



# Harnessing the Cooperative Advantage to Build a Better World

A Global Forum on Cooperatives

4-6 September 2012  
Economic Commission for Africa  
Addis Ababa, Ethiopia

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Hosted by:  
United Nations Department of Economic and Social Affairs  
Division for Social Policy and Development  
and the  
United Nations Economic Commission for Africa  
African Centre for Gender and Social Development



## Overview

The forum, **Harnessing the Cooperative Advantage to Build a Better World**, is an opportunity for the exchange of ideas with and among experts on the cooperative enterprise model and development. The outcome of the forum will serve to inform the intergovernmental processes at the United Nations, providing expert opinions in the formulation of the International Plan of Action on Cooperatives, a proposed outcome of the International Year of Cooperatives, as well as input to the Report of Secretary General to the 68<sup>th</sup> Session of the General Assembly in 2013. The forum will explore the advantages of cooperatives as a means of self-help, and of social and economic strengthening in communities around the world. The event will feature dialogue between academic experts, cooperatives, the NGO community, government representatives, donors and international organizations and is aimed at highlighting the strengths and weaknesses of the cooperative business model as an avenue for individual and community development. The discussions at the forum will not only provide ideas and tools for how to harness the cooperative model as a viable means of sustainable living, but will also offer opportunities for capacity-building for individuals and organizations, as participants explore strategies for engaging cooperatives in addressing various social and economic challenges at the local and global levels.

An initiative of the Division for Social Policy and Development in the United Nations Department of Economic and Social Affairs, the event is held in collaboration with the African Centre for Gender and Social Development at the United Nations Economic Commission for Africa, and in consultation with the Committee for the Promotion and Advancement of Cooperatives and the Ethiopia IYC National Committee. The event is a major contribution to the International Year of Cooperatives, linked to the IYC objective of promoting the formation and growth of cooperatives among individuals and institutions to address common economic needs, and for socio-economic empowerment.

The event will be held on 4-6 September 2012 in Addis Ababa, Ethiopia.

## Background

United Nations General Assembly resolution A/RES/64/136 declared 2012 as the International Year of Cooperatives. The year was declared in recognition of the distinct contributions that cooperative enterprises can and do make to local and global development.

In the forefront, cooperative enterprises are privately owned businesses that must operate on sound business principles and endeavour to compete in local and global markets. What distinguishes them from non-cooperative businesses, and accounts for their distinct contributions to social and economic development, are the principles on which they operate, their distinct capital structure and their accessible managerial structure.



Though cooperatives take many forms, most follow the seven principles of cooperative identity, developed by the International Cooperative Alliance (ICA), an Apex organization for cooperatives around the world,<sup>1</sup> and promoted by the International Labour Organization in its Recommendation 193.<sup>2</sup> These principles include voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information sharing; cooperation among cooperatives; and concern for community. Together, these principles guarantee the conditions under which members own, control and benefit from the business, ensure that members can contribute effectively to the development of their cooperatives and to the sustainable development of their communities, promote the economic viability of cooperatives and promote corporate and social responsibility.

While cooperatives exist at all strata of society, with these principles and values at the core of cooperative operations, cooperatives make a distinctive contribution in servicing the poor, excluded and marginalized sectors of society. The financial sector is one area where this has shown well.

Financial cooperatives are some of the largest providers of microfinance services to the poor. It is estimated that globally, financial cooperatives reach 78 million clients living below a poverty line of \$2 per day. Financial cooperatives thus play a central role in the achievement of an inclusive financial sector that helps to lessen the burden of poverty by providing savings and credit products that help to offer resilience and reduce members' vulnerabilities over time to shocks such as medical emergencies.

Cooperatives have also been instrumental in promoting inclusive development in rural areas, helping to both strengthen and diversify rural economies. They have strengthened agricultural production and improved access of poor farmers to a wide range of services and assets including productive inputs, markets, and valuable information on production and marketing. Small farmers who struggle to create and sustain businesses of their own are able to increase farm revenues, lower marketing and information-gathering costs, as well as enter into high-value supply chains that they would not be able to do on their own.

While much of the available research on the cooperative impact focuses on rural areas in developing countries, it is easy to see how the benefits of cooperatives could translate to improved livelihoods for others as well. Evidence from developed and developing countries has shown cooperatives providing decent work for otherwise vulnerable or transitional individuals, especially women youth and the physically challenged. They have also proven themselves capable of providing the labour force and entrepreneurial skills necessary for formerly marginalized and vulnerable individuals and groups to further diversify their livelihood prospects.<sup>3</sup>

Given these facts, the discussion on harnessing the cooperative model will give particular attention to the distinct contributions of cooperatives in the areas of financial inclusion, poverty reduction, rural development, food security, social protection and employment generation.

While the exchange of information will be global in scope, some specific attention will be given to the harnessing of the cooperative advantage within an African context.

The impetus for the added African focus falls at the nexus of various international commitments to African development, and their link to the objectives of the IYC:

The Copenhagen Declaration and Programme of Action, the outcome of the World Summit for Social Development in 1995, paid particular attention to the development of African countries in forwarding people-centred development at the global level. Commitment 7 of the Declaration references accelerating the economic, social and human resource development of Africa and the least developed countries, and specifically advocates supporting the domestic efforts of Africa and the least developed countries to implement economic reforms, programmes to increase food security, and commodity diversification efforts. The Declaration also speaks specifically to forwarding the social development of the African countries, particularly through capacity-

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<sup>1</sup> International Cooperative Alliance (n.d.) "Statement of the Co-operative Identity." <http://www.ica.coop/coop/principles.html>

<sup>2</sup> International Labour Organization. (2002). R.193 – Promotion of Cooperatives Recommendation (No. 193). *Recommendation Concerning the Promotion of Cooperatives*. Geneva 90<sup>th</sup> ILC Session (20 June 2002).

<sup>3</sup>Savio, M. and Righetti, A. (1993), Cooperatives as a social enterprise in Italy: a place for social integration and rehabilitation. *ActaPsychiatricaScandinavica*, 88: 238–242.

building.<sup>4</sup> Similarly, the Millennium Declaration adopted by the United Nations General Assembly in 2000, spoke to meeting the special needs of Africa.<sup>5</sup>

The role of cooperatives in fulfilling these mandates has not gone unrecognised within the African context. Cooperatives played a significant role in the social and economic planning in African countries during the nationalist period of the 60s and 70s. However, autonomy was highly lacking in these organizations, such that they were mere agents of political strategy. Many of these cooperatives died out with the implementation of structural adjustment in the 1980s, leaving behind a mixed legacy. Since then, there has been a renaissance of the African cooperative movement and innovative forms of organizations and institutional arrangements have emerged. Cooperatives have again began to play a significant role, but much capacity-building must be accomplished at both the government and community/individual levels to ensure that cooperatives, as member-driven, autonomous models of enterprise, are operating within the regulatory and human environments amenable to successful operation.<sup>6</sup>

### Objectives of the forum

As part of the International Year of Cooperatives, the event presents a forum for international exchange on the cooperative enterprise model as a means of self-help, and of social and economic strengthening that promotes local development in a global context. It seeks also to provide expert guidance on the engagement of these issues within the intergovernmental processes at the United Nations by providing input to the International Plan of Action on Cooperatives, a proposed outcome of the International Year of Cooperatives, as well as input to the Report of Secretary General to the 68<sup>th</sup> Session of the General Assembly in 2013

The event is organized around three key themes: 1) understanding the cooperative model; 2) strengthening cooperatives; and 3) engaging cooperatives in addressing local and global challenges.

In particular, the event aims to:

1. Share experiences and good practices on what makes cooperatives work well across different sectors and social, economic and political settings;
2. Share experiences and good practices on effective strengthening of cooperatives across different sectors, social, economic and political settings;
3. Provide information, strategies and tools for potential and current cooperative members for forming and managing successful cooperatives; and
4. Highlight strategies and tools for decision makers for effectively engaging the cooperative sector.

In so doing the event would provide participants with:

1. Enhanced understanding of the factors that lead to effective functioning and strengthening of cooperatives across different sectors and social, economic and political settings;
2. Greater capacity to effectively engage the cooperative sector;
3. Greater capacity of potential and current cooperative members to form and manage successful cooperatives; and
4. Enhanced capacity of Government officials, together with cooperative enterprises, to establish appropriate legal, regulatory and/or policy frameworks for the effective operation, growth and development of cooperative enterprises.

### Organization and Administration

The event will take place at the headquarters of the Economic Commission for Africa in Addis, Ababa, Ethiopia on 4-6 September 2012.

<sup>4</sup> United Nations. (1995). *Report of the World Summit for Social Development (A/CONF.166/9)*. Available at <http://www.un.org/documents/ga/conf166/aconf166-9.htm>

<sup>5</sup> United Nations (2000). *United Nations Millennium Declaration (A/RES/55/2)*. Available at <http://www.un.org/millennium/declaration/ares552e.htm>

<sup>6</sup> Patrick Develtere, Ignace Pollet and Fredrick Wanyama, eds. (2009). *Cooperating Out of Poverty: The Renaissance of the African Cooperative Movement*. Geneva: ILO.



The event will take the form of interactive dialogues and training workshops focused on the sharing of good practices and lessons learned, as well as on cultivating a relevant knowledge base and skill set for working in and/or with the cooperative model of enterprise.

All inputs to the meeting will be made available as a resource guide on the site of the International Year of Cooperatives <http://social.un.org/coopsyear/egm.html> as well as a summary of discussions.

The event will cater to approximately 60 participants including academic experts, cooperatives, the NGO community, producer organizations and cooperative representatives, government representatives and international organizations. While presenters and workshop leaders will be drawn from across various world regions, the event aims at a minimum 50 per cent participation from within the African continent. All participants will receive a certificate of participation.

### Documentation and Language of the Meeting

The documentation of the meeting will comprise of relevant publications, documents, and materials related to the development and operation of cooperatives. All documentation will be made available on the website of the International Year of Cooperatives at <http://social.un.org/coopsyear/egm.html>.

The working language of the meeting will be English. Documentation for the meeting will be provided in English.

### Passports and Visas

Participants will be expected to make necessary arrangements with regard to passports, visa and health certificates for travel. An information note will be sent out to participants to assist them with travel arrangements.

Unless otherwise indicated, all relevant correspondence should be addressed to:

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