

Remarks by Daniela Bas, Director, UNDESA/DSPD at the Ministerial Breakfast on cooperatives on the theme, *“Promoting productive capacity for sustainable livelihoods: the role of cooperatives.”*

Your excellencies, colleagues, ladies and gentlemen, good morning.

I am very pleased to welcome all of you to this Ministerial Breakfast to discuss how cooperatives can contribute to this year’s ECOSOC theme on “Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the MDGs.”

Specifically, our discussion will focus on *“Promoting productive capacity for sustainable livelihoods: the role of cooperatives.”*

Our goals are to:

- 1. highlight experiences of cooperatives as agents for inclusive, productive and decent work;**
- 2. identify and share strategies and policies from our diverse experiences on how to promote and strengthen the development of sustainable cooperatives for employment generation;**
- 3. provide recommendations that will encourage Governments and stakeholders to devise and implement conducive policies and regulatory framework for cooperatives to thrive and grow.**

The summary of our discussions will serve as a contribution to this year’s ECOSOC outcome.

What is the role of cooperatives in creating employment? Do they actually help in creating jobs? As economic and social enterprises, cooperatives help generate employment in many areas worldwide. Let me be clear, however, that employment

creation is not necessarily the primary goal of cooperatives, except for the worker-owned type. Typically, rather, cooperatives are formed in order to meet the needs of their members, and the employment generated is an outcome of the pursuit of those objectives.

Evidence from around the world shows that cooperatives promote full and productive employment, and generate an estimated 100 million jobs worldwide and in various sectors, according to the International Cooperative Alliance (ICA). For instance, cooperatives in the United States account for more than 2 million jobs and in Italy, 1.1 million. In Kenya, 250,000 people are employed by cooperatives; in Indonesia, some 300,000 jobs; in India, 100,000 dairy cooperatives empower and provide livelihoods for 12 million women.

Cooperatives promote employment and skills by cultivating entrepreneurial capacity and by offering opportunities for training and development. They pool and harness credit and other capital resources, thus enabling productive employment. Cooperative banks and credit unions are the biggest providers of microfinance, which helps generate self-employment and jobs in micro and small and medium enterprises (MSMEs).

Cooperatives are particularly relevant for capacity-building and tapping the productive potential of marginalized groups- including women, youth, older persons, people with disabilities and indigenous peoples – that may have limited access to education, training and financial resources.

As demonstrated during the current economic downturn, cooperatives can serve as helpful counter-cyclical measures in employment crises by creating opportunities for alternative livelihoods. Historically, the growth of cooperatives coincide with difficult economic and social conditions and periods of high unemployment. A very good example is the Mondragon cooperative, which was established primarily to

provide meaningful employment in the depressed Basque region in Spain in the 1940s.

Furthermore, cooperatives subscribe to the principles of the decent work agenda advocated by ILO. Since cooperatives unite economic and social goals, they encourage social objectives among their members and the local community as well as decent employment.

These facets illustrate the relevance of cooperatives in helping generate inclusive, productive and decent work.

The substantive outcome of the International Year of Cooperatives (IYC) is to provide a roadmap or plan of action for future long-term and sustained efforts to strengthen cooperatives for the benefit of their members and communities worldwide. In this process, the Division for Social Policy and Development of the United Nations Department of Economic and Social Affairs (UNDESA) is the substantive office that promotes cooperatives in social development as part of the UN mandate. It also coordinates the work of the organization for the International Year of Cooperatives.

We initiated discussions with Mongolia on the process for the adoption of the IYC Plan of Action by the General Assembly. On this occasion, I invite Member States to promote and endorse the IYC Plan of Action.

In conclusion, cooperatives are important agents for promoting productive capacity, employment and decent work in the effort to eradicate poverty. It is our hope that together, we can promote and strengthen cooperatives towards these ends, and to build a better world.