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# ► Decent work and the social and solidarity economy

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Report VI

▶ **Decent work and the social and solidarity economy**

Sixth item on the agenda

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## ► Abbreviations

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ASEAN	Association of Southeast Asian Nations
CEPES	Spanish Social Economy Employers' Confederation
CIRIEC	International Centre of Research and Information on the Public, Social and Cooperative Economy
COPAC	Committee for the Promotion and Advancement of Cooperatives
EURICSE	European Research Institute on Cooperative and Social Enterprises
GCC	Cooperation Council for the Arab States of the Gulf
ICA	International Cooperative Alliance
ICMIF	International Cooperative and Mutual Insurance Federation
ILO	International Labour Organization
MERCOSUR	Southern Common Market
OECD	Organisation for Economic Co-operation and Development
OSH	occupational safety and health
RIPESS	Intercontinental Network for the Promotion of Social Solidarity Economy
SEWA	Self-Employed Women's Association
SME	small and medium-sized enterprise
SSE	social and solidarity economy
Turin Centre	International Training Centre of the ILO
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNIDO	United Nations Industrial Development Organization
UNRISD	United Nations Research Institute for Social Development

UNTFSSSE	United Nations Inter-Agency Task Force on Social and Solidarity Economy
WIEGO	Women in Informal Employment: Globalizing and Organizing
2030 Agenda	2030 Agenda for Sustainable Development

## ► Introduction

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1. In March 2021, at its 341st Session, the Governing Body decided to place on the agenda of the 110th Session (2022) of the International Labour Conference an item related to decent work and the social and solidarity economy (SSE), for general discussion.<sup>1</sup>
2. **That decision has paved the way for what will be the first comprehensive discussion on the SSE at the ILO.** Although the SSE is not new, its policy importance and visibility have grown significantly since the turn of the century. The ILO Declaration on Social Justice for a Fair Globalization (2008) recognizes a strong social economy as critical to sustainable economic development and employment opportunities. The ILO Centenary Declaration for the Future of Work (2019) acknowledges the role of the SSE in generating decent work, productive employment and improved living standards for all. The ILO's global call to action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient (2021) recognizes the role of the SSE for a broad-based, job-rich recovery with decent work opportunities for all. It is therefore timely to discuss the value added of the SSE and its role in advancing social justice through decent work and in promoting sustainable development.
3. **Three recent international labour standards make direct reference to the SSE.** The Promotion of Cooperatives Recommendation, 2002 (No. 193), emphasizes that a balanced society necessitates the existence of strong public and private sectors, as well as strong cooperative, mutual and other social and non-governmental sectors. The Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), acknowledges cooperatives and SSE units as a means to facilitate the transition to the formal economy, while recognizing that they may operate in the informal economy. The Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205), recognizes the role of cooperatives and other social economy initiatives in enabling recovery and building resilience.
4. **The promotion of a strong SSE is also related to the promotion of sustainable enterprises.** The impact of the COVID-19 crisis has exacerbated pre-existing decent work deficits, increased poverty, widened inequalities and exposed digital gaps within and among countries.<sup>2</sup> At a time when calls for new ways of doing business are growing, the SSE can provide a basis for a model of enterprise that fosters inclusiveness, sustainability and resilience.<sup>3</sup> SSE units are sustainable enterprises to the extent that they are economically viable and follow the values and principles of the SSE, as described in Chapter 1, which lead them to prioritize human dignity, environmental sustainability and decent work over the legitimate quest for profit.<sup>4</sup>
5. **Since its inception, the ILO has foreseen the relevance of cooperatives – which constitute the most organized segment of the SSE in many countries of the world<sup>5</sup> – to its mandate.** Article 12 of the ILO Constitution stipulates that the ILO “may make suitable arrangements for [..]

<sup>1</sup> ILO, *Minutes of the 341st Session of the Governing Body of the International Labour Office*, GB.341/PV, 2021, para. 50.

<sup>2</sup> ILO, *Global call to action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient*, 2021, para. 3.

<sup>3</sup> An enterprise is “the view of an institutional unit as a producer of goods and services. The term enterprise may refer to a corporation, a quasi-corporation, a [non-profit institution] or an unincorporated enterprise.” See United Nations et al., *System of National Accounts 2008*, 2009, para. 5.1.

<sup>4</sup> ILO, *Conclusions concerning the promotion of sustainable enterprises*, International Labour Conference, 96th Session, Geneva, 2007. The conclusions explicitly refer to cooperatives.

<sup>5</sup> David Hiez, *Guide to the Writing of Law for the Social and Solidarity Economy* (SSE International Forum, 2021).



consultation as it may think desirable with recognized non-governmental international organizations, including international organizations of employers, workers, agriculturists and cooperators.” As early as 1919, formal relations were established between the ILO and the International Cooperative Alliance (ICA). Cooperatives have featured in international labour standards since 1947. Recommendation No. 193 provides a framework for developing cooperative policies and legislation in the twenty-first century.

6. **The ILO has spearheaded the promotion of the SSE within the United Nations (UN) system.** In 1971, the ILO co-founded the Committee for the Promotion and Advancement of Cooperatives (COPAC). This is a multi-stakeholder partnership of UN agencies and cooperative organizations that support the promotion and development of activities on cooperatives. In 2013, it co-founded the United Nations Inter-Agency Task Force on Social and Solidarity Economy (UNTFSE), which comprises 17 UN agencies and the Organisation for Economic Co-operation and Development (OECD) as members and 14 civil society organizations and research institutes as observers. Given the ILO’s leading role in these multilateral platforms, the general discussion will be instrumental in promoting greater coherence across the multilateral system on the role of the SSE in promoting sustainable development through decent work.
7. **In the light of the rising importance of the SSE, further clarification is needed regarding its definition, measurement, size, impact, limitations and potential.** The SSE has gained visibility for its role in creating and sustaining jobs and providing services for members, users and communities during the global COVID-19 pandemic.<sup>6</sup> The general discussion is the first high-level debate in any fund, programme or agency of the UN system around the development potential of the SSE. The ILO’s leading role in promoting the SSE stems from its constitutional mandate. It also reflects the affinity between the SSE, which puts the economy at the service of people and the planet, and the ILO’s social justice mandate and Decent Work Agenda. It is the constitutional responsibility of the ILO, emanating from the 1944 Declaration of Philadelphia, to examine and consider economic and financial policies and measures in the light of the fundamental objective that “all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity”.<sup>7</sup>
8. **As agreed by the ILO’s Governing Body at its 341st Session (March 2021), the expected outcomes of the general discussion are conclusions and a resolution to provide further guidance for the Organization.** These expected outcomes are to:
  - provide a universal definition of the term “social and solidarity economy”, including its associated principles and values;
  - assess the contribution of the SSE to decent work and to managing and promoting the overall support for people through the transitions they face throughout their working lives;
  - provide policy guidelines for Member States wishing to establish a conducive environment for the national SSE;
  - equip the Office with guidance on how to engage in the promotion of the SSE worldwide, including through development cooperation; and

<sup>6</sup> OECD, “Social economy and the COVID-19 crisis: current and future roles”, OECD Policy Responses to Coronavirus (COVID-19), 2020.

<sup>7</sup> Declaration of Philadelphia, Part II(a).

- encourage the Office to establish and maintain a wide range of partnerships with institutions, organizations and agencies representing the SSE, or involved in the promotion of the SSE.<sup>8</sup>

**9. This report is organized into five chapters, as follows:**

- Chapter 1 delineates the contours of the SSE around the world, elaborates on the building blocks of the concept and proposes a definition for discussion. It also presents regional overviews of the SSE.
- Chapter 2 provides evidence of the contributions of the SSE to the global development priorities defined by the Decent Work Agenda and the broader 2030 Agenda for Sustainable Development (2030 Agenda).
- Chapter 3 discusses the relationship of the ILO's tripartite constituents with the SSE, using examples from around the world.
- Chapter 4 describes the Office's work on the SSE, with a specific focus on historical background, current programmes, development cooperation policy and partnerships and capacity-development activities.
- Chapter 5 discusses the way forward in terms of strengthening the contribution of the SSE to decent work and sustainable development. It stresses the importance of promoting a conducive environment for the SSE, discusses the linkages between the SSE and the future of work and proposes avenues for future Office work on the SSE.<sup>9</sup>

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<sup>8</sup> ILO, *Agenda of the International Labour Conference: Agenda of future sessions of the Conference*, GB.341/INS/3/1(Rev.2), 2021, Appendix I, para. 8.

<sup>9</sup> The references to names or publications and examples provided in this report do not imply their endorsement by the International Labour Office, and any failure to mention a particular name, publication or example is not a sign of disapproval. The empirical evidence mentioned draws largely on secondary sources believed to be reliable. The Office does not guarantee the accuracy or completeness of any such information, including links to websites, and undertakes no responsibility to verify any of that information.

## ► Chapter 1. The SSE around the world

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### Contours of the social and solidarity economy

10. **The “social and solidarity economy” (abbreviated to “SSE”) is an umbrella term that covers a wide range of institutional units.**<sup>10</sup> The term has gained prominence in the UN system through the UNTFSSSE and in official ILO documents such as the ILO Centenary Declaration for the Future of Work (2019) and the global call to action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient (2021). The term, however, currently lacks universal acceptance. Other terms closely associated with the SSE include, among others, “social economy”, “third sector”, “social enterprise”, “non-profit sector”, “solidarity economy”, “alternative economy” and “popular economy”.<sup>11</sup>
11. **The different terms reflect the diversity of traditions.** Depending on the context, they may be interchangeable with the term “social and solidarity economy” or differ to various extents in their referents and connotations. This report uses the term “social and solidarity economy”, which is sufficiently broad to accommodate the diverse traditions and realities across countries and regions.
12. **Since the turn of the century, legislation on the SSE has been adopted in at least 20 countries.** National legislation on the SSE has been developed in the Plurinational State of Bolivia, Cabo Verde, Cameroon, Colombia, Costa Rica, Djibouti, Ecuador, France, Greece, Honduras, Luxembourg, Mexico, Portugal, Romania, Senegal, Slovakia, Spain, Tunisia, Uruguay and the Bolivarian Republic of Venezuela. Other countries, such as Brazil, the Dominican Republic, the Republic of Korea and South Africa, are currently preparing national SSE policies. Certain countries, including Argentina (Entre Rios, Mendoza and Rio Negro), Belgium (Brussels and Wallonia), Brazil (Minas Gerais, among others), Canada (Quebec) and Italy (Emilia Romagna, among others) have adopted SSE legislation at the subnational level. In many countries, including Chile, Mali and Nicaragua, governmental SSE authorities have been established by law.
13. **An adequate definition of the social and solidarity economy should specify who does what, how and why (in other words, its agents, activities, principles and values).** A shared understanding of the SSE is emerging from the development of legislation and statistical frameworks on the SSE. While a consensus is emerging on the values and principles of the SSE, there is no universal agreement on the organizational forms that are subsumed under it. Although a universally agreed-on definition may not fully capture the diversity of the SSE around the world, its absence impedes the adequate representation of the SSE in international development policies and strategies. It also impedes the compilation of comprehensive, reliable and internationally comparable SSE statistics.

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<sup>10</sup> An institutional unit is an “economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities.” Institutional units include non-financial corporations, financial corporations, general government, households and non-profit institutions serving households. See United Nations et al., para. 4.2.

<sup>11</sup> Frank Moulaert and Oana Ailenei, “Social Economy, Third Sector and Solidarity Relations: A Conceptual Synthesis from History to Present”, *Urban Studies* 42, No. 11 (2005): 2037–2053.

**14. The set of values distinguishing the SSE from other subsets of the economy, as reflected in national and subnational legislation, can be considered to fall into five different categories, as set out below.**<sup>12</sup>

- Care for people and planet: integral human development, the satisfaction of community needs, cultural diversity, ecological culture and sustainability.
- Egalitarianism: justice, social justice, equality, equity, fairness and non-discrimination.
- Interdependence: solidarity, mutual aid, cooperation, social cohesion and social inclusion.
- Integrity: transparency, honesty, trust, accountability and shared responsibility.
- Self-governance: self-management, freedom, democracy, participation and subsidiarity.

**15. A set of SSE principles operationalizes the SSE values.** Although a particular SSE value or principle may apply outside the SSE, it is the set of SSE values and the set of principles that together give coherence to the SSE. Five SSE principles have featured prominently in recent legislation on the SSE:<sup>13</sup>

- **Social or public purpose:** SSE units aim to meet the needs of their members, or the community or society in which they work or live, rather than to maximize profits. The purpose may be social, cultural, economic or environmental, or a combination thereof. Promoting internal solidarity and solidarity with society, they seek to reconcile the interests of their members, users or beneficiaries and the general interest. Some national laws refer to this principle as the “primacy of people and social purpose over profit”.
- **Prohibition or limitation of profit distribution:** SSE units that generate a positive result (profit or surplus) must use it in accordance with their purpose.<sup>14</sup> Those not prohibited from distributing profit have significant constraints on their ability to generate and distribute it. Those that distribute surplus do so based on member activity, such as work, service, usage or patronage, rather than on the basis of capital invested. In the event of their sale, transformation or dissolution, many are legally bound to transfer any residual earnings or assets to a similarly restricted unit. Some national laws refer to this principle as the “primacy of people and work over capital”.
- **Democratic and participatory governance:** The rules applicable to SSE units provide for democratic, participatory and transparent governance, enabling member control through active participation in setting policies and making decisions and by holding elected representatives accountable. In primary SSE units, members have equal voting rights (one member, one vote). Horizontal and vertical structures of the SSE are also organized democratically.
- **Voluntary cooperation:** Participation in SSE units is not forced or compulsory and must involve a significant element of choice. Members and users join and remain in SSE units voluntarily and freely, without penalty or the threat of a penalty for non-participation. SSE units may engage in voluntary cooperation and mutual support with other SSE units, creating vertical and horizontal structures.

<sup>12</sup> The SSE values listed are based on a review by the Office of selected legislation on the SSE from Argentina (Entre Rios), Cabo Verde, Honduras, Mexico, Portugal and the Bolivarian Republic of Venezuela, all of which make explicit reference to the SSE values.

<sup>13</sup> The SSE principles listed are based on a review of selected legislation on the SSE from Argentina (Entre Rios, Mendoza), Belgium (Wallonia), Bulgaria, Cabo Verde, Cameroon, Canada (Quebec), Colombia, Djibouti, Ecuador, France, Greece, Honduras, Luxembourg, Mexico, Portugal, Romania, Senegal, Slovakia, Spain, Tunisia, Uruguay and the Bolivarian Republic of Venezuela.

<sup>14</sup> In cooperatives, surplus is derived from transactions with members, whereas profit is derived from transactions with non-members, if any. See Hagen Henry, *Guidelines for Cooperative Legislation: Third revised edition* (ILO, 2012).

- **Autonomy and independence:** SSE units are self-governed. They must enjoy autonomy and independence from public authorities and other entities outside the SSE and must not be subject to undue interference or control. If they enter into agreements with other SSE units or public and private sector actors or raise capital from external sources, they must do so on terms consistent with the SSE values and principles.
16. **The production of goods and services is the main kind of SSE activity featured in national legislation.** Some national laws also refer to consumption. SSE laws that address the accumulation of assets typically place restrictions on such accumulation. Around the world, SSE activities take place that fall into all the sections of the International Standard Industrial Classification of All Economic Activities (fourth revision).<sup>15</sup>
17. **The agents of the SSE are institutional units that subscribe to the set of SSE values and principles.** National legislation and international definitions enable the identification of a diversity of organizational forms in the SSE, including but not limited to cooperatives, mutual societies, associations, foundations, self-help groups and social enterprises, as described below.
- 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>16</sup>
  - A **mutual society** is organized by individuals seeking to improve their economic situation through collective activity. It differs from a cooperative because it is a mechanism for sharing risk, either personal or property, through periodic contributions to a common fund.<sup>17</sup>
  - An **association** is a legal entity principally engaged in producing non-market services for households or the community at large and whose primary resources are voluntary contributions. A community-based or grassroots association is member-based and offers services to or advocates for members of a particular neighbourhood, community or village.<sup>18</sup>
  - A **foundation** is an entity that has at its disposal assets or an endowment and, using the income generated by those assets, either makes grants to other organizations or carries out its own projects and programmes.<sup>19</sup>
  - A **self-help group** is similar to both a cooperative and a mutual society in that individuals join in accomplishing goals of mutual support, such as technical and financial support, that would be unattainable on an individual level. However, it differs from both in that it is not principally engaged in commercial activities.<sup>20</sup> Moreover, many self-help groups are in the informal economy.
  - A **social enterprise** is a unit that utilizes market means but primarily to serve social purposes, such as employing and training disadvantaged individuals (for example, persons with disabilities and the long-term unemployed), producing products of particular social value or serving disadvantaged persons in other ways.<sup>21</sup>

<sup>15</sup> UN, *International Standard Industrial Classification of All Economic Activities (ISIC), Rev.4*, 2008.

<sup>16</sup> ILO, *Recommendation No. 193*.

<sup>17</sup> UN et al., para. 23.22.

<sup>18</sup> UN et al., para. 2.17(e) and 23.19(g).

<sup>19</sup> UN et al., para. 23.19(f).

<sup>20</sup> UN et al., para. 23.24.

<sup>21</sup> UN, *Satellite Account on Non-profit and Related Institutions and Volunteer Work*, 2018.

- 18. Many SSE laws include context-specific forms of organization as part of the SSE.** Such forms notably include *ejidos* and *comunidades*,<sup>22</sup> workers' organizations, pre-cooperatives, insertion enterprises, special employment centres, platform cooperatives, community forestry and fishery associations, producers' and peasants' organizations, economic interest groups, popular economic units, microfinance associations, cultural, recreational and local development associations with altruistic goals, and community and self-management subsectors. National laws on the SSE typically consider that any other form of organization is part of the SSE if it observes the SSE values and principles as spelled out in that law.
- 19. The SSE transcends traditional dichotomies.** It includes market and non-market producers and units operating in the formal and informal economies. Examples of market producers include cooperatives, mutuals and social enterprises, while non-market producers include associations and foundations. SSE units have a dual nature. They are both organizations and enterprises. As groups of persons organized with a particular purpose, they are organizations. As producers of goods and services, they are enterprises. Some texts have used the term "enterprise" more narrowly than its international definition, for example, restricting SSE enterprises to market units and SSE organizations to non-market units. Although some conceptualizations exclude informal economy units from the SSE, Recommendation No. 204 recognizes that SSE units may operate in the informal economy.
- 20. Opinions differ on whether the SSE is part of the private sector or a subset of the economy that is distinct from the public and private sectors.** References to the "private sector" in ILO tripartite discussions seem to reflect two different understandings of the term.<sup>23</sup> The first refers to the private sector as encompassing institutional units that are neither part of, nor controlled by, government. The second refers to the private sector as encompassing enterprises that are outside the public sector and whose primary purpose is to maximize profits and distribute them based on capital invested. In the first meaning, the private sector includes the SSE, which remains distinct from, and irreducible to, the profit-maximizing private sector. In the second meaning, the SSE is distinct from both the public and private sectors.
- 21. There are many commonalities across SSE policies and legislation in the specification of the SSE.** The building blocks for a proposed definition of the SSE include a single term (social and solidarity economy); a set of principles that are derived from a set of values; and a variety of organizational forms. Together, they provide the basis for a proposed definition for discussion.

#### ► The proposed definition of the social and solidarity economy for discussion

The social and solidarity economy (SSE) encompasses institutional units with a social or public purpose, engaged in economic activities based on voluntary cooperation, democratic and participatory governance, autonomy and independence, the rules of which prohibit or limit the distribution of profit. SSE units may include cooperatives, associations, mutual societies, foundations, social enterprises, self-help groups and other units operating in accordance with the values and principles of the SSE in the formal and the informal economies.

<sup>22</sup> In Mexico, *ejidos* are areas of communally farmed land under a system that is supported by the State and *comunidades* are land associations where land ownership is collectively held.

<sup>23</sup> ILO, *Report of the Committee on the Promotion of Cooperatives*, Record of Proceedings, International Labour Conference, 90th Session, 2002 (Record No. 23).

- 22. The proposed definition draws on existing SSE policies and legislation. It is also informed by the most recent conceptual work on SSE policy and statistics.**<sup>24</sup> It is thus readily operationalizable. The proposed definition is intended to be flexible and to accommodate diverse situations in different national contexts, in line with the diversity of SSE units around the world and the multiplicity of conceptual frameworks in SSE policy, legislation and statistical frameworks.
- 23. The proposed definition can provide the impetus for policy-oriented social dialogue on the SSE at multiple levels.** Moreover, it is intended to enable the further refinement of statistical frameworks on the SSE and, consequently, more systematic data collection. Three challenges exist in respect of measuring and comparing the scope, size and impact of the SSE across different locations or contexts: the complexity of the SSE itself; the lack of a universal definition of the SSE; and the underdevelopment of methodologies for SSE measurement.<sup>25</sup> Data on the size of the SSE exist for certain organizational forms (mainly cooperatives, credit unions and mutual societies) and for certain regions or countries, but not for the SSE in its entirety at the global level.<sup>26</sup> National statistical offices typically do not measure and analyse the SSE as a specific subset of the economy, so its components appear under separate headings in statistics. Satellite accounts have been developed in countries such as Portugal and Spain for all SSE units covered by their respective legislation.
- 24. Conceptual work on the measurement of the SSE can build on recent guidance concerning the measurement of cooperatives.** In 2013, the 19th International Conference of Labour Statisticians adopted a resolution calling for increased efforts to compile statistics on cooperatives.<sup>27</sup> Thereafter, the ILO, in collaboration with COPAC, prepared the *Guidelines concerning statistics of cooperatives*, which were endorsed by the 20th International Conference in 2018.<sup>28</sup> Efforts are under way by the Office to test and develop the information in the Guidelines in selected countries towards the development of a coherent, harmonized and standardized set of statistics on cooperatives.<sup>29</sup> In 2021, the UNTFSSSE produced three research papers on SSE statistics, focusing on: the state of the art;<sup>30</sup> mapping exercises;<sup>31</sup> and policy recommendations and directions for future research.<sup>32</sup>

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<sup>24</sup> Bénédicte Fonteneau et al., *Social and Solidarity Economy: Our common road towards Decent Work*, Reader for the ILO Academy on the Social and Solidarity Economy (International Training Centre of the ILO, 2011); Peter Utting, *Public policies for SSE: Assessing progress in seven countries* (International Training Centre of the ILO, 2017); Bénédicte Fonteneau and Ignace Pollet, *The contribution of social and solidarity economy and social finance to the future of work* (ILO, 2019); Marie J. Bouchard and Gabriel Salathé-Beaulieu, *Producing Statistics on Social and Solidarity Economy: The State of the Art* (UNTFSSSE, 2021); UN, *Satellite Account on Non-profit and Related Institutions and Volunteer Work*, 2018.

<sup>25</sup> UNRISD, "Measuring the Scale and Impact of Social and Solidarity Economy", Issue Brief No. 09, August 2018.

<sup>26</sup> Bouchard and Salathé-Beaulieu, 11.

<sup>27</sup> ILO, *Resolution concerning further work on statistics of cooperatives*, 19th International Conference of Labour Statisticians, 2013.

<sup>28</sup> ILO, *Guidelines concerning statistics of cooperatives*, 20th International Conference of Labour Statisticians, Geneva, 2018.

<sup>29</sup> Target countries are Costa Rica, Italy, the Republic of Korea, Turkey and the United Republic of Tanzania. For more information, see ILO, "Strengthening Social and Solidarity Economy Knowledge Base".

<sup>30</sup> Bouchard and Salathé-Beaulieu.

<sup>31</sup> Coline Compère, Barbara Sak and Jérôme Schoenmaeckers, *Mapping International SSE Mapping Exercises* (UNTFSSSE, 2021).

<sup>32</sup> Rafael Chaves-Avila, *Producing Statistics on Social and Solidarity Economy. Policy Recommendations and Directions for Future Research* (UNTFSSSE, 2021).

## Regional overviews

**25. This section examines the situation of the SSE in different regions.** It discusses regional variations in the use of terminology relating to the SSE, provides highlights of public policies, legislation and regulations on the SSE in each region and explores how the SSE is addressed in regional economic or political organizations.

### Africa

**26. SSE principles have been applied in the Africa region for centuries.** References to the concept itself were first made in the African context in the first decade of the twenty-first century, initially in French-speaking North and West Africa and then in the rest of the continent. However, self-help groups, associations, mutuels and similar member-based organizations have long been widespread on the continent. Their origins can be traced back to traditional systems, structures and practices, such as those embodying the African spirit of *ubuntu* (humanity) in Eastern, Central and Southern Africa, *umoya* (union) in East Africa and *harambee* (community self-help) in Kenya.<sup>33</sup>

**27. Many traditional forms of cooperation have survived the colonial period.** They have paved the way for the emergence and expansion of less formal SSE units that promote mutual self-help, including mutual benefit organizations and community-based health insurance schemes, which have extended health insurance coverage in rural areas and in the informal economy.<sup>34</sup> Member-based social finance institutions, including rotating savings and credit associations, are widespread on the continent, while various forms of microinsurance, including burial societies, are common in Southern and Eastern Africa.<sup>35</sup>

**28. Formal cooperatives were introduced in the early years of the twentieth century by the then colonial administrations.** In the post-colonial period from the 1960s to the mid-1990s, many national governments used cooperatives to promote social and economic development, especially in rural areas. However, government control over, and support to, cooperatives diminished considerably during the structural adjustment era (in the 1980s and 1990s), resulting in the decline of state-sponsored cooperative structures. Autonomous and independent cooperatives are being revitalized through a series of political, legislative, social and economic reforms that have been introduced since the mid-1990s.

**29. Social enterprises are expanding in Southern, Eastern and North Africa.**<sup>36</sup> A 2020 study estimates that, in Côte d'Ivoire, Egypt, Ethiopia, Ghana, Kenya, Morocco, Nigeria, Rwanda, Senegal, South Africa, Tunisia and Uganda, social enterprises could provide about 5.5 million direct jobs in social enterprises in 2030. Among these countries, Nigeria has the highest number of social enterprises (1.2 million), while Rwanda has the lowest (4,000). The financial and non-financial support systems and policy environments in these countries also vary widely in terms of their conduciveness for the establishment and growth of social enterprises.<sup>37</sup>

<sup>33</sup> Carlo Borzaga and Giulia Galera, *The potential of the social economy for local development in Africa: An exploratory report* (European Parliament, 2014).

<sup>34</sup> Nicholas Awortwi, "Social protection is a grassroots reality: Making the case for policy reflections on community-based social protection actors and services in Africa", *Development Policy Review* 36, Issue S2 (2018): O897–O913.

<sup>35</sup> ILO, *Protecting the poor: A microinsurance compendium II*, 2012, 218.

<sup>36</sup> Angela Hoyos and Diego F. Angel-Urdinola, "Assessing International Organizations' Support to Social Enterprise", *Development Policy Review* 37 (2019): O213–O229.

<sup>37</sup> Emily Barran et al., *Social Enterprises as Job Creators in Africa. The Potential of Social Enterprise to Provide Employment Opportunities in 12 African Countries 2020–2030. Study* (Siemens-Stiftung, 2020).



**30. Public policies promoting the SSE have been on the rise in the continent.** Five countries (Cabo Verde, Cameroon, Djibouti, Senegal and Tunisia) have recently developed legal and institutional frameworks on the SSE, while two others (Morocco and South Africa)<sup>38</sup> are in the process of developing them. The Tunisian SSE law, developed with support from the ILO in a consultative and tripartite manner and adopted in 2020, sets the reference framework and boundaries for the SSE. Cameroon prepared a National Programme for the Development of the Social Economy (PNDES) in 2020. Mali adopted a National Policy for the Promotion of SSE and its action plan in 2014 and a law establishing the National Support Centre for the Promotion of the SSE in 2017. The Plan for an Emerging Senegal 2014–23 considers the SSE as an instrument for the transition to the formal economy.

**31. The following examples illustrate the size of the SSE in four countries in the Africa region:**

- The SSE in Tunisia is composed of 358 agricultural cooperatives, 3,000 producers' associations, 48 mutual benefit organizations, 289 microfinance institutions and around 21,000 associations. It represents 1 per cent of the country's gross domestic product and 0.6 per cent of its labour force.<sup>39</sup> In 2020, there were an estimated 33,000 social enterprises in the country.<sup>40</sup>
- In Cameroon, a 2019 ILO survey of 395 SSE units showed that the most prevalent organizational forms were common initiative groups (58 per cent), cooperatives (25 per cent) and associations (15 per cent). Women represented 44 per cent of the membership of those units and 57 per cent of their workforce. The main branches of economic activity for SSE units were crop production (56 per cent), animal production (22 per cent) and manufacturing (18 per cent).<sup>41</sup>
- The number of social enterprises in Kenya, excluding cooperatives, was estimated at around 3,244 in 2016.<sup>42</sup> Savings and credit cooperative organizations provide financial services to over 4 million Kenyans and frequently offer services that cannot be found elsewhere.<sup>43</sup> The share of cooperatives in the marketing of key agricultural products (coffee, sugar cane, pyrethrum and milk) grew from 18.9 per cent in 2015 to 22.2 per cent in 2019.<sup>44</sup> Kenya's cooperative movement consisted of 21,000 societies in 2019 (up from 17,500 in 2015), with 14 million individual members and 555,000 employees.
- In 2019, South Africa had around 160,000 cooperatives, 48,000 non-profit organizations and more than 24,000 social enterprises.<sup>45</sup> The National Stokvel Association of South Africa represents 810,000 stokvel groups, with over 11 million members.<sup>46</sup>

<sup>38</sup> In 2019, the Government of South Africa, with the ILO's technical support, published a draft green paper on a social economy policy, which was pending Cabinet approval in December 2021 when the Office report was being drafted. ILO, "A key step taken towards developing a social economy policy in South Africa".

<sup>39</sup> Akram Belhaj Rhouma, *Public Policies for the Social and Solidarity Economy and their Role in the Future of Work: The Case of Tunisia* (ILO, 2019).

<sup>40</sup> Barran et al.

<sup>41</sup> ILO and Ministry of Small and Medium-sized Enterprises, Social Economy and Handicrafts (MINP MEESA) of Cameroon, *Evaluation des besoins des unités de l'économie sociale et identification des chaînes de valeur prioritaires pour la création d'emplois décents au Cameroun* (ILO, 2021).

<sup>42</sup> British Council, *The state of social enterprise in Kenya*, 2017.

<sup>43</sup> Alliance for Financial Inclusion, *Meeting the Financial Needs of the Agricultural Sector through Prudentially Regulated SACCOs in Kenya*, 2017.

<sup>44</sup> Kenya National Bureau of Statistics, *Economic Survey 2020*, 2020.

<sup>45</sup> Department of Trade, Industry and Competition of South Africa, *Measuring the Social Economy in South Africa*, 2019.

<sup>46</sup> A stokvel is a rotating savings and credit association in South Africa. See National Stokvel Association of South Africa, "Statement on Measures to Prevent COVID-19 Coronavirus Transmission".

- 32. The SSE is being recognized as a pathway for local, sustainable and inclusive development by various organizations and networks in the region.** <sup>47</sup> The African Union recognizes the social economy as a key contributor to job creation and is developing a regional SSE strategy, with support from the ILO. <sup>48</sup> The outcome documents of the 12th, 13th and 14th African Regional Meetings of the ILO (held in 2011, 2015 and 2019, respectively) all called for the promotion of the SSE. <sup>49</sup> The African Development Bank's Private Sector Development Strategy 2013–17 emphasized the significant potential that social enterprises and social businesses have in fostering social innovation, entrepreneurship and value chain development. <sup>50</sup> The African Network for the Social and Solidarity Economy, which was established in 2010 and has 25 member countries, provides support to its members in formulating national SSE legal and policy frameworks through national networks. Such national networks exist, for example, in Cameroon, Mali, Morocco, Senegal and Tunisia.

## Americas

- 33. The SSE has a rich and diverse history in the Americas, where solidarity-based practices date back to a period before the establishment of the modern State.** SSE units that have prominence in the region include producer cooperatives, fair trade, ethical consumption, informal economy and indigenous peoples' associations, social finance institutions and other community-based initiatives such as *quilombos*. <sup>51</sup> In the region, the SSE has been referred to as the "social economy", the "solidarity economy", the "popular economy" and the "social sector". <sup>52</sup> Across the Americas, many SSE units are large employers and provide services to wide segments of the population in sectors including agriculture, finance, retail, utilities such as electricity and health insurance.
- 34. Indigenous peoples contribute their knowledge of grassroots economic organizing based on principles of community reciprocity.** <sup>53</sup> In the Americas, indigenous peoples have a long tradition of community-based cooperation. The *buen vivir* or *vivir bien* philosophy of indigenous peoples in the Andean and Amazonian regions, enshrined in the 2008 and 2009 constitutions of Ecuador and the Plurinational State of Bolivia respectively, promotes reciprocity and solidarity. <sup>54</sup> Across those regions, SSE units of indigenous people have sought to develop practices consistent with this philosophy. <sup>55</sup> There is a similar tradition of community-based cooperation among

<sup>47</sup> ILO, *Social and solidarity economy actors: Driving the development of social innovation in Africa*, forthcoming.

<sup>48</sup> African Union, "Second session of the specialised technical committee on social development, labour and employment (STC-SDLE-2)", 2017.

<sup>49</sup> The ILO's African Regional Meeting brings together the tripartite constituents to review the progress made by African countries in implementing the Decent Work Agenda in the light of the 2030 Agenda and the African Union's Agenda 2063.

<sup>50</sup> African Development Bank Group, *Supporting the transformation of the private sector in Africa. Private Sector Development Strategy, 2013-2017*, 2013.

<sup>51</sup> *Quilombos* are contemporary peasant communities that were established by people of African descent who resisted slavery in Belize, Brazil, Colombia, Ecuador, Honduras, Nicaragua and Suriname. In many of these countries, the right of these communities to traditional lands is now recognized in national law.

<sup>52</sup> Marcelo Saguier and Zoe Brent, "Social and Solidarity Economy in South American regional governance", *Sage journals* 17, Issue 3 (2017): 259–278.

<sup>53</sup> Julio Álvarez Quispe, "La economía comunitaria de reciprocidad en el Nuevo contexto de la Economía Social y Solidaria: Una mirada desde Bolivia", *Otra Economía* 6, No. 11 (2012): 159–170.

<sup>54</sup> The philosophy is based on the notion of living well in harmony with other people and with nature.

<sup>55</sup> Antonio Luis Hidalgo-Capitán and Ana Patricia Cubillo-Guevara, "Deconstruction and Genealogy of Latin American Good Living (Buen Vivir). The (Triune) Good Living and its Diverse Intellectual Wellsprings", *Alternative Pathways to Sustainable Development: Lessons from Latin America*, International Development Policy Series No. 9 (Graduate Institute Publications, Brill-Nijhoff, 2017): 23–50.

indigenous communities in North America. In Canada, for example, the Kinoosao Fishers' Co-op on Reindeer Lake is one of the oldest SSE units, incorporated in 1945. From the 1950s to the 1990s, there was a steady increase in indigenous cooperatives in the country. The Canadian Co-operative Association compiled a list of 123 indigenous cooperatives in 2012.<sup>56</sup>

- 35. The SSE has features that differ across subregions of the Americas.** For instance, in the English-speaking Caribbean, credit unions have a strong presence. The Caribbean Confederation of Credit Unions is the apex trade and development organization for financial and non-financial cooperatives in the Caribbean. Membership-based organizations of informal economy workers are prominent in the Andean subregion and in the countries of the Southern Common Market (MERCOSUR). Most of the members of the Latin American and Caribbean Waste Pickers' Network (Red LACRE) come from these two subregions.<sup>57</sup> Fair trade associations and agricultural cooperatives that work to improve the negotiation power of smallholder farmers and agricultural workers have a strong presence in Central America.
- 36. Governments are increasingly adopting SSE policies and mainstreaming the SSE into public policy frameworks.** Five countries (Colombia, Ecuador, Honduras, Mexico<sup>58</sup> and Uruguay) and one province (Quebec, Canada) have adopted SSE framework laws. Furthermore, SSE framework laws are under development in Brazil and the Dominican Republic. A Framework Law for Cooperatives in Latin America was adopted in 2009, to provide guidance on key aspects of cooperative legislation for countries in the region. In Colombia, an inter-sectoral Committee on the Social and Solidarity Economy Sector was created in 2020 to coordinate and guide the formulation and implementation of policies and programmes on the SSE. Costa Rica has adopted a public policy and action plan on the SSE for 2021–25 and established a National Chamber of the Social Solidarity Economy (CANAESS).
- 37. The following examples illustrate the size of the SSE in five countries in the Americas:**
- In Argentina, more than 80 per cent of the rural electricity network is run cooperatively, and 7 million Argentinians receive electrical power from cooperatives. Mutuels provide health services to over 2.5 million people, with 7,000 mutuels providing 40 per cent of private health services.<sup>59</sup>
  - In 2019, Canada had 5,812 non-financial cooperatives, employing 105,000 people and generating an annual turnover of 49.3 billion Canadian dollars (US\$40.7 billion).<sup>60</sup> The Canadian province of Quebec has 11,000 SSE units, employing 220,000 persons and generating a turnover of 47.8 billion Canadian dollars.<sup>61</sup>
  - Costa Rica has more than 6,600 SSE units with integrated development associations (2,850) and solidarity associations (1,467) being the most prominent.<sup>62</sup> The national cooperative census of 2012 indicated that 21 per cent of Costa Ricans were members of cooperatives, the majority of them in the sectors of finance and insurance, commerce, industry and agriculture.<sup>63</sup>

<sup>56</sup> Co-operatives First, "Co-operatives in Aboriginal Communities in Canada", 2016.

<sup>57</sup> Red LACRE, "Quiénes Somos".

<sup>58</sup> Article 25 of Mexico's Constitution mandates the State to facilitate the expansion of the economic activity of the SSE.

<sup>59</sup> Silvina Lais Puzino, "La actualidad de la Economía Social en Argentina", *Anuario Iberoamericano de la Economía Social*, No. 3 (CIRIEC, 2018): 19–28.

<sup>60</sup> Statistics Canada, "Canadian Cooperatives, 2019", 3 March 2021.

<sup>61</sup> Chantier de l'économie sociale, "Discover Social Economy".

<sup>62</sup> Ministry of Labour and Social Security of Costa Rica, *Política Pública de Economía Social Solidaria 2021-2025*.

<sup>63</sup> INFOCOOP, *IV Censo Nacional Cooperativo*, 2012.

- Jamaica has 50 credit unions. More than 50 per cent of those active in the agricultural sector are a member of one of 39 agricultural cooperatives.<sup>64</sup>
- In Mexico, the SSE comprises 61,000 SSE units with 12 million members, including 15,000 cooperatives with 8 million affiliates, 100 unions and eight confederations.<sup>65</sup>

**38. The SSE is well-represented in the regional organizations of the Americas.** The Community of Latin American and Caribbean States (CELAC) promotes “enterprises of social production and cooperatives”. MERCOSUR adopted a Declaration in 2001 recognizing the contribution of the SSE to social cohesion, job creation and decent work, and democracy, among others.<sup>66</sup> In 2019, the Organization of American States signed a cooperation agreement with the then regional representative of the ICA in the Americas (ICA–Americas) to identify and work on common projects so that both institutions can support Member States in their efforts to promote and facilitate the cooperative model, with the ultimate goal of promoting greater inclusion and development in the region.<sup>67</sup> In 2020, the UN Economic Commission for Latin America and the Caribbean signed a cooperation agreement with Cooperatives of the Americas, a regional organization of the ICA, with a focus on building back better together from the COVID-19 pandemic. It has also been undertaking joint events with governmental social economy development organizations in the region, such as the National Institute of Social Economy (INAES) in Mexico, to explore the future of the SSE in the region.<sup>68</sup>

**39. There are several active regional networks working on the SSE in the Americas.** The Intercontinental Network for the Promotion of Social Solidarity Economy in Latin America and the Caribbean (RIPESS LAC)<sup>69</sup> and the Network of Latin American Researchers of the Social and Solidarity Economy (RILESS) contribute to the production and sharing of knowledge on SSE. The Ibero-American Employment and Social and Cooperative Economy Observatory (OIBESCOOP), jointly established by SSE movements in Latin America, Portugal and Spain, publishes annual reports on the state of the SSE in the subregion. The cooperative movement in Latin America participates in the Cooperatives of the Americas network, which is the regional representative of the ICA (formerly the ICA–Americas). The International Gender and Trade Network and the Latin American Network of Women Transforming the Economy (REMTE) have contributed to the SSE with inputs from the care economy and feminist economics perspectives. The Latin American and Caribbean Network of Fair Trade Small Producers and Workers (CLAC), part of the Fairtrade International system, has over 900 organizations in 24 countries in the region.<sup>70</sup>

<sup>64</sup> Department of Co-operatives and Friendly Societies of Jamaica, “Development of the Cooperative: Movement in Jamaica”, 2020.

<sup>65</sup> Juan José Rojas Herrera et al., “Panorama general de la Economía Social en México”, *Anuario Iberoamericano de la Economía Social*, No. 3 (CIRIEC, 2018): 109–119.

<sup>66</sup> MERCOSUR has two inter-institutional forums dedicated to the SSE: the Specialized Meeting of Co-operatives of MERCOSUR and the Specialized Meeting of Family Farming. These forums monitor progress towards the 2030 Agenda and the implementation of the Strategic Social Action Plan for MERCOSUR, with a social and solidarity focus.

<sup>67</sup> Organization of American States, “The OAS and the International Cooperative Alliance to collaborate in favor of Member States”, 30 September 2019.

<sup>68</sup> UN Economic Commission for Latin America and the Caribbean, “Construir un nuevo futuro: la Economía Social y Solidaria en la recuperación sostenible y con igualdad”, 9 June 2021.

<sup>69</sup> A total of 13 countries have member networks in RIPESS LAC: the Plurinational State of Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua and Peru.

<sup>70</sup> CLAC, *2020 Memoria Anual*, 2021.

## The Arab States

40. **The term “social and solidarity economy” and its variants are not common in the Arab States.** The most widespread term used to define civil society organizations in Arabic is *jam`iyat* (associations), which include community-based self-help and charity groups that provide social services in support of poor families.<sup>71</sup> Solidarity with the less privileged through social networks is common in the region, especially in rural areas.
41. **Mutual insurance is widespread in the region. *Takaful* (which means “solidarity”), a cooperative insurance model, plays a key role in the alleviation of poverty and the promotion of shared prosperity.** Under this model, members contribute towards a common pool, and the risks are shared between the insured and the insurer. *Takaful* is widely used in the countries of the Cooperation Council for the Arab States of the Gulf (GCC). In 2014, the gross contribution of Islamic banking and *takaful* reached over US\$8.9 billion in the GCC countries.<sup>72</sup> Globally, 71 per cent of the contributions to *takaful* come from Saudi Arabia (37 per cent), followed by the Islamic Republic of Iran (34 per cent), although the latter is not an Arab State.<sup>73</sup>
42. **Formal cooperatives known as *ta`awuniyat* were introduced to the Arab States in the 1900s, mainly by the former colonial administrations.** Cooperatives in the region are often dominated by, or dependent on, the State. They tend to be organized on the basis of religious community, family or tribe. In total, there are around 30,000 cooperatives in the Arab States, most of which operate in agriculture (59 per cent), followed by retail of consumer goods (30 per cent) and housing (6 per cent).<sup>74</sup> In recent years, interest in cooperatives is growing among women and young people, for instance through the establishment of consumer cooperatives.
43. **Social enterprises, established largely by young people, have emerged in the region in the last decade. Policymakers in the region are increasingly turning to social entrepreneurship to tackle youth unemployment and social exclusion.**<sup>75</sup> The lack of a legal framework for social enterprises, however, makes it difficult to identify them, as when registered, they establish themselves under different legal forms.<sup>76</sup> Ashoka, an initiative promoting social entrepreneurship worldwide, has supported more than 110 social entrepreneurship fellows in the Arab States, reaching more than 3 million direct beneficiaries in the past 15 years.<sup>77</sup>
44. **In recent years, a number of countries have undertaken policy and legislative initiatives on components of the SSE in the Arab States.** In line with Recommendation No. 193, and with the support of the ILO, several cooperative policy and legal frameworks have been developed in countries and territories of the region, including the Occupied Palestinian Territory and Jordan.

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<sup>71</sup> Hüseyin Polat, “Cooperatives in the Arab World: Reaffirming their validity for local and regional development”, *Background paper for the Sub-Regional Knowledge Sharing Workshop on Cooperatives in the Arab States*, ILO Regional Office for Arab States, 2010.

<sup>72</sup> Islamic Financial Services Board and the World Bank, *Realising the Value Proposition of the Takaful Industry for a Stable and Inclusive Financial System*, 2017.

<sup>73</sup> Hussain Qadri and M. Ishaq Bhatti, *The Growth of Islamic Finance and Banking: Innovation, Governance and Risk Mitigation* (Routledge, 2021).

<sup>74</sup> UN Economic and Social Commission for Western Asia, “Social and Solidarity Economy as a Tool for Social Justice”, Policy Brief: Participation in Public Policy Processes, Issue No. 4, 2014.

<sup>75</sup> The youth unemployment rate in the region was estimated to be 23 per cent in 2021, considerably higher than the global average of 13.8 per cent, according to ILO statistics of 2020.

<sup>76</sup> Such forms may include non-governmental organizations, private businesses, cooperatives or civil companies, or a combination thereof.

<sup>77</sup> Ashoka, *15 Years of Change: Ashoka in the Arab World*, 2019.

Similar efforts are under way in Saudi Arabia and the United Arab Emirates. Efforts are also under way to develop a policy and legal framework for social enterprises in countries such as Lebanon.<sup>78</sup>

**45. The following examples illustrate the size of the SSE in three countries and territories in the region:**

- In Jordan, a total of 1,592 cooperatives were registered in 2018, with a total membership of 142,000 persons,<sup>79</sup> creating around 20,000 direct job opportunities.<sup>80</sup> Social enterprises are mainly registered under the umbrella of not-for-profit organizations. Many social enterprises seek to engage with migrant and refugee populations through training and livelihood opportunities.<sup>81</sup>
- In Kuwait, consumer cooperatives emerged in 1962, originally to sell essential consumer goods at subsidized prices. In 2018, the 70 Kuwaiti consumer cooperatives, which operate around 3,000 outlets, controlled 65 per cent of the food and beverage market in the country.<sup>82</sup> Consumer cooperatives allocate 25 per cent of their net profit to charities. Similar cooperatives exist in all GCC countries and in the other Arab States.
- In the Occupied Palestinian Territory, there were 866 cooperatives (677 in the West Bank and 189 in the Gaza Strip) in 2019. The total cooperative membership consisted of 54,000 individuals.<sup>83</sup> Established in 2005, the Union of Cooperative Associations for Saving and Credit has 12 saving and credit associations covering around 224 locations, including 154 Palestinian villages. These associations had 5,281 users by the end of 2019, 85 per cent of which were women.<sup>84</sup>

**46. Several recent initiatives on promoting the SSE are under way at the regional level.** In 2014, the UN Economic and Social Commission for Western Asia, which comprises 20 Arab States, called for the acknowledgement of the SSE and its potential as a tool for enhancing social justice in the region.<sup>85</sup> In March 2017, the Council of Arab Economic Unity organized a seminar on the SSE, which concluded with a recommendation to the League of Arab States to incorporate the SSE in its development strategies and programmes.<sup>86</sup> In August 2017, the SSE was, for the first time, placed on the agenda of the Economic and Social Council of the Arab League for discussion as a potential mechanism to counter precarious work and support social integration in Arab countries.

## Asia and the Pacific

**47. The strength of the SSE in the Asia and the Pacific region can be traced back to the principles of solidarity, reciprocity and mutuality that are deeply rooted in the region's diverse cultures and traditions.** Examples include the principles of *hui* (reciprocity) in China, *sarvodaya* (uplifting of all) in India, *gotong royong* (working together) in Indonesia and Malaysia and *yui*

<sup>78</sup> UNTFSSSE, *Mapping of Intergovernmental Documentation on Social and Solidarity Economy (SSE)*, 2018.

<sup>79</sup> Department of Statistics of Jordan, *Yearbook of Statistics 2018*, 2019.

<sup>80</sup> Jordanian National Commission for Women, *The current status, structure, and legislation framework of cooperatives in Jordan 2016 (from gender perspectives)*, 2016.

<sup>81</sup> Oxfam, *MEDUP! Jordan Social Enterprise Study*, 2018.

<sup>82</sup> Oxford Business Group, "Traditional retail segments show positive trends, while Kuwait's e-commerce market undergoes rapid expansion".

<sup>83</sup> Palestinian National Authority, *National Strategy for the Cooperative Sector: Reform and Development 2021–23*, 2020.

<sup>84</sup> Union of Cooperative Associations for Saving and Credit, "The History of Association's Union".

<sup>85</sup> UN Economic and Social Commission for Western Asia, "Social and Solidarity Economy as a Tool for Social Justice".

<sup>86</sup> UNTFSSSE, *Mapping of Intergovernmental Documentation on Social and Solidarity Economy (SSE)*.

(labour exchange) and *moyai* (working together) in Japan.<sup>87</sup> While the term “social and solidarity economy” is relatively new in the region, the social economy strand of the SSE is present in many Asian countries, often in the form of non-governmental or third sector organizations and social enterprises.

- 48. The Asian financial crisis of 1997 reawakened the spirit of reciprocity rooted in many Asian cultures. It paved the way for the emergence of the social economy, a development further accelerated by the global financial crisis of 2007–08.** The SSE in the Asia and the Pacific region encompasses cooperatives, associations, community self-help groups and mutual aid organizations, with a long trajectory in the region. It also includes social enterprises, a new form of enterprise that blends social objectives with income-generating activity, and organizations representing informal economy workers.<sup>88</sup>
- 49. As in other regions, cooperatives constitute the backbone of the SSE in the Asia and the Pacific region.** Overall, the region counts almost 500 million cooperative members, 46 per cent of the total global cooperative membership.<sup>89</sup> In many formerly planned economies, cooperatives were historically associated with collectivization policies. In other countries, cooperatives were subjected to excessive government interventions. The extent of government influence and control over cooperatives and other economic units has subsided significantly since the 2000s, as demonstrated by the evolution of the cooperative policies and laws in line with the guidance provided in Recommendation No. 193.
- 50. Social enterprises have been gaining momentum in Asia in the past 20 years.** India reports close to 2 million social enterprises,<sup>90</sup> Indonesia 342,000,<sup>91</sup> Japan 205,000 and the Republic of Korea 2,700. Social enterprises are also present in Fiji, Pakistan, Solomon Islands, Viet Nam and other countries. Several governments have implemented laws and policies to support the growth of social enterprises. For example, the Republic of Korea enacted the Social Enterprise Promotion Act in 2007, providing social entrepreneurs with access to professional services, technical assistance, rental subsidies and reduced taxes. Malaysia produced a Social Enterprise Blueprint for 2015–18 to develop a social enterprise ecosystem with targeted policy measures. The Government of Thailand established a Social Enterprise Office in 2010 and adapted the Social Enterprise Promotion Act in 2019 to facilitate tax relief and incentives for social enterprises. In Cambodia and Singapore, national strategic documents mention social enterprises. Indonesia and the Philippines are in the process of establishing national policies that promote social enterprises.<sup>92</sup>
- 51. The following examples illustrate the size of the SSE in four countries in the Asia and the Pacific region:**

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<sup>87</sup> For further information about *yui* and *moyai* in Japan, see Morio Onda, “Mutual Help Networks and Social Transformation in Japan”, *American Journal of Economics and Sociology* 72, No. 3 (2013): 531–564.

<sup>88</sup> ILO research in six countries under the “Strengthening Social and Solidarity Economy in Asia project” captured the diverse and evolving nature of the SSE by identifying a spectrum of organizational forms that either share features commonly associated with the SSE or are potentially supportive of it.

<sup>89</sup> UN Department of Economic and Social Affairs, *Measuring the Size and Scope of the Cooperative Economy: Results of the 2014 Global Census on Co-operatives*, 2014.

<sup>90</sup> Usha Ganesh et al., *The Indian Social Enterprise Landscape: Innovation for an Inclusive Future* (Bertelsmann Stiftung, 2018).

<sup>91</sup> ILO, *Mapping the Social and Solidarity Economy Landscape in Asia: Spotlight on China*, ILO brief: Strengthening Social and Solidarity Economy Policy in Asia, 2021.

<sup>92</sup> UN Economic and Social Commission for Asia and the Pacific, *Policy approaches to scaling social enterprise and impact investment in Asia and the Pacific*, 2017.

- In China, there were more than 30,000 cooperative enterprises in 2020. Of these, more than 60 per cent were in the provinces of Zhejiang (8,030), Beijing (6,395) and Guangdong (4,704). In the same year, urban cooperatives employed 690,000 persons.<sup>93</sup>
- In India, the number of cooperatives grew from 316,000 with over 142 million members in 1984–85 to 854,000 with over 290 million members in 2016–17.<sup>94</sup> In the early 2000s, joint forest management groups numbered approximately 84,000, involving 8.4 million households.<sup>95</sup> A total of 44,000 labour contracting cooperatives provide jobs for 2.73 million workers, mostly in labour-intensive construction and forestry work valued at US\$318 million per year.<sup>96</sup> More than 30 million Indian citizens, mostly women, participate in 2.2 million self-help groups. In 2021, the Self-Employed Women's Association (SEWA) had 153 collective social enterprises, involving 480,000 women.<sup>97</sup>
- In Japan, approximately 30 per cent of the population is a member of one of 591 consumer cooperatives. Most of the nearly 10,000 associations and foundations provide specific services at the national or regional (prefectural) levels. Over 50,000 specified non-profit corporations that are part of the SSE operate in the fields of vocational skills and employment, health and social care, social education and community development, science, culture, arts and the environment.<sup>98</sup>
- In New Zealand, the top 30 cooperatives, mutuals and societies have a total revenue of 42.3 billion New Zealand dollars (approximately US\$30.5 billion) and a membership of 1.4 million, and employ close to 48,500 individuals.<sup>99</sup>

**52. Several regional organizations and networks support the development of the SSE.** The Association of Southeast Asian Nations (ASEAN) adopted the Socio-Cultural Community Blueprint 2025 referring to social enterprises and social entrepreneurs as key stakeholders and spheres of action to be promoted and supported by the ASEAN community.<sup>100</sup> The South Asian Association for Regional Cooperation launched a Social Enterprise Development Programme to fund approximately 80 social enterprises across its eight Member States annually.<sup>101</sup> The Asian Development Bank supports research, analysis, awareness-raising and networking to promote social enterprises. The UN Economic and Social Commission for Asia and the Pacific established a task force on micro, small and medium-sized enterprises and social enterprise in 2012. The Asian Solidarity Economy Council, established in 2011, brings together 18 national and continental networks in 21 countries of Asia.

<sup>93</sup> National Bureau of Statistics of China, *China Statistical Yearbook*, 2021.

<sup>94</sup> National Cooperative Union of India, *Indian Cooperative Movement. A Statistical Profile: Sustainable Development and Growth through Cooperatives, 2018*, 2018.

<sup>95</sup> Bina Agarwal, "Demonstrating the Power in Numbers: Gender, Solidarity and Group Dynamics in Community Forestry Institutions", in *Social and Solidarity Economy: Beyond the Fringe*, ed. Peter Utting (London: Zed Books, 2015).

<sup>96</sup> National Labour Cooperatives Federation of India Limited, "About NLCF".

<sup>97</sup> SEWA Enterprise Support System, "Women-Owned Collective Enterprises".

<sup>98</sup> ILO, *Mapping the Social and Solidarity Economy Landscape in Asia – Spotlight on Japan*, ILO brief: Strengthening Social and Solidarity Economy Policy in Asia, 2022.

<sup>99</sup> ICA-Asia and the Pacific, "Second ICA-AP Meeting on Development of Cooperatives in Pacific Islands", 26 February 2020.

<sup>100</sup> ASEAN Secretariat, *ASEAN Socio-cultural Community Blueprint 2025*, 2016.

<sup>101</sup> Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.



## Europe and Central Asia

- 53. The historical roots of the SSE in Europe can be traced back to the Industrial Revolution and the need to address the living and working conditions of vulnerable social groups.** Organizations based on self-help, cooperation and mutual assistance emerged in several European countries in the middle of the nineteenth century. In France, the first association of jewellery workers was founded in 1834. The Weavers' Industrial Company (Compañía Fabril de Tejedores), established in 1842, was the first producers' cooperative in Spain. In the United Kingdom of Great Britain and Northern Ireland, the first consumer cooperative was established in 1844 by the Rochdale Pioneers, a group of weavers working in the cotton mills in Rochdale. In Germany, Schulze-Delitzsch and Raiffeisen set up financial cooperatives for farmers and craftworkers in 1848 and 1849 respectively.<sup>102</sup>
- 54. In Europe, the term "social and solidarity economy" is used in some countries while the terms "social economy" and "social enterprise" are more prominently used in others.**<sup>103</sup> The term "social and solidarity economy" enjoys recognition in the Southern European countries (France, Italy, Portugal and Spain) and in Belgium and Luxembourg. In Austria, Croatia, Czechia, Estonia, Germany, Latvia, Lithuania, Malta, the Netherlands and Slovakia, the terms "non-profit sector", "third sector", "social enterprise", "social innovation" or, more recently, "circular economy" and "collaborative economy" are more prominently used.<sup>104</sup> In the United Kingdom, "social enterprise" is used as an all-encompassing term that largely overlaps with "social economy".
- 55. The dominant components of the SSE across Europe are cooperatives, mutual benefit organizations and associations, and more recently, social enterprises and foundations.** In 2016, the 28 countries that made up the European Union had over 2.8 million SSE units. In Europe as a whole, SSE units are significant employers, for instance in the agriculture, finance, energy and retail sectors. Including both paid and non-paid employment, they represent a workforce of over 19.1 million, with more than 82.8 million volunteers, equivalent to 5.5 million full-time workers. Cooperatives Europe has 84 member organizations from 33 European countries across sectors. Its members represent 141 million individual member cooperators, owning 176,000 cooperative enterprises and providing 4.7 million jobs.<sup>105</sup>
- 56. Some countries have developed policies and programmes to support social entrepreneurship and foster social enterprise development.** In the last decade, 16 European Union Member States have adopted new legislation on social enterprises and 11 have created strategies or policies for supporting social enterprise development.<sup>106</sup> Following the fall of the Soviet Union, new types and forms of cooperatives emerged in the Commonwealth of Independent States.<sup>107</sup> In Kyrgyzstan, for example, social enterprises are largely led by civil society organizations, supported by international development organizations interested in bringing together economic and social objectives for poor and vulnerable groups of the

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<sup>102</sup> The German version of cooperative self-help was included in 2016 on the United Nations Educational, Scientific and Cultural Organization's Representative List of the Intangible Cultural Heritage of Humanity.

<sup>103</sup> José Luis Monzón and Rafael Chaves, *Recent evolutions of the Social Economy in the European Union* (European Economic and Social Committee, 2017).

<sup>104</sup> Monzón and Chaves.

<sup>105</sup> Cooperatives Europe, "Towards a people-centred Europe ... with cooperatives".

<sup>106</sup> Carlo Borzaga et al., *Social enterprises and their ecosystems in Europe: Comparative synthesis report* (European Commission, 2020).

<sup>107</sup> Zvi Lerman and David Sedik, "Cooperatives in the CIS and Georgia: Overview of Legislation", FAO Regional Office for Europe and Central Asia, Policy Studies on Rural Transition No. 2014-2, 2014.

population.<sup>108</sup> After 2008, the term “social entrepreneurship” became familiar in the Russian Federation, where the State has become active in supporting social enterprises.<sup>109</sup>

**57. The following examples illustrate the size of the SSE in four countries in Europe and Central Asia:**

- In Kyrgyzstan, a 2018 survey of 148 institutional units featured profit organizations (37 per cent), social enterprises (32 per cent) and private businesses (17 per cent), followed by self-help groups and traditional community groups known as *jamaats* (9 per cent) and cooperatives (4 per cent). Social care (12 per cent), education (11 per cent) and retail (11 per cent) were the most prominent sectors in the sample.<sup>110</sup> In 2021, the Cooperatives Union of Kyrgyzstan brought together around 250 cooperatives mainly involved in agricultural commodity services.
- In 2009, the Russian Federation had 1,500 agricultural credit cooperatives with 143,000 members; 183 credit unions with 431,000 members; 70 housing cooperatives with 20,000 members; 3,000 consumer cooperatives with 4.8 million members; and 40,000 horticultural cooperatives with 27 million members.<sup>111</sup> In 2020, there were more than 50,000 cooperatives in the country.<sup>112</sup>
- Switzerland has 8,559 cooperatives, accounting for 5.3 per cent of employment and over 15 per cent of the Swiss gross domestic product.<sup>113</sup> In French-speaking Switzerland, the SSE employs 5,000 workers and involves more than 12,000 volunteers. In the Canton of Geneva, around 17,000 SSE units provide goods and services to more than 400,000 beneficiaries and clients.<sup>114</sup>
- Turkey has more than 53,000 cooperatives, around 105,000 associations and close to 4,800 foundations, involving 16 million individual members.<sup>115</sup> There are around 1,776 social enterprises, consisting of commercial enterprises run by community foundations, women’s cooperatives and public-benefit associations.<sup>116</sup>

**58. The SSE features in the institutions across Europe.** In 2019, the Conference of Presidents of the European Parliament approved the re-establishment of the Social Economy Intergroup for 2019–24, with the support of over 80 members of the European Parliament.<sup>117</sup> At the European Union level, initiatives have been taken to support the development of European cooperatives, mutuals, associations and foundations.<sup>118</sup> In 2015, a monitoring committee was established to oversee the implementation of the road map towards a more comprehensive ecosystem for social economy

<sup>108</sup> Charles Buxton, Mehrigiul Ablezova and Anara Moldosheva, “Development tool or civil society actor? Understanding social enterprise in Kyrgyzstan”, INTRAC Praxis Series Paper No. 8, 2019.

<sup>109</sup> Yury E. Blagov and Yulia N. Aray, “The emergence of social entrepreneurship in Russia”, *Social Enterprise Journal* 15, No. 2 (2019): 158–178.

<sup>110</sup> Buxton, Ablezova and Moldosheva.

<sup>111</sup> ILO, *Cooperative Sector in Russia and the Implementation of the ILO Recommendation No. 193 in the Development of Different Russian Cooperative Trends. Analytical report*, 2009.

<sup>112</sup> Federal State Statistics Service of the Russian Federation, “Unified interdepartmental statistical information system”, 2020.

<sup>113</sup> Idée Coopérative, “Genossenschaften in der Schweiz: ein Erfolgsmodell der Gegenwart und Zukunft. Genossenschaftsmonitor 2020”, 2020.

<sup>114</sup> Sophie Swaton, “L’économie sociale et solidaire en Suisse romande”, *REISO Revue d’information sociale*, 2015.

<sup>115</sup> Hüseyin Polat, *Cooperatives as part of social economy in Turkey: Challenges of Agricultural Cooperatives* (CIRIEC, 2016).

<sup>116</sup> Duygu Uygur and Barbara Franchini, *Social enterprises and their ecosystems in Europe. Country fiche: Turkey* (European Union, 2019).

<sup>117</sup> Social Economy Europe, “European Parliament Social Economy Intergroup.”

<sup>118</sup> The only draft regulation that came to fruition was on European cooperatives, with the adoption of the “Statute for a European Cooperative Society” in 2003, which permits the formation of a European cooperative society by citizens from more than one Member State.

enterprises agreement contained in the Luxembourg Declaration adopted in the same year.<sup>119</sup> In 2017, representatives of eight governments adopted the Ljubljana Declaration on scaling up social economy enterprises in South-East Europe. The European Commission has established an Expert Group on Social Economy and Social Enterprises (GECES) to advise it on policy initiatives related to the SSE during the period 2018–24. Furthermore, building on the Social Business Initiative introduced in 2011 and the Start-up and Scale-up Initiative introduced in 2016, the European Commission launched an Action Plan for the Social Economy in 2021.<sup>120</sup>

- 59. The European Union has a number of regional organizations and networks representing the SSE and supporting its development.** In 2015, the Employment, Social Policy, Health and Consumer Affairs Council adopted conclusions on promoting the social economy, recognizing the SSE as a key driver of economic and social development in Europe. The European Economic and Social Committee includes a Diversity Europe Group<sup>121</sup> that is active in the promotion of the SSE and publishes its opinions.<sup>122</sup> Other regional organizations and networks that promote the SSE include: Social Economy Europe; the Intercontinental Network for the Promotion of Social Solidarity Economy in Europe (RIPESS–Europe); the Euclid Network; and the Diosis Network. There are also research institutes such as the European Research Institute on Cooperative and Social Enterprises (EURICSE). The EMES International Research Network and the International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC) originated in Europe but are now major global research networks.

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<sup>119</sup> Luxembourg Declaration - A roadmap towards a more comprehensive ecosystem for social economy enterprises.

<sup>120</sup> European Commission, *Building an economy that works for people: an action plan for the social economy*, 2021.

<sup>121</sup> European Economic and Social Committee, "Diversity Europe Group."

<sup>122</sup> Latest updated on the actions conducted by the Committee can be found in: European Economic and Social Committee, *Period 2015-2020 - Activity report of the "Social Economy Category"*, 2020.

## ▶ Chapter 2. Contributions to decent work and sustainable development

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- 60.** Chapter 2 assesses the contributions of the SSE to advancing the ILO's Decent Work Agenda and the broader 2030 Agenda and provides examples of SSE units and their vertical structures.
- 61. International SSE organizations are a source of self-reported statistics on the SSE. Some highlights of such statistics are set out below.**
- The International Cooperative and Mutual Insurance Federation (ICMIF) reports that the premium income of the global mutual and cooperative insurance sector grew by 30 per cent between 2007 and 2017. In the same period, the global market share held by mutual and cooperative insurers rose from 24 per cent in 2007 to 26.7 per cent in 2017.<sup>123</sup>
  - In 2017, the world had an estimated 2.9 million cooperatives, with a total membership of 1.2 billion individuals.<sup>124</sup> Based on data from 156 countries, an estimated 279.4 million people are employed in or within the scope of cooperatives, equivalent to 9.5 per cent of the world's employed population.<sup>125</sup> Out of this total estimate, 27.2 million work in cooperatives, including 16 million cooperative employees, 11.1 million of which are also members. Employment within the scope of cooperatives, mainly self-employed producer-members, concerns 252.2 million people, the vast majority being in agriculture.
  - The World Council of Credit Unions reports a significant growth of its affiliated savings and credit cooperatives between 2005 and 2019. The number of credit union members as a share of the general population increased from 6.6 to 9.6 per cent during that period, while the assets held by credit unions – whose members mostly belong to the low-income category – grew from US\$0.9 trillion to US\$2.6 trillion. In 2020, there were more than 375 million members of credit unions in 118 countries. Between 2019 and 2020, credit union membership grew by 29 per cent.<sup>126</sup>
  - In 2019, the largest 300 cooperatives and mutuals reported a total turnover of US\$2.2 billion.<sup>127</sup>
  - In 2014, the average prevalence rate of broad social entrepreneurial activity among nascent enterprises was 3.2 per cent across 38 countries, ranging widely from 0.3 per cent in the Republic of Korea to 10.1 per cent in Peru.<sup>128</sup>

### Employment and income generation

- 62. SSE units generate direct and indirect employment.** Jobs are generated directly inside SSE units. They are also generated and maintained through the goods and services that the SSE units provide in various sectors, which range from food and housing, to child and elderly care and

<sup>123</sup> ICMIF, *Global Mutual Market Share 10*, 2019.

<sup>124</sup> International Organisation of Industrial and Service Cooperatives (CICOPA), *Cooperatives and Employment. Second Global Report*, 2017.

<sup>125</sup> CICOPA.

<sup>126</sup> World Council of Credit Unions, *2019 Statistical Report*, 2020.

<sup>127</sup> EURICSE and ICA, *World Cooperative Monitor*, 2021.

<sup>128</sup> The Global Entrepreneurship Monitor provides data from 31 countries on social enterprises based on a narrow definition of social enterprises as market producers prioritizing social and environmental value over financial value. See Niels Bosma et al., *Global Entrepreneurship Monitor: Special Topic Report – Social Entrepreneurship*, 2015.

financial services. Indirectly, the SSE can also generate jobs as a result of the spillover effect. SSE units can contribute to the achievement of Goal 2 (zero hunger), Goal 8 (decent work and economic growth) and Goal 9 (industry, innovation and infrastructure) of the 2030 Agenda, to the extent that they support employment generation – including for young people – and entrepreneurship development, and increase productivity.<sup>129</sup>

- 63. SSE units operate across various stages of supply chains.** In the cotton-marketing system of Burkina Faso, 325,000 producers are organized into 12,000 cotton producers' groups collecting and weighing the cotton harvest of their members on behalf of three large, public-private cotton-processing companies. They are represented in the Inter-professional Cotton Association of Burkina Faso (AICB) through the National Cotton Farmers' Union (UNPCB).<sup>130</sup> In recent years, producer and consumer cooperatives have been developing direct cooperative-to-cooperative trade channels. If expanded upon, such initiatives can provide a fair and effective model for trade. For example, products of Kenyan coffee producer cooperatives are being sold in Danish consumer cooperative stores. Organic pineapples produced by Togolese cooperatives are featured in Italian consumer cooperative stores.
- 64. Despite the SSE's contributions in supply chains, key challenges remain.** SSE units may be concentrated in segments of the supply chain with low productivity and high risk. They may have limited resources and capacities, which makes it difficult for them to compete in the supply chains and enter higher-value markets. To ensure their long-term sustainability, SSE units need to diversify their activities and upgrade their processes and products. They also need to invest in training and in improving skills, know-how, processes and equipment.<sup>131</sup> A recent ILO study shows that, in Cameroon, the largest obstacles to the operation of SSE units were: limited access to financial services (76 per cent); high input costs (75 per cent); and limited access to infrastructure (52 per cent). The main obstacle to the development of SSE units was a lack of information regarding support programmes and the high cost of advisory services.<sup>132</sup>
- 65. SSE units may use different strategies for scaling up to overcome productivity challenges.** *Horizontal growth* typically involves setting up networks, franchises or subsidiaries. It can draw on support from local governments, research institutions, cooperative banks and SSE training organizations. *Vertical growth* involves setting up secondary and tertiary structures to provide services, from education and financing to policy advocacy. *Transversal growth* entails infusing SSE values and principles into the local economy. The Emilia Romagna region in Italy and the Basque country in Spain have replicated and adapted good SSE initiatives, contributing to the overall social and economic well-being of their regions.<sup>133</sup> A crucial challenge for SSE growth is to ensure continued proximity and responsiveness to the needs of members, workers, users and communities, in alignment with SSE values and principles.
- 66. SSE units are particularly effective in promoting job and income opportunities and in reducing inequalities in rural areas.** This was recognized in the conclusions on promoting rural employment for poverty reduction, adopted by International Labour Conference at its 97th

<sup>129</sup> The ILO's Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169), mentions the role that workers' cooperatives can play in the provision of employment of youth and disadvantaged groups and persons (Para. 16(i)). It also refers to the need to take account of the importance of small undertakings such as cooperatives and associations in the provision of employment opportunities, especially for workers who have particular difficulties (Para. 30).

<sup>130</sup> [Burkinabe Textile Fibre Company \(SOFITEX\)](#).

<sup>131</sup> ILO, "Value Chain Development Briefing Paper 2: The Role of Cooperatives and Business Associations in Value Chain Development", 2012.

<sup>132</sup> ILO and MINP MEESA.

<sup>133</sup> UNRISD, "Measuring the Scale and Impact of Social and Solidarity Economy", 2018.

Session (2008).<sup>134</sup> The Rural Workers' Organisations Recommendation, 1975 (No. 149), also refers to the role of cooperatives in enabling rural workers' organizations to respond directly to membership needs while fostering their interdependence through economic self-reliance. SSE units can contribute towards a productive transformation of rural economies and promote decent work across rural sectors, including in the agri-food sector that remains the backbone of many rural economies. Strong, independent and effective organizations of rural employers and workers, cooperatives and producer associations can enable rural communities to influence and enhance their economic and social development and livelihoods. These organizations can ensure that the voices of those living in rural areas are heard, including in the development and implementation of laws, policies and strategies that have an impact on their work and lives.

- 67. SSE-related social finance institutions worldwide contribute indirectly to job creation by providing the capital required to establish an enterprise or acquire essential means of production.** These include rotating savings and credit associations, which exist in many parts of the world,<sup>135</sup> credit unions, village banks and cooperative banks. In 2021, credit unions employed more than 315,000 people in the United States of America, with a 2.5 per cent increase on average between 2016 and 2021.<sup>136</sup> The Teachers Savings and Loan Society Limited is a financial cooperative that provides savings and loans services to 47,000 teachers and employees of the Department of Education in Papua New Guinea, with 16 branches covering all provinces of the country.<sup>137</sup> Furthermore, SSE units in the financial sector have embraced digital technologies to reach and serve their members more effectively. An example is the KAYA payment platform adopted by financial cooperatives in the Philippines.<sup>138</sup>
- 68. Access to finance is a crucial challenge for developing the SSE.** Certain features of SSE units facilitate access to various forms of finance. These include, for instance, donations, grants, affordable loans from the government, complementary currency schemes, collection of capital from their members and other stakeholders and the reinvestment of surplus.<sup>139</sup> Access to the traditional banking system, however, is often highly constrained. This is due not only to the types of constraints commonly encountered by small and medium-sized enterprises (SMEs) but also to the competitive disadvantage that SSE units may be at vis-à-vis other institutional units. For example, small-scale SSE units may lack credit history, conventional forms of collateral and the administrative know-how to navigate complicated application procedures.<sup>140</sup> SSE governance structures, which are designed to meet the needs of their stakeholders (in other words, workers, clients and volunteers) rather than to remunerate investors, often put them at a competitive disadvantage vis-à-vis profit-maximizing enterprises in their ability to access credit or capital via the traditional banking system.<sup>141</sup> The principle of the prohibition or limitation of profit distribution can make it harder for them to access financing from conventional lenders. Cooperatives, for instance, report that their ownership structure makes it more difficult to benefit

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<sup>134</sup> ILO, *Report of the Committee on Rural Employment*, Record of Proceedings, International Labour Conference, 97th Session, 2008 (Record No. 15).

<sup>135</sup> For example, *chama* in Swahili-speaking East Africa, *tontines* in West Africa, *tandas* in South America, *kameti* in Pakistan, *partnerhand* in the West Indies, *cundinas* in Mexico, *ayuuto* in Somalia, *hui* in China, *gam'eya* in the Middle East, *kye* in the Republic of Korea, *tanomoshiko* in Japan and *pandeiros* in Brazil.

<sup>136</sup> IBISWorld, "Credit Unions in the US - Employment Statistics 2002-2027", 23 October 2021.

<sup>137</sup> ILO, "Providing savings and loans services to teachers since 1972", Spotlight Interviews with Cooperators, 2016.

<sup>138</sup> National Association of Training Centers for Cooperatives of the Philippines, "Payment Services".

<sup>139</sup> Caitlin McMullin, *Financial Mechanisms for Innovative Social and Solidarity Economy Ecosystems: The Case of Quebec* (ILO, 2021).

<sup>140</sup> Utting.

<sup>141</sup> McMullin.

from equity investments.<sup>142</sup> There are also concerns that access to conventional mechanisms might undermine SSE values and practices related, for example, to democratic governance and the profit distribution constraint. In a context where SSE units in various sectors are expanding and diversifying their activities, and their capital requirements look set to increase, access to a broader range of financial instruments will likely be necessary.

- 69. SSE units provide a wide range of services to their members and communities that improve incomes and livelihoods.** Street vendors' associations, fair trade organizations and agricultural marketing and supply cooperatives are key actors in facilitating access to markets in many countries. An estimated 1.9 million farmers and workers in 71 countries are members of 1,880 Fairtrade certified producer organizations.<sup>143</sup> In Ecuador, the Foundation of Rural Community Cheese Makers (Funconquerucom) brings together more than 30 community cheese manufacturing factories in four provinces. It markets 3 tons of cheese and butter produced daily by 1,200 small farmers through neighbourhood stores, restaurants and supermarkets around the country. It also provides training to farmers on technical, sanitary and managerial aspects of cheese making.<sup>144</sup> In Mexico, the green market in Morelos holds a monthly event offering space to 200 producers selling sustainably produced goods to consumers who care about the environment.<sup>145</sup> In South Africa, the Bela Bela Communal Property Association creates employment and provides skills development and training to upskill its community members.<sup>146</sup> In Spain, SSE units integrate workers who face difficulties in accessing employment, such as persons over 55, persons with disabilities and those at risk of social exclusion, and offer higher levels of job stability than some other institutional units.<sup>147</sup> In the United States, Project HOME is a community organization based in Philadelphia that provides nationally recognized programmes and employment opportunities to persons experiencing chronic homelessness. Social Enterprise is a group of small businesses that acts as a supportive and skill-building environment for residents of Project HOME through a handmade gifting line and online bookstore.<sup>148</sup>
- 70. SSE units can play a pivotal role in enhancing the productivity and competitiveness of enterprises by generating economies of scale.** This applies to shared-service cooperatives, also known as entrepreneurs' cooperatives or cooperative consortia, that allow small enterprises to achieve productivity gains through the joint organization of essential services such as input supply, transport, processing and marketing, and to reduce fixed costs and increase turnover. Collective services provided by SSE units can be essential to raise the productivity and competitiveness of small-scale producers and SMEs.<sup>149</sup> Entrepreneurs' cooperatives have been effective over the course of nearly 150 years in several Western European countries. In recent years, professionals and public bodies in North America have also made use of them. In Italy, Copernico is a consortium of six social cooperatives that provides children, adolescents, families, immigrants and asylum seekers with educational and social welfare services, and marginalized groups with job opportunities. It employs more than 200 people, 76 per cent of whom are women

<sup>142</sup> European Commission, *Building an economy that works for people: an action plan for the social economy*, 2021.

<sup>143</sup> Fairtrade International. *The Future is Fair. Annual Report 2020-2021*, 2021.

<sup>144</sup> FUNCONQUERUCOM - Fundación Consorcio de Queseras Rurales Comunitarias.

<sup>145</sup> Mercado Verde Morelos.

<sup>146</sup> Bela Bela Communal Property Association, "About Bela Bela CPA."

<sup>147</sup> Spanish Social Economy Employers' Confederation (CEPES), *Análisis del impacto socioeconómico de los valores y principios de la economía social en España*, 2019.

<sup>148</sup> Project Home.

<sup>149</sup> ILO, *Decent work and productivity*, GB.341/POL/2, 2021.

and 18 per cent belong to disadvantaged groups.<sup>150</sup> Shared-service cooperatives are not yet prominent in Africa, Asia, Eastern Europe or Latin America.<sup>151</sup>

- 71. The SSE can also create jobs through worker-owned enterprises.** These are enterprises that are majority or exclusively owned and controlled by workers. Any type of business can be worker owned, from services and retail to education and manufacturing.<sup>152</sup> Worker cooperatives are worker-owned enterprises that are run and managed by and for the workers who own the capital, vote as equal members on matters related to running the business and have the right to stand in for election to the board of directors. In 2020, the General Confederation of Worker Cooperatives (CGSCOP) in France reported that it had 3,611 member cooperatives, with 67,200 workers, largely in services, construction and industry. Jobs created by worker cooperatives grew by 6 per cent in the country in the same year.<sup>153</sup> In many countries where worker cooperatives operate, legal provisions governing their operations may not always be in place. In Japan, worker cooperatives had existed for 25 years before the Workers' Cooperative Act was adopted in 2020.<sup>154</sup> In the United States, Cooperative Home Care Associates, a worker-owned cooperative home care service provider in New York City employs more than 2,000 members of staff and provides free training in home care services for over 600 low-income and unemployed women annually. While commercial care providers in the city allocate around 60 per cent of their revenue as direct wages or benefits to workers, Cooperative Home Care Associates assigns 82 per cent of its revenue to its workers.<sup>155</sup> Such worker-owned enterprises can be an effective strategy for generating employment and supporting livelihoods, especially among informal workers.
- 72. Enterprise restructuring through transition to worker ownership has been implemented to help preserve jobs.** In some cases, such enterprise restructuring may be due to enterprise failure. In other cases, it may be due to the retirement of owners, especially where there is no clear plan for the future of the enterprise.<sup>156</sup> Employees who are already familiar with the workings of enterprises that might face closures in the absence of new proprietors can provide a succession path when the right policies, financing, training and legal advisory schemes are in place. Successful examples of transition to worker ownership exist in Argentina, Brazil, Canada, Italy, Finland, France, Portugal, Spain, the United Kingdom and the United States, including Puerto Rico. There are also numerous unsuccessful examples of such transition due to a lack of internal capacities or challenges in the environment that may prove overwhelming. Not many countries have policies and financing schemes in place that would allow for enterprise restructuring through transition to worker ownership. Having the pertinent regulation and financing mechanisms for transition to worker ownership could facilitate the transition process for businesses facing challenges to their continuity in times of crisis.

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<sup>150</sup> ILO, "Italian social cooperatives working together for the benefit of the communities", Spotlight Interviews with Cooperators, 4 April 2017.

<sup>151</sup> Nicole Göler von Ravensburg, *Economic and other benefits of the entrepreneurs' cooperative as a specific form of enterprise cluster* (ILO, 2011).

<sup>152</sup> University of Wisconsin Center for Cooperatives, "What is a worker cooperative?"

<sup>153</sup> CGSCOP, "Chiffres clés".

<sup>154</sup> Japan Workers' Co-operative Union.

<sup>155</sup> Carlo Borzaga, Gianluca Salvatori and Riccardo Bodini, *Social and Solidarity Economy and the Future of Work* (International Training Centre of the ILO, 2017).

<sup>156</sup> Simel Esim and Waltheri Katajamaki, "Rediscovering worker cooperatives in a changing world of work", *IUSLabour* 1, 2017.



## Social protection and the provision of social services

- 73. Despite significant progress in the extension of social protection in many parts of the world, the human right to social security is not yet a reality for most of the world's population.**<sup>157</sup> In June 2021, the Conference called for the realization of universal social protection, understood as access to comprehensive, adequate and sustainable protection over the life cycle, in line with ILO standards. It entails progressively building and maintaining nationally appropriate social protection systems.<sup>158</sup> The Conference further recalled the primary responsibility of the State for establishing adequate social protection governance frameworks and the urgent need for additional efforts to close coverage gaps and to facilitate the transition from the informal economy to the formal economy.<sup>159</sup> SSE units can support these efforts by partnering with social protection institutions. They can contribute to the achievement of Goal 1 (no poverty), Goal 3 (good health and well-being) and Goal 10 (reduced inequalities) of the 2030 Agenda through the provision of social protection, including health insurance and care services.
- 74. SSE units have a role to play in national social protection systems by facilitating access to social protection for their members.** SSE units, in particular cooperatives, can facilitate access to social protection, for example through awareness-raising, collective registration campaigns or collective agreements. In Costa Rica, farmer cooperatives concluded collective insurance agreements with the Costa Rican Social Security Fund (CCSS). The cooperatives are responsible for collecting and transferring the contributions of their members, thereby simplifying procedures, reducing costs and facilitating access to social security in rural areas.<sup>160</sup> Cooperatives can also play a key role in facilitating access to public social security schemes for self-employed workers in other sectors, such as artists or taxi drivers, including those who use digital labour platforms.<sup>161</sup> In addition to facilitating social security coverage, organizing into cooperatives can also improve legal recognition, enhance economic efficiency and security and provide a basis for accessing finance.<sup>162</sup> In the Philippines, cooperatives facilitate the enrolment of their members with the national health insurance agency (PhilHealth) and the collection of contributions, which has helped to improve coverage levels.<sup>163</sup>
- 75. Depending on the country context, SSE units can be further integrated into the social protection system.** For instance, some administrative functions of the national social protection system, such as social mobilization, affiliation activities and contribution collection can be delegated to SSE units for specific population groups. In some contexts, social security institutions can delegate selected front office functions to community-based organizations, especially mutuals and cooperatives, to improve proximity with some population groups. Conversely, mutuals, when not integrated into the national social protection system, have had limited success in the expansion of coverage, as they do not allow for broad risk pooling and are prone to adverse

<sup>157</sup> ILO, *Flagship Report: World Social Protection Report 2020-22: Social protection at the crossroads – In pursuit of a better future*, 2021.

<sup>158</sup> ILO, *Resolution and conclusions concerning the second recurrent discussion on social protection (social security)*, International Labour Conference, 109th Session, Geneva, 2021.

<sup>159</sup> The Conference recalled that the Centenary Declaration calls for “universal access to comprehensive, adequate and sustainable social protection systems that are adapted to the developments in the world of work” and that providing such protection to workers in all types of employment was a key priority of Member States.

<sup>160</sup> ILO and FAO, *Extending Social Protection to Rural Populations: Perspectives for a Common FAO and ILO Approach*, 2021.

<sup>161</sup> ILO, *Extending social security to workers in the informal economy: Lessons from international experiences*, 2021.

<sup>162</sup> Fabio Durán Valverde et al, *Innovations in Extending Social Insurance Coverage to Independent Workers: Experiences from Brazil, Cape Verde, Colombia, Costa Rica, Ecuador, Philippines, France and Uruguay*, ILO Extension of Social Security Paper No. 42, 2013.

<sup>163</sup> ILO, *Extending social health protection: Accelerating progress towards Universal Health Coverage in Asia and the Pacific*, 2021.

selection. Examples of successful integration exist in different settings. For instance, in Belgium, compulsory social health insurance is provided through mutuals. In France, the national health insurance agency delegates front office administrative functions to mutuals for specific categories of workers and sectors of activity.<sup>164</sup> In Senegal, a subsidized scheme to achieve universal health coverage is implemented through mutuals and the newly created social security regime for independent workers.<sup>165</sup>

- 76. SSE units also play an essential role in providing health, social and housing services that are part of the national social protection system in some countries.** In many countries, the social protection system contracts service providers, especially in the area of social health protection, childcare, long-term care and housing. In such contexts, cooperatives and associations add value to the provision of such services as part of social protection systems. The International Health Cooperative Organization estimates that some 100 million households worldwide access healthcare through 3,300 health cooperatives in 76 countries. Many are integrated as providers of national social health protection systems.<sup>166</sup>
- 77. With the increasing integration of long-term care within the scope of social protection systems,<sup>167</sup> SSE units have a potentially growing contribution as service providers.** SSE units address care needs for diverse populations such as disadvantaged young people, persons with disabilities, older people and children. They are often multipurpose, reflecting the beneficiaries' diverse care needs. They also involve multiple stakeholders, including care providers, beneficiaries, governments and community agents.<sup>168</sup> In Italy, 85 per cent of care services for children, the elderly and vulnerable persons in Bologna are provided by social cooperatives, which are co-owned by the providers and receivers of care.<sup>169</sup> SSE units that address long-term care and senior housing needs exist in China (Hong Kong), Japan, the Republic of Korea and Singapore.<sup>170</sup> In Spain, the SSE represents 43.5 per cent of the total supply of care services, which increases to 59.3 per cent in social services without accommodation.<sup>171</sup> In the United Kingdom, during the COVID-19 pandemic, over 30 per cent of all National Health Service community nursing and other services were provided by social enterprises.<sup>172</sup>
- 78. SSE units can provide affordable and adequate housing and act in synergy with social protection systems to prevent homelessness and inadequate housing.** Social protection systems directly address some of the risk factors that drive homelessness and inadequate housing. SSE units can reduce poverty and facilitate access to adequate housing, social assistance

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<sup>164</sup> Émilie Sauvignet, "Le financement du système de santé en France: Rôle et organisation de l'assurance maladie obligatoire", Discussion Paper No. 1 (World Health Organization, 2005).

<sup>165</sup> ILO, *Revue globale et analyse du système national de Protection sociale : Revue générale du système de Protection sociale au Sénégal et appui à la mise en œuvre de la Stratégie nationale de Protection sociale*, 2021.

<sup>166</sup> UN General Assembly, *Cooperatives in social development: Report of the Secretary-General, A/74/206*, 2019.

<sup>167</sup> In June 2021, the Conference recalled that Members should "invest in the care economy to facilitate access to affordable and quality childcare and long-term care services as an integral part of social protection systems". ILO, Resolution and conclusions concerning the second recurrent discussion on social protection (social security), 2021.

<sup>168</sup> Lenore Matthew et al., *Providing Care through Cooperatives 1: Survey and Interview Findings* (ILO, 2016).

<sup>169</sup> Open Learn, "How is Italy reinventing the co-op?", 6 February

<sup>170</sup> Lenore Matthew, *Providing Care through Cooperatives 2: Literature Review and Case Studies* (ILO, 2017).

<sup>171</sup> CEPES, 2019.

<sup>172</sup> UN Economic Commission for Europe, *Women's economic empowerment and the care economy in the ECE region: The impact of economic and social policies during the COVID-19 response and recovery*, UNECE Policy brief on Gender No. 1, 2020.

and housing benefits.<sup>173</sup> Community-based building associations in rural areas and housing cooperatives in urban areas are among SSE units that help low-income populations access affordable housing.<sup>174</sup> In Egypt, one third of all households are affiliated to one of 2,320 housing cooperatives that have built half a million dwelling units.<sup>175</sup> In Mexico, ÉCHALE is a social enterprise that offers housing solutions and contributes to the integral development of communities.<sup>176</sup> In the Republic of Korea, the 177 housing welfare self-sufficiency enterprises that initially emerged from an initiative led by inhabitants of poor areas are now creating jobs through cooperatives while improving housing.<sup>177</sup> In South Africa, Hustlenomics, an impact-driven social enterprise that builds quality and durable homes through an innovative financing and ownership model, provides skills training and employment for local women and young people.<sup>178</sup>

## Rights at work

**79. The fundamental principles and rights at work and most international labour standards apply to all workers.** With regard to rights at work, SSE units can significantly contribute to the achievement of Goal 8 (decent work and economic growth) and Goal 16 (peace, justice and strong institutions) of the 2030 Agenda, notably by promoting, advancing and applying international labour standards. As stated in the ILO Declaration on Fundamentals Principles and Rights at Work, adopted in 1998, all Member States have an obligation to respect, promote and realize the fundamental principles and rights at work even if they have not ratified the related instruments. In particular, all employers and workers have the right to freedom of association and collective bargaining for furthering and defending their interests, as provided for in the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98). This includes those employers and workers that are regulated by SSE policies and legislation. SSE units are required to comply with international labour standards and national labour legislation in respect of their employment relationships, as is the case for other employers.<sup>179</sup> They are also required to observe safe and healthy working conditions.<sup>180</sup> They should comply with relevant international and national occupational safety and health (OSH) legislation and take into account guidelines, including in their employer-worker relationships and their civil and commercial relations with third parties. SSE units are subject to labour inspection as it relates to the fundamental principles and rights at work and OSH compliance in the workplace. National legislation also regulates employment relations in worker-owned enterprises such as worker cooperatives. In Spain, for instance, the Cooperatives Act of 1999 specifies that OSH regulations apply to workplaces and to worker-members.<sup>181</sup>

<sup>173</sup> ILO, "Social Protection Systems for All to Prevent Homelessness and Facilitate Access to Adequate Housing", ILO brief: Social Protection Spotlight, 2020.

<sup>174</sup> The ILO's Workers' Housing Recommendation, 1961 (No. 115), recognizes SSE units such as house-building cooperatives, cooperative and similar non-profit housing societies and other housing associations for their contributions to workers' housing.

<sup>175</sup> Co-operative Housing International, "About Egypt."

<sup>176</sup> ÉCHALE.

<sup>177</sup> Fonteneau and Pollet, *The Contribution of Social and Solidarity Economy and Social Finance to the Future of Work* (ILO, 2019).

<sup>178</sup> Hustlenomics.

<sup>179</sup> ILO, *Giving globalization a human face: General Survey on the fundamental Conventions concerning rights at work in light of the ILO Declaration on Social Justice for a Fair Globalization, 2008*, Report of the Committee of Experts on the Application of Conventions and Recommendations, ILC.101/III/1B, 2012, para. 53.

<sup>180</sup> Occupational Safety and Health Convention, 1981 (No. 155).

<sup>181</sup> Government of Spain, Act No. 27/1999 of 16 July on Cooperatives.

- 80. Some international labour standards explicitly refer to the SSE or organizational forms that fall under it.** A list of international labour standards that specifically refer to the SSE or SSE units is provided in the appendix. Although the ILO does not have a dedicated standard on the SSE, cooperatives are the focus of the Promotion of Cooperatives Recommendation, 2002 (No. 193), which replaced the Co-operatives (Developing Countries) Recommendation, 1966 (No. 127).<sup>182</sup> Recommendation No. 193 calls for national policies to “promote the ILO fundamental labour standards and the ILO Declaration on Fundamental Principles and Rights at Work, for all workers in cooperatives without distinction whatsoever.” Since the adoption of Recommendation No. 193, around 117 countries have drawn on its guidance in revising their cooperative policies and legislation.<sup>183</sup>
- 81. SSE units can promote international labour standards in their interactions with their members and other third parties.** They can play an active role in promoting the effective implementation of those standards, by familiarizing their members with such instruments and advocating for their application. In the case of binding Conventions, they can advocate for ratification and application at the national level and provide information and support to their members to promote compliance. For example, since the adoption of the ILO’s Indigenous and Tribal Peoples Convention, 1989 (No. 169), ratified by 24 countries to date, the promotion of the SSE has been included as an objective in national plans for the integration of indigenous peoples and SSE organizations have participated in the deliberations of national indigenous people’s committees. Domestic workers’ self-help organizations, associations and cooperatives can advocate for the ratification of the ILO’s Domestic Workers Convention, 2011 (No. 189). In Trinidad and Tobago, the National Union of Domestic Employees and its Service Workers Centre Cooperative have been jointly advocating for the development and adoption of national legislation to protect the labour rights of domestic workers and have been working with other domestic workers’ organizations in the Caribbean to promote the ratification and implementation of Convention No. 189.<sup>184</sup>
- 82. SSE units promote compliance with the fundamental principles and rights at work among their members, engage with their communities and undertake joint initiatives with other community actors to advance the fundamental principles and rights at work.** SSE units can help tackle workers’ rights deficits relating to freedom of association and collective bargaining, forced labour, child labour and discrimination in their operations, in members’ and users’ operations and across supply chains. Working with the social partners, SSE units can support informal economy workers in improving their working conditions and increasing their income.
- 83. On forced labour, SSE units could conduct information campaigns on labour rights where there is a high incidence of labour migration.** They could also provide services to victims of forced labour. For example, they could support former victims of forced labour in gaining access income-generating activities. Co-op UK, a retail cooperative chain in the United Kingdom, has put policies in place that are enforced throughout its supply chains to ensure that the products it sells are free of forced labour. It also provides psycho-social services and skills training for survivors of forced labour to help them rebuild their lives.<sup>185</sup>

<sup>182</sup> Recommendation No. 127 was abrogated by a decision of the [Standards Review Mechanism](#) in 2016.

<sup>183</sup> A total of 108 countries drew on Recommendation No. 193 in the revision of their legislation on cooperatives between 2002 and 2013, with a further nine (Cuba, Finland, Guyana, Israel, Kazakhstan, Kyrgyzstan, Madagascar, Myanmar and Nicaragua) doing so since 2013.

<sup>184</sup> ILO, *Advancing domestic workers’ rights through cooperatives in Trinidad and Tobago*, 2018.

<sup>185</sup> Co-op UK, *The Co-op and tackling slavery*, 2017.

- 84. Participation in the SSE can help reduce reliance on child labour in agriculture by limiting income volatility and improving farm livelihoods.** SSE units can also advance the prevention and elimination of child labour by supporting children's education and the transition from school to work and participation in child labour monitoring committees. In Rwanda, the rate of child labour among farm households belonging to agricultural cooperatives is about one third lower than that among other farm households.<sup>186</sup>
- 85. The question of job quality and decent work deficits in SSE units cannot go unattended.** If they are not considered to be in an employment relationship,<sup>187</sup> workers holding jobs in SSE units may risk being deprived of the protection to which they are entitled, including with regard to the fundamental principles and rights at work, adequate OSH conditions, employment status, working hours, remuneration and access to social protection. Recommendation No. 193 specifies that national policies should "ensure that cooperatives are not set up for, or used for, non-compliance with labour law or used to establish disguised employment relationships, and combat pseudo cooperatives violating workers' rights, by ensuring that labour legislation is applied in all enterprises." The role of labour inspection is critical to ensuring compliance. In its 2010 General Survey concerning employment instruments, the Committee of Experts on the Application of Conventions and Recommendations noted the importance of ensuring the application of labour laws so as to avoid the emergence of "pseudo cooperatives", which are only intended to gain access to the benefits related to the status of cooperatives, such as tax advantages or social security benefits, while avoiding the application of labour legislation.<sup>188</sup>
- 86. Worker protection measures are necessary, especially in worker-owned enterprises, with respect to workers who are also members.** In some countries, for instance Portugal, Spain and Uruguay, the law stipulates that the relationship between a workers' cooperative and its worker-members is to be considered an organizational relationship, exempt in principle from labour law.<sup>189</sup> An ILO meeting of experts held in 1995 concluded that member-owner-workers may decide to refrain from claiming certain labour law privileges to strengthen the cooperative's financial viability.<sup>190</sup> However, increasingly, a third path is being considered in which the employment relationship in worker cooperatives is to be qualified as "cooperative work".<sup>191</sup> Specific measures for workers' protection are put in place under such a relationship, for instance, the extension of social security to the worker-members of a cooperative.

## Gender equality

- 87. Although circumstances may vary according to context, within the SSE there is a growing interest in gender issues, greater recognition of the value of women in leadership roles, and an increase in the number of SSE units owned by women.** In mobilizing the SSE to further gender equality, including progress towards Goal 5 (gender equality) of the 2030 Agenda, two areas of focus emerge: the strengthened participation of women in SSE units, including in

<sup>186</sup> ILO, *Ending child labour by 2025: A review of policies and programmes*, 2018.

<sup>187</sup> As defined in the [Employment Relationship Recommendation, 2006 \(No. 198\)](#).

<sup>188</sup> ILO, *General Survey concerning employment instruments in light of the ILO Declaration on Social Justice for a Fair Globalization, 2008*, Report of the Committee of Experts on the Application of Conventions and Recommendations, [ILC.99/III/1B](#), 2010, para. 465.

<sup>189</sup> Section 80(1) of Spanish Act No. 27/1999 of 16 July on Cooperatives and section 99 of the Uruguayan General Act on Cooperatives [No. 18407/2008](#).

<sup>190</sup> ILO, *Meeting of Experts on Cooperative Law: Final Report*, 1995.

<sup>191</sup> Deolinda Meira, André Almeida Martins and Tiago Pimenta Fernandes, "Regime jurídico das cooperativas de trabalho em Portugal: Estado da arte e linhas de reforma", *CIRIEC – España. Revista jurídica de economía social y cooperativa* 30 (2017).

leadership positions; and the development of SSE units in undervalued economic sectors or professions with a stronger participation of women (for example, in the care economy). In 2019, in the cooperative and mutual insurance sector, a quarter of the leaders of ICMIF member organizations and 20 per cent of ICMIF board members were women. These levels of women's representation in leadership positions were higher than elsewhere in the insurance industry, where only one in ten chief executive officers were women.<sup>192</sup> In Spain, gender wage gaps are narrower in SSE units than in some other institutional units, which can be attributed to greater diversity at the management level in the SSE.<sup>193</sup> In the United Kingdom, 47 per cent of social enterprises were led by women in 2021 and 83 per cent of the leadership teams of social enterprises included a woman.<sup>194</sup>

- 88. The SSE offers observable benefits in respect of achieving gender equality. The SSE can offer multiple benefits in terms of providing affordable and accessible services for women in housing and finance and a range of care services.** Women can advance their situation by negotiating with public authorities through SSE units. The democratic and participatory governance of SSE units allows women the opportunity to engage in decision-making and power-sharing. Women who are engaged in SSE units may be better positioned to address personal and communal needs such as freedom from discrimination, violence and harassment, including sex-based violence and harassment.
- 89. SSE units established by and for women help overcome social and cultural constraints, which might otherwise limit women's participation in the workforce.** In some countries, women-only cooperatives are active in food processing, crafts and care services, providing work opportunities for their members and creating a social outlet. In India, SEWA, a national union of 1.8 million informal women workers in 14 Indian states, serves as an incubator for nascent collective social enterprises in the artisanry, dairy, agriculture, domestic work, construction and recycling sectors, linking them to other collective enterprises that provide health, childcare, insurance and financial services. An estimated 80 per cent of SEWA-supported cooperatives have achieved economic viability.<sup>195</sup>
- 90. Although SSE units may be based on values of equality and equity, they may be constrained by legal provisions, social norms and historical inequalities.** Women are often disadvantaged in terms of assets, education and training which can impede their access to the resources and markets needed to establish, expand or sustain an organization.<sup>196</sup> Even when women participate in SSE units on an equal footing to men, they may find it difficult to participate in decision-making bodies or to accede to leadership positions as prevailing horizontal and vertical gender divisions of labour are often reproduced.<sup>197</sup> Women are also generally less connected to vertical SSE structures and other support structures than men are.<sup>198</sup> Transitional measures such as affirmative action can be used in such cases. Participatory gender auditing or gender-responsive budgeting could be among other methods used by the SSE. Governments can support women's empowerment in the SSE by providing capacity-building programmes for women, including in

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<sup>192</sup> Swiss Re Institute, "Gender diversity in the re/insurance industry: for a sustainable future", 11 February 2021.

<sup>193</sup> CEPES, 2019.

<sup>194</sup> Social Enterprise UK, "No Going Back – State of Social Enterprise Survey 2021".

<sup>195</sup> ILO, *Advancing cooperation among women workers in the informal economy: The SEWA way*, 2018.

<sup>196</sup> UNTFSSSE, *Social and Solidarity Economy and the Challenge of Sustainable Development: A Position Paper by the United Nations Inter-Agency Task Force on Social and Solidarity Economy (TFSSSE)*, 2014.

<sup>197</sup> Simel Esim, "Cooperatives", in *The Routledge Handbook of Feminist Economics*, ed. Günseli Berik and Ebru Kongar (Routledge: London, 2021), 486–494.

<sup>198</sup> Eva Majurin, *How women fare in East African cooperatives: the case of Kenya, Tanzania and Uganda* (ILO, 2012).

organizational leadership and management, financial planning and marketing. Affirmative actions to correct inequalities can also have benefits beyond the enterprise level, reaching into the home, community and public spheres. Social policies that ease the care burden and strengthen women's civil and political rights can facilitate their participation in the policy process.<sup>199</sup>

## Social dialogue

- 91. In some countries, vertical structures of the SSE take part in social dialogue.** SSE units, particularly the larger ones and their federations, may participate in social dialogue as employers, and even work on collective bargaining agreements with unions, as is the case in Switzerland.<sup>200</sup> In Niger, cooperatives work alongside employers' and workers' organizations in the National Social Dialogue Committee (CNDS). In Senegal, the National Union of Traders and Manufacturers of Senegal (UNACOIS) is a member of the country's High Council for Social Dialogue. The South African National Economic Development and Labour Council comprises community organizations in addition to government and employers' and workers' organizations. The formal representation of SSE units can also involve bipartite and tripartite-plus arrangements, with SSE units falling into the category of "other stakeholders", as is the case in Mali's Economic, Social and Cultural Council (CESC).
- 92. Similarly, representatives of SSE units can take part in cross-border social dialogue mechanisms, notably in regional integration communities.** In the European social dialogue platforms for the banking sector, the European Association of Co-operative Banks is one of three representative employers' organizations. In the insurance sector, the Association of Mutual Insurers and Insurance Cooperatives in Europe is one of three recognized employers' bodies. In addition to working groups with employers' and workers' organizations, the European Economic and Social Committee has a third group on diversity with representatives of SSE units including charities, cooperatives, foundations, mutual societies and social enterprises. The Cross Border Traders Association is a membership-based organization that represents and advocates for small-scale cross-border traders. It works for the removal of trade barriers for its 40,000 members in Southern and Eastern African countries and negotiates trade conditions on their behalf with the secretariats of the Common Market for Eastern and Southern Africa and the Southern African Development Community, as well as with national governments.<sup>201</sup>

## Transition to the formal economy

- 93. Informal own-account workers can organize into SSE units to engage in the transition to the formal economy.** The Global Commission on the Future of Work recognized that "workers in the informal economy have often improved their situation through organizing, working together with cooperatives and community-based organizations."<sup>202</sup> SSE units can help achieve Goal 8 (decent work and economic growth) and Goal 10 (reduced inequalities) of the 2030 Agenda by contributing to the formalization and growth of micro, small and medium-sized enterprises and promoting the social, economic and political inclusion of all.

<sup>199</sup> ILO, *Mapping the Social and Solidarity Economy Landscape in Asia: Spotlight on Indonesia*, ILO brief: Strengthening Social and Solidarity Economy Policy in Asia, 2021.

<sup>200</sup> Migros, *Convention collective de travail (CCNT) du Groupe Migros*, 2019–22.

<sup>201</sup> Cross Border Traders Association of Zambia.

<sup>202</sup> ILO, *Work for a brighter future*, Report of the Global Commission on the Future of Work, 2019.

**94. Vertical SSE structures of informal own-account workers provide those workers with voice and representation at the local, national, regional and international levels, as described below:**

- At the local level, SSE units of artisans, taxi drivers, smallholder farmers or street vendors come together in vertical structures. For example, in the United States, the New York City Network of Worker Cooperatives provides services for worker cooperatives whose members are mostly informal own-account workers. It advocates to secure public funding for worker cooperative development and for the adoption of legislation for worker cooperatives at the city and state levels.<sup>203</sup>
- At the national level, vertical structures of the SSE include informal economy workers' umbrella organizations. The National Association of Street Vendors of India, a coalition of 373 trade unions, cooperatives, associations and community-based organizations representing around 300,000 street vendors, played a pivotal role in drafting the National Policy on Urban Street Vendors, which accorded legal status to street vendors.<sup>204</sup>
- Also at the national level, in Argentina, the Confederation of Informal Economy Workers (CTEP) is an umbrella organization of associations of garment workers, motorcycle couriers, street vendors, artisans, small farmers, brick makers and workers in recovered enterprises.<sup>205</sup> It is registered as a civil association which campaigns for the recognition of informal economy actors by the Government and runs a mutual insurance scheme as well as educational programmes for its members.<sup>206</sup>
- At the regional level, vertical SSE structures advocate for their members with regional bodies and create knowledge and learning platforms for them. HomeNet South Asia is a subregional network of home-based worker organizations that helps build regional solidarity among home-based workers and their representative organizations.<sup>207</sup>
- At the international level, membership-based organizations of informal workers advocate for their members' concerns on issues that are of priority to them. StreetNet International is a global organization of over 600,000 informal traders in more than 50 countries that aims to strengthen the voices and visibility of its members to influence policies that are directly affecting their lives.<sup>208</sup>

**95. SSE units help to scale up the activities of informal economy units through collective forms of entrepreneurship, enhancing their bargaining position and facilitating the access of workers to social protection.**<sup>209</sup> Through the SSE, informal economy enterprises can improve their economic viability and resilience, increase their productivity, realize cost savings through shared services and boost their incomes through an increased level of production and the diversification of product lines. By forming or joining SSE units, informal economy operators can secure access to finance, information, inputs, technology, support services and markets. SSE units can facilitate access to social security for their members by helping with registration, providing

<sup>203</sup> New York City Network of Worker Cooperatives, "[History and Mission](#)".

<sup>204</sup> [National Association of Street Vendors of India](#).

<sup>205</sup> CTEP, "[Nosotros](#)". The concept of "recovered" enterprises, or *empresas recuperadas*, is usually associated with Argentina experience, but such enterprises exist in several African, Asian, European and North American countries as well.

<sup>206</sup> ILO, [Organizing Informal Economy Workers into Trade Unions: A trade union guide](#), 2019.

<sup>207</sup> [HomeNet South Asia](#).

<sup>208</sup> [StreetNet International](#).

<sup>209</sup> Fonteneau and Pollet.



information about their members' rights and entitlements and raising awareness.<sup>210</sup> When SSE units are officially registered, they belong to the formal economy, while their workers may still operate in the informal economy.

- 96. The impact of COVID-19 has been particularly severe on the world's 2 billion informal workers.** Research conducted in mid-2021 on the impact of the pandemic on the livelihoods of informal workers showed that most informal workers had not recovered the ability to work. Their earnings still remained far below pre-pandemic levels.<sup>211</sup> In dealing with the effects of the public health and economic crisis caused by the pandemic, women workers in the informal economy have been even more disproportionately burdened with unpaid care work within households.<sup>212</sup> In South Asia, women home-based workers reported an inability to work due to lockdowns and mobility issues, cancellations of orders and services, increases in the cost of raw materials and seeds, and increased care responsibilities. In the face of the crisis, SSE units of informal workers distributed relief measures and services, conducted awareness-raising on COVID-19 and provided linkages with the health system for preventive care and treatment. In India, SSE units of women informal economy workers have provided much-needed employment and business-related relief to their members.

## Crisis prevention and recovery, and promotion of peace and resilience

- 97. Historically, the SSE has played an important role in the prevention of and recovery from crises caused by conflict and disaster.** The world is currently facing multiple intersecting crises, including those caused by climate change and global warming, natural disasters, economic and financial downturns, extreme poverty, forced displacement and the COVID-19 pandemic. The SSE, in all its diverse organizational forms, is exposed to crises, but also acts to prevent them and mitigate their impact. SSE units can contribute to the achievement of Goal 1 (no poverty), Goal 3 (good health and well-being), Goal 8 (decent work and economic growth), Goal 10 (reduced inequalities), Goal 13 (climate action) and Goal 16 (peace, justice and strong institutions) of the 2030 Agenda, to the extent that they build resilience, help fight communicable diseases, promote safe migration, reduce inequalities and advance social cohesion. The ILO Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205), recognizes the role of the SSE in enabling recovery and building resilience.
- 98. While struggling with the adverse effects of the COVID-19 crisis, SSE units have also been agents in addressing them.** Even when they may have been more adversely affected by the pandemic due to their work in disadvantaged communities, SSE units have often been more resilient than some other institutional units. In the United Kingdom, cooperatives were four times less likely to cease operating because of COVID-19 than other enterprises and, between 2020 and 2021, almost twice as many cooperatives were created than dissolved.<sup>213</sup> In the context of the pandemic, SSE units have been providing essential assistance to their members, connecting people in need of support with local governments and social partners. Financial cooperatives have provided liquidity support to their members, by launching crowdfunding and other solidarity initiatives to support local micro, small and medium-sized enterprises as well as people in

<sup>210</sup> ILO, *Extending social security to workers in the informal economy: Lessons from international experience*, 2021.

<sup>211</sup> Sarah Orleans Reed et al., *The Crisis is Far from Over for Informal Workers — We Need an Inclusive Recovery for the Majority of the World's Workforce*, COVID-19 Crisis and the Informal Economy: Policy Insights No. 8 (WIEGO, 2021).

<sup>212</sup> ILO and WIEGO, *Cooperatives meeting informal economy workers' child care needs*, 2018.

<sup>213</sup> Co-operatives UK, *Co-op economy 2021. A report on the UK's co-operative sector*, 2021.

vulnerable situations. Many SSE units have transformed their products and services to meet urgent local needs for protective equipment and social care.<sup>214</sup> The Mondragon Corporation in Spain, comprised of around 100 cooperatives with over 80,000 employees, used its solidarity reserve funds to support its members and temporarily redeployed workers between cooperatives in the group to minimize the loss of jobs during the pandemic.<sup>215</sup>

- 99. The active participation of vulnerable and marginalized people in SSE units contributes to redressing entrenched poverty and inequalities.** Marginalized population groups have formed their own SSE units in host countries. Some SSE units, such as social cooperatives, have been set up specifically to fight social exclusion, for instance in Italy. Others have added a social inclusion element to their main function. Jordanian agricultural and multipurpose cooperatives have been helping to obtain work permits for Syrian refugees, and have been conducting training and joint projects with them. The Multicultural Health Brokers Cooperative is a worker cooperative in Canada (Alberta) with 75 worker-members who are immigrants and former refugees. It supports 2,000 migrant and refugee families each year to access services, including maternal and infant health outreach, early parenting and early childhood development support, intercultural childcare services, multicultural family support for children with disabilities, and health and mental health support for the most vulnerable populations.<sup>216</sup>
- 100. SSE units exhibit robust resilience in the face of economic downturns and have the ability to support their members and the wider community.**<sup>217</sup> In the aftermath of the financial and economic crisis of 2007–08, financial savings and credit cooperatives, cooperative banks and credit unions have grown, kept credit flowing, especially to SMEs, and remained stable across regions of the world.<sup>218</sup> Credit unions and cooperative banks increased their market share in the aftermath of this crisis because they were less exposed to speculative transactions.<sup>219</sup> Stability and the aversion to risk are built into the design of financial cooperatives. They generate surplus as they need to, otherwise they would not be economically viable. They put the surplus into reserves, which keeps them financially strong. At the same time, they return it back to their members, through annual dividends or pricing their products reasonably. They also motivate managers differently by simply paying them the going rate, instead of rewarding them with shares.<sup>220</sup> The role that the SSE plays in immediate crisis relief is being acknowledged by governments at the local and national levels, especially in the provision of social services. Despite their relevance to building crisis resilience, SSE units have not been systematically integrated into medium to long-term government strategies for crisis resilience.
- 101. The SSE has also demonstrated its relevance and capacity and agency in the aftermath of natural disasters, as a means for communities to cope with the destruction and contribute to recovery and reconstruction.** The ICMIF and the UN Office for Disaster Risk Reduction have identified seven practical mechanisms for supporting disaster risk reduction and resilience through cooperative and mutual insurance providers in the context of the Sendai Framework for

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<sup>214</sup> ILO, *General Observation of the Committee of Experts on the Application of Conventions and Recommendations adopted in 2020 and published at the 109th Session (2021) of the Conference*, on the Employment Policy Convention, 1964 (No. 122).

<sup>215</sup> UN General Assembly, *Cooperatives in social development: Report of the Secretary-General, A/76/209* (2021).

<sup>216</sup> Multicultural Health Brokers Cooperative.

<sup>217</sup> Adrien Billiet et al., "The resilience of the cooperative model: How do cooperatives deal with the COVID-19 crisis?", *Briefings Entrepreneurial Finance* 30, Issue 2 (2021): 99–108.

<sup>218</sup> Johnston Birchall, *Resilience in a downturn: The power of financial cooperatives* (ILO, 2013).

<sup>219</sup> Johnston Birchall and Lou Hammond Ketilson, *Resilience of the Cooperative Business Model in Times of Crisis* (ILO, 2009).

<sup>220</sup> Birchall, *Resilience in a downturn: The power of financial cooperatives*.

Disaster Risk Reduction 2015–30.<sup>221</sup> In responding to natural disasters around the world, SSE units contribute, technically and financially, to reconstruction efforts, as an act of solidarity. After the Indian Ocean earthquake and tsunami of 2004, more than 500 new self-help groups were formed by women in coastal villages in Tamil Nadu, India. These groups took part in the recovery effort and, as a result, the status of women has improved with regard to employment options, financial independence, family decision-making and having a voice at public meetings.<sup>222</sup> In 2020, the Australian Mutuals Foundation ran a campaign to support communities affected by the bushfires, receiving contributions from mutuals around the world.<sup>223</sup> Governments can improve the integration of SSE units as partners in their disaster preparedness programmes.

- 102. SSE units cooperate with governments and development partners seeking to address the needs of refugees and host communities.** The SSE is well positioned to address the needs of both displaced persons and host populations, as it offers a combination of practical services through collective action, based on the values of self-help, mutualism and democratic and participatory governance. SSE units provide social services, employment, income generation, finance and knowledge exchange. They also contribute to social capacity and peacebuilding functions, such as networking, solidarity and trust-building, problem-solving, collective action, women's empowerment, reconciliation and cultural sensitization. In 2015, it was reported that social cooperatives in Italy provided 18,000 refugees, asylum seekers and migrants with essential services in 220 welcome centres and 170 dedicated housing structures.<sup>224</sup> Cooperatives in Jordan have provided career guidance and job placement services and supported improved OSH for refugees and migrant workers and host communities in agriculture, with support from the ILO.<sup>225</sup> Through its Purchase for Progress (P4P) initiative, the World Food Programme has procured staple items for emergency food assistance to refugees through cooperatives and producer associations in 20 countries, thereby supporting local development. There is a knowledge gap with regard to the role that the SSE can play in forced displacement contexts. Further research is needed as to how SSE units fare in forced displacement contexts, also compared to and in collaboration with public and private sector actors.
- 103. The SSE can play a valuable role in post-conflict situations, by taking part in conflict-sensitive and peace responsive recovery and reconstruction efforts.** SSE units can contribute to peaceful coexistence, social cohesion and sustainable peacebuilding. In countries such as Bosnia and Herzegovina, El Salvador, Guatemala, Lebanon, Mozambique, Nepal, North Macedonia, Rwanda, Sri Lanka and Timor-Leste, cooperatives have played a critical role in post-conflict reconstruction by creating jobs for returning displaced persons and ex-combatants, rebuilding businesses and homes, giving refugees and returnees access to markets, facilitating reconciliation and re-establishing relationships torn apart by war.<sup>226</sup> In Colombia, SSE units played a central role in post-conflict local recovery and development by contributing to efforts to reintegrate ex-combatants and build peace. SSE mechanisms have also been mobilized to resettle ex-combatants in the Balkans (in the 1990s), in the eastern Democratic Republic of the Congo and in Central America (1990–95), and in Southern Africa (1995–2000). In the Northern Province of Sri Lanka, where cooperatives have been active since before the civil war (1983–2009), there has been

<sup>221</sup> ICMIF and UN Office for Disaster Risk Reduction, *From protection to prevention: The role of cooperative and mutual insurance in disaster risk reduction*, 2020.

<sup>222</sup> Grant Larson et al., "The role of self-help groups in post-tsunami rehabilitation", *Sage journals* 58, Issue 5 (2015): 732–742.

<sup>223</sup> Business Council of Co-operatives and Mutuals of Australia, "Community resilience and recovery".

<sup>224</sup> ILO, *Mapping responses by cooperatives and social and solidarity economy organizations to forced displacement*, 2020.

<sup>225</sup> ILO, "Jordan launches national strategy for the cooperative movement, with ILO support." 3 July 2021.

<sup>226</sup> ILO, *Mapping responses by cooperatives and social and solidarity economy organizations to forced displacement*, 2020.

some success in increasing the incomes of people brought together as members in a cooperative. Furthermore, by bringing people together, cooperatives have been able to challenge some of the cultural constraints placed on women in a conservative society.

## A just digital transition

- 104. SSE units are contributing to making digital transitions fairer.** By connecting businesses and customers to employees, digital work platforms are transforming business processes and have significant implications for the future of work.<sup>227</sup> Platform cooperatives, similar to platform companies, use websites, mobile applications or protocols for the sale of goods or services. Their main difference is that they rely on democratic decision-making or shared ownership of platforms, or both. For instance, taxi driver cooperatives have set up their own online applications to eliminate the intermediation of ride-hailing companies. In the United States, the Green Taxi Cooperative, based in Denver, is a unionized worker cooperative with a smartphone taxi-hailing service that is owned and operated by its members.<sup>228</sup>
- 105. SSE units offer a range of alternatives for workers, producers and users of digital services.** In Brazil, Cataki is a mobile application connecting waste pickers to waste generators in Sao Paolo, free of charge. During the COVID-19 pandemic, it distributed face masks and created an online crowdsourcing campaign to support waste pickers.<sup>229</sup> In Czechia, Czechitas is a non-profit social enterprise that develops the digital competence of women and girls through affordable training. In Germany, DENIC, a shared-service platform cooperative that maintains 16.7 million internet domain names (".de") and provides digital security services,<sup>230</sup> represents the country in the Internet Corporation for Assigned Names and Numbers (ICANN), a not-for-profit public-benefit corporation based in the United States that coordinates the internet's naming system. In India, GoCoop, a social enterprise connecting consumers to weaver and artisan cooperatives and community-based enterprises, is the country's first online marketplace for handmade and artisanal products.<sup>231</sup> Also in India, Vrutti, a social enterprise, supports 26,000 smallholder farmers organized in farmer producer organizations through a digital platform that provides business planning assistance through demand and price forecasts, direct linkages to end consumers and institutional support systems for credit, distribution and logistics.<sup>232</sup>

## A just transition to environmental sustainability

- 106. SSE units are contributing to a just transition to environmental sustainability.**<sup>233</sup> The *Guidelines for a just transition towards environmentally sustainable economies and societies for all* call for special attention to be paid to assisting cooperatives in making the transition. They highlight the role that governments, in consultation with social partners, should play in enabling cooperatives to participate in the public procurement process and recognize the use of the

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<sup>227</sup> Anita Gurumurthy et al., *Platform labour in search of value: A study of workers' organizing practices and business models in the digital economy*, 2021.

<sup>228</sup> Green Taxi Coop.

<sup>229</sup> Luciana Bruno, *Collecting Dignity: Recyclable Waste Pickers of Brazil* (Institute for the Cooperative Digital Economy, 2020).

<sup>230</sup> DENIC, "Internet and a Cooperative Society - How Does That Go Together?"

<sup>231</sup> GoCoop.

<sup>232</sup> Gurumurthy et al.

<sup>233</sup> Valérie Boiten, *Closing the Loop - Can Social and Solidarity Organisations Accelerate the Circular Economy?* (UNTFSSSE, 2019).

cooperative model as an effective tool for formalization.<sup>234</sup> The SSE can contribute to the achievement of Goal 7 (affordable and clean energy), Goal 8 (decent work and economic growth), Goal 11 (sustainable cities and communities), Goal 12 (responsible consumption and production), Goal 13 (climate action), Goal 14 (life below water) and Goal 15 (life on land) of the 2030 Agenda. It can do this to the extent that SSE units can provide access to renewable energy and resource efficiency in their own operations, make cities and human settlements inclusive, resilient and sustainable, advance sustainable consumption and production, and work on climate action and towards the protection of life below water and on land. In the United Kingdom, 20 per cent of social enterprises noted that they address the climate emergency as part of their core mission. One third (35 per cent) indicated that they have embedded tackling climate change or the climate emergency into their constitutions or articles of association. Another third (32 per cent) noted that they have plans to or are considering to do so.<sup>235</sup>

- 107. SSE units in sectors ranging from agriculture and housing to energy are greening their operations and lowering their environmental footprint.** Mutual insurance for crops, improved irrigation and watershed management techniques, the use of renewable and naturally occurring materials for insulation and diversification to drought-resistant crops are some of the strategies that SSE units can use. In Kenya, the Dunga Fishermen Cooperative Society is addressing the low stock levels resulting from overexploitation and climate change impacts, by breeding thousands of fish through an aquaculture development initiative and then releasing them into a lake.<sup>236</sup> The international community, national and local governments and the social partners can build the SSE into their just transition plans and programmes.
- 108. The SSE also contributes to environmental sustainability by producing and selling products and services in green sectors such as renewable energy.** In many developing countries, solar-powered, community-based mini-grids offer a cost-effective alternative to rural electrification. SSE units have also been involved in the generation and distribution of renewable energy for many years.<sup>237</sup> REScoop.eu, the European federation of citizen energy cooperatives, a non-profit association operating like a cooperative, represents 1,900 energy cooperatives with 1.25 million member-households.<sup>238</sup> As community ownership of renewable energy sources through SSE units grows, it is important to take into account the need to ensure that the green jobs created are also decent jobs for workers in this sector. In Brazil, COOPERBIO is the country's first biodiesel cooperative that brings together 25,000 households of smallholder farmers and landless workers to collect biomass and produce biodiesel and ethanol using castor bean, jatropha, sunflower and other plants. It generates jobs and incomes, promotes healthy diets for rural families and advocates for the environment and the protection of water resources and biodiversity.<sup>239</sup>
- 109. In response to challenges in informal operations such as hazardous working environments, low bargaining power and lack of voice and representation, waste pickers have set up a variety of SSE units, especially in Latin America and South Asia.**<sup>240</sup> In contexts where formal waste management systems are not fully developed, informal waste pickers have played a key role in collecting, sorting and recycling waste. They contribute to safeguarding public health,

<sup>234</sup> ILO, *Guidelines for a just transition towards environmentally sustainable economies and societies for all*, 2015.

<sup>235</sup> Social Enterprise UK, 2021.

<sup>236</sup> COPAC, *Transforming our world: A cooperative 2030 - Cooperative contributions to SDG 14*, 2019.

<sup>237</sup> ILO, *Providing clean energy and energy access through cooperatives*, 2013.

<sup>238</sup> REScoop.eu.

<sup>239</sup> ILO, *Providing clean energy and energy access through cooperatives*, 2013.

<sup>240</sup> ILO, "Waste pickers' cooperatives and social and solidarity economy organizations" (brief), 2019.

improving sanitation and protecting the environment at the local, national and international levels by promoting resource circulation and reducing the amount of landfill waste. In Colombia, the Cooperative Association of Recyclers of Bogotá (ARB), a federation of 17 cooperative organizations representing around 1,800 waste pickers, negotiates with the municipality, government and the private sector. In India, Solid Waste Collection Handling, a worker cooperative of 3,000 women worker-members who are waste pickers and itinerant waste buyers, has entered into a contract with Pune Municipality. While these SSE units can help improve terms and conditions of work for waste pickers, significant decent work deficits, including OSH hazards, persist.

- 110. In recent years, SSE units have started to get involved in managing electrical and electronic waste (e-waste).** In 2019, every person on earth generated 7.3 kilograms of e-waste per year, up from 5 kilograms in 2010.<sup>241</sup> Most actors in the e-waste value chain operate in the informal economy. The points of consensus from the 2019 ILO Global Dialogue Forum on Decent Work in the Management of Electrical and Electronic Waste (e-waste) acknowledge that cooperatives and other SSE units perform a key role in e-waste management in many countries. They have promoted the rights of informal workers, advocated their inclusion and recognition, and created formal and decent work opportunities.<sup>242</sup> In the United States, RecycleForce is a social enterprise that is committed to community integration of post-incarcerated persons through employment and job training, while improving the environment through electronics recycling. Since 2006, it has safely recycled more than 65 million pounds of e-waste while providing job training to thousands of returning citizens.<sup>243</sup>
- 111. Many SSE units contribute to food networks associated with fair trade, solidarity purchasing and collective provisioning.** They enhance food security and foster sustainable and more equitable agri-food systems that promote decent work and practices which are greener and fairer across supply chains.<sup>244</sup> In Portugal, Re-Food, an association with 7,500 volunteers, contributes to eliminating food waste and hunger in local communities.

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<sup>241</sup> Ian Tiseo, *Per capita electronic waste generation worldwide from 2010 to 2019 (in kilograms per capita)*, 2021.

<sup>242</sup> ILO, *Points of consensus of the Global Dialogue Forum on Decent Work in the Management of Electrical and Electronic Waste (e-waste)*, GDFEEW/2019/7, 2019.

<sup>243</sup> Recycle Force.

<sup>244</sup> ILO, *Cooperatives & Social Solidarity Economy - Responses to key issues in the report of the Global Commission on the Future of Work, 2019* (brief), 2019.

## ► Chapter 3. Relationship with ILO constituents

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**112.** Chapter 3 examines the relationship between the ILO's tripartite constituents and the SSE. The promotion of the SSE to advance decent work and sustainable development calls for new forms of cooperation between governments, employers, workers and societies at large.

### Governments

**113. The forms in which the SSE is recognized in legislation varies across countries.**<sup>245</sup> The constitutions of several countries recognize the SSE. These include the constitutions of the Plurinational State of Bolivia (which refers to the "social and community economy"), Ecuador (which refers to the "social and solidarity economy" and "popular and solidarity economy") and Mexico (which refers to the "social sector"). Many national constitutions refer to organizational forms of the SSE. For example, more than 60 constitutions recognize the role of cooperatives.<sup>246</sup> Federal countries have introduced SSE laws at different levels. For example, while Mexico has an SSE law at the federal level, SSE laws in Argentina have been introduced at the provincial level. Adopted SSE legislation differs in its level of detail. Most texts are based on the framework legislation model, laying out general obligations and principles, often featuring around 20 articles. This is the case, for example, in Cabo Verde, Cameroon, Portugal and Uruguay. Others have more detailed provisions, as is the case in France (98 articles) and Honduras (70 articles). The definition of the SSE in legislation has varied in its grounding, from values and principles to a specification of legal forms and restriction to certain economic activities. Most SSE texts explicitly refer to SSE principles and organizational forms, but relatively few specify SSE values or restrict the SSE to specific economic activities. Some SSE legislation has introduced mechanisms for the identification of SSE units or specific organizational forms. Overall, the adoption of regulatory frameworks on the SSE remains limited. Those related to specific components of the SSE may also need to be revised to reflect changing realities.

**114. The enactment of SSE legislation is often followed by the creation or strengthening of government institutions that both regulate and support the SSE.** The status of such institutions, however, can vary considerably. Several countries have established SSE ministries (including Belgium (Flanders), Cameroon, Luxembourg, Morocco, Nicaragua, Senegal and Spain).<sup>247</sup> Others have vice-ministries (Costa Rica), national secretariats (France, Republic of Korea), ministerial institutes (Mexico) or inter-ministerial commissions (Colombia). More fragmented institutional arrangements also exist, whereby different ministries or departments assume different responsibilities for the SSE or are in charge of specific organizational forms of the SSE. In several countries, the trajectory of institutionalization involves the emergence of ministries or agencies that merge multiple initiatives linked to the regulation, coordination and promotion of the SSE.<sup>248</sup>

**115. Governments committed to the development of the SSE often establish mechanisms for coherence and coordination across a broad range of policy areas.** Because SSE units may

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<sup>245</sup> Hiez.

<sup>246</sup> Ifigenia Douvitsa, "National Constitutions and Cooperatives: an Overview", *International Journal of Cooperative Law* 1, No. 1 (2018): 128–147.

<sup>247</sup> In most cases, the mandate of these ministries includes the SSE in addition to other responsibilities, such as labour.

<sup>248</sup> Utting.

operate across different industries and institutional sectors, it is difficult to assign them to a specific government portfolio. Historically, responsibility for organizational forms that fall under the SSE has often been assigned to different technical ministries. Cooperatives, for example, may be placed under the oversight of the ministry in charge of agriculture and rural development. In fact, cooperatives alone may be under the oversight of multiple ministries, depending on the sectors in which they operate (for instance, agriculture, finance, industry or housing). Mutuals may fall under the ministry in charge of finance, while associations are in many countries regulated by the ministry of the interior. Such assignment of responsibilities can be valuable for the development of specific SSE components. However, the absence of effective coordination mechanisms may result in institutional fragmentation and prove to be detrimental to promoting the SSE as a whole.<sup>249</sup> Some countries have developed coordination mechanisms on the SSE. They notably include Brazil (Brazilian Forum for the Solidarity Economy), Chile (Public–Private SSE Consultative Council), Djibouti (National Council for the Promotion of the SSE), France (National Council of Regional Chambers of the SSE), the Republic of Korea (Korea Social Enterprise Promotion Agency), Senegal (Minister Delegate to the Minister for Microfinance and the Solidarity-Based Economy) and Spain (Spanish Social Economy Observatory).<sup>250</sup> Some of these institutions provide support services to SSE units such as capacity-building and incubation. They also coordinate SSE policies and interventions and mediate between the government and the SSE. National institutional arrangements adapted to the multi-sectoral nature of the SSE have been reflected in regional and local institutions as well, as exemplified by relevant regional institutions in Canada (Quebec and Montreal) and France (Provence-Alpes-Côte d’Azur).<sup>251</sup>

## Workers’ organizations

**116. Around the world, workers’ organizations and SSE units share values and principles, a common history and occasionally intersecting organizational structures.** In many countries, workers’ organizations and cooperative organizations trace their origins to the same social and economic upheavals. In relation to the SSE, a priority of workers’ organizations is to promote and defend SSE workers’ rights and interests. They may also engage with the SSE to provide goods and services for their members and to reach out to workers and producers that may not be their members. In some cases, they combine trade union and SSE activities within the same umbrella structure. For instance, in India, SEWA presents itself as being at the confluence of the labour movement, the cooperative movement and the women’s movement.<sup>252</sup> It emerged from the women’s wing of the textile labour association before being registered as a trade union. SEWA advances the rights of its members in the rural and informal economies through the union and improves livelihoods through cooperatives and other collective social enterprises.<sup>253</sup> In other instances, what may have started as an SSE unit may have later turned into a fully-fledged trade union. For example, in Jamaica, where domestic workers constitute 16 per cent of the female labour force, the Jamaican Household Workers Association was formed to train members in household management, negotiation and conflict resolution skills. In 2013, the Association

<sup>249</sup> ILO, *Mapping the Social and Solidarity Economy Landscape in Asia: Towards an Enabling Policy Environment*, ILO brief: Strengthening Social and Solidarity Economy Policy in Asia, 2022.

<sup>250</sup> Marguerite Mendell and Béatrice Alain, “Enabling the Social and Solidarity Economy through the Co-Construction of Public Policy”, *Social and Solidarity Economy – Beyond the Fringe* (Zed Books: London, 2015), 166–182.

<sup>251</sup> Mendell and Alain.

<sup>252</sup> SEWA, “Introduction”.

<sup>253</sup> ILO, *Advancing cooperation among women workers*, 2018.



registered as a trade union with more than 1,600 members, representing domestic workers in the country's Minimum Wage Advisory Commission.<sup>254</sup>

**117. Workers' organizations have established SSE units in the areas of retail, affordable housing, small-scale finance, mutual insurance, education and training, and employment preservation in order to benefit their members.** Some examples include:

- In Brazil, UNISOL Brasil is an umbrella organization of associations, cooperatives and other SSE units that operates with the active participation of a national trade union (Single Confederation of Workers (CUT)). It supports SSE units of informal waste pickers/recycling workers and other workers in a range of sectors. It provides advice on worker buyouts and on the establishment of social cooperatives. The CUT contributes to institutional dialogue and provides technical support.
- In the Canadian province of Quebec, the law enables workers of an enterprise to collectively acquire equity in the enterprise through a cooperative and participate in its governance. There are over 50 such worker cooperatives in Quebec, which have resulted from cases of owner retirement or failing enterprises. When a radio station was failing, its 13 workers, with the support of their trade union, progressively acquired the shares of the station, becoming 100 per cent owners and creating a worker cooperative in 2007.<sup>255</sup>
- In Colombia, the Union of Domestic Service Workers (UTRASD) started a social enterprise for cleaning and care services, as a worker-owned alternative to existing intermediaries.<sup>256</sup> It has provided training to over 300 care and domestic workers, improving their professional skills, knowledge of labour rights and self-esteem, and organized a marketing campaign to generate a client base and secure new contracts.
- Eswatini's largest credit union (in terms of members and savings) was established by the influential national teachers' union.<sup>257</sup>
- In India, Nirmala Niketan is a collective of domestic workers set up by tribal women from Jharkhand. It is supported by the National Campaign Committee for Unorganized Sector Workers and its partners.<sup>258</sup>
- Italy's experience with worker-recovered enterprises, facilitated by its extensive cooperative, business and labour legislation on the subject and its enabling environment in that regard, is built around a financing structure facilitated by collaboration between workers' organizations, the State and the cooperative movement.<sup>259</sup>
- In Japan, trade unions in the 1950s established various workers' welfare organizations, such as worker-oriented consumer cooperatives, labour banks,<sup>260</sup> workers' insurance cooperatives and workers' housing associations, which exist to this day.<sup>261</sup>

<sup>254</sup> ILO, "Cooperating out of isolation: Domestic workers' cooperatives" (brief), 2014.

<sup>255</sup> ILO, *Job preservation through worker cooperatives: An overview of international experiences and strategies*, 2014.

<sup>256</sup> ILO, *Organizing workers in the informal economy of selected African and Latin American countries: The potential of trade union, cooperative and social and solidarity economy partnerships*, Policy brief, forthcoming.

<sup>257</sup> SNAT CO-OP, "We're SNAT Co-op: The answer to a teacher's financial needs".

<sup>258</sup> Nirmala Niketan.

<sup>259</sup> EURICSE, *The Italian road to recuperating enterprises and the Legge Marcora framework*, 2017.

<sup>260</sup> Akira Kurimoto and Takashi Koseki, *Rokin Banks - 70 years of efforts to build an inclusive society in Japan through enhancing workers' access to finance* Social Finance Working Paper No. 76 (ILO, 2019).

<sup>261</sup> Akira Kurimoto, "Cooperatives and Trade Unions: From occasional partners to builders of a solidarity-based society", in *Cooperatives and the World of Work*, ed. Roelants et al. (Routledge: London, 2019), chapter 9.

- In the United Kingdom, a group of trade unionists, cooperators, educators and academics developed the “union co-op” model of cooperatives that are owned and controlled by their workforce and reserve a formal place in their governance for a trade union.<sup>262</sup>

**118. Partnerships between workers’ organizations and the SSE in the informal economy point to their value added across the micro, meso and macro levels.** Such partnerships include the provision of individual support and services (micro level) and building collective identity and knowledge and commitment to shared ownership and mutual support (meso level). Often rooted in wider rights and social justice movements, many SSE units have successfully built strategic coalitions to build worker power, visibility and influence, leading to improved rights and protections as a result of locally, nationally and globally focused advocacy and dialogue (macro level). In 2011, the Congress of the African Regional Organization of the International Trade Union Confederation (ITUC–Africa) adopted a resolution on promoting organization in the informal economy and a solidarity-based economy for better development of Africa, underlining the importance of cooperation between the SSE and trade unions in organizing the informal economy.<sup>263</sup> In Togo, the Mutual Social Protection Scheme for Workers in the Informal Sector (MUPROSI) is a mutual scheme that provides primary healthcare insurance for its members. It was established in 2005 by a trade union and is supported by the Federation of Wood and Construction Workers of Togo (FTBC–Togo). It operates as a social, non-profit association based on mutual aid and solidarity among its 1,231 direct members, of whom 42 per cent are women. It has 4,269 beneficiaries that are dependants of the members.<sup>264</sup>

**119. Workers’ organizations occasionally build alliances with SSE units to pursue common goals.** In the Canadian province of Quebec, long-standing collaboration between trade unions and SSE units has led to the growing membership of both movements.<sup>265</sup> In Ghana, when negotiating a new Labour Act in 2003, the Ghana Trades Union Congress successfully proposed that the Act should cover all workers rather than just employees and should provide protections for casual and temporary workers. In 2003, the Congress was successful in negotiating a health insurance scheme that provided for both formal and informal workers.<sup>266</sup> The General Agricultural Workers’ Union of Ghana formed a wing to organize smallholder farmers and support their registration with national social protection schemes. At the international level, trade unions, informal economy organizations and civil society groups sometimes form coalitions around a common agenda, including campaigns for the ratification and application of international labour standards, such as Convention No 189 and the Violence and Harassment Convention, 2019 (No. 190).

## Employers’ organizations

**120. SSE units and SSE vertical structures may join existing employers’ organizations.** In Spain, the supermarket retailer Eroski, part of the Mondragon group of cooperatives, is a member of the

<sup>262</sup> Alex Bird et al., *A Manifesto for Decent Work* (Union Co-ops UK, 2020).

<sup>263</sup> LO/FTF Council, *Paving the way for formalisation of the informal economy: Experiences and Perspectives from ITUC-Africa and Trade Unions across Africa*, 2015.

<sup>264</sup> WIEGO, *Enabling social protection within the informal economy: Lessons from worker-led schemes in Nigeria, Uganda and Togo*, Synthesis report for the research project “New Forms of Social Insurance for the Economic Inclusion of Women & Young Informal Workers”, 2021.

<sup>265</sup> Yvon Poirier, “Labour unions and the Solidarity Economy: The Quebec Experience”, in *Solidarity Economy I: Building Alternatives for the People and the Planet*, eds. Emily Kawano et al, (Center for Popular Economics: Amherst MA, USA, 2010).

<sup>266</sup> Christine Bonner and Dave Spooner, “Organizing in the Informal Economy: A Challenge for Trade Unions”, *International Politics and Society* IPG 2/2011 (2011): 87–105.

National Association of Large Distribution Companies (ANGED) which, in turn, is affiliated to EuroCommerce, a pan-European employers' organization. Similarly, the Finnish retail cooperative federation Suomen Osuuskauppojen Keskuskunta and the United Kingdom's Co-operative Group are both members of their countries' retail trade bodies affiliated to EuroCommerce. In Switzerland, since 2014, two consumer cooperatives (Coop and Migros) have been members of the Confederation of Swiss Employers (UPS) through the sectoral association for retail.

- 121. Employers' organizations may develop structures and extend services to SSE units and their vertical and horizontal structures.** For example, in Senegal, the National Employers' Council (CNP) has established a committee on gender, professional diversity and the SSE alongside other committees to strengthen its value proposition, its bargaining power and its ability to defend the interests of its members. In 2019, employers' organizations of Senegal and Morocco came together at a meeting on the SSE as an alternative and inclusive model of entrepreneurship, organized through an intergovernmental initiative. The goal of the meeting was to promote the SSE through synergistic activities and increase the visibility of goods and services derived from the SSE across supply chains.
- 122. SSE units may also set up their own employers' organizations.** There are examples of SSE vertical structures that are employers' organizations. These include, in Australia, the Business Council of Co-operatives and Mutuals, which was formed in 2012 and brings together cooperative and mutual businesses and credit unions to foster innovation and build business relationships for a more inclusive, prosperous and sustainable economy. Similarly, Co-operatives and Mutuals Canada is a member-driven association that helps develop and promote Canada's 7,000 small, medium and large cooperatives and mutual businesses. It is worth noting that employers' organizations also share some values and principles with the SSE. For instance, more and more employers' organizations are integrating business and human rights, and gender equality, among other topics, into their agendas. These include: the German Employers' Association of Commercial Cooperative Groups (ZGV); the Spanish Social Economy Employers' Confederation (CEPES); the Swedish Cooperative Employers' Association (Fremia); and the Viet Nam Cooperative Alliance, the country's second-largest employers' organization after the Viet Nam Chamber of Commerce and Industry.
- 123. Vertical and horizontal structures of the SSE may be represented in international platforms along with other employers' organizations.** For instance, in recent years, the representatives of national cooperative apex institutions have participated in the different working groups of the Business 20 (B20) dialogue forum that brings together leaders from across G20 member countries to advocate for the key role of the private sector as a driver of strong, sustainable and balanced growth.

## ► Chapter 4. Office action on the SSE

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**124.** This chapter presents the Office's action on the SSE. In addition to providing a historical background, it describes current programmes, development cooperation policy and partnerships, and capacity-development activities relating to the SSE.

### Historical background

**125. The ILO's Cooperatives Unit, which is responsible for ILO activities on the SSE, was established in 1920 by a unanimous decision of the Governing Body at its third session.** Since then, the Unit's scope, size, name and organizational position has evolved in response to changing realities and approaches. The Unit currently has three Professional regular budget staff positions (one at the P5 level and two at the P4 level), after one of its regular budget positions was reassigned to another unit in 2016. One constant, however, has been the reference to cooperatives and cooperation in its name over time.<sup>267</sup> The Unit was originally established to carry out research and to provide information and legal advisory services related to cooperatives. In the 1960s, when many developing countries gained their independence, the unit embarked on an ambitious development cooperation programme. Supported by the UN Development Programme (UNDP) and bilateral donors, this programme had, by the end of the 1960s, become the Office's third-largest extrabudgetary portfolio and remained so until the 1980s.<sup>268</sup> During the 1990s, with the changing role of the State in socio-economic development in favour of for-profit private enterprises, resources allocated to cooperative development declined sharply. Recommendation No. 193 sparked renewed interest in cooperatives as agents for poverty alleviation and development. The term "social economy" appeared occasionally in ILO documents as far back as 1922.<sup>269</sup> Since the adoption of the ILO Declaration on Social Justice for a Fair Globalization in 2008, ILO constituents have increasingly turned to the Office for assistance and advice related to the SSE. Before then, the ILO had promoted a wide range of SSE units without necessarily labelling them as such.

**126. Across the years, the ILO has designed and implemented a number of initiatives with or through SSE units.** These notably include:

- The Organizational and Cooperative Support to Grassroots Initiatives (ACOPAM) programme, which worked to improve the self-sufficiency of Sahelian farmers and to boost food security by enhancing local community organizations' capacities via cereal banks, small-scale irrigation, gender and microfinance, land management and cotton marketing (1978–99).
- COOPTRADE, a subregional project in 12 countries of Asia, which was designed to assist national cooperative organizations in developing trading relations between cooperatives in industrialized and developing countries (1982–84).
- The Interregional Programme to Support Self-Reliance of Indigenous and Tribal Communities through Cooperatives and Other Self-Help Organizations (INDISCO), which contributed to conserving indigenous and tribal peoples' cultural heritage, strengthening their income-

<sup>267</sup> ILO, "What is in a name? Changes to the Designation of COOP Unit at the ILO across the century."

<sup>268</sup> In 1969, when the ILO turned 50, the Cooperative Programme employed more than 120 international experts, working in close to 70 countries.

<sup>269</sup> ILO, *Minutes of the 11th Session of the Governing Body of the International Labour Office*, 1922.

generation capacities and protecting their natural resources through cooperatives and other self-help organizations (1993–2007).

- The Strategies and Tools against Social Exclusion and Poverty (STEP) programme, which extended health insurance coverage to non-protected population groups, notably those in the informal economy through mutual benefit organizations and community-based health insurance schemes (1998–2013).
- The Poverty Reduction among Unprotected Informal Economy Workers through Trade Union–Cooperative Joint Action (SYNDICOOP) initiative, which sought to develop synergies between the cooperative and trade union movements to support SSE units of informal workers in Africa (2002–06).
- The Cooperative Facility for Africa (CoopAfrica), which operated in nine countries in Eastern and Southern Africa to assist cooperatives in efforts to improve their governance, efficiency and performance (2007–11).

**127. Over the past five decades, the ILO’s approach to cooperative promotion has evolved with changing constituent priorities.** Until the late 1980s, cooperatives were seen as key development actors, and hence many ILO initiatives were aimed at directly setting up cooperatives in developing countries. This was followed by a period of about 15 years during which the Office focused on establishing a conducive environment for cooperative development, working mostly at the macro and the meso levels through larger, interregional programmes. In the 20 years since the adoption of Recommendation No. 193, cooperatives and units in the wider SSE are not only recognized as implementing partners but also as institutional forms that can help advance decent work and sustainable development.

**128. In the last decade, the Office has responded to requests by the constituents regarding the SSE through a number of development cooperation projects, as described below.**

- In Algeria, the ILO worked to improve youth employability and professional integration through the SSE by strengthening the technical capacities of SSE units and providing them with technical and financial assistance (2016–18).
- The main objective of the ILO’s Dignità in Campo project in Italy was to prevent new forms of labour exploitation in the agricultural sector and to promote new practices in social economy through pilot actions in two territories (2018–20).
- The ILO contributed to a project on the development of SSE in the Occupied Palestinian Territory with a focus on the development of a legal framework on cooperatives and on enhancing their role in promoting gender equality and women’s economic empowerment (2019–20).
- The Office has also supported ILO constituents in South Africa in the development of an SSE policy.<sup>270</sup>
- In Tunisia, the ILO’s support to constituents has included contributing to promoting a conducive environment for the development of the SSE. The first ILO project on the SSE in Tunisia started in 2016 and supported the development of a framework policy on the SSE.<sup>271</sup> Subsequent SSE projects in Tunisia have focused on youth employment and rural women entrepreneurship through the SSE.

<sup>270</sup> The “Development of a Social Economy Policy in South Africa project” (2017–21) was funded by the Government of Flanders and the National Economic Development Department of South Africa.

<sup>271</sup> The Promotion of Organizations and Mechanisms of Social and Solidarity Economy (‘PROMESS’) project in Tunisia was a development cooperation project (2016–20) funded by the Government of the Netherlands.

## Current programmes

- 129. The Office supports ILO constituents in SSE-related areas ranging from legal and policy advice, to research and statistics, to training and capacity-building.** In recent years, the Office has worked with constituents in Jordan, South Africa, Sri Lanka, the United Republic of Tanzania and Tunisia, and in the Occupied Palestinian Territory, in the design of cooperative and wider SSE policies and strategies. The Office has also provided inputs into policies on the SSE or its components including cooperatives and social enterprises in Bulgaria, Ghana, Greece, Serbia, the United Republic of Tanzania and Trinidad and Tobago. The Office uses a three-pronged approach in its work on the SSE, which involves: advancing SSE units as economically, socially and environmentally responsible and viable options for a human-centred future of work; encouraging the integration of decent work priorities into SSE vertical structures and support institutions; and ensuring that the specific development potential of the SSE is recognized in analysis, policy and actions towards advancing sustainable development and decent work.
- 130. Although the Office's scope of work on the SSE varies in terms of target groups, implementation modalities, geographical coverage, duration and size, much of it takes a multi-level approach.** In its work on the SSE, the Office ensures close consultation and collaboration with the constituents. At the macro level, the objective of the Office is to establish a conducive policy, legislative and institutional environment for the SSE to flourish. At the meso level, the Office seeks to establish and strengthen SSE support institutions and mechanisms, including by strengthening capacities and supporting access to financing and markets. At the micro level, the Office aims at nurturing and strengthening SSE units at the grassroots level for the benefit of often marginalized and excluded population groups.
- 131. The Office uses a "One ILO" approach in incorporating SSE units into its programmes. Highlights of this approach include:**
- The Office currently implements SSE-related development cooperation projects in Africa, the Arab States and Asia and the Pacific, which are funded by Belgium (Flanders), Canada, France, Italy, the Republic of Korea, Luxembourg, the Netherlands and the European Commission.<sup>272</sup>
  - Several ILO projects and programmes work with SSE units. These include projects working with cooperatives and producer organizations to: support local economic development (Sri Lanka); promote decent work in agribusiness (Ethiopia and Morocco); advance youth employment (Cambodia and Lao People's Democratic Republic); and facilitate transition to the formal economy (Senegal). ILO projects promoting the transition to the formal economy involve the formation of, and support to, SSE units.<sup>273</sup>
  - Multiple research initiatives have strengthened the knowledge base of the constituents on the SSE. A series of Office reports and briefs explores the role of SSE units in advancing decent work in the rural, informal, care and platform economies, women's economic empowerment, the future of work, crisis response, trade and supply chains, the green agenda, the statistics of cooperatives and sustainable development.<sup>274</sup>
  - The Office has also provided support to social finance institutions, including microinsurance providers, some of which are SSE units. More recently, it has undertaken research exploring the role of social finance in advancing the SSE.

<sup>272</sup> ILO, "Projects on cooperatives and social and solidarity economy".

<sup>273</sup> ILO, "Projects on informal economy".

<sup>274</sup> ILO, "Publications and tools on cooperatives".

**132. Two current programmes implemented by the Office demonstrate how SSE units are being integrated into the Office's development cooperation portfolio to advance the ILO's decent work mandate. These are described below:**

- PROSPECTS, <sup>275</sup> a programme implemented in partnership with the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Children's Fund, the International Finance Corporation and the World Bank, is funded by the Government of the Netherlands. The work on cooperatives facilitates the integration of refugees into the labour market through the improvement of livelihood opportunities for refugees and host communities in African countries (Ethiopia, Sudan and Uganda) and in Arab States (Iraq, Jordan and Lebanon).
- The main objective of the ILO's Accelerating action for the elimination of child labour in supply chains in Africa (ACCEL Africa) project, <sup>276</sup> funded by the Government of the Netherlands, is the elimination of child labour in cocoa, coffee, cotton, tea and gold supply chains in Burkina Faso, Côte d'Ivoire, Egypt, Malawi, Mali, Nigeria, the United Republic of Tanzania and Uganda. It seeks to strengthen cooperatives and other producers' organizations and raise awareness regarding their role in eliminating child labour. It focuses on improving governance mechanisms of cooperatives and producers' organizations, especially at the lower tiers of the supply chain, and on empowering them to minimize their socio-economic vulnerabilities.

**133. The Office has adapted its work in view of the COVID-19 pandemic to address the emerging needs of the constituents around the SSE.** The ILO has included the impact of COVID-19 in its research and needs assessments to better understand and address the needs of its constituents. Direct financial and technical support is being provided to SSE units hit by the crisis through ongoing ILO programmes. Research methods, training materials and delivery mechanisms were adapted to address the changing circumstances for delivery during the COVID-19 pandemic, including phone interviews, virtual study tours, online learning and multimedia materials. At the global level, the Office has documented good practices of SSE units responding to the crisis, to inform the development of response and recovery measures by the constituents. The Office has also organized and participated in a range of webinars and capacity-building activities on the SSE and COVID-19.

## Development cooperation policy and partnerships

**134. Several ILO development partners recognize the SSE as means of implementation of development policy and support SSE units in development cooperation.** In Canada, the Government has supported the development of credit unions worldwide. In its Action Plan for the Social Economy, the European Commission identified state aid and access to funding and finance among its key areas of focus for 2021–30. <sup>277</sup> The Government of Germany has provided assistance to agricultural and financial cooperatives in various Latin American and African countries. SSE units play an important role in the development projects implemented by the Japan International Cooperation Agency. Since 2001, the United States Agency for International Development has allocated around US\$150 million to a global cooperative development programme that operates

<sup>275</sup> ILO, "Partnership for improving Prospects for host communities and forcibly displaced persons", 2019–23.

<sup>276</sup> ILO, "Accelerating action for the elimination of child labour in supply chains in Africa (ACCEL Africa)".

<sup>277</sup> European Commission, *Building an economy that works for people: an action plan for the social economy*, 2021.

in 35 countries.<sup>278</sup> The United Kingdom's Foreign, Commonwealth and Development Office has promoted social enterprises in many countries.

- 135. The ILO has been at the forefront of the promotion of cooperatives and the wider SSE within the UN system.** The ILO is the only UN agency with a dedicated organizational unit working on the SSE (Cooperatives Unit). While no other UN agency has established such a unit on this portfolio, the SSE often plays a key role in projects implemented by UN agencies, in particular those that operate at the country level, such as the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development, the UNDP, the United Nations Industrial Development Organization (UNIDO), the UNHCR, the United Nations Educational, Scientific and Cultural Organization and the World Food Programme. Collaboration and cooperation between these agencies at the UN country team level can benefit from the complementarities of their different areas of knowledge and help accelerate advancement of the SSE. Historically, such partnerships have been put to use effectively between the ILO, the FAO, the UNDP, UNIDO and the World Food Programme. At the global level, the UN Department of Economic and Social Affairs addresses the role of cooperatives in development policy, organizes expert group meetings on the subject and prepares the Secretary-General's biennial report on the role of cooperatives in social and economic development in line with the UN resolution on that subject.<sup>279</sup> The United Nations Research Institute for Social Development (UNRISD) undertakes interdisciplinary research and policy analysis on the SSE and its contributions to sustainable development.<sup>280</sup> The UNTFSSSE, which was co-founded by the ILO in 2013, has met around 40 times since its foundation. Led by the ILO since 2017, the task force has facilitated interactions between the UN system and international and regional SSE umbrella organizations and research centres.
- 136. The Office has established bilateral partnerships and memoranda of understanding with a range of international vertical structures of the SSE.** These notably include the ICA and the International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC). The Office also has ongoing partnerships with the Global Social Economy Forum, the Intercontinental Network for the Promotion of Social Solidarity Economy (RIPESS), the European Commission's Expert Group on Social Economy and Social Enterprises (GECES), United Cities and Local Governments and Women in Informal Employment: Globalizing and Organizing (WIEGO). Through these partnerships, the ILO has operational contacts with national and sectoral cooperative bodies, membership-based organizations and SSE umbrella institutions across the world.
- 137. The Office partners with SSE research institutes to advance knowledge on areas such as platform cooperatives, social innovation and worker-owned enterprises.** Resource people from these institutions contribute to the research and learning activities of the Office. EURICSE, the Research Institute for Work and Society at the Catholic University of Leuven University (HIVA) and the EMES International Research Network are among the research centres that the ILO partners with to conduct research on cooperatives, social enterprises and the SSE. The Office also has a longstanding partnership around research and training with cooperative colleges (Uganda and the United Kingdom) and universities (Kenya and the United Republic of Tanzania).
- 138. The Office supports cross-regional learning on the SSE through research, online platforms, workshops and study tours.** Since 2011, the ILO and the Japanese Consumers' Co-operative Union have jointly organized ten study tours for African cooperative leaders to visit Japan. These

<sup>278</sup> USAID, "Cooperative Development Program".

<sup>279</sup> UN General Assembly, resolution 56/114, *Cooperatives in social development*, A/RES/56/114 (2002).

<sup>280</sup> UNRISD, "Alternative Economies for Transformation".



provide exposure to sectors, notably health and social care services and renewable energy, where SSE units are emerging.<sup>281</sup> Similar study tours have taken place in Italy in the context of different academies of the International Training Centre of the ILO (Turin Centre) (for example, on rural employment, youth employment, gender equality and the SSE) to increase exposure to SSE practices in a range of sectors, notably agrotourism, care services and the integration of migrants and refugees. The SSE is also addressed in the Office's work on South–South and triangular cooperation, including through research exploring the relationships between the SSE and such cooperation.

## Capacity development

**139. Throughout the years, the Office has produced capacity-development tools, materials and programmes in multiple languages and adapted them to different contexts.**<sup>282</sup> These tools have been adapted not only to national contexts, but also to specific sectors (such as mining and fisheries) and target groups (such as disadvantaged young people, rural women, indigenous peoples and refugees). They include:

- the Material and Techniques for Cooperative Management Training (MATCOM), the first training package produced by the Office (1978–89) to build the capacities of managers of cooperatives;
- six readers on the SSE, developed in cooperation with the Turin Centre and selected research institutions since 2011 for the ILO Academies on the SSE;
- the My.COOP training package for improving the management of agricultural cooperatives, launched in 2012 in partnership with the Turin Centre, the FAO, Agriterra and other cooperative training institutions. The Turin Centre organizes an annual virtual My.COOP training course in multiple languages. In 2019, it converted the training material into a smartphone-compatible self-learning training package (My.COOP Smart);
- the ApexFinCoop training programme, developed through a partnership between the FAO and the ILO and its Turin Centre and launched in 2017 to support the apex organizations of financial cooperatives in developing and implementing effective strategic planning, in order to fulfil their functions in a cost-effective way, to the satisfaction of their members;<sup>283</sup>
- the Start and Improve Your Business for Social Entrepreneurs tool, conceived in 2017 and digitized into a self-learning package in 2021;
- the Think.Coop and Start.Coop tools, launched by the Office in 2018 to raise awareness of the cooperative model and to guide the process of establishing cooperatives using a peer-to-peer, activity-based learning methodology;
- an awareness-raising tool for cooperatives on the elimination of child labour, launched in 2021 and translated into French and Spanish and used in Africa and in the Americas;<sup>284</sup> and
- a practical OSH tool for agricultural cooperatives and Manage.Coop, a training package for improving the management of existing cooperatives, rolled out by the Office in the first half of 2022.

<sup>281</sup> ILO and Japanese Consumers' Co-operative Union, *Cooperation among Cooperatives in Action between Japan and Africa: 10 Years of ILO/JCCU African Cooperative Leaders' Study Tour*, 2021.

<sup>282</sup> The Office's "capacity development tools" are available in the three official ILO languages and other languages upon request by ILO constituents.

<sup>283</sup> FAO, ILO and Turin Centre, "ApexFinCoop" (brief).

<sup>284</sup> ILO, *The role of cooperatives in eliminating child labour: A facilitator guide to train field trainers*, 2021, and *The role of cooperatives in eliminating child labour: A facilitator guide to train management, staff and members of agricultural cooperatives* 2021.

- 140. The plan of action for the promotion of social economy enterprises and organizations in Africa, adopted at an ILO regional conference on the SSE held in Johannesburg in 2009, called on the Office to increase the capacity of ILO constituents and other key stakeholders to promote the SSE.** <sup>285</sup> Since then, there have been 12 editions of the ILO Academy on the SSE, organized by the Turin Centre. <sup>286</sup> In total, 517 women and 569 men participated in the first 11 editions, including 65 workers' and 28 employers' representatives and 67 officials from ministries of labour. The 12th edition, conducted online in November 2021, brought together 141 women and 166 men from 83 countries. <sup>287</sup>
- 141. The limited human and financial resources allocated to this portfolio have been a challenge.** A high-level independent evaluation of the ILO's strategy and action on promoting sustainable enterprises 2014–19 highlighted concerns that the Office's work on promoting cooperatives and the SSE "had received less support and resources than it deserved, despite this being an area of growing international interest". In addition, it highlighted that "the fact that a significant part of its work links to other [programme and budget] outcomes needs to be considered when resource decisions are made". <sup>288</sup> To help ILO constituents to become better acquainted with the work of the Office on SSE units, an online self-learning tool was developed in partnership with Turin Centre, with a specific focus on cooperatives.

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<sup>285</sup> ILO, *Plan of action for the promotion of Social Economy Enterprises and Organizations in Africa*, ILO Regional Conference "The Social Economy – Africa's Response to the Global Crisis", 2009.

<sup>286</sup> The Academies were held in Turin, Italy (2010), Montreal, Canada (2011), Agadir, Morocco (2013), Campinas, Brazil (2014), Johannesburg, South Africa (2015), Puebla, Mexico (2015), San Jose, Costa Rica (2016), Seoul, Republic of Korea (2017), Luxembourg City (2017), Turin, Italy (2019), Madrid, Spain (2019), and Lisbon, Portugal (virtual format) (2021).

<sup>287</sup> The 12th edition focused on the role of the SSE in a human-centred and planet-sensitive recovery.

<sup>288</sup> ILO, *High-level evaluation of ILO's strategy and action for promoting sustainable enterprises 2014–19*, 2020.

## ► Chapter 5. Decent work and the SSE: Challenges, opportunities and future directions

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- 142. The SSE is a pillar of a balanced society and a human-centred future of work.** Respecting SSE values and principles requires putting workers' rights and the needs, aspirations and rights of all people at the heart of policies and enterprise-level practices. The promotion of the SSE on such terms is in line with the imperative of social justice and the ILO Centenary Declaration for the Future of Work (2019), which calls for the further development of the ILO's human-centred approach to the future of work. The values, principles and practices of the SSE can contribute to the development of such an approach. This chapter discusses the challenges and opportunities presented and future directions in respect of harnessing the contribution of the SSE to achieving decent work and sustainable development, which ensure dignity, self-fulfilment and a just sharing of the benefits for all.
- 143. Despite the growing momentum around the SSE, significant challenges remain. Not all the challenges that SSE units face are unique to them.** For example, SMEs, whether in the SSE or not, often face difficulties in gaining access to information, finance, markets, technology, infrastructure and procurement opportunities. They may also have low levels of technical and managerial skills, productivity and quality, insufficient support for research and development, and inappropriate, inadequate or overly burdensome administrative requirements. Some challenges, however, are specific to SSE units. The highly localized nature of SSE units and the strong focus on the needs of their members, workers, users and communities may impede their participation in policy discussions at the national and international levels. Increasing SSE linkages with other public and private enterprises may divert SSE organizations and enterprises from some of their core values and objectives.<sup>289</sup> Over-reliance on external sources of funding may have the effect of undermining the autonomy, efficiency and sustainability of SSE units. While SSE units can grow, they may choose to forgo strategies for scaling up that may undermine their values and principles. The governance systems of SSE units may also make them less attractive to financial service providers seeking to maximize returns. Limited education and training on the SSE can also pose an impediment to the development of the SSE model. A lack of adequate statistics on SSE units and their impact limits their use as units of analysis in research, policy and practice.
- A conducive environment for the SSE should be developed through tripartite participation with representative organizations of employers and workers, as well as in consultation with other relevant and representative organizations of persons concerned. The future of the SSE in the changing world of work depends on concerted action by governments, the social partners, vertical and horizontal structures of the SSE and other development partners. Employers' and workers' organizations committed to a human-centred future of work can promote the SSE as an option in their strategies. Employers' organizations could consider, where appropriate, the extension of membership to SSE units wishing to join them and provide appropriate support services on the same terms and conditions as other members. Workers' organizations could provide advice and assistance to workers in the SSE with regard to joining workers' organizations and assist their members in establishing SSE units as relevant. SSE units and their vertical and horizontal structures could engage in active dialogue with employers' and workers'

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<sup>289</sup> UNTFSE, *Social and Solidarity Economy and the Challenge of Sustainable Development*.

organizations and concerned governmental and non-governmental agencies with a view to creating an environment conducive to the development of the SSE.

## Promotion of a conducive environment for the SSE

- 144. An environment conducive to sustainable SSE enterprises is a critical component of an environment conducive to sustainable enterprises more generally.** Economic viability is a necessary condition for all sustainable enterprises. An environment conducive to sustainable SSE enterprises requires the provision of a supportive legal and policy framework consistent with SSE values and principles. SSE values and principles such as social or public purpose and prohibited or limited distribution of profit are consistent with development that respects human dignity, environmental sustainability and decent work. Such goals can be combined with the legitimate quest for profit in the broader environment, in order also to be conducive to sustainable for-profit enterprises. Accordingly, a conducive environment for the SSE does not need to be at the expense of a conducive environment for other enterprises in the public and private sectors. Indeed, the conditions for a conducive environment for sustainable enterprises are relevant to all kinds of enterprises.<sup>290</sup>
- 145. An important feature of a conducive environment is to ensure a level playing field for SSE and other enterprises.** The notion of a level playing field generally refers to fairness or equal treatment. The principle of equal treatment, however, does not mean that all enterprises are to be subject to the same treatment, irrespective of their situation. Although there are significant exceptions in some countries, SSE units are typically neither in the same nor in a similar situation as enterprises aiming to maximize profits and distribute them on the basis of capital invested. They often operate in a disabling policy and legal environment and on an unlevel playing field.<sup>291</sup> Frequently, they also confront significant bureaucratic and regulatory hurdles that impede their formation, operation and expansion. Measures reflecting the assumption that either the public sector or the private sector is the only viable model of enterprise have also held back the development of the SSE. The tripartite understanding of the level playing field that emerged during the drafting of Recommendation No. 193 is applicable to the SSE as a whole. Governments should provide a supportive policy and legal framework that is consistent with the nature and function of SSE units and guided by SSE values and principles. A conducive policy environment must reinforce the conditions for safeguarding the principles of the SSE, including the autonomy and independence of the SSE from public and private sector actors. Moreover, SSE units should be treated in accordance with national law and practice and on terms no less favourable than those accorded to other forms of enterprise and social organization.
- 146. The adoption of SSE legislation that explicitly recognizes SSE values and principles provides a strong basis for promoting the SSE.** Recognition in the constitution of some countries also signals a strong commitment to the SSE. When developing SSE legislation, several choices present themselves to legislators.<sup>292</sup> The first is determining at which level of government such legislation could be introduced. Legislation introduced at a higher level of government can promote coherence in the approach. Legislation introduced at a lower level allows for experimentation

<sup>290</sup> These conditions are: peace and political stability; good governance; social dialogue; respect for universal human rights; entrepreneurial culture; sound and stable macroeconomic policy; trade and sustainable economic integration; enabling legal and regulatory environment; rule of law and secure property rights; fair competition; access to financial services; physical infrastructure; information and communications technology; education, training and lifelong learning; social justice and social inclusion; adequate social protection; and responsible stewardship of the environment.

<sup>291</sup> UNTFSSSE, *Social and Solidarity Economy and the Challenge of Sustainable Development*.

<sup>292</sup> Hiez.

before generalization but may also lead to asymmetries concerning the SSE across jurisdictions. A second choice is regarding the type of law, ranging from framework legislation to special legislation with detailed provisions on all SSE organizational forms. Framework legislation, which can synthesize the principles set out in existing legislation on the different SSE organizational forms, can provide a basis for further legislative work. The third is the extent to which to ground the national definition of the SSE in values, principles, organizational forms or economic activities, or a combination thereof. Fourth, legislators can consider the relevance of introducing mechanisms for the identification of SSE units or specific SSE organizational forms.

**147. The promotion of the SSE also requires the adoption and implementation of favourable policies in alignment with decent work and sustainable development.** Such policies could notably:

- promote employment in SSE units through integrated national employment policies, social policies and supportive macroeconomic, fiscal and industrial policies;
- promote education and training in SSE values, principles and practices, at all appropriate levels of the national education and training systems, and in the wider society;
- introduce support measures, where appropriate, for the activities of SSE units that meet specific social and public policy outcomes, such as employment promotion or the development of activities benefiting disadvantaged groups or regions, with such measures possibly including, among others and to the extent possible, tax benefits, loans, grants, access to public works programmes and special procurement provisions;
- facilitate the access of SSE units to markets, including through socially and environmentally responsible public procurement;
- provide for training and other forms of assistance to improve the level of productivity and competitiveness of SSE units and the quality of goods and services they produce;
- facilitate the access of SSE units to financial services tailored to their needs, including through a regulatory framework for an inclusive financial sector, with a strong presence of financial service providers that are part of the SSE;
- ensure that policies to guarantee universal social protection, inclusive of persons in the SSE, including disadvantaged groups and persons with special needs, are in place and provide support to SSE units to facilitate the access of their members and workers to social protection entitlements;
- promote equality of opportunity and treatment for all SSE workers with regard to the fundamental principles and rights at work and coverage under relevant national labour laws and regulations, and ensure that SSE units are not set up or used in order to avoid compliance with labour law, by ensuring that labour legislation is applied in all enterprises;
- promote the adoption of measures that promote OSH within the SSE, with particular attention to the ongoing challenges presented by the COVID-19 pandemic;
- promote gender equality in SSE units and in their work, including in relation to maternity protection, work-life balance and prevention and protection against gender-based violence and harassment;
- facilitate the transition of workers and economic units from the informal to the formal economy by enabling them to join together in formal SSE units; and
- integrate SSE units into strategies for promoting peace, preventing crises, enabling recovery and building resilience as partners and as a means of implementation, in particular by:
  - supporting the contribution of SSE units to a just digital transition to enable broad social participation in its benefits and addressing its risks and challenges;

- supporting the contribution of SSE units to a just transition to environmental sustainability, including in the circular economy; and
- promoting the dissemination of information on the SSE and improving national statistics on the SSE with a view to the formulation and implementation of sustainable development policies.

## Future Office work on the SSE

### **148. Building on the conclusions of this general discussion, in order to enhance the contribution of the SSE to advancing decent work and sustainable development in partnership with SSE stakeholders, the Office could take action to:**

- fully harness the potential of the SSE to contribute to decent work and sustainable development, by integrating SSE approaches into all relevant ILO projects, programmes and activities;
- support the elaboration of conducive environments for the SSE through policy and legal advisory services, research, capacity-building and financial services, to meet the needs of ILO constituents, including through Decent Work Country Programmes;
- further integrate the SSE into the Office's results architecture of relevant outcomes, outputs and indicators of the ILO programme and budget and reactivate the Office-wide coordination mechanism on the promotion of the SSE;
- further promote the SSE through ILO development cooperation projects, notably on the abolition of forced labour and the elimination of child labour, forced displacement, women's economic empowerment, the inclusion of vulnerable persons, the promotion of youth employment, the extension of social protection, the transition to the formal economy and crisis response and resilience;
- further integrate the SSE in the ILO's approach to a human-centred recovery from the COVID-19 crisis, including in relation to a transformative agenda for gender equality and just environmental and digital transitions;
- promote the collection and compilation of comparable, harmonized data on the SSE, building on the work done to produce statistics on cooperatives, and move towards the development of international guidelines on statistics concerning the SSE;
- with the Turin Centre, expand the Office's capacity-development strategy on the SSE and build a global SSE capacity-development network with SSE research institutions and training centres;
- continue to provide leadership in the UN system on the SSE for advancing decent work and sustainable development, and mainstream decent work and social justice in activities on the SSE, including through the COPAC and the UNTFSSSE;
- collaborate with UN country teams to give due consideration to the SSE in planning and implementation at all levels; and
- maintain, intensify and, where possible, broaden SSE-related partnerships with UN agencies, SSE networks and SSE research centres, in close coordination and collaboration with ILO constituents.

## ► Appendix

### ► References to the SSE or its organizational forms in international labour standards

Instrument	Role of the SSE or its components
<b>Conventions</b>	
Social Policy (Non-Metropolitan Territories) Convention, 1947 (No. 82)	<p>Producers' and consumers' cooperatives: reduction of production and distribution costs for the promotion of productive capacity and the improvement of standards of living of agricultural producers (Art. 8(e))</p> <p>Cooperative credit organizations: protection of wage earners and independent producers against usury (Art. 17(2))</p>
Social Policy (Basic Aims and Standards) Convention, 1962 (No. 117)	<p>Producers' and consumers' cooperatives: reduction of production and distribution costs for the promotion of productive capacity and the improvement of standards of living of agricultural producers (Art. 4(e))</p> <p>Cooperative credit organizations: protection of wage earners and independent producers against usury (Art. 13(2))</p>
Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168)	Cooperatives: creation and promotion of all forms of productive and freely chosen employment (Preamble)
<b>Recommendations</b>	
Income Security Recommendation, 1944 (No. 67)	Mutual benefit societies: provision of supplementary insurance benefits (Para. 27(2))
Vocational Rehabilitation (Disabled) Recommendation, 1955 (No. 99)	Cooperatives or other similar enterprises: employment of persons with disabilities (Para. 31(d))
Protection of Migrant Workers (Underdeveloped Countries) Recommendation, 1955 (No. 100)	<p>Stock farms, fish ponds and market gardens run on a cooperative basis and retail stores run by workers' cooperatives: Supply of consumer goods to migrant workers and their families at reasonable prices and in sufficient quantities (Paras 42(a) and 43(a) and (b))</p> <p>Cooperative credit organizations: protection of migrant workers against usury (Para. 49(b))</p>
Indigenous and Tribal Populations Recommendation, 1957 (No. 104)	<p>Cooperative systems of credit: contribution to the elimination of indebtedness among farmers (Para. 7)</p> <p>Cooperative production, supply and marketing: adaptation of modern methods to the traditional forms of communal ownership and use of land and production implements and to traditional systems of community service and mutual aid (Para. 8)</p> <p>Cooperatives: contribution to the promotion of handicrafts and rural industries (Para. 22(c))</p>

Instrument	Role of the SSE or its components
Workers' Housing Recommendation, 1961 (No. 115)	<p>House-building cooperatives: construction of housing for workers and their families (Paras 5 and 13(2)(b))</p> <p>Cooperative, similar non-profit housing societies and other housing associations: provision of housing for workers (Paras 12(1) and 14)</p> <p>Cooperative societies: financing and construction of workers' housing (Para. 17)</p>
Employment Policy Recommendation, 1964 (No. 122)	<p>Handicrafts and small-scale industry cooperatives: adaptation to technological advances and changes in market conditions, employment provision without dependence on such protective measures or special privileges as would impede economic growth (Para. 26(b))</p> <p>Cooperative organization in production and marketing: promotion of productive rural employment (Para. 27(4))</p>
Vocational Training (Fishermen) Recommendation, 1966 (No. 126)	Cooperatives for the joint purchase and use of fishing boats: employment in fisheries for trainees (Para. 7(d))
Tenants and Share-croppers Recommendation, 1968 (No. 132)	<p>Cooperative institutions, such as production cooperatives, cooperatives for the processing of agricultural produce, credit cooperatives, marketing cooperatives and purchasing cooperatives: increase the well-being of tenants, share-croppers and similar categories of agricultural workers (Para. 21)</p> <p>Credit cooperatives: provision of low-cost credit (Para. 22(3)(a))</p>
Rural Workers' Organisations Recommendation, 1975 (No. 149)	Cooperatives: enabling of rural workers' organizations to respond directly to membership needs while fostering their interdependence through economic self-reliance (Para. 16(d))
Vocational Rehabilitation and Employment (Disabled Persons) Recommendation, 1983 (No. 168)	<p>Cooperatives established and developed by and for persons with disabilities: provision of vocational rehabilitation and employment opportunities (Para. 11(e) and (f))</p> <p>Cooperatives in the cottage industry or in agricultural, craft or other activities: vocational rehabilitation in rural areas (Para. 21(d))</p>
Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169)	<p>Workers' cooperatives: provision of employment of youth and disadvantaged groups and persons (Para. 16(i))</p> <p>Small cooperatives and associations: provision of employment opportunities, especially for workers who have particular difficulties (Para. 30)</p>
Home Work Recommendation, 1996 (No. 184)	Cooperatives: organization of homeworkers (Para. 29(c))



Instrument	Role of the SSE or its components
Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189)	<p>Cooperative initiatives: potential supplementary measures as regards social protection (Para. 7(3)(b))</p> <p>Mutual guarantee associations: access of small and medium-sized enterprises to finance and credit under satisfactory conditions (Para. 14(3))</p> <p>Production and service cooperatives: exchange of experience and sharing of resources and risks among small and medium-sized enterprises (Para. 16(3))</p>
Promotion of Cooperatives Recommendation, 2002 (No. 193)	<p>Cooperatives: income generation, provision of sustainable decent employment, education and training, savings and investment, improvement in social and economic well-being, contribution to sustainable human development, and establishment and expansion of a viable and dynamic distinctive sector of the economy, which includes cooperatives, that responds to the social and economic needs of the community (Para. 4)</p> <p>Cooperative, mutual and the other social and non-governmental sector: contribution to a balanced society (Para. 6)</p>
Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204)	<p>Cooperatives and other SSE units: facilitation of the transition to the formal economy (Para. 11(g))</p>
Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205)	<p>Cooperatives and other social economy initiatives: provision of employment and decent work and income-generation opportunities for enabling recovery and building resilience (Para. 11(c))</p>