

**Message from the Director-General
International Labour Organization**

**On the occasion of the launch of
International Year of Cooperatives**

31 October 2011, UN Headquarters, New York

Your Excellencies
Distinguished Guests
Cooperative leaders
Members of the UN Family
Dear Friends

My warmest greetings to you all!

The ILO is pleased to be associated with the International Year of Cooperatives.

Since 1919, the ILO has had a natural alliance with the cooperative movement. We meet on the common ground of solidarity and social justice in social and economic organization. Cooperative ideals mesh with the ILO's founding principle that "labour is not a commodity."

The launch of this International Cooperatives Year is timely.

Today, vast numbers of women and men and their families in developed and developing countries are reeling from the fallout of the worst crisis the world has known since the 1930s.

Yet, in fact, the crisis represents the logical outcome of the severe imbalances in the prevailing patterns of growth. They have generated increasing inequality and inequity and a growing sense of exclusion. The real economy has been squeezed. Ordinary people are feeling the pinch. And many are experiencing this through the jobs deficit and the deficit of decent work which predates the crisis. The prevailing growth patterns have been unable to produce jobs in the quantity or quality needed.

Globally, unemployment now stands at more than 200 million. Youth unemployment hovers just below 80 million, two to three times the adult rate. Already before the crisis, half of total employment outside agriculture was in the informal economy and two workers in five worldwide lived below the poverty threshold of \$2 per person per day.

Typically, the cost of adjustment to economic problems has fallen on the weakest—whether workers, communities, companies or countries. And at a time when people are most vulnerable, the buffer of social protection which protects, empowers and helps to sustain demand is commonly under siege. For many, basic systems of social protection have simply been missing – for example, less than 10percent of the economically active population in LDCs have access to social protection. Widening income inequality as well as abrupt and socially costly austerity measures further checks the capacity for sustainable growth.

As we know, people are protesting on the streets and elsewhere. They are reclaiming human dignity, demanding social justice, voice and freedom with widespread calls for a fair chance at a decent job. They wish to live in dignity in stable communities, cohesive societies.

There are choices to be made: first – whether to ignore or heed the call. And if the call is heeded, the choice of policy direction must be decided.

Policies for fair, sustainable and balanced growth; systems and policies that support efficiency and effectiveness, productivity and competitiveness while upholding human dignity need to re-focus on the real economy with a real commitment to carving out central and meaningful policy space for action on jobs and social protection with respect for rights, voice and dialogue. The fundamental changes needed call for coherent action.

Cooperatives provide an important channel for bridging market values and human values. Set within an agreed framework for inclusive growth, cooperative ideals and cooperative organization will be all the more effective in meeting their people-centred objectives.

Deeply rooted in local communities, cooperatives are also part of a global movement representing 800 million households worldwide. As business organizations, they contribute to economic development, are sources of jobs and livelihoods in their own communities generating over 100 million jobs and securing the livelihoods of nearly a quarter of the world's population. As social organizations they respond to the common good and are vehicles for empowerment. And cooperative organization brings strength, voice and influence at community, national, regional and global levels.

Cooperatives offer a dynamic and flexible model of business – whether in production, marketing or service delivery from health care to housing, and education and training. As ethical organizations they are also well placed to advance environmental objectives.

In the course of this International Year the cooperative movement can play an important role in lending its voice to calls for new frameworks for inclusive growth. This Year also provides a tremendous opportunity to take practical steps to reinforce the role of the cooperative movement and to strengthen cooperative action by:

- Active advocacy of cooperative ideals and the potential of the cooperative model;
- Demonstrating with practical action what can be achieved through efficient cooperative organization;
- Integrating cooperative approaches in policy development;
- Providing cooperative education in school curricula and in entrepreneurship training;
- Exploring new avenues for cooperative development and drawing lessons that can strengthen this model; and by
- Ensuring that the national and international policy and legislative environment for cooperatives is enabling and not unintentionally restrictive to cooperative growth.

Dear Friends

The ILO looks forward to working with you to ensure that cooperatives have the space and support they need to be effective entrepreneurs of social justice.

And we count on the cooperative movement and its partners to join with the ILO in striving for a new era of social justice.

Thank you.