



Definition and Values

- ◊ Definition: 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
- ◊ Values: Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation among Cooperatives
7. Concern for Community

Types and Levels

- A. The Producer (worker-owned) cooperative
- B. The Service (client-owned) cooperatives
 - Any form of economic, social or cultural activity can be organized cooperatively
 - Cooperatives often create vertical structures (primary society -> union -> federation) and horizontal networks (regional or national unions of various types)
 - Importance of "new generation cooperatives"

Brief History

- ◊ Cooperation as a universal phenomenon – not limited to human societies;
- ◊ Misery of the Manchester Capitalism – cooperatives as self-help organizations (Rochdale);
- ◊ Raiffeisen and Schulze-Delitzsch: birth of the financial cooperatives;
- ◊ Spread throughout Europe and the US;
- ◊ Establishment of the ICA; universal principles
- ◊ Propagation into the developing world.

The Global Movement Today

- ◊ 750.000 cooperative societies
- ◊ One billion members
- ◊ 100 million jobs – 20% more than all multinationals
- ◊ 300 largest coops have a combined turnover of 1.6 trillion \$
- ◊ 196 million credit union members have accumulated 1.6 trillion \$ in assets
- ◊

Global Cooperative Organizations

- o ICA and its regional and sectoral organizations
- o WOCCU
- o ICMIF
- o CICOPA
- o IRU
- o COPAC
- o AIM
- o Regional organizations
- o The International Year

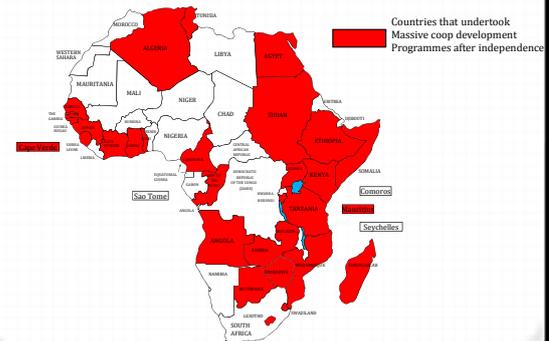
Traditional Cooperation in Africa:

- o Traditional forms of cooperation:
 - o Built on the principles of cooperation, solidarity, mutuality, reciprocity and neighbourhood;
 - o Locally rooted, membership determined by ethnic origin, social class, occupation, or a combination of those;
 - o Often rotating, seasonal, periodic and/or temporary in nature (linked to crop cycles, or motivated by specific projects);
 - o Usually no vertical structures or horizontal networks;
- o Principal types: rotating savings and credit associations (tontines, stokvels); mutual work sharing schemes; community works; burial societies;

Colonial Period

- o The "British-Indian model of cooperation": focus on cash crop, vertical structures, relative autonomy;
- o The French model: "community cooperatives" under French administration; little economic activity; no vertical structures;
- o Cooperative development in Belgian and Portuguese colonies mostly confined to European settlers;
- o Other models: Ethiopia, South Africa, Namibia

The Era of Cooperativism



The Era Of Cooperativism

- o Goals:
 - o to implement the ideal of 'African Socialism'
 - o to control cash crop marketing and foreign currency in-flows
 - o to monitor and "educate" the rural population.
- o Methods:
 - o Incorporation of the cooperative movement into administrative structures or the ruling party;
 - o Civil servants appointed as cooperative managers (sometimes even as chairpersons);
 - o Marketing and supply monopolies;
 - o Subsidies, hard currency allocations, preferential interest rates;
 - o Cooperatives appointed to carry out economic or social functions for Government
 - o Strong donor support
- o Outcome:
 - o Alienation between Cooperatives and their "members"
 - o Inefficiency, waste of resources, corruption

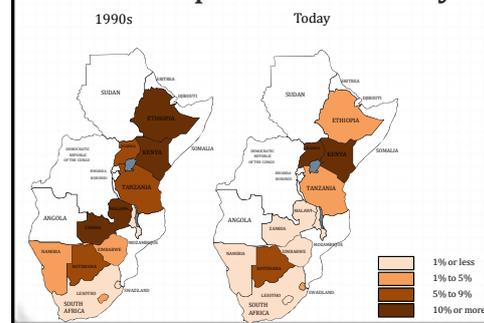
Structural adjustment

- o Structural "adjustment": deregulation, liberalization, market orientation, fiscal stabilization, withdrawal of the State from the productive sector -> the Washington Consensus;
- o The 1993 World Bank study: cooperatives seen as inefficient and a burden to both the farmer (member) and the State;
- o Sudden withdrawal of State control of and support to cooperatives; abolition of subsidies and monopolies; redefinition of the role of the Registrar; new coop laws;
- o Result: Collapse of many coops, creating a vacuum that neither the State nor the private sector or the emerging self-help organizations were able to fill.

Cooperatives in Africa Today

- ◊ Cooperatives are autonomous, self-managed and free to act – in accordance with the universal definition;
- ◊ Consumer coops have all but disappeared;
- ◊ Agricultural marketing and supply coops have lost market share, but are still important players in many countries;
- ◊ Credit unions have gained ground almost everywhere;
- ◊ Many "exotic" forms of cooperation have emerged;
- ◊ Some apex organizations and secondary structures have disappeared, but new ones have been formed;
- ◊ Most countries have adopted modern cooperative policies and laws;
- ◊ Quintessence: a less formal, less structured, but more colourful and efficient cooperative movement.

Cooperative Density



Cooperative Colleges

- ◊ All colleges formed in the 1960s and 1970s have survived, and many have managed to reinvent themselves;
- ◊ Two countries (Tanzania and Ethiopia) have created cooperative universities;
- ◊ New curricula, new training methods, new teaching material, greater focus on the needs of the cooperative movement;

The ILO and Cooperatives

- ◊ Origin of the ILO;
- ◊ Establishment of the Cooperative Branch in 1920;
- ◊ Recommendation 127 of 1966;
- ◊ Large scale technical cooperation programme;
- ◊ MATCOM, ACOPAM, COPAC;
- ◊ COOPNET, COOPREFORM, STEP;
- ◊ Recommendation 193 of 2002;
- ◊ ILO-ICA partnership;
- ◊ The COOP^{AFRICA} programme;
- ◊ The social economy approach.

ILO's Decent Work Agenda

- ◊ The fundamental principles and rights at work;
- ◊ The creation and strengthening of jobs and livelihoods;
- ◊ The extension of social protection, including to the informal economy (the "social protection floor")
- ◊ The promotion of social dialogue between workers, employers and governments.

Cooperatives and Rights

- ◊ Congruence between cooperative principles and basic human and workers rights;
- ◊ Cooperatives as *subjects* of international labour standards: R 127 and R 193;
- ◊ Cooperatives as *promoters* of international labour standards: child labour, indigenous peoples, HIV at the workplace; extension of labour standards to the informal and rural economies.

Cooperatives and Employment

- ◊ Economies of scale and scope, bargaining power, pooling of resources, horizontal and vertical integration, division of labour, productivity, innovation;
- ◊ Self-employment: workers' cooperatives;
- ◊ Creating and sustaining livelihoods: supply & marketing coops, financial coops;
- ◊ Cooperatives as employers;
- ◊ Small business cooperatives;
- ◊ "Empresas Recuperadas" and ESOPs

Cooperatives and Protection

- ◊ Modernization of traditional systems of mutuality, reciprocity and solidarity;
- ◊ Health cooperatives: providers and consumers of health services;
- ◊ Burial societies;
- ◊ Cooperatively organized insurance (including micro-insurance);
- ◊ Provision of social services by coops: child care, care for the elderly, home-based care, integration of marginalized population groups.

Cooperatives and Dialogue

- ◊ Cooperatives as actors of formal social dialogue;
- ◊ Cooperatives as a bridge between formal and informal economies -> representing the unrepresented;
- ◊ From social dialogue to civil dialogue;
- ◊ Horizontal and vertical organizations;
- ◊ The importance of global organizations -> the post-2015 agenda

For discussion I: The Role of the State

- ◊ Cooperative policy and law;
- ◊ State support to cooperatives;
- ◊ State supervision of cooperatives;
- ◊ The role of the Registrar.

For discussion II: Cooperatives and Trade Unions

- ◊ Common roots, values and characteristics;
- ◊ Main differences;
- ◊ Who promotes whom?
- ◊ Cooperative - trade union partnership: the "red alliance"
- ◊ Towards a mutually beneficial alliance.

For discussion III: Cooperatives or Cooperation?

- ◊ The principles or the institution?
- ◊ What about less formal types of cooperation?
- ◊ Legal recognition and protection of self-help organizations;
- ◊ The social economy approach.