Sustainable Enterprises
for innovation, growth, more and better jobs

ILO and cooperatives

Cooperatives Unit
Enterprises Department
ILO
Agenda

1. ILO and cooperatives
2. The potential of cooperatives towards decent work
3. ILO’s work on cooperatives
4. Challenges and opportunities
1. ILO and cooperatives
ILO’s decent work agenda

Strategic Objectives
(Four pillars)

Employment creation
Rights at work
Social protection
Social dialogue
ILO and cooperatives

- The first Director General of the ILO, Albert Thomas, was a French co-operator and a member of the Central Committee of the International Co-operative Alliance.
- The ILO Constitution (Art.12.3) gives cooperatives a consultative status.
- ILO has a Cooperatives Unit since 1920 that serves ILO constituents on all matters related to cooperatives and other social and solidarity economy (SSE) enterprises.
- ILO remains the only specialized agency of the UN with an explicit mandate on cooperatives.
What is a cooperative?

- A cooperative is defined as “an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise”

- The first modern cooperative business was established in 1844 by 28 weavers who faced miserable working conditions and low wages to access basic goods at a lower price by pooling their scarce resources.
Specificities of a cooperative

- **Objective**: Better livelihoods and well-being of members
- **Ownership**: Jointly owned by members who use its products or services
- **Governance**: Democratically controlled with the governing principle of “one-member, one-vote”
- **Distribution of surplus**: Distributed in proportion to the individual member’s usage of the cooperative and/or used for the cooperative’s development
# Types of cooperatives

<table>
<thead>
<tr>
<th>Type of cooperatives</th>
<th>Interest of members</th>
<th>Type of members</th>
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</thead>
<tbody>
<tr>
<td>Producer cooperative</td>
<td>Production activity</td>
<td>Producer-members - Enterprises such as small agricultural or craft producers - May or may not be incorporated</td>
</tr>
<tr>
<td>Worker cooperative</td>
<td>Work</td>
<td>Worker-members</td>
</tr>
<tr>
<td>Consumer/user cooperative</td>
<td>Consumption</td>
<td>Consumer-members - Clients, family of clients, non-profit institutions, producers, corporations</td>
</tr>
<tr>
<td>Multi-stakeholder cooperative</td>
<td>More than one interest</td>
<td>Producer-members Worker-members Consumer-members</td>
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Size and prevalence

- Membership: More than 1 billion
- Total turnover of the top 300 cooperatives: US$ 2.1 trillion
- Employment: At least 279 million (9.46% of the global employed population)
ILO Promotion of Cooperatives
Recommendation, 2002 (No. 193)

- Applies to all types and forms of cooperatives in all sectors of the economy
- Has provided a practical, contemporary framework for the development and revision of cooperative policies and legislation in more than 100 countries worldwide
- Emphasises the role of governments for the creation of an enabling environment for cooperatives, taking into account their specific characteristics, and removing obstacles preventing coops to compete equally with other enterprises
2. The potential of cooperatives towards decent work
Job creation

- Cooperatives play a key role for producers and workers in the rural and/or informal economies particularly through:
  1) Developing businesses through collective action
  2) Providing essential goods/services
  3) Representing their voice and interests

- Social and labour market inclusion
  - Social cooperatives in Europe
  - Women’s cooperative
  - Cooperatives of refugees and host communities
Social protection

- Cooperatives and mutuals have been used to cover workers in the informal and/or rural economy.

- Cases from India
  - Yeshasvini Cooperative Farmers Health Care Scheme provides health insurance to two million informal economy workers and their families in rural areas through a public-private partnership.
  - VimoSEWA Cooperative provides various insurance for over 100,000 women informal economy workers.

- ILO has engaged in a project to promote universal health coverage through cooperatives and mutuals in Cameroon and Kenya.
Labour standards and FPRW

- Cooperatives can take initiatives to guarantee the FPRW within their organizations, communities and supply chains
  - CAKHS, producers’ cooperative in Côte d’Ivoire has withdrawn 1,800 children from hazardous child labour and provided them with basic education and vocational training
  - Co-op Group, consumers’ cooperative in the UK takes actions to prevent modern slavery in its supply chains
- Adoption of the Declaration on Decent Work and Against Harassment by International Cooperative Alliance (ICA) in 2018
3. ILO’s work on cooperatives
ILO’s work on cooperatives

Cross-cutting policy issues

- International labour standards
- Social dialogue
- Gender equality and non-discrimination
- Environment sustainability
The wider concept:
Social and solidarity economy (SSE)

- “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”

- Growing requests from constituents to support the development of SSE policies

- ILO currently chairs UN Inter-Agency Task Force on SSE
Legal and policy advice

- ILO provides technical assistance to its constituents to:
  1) Develop and revise cooperative policies and laws in line with the Recommendation No.193 (e.g. Sri Lanka, Trinidad & Tobago, Sierra Leone, Egypt)
  2) Develop social and solidarity economy (SSE) policies and legislation (e.g. Tunisia, South Africa)

- Key tools:
  1) ILO Guidelines for cooperative legislation
  2) ILO Guidelines concerning statistics of cooperatives – adopted at the 20th International Conference of Labour Statisticians in October 2018
Policy dialogue: An example

- Tripartite international conference in Tunisia on the role of Social and Solidarity Economy (SSE) as part of ILO DC project on SSE for youth employment

- Tripartite delegations - Brazil, Cameroon, India, Kenya, Mali, Mauritania, Senegal, South Africa, Vietnam, and Zimbabwe

- Participants shared experiences on the role of SSE in formalizing the informal economy and validated an ILO strategy on this topic
Training and capacity building

- ILO provides training and capacity building services to:
  1. Enable cooperative enterprises to become more competitive and sustainable in the marketplace
  2. Enable cooperative enterprises to address decent work challenges in their operation

Coop support institutions (e.g. Ministries, regulatory bodies, skills development institutions)

Coops & federations
Training and capacity building: Key ILO tools

- **My.Coop**
  - For agricultural coops to improve management

- **ApexFinCoop**
  - For apex organizations of financial cooperatives to advance their policy and effectiveness

- **Start.COOP**
  - For any types of coops to learn, start, and manage a coop

- **Think.COOP**
  - For agricultural coops to address child labour issues

- **Manage.COOP**
  - For ILO constituents, academics, and practitioners concerned with SSE to share knowledge and experience
Training and capacity building: My.Coop

- A training programme to improve management of agricultural cooperatives

- A total of 24 country adaptations in different approaches (e.g. youth entrepreneurship in Colombia, rural development in Peru, ILO Local Empowerment through Economic Development (LEED) project with farmers and fishermen in Sri Lanka)
Training and capacity building: Think.Coop

- A simple sensitization module on importance of relationships, benefits of collective action, and the cooperative business model
- Peer-to-peer, activity-based learning methodology
- Quick and easy adaptation to different contexts
- Used in Cambodia, Myanmar, Laos, Peru, Ecuador, Bolivia, CAR, Madagascar, Mauritania and Turkey to support workers in the informal economy and smallholder farmers
Training and capacity building: Start.Coop

- A step-by-step guide to start up a cooperative in a participatory manner
  - 1) Identifying core members; 2) Feasibility study of a business idea; 3) Development of a business plan; 4) Organizational set-up

- The same methodology with Think.Coop

- Used in Bolivia, CAR, Madagascar, Mauritania to support workers in the informal economy and smallholder farmers/fishermen
Training and capacity building: Manage.Coop

- A guide to manage cooperatives efficiently and effectively in line with the cooperative principles as they grow
  - 1) Governance and leadership; 2) Effective communication; 3) Conflict management; 4) Business growth strategies; 5) Human resource management; 6) Financial management

- The same methodology with Think.Coop & Start.Coop

- Final version will be ready by the end of 2019
Knowledge generation: Key areas

- Formalization
- Women empowerment
- Migrants and refugees
- Persons with disabilities
- Worker ownership
- Financial mechanism
- Green economy
- Care economy
- Rural economy
- Trade and value chain
- Statistics on cooperatives
- Public policies on SSE
Development cooperation: Examples

Algeria
Professional integration of young people through a stronger civil society

Tunisia
Promotion of Organizations and Mechanisms of Social and Solidarity Economy to create sustainable and decent jobs for youth

South Africa
Development of a social economy policy and institutional structure

Jordan
Advancing decent work in Jordan’s agriculture sector: A compliance model (incl. coop component)

Occupied Palestinian Territory
Land and Rights – Paths to Social and Solidarity Economy in Palestine

Turkey
Promoting Decent Work Opportunities for Syrian Refugees and Host Communities in Turkey

Sri Lanka
Local empowerment through economic development; & Building peace through the economic empowerment of women (incl. coop component)

Cambodia and Laos
Cooperatives to strengthen youth empowerment and employment readiness among vulnerable groups

Haiti
Support to cooperative organizations in the fishery sector (part of an initiative to address education and skills gaps for vulnerable youth)
Way forward

- Developing legal frameworks

- Reaching scale: Intermediary institutions that can provide financial, educational and vocational, and organizational support to expand and replicate good cooperative practices need to be developed

- Generating evidence-based data and knowledge: Production of comparative statistics on cooperatives based on the guidelines; comparative analyses on the advantages and disadvantages of different enterprise governance models
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Thank you

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