
Introduction

4 Key Factors Impacting on the Future of Work

Policy Recommendations



STRATEGIC PAPER

The Future of Work

Where do industrial and service cooperatives stand?



Introduction

People working in or within the framework of cooperatives make up 10% of the global employed population according to conservative estimates,¹ without counting the jobs and economic activities that have been created through loans granted by credit cooperatives, or through other key inputs provided by insurance cooperatives or electricity cooperatives to millions of producers, nor the indirect jobs generated for providers and clients. The wider social and solidarity economy (which also includes mutuals, worker-owned enterprises, associations, foundations, non-profits, NGOs, social enterprises etc.), of which cooperatives are a key pillar, represents an even wider share of the world's employed population. Cooperatives are also involved in SME clustering, as has been recognized by the ILO,² thus potentially covering a substantially wider proportion of the world of work.

However, the contribution of cooperatives to the world of work is not only a question of numbers. Cooperative employment tends to be more sustainable in time, suffer less income inequality, be characterized by a better distribution between rural and urban areas, and enjoy a higher level of satisfaction and self-identity at work than the average.³ Cooperatives are also being a large laboratory experimenting innovative and sustainable forms of work and work relations within the enterprise: industrial and service cooperatives (representing an estimated 11.5 million jobs⁴) have first developed predominantly under the form of worker cooperatives since the 1830s, with continuous creativity and innovation in labour relations till today; they are presently experimenting new forms such as social cooperatives, community cooperatives, business and employment cooperatives, labour intermediation cooperatives, multi-stakeholder cooperatives etc.



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1 Eum HS (2017) *Cooperatives and Employment: Second Global Report* ; Brussels: CICOPA

2 ILO: *Reports of the Committee on SMEs and Employment Creation*, International Labour Conference, 104th Session, Geneva, June 2015

3 Roelants R, Eum HS & Terrasi E (2014) *Cooperatives and Employment: a Global Report* ; Brussels : CICOPA

4 CICOPA (2017) *Industrial and Service Cooperatives: Global Report 2015-2016*; Brussels: CICOPA

The quantitative and qualitative importance of cooperatives in the world of work is particularly significant when put in the context of stagnating ratios of employment-to population,⁵ high unemployment and underemployment, increased job insecurity and flexibility, widening inequalities,⁶ the increased sense of identity and meaning attributed to work but also the growing disenchantment about one's work experience,⁷ increasing levels of workplace accidents and psychological violence at the workplace⁸ with direct consequences on health and, increasingly, on life itself.⁹

On the other hand, the organization of work and of the production of goods and services is experiencing profound changes that may strongly alter the way in which we work and the future of work itself. In discussing the future of work, it is necessary to differentiate four interrelated categories of issues: 1) technological change and the knowledge economy; 2) change in demographic, societal and environmental trends; 3) globalization and de-industrialization, and 4) the impact of the reorganization of work on working conditions, inequality and social protection. Industrial and service cooperatives provide answers and solutions in all four areas. We will review these four areas below, and, in the last section, provide policy recommendations structured around the ILO's concept of Decent Work.

5 According to the ILO, the employment to population ratio has even fallen marginally between 1991 and 2016; see ILO (2017) *Inception Report for the Global Commission on the Future of Work*; Geneva: ILO, p. 1

6 *Ibid.*, p 6-7

7 *Ibid.*, p. 15-18

8 The quest for efficiency at all cost has spurred human resource management techniques that strongly affect the staff's psychological balance. For example, a New York Times article quoted an executive in Amazon's book marketing division saying that "nearly every person I worked with, I saw cry at their desk". Kantor J. & Streitfeld D. *Inside Amazon: Wrestling Big Ideas in a Bruising Workplace*; The New York Times, 15 August 2015, http://www.nytimes.com/2015/08/16/technology/inside-amazon-wrestling-big-ideas-in-a-bruising-workplace.html?_r=0. In many large companies, there has been a dramatic reduction in middle-level management, giving workers the perception of an anonymous, remote and faceless employer.

9 According to the ILO, 2.7 million deaths per year (7600 per day) are due to work-related injuries or illness, while unemployment is also a source of illness: see ILO (2017) *Inception Report for the Global Commission on the Future of Work*; Geneva: ILO, p19-20. According to an article in the British medical review *The Lancet* based on World Bank and WHO data over 15 years, there were 160 000 more deaths through cancer in the EU between 2008 and 2010 in conjunction with both the rise in unemployment and reduction in public spending, and over 500 000 more in the world: Maruthappu M. The Role of Universal Health Coverage in Reducing Cancer Death and Disparities, *The Lancet*, 25 May 2015, <http://www.thelancet.com/journals/lancet/article/PIIS0140-6736%2816%2930376-2/fulltext>; In addition, *The Lancet* stated in 2015 that unemployment was at the origin of around 45 000 suicides every year in 63 countries: Nordt C. *et al.* *Modelling suicide and unemployment: a longitudinal analysis covering 63 countries, 2000–11*, *The Lancet Psychiatry*, February 2015, <http://www.thelancet.com/journals/lanpsy/article/PIIS2215-0366%2814%2900118-7/abstract>

4 key factors impacting on the future of work, and how industrial and service cooperatives deal with them

1. Technological Change and the Knowledge Economy

A. Technological Change

The world is undoubtedly undergoing one of the most profound and radical waves of technological change it has ever known, particularly in the fields of IT and robotics, with profound applications in industrial automation, the delivery of goods and services through online platforms, and an organization of work and production in which individual workers, producers and users are often more disseminated in space. Even though technological change leaves many components of the world of work unresolved, especially as far as the social dimension of work is concerned, it can also favour more genuine forms of collaborative work, such as cooperation among producers, freelancers and SMEs through cooperatives, as well as among cooperatives themselves.¹⁰

On the other hand, many cooperatives are presently dealing with technological change, and the more they cooperate among themselves in generating economies of scale through networks and groups, the more they tend to be successful with this transformation.

Technological change can bring about a positive impact on industrial and service cooperatives not only in terms of production automation, but also in the fields of administration, book-keeping, and marketing. Working time can thus be freed for the cooperatives to concentrate on more entrepreneurial aspects requiring creativity. In addition, although the spatial dissemination of worker-members or producer-members of cooperatives provides an additional difficulty to the practice of democratic control which is so important to the cooperative logic, technological change may offer solutions to improve democracy within the enterprise (on line consultations, electronic voting etc.).



¹⁰ Mandl I. *et al.* (2015) *New Forms of Employment*; Dublin: Eurofound, p. 118-128

B. IT Platforms

Part of the technological change in the world of work is linked to IT platforms. Conventional technology platforms benefit from the dispersal of the work force and the loss of physical connection with it. Separate parts of a project are assigned to a constellation of workers disconnected from each other¹¹ As a result, the workers only maintain a virtual and disembodied link with their employer, making them unable to join forces to make common social demands.

But technological change does not necessarily predetermine a type of organization of work which is disadvantageous to the workers. For example, the phenomenon nicknamed “uberization” (out of the Uber transport platform company) includes both a well-functioning IT system in which the supply and demand of car rides can be effectively matched, and iron control on the system by an economic organization which grants no part of control of the business to the drivers or to the users.¹² In turn, by putting the interest of digital platform users at the forefront, and by involving them in financing, commercial life and business management, cooperative platforms can direct their efforts towards the satisfaction of this interest and not towards the accumulation of profits for the benefit of external investors who have a purely speculative interest in the development of the platform. Despite the spatial dissemination proper to the platform economy, cooperatives maintain the decision-making process among the workers/producers. Embryonic initiatives of platforms using the cooperative democratic control model tend to suggest that technological innovation and control by a few can be de-coupled.

11 For example, Amazon’s on line labour brokerage Mechanical Turk “allows for a project to be broken down into thousands of bits, which is then assigned to so-called crowd workers. Often well-educated, novice workers are making between two and three dollars an hour in this environment. Just like migrant workers, barristers, or temps in the fast food industry, they are working long hours, are underpaid and treated poorly by their virtual bosses, and have few or no benefits”, in Scholtz T. (2015) *Platform Cooperativism – Challenging the Corporate Sharing Economy*, New York; Rosa Luxemburg Stiftung, p. 8

12 As a result, as the MIT argues, “the more easily a form of work is commoditized, the more the balance of power will shift away from the workers and towards the platform”: MIT op. cit. p. 15; The need to extract as much share value as possible also prompts many platforms to push their operators towards a new form of informal economy (see following sub-section): the MIT also states that “Uber remains in a legal gray area. Its drivers are considered private car operators and do not pay all the registration fees, value added tax, and income taxes traditional cabbies do”: Ibid. p. 6

A Few Examples of Cooperative Online Platforms

▶ **COOPIFY** is a labour platform built by Cornell University students in the USA. The Center for Family Life in New York, which has been incubating 9 cooperatives in services such as cleaning and care for elderly people whose members are immigrant Latino women, is now beginning to experiment Coopify to help the 9 cooperatives to better compete with the big platforms in looking for clients.¹³

▶ **UNION TAXI** in Denver, Colorado, is one of a series of driver-owned taxi cooperatives that have been recently established in the USA, in order to get better pay and working conditions than what traditional taxi companies and Uber can offer, while competing successfully. They offer both traditional taxi services and e-hailing like Uber provides. By driving for the cooperative, cab drivers cut their car lease rate by two-thirds, enabling them to work less and earn more. CWA (Communications Workers of America) Local 7777 helped the drivers form the cooperative and plays an ongoing support role in the formation of new taxi cooperatives 11 Platform Cooperatives Creating a Real Sharing Economy¹⁴

▶ **SMART**, a Belgian cooperative grouping over 100,000 independent workers/producers offers to its members the sharing of a company in order to carry out their own activities, by means of an IT platform.

▶ **STOCKSY**, a very successful cooperative of free-lance photographers, based in BC, is the main example in Canada.

▶ In Argentina, the free software cooperative **G-COOP** created the EssApp, which is an application that is downloaded onto cell phones and provides information on all the cooperatives in the country.

13 Scholtz T. (2015) *Platform Cooperativism – Challenging the Corporate Sharing Economy*, New York; Rosa Luxemburg Stiftung, p. 15

14 <http://www.shareable.net/blog/11-platform-cooperatives-creating-a-real-sharing-economy>

The platform model can be compatible with the inner structural features which characterize worker, social, self-employed/freelancers' and multi-stakeholder cooperatives. In a platform cooperative where members are **individual producers**, no wages or fixed remuneration are guaranteed, nor common social protection is ensured, and each individual producer or freelancer takes his/her own entrepreneurial risks, but these are considerably lower thanks to the existence of the cooperative, while democratic control by the producers is ensured. In a platform cooperative where the members are the **workers**, beyond democratic control and economies of scale, wages or fixed remuneration as well as social protection are guaranteed even in the case in which the workers work separately (in their cars, in front of their computers etc.) and even in the case in which they operate in different countries of the world.

C. Knowledge-based Economy

The Massachusetts Institute of Technology (MIT) states that *“it’s likely that work done by humans will increasingly involve innovative thinking, flexibility, creativity and social skills, the things machines don’t do well”*.¹⁵ Cooperatives undoubtedly have a strong potential advantage in all the activities that require mainly knowledge and the human factor. An increasing trend towards the creation of cooperatives active in knowledge-intensive activities (such as biotechnology, computer engineering, nanotechnology, robotics, telecommunications, data management, e-education etc.) has been noticed in a number of countries. There are a host of activities in local communities in which cooperatives can act in niche markets where the bigger companies, including those organized as platforms, find it more difficult to operate. 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 decentralized and democratic management is often conducive to their delivery. Regrouping in cooperative groups and networks offer better conditions to develop in these sectors thanks to the economies of scales that such groupings generate.

15 Byrnes N. *Work in Transition*, MIT Technology Review, September 28, 2015, <https://www.technologyreview.com/s/541526/work-in-transition/>

2. Change in Demographic, Societal and Environmental Trends

The needs and demands for goods and services have also undergone a profound transformation everywhere. The needs of society and, more generally, of civilization as a whole, have changed. The needs that are appearing are not only linked to consumers' or users' choice, but also to evolutions that are leaving society with few or no options, such as the need to tackle environmental degradation, climate change, migration, the refugee crisis (including the incipient climate refugees), the increase in life expectancy and population ageing, etc. The expansion of activities revolving around IT, health and social services, the protection of the environment, energy production, culture, design, leisure and travel, for example, also have to do with these changes.¹⁶

As we have just seen above, cooperatives have a clear advantage in these activities given their particularly strong adaptability to knowledge-intensive production. Indeed, they are characterised by a high level of legitimacy and service quality since they provide solutions **for** and **by** the concerned group of individuals. By including the community or the beneficiaries in the design and the delivery process, they increase the chances to link the offer adequacy to the real needs.

3. Globalization and De-industrialization

A. Internationalization and Global Supply Chains

With globalization, a profound transformation in the production of goods and services has been taking place over the last 30 years. On the one hand, the production of goods and services tends to take place either where it costs less or where the clients are situated, or both. On the other hand, with the strengthening of global supply chains, a good or service is increasingly produced in a complex and multistage process involving several regions of the world. A consequence of this is the intensification of de-industrialization observed in a number of countries, in particular the so far most industrialized ones, often generating the economic desertification of entire regions. For decades, and with increased intensity today, the cooperative movement has been able to restructure successfully industrial enterprises under the form of worker cooperatives, and thereby maintain key industrial enterprises in the communities in which they are embedded. Presently, cooperatives (mainly worker and social cooperatives) involved in industrial sectors in the CICOPA network are around 20 000.

¹⁶ The Massachusetts Institute of Technology (MIT), in a study dedicated to the future of work, states that “62 per cent of new STEM [Science, Technology, Engineering and Mathematics] jobs added through 2022 will be in health care” in the USA; MIT (2015) The Future of Work; MIT Technology Review Business Report, p. 3

On the other hand, in the globalized chains of production and distribution, industrial and service cooperatives have shown the necessary flexibility to modify their production in order to remain or insert themselves in the chains provided they receive the appropriate advisory services, while cooperative groups have often been in a stronger position to internationalize and control larger parts of the chains, in a strategy which Mondragon calls “*multilocalization*”, claiming that this strategy is different from delocalization (job reduction somewhere against job creation elsewhere) and, by contrast, allows for the creation of new jobs both in the original location of the enterprise and in new ones.¹⁷ Fair trade cooperatives are another example of cooperative internationalization, based on value chains.¹⁸

But the production and commercialization of goods or services is not the only possible basis for the internationalization of cooperatives. SMart, which is mentioned in the box above, is an example of a structure that has internationalized in 8 other European countries based on a spin-off model, by providing services to members-freelancers including in the field of work status and social protection.¹⁹

In the middle to long term, both platform cooperatives and the cooperatives involved in more conventional activities, be they local or inserted in globalized chains, will probably have to accelerate the process of creating and consolidating cooperative groups among themselves in order to stand competition and develop, especially at the international level.

B. Short Term Efficiency vs. Long-term Effectiveness and Impact

The financialization of the economy linked to globalization has brought about a tendency towards short-termism in seeking efficiency and entrepreneurial gains. However, according to Nobel prize winner Elinor Ostrom, the impact of services is not necessarily best delivered by a large, bureaucratic agency (be it public or private) that supposedly delivers services in an efficiency-driven fashion with a properly trained staff.²⁰ This is particularly the case in services of general interest or community services, such as health, social services, education or environmental services. Indeed, the delivery of a service is difficult without the active participation of those supposedly

17 Luzarraga JM *La estrategia de multilocalización internacional de la Corporación Mondragon*, *Economiaz* N.º 79, 1st term, 2012, www.ogasun.ejgv.euskadi.eus

18 Sanchez Bajo, C. and Silvestre, B. (2014) *Cooperatives in global value chains; Coffee in Guatemala and cooperatives*, in Congrès des Sciences Humaines 2014

19 The relationship between SMart Belgium and its European partners is one of complementarity and exchange, allowing SMart to develop its model outside the country which it originally comes from (Belgium), while the partner cooperative ensures the rooting of the service to local conditions, while being able to count on the financing of SMart Belgium for the development of its structure and, also, for the coverage of risks related to its activity. A social franchise model is currently under study.

20 Ostrom E. *Crossing the Great Divide: Coproduction, Synergy, and Development*, *World Development*, Vol. 24, No. 6, 1996, p. 1079

receiving the service. Ostrom claims that participatory systems including cooperatives allow for “*the intensive involvement of citizens in the initial design and continuing maintenance of the system*”.²¹ They also encourage citizens to develop other relationships and social capital,²² a concept developed by Robert Putnam in Emilia-Romagna.²³

In fact, cooperatives tend to prioritize long-term effectiveness over short-term, managerial efficiency, both because they are driven by citizens’ needs and aspirations, and because they involve the same citizens in an enterprise which the latter jointly own and democratically control. This, in turn, entails a strong element of entrepreneurial sustainability and resilience.²⁴ In addition, their inner financial regime, based on capital accumulation and returns calculated according to members’ transactions with the cooperative and not as remuneration of the share capital, protects them against the financialization of the economy.

In community services, multi-stakeholder cooperatives that gather the various stakeholders involved and rely on existing community networks²⁵ can even more effectively include those needs and aspiration and ensure democratic control in solving them.



ALEX KOTLIARSKIY

21 *Ibid.* p. 1081

22 *Ibid.* p. 1084

23 Putnam, Robert, *The prosperous community: Social capital and public life*, *The American Prospect*, Vol. 13 (Spring 1993). pp. 35-42.

24 See Stephen C. Smith and Jonathan Rothbaum *Co-operatives in a global economy: key issues, recent trends and potential for development*, pp 221-241, in Novkovic and Webb 2014

25 Tuunanen M. *et al.* (2011) *New Developments in the Theory of Networks - Franchising, Alliances and Cooperatives*, Berlin: Springer-Verlag, p. 357

4. The Impact of the Reorganization of Work on Working Conditions, Inequality and Social Protection

A. Labour Flexibilization

In large parts of the economy, such as metal industry, construction and social services, labour flexibilization has reached new heights, with the increasing use of short term labour to do the most difficult and dangerous tasks.²⁶ This trend is reinforcing specific forms of work such as employee sharing, interim and casual work as well as zero hour contracts, occasioning disconnection from social security and social rights for the so called non-standard workers. It also contributes to an increase in the share of self-employed to the total employed population. Self-employment makes up over 50% of total employment in developing countries and one third in emerging ones.²⁷ A dramatic increase in the number and ratio of self-employed has been observed in a number of countries, leading to a gradual atomization of the workforce and a decrease in social protection levels and, often, higher fiscal pressure. For example, in the UK, self-employment has dramatically increased since 2008, reaching now 4.6 million, namely 15% of the whole UK workforce.²⁸

Reacting to this rapidly changing reality, cooperatives have, over recent years, accelerated their formation among self-employed people, by providing the latter with a whole array of inputs and services, including, in some cases, better work status and social protection.

Policies that have developed in many countries over the last few decades towards austerity, reduction of public spending and labour flexibilization inevitably have their own impact on the future of work, and are often the result of very strong lobbying by large business groups.²⁹

26 As a recent case at Arcelormittal in Northern France has shown; see: Benetti P. *Intérim à Arcelormittal, le salaire de la peur*, Libération, 11 November 2015, http://www.liberation.fr/futurs/2015/11/11/interim-a-arcelormittal-le-salaire-de-la-peur_1412698

27 ILO (2017) *Inception Report for the Global Commission on the Future of Work*; Geneva: ILO, p. 5

28 Conaty P. *et al.* (2016) *Not Alone – Trade union and co-operative solutions for self-employed workers*; Co-operatives UK, p. 11, https://www.uk.coop/sites/default/files/uploads/attachments/not_alone_trade_union_and_co-operative_solutions_for_self-employed_workers_3.pdf

29 Scholtze (2015) reveals that “Uber spends more money on lobbyists than even Walmart. Significantly, both Uber and Airbnb are using their apps as political platforms that can be used to activate their clients to oppose any regulatory efforts against them”. In Finland, strong political lobbying by healthcare companies and also advertising high-lighting the future possibilities to use private healthcare by freedom of choice principle

Despite the diversity of situations, legal statutes and national's contexts, one of the major problems for non-standard workers is the absence of mechanisms providing access to existing social rights, while as much as 55% of the world's population has no access to any social protection whatsoever, and only 29% have access to a comprehensive social security system.³⁰

In many countries, in particular in Latin America, worker-members of worker cooperatives suffer from a very low level of social protection, as they are assimilated to self-employed workers. However, this is often the only way cooperative start-ups and worker buyouts can be organized, so as to maintain the cost of social protection as low as possible during the cooperative's first steps. Thus, there is a need for a gradual system, like the one in force in Spain, which gives the possibility to worker cooperatives to first opt for a lower level of social protection for their worker-members with a self-employed status, then for a higher level of social protection with an employee status.

Meanwhile, as often in the past, cooperatives are a place for experimentation and innovation when it comes to securing people's needs and work situations. An increasing trend of cooperatives established and owned by independent workers/producers shows that the cooperative model responds to the needs of both conventional occupations characterized by self-employment (artisans, architects, doctors, taxi drivers etc), and the emerging category of non-standard workers characterized by a high risk of precariousness, like those active in creative industries or digital economy (graphic designers, artists, journalists, couriers, etc). By offering a double advantage such as autonomy (in the organisation of their work, relations to clients etc) and mutualised services (consultancy and trainings, administrative and legal services, advocacy etc.), in some of them (like the SMart model, seen before), the worker/producer benefit from an employee status and access to all the social rights and protection which an employee is entitled to.

In this way, the French's law on Social and Solidarity Economy, adopted in 2014, is an interesting example. Among other provisions the law defines the missions and the operating rules of *coopérative d'activités et d'emploi* (business and employment cooperatives or CAE, acronym in French) and the status of the *entrepreneur-salarié* (salaried-entrepreneur). The latter is a natural person who creates and develops an economic activity whilst benefitting from a full-fledged and legally recognized employee status with all the social protection which this entails, as well as individually tailored support and pooled services made available by the CAE with a view to becoming a member within three years starting from the date of the conclusion of the contract with the cooperative.

30 ILO (2017) *Inception Report for the Global Commission on the Future of Work*; Geneva: ILO, p. 3

B. The Permanence and Return of the Informal Economy

According to the new ILO definition, the informal economy “refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements” and “does not cover illicit activities”.³¹

Today, the deterioration of existing social rights and protection granted to workers and a consequent tendency towards informalization is drawing more people away from formal employment arrangements. The informal economy in developing countries has come to stay, with informal employment reaching up to 90% of total employment³² while in the industrialised ones, atypical forms of work inappropriately covered by existing social security systems and stemming from within the formal economy have been increasing, including, among others, the above-mentioned “uberization” phenomenon. Empirical research, in particular at the ILO, shows that, since the 1980s, the informal economy has been continuously on the rise.³³ While the precise impact of the recent global financial crises on the size of the informal economy in different countries still needs to be better defined, new forms of informality, often related to new technological development, have drawn attention particularly in the most industrialised countries³⁴ and in emerging economies.³⁵



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31 ILO Transition from the Informal to the Formal Economy Recommendation, 2015, n° 204

32 ILO (2017) *Inception Report for the Global Commission on the Future of Work*; Geneva: ILO, p. 5

33 ILO (2012) *The informal economy and decent work: A policy resource guide - Supporting transitions to formality*, Geneva: ILO

34 Like European countries and Japan see contributions from Smart and JWCU; In some countries, like Romania, informal work involves up to 31.5% of the employed population, with more than the double for the youth.

35 Such as India, China, Brazil or Indonesia; see Eum, H. (2017) *Cooperatives and employment – Second global report*, Brussels : CICOPA

The increase of the informal economy and employment, combined with increasing decent work deficits, has triggered people's resistance around the world. Not only by enlarging the coverage of workers' rights and social protection but also by developing new frameworks for emerging forms of work, a number of measures have been carried out by diverse stakeholders. While immediate interventions to formalize the informal economy have been difficult, public authorities, trade unions and civil society actors including the cooperative movement have tried to improve working conditions and the quality of life of those working in the informal economy. Cooperatives have been recognised as a tool for addressing the problems caused by the informal economy as well as informalisation. The ILO's Promotion of Cooperatives Recommendation, 2002 (No. 193) states that "*Governments should promote the important role of cooperatives in transforming what are often marginal survival activities (sometimes referred to as the "informal economy") into legally protected work, fully integrated into mainstream economic life*" (paragraph 9). ILO's Transition from the Informal to the Formal Economy Recommendation, 2015 (n° 204) also recognizes the role of cooperatives in the transition.

Cooperatives have been created to support and strengthen economic activities of self-employed producers or entrepreneurs in the informal economy, through various forms of shared services. Whereas these cooperatives cannot always provide a stable legal status or formal social protection to their members, they contribute to raising and stabilising members' incomes, increasing the performance and competitiveness of members' business, and making members' voices heard collectively. Through cooperatives, self-employed producers and entrepreneurs in the informal economy can enjoy various services which were not available to them due to the small size of their business and lack of applicable formal arrangements. In the debates on the problems in the informal economy related to work and employment, several categories of workers who are in vulnerable situations have drawn special attention: these include waste pickers, domestic workers, migrant workers, street and market vendors, transport workers, home-based workers and providers of social services. Many studies and reports show that shared service cooperatives among workers and producers can play an important role in organizing, supporting and representing them, by providing them a formal framework through which their economic activities can be recognised as real businesses and members can negotiate with public authorities in order to introduce appropriate social security and protection schemes.³⁶

³⁶ See Birchall, J. & Simmons, R. (2009) *Co-operatives and poverty reduction - Evidence from Sri Lanka and Tanzania*, Manchester: Co-operative College; ILO, 2012, *The informal economy and decent work: A policy resource guide - Supporting transitions to formality*, Geneva: ILO; and Wanyama, F. O. (2014) *Cooperatives and the sustainable development goals – A contribution to the post-2015 development debate*, Geneva: ILO

Policy recommendations

► CICOPA ENCOURAGES NATIONAL GOVERNMENTS TO:

- Promote the cooperative model as a creator of quality jobs and collective wealth at the local, national and international levels, and in particular under the forms of worker cooperatives, social cooperatives, cooperatives of producers and self-employed persons.
- Guarantee the access to social protection for all workers, independently from their work status.
- Adopt adequate legal frameworks enabling the establishment of cooperatives of independent workers/producers and the adoption of a status for “salaried entrepreneurs” similar to the CAE one in France.

Implement cooperative promotion policies enshrined in ILO Promotion of Cooperatives Recommendation, 2002 (n° 193), which was voted in 2002 with the nearly unanimous approval of all governments present (with one abstaining), all employers’ organizations present (with one abstaining), and all trade union organizations present.

► BASED ON A FULL IMPLEMENTATION OF ILO RECOMMENDATION 193, GOVERNMENTS SHOULD BETTER IMPLEMENT THE FOLLOWING PROMOTION POLICIES:

- Issue legislation that reflects the ICA’s Statement on the Cooperative Identity (paragraph 3 and annex of the Recommendation) and provide an appropriate institutional framework for the registration of cooperatives (para 6).
- Promote policies for the constitution of cooperative reserves (6 b) and access to credit (8. 1 i)).
- Help cooperatives develop social policy outcomes, support of implementation programs like benefitting disadvantaged groups, including migrants and refugees, and regions in accordance with international and regional regulations (7. 2)).
- Promote policies for the participation of women in cooperatives (7.3)).
- Promote cooperative education and training at all levels of the educational system, information on cooperatives and skills training in cooperatives, particularly among the youth on all types of schools. (8 1) f), g), h)).
- Ensure safety and health at the workplace in cooperatives (8. 1 l)).

- Support research on cooperatives and the introduction of a harmonized methodology for collecting and analyzing local, national and international data to document and demonstrate the economic and social impacts of cooperatives, including with respect to full and productive employment and decent work for all, and towards development of appropriate policies (8. 1 l)).
- Promote the role of cooperatives in transforming informal economy activities into formal ones (9)
- Promote initiatives that facilitate the emergence and development of start-up, consolidation, growth and clustering of workers, social and self-employed's cooperatives and cooperatives of small and medium-sized enterprises, as well as business conversions and worker buyouts through cooperatives, as a creator of quality jobs and collective wealth through access to business support services managed by cooperative organizations (consultancy, technology, legal advice etc. (11. 2) & 3)).
- Encourage exchanges of experience among cooperatives at national (13) and international level (18).
- Encourage cooperative organizations to establish an active working relationship with employers' and workers' organizations (17 a)).
- Encourage the representation of cooperatives by cooperative organizations at the international level (17 f)).

► **IMPLEMENT THE ILO'S DECENT WORK AGENDA AND SDG N°8:**

The Decent Work agenda contains employment (quality jobs), social protection, workers' rights (and in particular freedom of association and collective bargaining, the elimination of compulsory labour, child labour and discrimination of all kinds, all included in the Declaration on the Principles and Rights at Work), and social dialogue.

Through ILO Promotion of Cooperatives Recommendation, 2002 (n°193), the international cooperative movement committed itself to promoting Decent Work (mentioned in the preamble and in para 4) and the Fundamental Principles and Rights at Work (mentioned in the preamble and in para 4. 1 a)).

SDG n° 8 formally relays the concept of decent work within the SDGs

CICOPA therefore requests governments to promote cooperatives' efforts in promoting full and productive employment and decent work for all systematically working to promote conditions that lead to decent work – job creation, labour rights, social protection, social dialogue aligned with the ILO International Labour Standards.

a) Employment

Governments should actively promote the cooperative model as a creator of quality jobs and collective wealth at the local, national and international levels

b) Social protection for the workers

The conditions of access to social protection should change so that all workers can have access to it, independently from their work status. Existing income tax laws may steer the thinking about cross-country work status as well. In countries with bilateral agreements to not double tax, this regulatory framework may inform the employment status in one country, although work is done in multiple countries/ online.

3) Workers' rights

While the use of forced labour and child labour are exceptions in cooperatives, discrimination against certain groups, like women, are recurrent, although the absence of any type of discrimination is enshrined in the first cooperative principle. States should approve legislation allowing for monitoring of the proper functioning of cooperatives, including in the field of workers' rights.

4) Social dialogue

While recognizing the importance and role of social dialogue and collective bargaining at all levels and to address the impacts of major digital, environmental and demographic changes that cause profound changes for employees, employers and their relationships, dialogue and alliances between the cooperative movement and the trade unions should be strongly encouraged, following ILO Recommendation 193.

About CICOPA

CICOPA, the international organisation of industrial and service cooperatives represents 65,000 of worker, social and producers' cooperatives providing 4 million jobs across the world. Many of those cooperatives are worker cooperatives, namely cooperatives where the members are the staff of the enterprise, i.e., worker-members. Those enterprises are characterised by a distinctive type of labour relations, called « worker ownership », different from the one experienced by conventional employees or by the self-employed. Two growing typologies of cooperatives represented by CICOPA are social cooperatives, namely cooperatives whose mission is the delivery of goods or services of general interest, and cooperatives of independent workers/producers. CICOPA currently has a total of 48 members in 32 countries. CICOPA has two regional organisations: CECOP-CICOPA Europe and CICOPA Americas.