

# POSITION PAPER

30 April 2018

## COOPERATIVES AND THE FUTURE OF WORK

The International Co-operative Alliance (ICA), which serves and represents around 3 million cooperatives and 1.2 billion cooperative members globally and in all sectors of the economy, welcomes the International Labour Organization's Centenary Initiative with its focus on the Future of Work, and, within this context, the establishment of the ILO Global Commission on the Future of Work.

In the first part of this document, we comment the Global Commission's Inception Report,<sup>1</sup> using its own structure and numbering, with inputs showing that cooperatives are both one of the largest world actors in work and employment and a significant laboratory of future trends; in the second part we propose policy recommendations aimed at promoting cooperatives' contributions to the future of work, based on the ILO standards.<sup>2</sup>

### I. COMMENTS TO THE INCEPTION REPORT FROM THE POINT OF VIEW OF COOPERATIVES

#### *1 - A global snapshot: megatrends in the world of work*

##### **A. The current state of the world of work**

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<sup>3</sup>, 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. The wider social and solidarity economy (which also includes mutuals, worker-owned enterprises, associations, foundations, non-profits, NGOs, social enterprises etc.), of which cooperatives are a key pillar, represents an even wider share of the world's employed population. In addition, many cooperatives are involved in producers' and SME clustering, as has been recognized by the ILO,<sup>4</sup> thus covering an even wider proportion of the world of work, with a very high expansion potential.

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<sup>1</sup> ILO (2017) *Inception Report for the Global Commission on the Future of Work*; Geneva: ILO

<sup>2</sup> Many inputs in this report have been provided by CICOPA, the International Cooperative Alliance's sectoral organization for industry and services. The ICA wishes to thank CICOPA for such contribution.

<sup>3</sup> Eum HS (2017), *Cooperatives and Employment Second Global Report*: Brussels: CICOPA

<sup>4</sup> ILO (2015) *Small and medium-sized enterprises and decent and productive employment creation*; Geneva: ILO

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.<sup>5</sup> 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 on line platforms etc.

The quantitative and qualitative characteristics of cooperatives mentioned above are particularly relevant when considering the Inception Report's observations regarding today's high unemployment and underemployment levels, particularly among the youth, stagnating ratios of employment to the population, increased job insecurity and flexibility,<sup>6</sup> deterioration of social protection, widening inequalities<sup>7</sup>, 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.

## B. Megatrends and future of work implications

The Inception Report's considerations regarding globalization and the financialization of the economy, as well as technological change, will be discussed below (3.A and 3.B respectively). Here, we will just briefly mention demography and climate change.

Cooperatives are growing very quickly in economic sectors that are linked to demographic changes, such as population ageing, with care services in particular to the elderly, and migrations with work integration.<sup>8</sup> They are also expanding rapidly in the field of environmental services and alternative energy generation, as part of initiatives aimed to combat climate change.<sup>9</sup>

## 2 - Work and Society

### A. The attributes of work people value

The inception report states that *"workers around the globe, with some variation across country income groupings, also value the contribution of a job to their individual experiences (interesting job) and appreciate the opportunity to help other people through their work (jobs which allow someone to help others). They also value the usefulness of work to society, particularly in developing and emerging countries"*.<sup>10</sup> The increased sense of identity and meaning attributed to work according to the

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<sup>5</sup> Roelants R, Eum HS & Terrasi E (2014) *Cooperatives and Employment: a Global Report*; Brussels: CICOPA, p. 8

<sup>6</sup> According to the ILO, the employment to population ratio has even fallen marginally between 1991 and 2016; see ILO (2017) *Inception Report for the Global Commission on the Future of Work*; Geneva: ILO, p. 1

<sup>7</sup> *Ibid.*, p 6-7

<sup>8</sup> ILO (2016) *Global Mapping of the Provision of Care through Cooperatives*; Geneva: ILO

<sup>9</sup> See [www.RESCoop.eu](http://www.RESCoop.eu)

<sup>10</sup> ILO (2017) *Inception Report for the Global Commission on the Future of Work*; Geneva: ILO, p. 16

Inception Report contrasts with the growing disenchantment about one's work experience also mentioned in the report.<sup>11</sup>

The qualitative component of cooperative work, combined with cooperatives' quantitative importance, is particularly relevant in this regard. The report *Cooperatives and Employment: a Global Report* reveals, from a series of interviews on how people working in or within the framework of cooperatives in different parts of the world, feel "a combination of economic rationale, a quest for efficiency, shared flexibility, a sense of participation, a family-type environment, pride and reputation, a strong sense of identity and a focus on values."<sup>12</sup>

## B. Making "invisible" work "visible"

Cooperatives contribute to making "invisible" work "visible" in at least four ways:

- a. By contributing strongly to the transition from the informal economy, where workers and their family members are often not recognized as workers, to the formal economy (see 4. A below);
- b. By institutionally recognizing volunteers' work in some multistakeholder cooperatives, in particular social cooperatives, as being part of work delivered by an enterprise;
- c. Through the voluntary contribution of millions of cooperative members to the general assembly or board meetings of their cooperative, which is institutionally recognized and recorded in minutes; in fact, this is one of the largest movements of voluntary work in enterprises existing in the world, and without which the cooperative experience, based on members' joint ownership and democratic control, would not exist;
- d. By making visible "virtual labour" and "digital labour" (see 3 B below)

## C. Work and well-being

The increasing levels of workplace accidents and psychological violence at the workplace<sup>13</sup> with direct consequences on health and, increasingly, on life itself mentioned in the Inception Report and relayed in other documents and studies makes the experience of cooperatives, where such extreme phenomena tend to be rare thanks to their member-based and community-embedded identity, particularly relevant.<sup>14</sup>

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<sup>11</sup> ILO (2017) *Inception Report for the Global Commission on the Future of Work*; Geneva: ILO, p. 15-18

<sup>12</sup> Roelants R, Eum HS & Terrasi E (2014) *Cooperatives and Employment: a Global Report* ; Brussels : CICOPA, p. 9

<sup>13</sup> The quest for efficiency at all cost has spurred human resource management techniques that strongly affect the staff's psychological balance. For example, a New York Times article quoted an executive in Amazon's book marketing division saying that "nearly every person I worked with, I saw cry at their desk". Kantor J. & Streitfeld D. *Inside Amazon: Wrestling Big Ideas in a Bruising Workplace*; The New York Times, 15 August 2015, <http://www.nytimes.com/2015/08/16/technology/inside-amazon-wrestling-big-ideas-in-a-bruising-workplace.html? r=0>. In many large companies, there has been a dramatic reduction in middle-level management, giving workers the perception of an anonymous, remote and faceless employer.

<sup>14</sup> According to the ILO, 2.7 million deaths per year (7600 per day) are due to work-related injuries or illness, while unemployment is also a source of illness: see ILO (2017) *Inception Report for the Global Commission on the Future of Work*; Geneva: ILO , p19-20. According to an article in the British medical review *The Lancet* based on World Bank and WHO data over 15 years, there were 160 000 more deaths through cancer in the EU between 2008 and 2010 in

Balancing the time dedicated to work and family is also an important aspect of quality employment, particularly for women, as the report points out. In many cases, cooperatives have been able to provide their workers, and particularly women, with flexible working times, thus promoting the work-family balance.

Cooperatives have also been contributing to employment creation and work integration of vulnerable groups, including women, migrant workers and refugees. As the ILO has pointed out<sup>15</sup>, cooperatives in several countries have been actively integrating migrants into the workforce or providing them with support, including in reducing health and psycho-social risks.

#### D. Effective social protection for the twenty-first century

Labour flexibilization, including interim and casual work and zero hour contracts, as well as the dramatic increase in the number and ratio of self-employed observed in a number of countries, often result in disconnecting workers from social security and social rights. Despite the diversity of situations, legal statutes and national's contexts, one of the major problems for non-standard workers is the absence of mechanisms providing access to existing social rights, while, as the Inception Report observes, as much as 55% of the world's population has no access to any social protection whatsoever, and only 29% have access to a comprehensive social security system.<sup>16</sup>

Like it has often been the case in the past, cooperatives are proving to be places for experimentation and innovation when it comes to securing people's needs and work situations. An increasing trend of cooperatives established and owned by independent workers/producers shows that the cooperative model responds to the needs of both conventional occupations characterized by self-employment (artisans, architects, doctors, taxi drivers etc), and the emerging category of non-standard workers characterized by a high risk of precariousness, like those active in creative industries or digital economy (graphic designers, artists, journalists, couriers, etc), but also domestic and home-based workers, in particular women.<sup>17</sup> By offering them both autonomy in the organisation of their work, and mutualised services, those cooperatives provide them with social rights and protection, in some cases as high as what employees are entitled to.<sup>18</sup>

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conjunction with both the rise in unemployment and reduction in public spending, and over 500 000 more in the world: Maruthappu M. The Role of Universal Health Coverage in Reducing Cancer Death and Disparities, *The Lancet*, 25 May 2015, <http://www.thelancet.com/journals/lancet/article/PIIS0140-6736%2816%2930376-2/fulltext> ; In addition, *The Lancet* stated in 2015 that unemployment was at the origin of around 45 000 suicides every year in 63 countries: Nordt C. *et al.* *Modelling suicide and unemployment: a longitudinal analysis covering 63 countries, 2000–11*, *The Lancet Psychiatry*, February 2015, <http://www.thelancet.com/journals/lanpsy/article/PIIS2215-0366%2814%2900118-7/abstract>

<sup>15</sup> ILO, Labour Migration Highlights No. 2: Labour Migration and Cooperatives, 2015: <http://s.coop/2685o>

<sup>16</sup> ILO (2017) *Inception Report for the Global Commission on the Future of Work*; Geneva: ILO, p. 3

<sup>17</sup> <https://www.wecandoit.coop/>

<sup>18</sup> <http://smart-eu.org/team/belgium/>

### 3 - Decent jobs for all: full employment and raising standards of living

#### A. What future for full employment?

As the inception report points out, while both the ILO Philadelphia Declaration and the UN 2030 Sustainable Development Agenda advocate full employment, macroeconomic policies have shifted their emphasis from boosting employment to focusing on monetary and price policies, austerity and flexibilization, while the financialization of the economy linked to globalization has brought about a tendency towards short-termism in seeking efficiency and entrepreneurial gains.

On the other hand, according to Nobel prize winner Elinor Ostrom, participatory systems including cooperatives allow for “*the intensive involvement of citizens in the initial design and continuing maintenance of the system*”.<sup>19</sup> In fact, cooperatives tend to prioritize long-term effectiveness over short-term, managerial efficiency, both because they are driven by citizens’ needs and aspirations, and because they involve those same citizens in an enterprise which the latter jointly own and democratically control. This, in turn, entails a strong element of entrepreneurial sustainability and resilience.<sup>20</sup> In addition, their inner financial regime, based on capital accumulation and returns calculated according to members’ transactions with the cooperative and not according to amounts of share capital invested, protects them against financialization.

#### B. Technological changes and jobs: Risks or opportunity?

The world is undoubtedly undergoing one of the most profound and radical waves of technological change it has ever known, particularly in the fields of IT and robotics, with profound applications in industrial automation, the delivery of goods and services through online platforms, and an organization of work and production in which individual workers, producers and users are often more disseminated in space. The advent of artificial intelligence and continued growth of robotization will change the sorts of jobs available in the future. Women may be disqualifying themselves from jobs altogether and certainly from the management ranks by leaving these fields to men. In the developed world, technological change could have the unhappy consequence of reversing the trends that have been so beneficial to women over the last few decades, in particular of the underrepresentation of women in the STEM (Science, Technology, Engineering and Mathematics) fields in post-secondary education.

On the other hand, even though technological change leaves many components of the world of work unresolved, especially as far as the social dimension of work is concerned, it also represents an opportunity to bring people together. Machines are still not capable of acting in the same way as we are, in regard to care and relationship to each other. Cooperatives are important actors in this process, they promote this union, now aided by technology while contributing to employment and citizenship. Technological change can also favour more genuine forms of collaborative work, such as

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<sup>19</sup> *Ibid.* p. 1081

<sup>20</sup> See Stephen C. Smith and Jonathan Rothbaum *Co-operatives in a global economy: key issues, recent trends and potential for development*, pp 221-241, in Novkovic and Webb, eds. (2014) *Co-operatives in a Post-Growth Era: Creating Co-operative Economics*; London: Zed Books

cooperation among producers, freelancers and SMEs through cooperatives, as well as among cooperatives themselves.<sup>21</sup>

In addition, many cooperatives are presently dealing with technological change, and the more they cooperate among themselves in generating economies of scale through networks and groups, the more they tend to be successful in carrying out this transformation.<sup>22</sup>

Technological change may even offer solutions to improve democracy within the enterprise (on line consultations, electronic voting etc.), something fundamental for cooperatives as they are governed by the “one person one vote” system.

### C. Potential for new jobs?

The Inception Report states that the changing landscape, including technological transformation, may be offering opportunities to the future of work.<sup>23</sup> The Massachusetts Institute of Technology (MIT) comments in this respect that *“it’s likely that work done by humans will increasingly involve innovative thinking, flexibility, creativity and social skills, the things machines don’t do well”*.<sup>24</sup> Cooperatives undoubtedly have a strong potential advantage in all the activities that require mainly knowledge and the human factor. An increasing trend towards the creation of cooperatives active in knowledge-intensive activities<sup>25</sup> has been noticed in a number of countries. There are a host of activities in local communities in which cooperatives can act in niche markets where the large companies, including those organized as platforms, find it more difficult to operate. Cooperatives in various countries have already started taking advantage of the new opportunities made available in the “white economy”, “green economy”, “circular economy” and creative industries. In many of these activities, the cooperative form has a comparative advantage because decentralized and democratic management is often conducive to their delivery. They also tend to be more gender-balanced. Regrouping in cooperative groups and networks offer better conditions to develop in these sectors thanks to the economies of scales that such groupings generate.

The needs and demands for goods and services have also undergone a profound transformation everywhere. The needs of society and, more generally, of civilization as a whole, have changed. The needs that are appearing are not only linked to consumers’ or users’ choice, but also to evolutions that are leaving society with few or no options, such as the need to tackle environmental degradation, climate change, migrations, the refugee crisis (including the incipient climate refugees), the increase in life expectancy and population ageing. The expansion of activities revolving around IT, health and

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<sup>21</sup> Mandl I. *et al.* (2015) *New Forms of Employment*; Dublin: Eurofound, p. 118-128

<sup>22</sup> Such as Ikerlan and the other technology innovation centres of the MONDRAGON cooperative group, see <https://www.ikerlan.es/en/>

<sup>23</sup> ILO (2017) *Inception Report for the Global Commission on the Future of Work*; Geneva: ILO, p. 27.28

<sup>24</sup> MIT Technology Review Business Report, p. 2

<sup>25</sup> Such as biotechnology, computer engineering, nanotechnology, robotics, telecommunications, data management, e-education etc.

social services, the protection of the environment, energy production, organic food, for example, also have to do with these changes.<sup>26</sup>

Cooperatives have a clear advantage in these activities given their particularly strong adaptability to knowledge-intensive production. Indeed, they are characterised by a high level of legitimacy and service quality since they provide solutions **for** and **by** the concerned group of individuals. By including the community or beneficiaries in the design and delivery process, they increase the chances to link the offer adequacy to the real needs.

#### *4 - The organization of work and production: "Labour is not a commodity"*

##### **A. Informal employment and the future**

According to the new ILO definition, the informal economy *"refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements"* and *"does not cover illicit activities"*.<sup>27</sup>

Today, the deterioration of existing social rights and protection granted to workers and a consequent tendency towards informalization is drawing more people away from formal employment arrangements. The informal economy in developing countries has come to stay, with informal employment reaching up to 90% of total employment<sup>28</sup> while in the industrialised ones, atypical forms of work inappropriately covered by existing social security systems and stemming from within the formal economy have been increasing, including, among others, the so-called "uberization" phenomenon. Empirical research, in particular at the ILO, shows that, since the 1980s, the informal economy has been continuously on the rise.<sup>29</sup> While the precise impact of the recent global financial crises on the size of the informal economy in different countries still needs to be better defined, new forms of informality, often related to new technological development, have drawn attention particularly in the most industrialised countries<sup>30</sup> and in emerging economies.<sup>31</sup>

Cooperatives have been 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*

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<sup>26</sup> The Massachusetts Institute of Technology (MIT), in a study dedicated to the future of work, states that *"62 per cent of new STEM [Science, Technology, Engineering and Mathematics] jobs added through 2022 will be in health care"* in the USA; MIT (2015) *The Future of Work*; MIT Technology Review Business Report, p. 3

<sup>27</sup> ILO *Transition from the Informal to the Formal Economy Recommendation*, 2015, n° 204

<sup>28</sup> ILO (2017) *Inception Report for the Global Commission on the Future of Work*; Geneva: ILO, p. 5

<sup>29</sup> ILO (2012) *The informal economy and decent work: A policy resource guide - Supporting transitions to formality*, Geneva: ILO

<sup>30</sup> Like European countries and Japan see contributions from Smart and JWCU; In some countries, like Romania, informal work involves up to 31.5% of the employed population, with more than the double for the youth

<sup>31</sup> Such as India, China, Brazil or Indonesia; see Eum, H. (2017) *Cooperatives and employment – Second global report*, Brussels : CICOPA

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 particular, in bringing income-generation opportunities to women, especially through women-only cooperatives.<sup>32</sup> Many studies and reports show that shared service cooperatives among workers and producers can play an important role in organizing, supporting and representing them, by providing them a formal framework through which their economic activities can be recognised as real businesses and members can negotiate with public authorities in order to introduce appropriate social security and protection schemes.<sup>33</sup>

## B. The organization of work within global supply chains

With globalization, a profound transformation in the production of goods and services has been taking place over the last 30 years. On the one hand, the production of goods and services tends to take place either where it costs less or where the clients are situated, or both. On the other hand, with the strengthening of global supply chains, a good or service is increasingly produced in a complex and multistage process involving several regions of the world.

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

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<sup>32</sup> Like the SEWA cooperatives, see <http://www.sewafederation.org/>

<sup>33</sup> See Birchall, J. & Simmons, R. (2009) *Co-operatives and poverty reduction - Evidence from Sri Lanka and Tanzania*, Manchester: Co-operative College; ILO, 2012, *The informal economy and decent work: A policy resource guide - Supporting transitions to formality*, Geneva: ILO; and Wanyama, F. O. (2014) *Cooperatives and the sustainable development goals – A contribution to the post-2015 development debate*, Geneva: ILO

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.<sup>34</sup> Fair trade cooperatives are another example of cooperative internationalization, based on value chains.<sup>35</sup>

Worker buyouts under the cooperative form often take place in enterprises that are part of global supply chains and that are closing down or where there is an intent to delocalize them elsewhere. Wherever business support services from the cooperative movement offer professional consultancy to these enterprises, like in France, Italy and Spain, these operations show a high rate of success.<sup>36</sup>

### C. Diversification of the employment relationship

Several of the non-standard employment forms mentioned in the inception report are essentially negative, such as disguised employment relationships, dependent self-employment, zero hour contracts and the “gig economy”. However, the cooperative system has generated a series of non-standard forms of employment that are based on an effort to implement decent work, such as the status of worker-members in worker cooperatives and social cooperatives, salaried employment for self-employed in business and employment cooperatives, interim work in labour cooperatives with better working conditions than in average interim agencies, etc.<sup>37</sup> The latter, however, should not be confused with false cooperatives which are involved in labour intermediation, as has been the case in particular in Latin America.

The Inception Report also mentions the “platform economy”. Conventional technology platforms benefit from the dispersal of the work force and the loss of physical connection with it. Separate parts of a same project are assigned to a constellation of workers disconnected from each other.<sup>38</sup> As a result, the workers only maintain a virtual and disembodied link with their employer, making them unable to join forces to make common social demands.

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<sup>34</sup> Luzarraga JM La estrategia de multilocalización internacional de la Corporación Mondragon, *Ekonomiaz* N.º 79, 1st term, 2012, [www.ogasun.ejgv.euskadi.eus/r51.../es/.../downloadPDF](http://www.ogasun.ejgv.euskadi.eus/r51.../es/.../downloadPDF)

<sup>35</sup> Sanchez Bajo, C. and Silvestre, B. (2014) Cooperatives in global value chains; Coffee in Guatemala and cooperatives, in *Congrès des Sciences Humaines 2014*

<sup>36</sup> CECOP (2013) *Business Transfers to Employees under the Form of a Cooperative in Europe*; Brussels: CECOP

<sup>37</sup> Eum HS (2017), *Cooperatives and Employment Second Global Report*; Brussels: CICOPA, p. 66

<sup>38</sup> For example, Amazon’s on line labour brokerage Mechanical Turk “allows for a project to be broken down into thousands of bits, which is then assigned to so-called crowd workers. Often well-educated, novice workers are making between two and three dollars an hour in this environment. Just like migrant workers, barristers, or temps in the fast food industry, they are working long hours, are underpaid and treated poorly by their virtual bosses, and have few or no benefits”, in Scholtz T. (2015) *Platform Cooperativism – Challenging the Corporate Sharing Economy*, New York; Rosa Luxemburg Stiftung, p. 8

But online platforms do not necessarily predetermine a type of organization of work which is disadvantageous to the workers or producers. By putting the interest of digital platform users at the forefront, and by involving them in financing, commercial life and business management, cooperative platforms can direct their efforts towards the satisfaction of this interest and not towards the accumulation of profits for the benefit of external investors who have a purely speculative interest in the development of the platform. Despite the spatial dissemination which characterizes the platform economy, cooperatives maintain the decision-making process among the workers or producers.

Embryonic initiatives of platforms using the cooperative democratic control model tend to suggest that technological innovation and control by a few can be de-coupled, and that the platform model can be compatible with the inner structural features which characterize cooperatives, no matter whether they are producers', users', worker or multistakeholder cooperatives.

## *5 - The governance of work*

### **A. Governance of work: The state, employers and workers**

While trade unions have suffered a fall in membership over the last few years as the Inception Report mentions, the membership of cooperatives has reached 1.2 billion, and the level of cooperative employment involves a substantially higher amount of persons than those represented by the International Trade Union Confederation (279 million against around 180 million). As for the ratio of unionization in cooperatives, it is often similar to the rest of enterprises in the same sectors and in the same countries.

Cooperative apex organizations (federations, confederations, unions etc.) are usually classified as employers' organizations and, like the latter, have been growing in numbers and membership over the last few years. Since cooperatives are member-based enterprises with a social mission, their apex organizations also have a specific nature and mission as compared to conventional employers' organizations.

### **B. Innovation in governance and labour regulation**

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.

While social dialogue and tripartism should certainly be pursued, the world of work would certainly gain a lot by inserting cooperatives in social dialogue and tripartism. At the same time, alliances between cooperatives and both trade unions and employers' organizations should also be sought.

## II. POLICY RECOMMENDATIONS FOR THE PROMOTION OF COOPERATIVES

The ILO, through Promotion of Cooperatives Recommendation, 2002 (n° 193), has recognized “*the importance of cooperatives in job creation, mobilizing resources, generating investment and their contribution to the economy, and (...) that cooperatives in their various forms promote the fullest participation in the economic and social development of all people*”.

It would thus be very important that the Global Commission extend this recognition to the discussion on the future of work. As this document suggests, promoting the cooperative business model can be part of the solution to many of the challenges that the changing world of work is facing.

The International Cooperative Alliance therefore call on the Global Commission to:

- Recognize that cooperatives make up a considerable proportion of world employment and substantially contribute to tackling the challenges highlighted in the Inception Report, and promote the cooperative model as a creator of quality jobs and collective wealth at the local, national and international levels;
- Recommend that the International Labour Office cooperate with the International Cooperative Alliance to identify and showcase examples of good practice by cooperatives in addressing the challenges highlighted in the inception report;
- Recommend that national governments fully Implement cooperative promotion policies enshrined in ILO Promotion of Cooperatives Recommendation, 2002 (n° 193), in particular in:
  - Issuing legislation that reflects the ICA’s Statement on the Cooperative Identity;
  - Promoting policies for the constitution of cooperative reserves and access to credit;
  - Helping cooperatives develop social policy outcomes like benefitting disadvantaged groups, including migrants and refugees;
  - Promoting policies for the participation of women;
  - Promoting cooperative education and training at all levels of the educational system, information on cooperatives and skills training in cooperatives, particularly among the youth
  - Supporting research on cooperatives and the introduction of a harmonized methodology for collecting and analyzing data to demonstrate the economic and social impact of cooperatives;
  - Promoting the role of cooperatives in transforming informal economy activities into formal ones;
  - Promoting initiatives that facilitate the emergence and development of start-up, consolidation, growth and clustering of cooperatives through access to business support services;
  - Encouraging exchanges of experience among cooperatives;
  - Encouraging the representation of cooperatives by cooperative organizations at national and international levels.
- Help cooperatives implement the ILO’s Decent Work agenda and the UN SDG n°8

Through ILO Promotion of Cooperatives Recommendation, 2002 (n°193), the international cooperative movement committed itself to promoting Decent Work (mentioned in the preamble and in para 4) and the Fundamental Principles and Rights at Work (mentioned in the preamble and in para 4. 1) a)), while SDG n° 8 formally relays the concept of decent work within the SDGs.

The ICA therefore requests governments to promote cooperatives' efforts in promoting 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.

- Employment. Governments should actively promote the cooperative model as a creator of quality jobs and collective wealth at the local, national and international levels
- Social protection for the workers. The conditions of access to social protection should change so that all workers can have access to it, independently from their work status.
- Workers' rights. The absence of any type of discrimination is enshrined in the first cooperative principle. States should approve legislation allowing for monitoring of the proper functioning of cooperatives, including in the field of workers' rights.
- Social dialogue. The importance and role of social dialogue and collective bargaining at all levels and to address the impacts of major digital, environmental and demographic changes that cause profound changes for employees, employers and their relationships should be upheld. In addition, dialogue and alliances between the cooperative movement and the trade unions should be strongly encouraged.

#### ●●● ABOUT THE INTERNATIONAL CO-OPERATIVE ALLIANCE ●●●

The International Cooperative Alliance (ICA) is a non-profit international association established in 1895 to advance the cooperative model. The ICA is the voice for cooperatives worldwide, representing 308 national level cooperative federations, individual cooperative organisations and government offices concerned with cooperatives across 107 countries (figures of April 2018).

The ICA works with global and regional governments and organisations to create the legislative environments that allow cooperatives to form and grow. The International Cooperative Alliance promotes the importance of cooperatives' values-based business model.

The International Cooperative Alliance unites cooperatives worldwide and is the custodian of the cooperative values and principles and makes the case for their distinctive values-based economic business model which also provides individuals and communities with an instrument of self-help and influence over their development. The ICA advocates the interests and success of cooperatives, disseminates best practices and know-how, strengthens their capacity building and monitors their performance and progress over time.

One in every six people on the planet are cooperators. Through its membership, the International Cooperative Alliance represents 1,2 billion people from any of the 2.94 million cooperatives worldwide. The largest 300 cooperatives in the world have combined annual revenues of 2.16 trillion USD (2015) and 280 million people around the world (10% of the employed population) secure their livelihoods in cooperatives, either through direct employment or by organizing through a cooperative.

Operating from a global office in Brussels, Belgium, the International Cooperative Alliance is organised with four Regional Offices (Europe, Africa, Americas, and Asia-Pacific), and eight Sectoral Organisations (Banking, Agriculture, Fisheries, Insurance, Health, Housing, Consumer Co-operatives, and Industry and Service cooperatives).