



International Labour Office

Geneva

The Role of Cooperatives in Achieving the Sustainable Development Goals - the economic dimension -

A Contribution to the UN DESA Expert Group Meeting and Workshop on Cooperatives
**The Role of Cooperatives in Sustainable Development for All: Contributions, Challenges and
Strategies**

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Prologue

With 2.6 million cooperative societies, over 1 billion members and a combined turnover of 3 trillion US-\$ (Grace 2014) the global cooperative movement is the largest organization in the world, bigger in terms of membership than the trade union movement, economically more powerful than several G20 nations, and providing employment to many more people than all multinational companies taken together. In theory, such a potent movement should be central to the international development agenda. Yet, despite its size and power, the movement has not been very influential in the post-2015 debate:

Number of times cooperatives are mentioned in the document: “Realizing the Future We Want for All: Report to the Secretary-General by the UN System Task Team on the Post-2015 Development Agenda” (June 2012): 0 on 58 pages

Number of times cooperatives are mentioned in the document: “Outcome document of the UN Conference on Sustainable Development (Rio +20); The Future we Want” (July 2012): 3 on 53 pages

Number of times cooperatives are mentioned in the document: “The Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda” (May 2013): 2 on 84 pages

Number of times cooperatives are mentioned in the document: “A life of dignity for all: accelerating progress towards the Millennium Development Goals and advancing the United Nations development agenda beyond 2015; Report of the Secretary-General” (July 2013): 0 on 19 pages

Number of times cooperatives are mentioned in the document: “A Million Voices: The World We Want; A Sustainable Future with Dignity for All” (September 2013); 3 on 172 pages

Number of times cooperatives are mentioned in the document: “Open Working Group proposal for Sustainable Development Goals (July 2014)”: 0 on 24 pages

The above seems to indicate that the true potential of cooperatives to contribute to the future Sustainable Development Goals has not been appropriately assessed and recognized. Fortunately, there is still time to correct this situation!

Introduction

This short paper seeks to identify the possible contribution of cooperatives and the wider social and solidarity economy (SSE) to the *economic dimension* of the future sustainable development goals. In doing so we found it important to determine which *specific, if not unique*, contributions cooperatives could make to the proposed Sustainable Development Goals SDGs and their associated targets¹. The *specificity* of such contributions derives from the principles, values and governance structure of cooperatives. In some cases cooperatives may be more efficient than other forms of business and social organizations to achieve a certain goal or target: take rural electrification in remote areas

¹ The author strongly believes that comparative advantage of cooperatives does not depend on their size and/or economic might (the “top 300”), but on their nature and identity. In our view genuine, locally based, community-oriented and democratically controlled cooperatives and SSEs are more relevant for the achievement of the SDGs than the “cooperative giants”, many of which are cooperatives by name only, not by nature.

(target 7.1), which may be too expensive for the State and not sufficiently profitable for private investors, but could be achieved through a cooperative self-help venture. A few targets may be suitable for cooperatives *alone*, such as, for example, financial inclusion which, almost everywhere, is driven by credit unions, mutuals and less formal types of rotating savings and credit associations.

Four aspects might be useful to take into consider when examining the subject of this paper;

1. The current list of 17 goals and 169 associated targets seems biased towards the environmental dimension of sustainability²; within the goals and targets that have an economic element, the access to finance seems to overshadow others aspects, such as access to markets. Moreover, several targets combine under a single topic many different aspects³. Finally, the rights-based approach to development does not seem sufficiently reflected in the current set of goals and targets.
2. The future SDGs will have three dimensions, i.e. economic, social and environmental. But these three dimensions are not neatly separated but rather interrelated, often complementary and sometimes conflicting. Health (goal 3), for example, is considered “social”, but the provision of health care is a vital economic factor and an important creator of jobs. Economic growth, seen as indispensable for poverty reduction and many other SDGs, may have a negative impact on the environment. And the provision of energy to all (goal 7) has both economic, social and environmental aspects. In other words: the economic dimension of the SDGs cannot and should not be examined in isolation.
3. By their very nature cooperatives play a triple role: as economic actors they create opportunities for jobs, livelihoods and income; as social organizations built on a common goal and a common bond they extend protection and security, and contribute to equality and social justice; and as democratically controlled associations of individuals they play a constructive role in communities and nations, in society and politics. These three roles cannot be dissociated one from another because they are inherent to the very nature of cooperatives.
4. In many respects cooperatives constitute just the tip of an iceberg formed by the less visible but more widespread social and solidarity economy (SSE). The SSE consists of a wide variety of organizations, associations and institutions that, despite the lack of a common definition,

Social Economy entities differ from other types of enterprises and social organizations in that they...:

....recognize the primacy of people and work over capital;

.... are flexible and innovative to address changing social and economic circumstances;

.... Incorporate the principles of solidarity, mutuality, reciprocity, cooperation and proximity;

.... emphasize the importance of social capital in producing healthy societies;

.... highlight the complementarity of the social, socio-political and economic dimensions

.... foster voluntary participation, member empowerment and commitment.

² Which is not surprising, since those goals were developed by the “Open Working Group”, which emerged from the Rio+20 process.

³ For example target 2.3: “by 2030 double the agricultural productivity and the incomes of small-scale food producers, particularly women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets, and opportunities for value addition and non-farm employment”

observe universal principles such as those listed in the text box above. Not all SSE organizations are cooperatives, but all of them provide a platform for cooperation, mutuality, solidarity and reciprocity. Clearly the SSE has much to contribute to the achievement of the SDGs and their targets.

Methodology

We applied the following methodology to assess the potential role of cooperatives in achieving the economic dimension of the SDGs:



First step: We looked at the SDG *targets*, not the goals, because most goals address more than one SDG dimension. Goal 7, for example (ensure access to affordable, reliable, sustainable, and modern energy for all) addresses simultaneously the economic, social and environmental dimensions of the SDGs.

We examined each of the 169 targets to assess if they would fall under the economic category of the SDGs, or at least address the economic dimension in a significant way.

For example,

- Target 3.a: “strengthen implementation of the Framework Convention on Tobacco Control in all countries as appropriate” was considered “non-economic”, although the implementation of this Convention might have a negative (but secondary) economic impact on cigarette manufacturers and tobacco growers;
- Target 12.2: “by 2030 achieve sustainable management and efficient use of natural resources” was seen as “semi-economic” because, although falling under an “environmental goal”, the management of natural resources does have an important impact on the economy;
- Target 8.1: “sustain per capita economic growth in accordance with national circumstances, and in particular at least 7% per annum GDP growth in the least-developed countries” was seen as principally economic, for obvious reasons.

In many instances this categorization was rather subjective and could be subject to debate. But it was seen as the most practical way to address the theme of the paper, bearing in mind that it is rather artificial to divide the SDGs into economic, social and environmental goals.

Second step: Among the SDG targets considered economic or “semi-economic” we identified those to which cooperatives and other social economy organizations could make a strong or at least useful contribution.

For example,

- Target 12.1: “implement the 10-Year Framework of Programmes on sustainable consumption and production (10YFP), all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries” was seen as economic, but we did not think that cooperatives could make major contributions to its achievement;
- Target 10.c: “by 2030, reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5%” was seen as economic, and we considered that coops could play a useful role.
- Target 1.2: “by 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions” was seen as economic, and we believed that cooperatives could provide important, if not critical contributions.

Third step: we analysed the subset of targets described under 3.b and 3.c above with a view of identifying those roles and functions that were *specific* to cooperatives and SSEs. In other words: we sought to determine the cooperative’s contribution that could be derived from their specific nature and identity, not from them being *just another* business, institution, organization or association.

For example,

- Target 15.3: “by 2020, combat desertification, and restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land-degradation neutral world”

was considered as having an economic aspect, and was seen as a target to which cooperatives could potentially contribute, but not necessarily *because* they of their cooperative nature. This target was therefore not retained for further analysis.

These three steps, i.e.:

- identifying targets that addressed the economic dimension of cooperatives;
- identifying among those to whose achievement cooperatives could make an important or useful contribution;
- identifying among those where the contribution was seen as cooperative specific,

resulted in 31 SDG targets (out of 169) that we retained for the next steps.

Fourth step: For each of these 31 targets we determined the nature of the cooperative-specific contribution, resulting from factors such as:

- Economies of scale and scope that are the result of cooperation;
- Increased bargaining power, voice and representation of producers or consumers united through a cooperative venture;
- The self-help, voluntary character of cooperatives, which explains why they can successfully deal with small and dispersed products and services (microfinance, rural electrification, crop marketing in remote areas etc.) that the state and the private sector cannot handle in a profitable way.
- Outreach capacity to the informal economy and rural areas.

- Local rootedness and community orientation.

Where possible we then cited an example of a cooperative or social economy organizations that already contributed to the selected target in a cooperative-specific way.

Fifth step: after analysing the above we drew general lessons that could be helpful in assessing the potential contribution of cooperatives and the social economy to the economic dimension of the future SDGs, and developed recommendations aiming at enhancing the role and recognition of cooperatives and the SSE in the SDG process, and the implementation of the future goals. We then sought to identify, again in a rather subjective manner, those three targets which would best benefit from cooperative support. Finally, we proposed a short text under each of these three targets for submission to the team that develops the implementation modalities of the future SDGs.



Cooperatives and the Economic Dimension of the SDGs: Target by Target

Goals and Target	Cooperative specificity	Examples
Goal 1. End poverty in all its forms everywhere		
1.1 by 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day	Poverty alleviation was the original <i>raison d'être</i> of the cooperative idea, and remains the driving force for cooperative initiatives in many parts of the world. Cooperatives mobilize self-help mechanisms that simultaneously create opportunities, extend protection and facilitate empowerment. These three elements, opportunity, protection and empowerment, are seen as the essential ingredients of any poverty reduction strategy. Cooperatives can reduce poverty in instances where the state and individuals fail.	We could cite thousands of examples but it might suffice to go back to the roots of the modern cooperative, initiated by the pioneers of Rochdale in 1844: “They were all more or less poor” (Birchall, Johnston 2003) (MacPherson and Yeo 2005), and by Raiffeisen: “Motivated by the misery of the poor part of the population, Friedrich Wilhelm Raiffeisen, then a young mayor, founded during the starvation winter of 1846/47 the “Verein für Selbstbeschaffung von Brod und Früchten” (Society for bread and grain self-supply)”. This was precursor of the Heddesdorf “Thrift and Loan Society” in 1864, Germany’s first rural cooperative. (International Raiffeisen Union 2014)
1.2 by 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions		
1.4 by 2030 ensure that all men and women, particularly the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership, and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services including microfinance	Owing to the “one member – one vote” principle cooperatives provide an ideal organizational environment for the joint, equitable and democratic ownership and management of resources, and the provision of basic services.	Joint land ownership and use: the Israeli Kibbutzim; joint management of national resources: “gestion des terroirs” groups in West Africa; joint use of modern technology: coffee processing cooperatives in sub-saharan Africa; microfinance: credit unions and similar financial cooperatives all over the world
1.5 by 2030 build the resilience of the poor and those in vulnerable situations, and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	Cooperatives and mutual associations enhance resilience by providing (micro)-insurance coverage based on the principles of mutuality, solidarity and reciprocity (rather than seeking to maximize profits). Less formal types of mutual associations extent a minimum of social protection to unprotected workers and producers in the informal economy and in rural areas.	The DECSI micro-insurance scheme in Ethiopia, which provides coverage to 800.000 poor subsistence farmers against drought-related risks. (Aseffa, Yoseph 2014)

Goals and Target	Cooperative specificity	Examples
<p>1.b create sound policy frameworks, at national, regional and international levels, based on pro-poor and gender-sensitive development strategies to support accelerated investments in poverty eradication actions</p>	<p>Being built upon a common and universal set of values and principles cooperatives have a natural tendency to build horizontal networks (unions) and vertical structures (federations) that enhance voice and representation of members and primary societies, and can lobby on their behalf to influence policy frameworks.</p>	<p>At the international level the global cooperative movement, represented by ICA and through national federations played a decisive role in shaping ILO Rec. 193 on the “Promotion of Cooperatives. R.193 was used by numerous national movements to influence national cooperative policies and laws (Smith, Stirling 2014)</p>
<p>Goal 2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture</p>		
<p>2.1 by 2030 end hunger and ensure access by all people, in particular the poor and people in vulnerable situations including infants, to safe, nutritious and sufficient food all year round</p>	<p>Consumer cooperatives and similar self-help groups enable the poor to purchase food at lower prices; and sometimes against credit. Their values and principles motivate cooperatives to sell only healthy and nutritious food. Moreover, producers’ cooperatives can increase food supply and thus decrease food prices.</p>	<p>The MIGROS consumer cooperative in Switzerland which has developed a comprehensive consumer protection code, and does not sell alcohol or tobacco. The village-based cereal banks in the Sahel, which manage decentralized grain reserves and reduce post-harvest losses. (Mossige, Anne; Whist, Eric 2002)</p>
<p>2.3 by 2030 double the agricultural productivity and the incomes of small-scale food producers, particularly women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets, and opportunities for value addition and non-farm employment</p>	<p>See 1.4. Cooperatives enhance (agricultural) productivity by generating economies of scale and scope through the joint use of modern and/or expensive equipment, the division of labour between members, joint pre- and post-production services such as input supply and output marketing, and the exchange of knowledge and innovation.</p>	<p>Productivity enhancement is one of the key objectives of the over 18,000 fishery cooperatives in India, which represent over 3 million fishers. They are united under the National Federation of Fishers Cooperatives (FISHCOOPFED n.d.)</p>
<p>2.c. adopt measures to ensure the proper functioning of food commodity markets and their derivatives, and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility</p>	<p>Information sharing on prices and markets is a core function of rural cooperatives, in particular of unions and federations.</p>	<p>51% of all members of Germany’s artisans cooperatives⁴, consider the cooperatives’ role in providing objective information about products and prices as crucial for their businesses. (NA Presseportal 2012)</p>
<p>Goal 3. Ensure healthy lives and promote well-being for all at all ages (not an “economic” goal)</p>		
<p>Goal 4. Ensure inclusive and equitable quality education and promote life-long learning opportunities for all (not an “economic” goal)</p>		

⁴ Composed of 320 cooperatives with 320,000 member-businesses operating in 45 economic sectors and generating an annual turnover of 490 billion Euros.

Goals and Target	Cooperative specificity	Examples
Goal 5. Achieve gender equality and empower all women and girls		
5.a undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources in accordance with national laws	National cooperative legislation may promote gender equality, including through improved access to resources and ownership	Women are strongly represented in financial cooperatives, consumer cooperatives and workers cooperatives. In Japan, for example, 95% of the governance positions in cooperatives are occupied by women. In Italy, 95% of all members in workers' cooperatives in the fashion industry are women (Wanyama, Fredrick O. 2014)
Goal 6. Ensure availability and sustainable management of water and sanitation for all		
6.1 by 2030, achieve universal and equitable access to safe and affordable drinking water for all	Community-based water supply cooperatives can provide access to water in regions and areas that are not covered by public schemes, and not seen as profitable by private investors (expression of the "cooperative paradox" ⁵)	The Oromia Coffee Farmers Cooperative Union in Ethiopia has invested substantial amounts of surplus generated through fair trade into rural water supply schemes. The Federation has developed 86 springs and drilled 3 bore holes to supply water to over 41.000 beneficiaries (Oromia Coffee Farmers Cooperative Union 2012)
Goal 7. Ensure access to affordable, reliable, sustainable, and modern energy for all		
7.1 by 2030 ensure universal access to affordable, reliable, and modern energy services	Community-based energy supply cooperatives can provide access to energy in regions and areas that are not covered by public schemes, and not seen as profitable by private investors (expression of the "cooperative paradox")	An interesting example is Burkina Faso's network of 67 rural electrical cooperatives, serving 14.250 households and organized in a national union (Schwettmann, Jürgen 2014)
7.b by 2030 expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, particularly LDCs and SIDS		

⁵ The "cooperative paradox", a term proposed by the author, describes the fact that cooperatives can be economically successful in areas or sectors which are not economically viable for other forms of private enterprise. Examples include: financial cooperatives, whose network of branches is often denser than that of private banks operating in the same area; to consumer cooperatives that continue operating in remote areas abandoned by private competitors; or to rural electric cooperatives that remain successful despite a cable length-per-customer ratio much less favourable than that of private suppliers. The "cooperative paradox" can be explained by the "primacy of people over profit" principle, and by the fact that cooperatives can reduce costs through the voluntary participation of their members.

Goals and Target	Cooperative specificity	Examples
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		
8.1 sustain per capita economic growth in accordance with national circumstances, and in particular at least 7% per annum GDP growth in the least-developed countries	As a very rough estimate we can state that cooperatives and the wider social economy contribute around 7% to the global GDP and to global employment. In the European Union the SSE contributes 7% to wage employment (CIRIEC 2007); in Africa, about 7% of the population are members of a cooperative (Schwettmann, Jürgen 2014); and the global cooperative membership represents about 14% of the world population.	For a selection of statistics on the importance of cooperatives for economic growth, finance, employment and other areas please see: http://ica.coop/en/whats-co-op/co-operative-facts-figures
8.2 achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors	Cooperatives provide a platform for (a) the joint development of innovations by members, and (b) the sharing of innovations among members.	The 44.000 Indian labour contracting cooperatives, which are active in construction, forestry and public works, provide jobs, income and livelihoods to 2.7 million self-employed workers who otherwise would not have found employment (NLCF 2013)
8.3 promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services	Cooperative development policy, as a subset of national policy, plus the appropriate legal and institutional framework, can provide an environment that is conducive to joint entrepreneurship, to the creation of decent jobs, to building bridges between informality and formality, as well as to access to finance.	The Cameroonian cooperative act of 1992 did away with state control of, and state support to, hitherto “parastatal” cooperatives, and introduced the less formal “common introduced groups”. Within a few years 6000 of such groups were formed, and a study showed that group members earned 15% higher prices for their crops than unorganized farmers. (Schwettmann, Cooperatives and Structural Adjustment in Africa 1996)
8.5 by 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Cooperatives can make specific contributions to employment generation through (a) worker-ownership; (b) joint labour contracting; (c) facilitation of access to resources, markets, land and finance; and (d) workers’ takeover of bankrupt private or public enterprises.	In 2001 and 2002 Argentina went through a catastrophic recession during which hundreds of private enterprises went bankrupt and the unemployment rate rose to 25%. In this situation thousands of workers occupied those bankrupt companies and transformed them into “empresas recuperadas”. Some 350 enterprises with 25.000 jobs were rescued that way (Hille 2009)
8.6 by 2020 substantially reduce the proportion of youth not in employment, education or training	Young people may be particularly attracted by the “cooperative formula” and its in-built principles of equality, mutuality, and democratic management. Young people may use cooperatives as a stepping stone towards individual entrepreneurship or salaried employment	In Serbia, youths in the age bracket 15 to 30 may become member of a youth cooperative which serves as an employment agency, matching the youths’ profile with the requirements of the labour market. Some 200,000 young Serbians join those cooperatives every year, of those 50,000 find a permanent job. (Schwettmann, Youth Cooperatives in Serbia 2005)
8.7 take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour, eradicate forced labour, and by 2025 end child labour in all its forms including recruitment and use of child	Cooperatives can act as transmission belts to foster the elimination of child labour and forced labour, in particular in agriculture.	The <i>Coopérative Agricole Kavokiva du Haut Sassandra</i> (CAKHS) in Côte d’Ivoire is a cocoa and coffee marketing cooperative with 5,817 members. Since 2010, CAKHS has been involved in the fight against child labour. With the support of the ILO, it has prevented or withdrawn 1,800 children from hazardous child labour and provided them with basic

Goals and Target	Cooperative specificity	Examples
soldiers		education and vocational training. (ILO 2014)
8.9 by 2030 devise and implement policies to promote sustainable tourism which creates jobs, promotes local culture and products	Cooperatives can contribute through a variety of means to sustainable tourism, and promote a fairer sharing of profits generated by tourism: guides' and porters' coops, handicraft coops, transport coops, fishery coops, etc.	In 2006 founded a cooperative During his many years of agency work Jagat Lamat, a Nepalese mountain guide, saw how trekking and expedition staff got squeezed financially and physically through the intense competition among agencies and each other. Many members of the lower mountain casts were forever stuck in porters' roles, unable to become guides, regardless of their abilities. In 2006 Jagat founded a cooperative whose members share their profits, provide training and license fees, organize language courses and work out their travel schedules. (Nepal Independet Trekking Guide Cooperative 2007)
Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation		
9.3 increase the access of small-scale industrial and other enterprises, particularly in developing countries, to financial services including affordable credit and their integration into value chains and markets	Cooperatives facilitate the sharing of commercial, financial and technological services among their members (including small-scale enterprises), through joint marketing, joint finance, joint processing, or other joint services. Through horizontal cooperation and vertical integration they enable their members to "climb up" the value chain, including through "fair trade".	The Palestine Fair Trade Association (PFTA) is a union which economically and socially empowers Palestinians farmers through the promotion of fair trade. The PFTA has over 1,700 members, grouped in approximately 43 farmer cooperatives, whose main activity is the production of olive oil from ancestral trees, as well as sesame seed, wheat, and honey (ILO 2014)
9.b support domestic technology development, research and innovation in developing countries including by ensuring a conducive policy environment for inter alia industrial diversification and value addition to commodities	In many countries cooperatives and their secondary and tertiary structures operate processing facilities that add value to basic goods and commodities such as coffee, cocoa, cotton, meat, fish and milk. Individual farmers would not be able to afford such facilities.	In 2012 the Filipino Inventors Society (FIS) established an inventors' cooperative with the aim of turning inventors into entrepreneurs, and to market their products. The FIS-Producers Coop (FIS-PC) facilitates market access for Filipino-developed herbal products, organic fertilizers, and beauty and wellness products. (Manila Bulletin 2012)
9.c significantly increase access to ICT and strive to provide universal and affordable access to internet in LDCs by 2020	Community-based Internet access cooperatives can provide access to energy in regions and areas that are not covered by public schemes, and not seen as profitable by private investors (expression of the "cooperative paradox")	Internet access cooperatives are widespread in countries, such as the US, where also other types of utilities (electricity, water, telephone etc.) are provided by cooperatives. The model could and should be replicated in developing countries.
Goal 10. Reduce inequality within and among countries		

Goals and Target	Cooperative specificity	Examples
10.1 by 2030 progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average	The very origin and nature of cooperatives is geared towards equality and greater social justice, and the cooperative formula was devised to enable poorer population groups to reap a greater share of economic growth.	A recent study (Smith and Rothbaum 2013) showed that cooperatives in Europe and the Americas create more jobs than other forms of business in normal times, and are less likely to lay off workers in times of economic crisis. Cooperatives therefore increase the share of labour in GDP, and thereby decrease inequality.
10.c by 2030, reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5%	Financial cooperatives can create national and international networks to facilitate remittances; because of the principles of “people over profits” and “cooperation among cooperatives” they will seek to minimize the remittance fees.	The International Remittances Network (IRnet) was developed to counter the exorbitant fees being charged by commercial money transfer companies. IRnet is operated by the World Council of Cooperative Credit Unions currently provides service Africa, Asia, Australia, Europe and Latin America. (ILO 2012)
Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable		
11.a support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning	Cooperatives act as a bridge between informal and formal, between rural and urban, and between local and global, by providing the organizational interface enabling small-scale producers, farmers and consumers to interact with larger entities in cities and overseas.	In the early 1990s the then Zairean association of push-cart drivers had concluded a partnership with peri-urban vegetable-producer cooperatives operating in the outskirts of Kinshasa, whereby the push-carts would collect household refuse, transform the organic parts of it into compost, sell that compost to the vegetable coops, and transport their produce to consumers in the city.
Goal 12. Ensure sustainable consumption and production patterns		
12.2 by 2030 achieve sustainable management and efficient use of natural resources		By the early 2000s India had approximately 84,000 joint forest management groups involving 8.4 million households and 22.5% of its forest land. In Brazil, farmers’ organizations and cooperatives have played an important role in crafting a new approach to biofuel production that safeguards small-farmer interests. (UN Interagency Task Force on the Social and Solidarity Economy 2014)
12.5 by 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse	As per their principle of “concern for community” cooperatives provide an appropriate organizational framework for the joint management and efficient use of natural resources, including through recycling and reuse.	The Cooperativa Recuperar, based in Medellin, is one of the most successful waste picker coops in Latin America. Recuperar was created in 1983 and today has 1,000 waste picker members, 60% of them women. Recuperar members earn 1.5 times the minimum wage and are affiliated to the Colombian system of socialized medicine. Coop members collect mixed wastes and recyclables. In 1998, Recuperar recovered 5,000 tons of recyclables, mostly paper, cardboard, glass, metals, textiles, and plastics. (Medina 2005)
Goal 13. Take urgent action to combat climate change and its impacts (not a primarily economic goal)		

Goals and Target	Cooperative specificity	Examples
Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development		
14.b provide access of small-scale artisanal fishers to marine resources and markets	Cooperatives enable artisanal fishers (both marine and inland) with a variety of services that make their activity more sustainable and profitable: joint ownership of boats, joint purchasing of equipment, joint marketing, joint processing, etc.	Prior to the outbreak of civil war in Somalia in 1990 the country had 19 fishers' cooperatives operating 700 boats, as well as cold stores Kismayu, Lula, Berbera, and Las Koreh (Marine Fisheries Review 1982). Due to civil strife those cooperatives all but disappeared with the result that the Somali seas are now exploited by foreign fishing companies (one of the reasons that led to piracy in Somalia).
Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss (not a primarily economic goal)		
Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels		
16.6 develop effective, accountable and transparent institutions at all levels	Cooperatives are institutions themselves; as per their values, principles and governance structures they are more transparent and accountable than other forms of private or public businesses and organizations. This also applies to higher-level cooperative structures, provided those are built according to cooperative principles.	Financial cooperatives, such as credit unions and cooperative banks, have survived the 2008 global financial crisis much better than commercial banks, and subsequently increased their market shares. This success has been attributed to their governance structure, which makes coops accountable to members, and therefore demands greater transparency. (Birchall 2013)
16.7 ensure responsive, inclusive, participatory and representative decision-making at all levels	Cooperatives are often prized as "schools of democracy" because they extent inclusive and participatory governance systems to regions and population groups that may have suffered from dictatorial practices.	The Pygmy population in the East of Cameroon was (and remains) severely discriminated by the Bantu majority. Some years ago a Pygmy group in Abong-Mbang formed a Common Initiative Group to organize joint production, joint marketing and joint financial management. Thanks to the group all 81 members received, for the very first time, national identity cards. (Organisation Internationale du Travail 2002)
Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development finance		
17.11 increase significantly the exports of developing countries, in particular with a view to doubling the LDC share of global exports by 2020	Cooperatives play a leading role in boosting agricultural exports because they can organize export-related services that are out of reach to individual producers. By doing so they may encourage small-scale farmers to grow export crops, and thus increase overall exports of the country.	The Kenya Co-operative Coffee Exporters (KCCE) is a coffee exporting organization established by the co-operative movement in Kenya to create linkages between the smallholder coffee producers and the world market, through a consistent, shorter and transparent supply chain. KCCE exports both green beans and roasted coffee. (Kenya Co-operative Coffee Exporters 2014)

Challenges of the Cooperative Model

The ability of cooperatives to effectively contribute to the achievement of the SDGs is limited by five factors, none of which seems insurmountable:

- *The challenge of the environment:* in some countries, cooperative policies, cooperative laws and cooperative support institutions are still not fully conducive to the emergence and proper functioning of genuine, democratically controlled and economically viable cooperatives. Substantial progress has been made in the areas since the mid-1990s, but in some cases, liberalization may have gone too far, and expose members to fraud.
- *The challenge of size:* cooperatives must be big enough to reach the economic break-even point, and small enough to allow individual members to meaningfully participate. The optimal size of a cooperative is therefore dictated by economic factors (financial coops may reach the break-even point earlier than, for instance, marketing coops) and social and societal factors; the latter also explain why cooperatives are more successful in certain African communities than in others. Appropriate and democratically controlled vertical structures may solve the dilemma of the “optimal size” (Schwettmann, Jürgen 2014)
- *The challenge of management:* cooperative members are consumers, farmers, workers, fishers, informal economy operators, artisans – they are not necessarily managers. Smaller cooperatives cannot afford to hire professional managers and must therefore rely on the skills of elected leaders, who may excel in their trade but have never seen a balance sheet. This is the reverse of the medal of “democratic management”, which needs to be addressed through training, education, and appropriate advisory and support services.
- *The challenge of innovation:* cooperatives are more prevalent in traditional sectors of national economies, such as commercial agriculture, retail distribution and finance. The modern economy, which is largely Internet-based, requires new forms of cooperatives. On the other hand, cooperative-type open source ventures such as Wikipedia, Mozilla and Linux, have been very successful; new form of cooperatives have emerged in the environmental sphere, such as green energy generating or waste recycling cooperatives.
- *The challenge of flexibility:* the SDG require *cooperation*, but not necessarily formal, registered, fully-fledged *cooperatives*. The present paper cited many interesting examples of applying cooperative principles in labour contracting, provision of business services, electricity distribution, software programming, waste management, crop processing and exporting, micro-insurance etc. which are carried out by organizations that are *not* necessarily called cooperatives. Cooperatives must stay true to their values while adjusting to the realities of a changing world. (McKinsey & Company 2012)

Conclusions

The many examples listed and arguments developed in this paper clearly demonstrate that cooperatives and the wider SSE can make substantial, if not unique contributions to the achievement of the economic dimensions of the future Sustainable Development goals. It would be a grave mistake not to harness the potential of such a powerful, widespread and global movement. But it would be equally mistaken to adulate cooperatives as a miracle solution to every problem on earth. Cooperatives are, in most cases, not the only solution, and not in every case are they the best.

Sustainable development needs a well-governed State, a strong and responsible private sector, an influential and inclusive civil society, a supportive global partnership, and a vibrant social economy, including cooperatives. Each of those five should contribute its individual comparative advantage to collectively work towards the SDGs. Cooperatives should focus their energy on those goals and targets for which they are best suited. In doing so they should bring to the table their biggest comparative advantage, i.e. their duality as associations and businesses, and the complementarity of their triple role: the economic role, the social role, and the societal role.

Recommendations

Less than ten months remain before the SDGs will be debated and hopefully approved at the United Nations General Assembly. The goals and targets are more or less final, but the means of implementation, the modalities of financing, and the shape of the future Global Partnership are still being developed. The global cooperative and social economy movements should focus on these three elements (means of implementation, financing, partnership) and propose concrete language that can be used by the actors in the intergovernmental process. In doing so the cooperative advocate should focus on a few targets with the greatest cooperative potential, namely:

- **Target 1.1 and 1.2** (seen as one topic): by 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day, and reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions. *This refers to the original role of cooperatives as self-help mechanisms to reduce poverty.*
- **Target 8.3:** promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services. *This refers to the role of cooperatives in formalizing the informal, promoting financial inclusion, and creating jobs.*
- **Target 10.1:** by 2030 progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average. *This refers to the role of cooperatives as “agents of social justice” which, by virtue of their nature, values and principles, provide a corrective force in the market economy, and thus foster equality.*

These three need to be complemented by other targets from the social and environmental dimensions of the SDGs. The cooperative movement should mobilize its global networks, such as

- The global cooperative and mutual apex organizations, such as ICA, WOCCU, AIM. IRU and ICMIF⁶;
- Global networks such as RIPESS, MBM, WIEGO and STREETNET⁷;

⁶ International Cooperative Alliance, World Council of Cooperative Credit Unions, Association Internationale de Mutualité, International Raiffeisen Union, International Cooperative and Mutual Insurance Federation.

⁷ Réseau International de Promotion de l’Economie Sociale et Solidaire; Mont Blanc Meetings; Women in the Informal Economy – Globalizing and Organizing.

- Advocacy organizations such as COPAC⁸ and the UN TFSSE the (

and seek the support of friendly governments, such as Mongolia, which traditionally supports the cooperative cause at the UN, and the members of the “Leading Group” promoting the social economy. Moreover, it would be important to seek the support from Heads of UN agencies that will play an important role in the finalization of the SDG document. Finally, the cooperative movement should mobilize its traditional partnership with the international trade union movement so that both, the cooperatives and the trade unions, appear prominently in the SDG outcome document.

⁸ Committee for the Advancement and Promotion of Cooperatives; UN Task Force on the Social and Solidarity Economy.

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