



International
Labour
Organization

The cooperative way of doing business

Cooperatives help secure livelihoods

A cooperative is “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.” ILO Recommendation 193 on the Promotion of Cooperatives (2002)

Cooperative enterprises have one billion members worldwide, help secure the livelihoods of an estimated three billion people and provide more than 100 million jobs. While cooperatives, like all enterprises, need to be competitive in the market, they follow a broader set of values than those associated purely with making a profit. Based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity, cooperatives put people at the heart of their business. Because cooperatives are owned and democratically controlled by their members, the decisions taken by cooperatives balance the need for profitability with the needs of their members and the wider interests of the community. Found in all economic sectors and many different forms, serving many different needs, resilient to crises and thriving within diverse societies, the cooperative way of doing business provides a wide range of opportunities to address the economic, social and cultural needs and aspirations of people around the world.

The ILO promotes the cooperative business model to create and maintain sustainable enterprises, offering jobs that not only provide income but also pave the way for broader social and economic advancement, empowering individuals, their families and communities. In particular, the cooperative model enables people with skills but with little or no capital to pool resources to create employment and contribute to economic development.

ILO’s work in cooperative development is based on the firm conviction that the promotion of the social and solidarity economy (i.e. cooperatives, mutual benefit societies, associations, foundations and social enterprises) is an efficient way to promote social justice and social inclusion for all members of society.

Realizing the full potential of cooperatives for sustainable and inclusive growth

The ILO assists cooperative development around the world

- Close to 100 countries have reformed their cooperative legislation with ILO assistance
- ILO training materials are used in over 50 countries
- Technical cooperation programmes across regions deliver on sustainable and inclusive development for all.

Cooperatives formed by producers, consumers, workers and businesses worldwide have demonstrated their large potential in creating employment opportunities, in affording voice and representation, in empowering people, providing social protection and alleviating poverty. They have a proven track record of advancing sustainability and social justice. Therefore it is important for the post-2015 sustainable development framework to recognize the role of cooperatives in delivering on goals, and integrate cooperative movement for more sustainable and inclusive development.

However, the development of cooperatives is hampered by a lack of knowledge and understanding of the cooperative business model among policy makers and in society. Policy and legislation continue to limit the formation and growth of cooperative enterprises, while entrepreneurship education neglects the cooperative option and business support services are ill-equipped to help.

The ILO approach to supporting cooperatives

The ILO has an explicit mandate to work on cooperatives and has had a programme on cooperatives since 1920, initiated shortly after its foundation. Today, the Enterprises Department works with ILO constituents (governments, trade unions and employers' organizations) and representatives of cooperative organizations of all types and sizes to help cooperatives create and sustain employment and contribute to promoting decent work and social justice. As a follow up to the International Year of Cooperatives 2012, the ILO is working closely with partners to achieve the cooperative vision for 2020: more participatory and sustainable cooperative enterprises with a clear identity, supported by legal frameworks and secure reliable capital.

The ILO's comprehensive approach, which also involves partnerships with other UN agencies, academic institutions and non-governmental organizations, includes:

- guidance and advice on creation of **enabling environments** for cooperative development at national, regional and international levels
- **capacity building** and development of education and training materials and other tools to enable cooperative enterprises to be competitive in the marketplace
- dialogue and **evidence-based advocacy and research** on the economic, social, societal and political importance of cooperatives, to inform policy and practice.

The ILO's technical assistance for cooperative development focuses specifically on policy and legal advice, capacity building through human resource development, and poverty alleviation through self-help. Several other ILO projects and programmes also support cooperative enterprises in addressing issues such as youth employment, gender equality, social protection, child labour, informality and local economic development.

The ILO in action: Supporting cooperative development

Creating an enabling environment

In the last 15 years alone, the ILO has assisted more than 85 countries to develop and revise their cooperative policies and laws. For instance, it has helped design the *Framework Law for Cooperatives in Latin America* (Ley Marco para las cooperativas de América Latina) and the *Uniform Cooperative Act* for OHADA (Organisation pour l'harmonisation en Afrique du droit des affaires). It has also contributed to the implementation assessment of the 2003 European Union *Regulation on the Statute for European Cooperative Society*. More recently, the ILO supported the formulation of the cooperative development policy in Sri Lanka, and contributed to the cooperative reform process in Egypt through social dialogue with farmers, trade unionists, cooperative leaders, academics, journalists and policy makers.

Building capacity

ILO training modules for management of cooperatives (MATCOM) have been used in over 50 countries. Developed for business advisors, trainers and training institutions, government officials, project staff and other cooperative stakeholders, they are available in over 60 languages. Updates such as *My.Coop - Managing your Agricultural Cooperative*, which includes a self-guided e-learning platform, are produced in collaboration with UN agencies, academic and training institutions, and the cooperative movement.

Providing evidence-based advocacy and research

The ILO regularly undertakes research on cooperatives. Recent studies demonstrate the resilience of cooperatives in times of economic and financial crises and also show how cooperatives contribute to delivering on sustainable development. Given the importance of cooperative statistics for the design of appropriate policies and intervention, the ILO supports efforts to enhance the relevance and usefulness of statistical systems to have comprehensive and internationally comparable statistics on the cooperatives. As outlined in the Resolution adopted at the 2013 session of the International Conference of Labour Statisticians, such statistics are critical to quantify the impact they have on their members and on the economy as a whole, as well as how they cope in times of crisis.

Snapshot of our work



My.Coop Languages

My.Coop has been translated to several languages, including English, Spanish, French, Arabic, Swahili, Bahasa Indonesia, Sinhala, Tamil, Nepali and Chinese.

Managing your agricultural cooperative



“My.Coop - Managing your agricultural cooperative” is a training package and programme on the management of agricultural cooperatives. Initiated within the framework of ILO’s CoopAfrica programme, it has been developed and designed in partnership with several international organizations, cooperative development agencies and cooperative colleges and universities. Launched in 2012, My.Coop has been translated into more than ten languages and adapted to over dozen country contexts. These include horticulture in Egypt, entrepreneurship for youth in Colombia and mainstream agricultural cooperatives in Nepal. The package is being used by cooperative organizations in three different continents to improve agricultural cooperative management and increase the benefits for their members and communities. In addition to face-to-face trainings, My.Coop is offered as a distance learning course for the training of trainers, which provides trainers with capacities to plan and implement My.Coop trainings with a diversity of participatory methodologies. For more information, log in to My.Coop platform at <http://www.agriculture-my.coop>.

Building bridges with papaya

ILO implemented a Local Empowerment through Economic Development (LEED) project in post-conflict Sri Lanka, and it has been partnering with a number of cooperative societies, relevant government and private sector cooperative development institutions to implement economic development initiatives to impact livelihoods of thousands of people in the region.

The farmers benefitting from the project were part of a newly resettled farming community in the post-conflict region of northern Sri Lanka, who had little assets other than their small landholdings to restart their lives. More than half of them were women, and many of them widows. They were struggling to find markets for the papaya they produced. To tackle the lack of market access, the project supported the farmers to organize themselves into a fruit producer cooperative and joined forces with an export company to establish an innovative joint venture to create markets for the farmers’ produce. This new joint venture, “North South Fruit Processors”, also constructed a packing shed to provide the necessary infrastructure for export-quality produce.

The project managed to increase their incomes significantly, link them through the cooperative, and challenge some of the cultural constraints placed on women and widows in a conservative society. It also stimulated local economic growth while assisting small producers to organize and build their capacities to participate more equally in the more competitive open market of post-conflict Sri Lanka.

The initiative, which is gradually evolving into a broader fruit and vegetables trade, has made a very significant impact on the household incomes of individual poor farmers, in some cases raising incomes by 700%. It has created over USD 300,000 in receipted incomes for the 189 farmers as well as nine jobs at the packing shed, and transformed the lives of many families.

Source: ILO, *Building Bridges with Papaya: Local empowerment through economic development*

The ILO and Sustainable Enterprises

The ILO Sustainable Enterprise Programme helps create more and better jobs through enterprise development. It connects business growth and competitiveness with the needs of people to make a decent living in a healthy environment - today and in the future. Anchored in the ILO's mission to create decent work for all women and men, this programme is centred on three pillars:

- An enabling environment for enterprises - Creating the right framework that enables businesses to start, grow and create decent jobs;
- Entrepreneurship and business development - Helping entrepreneurs, in particular youth, women and marginalized groups, to start and build successful enterprises;
- Sustainable and responsible workplaces - Demonstrating the link between productivity gains and improved working conditions, good industrial relations and good environmental practices.

The programme combines evidence-based policy development with capacity building and enterprise support services, delivered at the international and country levels, through advisory services and a large portfolio of technical cooperation. It works with governments, employers' and workers' organizations, in partnership with other UN agencies, financial and academic institutions, donors and others.

Further reading

ILO Cooperatives Unit - www.ilo.org/coop

ILO Resource Guide on Cooperatives - www.ilo.org/resourceguides/coop

ILO Recommendation on the Promotion of Cooperatives Recommendation, 2002 (No. 193) - www.ilo.org/ilolex/cgi-lex/convde.pl?R193

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