



General Assembly

Distr.: General
22 July 2019

Original: English

Seventy-fourth session

Item 25 (b) of the provisional agenda*

Social development: social development, including questions relating to the world social situation and to youth, ageing, persons with disabilities and the family

Cooperatives in social development

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution [72/143](#) and contains a review of the role of cooperatives in achieving the Sustainable Development Goals. The contributions made by cooperatives to universal health coverage are given special attention, as the Assembly will hold a high-level meeting on the theme “Universal health coverage: moving together to build a healthier world” in 2019. The role of cooperatives in promoting financial inclusion is also highlighted. The report includes an analysis of emerging issues and strategies for strengthening cooperatives in the light of the key challenges that they face in their pursuit of sustainable development for all, and it concludes with policy recommendations for the further advancement of cooperatives.

* [A/74/150](#).



I. Introduction

1. The General Assembly, in its resolution [72/143](#), requested the Secretary-General to submit a report on cooperatives in social development and on initiatives by Governments, international organizations and cooperatives to further enhance the growth and performance of cooperatives. In the resolution, the Assembly noted that consistent statistics, enabling legislation, capacity-building and skills development, were important for the development of cooperatives. The Assembly also recognized the role of cooperatives in achieving the Sustainable Development Goals.

2. In response to the lack of access to quality, affordable health care for millions of people around the world, which is a major impediment to achieving sustainable development, a high-level meeting on universal health coverage will be held during the seventy-fourth session of the General Assembly, on 23 September 2019. Dedicated to the theme “Universal health coverage: moving together to build a healthier world”, the meeting will bring together Heads of State, leaders in the political and health fields, policymakers and champions of universal health coverage to advocate health for all. Cooperatives have an important role to play in expanding access to health and have been participating in health-care provision in various forms for more than two centuries. Therefore, the present report is focused on the provision of health care by cooperatives and is intended as a contribution to the renewed emphasis placed by the international community on making progress towards achieving universal health coverage.

3. The report also includes an examination of the contribution of cooperatives to promoting financial inclusion by extending financial services to many people. It further provides an analysis of three emerging issues, namely, the rise of the platform economy, climate change and the refugee crisis, and an examination of ways in which cooperatives can contribute in those areas.

4. As the tenth anniversary of the International Year of Cooperatives¹ approaches, concrete examples of good practices of cooperatives working to implement the Sustainable Development Goals are also set out in the present report. It concludes with a series of recommendations for consideration by the General Assembly that are intended to promote the further development of cooperatives in all countries as a contribution towards the achievement of the Goals.

II. Cooperatives in social and sustainable development

5. The 2030 Agenda for Sustainable Development calls for collaborative partnership among all countries and all stakeholders in implementing an ambitious plan of action for people, planet and prosperity. It is a call to action in which all stakeholders are urged to participate actively in sustainable development, emphasizing a people-centred approach that leaves no one behind. Heads of State and

¹ In its resolution [64/136](#), the General Assembly proclaimed 2012 the International Year of Cooperatives and encouraged all Member States, the United Nations and all other relevant stakeholders to take advantage of the International Year to promote cooperatives and raise awareness of their contribution to social and economic development. The International Year marked the beginning of a worldwide campaign to increase the visibility and success of the cooperative way of doing business. That led to the publication by the International Cooperative Alliance of an ambitious plan – its 2020 Vision – in which cooperatives should, by 2020, become the acknowledged leader in economic, social and environmental sustainability, the model preferred by people and the fastest-growing form of enterprise. The International Year also brought a flurry of conferences, academic works and outreach activities all over the world for the promotion and advancement of cooperatives, and it generated momentum for the global recognition and development of cooperatives.

Government also acknowledged the role of the diverse private sector, including cooperatives,² in achieving the Sustainable Development Goals. Across the world, cooperatives promote sustainable development in all three of its dimensions – social, economic and environmental. They have a significant presence in both developed and developing countries, serving more than 1 billion members or clients. As a group, they employ more than 100 million people worldwide, which is 20 per cent more than the number employed by multinational enterprises (see A/72/159).

6. The *World Cooperative Monitor*, published annually by the International Cooperative Alliance and the European Research Institute on Cooperative and Social Enterprises, is an important source of data on cooperatives.³ The most recent edition includes reports on the world's largest cooperative and mutual organizations, including rankings of the top 300 and a sectoral analysis based on financial data from 2016. Ranked by annual turnover, two French entities, Groupe Crédit Agricole and Groupe BPCE, were in first and second place, respectively, while the National Association of German Cooperative Banks ranked third. In terms of turnover relative to per capita gross domestic product, the Indian Farmers Fertilizer Cooperative held the top position, followed by Groupe Crédit Agricole and Groupe BPCE, with the Indian cooperative Gujarat Milk taking fourth place. In that report, cooperatives were also ranked on the basis of their contributions to the Sustainable Development Goals by examining documents submitted to the United Nations Global Compact initiative⁴ and the Global Reporting Initiative.⁵ Table 1 shows the top 20 organizations that have reported on how their activities contribute to the Goals.

Table 1
Top 20 cooperatives reporting on their contributions to the Sustainable Development Goals, ranked by turnover

<i>Organization</i>	<i>Country</i>	<i>Sector</i>	<i>Turnover (billions of United States dollars)</i>
1 Groupe Crédit Agricole	France	Banking and finance	90.16
2 Groupe BPCE	France	Banking and finance	67.78
3 REWE Group	Germany	Wholesale and retail trade	54.57
4 Nippon Life	Japan	Insurance	48.17
5 Groupe Crédit Mutuel	France	Banking and finance	46.35
6 Nonghyup	Republic of Korea	Agriculture and food industries	36.45
7 Talanx Group	Germany	Insurance	34.44
8 Sumitomo Life	Japan	Insurance	31.82

² Cooperatives are part of the broader category of social and solidarity economy enterprises and organizations, which include mutual benefit societies, associations, foundations and social enterprises that produce goods, services and knowledge to meet the needs of the communities that they serve.

³ See *World Cooperative Monitor 2018: Exploring the Cooperative Economy*, available at <https://monitor.coop/en>. The report is based on sample surveys for most of its data, which, given the lack of comprehensive, internationally comparable data on cooperatives, may paint an incomplete picture in which the actual impact of cooperatives is underestimated.

⁴ The United Nations Global Compact is a voluntary initiative based on commitments by chief executive officers to implement universal sustainability principles and to take steps to support United Nations goals. Details are available at www.unglobalcompact.org.

⁵ The Global Reporting Initiative is an independent international organization that has pioneered sustainability reporting since 1997. A sustainability report is a report published by a company or organization about the economic, environmental and social impact of its everyday activities. See www.globalreporting.org.

<i>Organization</i>	<i>Country</i>	<i>Sector</i>	<i>Turnover (billions of United States dollars)</i>
9 Coop Swiss	Switzerland	Wholesale and retail trade	28.76
10 Migros	Switzerland	Wholesale and retail trade	28.17
11 Meiji Yasuda Life	Japan	Insurance	26.37
12 Rabobank	Netherlands	Banking and finance	22.70
13 Achmea	Netherlands	Insurance	21.59
14 Bay Wa	Germany	Agriculture and food industries	17.06
15 Unipol	Italy	Insurance	15.67
16 Desjardins Group	Canada	Banking and finance	13.83
17 John Lewis Partnership PLC	United Kingdom of Great Britain and Northern Ireland	Wholesale and retail trade	13.59
18 Land O'Lakes, Inc.	United States of America	Agriculture and food industries	13.20
19 Co-operative Group Limited	United Kingdom	Wholesale and retail trade	12.84
20 FrieslandCampina	Netherlands	Agriculture and food industries	12.18
Total			635.7

7. The list is dominated by four sectors, with six cooperatives operating in the insurance sector, five in banking and finance, five in wholesale and retail trade and four in agriculture and food industries. Most of the top 20 enterprises are from Western Europe and North America, while three enterprises are from Japan and one from the Republic of Korea. Their aggregate turnover amounts to \$635.7 billion, demonstrating that cooperatives are a significant economic force that can contribute to sustainable development.

8. An analysis of the top 300 cooperatives shows that they are addressing all the Sustainable Development Goals in some way and that most of them pay particular attention to ensuring sustainable consumption and production patterns (Goal 12). They are also taking action to combat climate change and its impacts (Goal 13), to ensure healthy lives and promote well-being for people of all ages (Goal 3) and to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (Goal 8). There is still much scope for promoting cooperative action towards sustainable development that Member States, the United Nations system and the cooperative movement can jointly explore. For example, cooperative growth should be promoted in developing countries and capacity development provided as needed. This need is demonstrated by the fact that only 11 cooperatives from developing countries (Argentina, Brazil, India, Malaysia and Saudi Arabia) are included in the top 300 list. They represent the agriculture and food industries (5 cooperatives), insurance (3), banking and finance (2) and medical services (1).

Table 2
Cooperatives from developing countries included in the top 300 list

<i>Global ranking</i>	<i>Organization</i>	<i>Country</i>	<i>Sector</i>	<i>Turnover (billions of United States dollars)</i>
108	Indian Farmers Fertilizer Cooperative	India	Agriculture and food industries	4.42
120	Sicredi	Brazil	Banking and finance	3.59
127	Coamo	Brazil	Agriculture and food industries	3.10
128	Gujarat Cooperative Milk Marketing Federation Limited	India	Agriculture and food industries	3.09
156	Tawuniya	Saudi Arabia	Insurance	2.35
187	C. Vale	Brazil	Agriculture and food services	1.98
213	Bank Kerjasama Rakyat Malaysia Berhad	Malaysia	Banking and finance	1.61
239	Confederação Nacional das Cooperativas Médicas – Unimed do Brasil	Brazil	Health and social care	1.33
241	Grupo Sancor Seguros	Argentina	Insurance	1.30
273	Kribhco	India	Agriculture and food services	1.10
291	Banco Credicoop Cooperativo Limitado	Argentina	Insurance	1.03

III. Cooperatives and access to health care in the context of the 2030 Agenda for Sustainable Development

9. Sustainable Development Goal 3 focuses on health and well-being, including physical and mental health and extending life expectancy for all. The aim of Goal 3 includes achieving universal health coverage, financial risk protection for health-care costs, access to quality health-care services and affordable medications and vaccines. The Goal also represents a commitment to accelerating progress in reducing newborn, child and maternal mortality and highlights the need to ensure universal access to sexual and reproductive health-care services, support research and development for vaccines and medications for communicable and non-communicable diseases and to substantially increase health-care financing. This Goal is central to the realization of the 2030 Agenda for Sustainable Development.

10. While the world is in better health than ever, there is still much room for improvement. The gap in access to services for people in different social groups remains wide. Even though many more people are living healthier lives than in the past decades, too many are still suffering needlessly from preventable diseases, and too many are dying prematurely. Overcoming disease and ill health will require concerted and sustained efforts, focusing on population groups and regions that have been neglected.⁶ As health care is a labour-intensive industry, there is a need for a continuous supply of workers, including doctors, nurses and other health-care professionals.

11. Health cooperatives have been serving their members and their communities in various forms for the past two centuries, even in countries with robust universal

⁶ *Sustainable Development Goals Report 2018* (United Nations publication, Sales No. E.18.I.6).

public health systems. As the potential of cooperatives is still far from being fully harnessed, it is important to better understand their role and their competitive advantages in meeting health needs in order to devise strategies for expanding service to broader segments of the population.⁷

12. One of the most important opportunities for harnessing the relationship between investing in health and economic development, for example, is that of addressing neglected tropical diseases. Millions of children around the world are infected with tropical diseases, which have indirect and direct effects on brain development and lead to lower school attendance, lethargy and impaired attention. The eroded economic opportunities for those children manifest themselves in an estimated drop in later income by as much as 17 per cent, which also has negative implications for national economic growth.⁸

13. In both developed and developing countries, the cost of quality health care may lead to financial hardship; therefore, it is useful to have systems where most costs for health care are prepaid, thus keeping out-of-pocket expenses at the time of service delivery to a minimum. Out-of-pocket health-care spending that exceeds 10 per cent of total income or consumption is considered to be in excess of a household's ability to pay. At least half of the global population (more than 3.65 billion people) still do not have access to essential health services, more than 800 million people spend at least 10 per cent of their household budget on health-related costs, and out-of-pocket health-care expenses push about 100 million people into extreme poverty each year.⁹

A. An overview of cooperative health-care provision

14. The health cooperative movement is a growing presence in different forms in many countries of the world, but always with one shared goal: to improve health outcomes for people and provide good working conditions for health-care professionals. According to the International Cooperative Alliance, some 100 million households worldwide enjoy access to health care thanks to cooperatives. The presence of this enterprise model has been confirmed in 76 countries, with more than 3,300 health cooperatives generating an overall turnover of \$15 billion. Table 3 provides information on a sample of health cooperatives.

Table 3
Number of health cooperatives and their turnover, number of employees and users in selected countries

Country	Period	Number of organizations	Turnover (millions)	Currency	Number of employees	Number of users (millions)	Users as a percentage of population
Australia	2016	175	9 244	AUD	15 653	3.6	15
Belgium	2014–2016	785	1 002	EUR	19 702	13.2	116
Brazil	2015	1 933	–	–	96 023	24	12
Canada	2013	130	63	CAD	1 132	0.4 ^a	1
Colombia	2013–2015	152	9 872 594	COP	17 383	8.6	18
France	2014	1 832	–	–	36 344	12	18

⁷ International Labour Organization (ILO), Committee for the Promotion and Advancement of Cooperatives, "Transforming our world: a cooperative 2030 – cooperative contributions to SDG 3", 2018.

⁸ Greg Martin, Alexandra Grant and Mark D'Agostino, "Global health funding and economic development", *Globalization and Health*, vol. 8 (2012).

⁹ For more information on gaps and challenges in meeting Sustainable Development Goal 3, see [A/74/205](#), sect. III.A.

Country	Period	Number of organizations	Turnover (millions)	Currency	Number of employees	Number of users (millions)	Users as a percentage of population
Italy	2014	6 756	9 235	EUR	233 397	5.5	9
Japan	2014–2015	145	1 359 320	JPY	91 969	12.2	10
Singapore	2015	4	114	SGD	2 271	1.7	30
Spain	2016	507	14 449	EUR	52 006	6.4	14
Sweden	2015	298	149 411	SEK	19 367	13.6	137

^a Data on cooperative insurance not available.

Source: International Health Cooperative Organization, “Cooperative health report: assessing the worldwide contribution of cooperatives to healthcare,” 2018.

Note: The methodology is based on available data, which are likely to have led to an undercount of the number of health cooperatives.

15. Depending on the needs they aim to address, health cooperatives take different forms. The main types include health workers cooperatives set up by doctors and other health-care professionals to improve their working conditions and cooperatives that manage hospitals and other health-care facilities and institutions dedicated to disease prevention, health promotion and training for staff and patients. In addition, some cooperatives are dedicated to the distribution of pharmaceutical products, accounting for about 20 per cent of the medication distribution market in Belgium, 70 per cent in Spain and 10 per cent in Italy. Some cooperatives also provide health insurance. There are also user cooperatives that were set up in response to a lack of public health provision, difficulties in accessing private health care or a failure to care for certain groups, such as indigenous peoples and other minorities, who then opt to manage their own care services. Examples of this type of cooperative can be found in Canada, Japan and Singapore. There are also multi-stakeholder cooperatives, including a combination of the types mentioned above. One such example is the Scias cooperative, which manages Hospital de Barcelona in Spain.

16. Cooperatives generally aim to engage all stakeholders, to jointly manage costs and risks and to achieve the utmost quality in care provision. An important debate is currently under way in many countries regarding the sustainability of health-care systems in the face of higher life expectancy and ageing populations, with corresponding increases in the demand for health services and in the need for care. This is leading to higher costs and financial pressure on national health systems, whether public, private or a combination of the two models.

17. Health cooperatives have demonstrated their capacity to adapt to new socioeconomic contexts and to continue to serve the evolving health needs of populations. The peculiarities of the health-care market, such as its labour-intensive nature and need for specialized equipment that requires substantial investment, mean that non-profit organizations have an advantage, as much of the surplus income they generate is reinvested in their operations. Cooperatives represent an enterprise model that competes in the marketplace like any other private provider but does not need to pay returns to its shareholders, thereby fostering sustainability. Cooperatives can also adapt to very different health-care systems. This flexibility is largely due to their governance models, which focus on the pursuit of solutions to the needs of people and of society at large.

B. Examples from around the world

18. The economic crisis in Argentina in 2001 and 2002 led to the closure of many health-care facilities and left nearly 50 per cent of the population without access to

health care.¹⁰ In response, health workers revived many facilities as cooperatives that mainly provide primary care, nursing and pharmaceutical services. In the city of Cordoba, the Junin health cooperative was established at what was previously a private clinic that had been closed as a result of the economic crisis. The cooperative provides the community with affordable and timely health services, including specialized services, such as neurology, paediatrics and general surgery.¹¹

19. In Belgium, since 1980, part of the responsibility for health-care policy has been devolved from the federal Government to the regional governments. Health care is primarily funded through social security contributions and taxation; compulsory health insurance is combined with a private system of health-care delivery. The health insurance system has long relied heavily on mutual aid societies, and all individuals entitled to health insurance must join or register with a health insurance fund, either one of the six mutual aid societies or a regional service. Cooperative pharmacies account for a large part of the pharmaceuticals distribution system.

20. In Brazil, cooperatives account for much of the market for health care. The Unimed cooperative has the largest health-care network in the country and is the largest medical cooperative system in the world. Cooperative health services cover 85 per cent of the national territory of Brazil, representing 32 per cent of the private health-care market. Many factors have contributed to the success of health cooperatives in Brazil, including their high level of acceptance in society, the better pay they offer their professionals compared with the public sector, their good relationship with non-governmental organizations (NGOs) and public bodies and the showcasing of cooperative principles and values, which are highly regarded in Brazilian society.

21. In Spain, pharmacy cooperatives developed at the beginning of the twentieth century with a view to facilitating equal access by all pharmacies to all pharmaceutical products under equal conditions and without distinctions based on the size or geographical location of the pharmacy. Cooperatives have grown to control about 70 per cent of the pharmacy market.

22. In addition, the Espriu Foundation, a strategic alliance of professionals' and users' cooperatives and mutual organizations, operates hospitals, insurance companies and a network of complementary enterprises covering the health needs of 2.23 million people in Spain. As a non-profit organization, the Foundation reinvests on a yearly basis the benefits that it generates in improving the quality of services and in technological innovation, thus ensuring the sustainability of its companies. Company governance and decision-making are shared by all stakeholders, an arrangement that facilitates and reconciles the mismatches between health-care supply and demand, as well as between responsible cost management and the provision of high-quality health services.

23. Cooperatives have a long tradition in the Japanese health system, and their function and activities have been governed by national legislation since the 1940s. Health and well-being cooperatives, as they are called in Japan, are essentially organizations that bring together users living in a certain geographical area or community with the aim of managing the provision of health care. The Japanese

¹⁰ Examples in this section are drawn largely from International Health Cooperative Organization and European Research Institute on Cooperative and Social Enterprises, *Cooperative Health Report: Assessing the Worldwide Contribution of Cooperatives to Healthcare 2018*, available at <https://previewihco.files.wordpress.com/2018/03/cooperative-health-report-2018.pdf>.

¹¹ Hana Dudrova and Lenka Marincova, "Social/solidarity economy as a new way of healthcare provision: the case of Cordoba, Argentina", Geneva Health Forum Archive, available at <http://ghf.g2hp.net/2011/12/14/2778/>.

Health and Welfare Cooperative consists of 111 member-owned health and well-being organizations and brings together 2.9 million members.

24. The cooperatives in the Japanese Health and Welfare Cooperative Federation manage 75 hospitals, 337 primary care centres, 70 dentistry offices, 28 nursing homes and 210 medical assistance stations and employ a total of 37,437 people. They also target the needs of elderly populations and have helped to innovate medical practices in rural areas. Multi-stakeholder cooperatives are also active in this sector; their members and governing bodies include various interest groups (physicians, nurses, other health professionals, patients and local governments) who share mutual interests. This joint endeavour strengthens the links between cooperatives and the local community and their ability to meet its needs.

25. In Lesotho, the Village Health Workers Cooperative Society aims to enhance and sustain health in villages by delivering basic primary health-care services to all individuals within their designated villages through a savings and credit scheme.

26. In Rwanda, the Tubusezere Cooperative, established in 2012, provides care and treatment for women living with HIV and AIDS. Its services are provided by former sex workers, for former sex workers. This women's cooperative emerged from a group of former sex workers who had sought information on group support for social and health treatment for HIV and AIDS and reached out for resources, support and organizational know-how. One NGO in particular, the Society for Family Health, provided the women with skills and knowledge on HIV and AIDS treatment and prevention and encouraged them to establish a cooperative. The NGO provided care and cooperative management training throughout the incubation and start-up process.

27. In Uganda, HealthPartners is working with local communities to establish health insurance cooperatives in underserved communities. Members of such communities are recruited to pay a small subscription fee to join the insurance scheme, and the sums collected are paid to independent providers of health services. Some of the money is also placed in a reserve fund. The health-care providers deliver quality treatment and medications to members on demand. They also pay 10 per cent of their annual surplus into a reserve fund. So far, 14 health cooperatives have been set up in Uganda, with a total of 31 providers and a combined membership of more than 46,000; some of the cooperatives are still in the early stages of development and are referred to as "pre-cooperatives". In 2017, the cooperatives generated surplus income of \$118,000, and their five-year aggregate surplus income came to \$350,000. The presence of health cooperatives correlates with a reduction in the incidence of child fevers and diarrhoea. Members of cooperatives are also much less likely to borrow money or sell assets when they require medical care. Similarly, female members of cooperatives are more likely to give birth with a skilled professional attending, more likely to receive postnatal care and more likely to receive at least two doses of intermittent preventive treatment against malaria during pregnancy.¹²

28. In order to further promote the role of cooperatives in health care, the International Labour Organization has joined forces with the Swiss Agency for Development and Cooperation, the International Health Cooperative Organization and the Association de Soutien aux Centres de Recherches, d'Enseignements et de Soins on a research project to explore the potential of cooperative, mutual and other social and solidarity economy organizations for advancing universal health coverage in Cameroon and Kenya. The project team has identified strong interest among

¹² Sarah Murungi, presentation made at an expert group meeting organized by the Department of Economic and Social Affairs in Nairobi, 26 March 2018, available at <http://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2019/04/HealthPartners-UN-Expert-Group-meeting-19.3.19-submitted-2.pdf>.

cooperatives in both countries in extending their activities into health and social care and is now working to design an intervention strategy for those countries.

IV. Cooperatives and financial inclusion

29. The 2030 Agenda for Sustainable Development identifies financial inclusion as an important objective for growth, poverty reduction and overall social inclusion. Cooperative savings and credit associations, or credit unions, are not-for-profit financial cooperatives that provide an effective and viable alternative to for-profit financial institutions. The World Council of Credit Unions is the international apex association for global financial cooperatives, with a network of 89,026 institutions in 117 countries, reaching 260 million households worldwide, and with more than \$1.7 trillion mobilized in savings.¹³ The Council operates on the principle that all people should have access to affordable, reliable and sustainable financial services. The role of credit unions is to encourage, promote and further all measures designed to spread the spirit and practice of thrift among its members by affording them an opportunity to accumulate savings and deposits and thereby create a source of funds from which loans can be made available to them.

30. In fulfilling their mission, the partner financial institutions of the World Council of Credit Unions deploy field officers who travel by motorbike to hard-to-reach villages, providing financial services through smartphones. The field officers form small groups and meet in person with members to collect deposits, loan applications and payments and to sign up new members. Thanks to this direct contact, previously unbanked individuals become more trusting of financial institutions and begin to use financial and savings services.

31. In Mexico, 54 credit unions with 235 points of service in 22 Mexican states are implementing field officer banking. In just three years, those financial institutions have brought financial services to more than 250,000 marginalized people, surpassing the programme's target of 15 per cent market penetration. In Colombia, the field officer banking model has brought affordable and convenient financial services to more than 148,130 low-income, unbanked people, including Afro-Colombians, indigenous peoples, farmers, displaced people and small and medium-sized enterprises in rural and underserved areas.¹⁴

32. In Afghanistan, the World Council of Credit Unions took a community-based approach to develop Islamic investment and finance cooperatives and their umbrella organization, the Islamic Investment and Finance Cooperatives Group, which collaborates with those institutions to develop sharia-compliant financial products and services. Many financial institutions do not comply with Islamic principles and therefore do not meet the needs of potential Muslim customers.¹⁵

33. In 2009, the World Council of Credit Unions established the Global Women's Leadership Network to address the gender gap in leadership in the credit union industry while also leveraging resources to strengthen the economic security of women and their families. As a result of those interventions, women now account for

¹³ See www.woccu.org/programs/approach.

¹⁴ Patrick Muriuki, "Promoting financial inclusion: how credit unions are bringing financial inclusion to marginalised communities", 27 March 2019, available at www.un.org/development/desa/cooperatives/wp-content/uploads/sites/25/2019/03/Promoting-Financial-Inclusion.pdf.

¹⁵ See www.woccu.org/programs/approach.

some 65 per cent of the management staff of programme credit unions in Liberia and 40 per cent of the total membership of credit unions in Rwanda.¹⁶

34. In Kenya, cooperative insurance services promoted by the Cooperative Alliance of Kenya provide affordable health services with investments from credit unions. The board of the Kenya Union of Savings and Credit Cooperatives is considering a proposal to withhold 1 per cent from disburseable dividends to provide health services to its members. Members of the Union already engage in several activities to promote healthy lifestyles and provide sponsorships to enable health-care facilities to purchase expensive medical equipment and provide scholarships and training for medical professionals.¹⁷

V. Enabling further cooperative development

35. It is clear that cooperative enterprises are important partners for the implementation of the 2030 Agenda for Sustainable Development. To effectively leverage the role of cooperatives in realizing the Sustainable Development Goals, the enabling environment needs to be strengthened further.

A. Supportive legislation

36. Cooperative law in many countries is not fully aligned with the complex, multipurpose and heterogeneous forms of cooperatives that exist today,¹⁸ focusing on the social and cultural functions of cooperatives without recognizing that many of them have evolved into large, profitable organizations in many sectors of the economy. In their legislation, countries need to recognize and balance the social and cultural elements with the economic and business elements of cooperation. After many years of neglect, reforms that can contribute to well-functioning cooperatives are now taking place at the national, regional and international levels.¹⁹

37. Many jurisdictions are now aligning their cooperative laws more closely to cooperative principles and broadening the concept to include legal subtexts, legal policy issues and questions concerning implementation of the law.²⁰ Consideration is also being given to how to integrate the concept of cooperatives as self-governing entities. Several specific examples of legal reform can serve as references for countries to use in this process.

38. The United States of America recently passed the Main Street Employee Ownership Act, the most significant change in legislation relating to employee ownership in two decades, which was signed into law in August 2018. In the Act, which was passed with bipartisan support, amendments were introduced to remedy long-standing inequities in how the Small Business Administration, an agency of the federal Government, administers loans to employee-owned businesses and to worker

¹⁶ Muriuki, "Promoting financial inclusion".

¹⁷ Solomon Atsiaya, "Role of co-operatives in social development towards universal healthcare", presentation, available at www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2019/06/Role-of-SACCOs-in-Financial-Inclusion-1.pdf.

¹⁸ Henry Hagen, "Enablers for cooperative development, including on healthcare: supportive legislation", paper prepared as background note to the present report, 2019.

¹⁹ Examples include article 54 of the Treaty on the Functioning of the European Union at the regional level and, at the international level, the United Nations guidelines aimed at creating a supportive environment for the development of cooperatives (see General Assembly resolutions [54/123](#) and [56/114](#)).

²⁰ Hagen, "Enablers for cooperative development".

cooperatives, making them eligible for more flexible loans and ensuring that a large proportion of loans are guaranteed by the agency.²¹

39. In 2009, Mozambique passed a law on cooperatives that provides legal recognition of the cooperative business model in the country, creating an enabling environment for cooperative development by removing local and national barriers to the registration of cooperatives. The law has enabled the National Cooperative Business Association to continue to develop cooperatives in the country, including the current Conservation Agriculture Promotion project, which is on track to provide training in conservation farming for more than 30,000 cooperative farmers.²²

40. Mongolia has prepared a draft revised law on cooperatives that was submitted to its parliament in 2018 and is expected to be adopted in 2019. The draft revised law includes specific requirements for the recruitment of members, for activities in which cooperatives can engage, for different types of cooperatives and for the accountability and rights of cooperatives as business entities.²³

41. The Cooperative Law and Regulation Initiative was launched in 2004 by the United States Overseas Cooperative Development Council and funded by the United States Agency for International Development with the goal of developing a cooperative-led process for reforming cooperative law and regulation. The objective of the Initiative is to help national cooperative movements in developing countries to create, through a bottom-up analysis of current cooperative law, a legal and regulatory environment that enables cooperative businesses to flourish, promoting local ownership and driving and advocating positive change in cooperative law and the enabling environment.

42. The Cooperative Law and Regulation Initiative provides a series of activities and tools designed to help national cooperative movements: (a) to understand, analyse and evaluate cooperative laws; (b) to develop proposals and strategies for change; (c) to put those proposals into action through advocacy and outreach activities; and (d) to protect the rights and interests of cooperative movements and bring about legal and regulatory reform in relation to cooperatives. The tool has been utilized by local governments, local cooperatives, donors and implementing organizations to assess the regulations and identify areas for improvement in at least 15 countries. The project has supported legal and regulatory reforms in the Dominican Republic, Ghana, Mongolia, Mozambique, Nicaragua, the Philippines and South Africa. The tool is currently being utilized in Kenya and Madagascar.

B. Systematic and consistent statistics

43. Data on cooperatives around the world are currently collected without a harmonized statistical definition of the term “cooperative” and without referring to comparable classifications of types of cooperatives and types of members or to comparable methodology for measuring the number of workers employed or the economic contribution of cooperatives. This results in widely varying statistics and different types of information being collected and prioritized in different countries,

²¹ National Cooperative Business Association, “Landmark Employee Ownership Act, signed into law yesterday, will amend lending landscape for worker co-ops”, 14 August 2018, available at <https://nbaclusa.coop/blog/landmark-employee-ownership-act-signed-into-law-yesterday-will-amend-lending-landscape-for-worker-co-ops/>.

²² National Cooperative Business Association, “NCBA CLUSA programs prioritize cyclone recovery in Mozambique”, 1 May 2019, available at nbaclusa.coop/blog/nba-clusa-programs-prioritize-cyclone-recovery-in-mozambique.

²³ Paper prepared by the Ministry of Foreign Affairs of Mongolia on the implementation of the General Assembly resolution on cooperatives in social development, 25 June 2019.

constituting a challenge to efforts to aggregate or compare statistics on cooperatives internationally.

44. The Committee for the Promotion and Advancement of Cooperatives identified the need to develop a core definition of cooperatives within a broader framework in order to allow international comparability. The Committee then set up a technical working group on cooperative statistics to improve the quality and accessibility of those statistics. In May 2017, the working group adopted a conceptual framework for the measurement of cooperatives and its operationalization.²⁴ On the basis of that report, guidelines concerning statistics of cooperatives²⁵ were adopted at the International Conference of Labour Statisticians in October 2018.

45. The guidelines aim to assist countries in updating and integrating their existing statistical programmes on the activities of cooperatives. They define “cooperative” as a statistical concept for reference purposes and provide operational concepts, definitions and a data collection strategy for producing statistics on cooperatives. The guidelines should facilitate the production of cooperative statistics for different purposes as part of an integrated national system based on common concepts and definitions, with a view to providing an adequate and reliable information base for a wide range of descriptive, analytical and policy purposes, taking specific national needs and circumstances into account.

46. The guidelines will also help to monitor the socioeconomic impact of cooperatives on members, workers and the economy. There is a need for better recognition of the economic and social impacts of cooperatives by governments and society, and for improved and evidence-based policies for a model of cooperatives as sources of employment and social welfare that are resilient to crises. The data can also provide information on various aspects of the contribution of cooperatives to the follow-up and implementation of the 2030 Agenda for Sustainable Development. Without comparable data, international compatibility is not possible, thus creating a risk of misrepresentation of the cooperative world.

47. Each country should aim to develop its system of cooperative statistics to provide an adequate, consistent and reliable information base for the various users of the statistics for analysis and policymaking, taking account of specific national needs and circumstances. Such a system should be designed to achieve a number of objectives, in particular to monitor the number and types of cooperatives in economic activities, monitor and measure the size of their membership, measure their contribution to work and employment and estimate their economic performance and overall contribution to the gross domestic product of their countries.

48. Developing internationally comparable and nationally appropriate statistical frameworks will require substantial work by national statistical offices. The frameworks should be developed in consultation with the various users of the statistics and harmonized with other economic and social statistics. They should be designed so as to provide current statistics for short-term needs and statistics collected at longer intervals for structural and in-depth analysis and as benchmark data. The choice regarding the frequency of data collection can be based on each country’s needs and capacities. Choices regarding the concepts and topics covered and reporting frequency will depend on their national relevance and available resources. Each country should establish an appropriate strategy for data collection and reporting that ensures the progress and sustainability of the system.

²⁴ Available at http://www.ilo.org/global/topics/cooperatives/publications/WCMS_578683/lang--en/index.htm.

²⁵ Available at http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/meetingdocument/wcms_648558.pdf.

C. Skills and capacity-building

49. During the reporting period, the United Nations conducted a series of training workshops and a meeting of experts on cooperatives. The workshops are generally offered to government officials and cooperative members/practitioners and aimed at sharing best practices and building capacities as requested by Member States. Some of the main issues addressed in the workshops included the following: (a) strengthening the role of cooperatives in supporting the implementation of the Sustainable Development Goals in all their dimensions; (b) strengthening the capacity of participants to develop and implement policies for the promotion of cooperatives within their national and local contexts; (c) building capacities to develop policies and practice for providing cooperative health-care services; (d) building the capacity of cooperatives to effectively generate cooperative data that can be used for policy formulation and monitoring; and (e) increasing the participation of women and young people in cooperatives, in particular in their decision-making processes. Some of the workshops also focused on specific social groups, such as indigenous peoples, persons with disabilities and young people.

50. Cooperatives provide education and training for members in order to contribute to the development of their businesses. The International Cooperative Alliance has established cooperative principles,²⁶ which include engaging in education activities not only for a cooperative's own members but also for young people and the community at large to promote mutualism, self-help and collaboration. Some cooperatives also operate in the education and training sector, providing services that may not be available from public and other private service providers in early childhood care and education, primary and secondary education, technical, vocational and tertiary education for young people and skills training for young people and adults.

51. In the Netherlands, Buzinezzclub is a social enterprise that, in partnership with the Government, organizes intensive training programmes for young people who are not in education, employment or training. More than 1,000 trainees, most of whom are migrants, have found lasting employment through the programme. In the United Kingdom, hundreds of cooperative schools have been set up using a multi-stakeholder model that includes parents, staff, students and other local community actors as members. Teachers cooperatives have been formed in countries during times of austerity and cuts in public spending on education and other basic services in order to secure jobs and ensure quality education for children.

52. Cooperative colleges and universities have prospered in many countries, including Colombia, Kenya, Uganda and the United Republic of Tanzania. They serve to advance the capabilities of young people and also function as learning centres for developing the management capacities of adults to support cooperatives and other social and solidarity economy enterprises and organizations.

53. The African Confederation of Cooperative Savings and Credit Associations organizes exchange programmes for employees working in member countries so that employees of national cooperative bodies have an opportunity to work in a different regional block for a specific period of time to learn good practices relating to cooperatives.

54. In Mongolia, a nationwide training event for cooperatives was organized from 30 June to 4 July 2018 in order to strengthen the capacity of small and medium-sized enterprises and cooperative experts at the provincial and local levels. Around

²⁶ A full list of cooperative values and principles is available at www.ica.coop/en/cooperatives/cooperative-identity.

170 people participated in the event. Mongolia has also set up an employment promotion fund to support micro-entrepreneurs, including those in cooperatives. Up to 10 million Mongolian tugriks can be lent to individuals, and up to 20 million tugriks can be lent to entities and cooperatives for a period of 24 months at an annual interest rate of 7.2 per cent. Between 2017 and 2019, the employment promotion fund provided 4,800 loans totalling 35,900 million tugriks, thus maintaining 4,000 jobs and creating 3,000 new jobs.²⁷

55. In the United States, the National Cooperative Business Association organized a series of cooperative policy round tables in 2019. This year-long series of regional events is designed to identify optimal legal environments to enable the development of cooperatives. The series is part of an ongoing research effort funded by the Robert Wood Johnson Foundation to quantify the social and economic impact of cooperatives and will culminate in a policy paper to inform policy changes necessary at the local, state and federal levels – the first-ever effort to establish the national policy strategy needed by cooperatives to enable them to thrive.

56. The National Cooperative Business Association also organized the publication of “Co-ops matter: the ABCs of Cooperative impact” to address the critical issue of measuring and communicating the impact of cooperatives on their members, their communities, policymakers and the broader public. To that end, the Association and the Cooperative Development Foundation enlisted the Urban Institute to develop a shared framework for assessing the impact of cooperatives. The publication provides the cooperative community with a seven-point framework for measuring their contributions to economic activity, community vitality and worker well-being.

57. The Council of Cooperative Economists is a group that fills a critical gap within the cooperative sector, providing a forum for best-in-class cooperative economists and other experts to explore ideas and publish research aimed at helping to tell the story of cooperative impact in a more powerful and compelling way. Research by the Council is regularly published in the *Cooperative Business Journal*.

D. Networking and information-sharing

58. Networking and information-sharing are important activities for capacity-building and mutual support for cooperatives. They are particularly important for the growth of cooperative enterprises in developing countries. A recent example of such an initiative was the visit by representatives of eight cooperatives from Argentina to India and Viet Nam in February 2019 to meet with cooperative representatives in those countries and build strategic alliances, enable technology transfer and develop new commercial ties. The Argentine representatives met representatives from the National Cooperative Union of India, the umbrella organization for the cooperative movement in the country, to interact with Indian cooperative members/practitioners, policymakers and representatives of the National Federation of State Cooperative Banks, the National Cooperative Agriculture and Rural Development Banks Federation and the Buldana Urban Cooperative Credit Society. In Viet Nam, the delegation met representatives of the Vietnam Cooperative Alliance and visited cooperatives that are active in the ceramics and agriculture sectors.²⁸

59. Mongolia held its sixth conference of national cooperatives on 21 March 2019 under the theme “Partnership for development”. The biennial event was co-organized

²⁷ Paper prepared by the Ministry of Foreign Affairs of Mongolia (see footnote 23).

²⁸ International Cooperative Alliance, “Reinforcing intercooperation between Argentinian cooperatives and the cooperative movement in India and Vietnam”, 25 February 2019, available at www.ica.coop/en/newsroom/news/reinforcing-intercooperation-between-argentinian-cooperatives-and-cooperative.

by the Ministry of Food and Agriculture, the Mongolian National Cooperative Association and other international partners. During the conference, 300 participants discussed the development of a model for cooperatives at the national level, which will contribute to enhancing meat and dairy production.²⁹

60. The African Confederation of Cooperative Savings and Credit Associations has established education programmes aimed at identifying income-generating gaps for individual savings and credit associations and contributing to poverty reduction by encouraging African savings and credit cooperatives to develop sustainable entrepreneurial activities.³⁰

61. The Co-op Impact Conference brings together hundreds of cooperative developers, practitioners, policymakers and other stakeholders each year. The Conference is a unique opportunity for cooperative members/practitioners to coalesce around a pivotal moment: a generational opportunity to spur broader, more inclusive participation in economic life. Under the theme “Power in purpose: building the next economy”, the 2019 conference will highlight how cooperatives – as principled, purpose-driven businesses – are building a stable and sustainable economy.

62. By 2030, an estimated 71.5 million senior citizens in the United States will need care, and 87 per cent of them wish to remain at home. Cooperative developers and practitioners believe they can upend a culture that devalues caregivers to transform the industry and help to provide the 13 million new workers needed to meet demand in the coming decade. Organized by the Cooperative Development Foundation, the National Homecare Cooperatives Conference will be held from 19 to 22 November 2019 and will provide a unique opportunity to assemble resources, ideas and insights that the home-care cooperative sector will need in order to scale up its activities.

VI. Emerging issues and cooperative development

A. The platform economy

63. New technologies are changing the way work is organized and governed. They are redefining the relationships between workers and employers, especially in emerging fields, such as the platform economy. Due to limited or non-existent national and/or international regulatory frameworks, there are significant risks of non-compliance with decent work standards. In recent years, a growing number of platform cooperatives have been established by self-employed and gig economy workers in the platform economy in order to better represent their interests.³¹

64. As digital platforms are growing more rapidly in the global economy, they bring many valuable innovations but also generate harmful disruptions. Platform cooperatives are emerging around the world with the goal of offering another model of development that is more respectful of workers and the environment.³² By putting platforms in the hands of their own users, platform cooperatives directly serve those who rely on them and account for the specific needs of the territories in which they operate. Many examples of platform cooperatives already exist, including community ride-sharing platforms, local food circuits run by producers and self-managed care workers’ platforms. Such cooperatives have the potential not only to help to improve

²⁹ Paper prepared by the Ministry of Foreign Affairs of Mongolia (see footnote 23).

³⁰ See www.accosca.org.

³¹ ILO, Global Commission on the Future of Work, *Work for a Brighter Future*, 2019, available at www.ilo.org/global/publications/books/WCMS_662410/lang--en/index.htm.

³² Trebor Scholz and Nathan Schneider (eds.), *Ours to Hack and to Own: The Rise of Platform Cooperativism, a New Vision for the Future of Work and a Fairer Internet*, (New York/London, OR Books, 2017).

working conditions for their members, but also to take part in the social dialogue on the social impact of changing technology and the world of work.

B. Climate change

65. Climate change concerns are affecting the livelihoods of rural populations and the world of work in various ways. Green jobs and green enterprises are on the rise. Cooperatives and other social and solidarity economy organizations can be instrumental in ensuring a just transition while working on climate change adaptation and mitigation. Mutual insurance for crops, diversification of crops and energy-saving irrigation and construction techniques are just a few adaptation strategies that cooperatives can use.

66. Prominent examples in the field of climate change mitigation include forestry and renewable energy cooperatives. Forestry cooperatives and solidarity associations have been set up in Canada, Indonesia, Japan, the Republic of Korea and the United States to secure the livelihoods of forest communities while following sustainable forestry practices.³³

67. In urban areas in the global South, cooperatives are being set up in the field of waste management. In Brazil, Colombia, India and South Africa, waste-picker cooperatives provide services for improved waste management and recycling, negotiate with local governments to integrate their members into waste management chains and support their members in gaining access to occupational safety and health, training and financial services. Trade unions have also been involved in a number of those efforts.³⁴

68. In the renewable energy industry, social and solidarity economy organizations are gaining ground in Europe, harnessing wind and solar power as well as biogases. Such organizations have a number of competitive advantages, including democratic local control over energy production and use, the capacity to create local employment, and reasonable pricing.

C. Refugees

69. The world is currently facing its largest refugee crisis since the Second World War, as people flee from war, poverty, social inequality and the impact of climate change. Those pressures are expected to continue to uproot people from their homes. Cooperative enterprises increasingly play a role in refugee response strategies. Host countries now use cooperative housing, job placements, literacy, training and other social services to integrate refugees. With assistance from refugee aid organizations, cooperatives of refugees have been established in refugee camps to generate employment and income. Refugees have also become members of host country cooperatives and have used the knowledge and experience gained to rebuild their own communities upon their return to their countries of origin. In Bosnia and Herzegovina, El Salvador, Guatemala, Lebanon, Mozambique, Nepal, Rwanda, Sri Lanka and Timor-Leste, cooperatives have played a critical role in post-conflict reconstruction by creating jobs for returning minorities and ex-combatants, rebuilding businesses

³³ Simel Esim (ILO), statement delivered at the seventh International Research Conference on Social Economy, 6 June 2019.

³⁴ Ibid.

and homes, giving refugees and internally displaced persons access to markets and facilitating reconciliation and peacebuilding.³⁵

VII. Conclusions and recommendations

70. Cooperatives contribute to all aspects of inclusive social development and to the realization of the 2030 Agenda for Sustainable Development. In recent years, the cooperative movement has grown, in particular as a result of the impetus provided by the International Year of Cooperatives in 2012. The cooperative model exists in almost every field of human activity, especially in agriculture and food industries, insurance, health care, wholesale and retail trade and new areas or sectors, such as the platform economy and environmental protection. Given their people-centred business models, cooperatives are owned and operated by their members and are strongly committed to the development of their local communities.

71. To further promote the development of cooperatives in all countries and harness their invaluable contribution to social development and thus to the achievement of the Sustainable Development Goals, the General Assembly may wish to consider the following recommendations:

(a) **Governments should continue to review and/or amend existing legislation and regulations to make the environment more conducive to the creation and growth of cooperatives. This may include improving existing laws and regulations and/or adopting new ones, especially regarding access to capital and fair taxation;**

(b) **Member States should continue to strengthen their capacities for collecting comprehensive and internationally comparable data on the role of cooperative enterprises in economic and social development and the implementation of the Sustainable Development Goals, with reference to available methodologies, such as the guidelines concerning statistics of cooperatives;**

(c) **Member States should create policies and programmes to assist in scaling up the provision of cooperative health-care services to cover a larger number of people with particular focus to underserved communities such as informal sector workers;**

(d) **Member States should further promote the role of cooperatives in bringing financial services to under-served groups and communities, such as young people and indigenous communities;**

(e) **The United Nations system should continue to provide technical support and capacity-building assistance to cooperatives and national Governments to promote the continued growth of cooperatives.**

³⁵ ILO, “The Future of Work Centenary Initiative”, 2016, available at http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_534204.pdf.