



Transforming our world: A cooperative 2030

Cooperative contributions to SDG 9

This brief is part of the Transforming our world: A cooperative 2030 series produced by the Committee for the Promotion and Advancement of Cooperatives (COPAC). Through a series of 17 briefs, one for each Sustainable Development Goal (SDG), COPAC hopes to raise awareness about the significant contributions of cooperative enterprises towards achieving the 2030 Agenda in a sustainable, inclusive and responsible way, and encourage continued support for their efforts.

This brief focuses on SDG 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

About the Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development were adopted by world leaders in September 2015 during a historic summit at the United Nations. The SDGs set out a vision for countries to end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind.

For more information, visit www.un.org/sustainabledevelopment.

About cooperatives

Cooperatives are a powerful economic and social force, present in most countries of the world and in all sectors of the economy. The cooperative movement counts more than a billion members. Cooperatives are defined as ‘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’.¹

All cooperatives subscribe to a set of values and principles that support the social and people-focused nature of their activities. They are operated democratically by their members. Whether customers of the business, users, workers or residents, members have an equal say. Profits generated are either reinvested in the enterprise or returned to the members. Cooperatives, based on values like democracy, equality, equity among others, represents an ideal model for the implementation of the SDGs as they put people at the centre, ensuring participatory and inclusive approaches to tackle challenges at the national, regional and global level.

¹ International Co-operative Alliance (ICA). 1995. Statement on the Co-operative Identity. Available from <https://ica.coop/en/whats-co-op/co-operative-identity-values-principles>



The cooperative difference

Goal 9 encompasses three important aspects of sustainable economic development: infrastructure, industrialization and innovation. Infrastructure (e.g. roads, railroads, ports, airports, irrigations, water and sewerage, electricity supply grids, communications network) provides basic physical systems that are essential to social and economic activities. Industrialization and manufacturing of value added products drive economic growth and job creation. Innovation contributes to creating new and more sustainable production patterns.

Despite steady improvements particularly in financing for economic infrastructure and mobile network coverage, increased investment will be needed to develop reliable, sustainable and resilient infrastructure that support economic development and human well-being as envisaged in target 9.1, and ensure target 9.2 of doubling the manufacturing industry's share of GDP by 2030 in the least developed countries.

As member-owned, community-based enterprises, cooperatives can help people to pool their resources to make investments on needed infrastructure (e.g. power generators, electricity supply grids, irrigation facilities) or to improve members' capacities to access the existing ones.

Utility cooperatives which are tasked to provide public utility such as electricity, water or telecommunications to their members can be found around the world, particularly in rural areas where returns on infrastructure investment are not high enough to attract investor-owned companies. Surplus is either reinvested for infrastructure and community development or distributed among members based on each member's investment into the cooperative. Many of rural electric cooperatives have come to play a key role in the transition to renewables and decentralized energy systems, by enabling their members to participate in discussions and decision-making processes over energy issues.²

In particular, cooperatives in rural areas have a fundamental role in enabling basic services and infrastructure as the key precondition for small-scale food producers to access inclusive and equitable markets. This means overcoming structural and conjunctural constraints to support their transition from vulnerable subsistence farming to a socially and economically strengthened position thanks to the provision of proper infrastructure to eliminate barriers to entry, provide greater flexibility for family farmers and reconnecting producers and consumers, while fostering rural urban synergies.

Markets can range from local to transboundary to regional and may be located in rural, peri-urban or urban contexts, where food is produced, processed, and traded. These value-adding, manufactory and industrial processes can help to create employment and contribute to local, social and economic development, when the benefits of value addition circulate within the local, national and regional systems. Cooperatives play a key role in using collective action to enhance small-scale food producers' bargaining power, thus making them less vulnerable to disadvantageous contracts or unfair conditions and practices.

Cooperatives that promote innovative market solutions by building on locally available resources and that are embedded in the local social context are essential to promote and increase the recognition and interest for traditional products and products with specific quality characterizations, allowing small-scale food producers to maintain the value added in their production.

2 ILO. 2013. Providing clean energy and energy access through cooperatives. Available from https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_233199.pdf

In terms of industrialization, cooperatives of small-scale producers have been instrumental in improving their members' access to affordable finance to purchase production inputs promoting their investment in manufacturing and value-adding activities, and enhancing their bargaining power and branding in the marketing process. Among 2,575 cooperative organizations identified in the World Cooperative Monitor 2018 from eight sectors, 846 were in the agriculture and food industry sector in 30 countries. Top 20 of them have total turnover of US\$ 274.25 billion.³ Besides the agriculture and food industry, cooperatives also exist in other manufacturing industries, transportation, mining, construction, telecommunication and other services. Many of them are in the form of worker cooperatives that are owned and self-managed by their workers.

With regard to innovation, cooperatives play a key role in making new technologies available to producers in the rural areas and to workers in the informal economy. An investigation of the impacts of irrigation wells by villagers in Bangladesh and in Pakistan indicates that social organizations like cooperatives can help equal distribution of consequences of an innovation. In Bangladesh where cooperatives of small-scale farmers purchased a pump and well and provided irrigation water to every cooperative members, the consequences of the innovation were distributed much more equally than they were in Pakistan where an initially high degree of social stratification concentrated the impacts of the irrigation wells on richer farmers.⁴

Another important dimension is the role that cooperatives can play in facilitating their members' access to knowledge and information, with a particular focus on the opportunities provided by ICTs. Dedicated rural communication services greatly advance economic, environmental and social dimensions (e.g. shortening the value chains linking producers to market; improving resilience and climate change adaptation through community-based early warning systems; and supporting producer organizations' and cooperatives' capacities to promote and deliver new types of rural communication services to improve linkages with their members and rural institutions), and to engage young farmers in innovative and sustainable production patterns.

Cooperatives are also key actors in strengthening capacity on innovation practices interconnecting locally specific (traditional) knowledge with new solutions, by focusing on family farming multidimensionality to promote social innovations contributing to territorial development and food systems that safeguard biodiversity, the environment and culture. On this note, cooperatives could focus on small-scale producers' innovativeness, supporting their use and dynamic management of genetic resources and the development of production systems which can optimize the diversity and complementarity of species and increase biological synergies between crops, livestock and trees, leading to greater resource use efficiency and resilience, increased productivity and enhanced ecosystem services.⁵



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³ Eurice and ICA. 2018. World Cooperative Monitor: Exploring the Cooperative Economy, Report 2018. Available from <https://www.ica.coop/sites/default/files/publication-files/wcm2018-web-1542524747.pdf>

⁴ Everett M. Rogers. 2003. Diffusion of Innovations, 5th Edition.

⁵ FAO and IFAD. 2019. United Nations Decade of Family Farming. Global Action Plan. Available from <http://www.fao.org/3/ca4672en/ca4672en.pdf>

From the field: how cooperatives contribute to SDG 9

Zenzeleni is South Africa's first internet service provider owned and run by a cooperative in Mankosi, a rural community made up of 12 villages and 6,000 residents. Until recently, there was no electricity and internet connection in the community. South Africa's data prices are among the most expensive on the continent and many poor rural communities cannot afford internet services. In order to provide affordable wi-fi connection, ten local residents set up a cooperative in 2012 (legally registered in 2014). The cooperative designed the network layout, and built and installed a dozen solar powered mesh network stations by themselves. Previously unemployed and unskilled youth now work as resident technicians in charge of building and maintaining the facilities. Granted a licence exemption by the Independent Communications Authority of South Africa (ICASA), Zenzeleni does not pay fees to operate the infrastructure and sell internet services. Instead, pays for the backhaul Internet connectivity. Zenzeleni's voice calls and data costs are much cheaper than what is offered by big mobile operators. All revenues from Zenzeleni services stay in the community. The residents get together once a month as part of the cooperative to decide what to do with the revenue such as providing micro-loans to residents for starting small businesses.⁶

Co-operatives of Shared Mechanization, commonly known as **CUMA (Coopératives d'utilisation de matériels)**, is a way for family farmers to make collective investments in joint use of agricultural machinery. They are small autonomous groups operated in limited territories and managed by cooperative members. The investment required from each member to acquire the machinery is proportional to the amount of the land he/she owns, which lowers the hurdles for small family farmers to join the cooperative. Since the launch of the partnerships between France and Benin for the introduction of CUMAs in 1997, the number of CUMAs in Benin has increased progressively. In 2014, there were 102 CUMAs covering 1,000 farmers who collectively own 57 tractors. Today, CUMA groups do not limit themselves to machinery, but have begun to assist farmers in addressing other challenges such as lack of storage facilities and limited access to marketing.⁷

Lar Cooperativa Agroindustrial is a cooperative with over 10,000 producer-members and 13,000 workers in Southern Brazil. It produces and markets agricultural products ranging from soybeans, corn, and wheat to poultry, pork, eggs, feed, vegetables and cassava. Established in 1964 by a group of 55 small migrant farmers, the cooperative has led the modernization of agribusinesses and grown to become the eighth largest agricultural enterprise in the country. The transition from a family-sized pig farm to modern pork production was made possible when the cooperative invested in a new breeding technology for a multiplier farm of 2,500 sows. In the following year, the size of the production increased to 26,700 sows accounting for 6 per cent of total revenues of the cooperative.⁸



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⁶ <http://theconversation.com/how-a-rural-community-built-south-africas-first-isp-owned-and-run-by-a-cooperative-87448>

⁷ Cooperatives Europe. 2015. Building Inclusive Enterprises in Africa: Cooperative Case Studies. Available from <https://coopseurope.coop/sites/default/files/Building%20Inclusive%20Enterprises%20in%20Africa%20-%20Cooperative%20Case%20Studies.pdf>

⁸ <https://topignorsvin.com/news/lar-a-19-year-loyal-partnership/>

Want to see more examples of
how cooperatives contribute to SDG 9?
Visit the Coops for 2030 campaign at
www.coopsfor2030.coop

Silver Jubilee Biogas Producers and Distributors Cooperative Society in Methan village in Sidhpur tehsil, Patan district of Gujarat has been operating India's largest biogas plant since 1987. The plant produces biogas and digested substrate from locally supplied cow dung. The digested substrate is sold at Rs 300 per trolley and used in the local fields as manure. Biogas is transported from the plant to individual households through underground pipelines. As of now, 320 of the 500 households in the village are covered by biogas. All households that have biogas connections are members of the cooperative and pay Rs 50 a month as a user fee. The plant allowed the village to save 500 metric tonnes of fuelwood annually; and kitchens have cleaner, smoke-free fuel. The cooperative received the initial assistance from the state government for the introduction of the environmentally friendly technology, but currently it operates the plant without any external assistance.⁹



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In the UK, there is growing interest in mutualized bus solutions particularly in rural areas, given the reduction in bus miles and bus routes as part of the government spending cuts. One example is **LibertyBus** in Jersey, a small island in the English Channel, operated by HCT Group, a cooperative enterprise on contract to the Department of Infrastructure at the Government of Jersey. Based on a profit-sharing agreement with the Department, HCT Group reinvests its share of the profits back into the community. In addition to the mainstream bus services, HCT Group also provides social care transport, school transport, community transport, as well as education and training. The Phone Co-op, the UK's only phone and broadband provider owned by its customers, invested £500,000 in loan capital in HCT Group.¹⁰



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Founded in 1956 by graduates of a local technical college, the **Mondragon Corporation** is a corporation and federation of worker cooperatives based in the Basque region of Spain. As of 2018, it employed 81,837 workers across 266 subsidiary companies and cooperatives in four business areas: finance, industry, retail and knowledge. The total revenue was 12,215 million euros. The entire Corporation has actively invested for innovation and social development with 2,018 workers dedicated exclusively to research and development (R&D) in 15 technology and R&D centres, the Mondragon University and industrial cooperatives. Established in 1977, IKERLAN is one of the 15 R&D centres that specializes in electronics, ICT, energy and power electronics, and advanced manufacturing. The R&D projects include the development of cyber-secure communication systems, digital platform for automatic warehouse fleets, renewable energy generation systems, and power management system of hybrid buses. In 2018, R&D expenditure amounted to 175 million euros, 8.9 per cent of the total value added of the industrial sector.¹¹



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⁹ <https://www.downtoearth.org.in/coverage/whats-cooking-in-indias-largest-biogas-plant-12615>

¹⁰ <https://www.thenews.coop/97868/sector/mutuals/co-operative-option-running-bus-services/>

¹¹ Mondragon. 2019. Annual Report 2018. <https://www.mondragon-corporation.com/wp-content/themes/mondragon/docs/eng/annual-report-2018.pdf>



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About COPAC

COPAC is a multi-stakeholder partnership of global public and private institutions that promotes and advances people-centered, self-sustaining cooperative enterprises, guided by the principles of sustainable development – economic, social and environmental – in all aspects of its work. The Committee's current members are the UN Department of Economic and Social Affairs (DESA), the International Labour Organization (ILO), the Food and Agriculture Organization of the United Nations (FAO), the International Co-operative Alliance and the World Farmers' Organisation.

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