



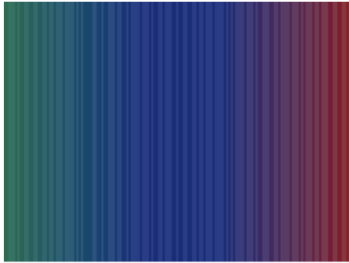
**Sustainable Enterprises**

for innovation, growth, more and better jobs

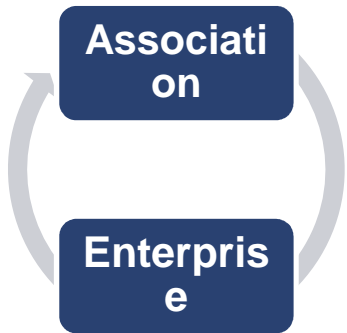
# Cooperating out of informality

## ILO Experiences from around the world

**Simel Esim**  
**Cooperatives Unit**  
**Enterprises**  
**Department**  
**International Labour**



# What is a cooperative?

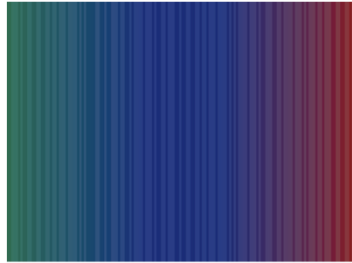


A cooperative is an **autonomous association** of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a **jointly owned and democratically controlled enterprise**.

Cooperatives differ from other corporations in that they are democratically controlled by their members according to the principle of **one member, one vote**.

**Members have double status as both owners and users** of goods and services provided by cooperatives.

1. Voluntary and open membership
2. Democratic member control
3. Member economic participation
4. Autonomy and independence
5. Education, training and information
6. Cooperation among cooperatives
7. Concern for community



# Levels of cooperative organization





# Types of cooperatives

Type of cooperative	Interest of members	Type of member
<b>Producer cooperative</b>	Production activity	Producer-members: - enterprises such as small agricultural or craft producers
<b>Worker cooperative</b>	Work	Worker-members
<b>Consumer/user cooperative</b>	Consumption	Consumer-members: clients, family of clients, non-profit institutions, producers, corporations
<b>Multi-stakeholder cooperative</b>	More than one interest	Producer-members Consumer-members Worker-members

“This Recommendation applies to all workers and economic units – including enterprises, entrepreneurs and households – in the informal economy, in particular:

(a) those in the informal economy who own and operate economic units, including:

(i) own-account workers;

(ii) employers; and

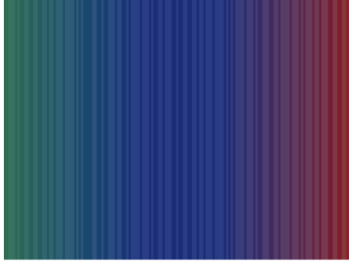
**(iii) members of cooperatives and of social and solidarity economy units;**

(b) contributing family workers, irrespective of whether they work in economic units in the formal or informal economy;

(c) employees holding informal jobs in or for formal enterprises, or in or for economic units in the informal economy, including but not limited to those in subcontracting and in supply chains, or as paid domestic workers employed by households; and

(d) workers in unrecognized or unregulated employment relationships.”

- Allowing their member to borrow money at an affordable rate to start businesses that help consolidate their economic activities – saving and credit unions
- Allowing individual producers to join forces to benefit from economies of scale and thus obtain input at affordable prices and market their goods and services in a more sustainable way
- Providing a certain level of social protection to vulnerable women and men, including health insurance, through self-funded and mutually established insurance systems
  - Establishing an SME with a single production system and achieving economies of scale enabling it to turn into a formal economy enterprise
  - Allowing for collective voice & negotiation power with other public and private stakeholders in the local economy & across the value chain

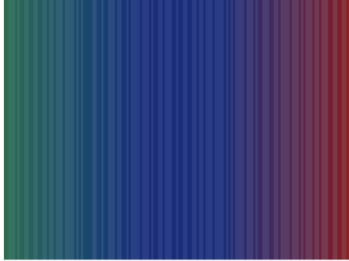


# Self-Employed Women's Association Cooperative



- **Federation**
  - Dual strategy of SEWA in Gujarat, India
    - As a trade union – for worker/member right
    - Through cooperatives – securing/improving livelihoods
  - Integrated approach recognizing that women workers in the informal economy need access to a range of services
  - SEWA coop bank was the first initiative in the 1970s
  - 106 cooperatives since then in dairy, crafts, homework, etc.
  - Member education on coop management and skills
  - Legal advice, financial support & policy advocacy for members





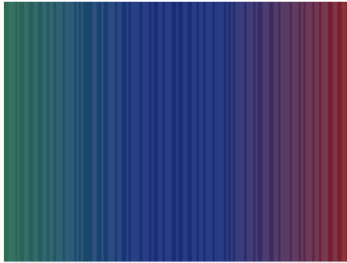
# Domestic workers' cooperatives

Domestic workers establish coops for services – finance, housing, retail

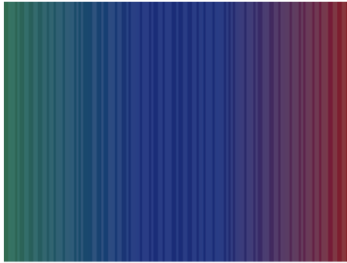


- In Hong Kong, South Korea, South Africa, USA, Trinidad & Tobago
- Domestic workers & home care workers have been using online applications to mediate the markets
- They have also shifted their members from home cleaners to transition into office cleaning services in India
- South Africa and Trinidad & Tobago – roadmaps were prepared for SADSAWU and NUDE, the two trade unions. In the case of NUDE it went all the way to developing a business plan for SWC

# Coops of home-workers and waste pickers



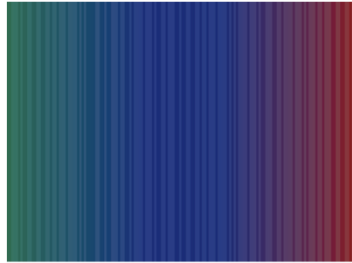
	Homeworkers	Waste pickers
<b>Why coops</b>	Financial reasons and bargaining with authorities	Access to social benefits and social protection
<b>Skills training</b>	Production skills, marketing, operational, and leadership skills	Technical and advocacy skills
<b>Economies of scale</b>	Supply of materials at lower costs; sharing of workspace & equipment	Negotiate with big waste generators and local governments
<b>Alliances &amp; affiliations</b>	National & subregional networks, HomeNet international	Strong national, international affiliations



# Research: Cooperative child- care services

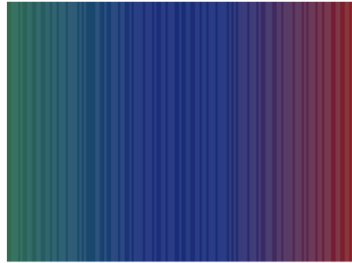
Informal economy workers have child care needs

- Financing of these services needs to be addressed through partnerships and other creative solutions
  - In Brazil, a cooperative network has negotiated with the municipality in getting child care centers going in Brazil
  - In India, a cooperative network has established sliding scale for child care services
- Creating multi-stakeholder cooperatives of workers, beneficiaries and local governments is also worth exploring



# Street vendors/Market traders/Cross border traders

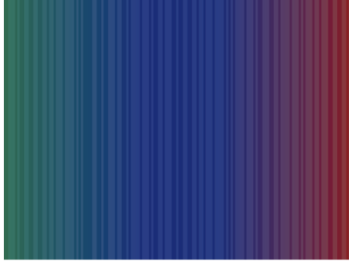
- Street vendors/market traders are among the group of workers where we can engage more
- We have collaborated in exploring organizing potential among street vendors/market traders in Moldova in 2019
- A number of challenges and needs were identified for further exploration
- There may also be room to collaborate around an upcoming women and cross border trade initiative in West Africa



# Training and capacity building: Think.Coop



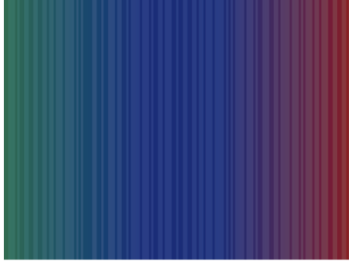
- One-day sensitization module on the importance of relationships, benefits of collective action and cooperatives.
- At the end of the training the participants should have a better understanding if a cooperative is a suitable model.
- In Laos, Cambodia, Myanmar, Peru, Ecuador, Cameroon, DRC, Turkey, India, Lebanon with informal economy workers.
- Quick and easy adaptation to different contexts.
- In English, French, Spanish, Portuguese Khmer, Laotian, Burmese, Arabic and Turkish.



# Training and capacity building: Start.Coop



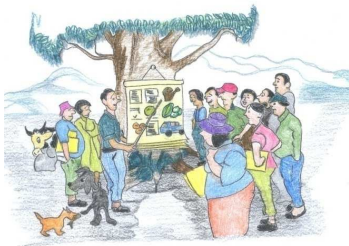
- Outlines the steps to be taken in order to start up a cooperative using four modules:
  - Find the right people and define the business idea;
  - Confirm the feasibility of the business idea;
  - Prepare a business plan;
  - Organizational set-up
- After the four-day training participants should be able to identify the steps required for setting up a cooperative.
- Available in English, French, Spanish, Khmer and Laotian.



# Training and capacity building: **Manage\_Coop**

Focuses on management of a cooperative w/ modules on:

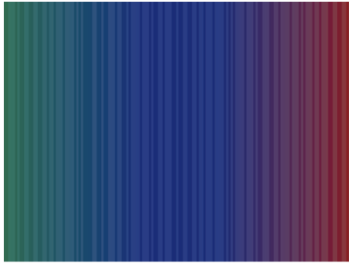
- Governance and leadership
  - Effective and open communication
  - Conflict management
  - Business and human resources management
  - Conflict management
- 
- A five-day course developed in English.
  - Testing and roll out in 2021.





**Example of ILO Project:  
SYNDICOOP**

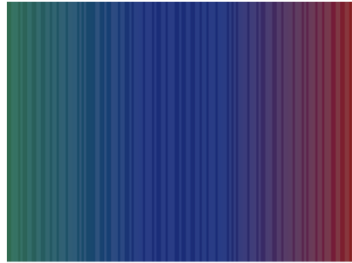




# DC: SYNDICOOP project in selected African countries



- Four-year project aiming to:
  - strengthen trade union and cooperative capacity to organize unprotected informal economy workers
  - improve the beneficiaries' working and living conditions through pilot projects
- 7,000 workers were organized into cooperatives
  - Market traders (Kenya)
  - Informal transport workers (Rwanda)
  - Saving and credit cooperatives (Tanzania and Uganda)



# Joint ILO / OSF initiative – research, pilot action, programme

- Research: Assessment on ways forward for trade union and cooperative partnerships in improving working and living conditions of informal economy workers in Africa and Latin America
- Pilot action: Through a grant scheme testing elements for a 2<sup>nd</sup> phase to the Syndicoop project in select countries and sectors in Africa and Latin America
- Multi-level programme around coop/sse organizations of informal workers:
  - Conducive policy,
  - Supportive ecosystem of institutions,
  - Creation of a network of coop/sse actions
  - Use of social innovation including online applications in service of needs



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# Thank you

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