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# COOPERATIVES AND THE WORLD OF WORK No.7

## Cooperatives and the Fundamental Principles and Rights at Work: Cooperatives and Child Labour<sup>1</sup>

Formed by producers, consumers, workers and businesses worldwide, cooperatives can and do create and consolidate employment opportunities, empower people, provide protection and alleviate poverty. Like any other businesses, cooperative enterprises have an obligation to comply with responsible labour practices. However, for cooperatives, which are based on a set of values and principles<sup>2</sup>, this obligation is inherently built into their business model.

The ILO's Promotion of Cooperatives Recommendation, 2002 (No. 193) recognizes the importance of the FPRW for the development of cooperatives, making a specific call for national policies to "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"<sup>3</sup>.

Child labour is understood as work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical and mental development. In its most extreme forms, child labour involves children being enslaved, separated from their families, exposed to serious hazards and illnesses and/or left to fend for themselves often at a very early age. Agriculture remains the sector where most child labour is found: 98 million (59 per cent) of all working children are in agriculture. The problem is also particularly prevalent in services (54 million) and industry (12 million) – mostly within the informal economy.<sup>4</sup>

The international community has identified the elimination of child labour as a fundamental human right at work, and in recent years there have been advances in its elimination. ILO estimates that between 2000 and 2012, the number of children in child labour declined by one third, from 246 million to 168 million children, while the number of children in hazardous work fell from 171 to 85 million.<sup>5</sup>

As cooperatives have a significant presence in many countries, they can play a role in elimination of child labour. They improve the livelihoods and wellbeing of people in rural areas where over 3 billion continue to live, working mainly in agriculture, and where public services are often limited. Cooperatives are not only prominent in agriculture, fisheries, horticulture, forestry transport and tourism, but also in a range of services from electricity, water and sanitation, to finance and social and community development.<sup>6</sup> Cooperatives have extensive networks and strong presence in economic sectors where child labour is found. They address it in their own functions and in the communities where they operate by:

- **Improving the livelihoods of their members and people in the communities they serve:** A prominent example of cooperatives improving the quality of life of their members is through credit unions or savings and credit cooperatives that provide members with access to safe savings, affordable credits, and a chance to plan for the future. These cooperatives encourage regular

1. This note is an excerpt of Esim, S., Katajamaki, W., Tchami, G. (forthcoming): "Cooperatives and fundamental principles and rights at work: Natural disposition or commitment to action?", in Eum, Novkovic, Esim, Katajamaki & Roelants (eds.): *Cooperatives and the World of Work*.

2. The cooperative values and principles are defined in the Statement of the Cooperative Identity (1995), by International Co-operative Alliance. See <http://ica.coop/en/what-co-operative> for more information on these.

3. ILO (2002) *Promotion of Cooperatives Recommendation, 2002* (No. 193). (Geneva).

4. ILO (2013) *Making progress against child labour, Global estimates and trends 2000-2012* (Geneva).

5. Ibid.

6. ILO (2014) *Cooperatives and the Sustainable Development Goals: A contribution to the post-2015 development debate* (Geneva).

savings of small amounts helping their members address everyday financial challenges like school fees, medical expenses and transport.<sup>7</sup>

- **Ensuring that their members do not use child labour - directly or indirectly:** Child labour can often occur because of poverty, lack of education and limited knowledge of the risks. Cooperatives, including their secondary and tertiary unions and federations, carry out a number of training and education programmes for their members, elected representatives, managers, and employees. These can range from vocational and managerial training for their members and the members of the larger community to awareness raising sessions from issues such as climate change and gender based violence to HIV/AIDS prevention and child labour. Cooperatives in supply chains such as handicrafts, cotton, cocoa and tobacco, have been training their members and communities in bringing down the numbers of child workers.<sup>8</sup> When coupled with other measures these have proven effective.
- **Helping the communities eliminate worst forms of child labour through educating children:** Lack of access to education is one of the reasons for the prominence of child labour in many rural communities, and the role of cooperatives as community based enterprises is also to serve the wider community. The Coopérative Agricole Kavokiva du Haut Sassandra (CAKHS) in Côte d'Ivoire, is a cocoa and coffee marketing cooperative, which has since 2010 prevented and withdrawn over 1,800 children from hazardous child labour and provided them with basic education and vocational training. CAKHS has also set up kindergarten centres and school facilities hosting children withdrawn from hazardous child labour.<sup>9</sup>
- **Ensuring that the global supply chains where they operate are child labour free:** While it is likely to be more difficult for smaller cooperative enterprises to track and monitor as to whether the global supply chains where they operate are child labour free or not, larger cooperative enterprises and their organizations

are likely to be better equipped. Regardless of size cooperative enterprises can and should adopt and implement codes of conduct to shift to more responsible policies and practices for child labour free supply chains. In the Global North, particularly consumer cooperatives with large retail operations can use their economic leverage to ensure child labour free supply chains (ILO, 2009).<sup>10</sup>

A Germany-based cooperative online market place, Fairmondo, is owned and managed by its buyers, sellers, workers and investors. It sells ethically-sourced products from producers and small fair trade companies including cooperatives from around the world. As such it is an example of cooperative to cooperative trade and a fair trade alternative, providing users with transparent product sourcing.<sup>11</sup> Other ethical trading initiatives involving cooperatives, such as Fair trade, include criteria on child labour and other FPRW.<sup>12</sup>

#### Ways cooperatives engage in advancing fundamental principles and rights at work

- Ensure that their own business operations and supply chains are free of labour rights abuses in the four areas of FPRW;
- Engage in community mobilization and awareness-raising campaigns among their members and within the communities where they operate on the four areas of FPRW;
- Provide guidance and community leadership, and contribute to the planning and delivery of health, educational and other basic social services in their communities on FPRW;
- Promote livelihoods opportunities and the use of appropriate technologies as means of increasing income of their members within the guidelines of FPRW;
- Provide collective voice and negotiation power for their members with the public authorities in securing a range of economic and social rights including FPRW; and
- Stimulate decent work opportunities through training and education programmes in all the four areas of FPRW.

7. Amegashie-Viglo (2014) "Operation of Credit Union Schemes as a Strategy for Meeting the Financial Expectations of the Marginalised: The Case of Ho Municipality Credit Unions in Ghana", *Research Journal of Finance and Accounting* 5:14, pp. 20-34.

8. ILO (2009) *Cooperating out of Child Labour: Harnessing the Untapped Potential of Cooperatives and the Cooperative Movement to Eliminate Child Labour* (Geneva).

9. ILO (2014) "Cooperatives' considerable clout in the fight against child labour", [http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\\_249483/lang-en/index.htm](http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_249483/lang-en/index.htm), date accessed 2 March 2017.

10. ILO (2009) *op.cit.*

11. <https://fairmondo.uk/>

12. <https://www.fairtrade.net/standards/aims-of-fairtrade-standards.html>

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