

CONTRIBUTION OF COOPERATIVES AND YOUTH COOPERATIVES TO YOUTH EMPLOYMENT AND ENTREPRENEURSHIP

AN ANALYTICAL REPORT¹

Introduction

The global youth unemployment rate has alarmingly remained close to its crisis peak in 2009 and estimated at 12.7 per cent in 2012. Globally, nearly 75 million young people between the ages of 15 and 24 are unemployed and the number is projected to further increase in the years to come. Many of these young workers work in the informal economy where social safety nets are generally non-existent and labour standards are low. Currently, an estimated 150 million of them lives in households that are below the poverty line.² The prospects are not too bright. If the high youth unemployment pattern continues unabated, societies may find themselves with yet another lost generation.

Acknowledging the challenges of youth unemployment, the United Nations' Secretary-General identified 'working with young people' as one of his top priorities in his five-year action agenda. He explicitly called for deepening the youth focus of all existing UN system programmes and requested the Inter-Agency Network on Youth Development to spearhead the development of a UN System-Wide Action Plan (SWAP) on Youth, which incorporates the priority areas of youth employment, entrepreneurship, political inclusion, citizenship and protection of rights, and education, including on reproductive health. On this regard, the focal point on cooperatives at the Division for Social Policy and Development seeks to contribute to the Secretary-General's priority by highlighting the role of cooperatives, specifically of youth cooperatives, in the promotion of employment and entrepreneurship among young people.

¹ The views expressed in this document are those of a UN consultant for the UN IYC Secretariat and do not necessarily represent the view of the United Nations.

² Global Employment Trend for Youth 2012; UN World Youth Report 2011.

This analytical report is an offshoot of an online global survey and mapping of youth cooperatives and cooperatives working for and with youth, conducted by the UN focal point on cooperatives in the first quarter of 2013. The report attempts to identify who these cooperatives are, where they are located and what they do to enhance employment opportunities towards sustainable livelihoods among their members. It seeks to identify the various initiatives of cooperatives to draw youth participation and encourage entrepreneurship, and the challenges they face and the support needed to address these challenges. Finally, this study attempts to gauge the outlook and sentiment of cooperatives towards the success of their work.

The Cooperative Difference for Youth Employment

What is the potential of cooperatives for youth employment and entrepreneurship?

Cooperatives are autonomous associations of persons united voluntarily to meet their common economic, social and cultural needs and aspirations, through a jointly owned and democratically controlled enterprise. Unlike mainstream corporate business model, they are value-based businesses, governed by seven principles: democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives, and concern for community. In following these principles, cooperatives are innately inclined to prioritize members' needs over profit-generation; thereby, placing more emphasis on job security, dividend-sharing, membership development and community support through communal facilities and the provision of reliable and affordable products and services. When harnessed effectively, cooperatives can thus be a vehicle that empowers people, especially young people, and promotes social integration and cohesion in a way that may address joblessness.

Cooperatives have a comparative job creation advantage over other types of enterprises. They are labour intensive by nature and are cost effective because of member participation. They generate economies of scale and scope through horizontal and vertical integration and they establish links between the informal and formal sectors.³ The last rationale is especially important since most young workers – farmers, vendors, and work-for-hire – are in the informal economy. Youth cooperatives, agricultural cooperatives and workers cooperatives offer young workers the opportunity to be incorporated into the formal sector. Doing so enables them to gain the security of decent employment and social safety nets. Moreover, as participants in the mainstream market, they gain access to formal banking services and insurances that not only protect but also enhance their livelihoods. Young individuals who farm alone, for instance, are better served if they join agricultural cooperatives which can provide them access to better selling prices, storage facilities, marketing services and even short term financing.

Some cooperatives directly cater to transitioning young people to the world of business. Student cooperatives in universities and colleges offer resources, trainings, and opportunities for leadership and managerial roles that prepare them when they graduate from school. This type of cooperative is managed by students, usually on campus, giving them a sense of ownership and

³ Jurgen Schwettman, "Cooperatives and Employment in Africa," Occasional DP 97-1, Geneva: ILO, 1997.

belonging while ingraining the values of teamwork and camaraderie. Moreover, many cooperatives directly hire young people and occasionally create a separate youth arm within their operations. Cooperatives have sought to recruit, train and supervise young members as a means to rejuvenate the movement for future generation. Among Canada's top employers of young people include two cooperatives – Cooperators Life Insurance Co. and First Calgary Financial Credit Union, which were recognized for their programmes aimed at attracting and retaining young workers.⁴

Survey and Mapping on Youth Cooperatives and Cooperatives working for/with Youth

The global survey and mapping of youth cooperatives and cooperatives working for and with youth is an initiative of the focal point on cooperatives at the UN Department of Economic and Social Affairs – Division for Social Policy and Development, in consultation with the Youth Branch of UN Habitat. The initiative seeks to continue the momentum of a successful 2012 International Year of Cooperatives (IYC) and further the collaboration between the UN and youth cooperatives. This project is a first attempt in formally collecting a global database of youth cooperatives and cooperatives working for and with youth using social media platform. It is hoped that the map and the report will serve as useful resources for future research and engagement among youth cooperatives.

The Global Online Survey

The 2013 Survey on Cooperatives and Youth Employment and Empowerment⁵ is an ongoing international survey, rolled out in early February 2013 to gather information from youth cooperatives and cooperative working for and with youth. The online survey is available in three languages: English, French and Spanish; and use the online survey platform, SurveyMonkey®. The links to the survey are as follow:

https://www.surveymonkey.com/s/globalyouthcoopmap	[English version]
https://www.surveymonkey.com/s/cartographiecoopjeunesse	[French version]
https://www.surveymonkey.com/s/mapaglobalcoopjovenes	[Spanish version]

The survey consists of 12 questions and is divided into two parts:

- A. **General Identification.** This part seeks to identify who the cooperatives are, where they are, what year they were established, and what they do. It also gives the opportunity for cooperatives to provide their contact information.

Questions include the following:

- a. Name of Cooperative
- b. Location
- c. Year established

⁴ EMP/COOP News Special issue 2011.

⁵ A copy of the survey questionnaires [in English] can be found in Appendix A.

- d. Purpose of Cooperative and general description
- e. Website address (if available)
- f. Contact Information (contact person, email address, phone number)

B. Information on Outlook and Operations. This part inquires about the activities, projects, the prospects and challenges that the cooperative-respondent faces in delivering employment and entrepreneurship to the youth.

Questions include the following:

- a. Identify the activities, projects, and initiatives your cooperative initiates for youth employment and entrepreneurship.
- b. How successful do you perceive your projects or activities for youth employment and entrepreneurship are?
- c. Identify the challenges faced by your cooperative in engaging the youth.
- d. Identify the type of support needed by your cooperative to respond to these challenges.
- e. Future outlook
 - i. [For youth cooperatives] What is the prospect of your cooperative in the future?
 - ii. [For Cooperatives working with and for youth] What is the prospect of your engagement with the youth?

Online Map of Youth Cooperatives and Cooperatives working for/with Youth

The global map went live in early-March 2013.⁶ The 2012 IYC website hosts the online map which uses Google map application to chart the cooperatives. Information such as the cooperative's name, location, year of establishment and general description were included in the map. The contact details were also included except for those who conveyed that they did not wish their information to be posted. The map is updated on a regular basis upon receiving new responses through the surveys. The online map can be accessed through: <http://social.un.org/coopsyear/coops-youth-map.html>.

Results of the Survey

The cut-off date for this analysis is March 22, 2013. The survey will remain accessible online until April 30th and the focal point expects to receive more responses in the near future.

The global survey has received considerable international support, gathering 70 responses from youth cooperatives and cooperatives working for/with youth across the world. The responses were representative of five regions: North America, Latin America and the Caribbean, Europe, Africa, and Asia and the Pacific. Table 1 lists the respondents based on geographical distribution and identifies the countries that are represented in the survey.

⁶ A screen shot of the Map of Youth Cooperatives and Cooperatives working for/with Youth webpage is available in Appendix B.

Table 1: List of respondents based on geographical distribution

Region	Respondents		Countries
	Number	Percentage	
North America	25	36%	Canada, Mexico and United States of America
Latin America and the Caribbean	30	43%	Argentina, Brazil, Colombia, Costa Rica, Dominican Republic, Guatemala, Nicaragua, Paraguay, Peru and Uruguay
Europe	2	3%	Italy and United Kingdom
Africa	7	10%	Central African Republic, Morocco and Nigeria
Asia and the Pacific	6	9%	India, Iran and Nepal
TOTAL	70	100%	

Roughly 80 percent of the survey takers come from North America and the Latin America and Caribbean region, while the remaining 20 percent from the rest. While there appears to be a regional imbalance among the respondents, they are nonetheless well distributed and representative of both developed and developing countries. Moreover, this imbalance does not preclude us from gathering relevant information on the challenges and needs of youth cooperatives and cooperatives working for/with youth which may prove to be similar across the different countries.

Profile of Youth Cooperatives

Twenty seven percent of the survey respondents are youth cooperatives. These youth cooperatives represent a vibrant, young and regenerative section of the cooperative movement where majority are established during the recent decade. Fifteen of the 19 cooperatives were formed since 2003, and they are in operation for an average of five years. On the one hand, the high number of relatively new youth cooperatives is indicative of the strong participatory and entrepreneurial spirit among young people who have actively pursued the cooperative model of business. On the other hand, the relatively short number of years in operations raises the question of continuity and sustainability. There were only four youth cooperatives in the survey which has operated more than a decade. Three of the youth cooperatives include the Michigan State University Student Housing Cooperative in the USA which was established in 1972, CODEOM (Cooperativa de Escuela 11 Melo) in Barrio Modelo, Uruguay which was established in 1987, and the National Institute of Co-operative Management in Gujarat, India which was established in 1996. The apparent similarity among these three youth cooperatives is that they are tied up to larger bodies such as universities and institutes, which may have guided management and operations and see through the continuity of the cooperatives as their members graduate and move on.

The youth cooperatives are formed by young individuals themselves and have operated in diverse sectors and activities delivering employment and opportunities for entrepreneurial

activities for their members. They are engaged in agricultural marketing, student housing services, operation of cafes, delis and thrift stores, and the sale of consumer goods such as coffee, cassava and handicrafts. Some cooperatives also provide trainings, seminars and workshops on micro-credit and finance, start-up business operations, computer software and programming and cooperative education. In Morocco, Alkhadra works with rural and young women by capitalizing and promoting their local products mainly capers. In Nigeria, the Entrepreneur Youth Ogun State Cooperative Multipurpose Society leased hectares of farm land from the state government and divided it into various portion for crop cultivation and livestock farming. The cooperative invites experts to train their youth members on modern agricultural technology and makes arrangements for the sale of members produce on the best terms.

Many of these youth cooperatives are optimistic regarding the work they do. Measuring the sentiments of how successful they think their activities are, almost a third rated themselves as excellent; 42 percent as satisfactory and 25 percent as acceptable; citing reasons such as the increasing number of members that have joined their cooperatives since their inception, the good turn out of participants to their youth events, and the widening reach of their activities.

Profile of Cooperatives working for/with Youth

Seventy three percent or 53 of the survey respondents are cooperatives working for/with youth. These cooperatives have wide-ranging backgrounds and purposes. In promoting entrepreneurship and employment among youth, they can be reasonably classified into the following categories: a) cooperative federations with broad social objectives including youth empowerment; b) cooperatives with youth wings; c) cooperatives that service sectors with high youth population (e.g. agriculture and education sectors); and d) cooperatives that service the general population and employs young individuals (e.g. credit unions, consumer cooperatives).

Many of the respondents are established enterprises, operating as cooperatives for an average of more than three decades. The oldest cooperative among them is Midcounties Co-operative in Warwick, which was established in the 1900s. It is a consumer co-operative in the business of food, travel, pharmacy, funeral, energy, flexible benefits, post office and child care and the largest independent co-operative in the UK. It has worked with the youth, employing young members among its colleagues. Another example is FECESCOR or Federación de Cooperativas Eléctricas y de servicios Públicos Ltda. de Córdoba in Argentina, which was established in 1984. It is a federation of cooperatives which has proactively served the youth population launching a "Cooperative Youth Forum" in 2009 and conducted several meetings and conferences, the last with more than a thousand young participants. Founded in 1978, the Northcountry Cooperative Development Fund in Minneapolis extends loans to youth cooperatives, primarily, for student housing and hosts, administratively, a sub-fund with a specific mission to serve student cooperatives. Some student cooperatives in their region invest their reserves in a revolving loan fund as a means to further cooperative development.

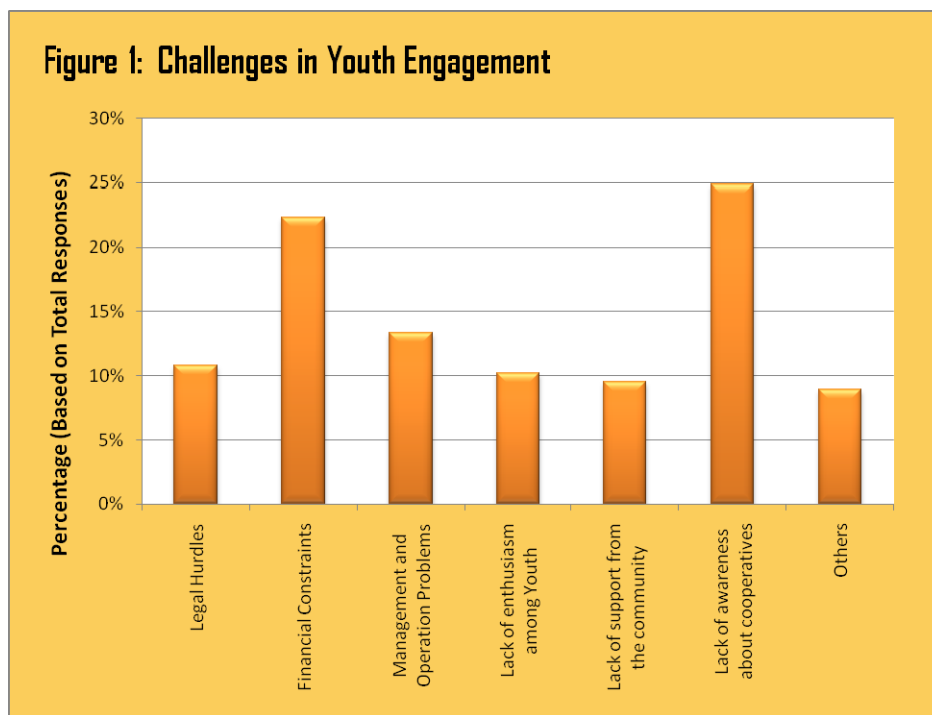
The sentiments of these more established cooperatives are equally optimistic. Equal number of respondents (38 percent each) rated their projects with youth employment and entrepreneurship as either excellent or satisfactory. The remaining 24 percent rated their work

with youth as acceptable. The efforts of cooperatives have real impact on the employment prospects of the youth. The National Cooperative Federation of Nepal rolled out a 'Job for Peace Program', under its cooperative institutional development activities that drew 4,192 youth participants against the target of 2,850 participants. Most of the youth participants responded positively on employment and increase on income when a survey was done to check on the their progress. Other cooperatives mentioned that the impact of their activities is more noticeable in institutional policies. The Universidad Cooperativa de Colombia cited that some observable achievements include that adoption of good practices and policies (e.g. business, management, leadership) and the strengthening of the solidarity economy movement in the region where the university is located. Meanwhile, some cooperatives such as Cooperativa de Ahorro y Credito Herrera, Inc. in the Dominican Republic, gauge the success of their youth involvement with the active integration of young individuals into their management bodies.

Challenges and Support in Engaging the Youth

Cooperatives are generally optimistic with the progress they make in engaging the youth. Nonetheless, they are wary with the different challenges, some even unique to their movement, that must be addressed to further enhance their initiatives to youth employment and entrepreneurship. Some of these challenges are internal to individual cooperatives in areas such as management, finance and logistics; while other challenges are external to the individual cooperatives such as the general lack of awareness about cooperatives, lack of community support and lack of youth enthusiasm. Figure 1 highlights the challenges that are faced by cooperatives.

Roughly 25 percent of the responses indicate that the lack of awareness about the cooperative model is the top challenge that cooperatives face to engage the youth. The majority of young people do not sufficiently understand cooperatives and its distinctiveness from other forms of enterprises. This lack of awareness and understanding contributes to the lack



of enthusiasm on cooperatives among them. The problem is often compounded by the fact that even some adults – parents, teachers and community leaders – are themselves not fully aware of

the cooperative form of business, and are unable to influence the young generation. Beyond the lack of public awareness of cooperatives, however, sometimes the more pressing problem is the negative stereotyping of cooperatives and their members. Cooperatives are at times seen as outmoded enterprises that cannot keep pace with the changing business environment. They are thought to be inefficient and unable to compete with corporate businesses. To some of the youth, especially, cooperatives do not appear to provide an exciting and lucrative career path that will support the type of comfortable lifestyle they desire. These wrong impressions, laments one respondent, make it difficult to attract young people outside the cooperative.

Another challenge that respondents identified is financial constraints. Cooperatives are value-based enterprises that prioritize members' needs over profit. Cutting profits come naturally if it means saving jobs, retaining public patronage or better serving the local community. As enterprises, they often depend exclusively on their own resources and have limited budget allocated for youth activities. Some cooperatives do seek support from other funding institutions or the local government but help have not been consistent. Meanwhile, application for funding grants for cooperatives in developing nations often tends to be very competitive whereas for cooperatives from developed nations, the criteria almost always make them ineligible to apply.

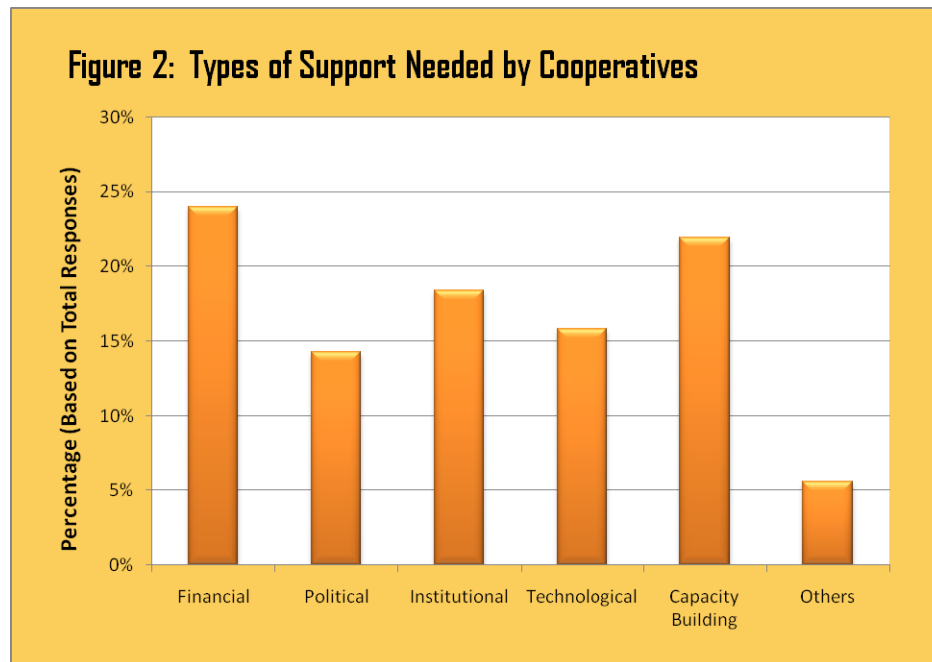
Thirteen percent of the responses cited management and operations problem with the youth as another challenge that cooperatives face. One respondent stated that general group dynamics are a challenge, especially when working together with young people who are only working in groups cooperatively for the first time. On top of that, a lot of youth do not have the extra time or other resources to dedicate to the project that doesn't promise any immediate returns. At other times, few cooperatives reveal they themselves are in need of trainings to properly deal with the youth. Other challenges include legal hurdles which is usually the absence of supportive legal environment; and the lack of support from the community.

To respond to the challenges on the lack of awareness about cooperatives and the lack of enthusiasm among the youth, there is a need to promote the cooperative movement through outreach, education and other activities that target not only young people but the wider community. Advancing and promoting the cooperative identity entails the active participation of all relevant stakeholders, including cooperatives, the local community, the academe and the government. At the same time, support must be extended to cooperatives to expand their capacity to serve the youth. Figure 2 highlights the types of support that cooperatives needed.

The availability of financial support emerged as the top support needed by cooperatives in advancing their activities and engagement with youth. One respondent recommends the establishment of an up-to-date database of financial grants and support available for youth cooperatives. Other respondents recommend urging the local government to provide greater financial assistance and ensure affordable loans to cooperatives. The next type of support comes in the form of capacity building, which entails trainings and workshops to develop the know-how and expertise, and adopt good practices. This implies the sharing of technical knowledge between cooperatives to strengthen their operations. One respondent calls for mainstreaming cooperation among cooperatives and the establishment of a formal means to connect cooperatives with one another with the purpose of knowledge exchange. Technological support in terms of tools,

machineries, equipment and communication gadgets has also been cited to help cooperatives in their operations.

Roughly 18 percent of the responses also cited institutional factor while 14 percent cited political factor as important support mechanisms for the movement. These include the creation of cooperative ministries and adoption of legislation that enables a positive environment for cooperatives.



Conclusion

Cooperatives do contribute to employment and entrepreneurship among the youth. Youth cooperatives are formed by young people themselves to engage in entrepreneurial activities such as agricultural marketing, housing services, operation of stores, and the sale of goods.

Some of these youth cooperatives do more and provide trainings, seminars and workshops. With the more established cooperatives, many of them acknowledge the importance of working for and with youth. These cooperatives include federations with broad social objectives including youth empowerment; cooperatives with youth wings; the cooperatives that service sectors with high youth population; and the cooperatives that service the general population and employ young individuals.

Our respondents are generally optimistic with the progress they make in engaging the youth. Nonetheless, they are wary with the different challenges that must be addressed to further enhance their initiatives to youth employment and entrepreneurship. The most pressing among these challenges is the youth's lack of awareness about cooperatives and sometimes, the negative stereotypes they associate with cooperatives. Other challenges are more internal and include financial constraints, and management and operation problems. Solving these challenges especially the lack of awareness and enthusiasm among the youth requires a concerted effort among cooperative stakeholders. Meanwhile, an enabling environment brought by appropriate legal and institutional framework and the availability of financial support can ascertain that cooperatives continue on promoting youth employment and entrepreneurship in their community.

Appendix

A. The United Nations Focal Point on Cooperatives 2013 Survey on Cooperatives and Youth Employment and Empowerment (English version).

Global Mapping of Youth Cooperatives and Cooperatives working for and
WELCOME!
Welcome to the 2013 Survey on Cooperatives and Youth employment and entrepreneurship prepared by the Division for Social Policy and Development (DSPD) Focal Point on Cooperatives.
This survey will gather information from youth cooperatives and cooperatives working for and with youth, identifying who they are, where they are, what they do, and what prospects and challenges they face in delivering employment and entrepreneurship to the youth. The responses to the survey will feed into a Global Mapping of Youth Cooperatives and Cooperatives working for and with Youth and an analytical report which will be made available online to the general public in March and April.
The survey consists of 15 questions and can be finished in less than 20 minutes. Questions 1-10 will feed into the Global Map. Questions 11-15 will feed into the analytical report.
We will ensure confidentiality for survey participants who do not wish to put their cooperative's contact information in the global map. Moreover, rest assured that no cooperatives will be directly identified in the analytical report.
We encourage everyone to share the survey with fellow cooperators who have the same ideals of empowering youth through employment and entrepreneurship.
Thank you very much!
WE LIKE TO LEARN MORE ABOUT YOU!
1. Which of the following best describe your cooperative?
<input type="radio"/> Youth Cooperative
<input type="radio"/> Cooperative working with and for youth
Other (please specify)
<input type="text"/>
BASIC INFORMATION
2. Name of Cooperative
<input type="text"/>
3. Complete Address
<input type="text"/>
4. Year Established
<input type="text"/>

Global Mapping of Youth Cooperatives and Cooperatives working for and
5. Purpose of Cooperative (Please give a general description)
<input type="text"/>
6. Website Address
<input type="text"/>
CONTACT INFORMATION
Please provide the United Nations your contact information for future correspondence.
We respect confidentiality. If you do not want your cooperative contact information to appear on the Online Global Map, please respond 'No' to Question 10.
7. Contact Person
<input type="text"/>
8. Email Address
<input type="text"/>
9. Telephone Number
<input type="text"/>
10. Can we post your contact information in the Global Map?
<input type="radio"/> Yes
<input type="radio"/> No
ADDITIONAL INFORMATION
11. Identify the activities, projects, and initiatives your cooperative initiates for youth employment and entrepreneurship.
<input type="text"/>

Global Mapping of Youth Cooperatives and Cooperatives working for and

12. How successful do you perceive your projects or activities for youth employment and entrepreneurship are?

Poor Acceptable Satisfactory Excellent N/A

Please explain your ranking.

13. Identify the challenges faced by your cooperative in engaging the youth. Please check all that apply.

- Legal hurdles
- Financial constraints
- Management and operation problems
- Lack of enthusiasm among the youth
- Lack of support from the community
- Lack of public awareness about cooperatives

Other (please specify)

14. Identify the type of support needed by your cooperative to respond to these challenges. Please check all that apply.

- Financial support
- Political support (e.g. new legislation, etc.)
- Institutional support (e.g. creation of ministry for cooperatives, etc.)
- Technological support (e.g. hosting website, etc.)
- Capacity-building support (e.g. trainings, etc.)

Other (please specify)

AND HERE IS THE LAST QUESTION.

Global Mapping of Youth Cooperatives and Cooperatives working for and

If you are a youth cooperative, please respond to Question 15. If you are a cooperative working for and with youth, please respond to Question 16.

15. [For youth cooperatives] What is the prospect of your youth cooperative in the future?

- Optimistic. The cooperative will grow in membership, operation, outreach, activities, etc.
- Neutral. The cooperative will remain the same as it is now.
- Cautious. The cooperative can go either way depending on the support we get now.
- Pessimistic. The cooperative will scale back its membership, operation, outreach, activities, etc.

Please explain your outlook.

16. [For Cooperatives working with and for youth] What is the prospect of your engagement with the youth in the future?

- Optimistic. The cooperative will engage the youth more through outreach and other activities.
- Neutral. The cooperative will engage the youth the same way it does now.
- Cautious. The cooperative can go either way depending on the support we get now.
- Pessimistic. The cooperative will scale back its outreach and activities with the youth.

Please explain your outlook.

THANK YOU VERY MUCH

Thank you very much for taking time to respond to this survey. The online global map and the analytical report will be posted at the UN Cooperative website sometime in March and April. We will communicate with you through email once they are uploaded.

B. The Online Global Map hosted by the 2012 International Year of Cooperatives website

UN Welcome to the United Nations. It's your world. Search UN Website



International Year of COOPERATIVES 2012

- Welcome
- About IYC
- About Cooperatives
- IYC Activities
- IYC Calendar
- Use the Logo!
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- News and Views
- Partners
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Read Our Blog

Map of Youth Cooperatives and Cooperatives working for/with Youth



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View [Global Map of Youth Cooperatives and Cooperatives working for/with Youth](#) in a larger map

The United Nations DESA-DSPD Focal Point on Cooperatives welcomes you to the Global Map of Youth Cooperatives and Cooperatives working for/with Youth. The Focal Point seeks to continue the momentum of a successful International Year of Cooperatives and contributes to the Secretary-General five-year action agenda's priority of 'working with young people' by highlighting cooperatives and their role in the promotion of employment and entrepreneurship among young people.

The global map is a result of an online survey with youth cooperatives and cooperatives working for/with youth, identifying who they are, where they are, and what they do. The survey has generated enthusiasm among cooperative stakeholders and has gathered information from across the world. It is still ongoing while the map will be updated regularly. We thank the cooperatives who have participated and we encourage those who have not yet participated to fill the survey and be represented on the map.

The survey is available here in the following languages: [English](#) | [Spanish](#) | [French](#).