

MEDIA RELEASE

1st May 2018

The challenges of the future of work: how cooperatives can be part of the solution

On **International Workers' Day (1 May)**, the International Cooperative Alliance is celebrating the commitment of cooperators to creating sustainable jobs and formal work, lowering income inequality, and showing their capacity to be a large laboratory experimenting with innovative and sustainable forms of work. The International Cooperative Alliance serves and represents over 3 million cooperatives and over 1.2 billion cooperative members around the world, in all sectors of the economy.

The world is suffering from high levels of unemployment and underemployment, particularly among youth. There is also increased job insecurity, a deterioration of social protection and widening inequalities. But cooperatives, as one of the biggest actors in work **representing almost 10% of the global employed population**, can be part of the solution to many of the challenges of the future of work.

As people-centred enterprises owned and run **by and for their members to realise their common needs and aspirations**, whether the members are the customers, employees, users or residents, cooperatives are democratically managed and controlled. Cooperatives' inherent capacity to innovate and adapt themselves to meet community needs can be a tool to bring **democracy, equality and sustainability into the workplace**.

“Technological changes, the knowledge-based economy, big data and delocalization are, among others, factors that are quickly impacting the world of work – and we still have to take into account issues such as the gender pay gap and, modern slavery, which affects people of all genders and all ages across the world. Cooperatives offer another paradigm, where **inclusion, participation and growth go hand in hand**”, has declared Ariel Guarco, President of the International Cooperative Alliance

The International Cooperative Alliance has welcomed the International Labour Organization's Centenary Initiative with its focus on the Future of Work, and, within this context, the establishment of the International Labour Organisation (ILO) Global Commission on the Future of Work. The cooperative movement has presented a [position paper](#) on the Global Commission's Inception Report, called *Cooperatives and the Future of Work*, showing the relevance of cooperatives in work and employment, and has proposed policy recommendations aimed at promoting cooperatives' contributions to the future of work.

What are the characteristics of cooperative work?

Regarding the attributes of work that people value, the report *Cooperatives and Employment: a Global Report* reveals that people working in or within the framework of cooperatives in different parts of the world, feel “a combination of economic rationale, a quest for efficiency, shared flexibility, a sense of participation, a family-type environment, pride and reputation, a strong sense of identity and a focus on values.” [1] The report was published by CICOPA, the sectoral organisation of the International Cooperative Alliance for industry and services in 2014, and its qualitative section is based on a series of interviews.

Cooperatives have also been working with vulnerable groups such as **migrant workers and refugees, contributing to employment creation and work integration**. As the ILO has pointed out [2], cooperatives in several countries have been actively integrating migrants into the workforce or providing them with support, including in reducing health and psycho-social risks.

While the UN 2030 Sustainable Development Agenda advocates full employment, macroeconomic policies have shifted their emphasis from boosting employment to focus on monetary and price policies, austerity and flexibilization. Cooperatives tend to **prioritise long-term effectiveness** over short-term, managerial efficiency, both because they are driven by citizens’ needs and aspirations, and because they involve those same citizens in an enterprise which the latter jointly own and democratically control.

Cooperatives in various countries have already started taking advantage of the new opportunities made available in the “white economy”, “green economy”, “circular economy” and creative industries. In many of these activities, the cooperative form has a **comparative advantage because decentralised and democratic management is often conducive to their delivery**. Regrouping in cooperative groups and networks offers better conditions to develop in these sectors thanks to the economies of scales that such groupings generate.

Policy recommendations for the promotion of cooperatives

As the ILO recognised the cooperative contribution for job creation through *Promotion of Cooperatives Recommendation 2002 (n° 193)*, the International Cooperative Alliance calls on the Global Commission and governments to extend this recognition to the discussion on the future of work.

As our position paper suggests, promoting the cooperative business model can be part of the solution to many of the challenges that the changing world of work is facing.

[1] <http://www.cicopa.coop/Cooperatives-and-Employment-a.html>

[2] ILO, Labour Migration Highlights No. 2: Labour Migration and Cooperatives, 2015: <http://s.coop/2685o>

The International Cooperative Alliance requests governments to:

- Actively promote the cooperative model as a creator of quality jobs and collective wealth at the local, national and international levels;
- Change the conditions of access to social protection so that all workers can have access to it, independently from their work status;
- Approve legislation allowing for the monitoring of the proper functioning of cooperatives, including in the field of workers' rights;
- Strongly encourage dialogue and alliances between the cooperative movement and the trade unions.

ENDS

For further information contact:

Leire Luengo

Director of Communications

International Co-operative Alliance

luengo@ica.coop

Tel: + 32 2 285 00 76

www.ica.coop

NOTES TO THE EDITOR

About the ICA

The International Co-operative Alliance is a non-profit international association established in 1895 to advance the co-operative social enterprise model. The Alliance is the voice for co-operatives worldwide, representing more than 300 co-operative federations and organisations across 105 countries (figures of January 2017).

One in every six people on the planet are co-operators. Through its membership, the Alliance represents 1,2 billion people from any of the 2.94 million co-operatives worldwide. The largest 300 co-operatives in the world have combined annual revenues of 2.16 trillion USD (2015) and 280 million people around the world (10% of the employed population) secure their livelihoods in co-operatives, either through direct employment or by organizing through a co-operative.

The International Co-operative Alliance works with global and regional governments and organisations to create the legislative environments that allow co-operatives to form and grow. Towards media and public, the Alliance promotes the importance of people-centred co-operatives' values-based business model.

Operating from a global office in Brussels, Belgium, the Alliance is organised with four Regional Offices (Europe, Africa, Americas, and Asia-Pacific), and eight Sectoral Organisations (Banking, Agriculture, Fisheries, Insurance, Health, Housing, Consumer Co-operatives, and service and industry cooperatives).