Work Agenda, directs the interest of the ILO especially to workers' productive cooperatives and labour contracting cooperatives to the exclusion of other types of cooperatives. The text of the Recommendation implies a limited role for workers' organizations in supporting the establishment of new cooperatives. Paragraph 16 (d) seems to suggest that workers' organizations could:

⁷ Personal communication between the author and the ICA Americas office, February 2012.

assist and participate in the setting up of new cooperatives with a view to the creation or maintenance of employment, including in cases of proposed closures of enterprises;

Union members are also to be assisted “to establish cooperatives” with the aim of facilitating access to basic goods and services.

It may also be noted that the Call for Proposals for the May 2013 Symposium, when this paper was first presented, was entitled “Trade unions and cooperatives: challenges and perspectives”, later became “Trade unions and worker cooperatives: Where are we at?” -- a name change that would seem to support Münkner’s thesis.

Finally, we can note that within the ILO, Cooperatives are situated within the employment department, which emphasizes the focus on job creation. This is not to say that a wider view of cooperatives cannot be found within the ILO literature. The report of the Director-General to the ILC in 2003 saw a much broader role than worker cooperatives:

Participation and inclusion are central to a new approach to poverty reduction. Cooperatives are an ideal instrument in such a strategy, and the ILO has long drawn on the strength of the movement. Meeting the challenges of globalization requires strong local communities, strong local leadership and strong local solutions. Cooperatives have proved to be a key organizational form in building new models to combat social exclusion and poverty, for example through local development initiatives. Cooperative members learn from each other, innovate together and, by increasing control over livelihoods, build up the sense of dignity that the experience of poverty destroys. (ILO, 2003)

Despite this, and other statements that can be found, cooperatives within the ILO seem to have been placed within a particular box, which does not capture the full potential of the enterprise form and leads to a structural separation from trade unions.

Conclusions

The fundamental idea of SYNDICOOOP, that collaboration between trade unions and cooperatives is essential, is fundamentally sound. These two movements, or structures, are the forms developed by workers as a response to the unequal power relations between themselves and employers. The cooperative idea has spread to other groups -- such as farmers -- and has been constantly renewed, as Cook and Burress (2009) have pointed out.

The two movements have very rich traditions of resistance to capitalist power and have sometimes proceeded along parallel lines, and sometime at a tangent. As member-based organizations, with a common philosophical basis, they have much in common, and much to learn from each other.

Trade unions remain focused on formal employment in the formal economy. Their default *modus operandi* is to deal with employers and represent members through handling grievances and discipline, health and safety and collective bargaining.

Trade unions have, with some exceptions, neglected the potential for setting up cooperatives providing additional services and benefits for these members in well-organised workplaces.

Trade unions still find it difficult to deal conceptually with the extremely heterogeneous nature of much informal work of the kind targeted by the SYNDICOOP project. They would prefer to concentrate their limited resources on formal sector workers.

On the other hand, cooperatives have often focused on their role as a business, and neglected their foundations as mutual organizations. They have fallen under state control (a problem for trade unions as well, sometimes) or gone down the path of de-mutualisation, converting into mainstream businesses.

A joint future for cooperatives and trade unions?

A joint future is possible and, it could be argued, necessary. In order to begin a realignment of these two movements, the following steps are proposed.

More research is required into the history of the relationships between cooperatives and trade unions and why these organizational forms have taken such different trajectories.

Trade unions could examine more closely the possibilities for members in better organized workplaces to promote cooperatives including consumer cooperatives, transport and financial cooperatives. One aim of trade unions is to take a greater share of national income for workers and this is generally regarded as being done through the instrument of increasing wages. But by organizing cooperatives providing services that workers use anyway, including transport, insurance, consumer goods and food, workers would retain more of their income. They are currently paying part of their wages back to shareholder-owned companies, when an alternative owned by workers themselves could be available.

At the moment, trade union interest in cooperatives is mainly confined to the question of worker cooperatives. This ignores a much wider scope for cooperatives in many other areas, including in particular farmer cooperatives, consumer cooperatives and financial cooperatives.

There is an urgent need for a properly structured dialogue between the trade unions and cooperative movements, to improve understanding on both sides. A good starting point would be examining Recommendation No. 193 and the issue of pseudo cooperatives.

Going beyond this important issue, trade unions and cooperatives could examine the scope for innovative forms of organization for workers in the informal economy, such as that set up by motorcycle taxi drivers in Kigali, Rwanda.

Cooperatives and trade unions have a common past; now is the time to develop a common future.

References

Adidas. 2004. *Creating factory Cooperatives: A guidebook for factory workers and owners*.

Cook, Michael; Burrell, Molly J. 2009. *A cooperative life cycle framework*, draft paper.

ILO. 2002. *Decent work and the informal economy*, Report VI, International Labour Conference, 90th Session, Geneva.

---. 2003. *Working out of poverty*, Report of the Director-General, International Labour Conference, 91st Session, Geneva.

---. 2005. *Evaluation: SYNDICOOP--Poverty reduction among unprotected informal economy workers through trade union-cooperative joint action*, Geneva.

---. 2010. General Survey concerning employment instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization, International Labour Conference 99th Session, 2010 Report III (Part 1B), Geneva.

James, Deborah. 2012. "Money-Go-Round: Personal economies of wealth, aspiration and indebtedness", in *Africa*, vol. 82, pp. 20--40.

Lubasi, Vincent. 2007. *Situation report of SYNDICOOP in East Africa*, unpublished report.

MacPherson, Ian. 1995. *Background paper on the Cooperative Statement of Identity*, ICA, Geneva.

Münkner H.-H. 2012. "Co-operation as a remedy in times of crisis. Agricultural cooperatives in the world. Their roles for rural development and poverty reduction", Marburg Studies on Cooperation and Cooperatives, No. 58.

Pelling, Henry. 1971. *A history of British trade unionism* (2nd edition), Harmondsworth.

Smith, Stirling, 2004. *Promoting Cooperatives, A guide to ILO Recommendation 193*, Manchester

---. 2006. *Let's Organize! A SYNDICOOP handbook for trade unions and cooperatives about organizing workers in the informal economy*, Manchester.

---; and Ross, Cilla. 2006. *Organizing out of poverty: stories from the grassroots: How the SYNDICOOP approach has worked in East Africa*, The Co-operative College.

---. 2012. *Joined at the hip: Trade unions and cooperatives*, unpublished paper prepared for Unity Trust Bank.

Theron, Jan. 2007. "Report on SYNDICOOP project in South Africa", unpublished.

---. 2010. "Informalization from above, informalization from below: The options for organization", in *African Studies Quarterly*, Vol. 11, Issues 2 & 3, Spring.

Trades Union Congress (TUC), 2010. *Employee ownership, cooperatives and social enterprises in the public sector: A briefing for union members*, London.