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# COOPERATIVES AND THE WORLD OF WORK No.10

## Cooperatives and the Fundamental Principles and Rights at Work: Cooperatives and Non-Discrimination at Work<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>.

Hundreds of millions of people suffer from discrimination on the basis of race, colour, sex, religion, political opinion, national extraction, social origin or other grounds which are continuously emerging, in the world of work. This not only violates most basic human rights, but has wider social and economic consequences stifling opportunities, wasting the human talent needed for economic progress, and accentuates social tensions and inequalities. Certain population groups and categories of workers are clearly more exposed to such violations than others. This section focuses on discrimination faced by indigenous peoples and people living with disabilities as well as gender based discrimination in the world of work, reflecting on how cooperative enterprises can potentially be leveraged to assist populations who face discrimination to support themselves, their households and communities.<sup>4</sup>

Historically, indigenous peoples have long borne the weight of multiple forms of discrimination.<sup>5</sup> It is estimated that although indigenous peoples constitute about 5 per cent of the world's

population, they account for 15 per cent of the world's poor.<sup>6</sup> In Honduras, for example, an estimated 71 per cent of indigenous peoples live below the poverty line.<sup>7</sup> They are affected by issues that stem from a lack of directed attention, consultation and participation, as well as recognition and protection of culture and rights, especially rights to land, territories and resources. The livelihoods of indigenous peoples that are based on traditional and sustainable use of natural resources are also severely under threat by the impacts of climate change.

Cooperatives of indigenous peoples have served a number of purposes, including securing livelihoods, creating jobs and enabling access to market opportunities, and formalizing informal economic activities and protecting workers. In addition, they have supported preservation of traditional knowledge and environmental sustainability, while advancing gender equality and women's empowerment. Indigenous women's weaving cooperatives in Oaxaca, Mexico, do not only foster economic empowerment establishing them as independent artisans in global

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 (2014) *Leveraging the Cooperative Advantage for Women's Empowerment and Gender Equality*. Cooperatives and the World of Work Series No. 1 (Geneva).

5. ILO (2013) *Understanding the Indigenous and Tribal Peoples Convention, 1989 (No. 169): Handbook for ILO Tripartite Constituents* (Geneva).

6. ILO (2016) *Securing Rights, Creating Jobs and Ensuring Sustainability: A Cooperative Way for Empowering Indigenous Peoples*. Cooperatives and the World of Work Series No. 5 (Geneva).

7. IFAD (2011) *Enabling poor rural people to overcome poverty in Honduras*. (Rome).

markets but also assist them in gaining political and cultural rights in their communities.<sup>8</sup>

Worldwide, there are at least 785 million women and men of working age with disabilities. They often face enormous obstacles to equal opportunities in the world of work, ranging from attitudinal and physical to informational barriers. Disabled men and particularly disabled women experience higher rates of unemployment and economic inactivity than their non-disabled peers and they are also more vulnerable to discrimination in the workplace.<sup>9</sup>

Social cooperatives designed to promote the inclusion of women and men with disabilities into the workplace are emerging across the world. Increasingly, these cooperatives encourage the active involvement of people with disabilities in the management of their enterprises. Social cooperatives in Italy deliver services such as providing work integration for disadvantaged groups into society, including people with disabilities. Government supports social cooperatives where at least 30 per cent of employees belong to disadvantaged groups. Approximately 45,000 workers from disadvantaged groups work in social cooperatives in Italy.<sup>10</sup>

Despite commitments in many international agreements and treaties to the principle of gender equality, women worldwide continue to face oppression, discrimination and human rights violations. These take many forms, from violence, including harassment against women to restricted access for women to education and health services. Compared to men, women continue to earn less, are more likely to partake in unpaid labour, and are more apt to be excluded from decent work and opportunities for advancement.<sup>11</sup>

The social and organizational nature of cooperatives can give them a comparative advantage relative to other types of enterprises in advancing gender equality. Women's participation in cooperatives seems to have increased over the past 20 years, together with growing attention to gender issues, increased access for women into leadership roles within cooperatives, and the rise of women owned cooperatives. In addition, women's access to employment is facilitated by housing and care service cooperatives, providing them with affordable and accessible

options that enable them to work outside their homes.<sup>12</sup> Underrepresentation of women as members and leaders still persists in certain sectors of the cooperative movement, such as agriculture where women form the majority of the workforce.<sup>13</sup>

There are exceptions to this, however, with various manifestations of women leadership that can be observed across the cooperative movement. There is a strong presence of women members among worker cooperatives in Spain (49 per cent) and nearly 40 per cent of those women are in leadership positions.<sup>14</sup> According to the data from the International Cooperative and Mutual Insurance Federation, the number of women in leadership positions in cooperative insurers is much larger than in other types of enterprises. Nine of the largest 100 cooperative and mutual insurers in the world have women CEOs, while only one of the top 100 stock company insurers globally is led by a woman. In countries such as Canada the figures are still higher for mutual and cooperative insurer CEOs, at 27 per cent.<sup>15</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.

8. ILO (2016) *op.cit.*

9. WHO & World Bank (2011) *World Report on Disability*. (Geneva, WHO).

10. ILO (2015a) *At Work Together: The Cooperative Advantage for People with Disabilities*. Cooperatives and the World of Work Series No. 3 (Geneva).

11. ILO (2014) *op.cit.*

12. ICA & ILO (2015) *Advancing Gender Equality: The Co-operative Way*. (Geneva, ILO).

13. ILO (2012d) *How Women Fare in East African Cooperatives: The Case of Kenya, Tanzania and Uganda*. (Dar es Salaam, ILO Office for Tanzania, Kenya, Rwanda and Uganda).

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

15. ICMIF (2016) "Cooperative and mutual insurance sector has significantly higher numbers of women CEOs than stock companies", <https://www.icmif.org/cooperative-and-mutual-insurance-sector-has-significantly-higher-numbers-women-ceos-stock-companies>. Date accessed 2 March 2017.

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