

HIGH-LEVEL SEGMENT OF 2012 SESSION OF ECOSOC
CONCEPT NOTE

MINISTERIAL BREAKFAST

PROMOTING PRODUCTIVE CAPACITY FOR SUSTAINABLE LIVELIHOODS: THE ROLE OF COOPERATIVES

5 July 2012



ORGANIZERS

The event is organized by the Division for Social Policy and Development in UNDESA in collaboration with FAO and ILO

BACKGROUND

The 2012 ECOSOC Annual Ministerial Review (AMR) aims to highlight comprehensive economic growth models that generate inclusive, productive and decent work. As part of the AMR, this Ministerial Breakfast will discuss the distinct contributions of cooperatives. They promote job creation. They foster social protection and rights at work. And they are sustainable, participatory and equitable, while also adapting to fulfil the particular needs of local communities and broader national polities.¹

Cooperatives employ an estimated 100 million people worldwide.² While global data on cooperative employment is lacking, available country evidence is quite compelling. According to data from the International Cooperative Alliance (the Apex organization for the global cooperative movement), cooperatives in the United States, account for more than 2 million jobs; French and Italian cooperatives employ 1 million and 1.1 million people respectively; Brazilian cooperatives employ 274,000 individuals; Argentine cooperatives are responsible for 290,000 jobs. Similarly, in Kenya, 250,000 people are employed by cooperatives while in Indonesia, cooperatives provide approximately 300,000 jobs. India's 100,000 dairy cooperatives provide livelihoods for 12 million women.

The cooperative enterprise structure is premised on the pooling of tangible and intangible assets among members, allowing for business operations and economies of scale at a level that would be more difficult for individuals to attain alone. It is a proven approach to strengthening the income security of groups that face challenges in formal employment, and it is particularly appropriate for financial, economic and social development in remote areas where public and other private sector initiatives are absent or insufficient. The objectives of cooperatives are driven by the needs of the members, so their foci tend to meet or complement local community needs.

Evidence from around the world shows the contributions of cooperatives in promoting decent work and providing income security, especially among those who previously found themselves formally excluded. For instance, research on the dairy industry in India indicates that cooperative members enjoy higher and more secure incomes than non-members within the industry- particularly at the primary level of production.³ Similarly, recent research in Ethiopia's agricultural sector demonstrates how agricultural producers organized in cooperatives see better incomes, more savings and reduced input costs, relative to those who are not.⁴

¹ For further discussion of the role of cooperatives in employment generation see the Report of the Secretary General, on cooperatives in social development, to the 62nd session of the General Assembly, A/62/154.

² ILO Coop Fact Sheet No. 1: "Cooperatives and rural employment", 2007.

³ Meena, G.L., D.K. Jain and J. P. Dhaka. (2009). Impact of Dairy Cooperatives on Income and Employment Generation of Milk Producers in Alwar District (Rajasthan). *J. Dairyng, Foods & H.S.*

⁴ Getnet, Kindie and Tsegaye Anullo. (2012). Agricultural cooperatives and rural livelihoods: Evidence from Ethiopia. *Annals of Public and Cooperative Economics* Vol. 83. Issue 2 (June), pp: 181-198

While much of the available evidence examines the role of cooperatives in rural economies, the advantages of the model are not confined to that sector, nor are they limited to the experiences of developing countries. In Italy, evidence shows that introducing cooperative employment into the social economy not only provides decent work for otherwise vulnerable or transitional individuals, but also imparts to them vital labour force and entrepreneurial skills that further diversify their livelihood prospects.⁵ In the United States, women domestic workers use cooperatives as a means of organizing themselves to ensure fair wages and reduce exploitation.⁶ Similarly, studies on the Mondragon group of cooperatives in Spain describe the system's success in promoting sustainable, decent work, and maintaining social equity in the region where it operates.⁷

It is crucial that cooperatives be provided the legislative and regulatory environment necessary to operate effectively as autonomous, voluntary associations of persons coming together to fill economic and social needs. Effort must also be made to promote cooperatives as a viable means of organizing to meet entrepreneurial goals. In recognition of these imperatives, the United Nations General Assembly's resolution A/RES/64/136 declared 2012 as the International Year of Cooperatives. Through resolution A/RES/66/123, the General Assembly also invited Governments and international organizations, in partnership with cooperatives and cooperative organizations, to consider developing a road map or plan of action for the promotion of cooperatives for sustainable socioeconomic development beyond the International Year of Cooperatives. This event aims not only to promote dialogue among the various stakeholders on the advantages of the cooperative model, but to promote shared strategies in the support and development of the model as the basis of developing the aforementioned road map.

OBJECTIVES

The objectives of the breakfast discussion are to:

- To strengthen dialogue among Member States, international organizations, cooperatives and other stakeholders on the advantages and challenges to strengthening the cooperative movement within and across countries, with particular emphasis on the agency of cooperatives in inclusive, productive and decent work.
- To promote shared strategies among stakeholders for the promotion and development of the cooperatives model within and beyond the International Year of Cooperatives, 2012.

PROGRAM DETAILS

The event will be chaired by a senior official of the one of the cosponsoring agencies and feature a brief expert presentation followed by a moderated interactive dialogue. Participants will include high-level representatives of governments, the UN system, and the cooperative movement.

TOPICS FOR DISCUSSION

- How can cooperatives be leveraged to create inclusive, productive, and sustainable livelihood, employment generation and poverty reduction?
- What has led to the success of those cooperatives that have affected inclusive economic development at various levels?
- Do cooperatives have a comparative advantage in promoting sustainable livelihoods? Why or why not?
- Are there emerging forms of cooperatives that need to be noted and promoted for sustainable livelihoods?
- What is the role of governments in promoting and/or supporting cooperative development? What are the relative roles of other stakeholders?

⁵ Savio, M. and Righetti, A. (1993), Cooperatives as a social enterprise in Italy: a place for social integration and rehabilitation. *Acta Psychiatrica Scandinavica*, 88: 238–242.

⁶ Estey, K. (2011), Domestic Workers and Cooperatives: Beyond Care goes beyond capitalism: A case study in Brooklyn, New York. *Working USA*, 14:347-365.

⁷ Corcoran, Hazel and David Wilson. (2010). The worker cooperative movements in Italy, Mondragon and France: Context, success factors and Lessons. Research commissioned by the Canadian Social Economy Research Partnerships, based at the University of Victoria and supported by the Social Sciences and Humanities Research Council.