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COOPERATIVE & SOCIAL AND SOLIDARITY ECONOMY

RESPONSES TO KEY ISSUES IN THE REPORT OF THE GLOBAL COMMISSION ON THE FUTURE OF WORK

This note was prepared by the Cooperatives Unit in the Enterprises Department of the ILO. It provides reflections on the role of cooperatives and the wider social and solidarity economy on the key issues included in the Report of the Global Commission on the Future of Work.

Introduction

The profound changes in the world of work are placing unprecedented pressures on the social contract. This implicit arrangement that defines the relationship between the government and citizens, between labour and capital, or between different groups of the population have been called into question.¹ The fears generated by the changing nature of work have led to a growing consensus around the need to reinvigorate the social contract which greatly relies on the individual participation of citizens in decisions affecting their lives. As highlighted by the ILO Global Commission on the Future of Work: “The absence or failure of the social contract is to the detriment of all.”² In this context, it is no surprise to note a rising interest in alternative models of economic growth based on social welfare such as the Social and Solidarity Economy (SSE).

There is growing interest in economic models based on cooperation, mutualism and solidarity. Social and Solidarity Economy³ consists of enterprises and organizations, in particular cooperatives,⁴ mutual benefit societies, associations and social enterprises, which have the specific feature of producing goods, services and knowledge while pursuing both economic and social aims and fostering participation and solidarity. Unlike the shareholder business model, cooperatives and other social and

solidarity economy enterprises and organizations (SSEEOs) put people, rather than profit, at the centre in their operations. Rooted in values of self-help, equality, and equity, as well as economic growth through cooperation and democratic processes, they bring innovative solutions to issues that the government and business may not have been able to adequately address.

Cooperatives and other SSEEOs also create employment. According to research done by CICOPA, a sector organization of the International Cooperative Alliance (ICA), cooperatives employed at least 9.5 per cent of the world’s employed population and the number of people in membership was estimated as 1,217.5 million. This estimate does not take into account employment generated by other SSEEOs such as mutual benefit societies, associations, foundations, non-profits and social enterprises for which this information is not available. Hence there is a need to establish international legal and statistical instruments on SSE which provides bases to identify and measure the contribution of these organizations in the economy.⁵

The Report of the Global Commission on the Future of Work provides an opportunity to reflect on how cooperatives and other SSEEOs can contribute to creating a brighter future and deliver economic security, equal opportunity and social justice. Towards that end, this brief highlights how cooperatives and other SSEEOs engage with the key recommendations under each pillar.

1. ILO. 2016. *Social Contract and the Future of Work*. Available at: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_534205.pdf.

2. ILO. 2019. *Work for a Brighter Future. Global Commission on the Future of Work*. Available at: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms_662410.pdf.

3. Although there is no globally agreed definition on social and solidarity economy, the ILO uses the definition that was adopted at the Conference on “The Social Economy: Africa’s response to the Global Crisis” Available at: https://www.ilo.org/wcmsp5/groups/public/---africa/---ro-addis_ababa/documents/publication/wcms_166727.pdf.

4. In Recommendation No. 193 (2002), cooperatives are recognized as economic entities in their various forms to promote the fullest participation in the economic and social development of all people. Available at: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEX_PUB:12100:0::NO::P12100_ILO_CODE:R193.

5. CICOPA. 2017. *Cooperatives and Employment: Second global report*. Available at: <http://www.cicopa.coop/wp-content/uploads/2018/01/Cooperatives-and-Employment-Second-Global-Report-2017.pdf>.

Pillar 1. Increasing investment in people's capabilities

Life-long learning

Cooperatives provide education and training for their members in order to contribute effectively to the development of their businesses. Cooperative principle five is on engaging in education activities not only for their members but also for young people and the community at large toward mutualism, self-help and collaboration.⁶ Cooperatives operate in the education and training sector providing services that may not be available from the public and other private service providers, in early childhood care and education; primary and secondary education; technical, vocational and tertiary education for youth; and skills training for youth and adults.

In Belgium, Buzinezzclub is a social enterprise that organizes intensive training programmes for young people who are not in education, employment, or training (NEETs), in partnership with the government. More than 1,000 trainees, most of whom are migrants, have found appropriate and lasting employment through the programme. In the UK, hundreds of cooperative schools have been set up using a multi-stakeholder model including parents, staff, students, and other local community actors as members. Teachers' cooperatives have been formed in countries during times of austerity with cuts in public spending in education and other basic services in order to secure jobs and ensure quality education for children. Cooperative colleges and universities have prospered in countries such as Colombia, Uganda, Kenya and Tanzania in advancing capabilities of young people and functioning as adult learning centres for cooperatives and other SSEEOS in supporting their management capacities.

Transitions

Demographic changes play a key role in shaping the changes in the world of work. Each year close to 40 million people enter the labour market. Cooperatives and other SSEEOS can help young people to find work and gain work experience. They can offer opportunities for professional and vocational training. The collaborative approach of working together sharing risks and responsibilities in cooperatives and other SSEEOS can also be appealing for young people. In Kenya and Zimbabwe ILO worked in supporting savings and credit cooperatives of youth with over 1,500 members. In Morocco, Tunisia, and Algeria the ILO and its constituents have been supporting youth engagement in the SSE through co-production of an enabling policy environment, providing skills, advisory services and seed funding.

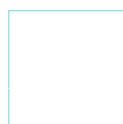
In the case of workers losing jobs due to enterprise failures during economic crises and subsequent transition, workers in firms with economic potential can buy out and transform the firms into worker-owned enterprises. There are a growing number of such enterprises operating as worker cooperatives in Brazil, Argentina, Spain and Italy with relatively high survival rates. A move towards a worker cooperative could also be attributable to the retirement of ageing owners, where there is no clear plan for the future of the enterprise. Portugal, France, Brazil, Ecuador, Greece and Canada have put SSE policies in place, including to improve and facilitate workers' ability to buy their own workplaces and keep them in operation. Trade unions have also supported worker buyouts of enterprises following bankruptcies or retirement of business owners to turn them into worker cooperatives.⁷

At the same time, the population is ageing rapidly in many countries creating a silver economy.⁸ Cooperatives and other SSEEOS support older persons to create economic opportunities by and for themselves that fit the view of a lifelong active society. Cooperative ownership of services such as housing, leisure and care that allow for the senior owner members to control decisions, are growing in countries like Singapore, France, Japan, Hong Kong, Canada, UK and the US.

6. Cooperative identity, values & principles <https://www.ica.coop/en/cooperatives/cooperative-identity>.

7. ILO. 2014. *Job preservation through worker cooperatives: An overview of international experiences and strategies*. Available at: https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---actrav/documents/publication/wcms_312039.pdf.

8. The silver economy refers to the sum of all economic activity serving the needs of those aged 50 and over including both the products and services they purchase directly and the further economic activity this spending generates.



Gender Equality

Globally, great strides have been made towards gender equality over the last two decades. Nevertheless, deep gender disparities persist across the globe, surfacing in labour markets, as well as other realms. Compared to men, women continue to earn less, are more likely to partake in unpaid labour, and are more apt to be excluded from decent work and opportunities for advancement. As gender equity is increasingly seen as a pillar for sustainable economic development and broad social well-being, alternative models to development which incorporate women's equality in work are needed.

Cooperatives and other SSEOs are well-suited to advancing women's economic participation in three key ways: increasing access to employment and work, enabling economic democracy and agency and boosting leadership and management experience. Nine of the biggest 100 cooperative and mutual insurers in the world have women CEOs, compared to only one of the top 100 stock company insurers.⁹

Women have opted to work in cooperatives and other SSEOs for paid work opportunities that can be managed alongside responsibilities associated with unpaid care work.¹⁰ Women workers in the informal economy often choose to come together through cooperatives and other SSEOs to improve their livelihoods, enhance their access to goods, markets and services (like insurance) and improve their collective voice and negotiation power.

In the US, immigrant women homecare workers have been setting up cooperatives, with the support of unions and community

organizations, to secure better wages, improved quality of jobs and healthier working environments.¹¹ Women only cooperatives exist in countries like Mexico, India, Nepal, and Nigeria to Morocco, Iran, Lebanon and Turkey often in sectors where women are the main producers and service providers. In sectors such as agriculture, women's participation in cooperatives and other producer organizations as members and leaders still lags behind.¹²

Social Protection

Cooperative insurance and mutual health insurance organizations are community and employment-based groupings that have been used for providing social protection to their members.¹³ When built up through secondary and tertiary institutions in favourable ecosystems of laws and funding mechanisms they have been successful across the countries of the Global North and South ranging from workers' health and childcare to old age income security.

In Rwanda,¹⁴ Senegal,¹⁵ and Ghana¹⁶ mutual health insurance systems provide extensive community-based health insurance covering the majority of people in rural and informal economies. Groups of informal economy workers, waste-pickers,¹⁷ taxi-drivers often use the cooperative model to access health insurance. Ageing domestic workers use cooperatives for old age income security in countries like Trinidad & Tobago.¹⁸ In countries like Namibia,¹⁹ Tanzania and eSwatini,²⁰ cooperatives and other SSEOs have been part of HIV/AIDS mitigation strategies. In France and Belgium mutual insurance schemes have been gaining strength including among platform economy workers.

9. ICMIF. 2016. "Cooperative and mutual insurance sector has significantly higher numbers of women CEOs than stock companies" (8 March 2016). Available at: <https://www.icmif.org/cooperative-and-mutual-insurance-sector-has-significantly-higher-numbers-women-ceos-stock-companies>.

10. UNTFSE. 2014. *Position Paper – Social and Solidarity Economy and the Challenge of Sustainable Development*. Available at: http://unsse.org/wp-content/uploads/2014/08/Position-Paper_TFSE_Eng1.pdf.

11. ILO. 2015. "For many domestic workers, co-ops hold the key to decent work" Available at: <https://iloblog.org/2015/07/03/for-many-domestic-workers-co-ops-hold-the-key-to-decent-work/>.

12. ILO and ICA. 2015. "Advancing gender equality: The co-operative way" Available at: https://www.ilo.org/empent/units/cooperatives/WCMS_379095/lang-en/index.htm.

13. Chris Atim. 1998. *Contribution of Mutual Health Organisations to Financing, Delivery and Access to Health Care*. Available at: https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---soc_sec/documents/publication/wcms_secsec_110.pdf.

14. Binagwaho, A.; Hartwig, R.; Ingeri, D.; Makaka, A. 2012. *Mutual Health Insurance and the Contribution to Improvements in Child Health in Rwanda*. Available at: <https://www.afdb.org/fileadmin/uploads/afdb/Documents/Knowledge/Mutual%20Health%20Insurance%20and%20the%20Contribution%20to%20Improvements%20in%20Child%20Health%20in%20Rwanda.pdf>.

15. ILO. nd. *Together, to change millions of lives in Senegal*. Available at: <https://studylib.es/doc/4817060/together-to-change-millions-of-lives-in-senegal>.

16. See: https://www.ghanaweb.com/GhanaHomePage/health/national_health_insurance_scheme.php.

17. ILO and WIEGO. 2017. *Cooperation among workers in the informal economy: A focus on home-based workers and waste pickers*. Available at: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_567507.pdf.

18. ILO. 2018. *Advancing domestic workers' rights through cooperatives in Trinidad and Tobago: An ILO, NUDE and SWCC initiative*. Available at: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_626009.pdf.

19. ILO. 2009. *Social economy approaches to mainstreaming HIV/AIDS – the case of the Kasojetua Youth Group*. Available at: https://www.ilo.org/public/english/employment/ent/coop/africa/download/wp5_youthgroupnamibia.pdf.

20. ILO. 2009. *Fair Trade – Fair Futures: The Kilimanjaro Native Cooperative Union scholarship programme for children made vulnerable by AIDS*. Available at: https://www.ilo.org/public/english/employment/ent/coop/africa/download/wp6_kncutanzania.pdf.

Pillar 2. Increasing investment in the institutions of work

Universal Labour Guarantee

The majority of cooperatives are found in rural areas where they are often a significant source of employment²¹ and are recognized, along with other SSEEOs, as having a key role in the transition from the informal to the formal economy.²² Toward achieving a Universal Labour Guarantee for all, cooperatives and other SSEEOs could be instrumental in reaching producers and workers in rural and informal economies.

Cooperatives and other SSEEOs have the potential to provide better working conditions, including adequate hours of work and safe and healthy workplaces for both their members and workers. From waste management to transportation, cooperatives such as Assemtamorwa in Rwanda, Attawafouk in Morocco and Swach in India provide personal safety equipment and improved working conditions to thousands of worker members.²³ Cooperatives in the garment sector in countries such as Vietnam and Thailand ensure eight-hour working days and/or flexible working hours as well as adequate living wages for their worker members.²⁴

Cooperatives and other SSEEOs can take action against child labour, forced labour, discrimination and organize workers for collective bargaining. By raising awareness and supporting children's education, CAKHS cooperative in Cote d'Ivoire prevented or withdrew up to 1,800 children from hazardous work.²⁵ Cooperatives in other countries such as Paraguay, Ecuador and Tanzania are currently supporting children's education and development. The Consumer Cooperatives Co-op and Suma in the UK are implementing policies to prevent the use of forced labour in their supply chains.²⁶

Cooperative action to tackle discrimination ranges from the provision of services to marginalized groups of the population

to making labour market access possible for discriminated groups such as women, young people, persons with disabilities, indigenous peoples, migrants and refugees. Cooperatives and other SSEEOs have been put to good use by refugees and host communities at different stages of intervention from the start of the crisis to integration in their host country. In host countries like Italy, Germany, and Sweden cooperatives provide integration services, employment and training services for refugees.²⁷

Collective Representation of Workers, Employers and Social Dialogue

Given their participatory model, cooperatives and other SSEEOs have historically represented an alternative organizational form used by workers' and employers' organizations to advance social dialogue. Cooperatives have contributed to the representativeness of workers, especially those working in the informal economy and in areas where other organizational forms are limited.²⁸ Cooperatives have also been part of social dialogue through employers' organizations, such as the European Association of Cooperative Banks which is part of the banking sector social dialogue at the regional level. In some countries, such as in Niger and Vietnam, cooperatives are recognized as social partners on their own and work alongside other employers' and workers' organizations.²⁹

Trade unions have relied on the cooperative model to protect and advance workers' rights and welfare and to deliver services to them. In India, the Self-Employed Women's Association (SEWA) supports 1.8 million women working in the informal economy through a dual strategy of trade unions to defend their members' rights and cooperatives to support them in pursuing livelihood security and access to social protection and other services.³⁰ In the US and Canada, the United Steelworkers Union helped establish several cooperatives to provide employment and enhanced services to its members.³¹

21. ILO. 2008. *Promotion of rural employment for poverty education*, Report IV, International Labour Conference, 97th Session. Available at: https://www.ilo.org/wcmsp5/groups/public/ed_norm/@relconf/documents/meetingdocument/wcms_091721.pdf.

22. ILO. 2015. *Transition from the Informal to the Formal Economy Recommendation*, 2015 (No. 204). Available at: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEX_PUB:12100:0::NO::P12100_ILO_CODE:R204.

23. ILO. 2006. *Organizing out of poverty: stories from the grassroots How the SYNDICOOP approach has worked in East Africa*. Available at: https://www.ilo.org/wcmsp5/groups/public/ed_dialogue/actrav/documents/publication/wcms_111412.pdf. See also <https://en.qantara.de/content/waste-separation-and-recycling-in-morocco-moroccos-recycling-pioneers>; <https://swachcoop.com/> and <https://swachcoop.com/pdf/SWaCH%20policy%20brief.pdf>.

24. ILO. 2019. *Towards a better understanding of the role of cooperatives in the ready-made garment supply chain*. Available at: https://www.ilo.org/wcmsp5/groups/public/ed_emp/emp_ent/coop/documents/publication/wcms_665196.pdf.

25. ILO. 2017. *Cooperatives and the Fundamental Principles and Rights at Work: Cooperatives and Child Labour*. Available at: https://www.ilo.org/wcmsp5/groups/public/ed_emp/emp_ent/coop/documents/publication/wcms_556151.pdf.

26. See: <http://www.thenews.coop/114272/news/co-operatives/co-op-group-offers-paid-work-new-life-victims-modern-slave-trade> and <http://www.suma.coop/about/faq/anti-slavery-statement/>.

27. See: <https://www.beemyjob.it/> and http://www.ilo.org/ankara/news/WCMS_618225/lang-en/index.htm.

28. ILO. 2018. *Social dialogue and tripartism*, Report VI, International Labour Conference, 107th Session. Available at: https://www.ilo.org/wcmsp5/groups/public/ed_norm/relconf/documents/meetingdocument/wcms_624015.pdf.

29. ILO. nd. *Cooperatives: Partners in social dialogue*, unpublished.

30. ILO. 2018. *Advancing cooperation among women workers in the informal economy: The SEWA way*. Available at: https://www.ilo.org/wcmsp5/groups/public/ed_emp/emp_ent/coop/documents/publication/wcms_633752.pdf.

31. See: <https://www.usw.org/union/featured-projects/co-ops-resources-and-updates>.

Technology

New technologies are changing the way work is organized and governed. They are redefining the relationships between workers and employers especially in emerging sectors like the platform economy. Due to limited or non-existent national and/or international regulatory frameworks there are significant risks of decent work non-compliance. A growing number of platform cooperatives have been established in recent years by self-employed and gig economy workers in the platform economy in order to better represent their interests. These cooperatives have the potential to not only help improving working conditions for its members, but also be part of social dialogue on the side of workers' or employers' organizations.

Across the US, cooperatives such as Green Taxi Cooperative in Denver and People's Ride in Michigan offer alternatives to Uber and Lyft through driver-owned platforms.³² Needsmap in Turkey is an online map matching the needs and offers of its members.³³ Cooperatives are also using technology to improve their existing business models such as The Midcounties Co-op in the UK that is experimenting with blockchains to provide transparent supply chains.³⁴

Pillar 3. Increasing investment in decent and sustainable work

Promote investments in key areas for decent work

Investing in strategic sectors that promote decent and sustainable work and putting people at the centre of business, entails diversifying investments and developing and implementing policies for creating an enabling environment for different business models.

Care economy: The demographic shifts that are underway across the world pose policy challenges for care provision. In the absence of affordable and accessible public or other private

options, cooperatives emerge as innovative providers of multiple services.³⁵ Cooperatives and other SSEOs often operate by carrying out low-profit activities. They play a complementary role to local and national governments in developing and providing improved care services in child care, ageing, disability, reproductive and mental health, post-trauma care, and rehabilitation and prevention as meeting the needs and aspirations of their members and communities is a priority.^{36, 37}

ILO research shows, user-owned cooperatives and other SSEOs deliver people-centred quality care around the world³⁸ especially in rapidly ageing countries in Western Europe (e.g. France, the UK and Sweden), North America (e.g. the US and Canada) and Asia (e.g. Japan and the Republic of Korea).³⁸ As employers, care cooperatives tend to provide better and fairer wages and benefits to workers, especially when they are members of the cooperative, such the case of care workers' cooperatives in the US, Italy, India, the Philippines, Argentina, Uruguay, Guatemala and South Africa. In these cooperatives, women comprised most workers and members.

Green economy: Environmental trends reflect the urgency of countering the present global climate change and biodiversity issues. Cooperatives and other SSEOs are increasingly becoming involved both in climate change adaptation (e.g. mutual insurance for crops; agricultural cooperatives supporting diversification of crops or improved watershed management, etc.) and mitigation (e.g. renewable energy cooperatives, forestry and agroforestry cooperatives).

In urban areas, they exist in waste management systems, particularly in India, Brazil, Colombia and South Africa. They not only provide much needed services for improved waste management and recycling, but also support their members to formalize, and improve their access to occupational safety and health, training, and financial services.³⁹ Renewable energy cooperatives are gradually gaining ground in Europe harnessing wind and solar power as well as biogases.⁴⁰

Rural economy: Around the world, cooperatives and other SSEOs have a large impact on rural economies, from agriculture and horticulture to energy and electricity; forestry to finance and insurance; social services and community development to

32. See: <http://peoplesride.coop/>.

33. See: https://www.ilo.org/global/topics/cooperatives/news/WCMS_644385/lang-en/index.htm.

34. See: <https://www.thenews.coop/132448/sector/retail/midcounties-co-op-using-blockchain-increase-supply-chain-transparency/>.

35. ILO. 2016. *Providing Care through Cooperatives 1: Survey and Interview Findings*. Available at: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_457286.pdf.

36. Euricse; ILO. 2018. *SSE and the Future of Work*. Available at: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_573160.pdf.

37. UNTFSE. 2014. *Position Paper – Social and Solidarity Economy and the Challenge of Sustainable Development*. Available at: http://unisse.org/wp-content/uploads/2014/08/Position-Paper_TFSE_Eng1.pdf.

38. ILO. 2017. *Providing Care through Cooperatives 2: Literature Review and Case Studies*. Available at: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_546178.pdf.

39. ILO. 2014. *Tackling informality in e-waste management: The potential of cooperative enterprises*. Available at: https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/publication/wcms_315228.pdf.

40. ILO. 2017. *Cooperation in a changing world of work: Towards a cooperative future*. Available at: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms_547459.pdf.

transport, and tourism. As community-based enterprises, they have been instrumental in increasing access to employment and work, upgrading and integrating small-scale farming into agri-business value chains and improving livelihoods of rural workers through provision of basic services as well as social protection. Cooperatives also promote representation and voice among rural workers, especially those in vulnerable groups such as women and indigenous people.⁴¹

In the Global South, SSEOs play a role in small-scale biological farming, notably in areas where farms cater for the domestic markets. Alternative food networks associated with fair trade, solidarity purchasing and collective provisioning highlight the role that mutuality and solidarity can play in fostering more equitable agro-food systems and promoting practices which are greener and fairer across the different levels of the supply chain.

Conclusions and Recommendations

The Report of the Global Commission on the Future of Work highlights that promoting social justice through decent and sustainable work for all requires ongoing commitment and action. It requires social dialogue and cohesion. It requires new ways of thinking. It requires connecting our societies, and groups within societies, bringing us together in an economy for all. Some of the key trends in the changing world of work suggest that areas of the economy could benefit from community-based action, self-help and mutuality to address unmet needs.⁴²

Cooperatives and other SSEOs are engaged in collective satisfaction of insufficiently-met human needs, working toward building more cohesive social relations and more democratic communities. They can be viable means to promoting decent and sustainable work especially if proper policy frameworks and financial and institutional support mechanisms are in place. It is important in this regard that ILO constituents and the cooperative and SSE movements engage at the local, national, regional and international levels. Cooperatives and SSE movements may also consider putting their propositions forward on the report of the Commission.

41. ILO. 2016. *Securing rights, creating jobs and ensuring sustainability: A cooperative way for empowering indigenous peoples*. Available at: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_496599.pdf.

42. See for instance: Kramer M., Mahmud A., Makka, S: *Maximizing Impact: An Integrated Strategy For Grantmaking and Mission Investing in Climate Change* (2010)



Contact information

Cooperatives Unit
Enterprises Department
International Labour Office (ILO)
4, route des Morillons
1211 Geneva 22, Switzerland
tel : +41 22 799 7095
coop@ilo.org

