Cooperating out of informality
Experiences from around the world

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International Labour Office
ILO Labour Union Services Survey

- Undertaken to identify:
  - What services trade unions are facilitating
  - What services unions would like to provide in future
  - The gap in between provision and interest in supplying such services in future
  - If and where there is a need/desire for external help or potential partnerships

<table>
<thead>
<tr>
<th>Respondents</th>
<th>166</th>
</tr>
</thead>
<tbody>
<tr>
<td>Countries</td>
<td>109</td>
</tr>
<tr>
<td>Regions covered</td>
<td>Africa, Asia &amp; Oceania, Europe, Middle East, Caribbean, Central &amp; South America, Caribbean, North America</td>
</tr>
</tbody>
</table>
77.1% of the sampled labour organizations provided services outside of their core collective bargaining and freedom of association activities.
92% were interested in providing services outside of their core collective bargaining and freedom of association activities.

Services of interest to labour organizations:

- Financial Services: 15%
- Healthcare: 15%
- Support services to set up Worker or Producer cooperatives: 17%
- Housing Services: 15%
- Educational & Vocational Services: 12%
- Consumer Cooperatives: 15%
- Other: 11%
Labour organizations and cooperatives

- 85% of all unions stated that it was important for labour organizations to work with cooperatives to improve standards of living.

- Financial (53%) and Educational services (66%) are the most provided worldwide.

- Interest for future provision in:
  - Supporting Worker/Producer Cooperatives (74%)
  - Financial services (70%)
  - Consumer cooperative (69%)
  - Healthcare (69%)
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.
Levels of cooperative organization

- Primary cooperatives
- Cooperative unions
- Cooperative federations
- Cooperative confederation
How can the ILO help?

- Cross-cutting policy drivers
  - International labour standards
  - Social dialogue
  - Gender equality and non-discrimination
  - Just transition to environmental sustainability
<table>
<thead>
<tr>
<th>Type of cooperative</th>
<th>Interest of members</th>
<th>Type of member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producer cooperative</td>
<td>Production activity</td>
<td>Producer-members:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- enterprises such as small agricultural or craft producers</td>
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<tr>
<td></td>
<td></td>
<td>- may or may not be incorporated</td>
</tr>
<tr>
<td>Worker cooperative</td>
<td>Work</td>
<td>Worker-members</td>
</tr>
<tr>
<td>Consumer/user cooperative</td>
<td>Consumption</td>
<td>Consumer-members:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- clients, family of clients, non-profit institutions, producers, corporations</td>
</tr>
<tr>
<td>Multi-stakeholder cooperative</td>
<td>More than one interest</td>
<td>Producer-members</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Consumer-members</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Worker-members</td>
</tr>
</tbody>
</table>
Problematic pseudo-cooperative practices

- Registering a company as a worker cooperative, where members are not real members but employees
- Practicing illegal transfer of workers by forcing a company’s workers to become members of a cooperative
- In times of austerity and privatization, encouraging laid-off public sector workers to form cooperatives instead
- Using the cooperative as a labour intermediary by registering a large number of workers as “members” and offering their services to third parties
Legal and policy advice: Normative grounds

- Promotion of Cooperatives Recommendation, 2002 (No. 193) - Governments should promote the important role of cooperatives in transforming the informal economy into legally protected work, fully integrated into mainstream economic life.

- The Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) applies to all workers and economic units in the informal economy including cooperatives and social and solidarity economy units.
Legal and policy advice: Two-pronged strategy

- Ensure that the cooperative and social economy legislation is inclusive of informal economy workers’ enterprises and organizations.

- Informal economy policies take into account the breadth of cooperative and other social and solidarity economy organizations and enterprises creating a supportive enabling environment for them.
Contributions for a more enabling environment

- Financial services
- Legal advisory services
- Education and training services
- Business development services
- Orientation services for support institutions
- Policy advisory services for tripartite constituents
Domestic workers establish coops for services – finance, housing, retail

Hong Kong, 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
National Union of Domestic Employees (NUDE), Trinidad and Tobago, established in 1982
- Set-up the Service Workers Centre Cooperative Society Limited (SWCC), registered as a cooperative in 2014
- ILO support:
  - Initial consultation and needs assessment
  - Validation workshop on the recommendations of the needs assessment
  - Development of the business plan
  - Follow-up to the business plan (including OSH and validation of model employment contracts)
Research: Coops of homeworkers and waste pickers

<table>
<thead>
<tr>
<th>Why coops</th>
<th>Homeworkers</th>
<th>Waste pickers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial reasons</td>
<td>Financial reasons and bargaining with authorities</td>
<td>Access to social benefits and social protection</td>
</tr>
<tr>
<td>Access to social</td>
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<td>Benefits and</td>
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<tr>
<td>Social protection</td>
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<tr>
<td>Skills training</td>
<td>Production skills, marketing, operational, and</td>
<td>Technical and advocacy skills</td>
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<tr>
<td></td>
<td>leadership skills</td>
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<tr>
<td>Economies of scale</td>
<td>Supply of materials at lower costs; sharing of</td>
<td>Negotiate with big waste generators</td>
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<tr>
<td></td>
<td>work space &amp; equipment</td>
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<tr>
<td>Alliances and</td>
<td>Some national &amp; subregional networks</td>
<td>Strong national, international affiliations</td>
</tr>
<tr>
<td>affiliations</td>
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Dual strategy of SEWA
- As trade union
- As cooperative

Integrated approach recognizing that women workers in the informal economy need access to a range of services
- healthcare, childcare, insurance, financial, and other services

Cooperatives give voice and representation to the voiceless

Increased visibility helps access formal social protection

Member education on organizing and occupational skills

Help for individual cooperatives in times of crisis
DC: Coop of Associated Work Planeta Verde (CO)

- Founded in 2000, in Rionegro, Oriente de Antioquia, with activities and programmes for members including:
  - Provision of formal elementary and primary education
  - Training programmes
  - Dream programme
  - Food bank
  - Communal bank
  - Funeral policy

- ILO and partners are integrating the learning in their support for cooperating out of the informal economy around the world
Research: How waste pickers benefit from coops

- Able to gather recyclables in quantities large enough to approach industries directly and negotiate better prices
- Cooperatives can support their members in accessing financial services
- OSH, including working hours, protective equipment
- Service provision: childcare and other services
- Mature coops can diversify their services or specialize (in e-waste for instance), and thus move up in the value chain
- Formalized networks at national and international levels
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 multistakeholder cooperatives of workers, beneficiaries and local governments is also worth exploring
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
- Used in Laos, Cambodia, Myanmar, Peru, Ecuador, Cameroon, DRC, Turkey with informal economy workers
- Quick and easy adaptation to different contexts
- In English, French, Spanish, Khmer, Laotian, Burmese, Turkish
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 being developed in English first

- Final version expected by end of 2018
Tripartite international conference in Tunisia on the role of Social and Solidarity Economy (SSE) as a bridge to the formal economy in December 2017

Tripartite delegations - Brazil, Cameroon, India, Kenya, Mali, Mauritania, Senegal, South Africa, Vietnam, and Zimbabwe

Participants shared experiences on the role of SSE in formalizing the informal economy including discussions on:

- gender equality and non-discrimination, role of social partners, local development, social protection, and social innovation
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)
Thank you

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