

# POSITION PAPER

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## COOPERATIVES AS A KEY CONSTITUENT OF THE SOCIAL AND SOLIDARITY ECONOMY (SSE)

### BACKGROUND

Over the last decades, the concept of social and solidarity economy (SSE) has spread broadly in various countries on all continents, and is institutionalizing rapidly through legal frameworks, public policies and dedicated public administrations.

At the international level, SSE policy-making has been incorporated by a growing number of international organisations, first and foremost the UN and its agencies, as well as the Organization for Economic Co-operation and Development (OECD) and the EU institutions, among others. The United Nations Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSSE) was established in 2013 as the main UN hub dedicated to SSE.

According to the UNTFSSSE, “SSE refers to the production of goods and services by a broad range of organisations and enterprises that have explicit social and often environmental objectives. SSE organizations are guided by principles of cooperation, solidarity, ethics and democratic self-management”<sup>1</sup>.

According to existing legal frameworks which have been accepted by the UNTFSSSE, SSE organisations and enterprises are characterized by the following features:

- voluntary and open membership;
- democratic governance;
- autonomous management;
- entrepreneurial nature;
- reinvestments of surpluses to carry out sustainable development objectives and services of interest to their members and to the society.

As far as the components of SSE are concerned, they include cooperatives and mutuals, as well as an array of other types of entities such as women’s self-help groups, community forestry groups, social provisioning organizations or ‘proximity services’, fair trade organizations, associations of informal sector workers, social enterprises, community currency and alternative finance schemes, etc.<sup>2</sup>.

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<sup>1</sup> UNTFSSSE position paper Social and Solidarity Economy and the Challenge of Sustainable Development, 2014. <http://unsse.org/tfsse-position-paper-social-and-solidarity-economy-and-the-challenge-of-sustainable-development/>

<sup>2</sup> UNTFSSSE <http://unsse.org/>

## WHO WE ARE

The International Cooperative Alliance (ICA) is an independent, non-governmental organisation 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 from all sectors of the economy, including agriculture, industry, services, banking, retail, fisheries, health, housing, and insurance. ICA has members from over one hundred countries, representing one billion individuals worldwide.

A Cooperative is “an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise”<sup>3</sup>. Due to their double nature, being both democratic associations of persons meeting their own basic socio-economic needs (production, work, consumption, housing, credit, public utilities, health, education etc.) and those of their surrounding communities, and being jointly-owned and democratically-controlled enterprises, cooperatives contribute significantly to social integration, job creation and the reduction of poverty. The United Nations General Assembly declaration in 2012 on the International year of cooperatives<sup>4</sup> and its Resolutions concerning cooperatives in social development<sup>5</sup>, ILO Promotion of Cooperatives Recommendation 193 (2002)<sup>6</sup>, and the Communication on the promotion of cooperative societies in Europe (2004)<sup>7</sup>, all acknowledge cooperatives' worldwide impact on economic and social development.

According to the World Cooperative Monitor (2019), the largest 300 cooperatives and mutuals report a total turnover of 2,034.98 billion USD. Cooperatives contribute to the sustainable economic growth and stable, quality employment, providing jobs or work opportunities to over 280 million people across the globe, namely around 10% of the world's employed population, whereas the number of cooperative members reaches more than 12% of humanity<sup>8</sup>. Beyond these numbers, the cooperative movement has been evolving as a coordinated organizational reality since 1895 around the ICA and its various regional, sectoral and thematic bodies, with a common worldwide cooperative model governed by an identity composed of a definition, values and principles that are interlinked, integrated, indivisible, and universally applicable regardless of national realities, capacities, and priorities.

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<sup>3</sup> ICA Statement on the Cooperative Identity see <https://www.ica.coop/en/cooperatives/cooperative-identity>; the definition is also enshrined in ILO Promotion of Cooperatives Recommendation, 2002 (n° 193), see [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:R193](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R193)

<sup>4</sup> [The United Nations General Assembly declared 2012 as the International Year of Cooperatives](#), highlighting the contribution of cooperatives to socio-economic development, recognizing their impact on poverty reduction, employment generation and social integration.

<sup>5</sup> The United Nations General Assembly Resolutions 47/90 of 16 December 1992, 49/155 of 23 December 1994, 51/58 of 12 December 1996, 54/123 of 17 December 1999, 56/114 of 19 December 2001, 58/131 of 22 December 2003, 60/132 of 16 December 2005, 62/128 of 18 December 2007, 64/136 of 18 December 2009, 65/184 of 21 December 2010, 66/123 of 19 December 2011, 68/133 of 18 December 2013, 70/128 of 17 December 2015, 72/143 of 19 December 2017 and 74/119 of 18 December 2019 concerning cooperatives in social development.

<sup>6</sup> The ILO's [Recommendation 193](#) on the Promotion of Cooperatives was adopted in 2002

<sup>7</sup> [Communication from the Commission](#) to the Council and the European Parliament, the European Economic and Social Committee and the Committee of Regions on the promotion of cooperative societies in Europe.

<sup>8</sup> <https://monitor.coop/en>

## THE COOPERATIVES' CONTRIBUTION TO SSE

The above considerations explain why the cooperative movement is a major player in the world's economy and society, and therefore also a main actor within the SSE.

The ICA participates actively in the UNTFSSSE as an observer in representation of the cooperative movement and is committed to promoting SSE at international level and within the UN system, and to establishing strong partnerships with other global SSE organizations.

The cooperative movement has been one of the main institutional pillars constituting the SSE from the latter's historical origin back in the 1830s and has been actively engaged in the modern revival of the SSE concept. Many new SSE initiatives are emerging under different denominations, and many of them are very close to cooperatives in their governance and management (see the SSE common features above). The ICA acknowledges that these common SSE features broadly used by other SSE actors and enshrined in many legal frameworks share a substantial part of the core identity of cooperatives<sup>9</sup>. The cooperative movement strongly supports these common SSE features, which are not reduced solely to the social impact which all types of enterprises and organisations can produce. It is important for the SSE to be recognized not only for its undeniable social contributions, particularly in regard to the achievement of the Sustainable Development Goals, but also for its distinctive common features which are their real source of social innovation and, transformative power in the world, particularly in the face of the unprecedented global crises we are living.

## OUR STAND

The ICA welcomes and supports the UNTFSSSE initiative regarding a UN resolution on SSE. We recognize the very important contribution of SSE towards inclusive and sustainable development with a positive impact on people and the planet. Cooperatives, as a key SSE actor, remain committed to effectively contribute to the realization of the UN Agenda 2030 and Sustainable Development Goals in their economic, social, and environmental dimensions. We emphasize that the contribution of SSE comes from the common SSE features mentioned above and, therefore, the resolution should acknowledge their importance.

The ICA supports the definition of SSE used by the UNTFSSSE while noting that it should be inclusive of all actors who are based on the above-mentioned SSE features, and that cooperatives should always be explicitly mentioned as being part of SSE.

We advocate for an enabling environment and support towards the promotion of SSE following an actor-based approach, ensuring that the specificities and needs of the various SSE actors are considered, including cooperatives. For SSE organisations and enterprises to develop and comply with their mission, they need a robust enabling environment with solid prudential regulation, protecting democratic governance, autonomy, as well as voluntary and open membership. However, we should emphasize that the formulation and adoption of SSE policies should not replace the existing legislation and policies for cooperative at the national level.

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<sup>9</sup> Laws on SSE in France and Spain as well as Quebec (Canada) and Wallonia (Belgium).