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**Follow-up to the World Summit for Social Development and the twenty-fourth special session of the General Assembly:
Priority Theme: Creating full and productive employment and decent work for all as a way of overcoming inequalities to accelerate the recovery from the COVID-19 pandemic and the full implementation of the 2030 Agenda for Sustainable Development**

Statement submitted by International Cooperative Alliance, a non-governmental organization in consultative status with the Economic and Social Council*

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

* The present statement is issued without formal editing.



Statement

Introduction

The International Cooperative Alliance (ICA) is an independent, non-governmental organization established in 1895 to unite, represent and serve cooperatives worldwide. It provides a global voice and forum for knowledge, expertise and coordinated action for and about cooperatives. ICA's members are international and national cooperative organisations across 112 countries from all sectors of the economy, including agriculture, industry, services, banking, retail, fisheries, health, housing, and insurance.

Almost 12% of humanity is a member of a cooperative. No matter their gender, social, racial, political, economic, or religious status, people across the world decide to join a cooperative in order to take charge of their social and economic empowerment by realizing their common economic, social and cultural needs and aspirations. As businesses driven by values rather than profit, cooperatives share internationally agreed principles and act together to build a better world through cooperation. Creating productive employment and promoting decent work for all, cooperatives around the world provide an economic business model that allows people to take ownership and democratically control their businesses, generating long-term jobs and prosperity for the communities in which they are rooted.

One billion people are part of the Cooperative Movement across the world; consequently, cooperatives constitute key stakeholders and actors in ensuring the achievement of the Agenda 2030, leaving no one behind.

Cooperatives' contribution to creating productive employment and decent work for all

According to a recent and conservative estimate, cooperatives around the world employ or are the main source of income for more than 279 million people, almost 10% of the total employed population without counting the jobs and economic activities that have been created through loans granted by credit cooperatives, or through other key inputs provided by insurance cooperatives or electricity cooperatives to millions of producers, nor the indirect jobs generated for providers and clients.

Beyond numbers, cooperative employment tends to be more sustainable in time, suffers less income inequality, and is characterized by a better distribution between rural and urban areas than the average. Cooperatives also constitute a large laboratory experimenting innovative and sustainable forms of work and work relations within the enterprise, like community cooperatives, social cooperatives, cooperatives between consumers and agricultural producers, cooperative online platforms etc.

The Covid-19 pandemic has made the unemployment menace worse. Due to the economic downturn, many small and medium size businesses have closed, and many people have been laid off, resulting in even higher unemployment, which probably means many of these workers have no other opportunity than to accept non-standard employment forms to earn money. This has caused high unemployment and underemployment levels, particularly among the youth, stagnating ratios of employment to the population, increased job insecurity and flexibility, deterioration of social protection, widening inequalities, and the fact that the organization of work and of the production of goods and services is experiencing profound changes that may strongly alter the way in which we work and the future of work itself.

The pandemic has further made it evident that our social protection models are inadequate in protecting those who are not considered as standard workers. There is

an urgent need for minimum social protection floors, especially when it comes to replacement income in case of no work.

As representing the global cooperative movement, the International Cooperative Alliance strongly believes that cooperatives can play an important role in overcoming the inequalities to accelerate the recovery from the COVID-19 pandemic and the full implementation of the 2030 Agenda for Sustainable Development, particularly for the more vulnerable and marginalized groups.

Cooperatives have been already recognised as a tool for addressing the problems caused by the informal economy as well as informalisation. The ILO's Promotion of Cooperatives Recommendation, 2002 (No. 193) states that "*Governments should promote the important role of cooperatives in transforming what are often marginal survival activities (sometimes referred to as the "informal economy") into legally protected work, fully integrated into mainstream economic life*" (paragraph 9). ILO's Transition from the Informal to the Formal Economy Recommendation, 2015 (n° 204) also recognizes the role of cooperatives in the transition.

Cooperatives have been created to support and strengthen economic activities of self-employed producers or entrepreneurs in the informal economy, through various forms of shared services. Whereas these cooperatives cannot always provide a stable legal status or formal social protection to their members, they contribute to raising and stabilising members' incomes, increasing the performance and competitiveness of members' business, and making members' voices heard collectively.

Through cooperatives, self-employed producers and entrepreneurs in the informal economy can enjoy various services which were not available to them due to the small size of their business and lack of applicable formal arrangements. In the debates on the problems in the informal economy related to work and employment, several categories of workers who are in vulnerable situations have drawn special attention: these include waste pickers, domestic workers, migrant workers, street and market vendors, transport workers, home-based workers, and providers of social services. Cooperatives have played a very important role, in the developing and emerging economies, in bringing income-generation opportunities to women, especially through women-only cooperatives.

Cooperatives in the various sectors of the economy are contributing to the promotion and advancement of global supply chains and, through it, to decent jobs. They provide scale to small and marginalised groups such as small-scale farmers, enabling them to access markets, information, technology, and finance with conditions that they could not enjoy as individuals. They provide a governance model that allows participation and inclusion of all stakeholders, including workers, in the management of the enterprise. They redistribute the economic benefits of the operation of global supply chains to its members and stakeholders including small-scale producers, workers, and consumers.

Cooperatives have shown the necessary flexibility to modify their production in order to remain or insert themselves in global supply chains provided they receive the appropriate advisory services, while cooperative groups have often been in a stronger position to internationalize and control larger parts of the chains, allowing for the creation of new jobs both in the original location of the enterprise and in new ones.

These cooperative contributions are possible thanks to their people-centered and innovative way of working. Cooperatives have been key innovators in the governance of work, providing members, in the case of worker and producer cooperatives, with the double status of workers and producers and of co-owners of their own enterprises. Multi-stakeholder cooperatives, a model now expanding rapidly in several countries,

make workers and/or producers share the governance of the enterprise with other stakeholders such as the users. These models in the governance of work provide a strong innovative and experimental character to cooperatives, based on members' participation and democratic control.

Recommendations

The International Cooperative Alliance therefore call on the governments to take action and accelerate their commitment in realizing the Agenda 2030 and a new social contract by:

- Promoting cooperatives' efforts in creating full and productive employment and decent work for all, working systematically to promote conditions that lead to decent work – job creation, labour rights, social protection and social dialogue aligned with the ILO International Labour Standards, and collective wealth at the local, national and international levels.
 - Fostering a supportive and enabling environment for cooperatives by engaging them and their representative organizations in policy dialogue, acknowledging and addressing their specific business model based on the ICA Statement on the Cooperative Identity and their impact on local communities, including towards vulnerable groups.
 - Financing technical assistance and capacity building to support the continued growth of cooperatives for the implementation of the 2030 Agenda through development of adequate legal and regulatory frameworks for cooperatives to thrive while reforming regulatory frameworks to improve access to support or recovery funds issued by donors.
 - Acknowledging the role of cooperatives as well as their importance in a global strategy for a human-centred and environmentally just recovery from the covid-19 pandemic.
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