

**COOPERATING
OUT
OF
POVERTY**




International
Labour
Office
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Issues and trends in cooperative reform

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“Cooperative societies bring forth the best capacities, the best influences of the individual for the benefit of the whole, while the good influences of the many aid the individual”

The ILO and cooperatives

1920: ILO Cooperative Branch

1960: Large technical cooperation programme begins

1966: Recommendation Nr 127

1999: The Decent Work Paradigm

2002: ILC and Recommendation Nr 193

2003: Juan Somavia speaks at the ICA General Assembly

2004: ILO and ICA sign a Memorandum of Understanding

2007: Launching of COOPAfrica

The Global cooperative picture

Figures that speak for themselves:

- Over 800 million people around the world are cooperative members
- Cooperatives employ over one hundred million people around the world
- The livelihoods of over 3 billion people (almost half the world's population) is made more secure by cooperative enterprises

Cont'd.

COUNTRY	MEMBERSHIP
• India	236 million
• China	180 million
• United Kingdom	9.8 million
• Argentina	9.1 million
• Brazil	5.7 million
• Malaysia	5.4 million
• Canada, Honduras and Norway	1 in 3 people is a cooperative member
• Singapore and the USA	1 in 4 people is a cooperative
• Kenya	1 in 5 people is a cooperative member

Cooperatives in Africa: Historical phases

Pre-colonial

- traditional forms of mutual self-help and caring for each other

Colonial:

- introduction of universal/modern form of cooperatives
- government control
- limited autonomy

Post colonial

- large number of cooperatives formed
- mostly as a result of government policy
- heavy presence and control by government (sometimes excessive control)
- political interference
- spoon feeding
- monopoly over major export and cash crops
- complacency and dependency syndrome
- lack of initiative and innovation and entrepreneurship

Historical phases - Cont'd.

Post liberalization

- removal of monopolies and special privileges resulting in severe reduction of the market share
- revision of cooperative development policies and laws
- greater cooperative autonomy
- limited government control
- increased cooperative autonomy
- weak cooperatives find it hard to survive
- stiff competition in a free market environment
- Cooperatives able to adapt to new change to survive and become stronger

Current Trends

- Continued revision and fine-tuning of the cooperative **policies and laws**
- Harmonizing cooperative **bylaws** with revised policies and legislations
- Cooperatives adjusting and repositioning themselves to **cope with market conditions**
- Cooperatives **becoming increasingly entrepreneurial** and some shifting from unprofitable “traditional” enterprises to more market oriented ones
- **Diversification of cooperative enterprises** – often with services that complement one another (e.g. agricultural supply/marketing and savings and credit or banking services)

Current Trends - Cont'd

- (In some countries) **shifting responsibility** for cooperative development from government structures to autonomous cooperative development agencies (Ethiopia, Tanzania and to a lesser extent South Africa. Also in pre-crisis Liberia and Somalia).
- **Renewed interest in cooperatives** by international cooperative development agencies
- **Strengthened cooperative training institutions** to provide the required knowledge and skills necessary for efficient performance in a competitive environment.



Thank you for your attention

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