



Cooperatives

and the 2030 Agenda for Sustainable Development

Cooperatives and sustainable development

Cooperatives have unique advantages as inclusive business enterprises making them active agents for sustainable development. They have major roles to play in the implementation of the Sustainable Development Goals (SDGs) and the broader 2030 Agenda. As sustainable and successful business enterprises, they contribute directly to employment generation, poverty eradication, equality, social inclusion and people's empowerment. They are an essential part of the collaborative partnership that will be required to implement Agenda 2030.

Importance of cooperatives in the global economy: creating decent jobs, reducing poverty and improving food security

Realizing the vision of sustainable development requires sustained and inclusive economic growth to achieve prosperity for all people. Cooperatives can make a difference in this context.

Globally, there are 2.6 million cooperatives with US\$20 trillion in assets. They generate US\$3 trillion in annual revenue, and employ about 12.6 million full time employees worldwide¹, making them powerful economic actors with a lot of potential for further growth.

Cooperatives also have the potential to address the deficit in decent work which remains a critical challenge for all countries. They offer quality job opportunities, especially for youth, women, indigenous people, persons with disabilities, and other marginalized groups; and are more open to addressing labour standards, decision-making, and workplace democracy. Importantly, employment in cooperatives is less likely to be affected by cyclical economic downturns. During the financial crisis of 2008, cooperative banks, credit unions, SACCOs, and mutual/co-operative insurers proved to be more stable and resilient than their non-cooperative peers.

In many parts of the world, cooperatives provide members with the income to access educational and health services. They provide social protection schemes in which members enjoy access to health care. They play an important role in the delivery of health services and provision of health insurance, especially to low-income populations. Also, cooperatives improve educational opportunities not only by securing the livelihoods

¹ Based on the Global Census on Cooperatives, conducted in 2014 by the Division for Social Policy and Development with support from the Rabo Bank

and income of their members, but also by directly creating access to education through loans to families for school fees, reinvestment of profits into educational infrastructure and supplies, continued education for adults, or building schools where none exist.

In particular, hunger and poverty plague the lives of many people living in rural areas. Smallholder farmers, although food-producers themselves, often suffer food insecurity and poverty, especially when faced with adverse weather conditions or health emergencies. When they pool their efforts through cooperatives, smallholder farmers are better able to access resources such as credit, land, input (seeds and fertilizer), technology, and insurance, resulting in higher yields and greater agricultural output. In turn, more food is produced and made available to members of cooperatives and the wider community. In this context, cooperatives ensure physical and economic access to sufficient, safe and nutritious food.

Financial cooperatives play a key role in financial inclusion, a critical component of poverty eradication strategy and inclusive growth. Co-operative financial institutions, including credit unions and insurance cooperatives, generally serve people of limited incomes not reached by commercial banks, and extend credit and savings services to individuals and micro-entrepreneurs that are not able to secure such services from commercial banks

Gender equality and the empowerment of women and girls is a cornerstone of sustainable development. Cooperatives emphasize participation among workers and members in decision-making and in sharing the benefits, empowering people to be agents of change and action. In this regard, cooperatives play a critical role in empowering women, who make up a large part of their membership. Importantly, many cooperatives are owned and led by women and they provide educational opportunities for girls, creating positive circles of empowerment, participation and poverty reduction.

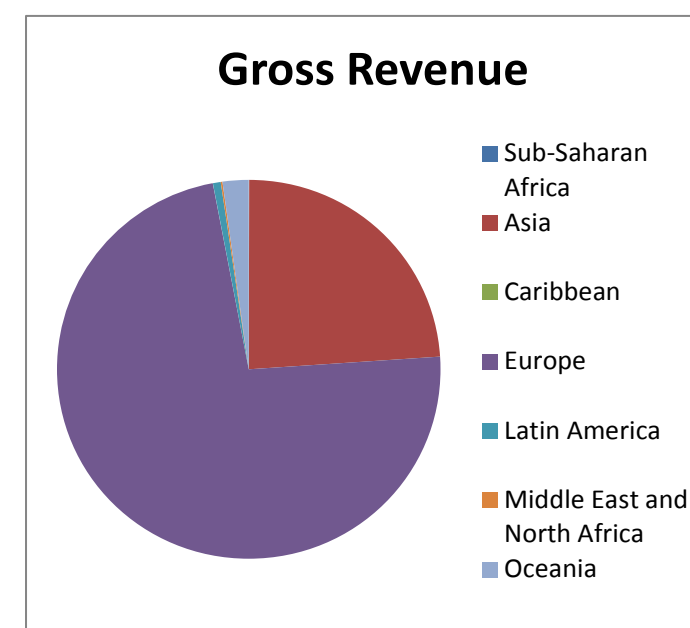
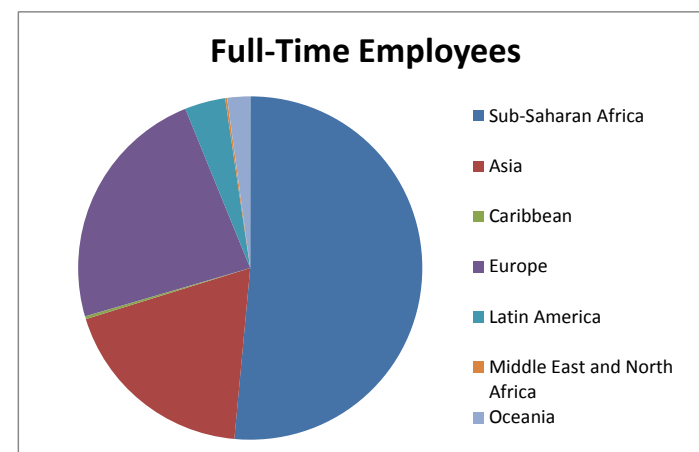
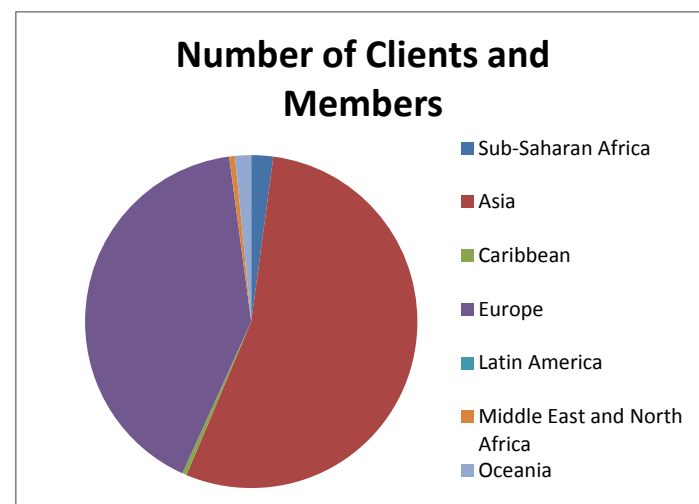
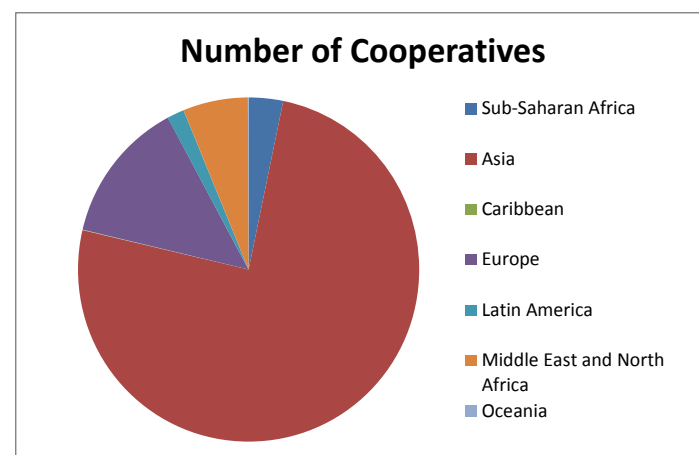
Cooperatives at the regional and national levels

There remains a huge potential for further growth of cooperatives globally as they are more present in some regions than others. For example, in Sub-Saharan Africa, there are about 86,000 cooperatives, with about 19 million members and clients, and approximately 11 million full time employees. Together these cooperatives have total assets of **US\$ 11 billion**, and annual gross revenue of about **US\$ 852 million**.

Contrast this with Asia where there are about 2 million cooperatives, with about 486 million members and clients, and

more than 4 million full time employees. These cooperatives have a total asset base of **US\$ 4 trillion**, which generated annual gross revenue of about **US\$ 654 billion**.

The pie-charts below give regional comparisons for the numbers of cooperatives, their clients and membership, full time employees and gross revenues:



The following table shows that Asia leads the way with 2 million cooperatives and an assets base of 4 trillion dollars. However, the cooperatives only have 4 million full-time employees (only 2 employees per cooperative). In sub-Saharan Africa, the 86,000 cooperatives collectively employ 11 million workers and serve 19 million clients and members. This diversity provides potential for cooperation across regions for strengthening the global movement.

The Global Census on Cooperatives shows that at the national level the cooperative economy comprises over 10%

| | Number of Cooperatives | Members/ Clients | Full-time Employees | Total Assests | Annual Revenues |
|---------------------------|------------------------|------------------|---------------------|---------------|-----------------|
| Sub-Saharan Africa | 86,000 | 19 million | 11 million | 11 billion | 852 million |
| Asia | 2 million | 486 million | 4 million | 4 trillion | 654 billion |
| Caribbean | 1,000 | 4 million | 56,000 | 6 billion | 183 million |
| Europe | 356,000 | 368,000 | 5 million | | 2 trillion |
| Latin America | 43,000 | 44,000 | 816,000 | 84 billion | 18 billion |
| MENA | 163,000 | 5 million | 38,000 | 32 billion | 4 billion |
| Oceania | 2,000 | 14 million | 460,000 | 114 billion | 60 billion |

of the Gross Domestic Product in 4 countries in the world (New Zealand (20%), Netherlands (18%), France (18%) and Finland (14%).

The top 10 cooperative countries are New Zealand, France, Switzerland, Finland, Italy, Netherlands, Germany, Austria, Denmark and Norway. Eight of the top 12 spots on the Social Progress Index (SPI) are countries listed in the top ten most cooperative countries or economies, illustrating the close relationship between cooperatives and social development.

Developing countries in Africa have benefited from the operations of cooperatives. For example, in Kenya, the Global Census on Cooperatives shows that there are over 5,000 cooperatives with about 5 million memberships and clients, about 263,000 full time workers, over 4 US\$ billion in assets which generates about US\$ 78 million in annual gross revenue.

The Census also shows that cooperatives are most active in agriculture/grocery, financial services (banking/credit unions), and education and social services. This sectoral distribution of cooperatives helps to demonstrate the potential of this business model to contribute to inclusive and equitable growth.

Conclusion and recommendations

The Global Census on Cooperatives demonstrates that cooperatives are viable partners for the international community and national Governments in implementing the 2030 Agenda Cooperative business creates decent jobs, reduces poverty and hunger, empowers marginalized social groups, builds resilience and promotes inclusive development.

In collaboration with the UN and the cooperative movement, governments should encourage the development of cooperatives through appropriate legislation and other incentives such as preferential access to capital. Governments can further raise awareness and popularity of cooperatives by integrating its values, principles and business model into school curricula and other education programmes. The Global Census on Cooperatives is a first step to stimulating further research and future improvement in systematic data-gathering on cooperatives. Such research and data improvement can play a catalyst role in further strengthening of a key driver to the realization of the sustainable future for all, namely cooperative enterprises.

Realizing the vision of sustainable development requires sustained and inclusive economic growth to achieve prosperity for all people. Cooperatives can make a difference in this context.

REFERENCES

1. Global Survey on Cooperatives 2014. Will be available at <http://undesadspd.org/Cooperatives/WhatsNew/tabid/1496/news/412/Default.aspx>
2. TRANSFORMING OUR WORLD: THE 2030 AGENDA FOR GLOBAL ACTION: Final draft of the outcome document for the UN Summit to adopt the Post-2015 Development Agenda. Available at: https://sustainabledevelopment.un.org/content/documents/7849Cover%20Letter%20and%20Outcome%20document%20for%20the%20UN%20Summit%20to%20adopt%20the%20Post-2015%20Development%20Agenda_26072015.pdf
3. Outcome document of the Third International Conference on Financing for Development: Addis Ababa Action Agenda. Available at: http://www.un.org/ga/search/view_doc.asp?symbol=A/CONF.227/L.1

