

THE ROLE OF COOPERATIVES IN EMPOWERING INDIGENOUS PEOPLE AND OLDER PERSONS

Inés V. Mendoza¹

ABSTRACT

This document outlines the contributions for sustainable development initiated by the cooperative movement and presents some experiences around the world. It also analyzes some challenges and delineates strategies for an inclusive participation of indigenous people and older persons in such initiatives, leading to empowerment even in vulnerable situations.

The last section presents an overview of the key role that cooperatives can play embedding empowerment and a suggested set of core strategies that can be used to reach indigenous people and older persons in vulnerable situations. Each targeted group has been discussed separately but clearly has strong interactions around the approach of universal inclusiveness, as an ethical foundation to strengthen the cooperative essence and to address the needs of people in vulnerable situations. The analysis of their contributions indicates that cooperatives are an effective channel for inclusive development and empowerment within the indigenous communities

ROLE OF COOPERATIVES IN REDUCING VULNERABILITY

Evidence from different regions shows that cooperative business can reduce poverty in situations where government, private enterprises and individuals fail to enable: (1) creating opportunities, (2) extending protection and (3) facilitating empowerment. These three elements summarize the cooperative role and are essential to any poverty reduction strategy, objective that remains as the driving force for cooperative initiatives in many parts of the world.

This people-centered business model has a particularly vital role in rural areas as they mobilize self-help mechanisms through a common purpose covering a wide range of economic sectors and social needs; including access to housing, energy, markets, decent work, financial services, water or fresh and quality food, to name a few. The versatility of the co-operative model permits the creation of innovative initiatives capable of addressing unmet needs in case of natural disasters, or disasters caused by national or regional conflict. The potential of the cooperative model to generate and provide sustainability to social and economic enterprises capable of

¹ This paper was presented as a contribution to the United Nations for the Expert Group Meeting: “Ensuring That No One Is Left Behind: The Cooperative Sector as a Partner in the Implementation of the United Nations 2030 Agenda for Sustainable Development” New York, November 2016

addressing the new needs of modern societies is huge. This is the case, for example, of some social care co-operatives that are being formed in responding to the care needs of ageing populations.

Despite their contribution to social and economic development, cooperatives still face external and internal challenges. Externally, for example, the political, economic and legal environment restricts or enables their development. Internally, good governance, good management, human capital and competitiveness remain as their major challenges. Even their own membership composition usually presents considerable degrees of heterogeneity due to gender, age, schooling, disability, ethnicity or geographic locations that can lead to uneven progress on reaching their development.

With that in mind, in order that positive impacts tackle the poorest and the more vulnerable people, it is critical to understand the dynamics of decisions, actions and their consequences in the local context, such as those regarding structural inequalities, governance, power relations, as well as local needs and priorities, that may differ from the point of view of indigenous communities. The cooperative appropriate strategy that aims to leave no one behind while implementing the 2030 Agenda for Sustainable Development Goals (SDGs), requires to first identify the degree of inequalities between their targeted group to address their distinct circumstances by upholding their rights to determine their own visions of sustainable development, and by taking measures to avoid discriminatory actions.

The following section examines some contributions, as well as some challenges and considerations that can come up within indigenous communities and elderly people, when working with the cooperative model.

COOPERATIVE CONTRIBUTIONS EMPOWERING INDIGENOUS PEOPLE

Indigenous people constitute about 5% of the world's population, approximately 370 millions, belonging to 5,000 different groups in 90 countries worldwide. Having faced historic injustices resulting from racism, discrimination, and inequalities long suffered by indigenous communities around the world, they are widely held to be among the poorest and most vulnerable people, accounting for about 15% of the world's poor. The Latin America and Caribbean region is characterized by significant racial and ethnic diversity. However, indigenous populations experience disproportionate levels of poverty, discrimination, human rights abuses, social exclusion, poor political representation, and other barriers that hinder their development and capacity to compete on equal footing with the rest of the population in the region².

Indigenous disadvantage appears to be more complex, driven not only by the region's low returns on human capital and other assets, which lead to significant differences in earnings and,

² According to figures brought together by ECLAC, in 2014 the poverty rate of the indigenous population was higher than that of the population that is neither indigenous nor Afro-descendent. Meanwhile, the poverty rate of the Afro-descendent population was more than double than non-Afro-descendent/non-indigenous population in Brazil and Uruguay, and in Ecuador and Peru was about 1.5 times greater.

therefore, poverty status; but also by the lack of engagement transforming the very structures and systems that cause poverty.

Reducing inequality through inclusion: inequality hampers poverty reduction. In Latin America, the basic determinant of inequality is socioeconomic stratum, followed by other core structural aspects related to gender, ethnicity and age, the cycle of life and territory that are linked and reinforce themselves³ (ECLAC 2016). Being a woman, indigenous or afro-descendant, young or elder and landless multiply the vulnerability, but all of them can still benefit from the cooperative principle of open membership, without discrimination, to all who can contribute to and benefit from cooperation. Social service cooperatives promote inclusion through the offering of an appropriate organizational platform that provides services to vulnerable groups such as indigenous people, refugees, youth, the elderly, migrants, women or people with disabilities. Co-operative economics today can become an important option for about half the population, those with more limited wealth or income. Co-operatives mean that people with insufficient resources pool what they have in order to get onto a more level economic playing field

An interesting case is the Union of Indigenous Communities of the Isthmus Region (UCIRI)¹⁸ in Mexico, that reunites coffee producers from 53 different communities from Zapotec, Mixe and Chontal ethnic groups across five different municipalities, reaching over 5,000 families. The cooperative has a wide range of national clients and sells at a more competitive price internationally through the Fair Trade market. This cooperative's success has culminated in the construction of infrastructures like warehouses, transport, food supply systems and health services. It has also established a cooperative "Solidarity Fund" for the acquisition of consumer goods and equipment, as well as provision of credit support. The cooperative is influenced by indigenous governance systems and has played a key role in strengthening of their indigenous culture.

Enhancing growth and development at the rural level: Growth⁴ is less efficient in lowering poverty in countries with high initial levels of inequality or in which the distributional pattern of growth favors the non-poor. Moreover, barriers in access to financial resources and entrepreneurship development are often worse in areas with predominantly Afro-descendant and indigenous populations. (Dabla-Norris, 2015).

In poor, low-income countries, growth in agriculture is five times more effective when it comes to reducing poverty among the poorest, compared to growth in other sectors. Guided by values of social dialogue and democracy, agricultural cooperatives rooted in local communities have contributed to reach a broad set of socio-economic and political objectives that range from self-help, grassroots participation, income distribution, use of economies of scale, mobilization of

³ When the racial and ethnic gaps intersect with gender as well, according to the recent ECLAC study, both in Uruguay and Brazil the unemployment rates of young Afro-descendant women (between 15 and 19 years of age) are more than double those of young non-Afro-descendant men, despite the fact that their education levels are similar.

⁴ Causes and Consequences of Income Inequality: A Global Perspective by the International Monetary Fund

rural population and increasing its productivity, promoting sustainable development at the rural level. Recent research suggests that a pro-poor growth agenda helps to improve overall growth levels; consequently it is justified to consider cooperatives as a real potential source of enhancing development.

The growth and development at the rural level can also be enhanced by cooperation between cooperatives and NGOs, in an international context. For example the National Co+op Grocers (NCG) from United States announced in November 2015 its Co+op Forest carbon offset program expansion to now include more than 837,000 trees in an at-risk region of the Peruvian rainforest and will also help support the reintroduction of beekeeping to the area, an indigenous cultural tradition that has been largely abandoned in modern times. NCG partners with PUR Project — an international organization preserving ecosystems in disadvantaged communities — to grow the Co+op Forest by working with local farmer cooperatives to plant and maintain native trees in the Peruvian Amazon. Co+op Forest is part of a system of sustainable agroforestry in the region, where producers, who belong to the Oro Verde farmer cooperative, produce fair trade, organic products; some of which are sold in NCG's retail food co-ops.

Contributing to peace: Extreme inequality may damage trust and social cohesion and thus is also associated with conflicts, which discourage investment. Cooperatives have played an important role in peace building in the aftermath of violent social conflicts that have occurred around the world. For example, in Colombia, that has endured a civil war for more than 50 years, Amazonian cooperatives have been the only economical option for indigenous people, and also helped unite communities affected by the conflict. Casa Nacional del Profesor, a cooperative providing financial and recreational services to employees in the education sector, recently won the prize Take up Peace (Emprender paz), for an agro-forestry project developed in indigenous communities hit by the war. The project helped generate employment and contributed to environment conservation.

Many examples can be found in history all over the world where co-operatives have proved to be true reservoirs of positive social capital, a key and essential ingredient in peace-building and reconstruction processes in the aftermath of violent and long-lasting social conflict. Credit cooperatives have often emerged as sources of positive social capital, fostering a strong sense of community, participation, empowerment and inclusion among their members. In many parts of the world the co-operative movement has contributed to the reconstruction of communities, created jobs and developed educational and health services in conflict and post-conflict areas.

Protecting the environment: One fundamental cooperative principle is 'concern for community', which means that cooperatives run businesses that make the well-being of the natural world a priority, a well-known concern of indigenous communities like Standing Rock current situation, where they are defending their sacred land not to have the Dakota pipeline built, as they claimed it is going to affect their major source of drinking water. Cooperatives are taking measures to be better placed to help community members respond to environmental degradation and to protect and responsibly manage available resources as water and renewable energy supply. For example, in the inhospitable region of Chaco in Paraguay,

development makes all the difference: Indigenous people organized in large cooperatives which control 75 percent of the national dairy industry are equipped with the infrastructure needed for rainwater catchment and storage, deep-well extraction of groundwater and desalination, in order to assure clean water supply.

Cooperatives are producing clean energy as well, exploring ways to reduce their carbon footprint and make their communities more sustainably minded. Others are supporting practices that return value to our environmental resources. Therefore, co-operatives are important partners to achieve environmental sustainability.

Contributing to a more sustainable food system: Food and agriculture cooperatives are the most common form and represent a substantial portion of the global cooperative economy. They participate along the supply chain helping small producers to access markets, certification, information on market trends, technical support, equipment, seeds, fertilizers, financial resources, transport, etc.

Cooperatives located in indigenous reserves also impact their communities by serving as a platform for producers to participate in policy processes, diversifying the food supply and therefore improving nutritional status of families and increasing local producers' influence through the collective power. This is the case in Guatemala where the distribution of land is uneven as two thirds are owned by a few landowners, small producers have seen not only the increase in competition created by cheap, subsidized corn imports from the United States, but the expansion and accumulation of land holdings for the production of African palm oil and sugar cane. Monoculture plantations and mining extraction threatens the traditional lifestyles of the indigenous population in rural areas, for them, organic cooperatives have become the main income source through coffee and horticulture production. Cooperatives from Guatemala, roughly 1.3 million families, are involved in the production of the 70 percent of the food consumed in the country and support 40 percent of the population economically. Culture is inherent to the discourse around indigenous food security, as food represents much more than simple sustenance in their culture.

Providing access to education: According to ECLAC, an increase in schooling has not been enough to eliminate the income gaps marked by gender and ethno-racial dimensions: among those who have a tertiary education, indigenous and Afro-descendent women receive about half of the labor income that non-Afro-descendent, non-indigenous men get. There is also consistent evidence with labor market discrimination for indigenous peoples in Latin America, Australia, Canada, New Zealand and the United States, where indigenous people receive lower rates of return to a year of schooling (Hall and Patrinos, 2009). Therefore, inclusive educational programs joined to labor standards that promote equality could represent another contribution from cooperatives to their members. In fact, women leadership training programs and membership training in entrepreneurship have shown good results to empower them to be able to increase their incomes, something that yields results both in the cooperatives and in the relations between men and women in Central American countries. Other training experiences led by cooperatives in Colombia and Nicaragua show that by providing flexible and innovative

solutions to unmet education, cooperatives could help empower vulnerable populations to make them more inclusive.

Enabling participation and representation in decision-making and relevant bodies: Cooperatives are taking the lead in engaging with legislative and regulatory bodies when it is necessary to bring legal reforms that facilitate them to lift people from poverty through income development, food security and democracy. Considering that the term “indigenism” is also described as “the international movement that aspires to promote and protect the rights of the world’s first peoples” (Niezen 2003), the advocacy cooperative actions are an opportunity to a full and effective participation of indigenous people in decisions that would affect their lands, territories, resources, cultural expressions, identities, traditional livelihoods, etc. Furthermore, including, even embedding, existing governance structures into the coop is critical for the active cooperative involvement. Leadership, the role of elders and the adoption of cultural viewpoints as part of the co-operative business model are key to address politics.

In Guatemala for example young indigenous farmers have found support from a number of grassroots organizations, including cooperatives. Since 2009, they have been campaigning for laws that will allow farmers to stay on their land. One of these laws is Law 40-84, or the Rural Integral Development law, aimed to obtain obligatory assistance from the state to the people living in rural areas, ensuring that the local market is supported.

From self-help groups to domestic workers’ cooperatives, organizing collectively has helped indigenous women strengthen their voices and bargaining power. Indigenous women’s weaving cooperatives in Oaxaca, Mexico do not only foster economic empowerment but also assist indigenous women gain political and cultural rights in their communities. In addition, cooperatives help in establishing them as independent artisans in global markets

COOPERATIVE CONTRIBUTIONS IN EMPOWERING ELDERLY PEOPLE IN VULNERABLE SITUATIONS

In the next 10 years, there will be an increase of about 236 million people, age 65 and older throughout the world. Then, from 2025 to 2050, the older population will be projected to almost double, this being 1.6 billion globally, while the total population will grow by just 34 percent over the same period⁵. As population aging continues, this reality has led to new challenges: What is the number of years older people expect to live in good health? Is the social care system ready to deal with chronic diseases that they may have? How long are they expected to live independently? How many of them are still working? Will they have sufficient economic resources to last their lifetimes? Can they afford the costs of healthcare?

Instead of focusing on priorities set by others, cooperatives focus on the needs of their members and communities. Some housing and healthcare cooperatives in Canada are planning

⁵ Wan He, Daniel Goodkind, and Paul Kowal 2016 An Aging World: 2015. Report Number: P95-16-1

to accommodate their projects to an aging population by ensuring adequate housing and accessible infrastructure where a small membership fee would be charged to all new members. This is the case of the Furrows and Faith Retirement Cooperative that has provided many possible effects on the local economy by providing opportunities for residents. For example, the local volunteer board of directors hires people to cook, clean and operate in the building.

Whether it is in undeveloped or wealthy countries healthcare is an issue. Given that many elders already experience decreasing health and have more health and nutritional needs than the general population, food insecurity may exacerbate existing health complications in addition to added emotional and economic distress. The Health Care Co-operatives Federation of Canada (HCCFC)⁶ includes and serves health care coops in Canada; their members address social determinants of health including home care, employment support for vulnerable individuals, culturally appropriate wellness education and healthcare, facilities and services for organizations and individuals that provide services, adequate preventive measures and treatment strategies for the elderly.

Social cooperatives reinvent sustainable development models that embody the strengths and values of the modern society, either as an alternative to state and market mechanisms or to complement them. If the government and physicians can't or won't invest in the community to provide access to primary healthcare, the community can take action by creating a cooperative. This is the case of Le Gress Cooperative in Canada and Coomeva Cooperative in Colombia.

The experience of Saint-Étienne-des-Grès shows that, from an economic perspective, the city appeared to depend less on the government, the employment earnings growth was much higher and there was a marked drop in dependence on social insurance. From a social perspective, elderly people were far better. Summarizing, to establish the healthcare cooperative had a significant impact on the community's economic and social health compared to similar communities.

The resultant effects of ageing population necessarily exert pressure on various social mechanisms, notably on the health system and the housing market. Multi-stakeholder (solidarity) housing cooperatives based in cooperation could be seen as a mechanism for enhancing their independence, a social strategy that may be called "Cooperative independence". An elderly person shares material goods, information and/or services with others in order to ensure their continued autonomy, rather than to generate a sense of cohesiveness with a larger group. A generally balanced system of reciprocal exchange is maintained in order to preserve the independence of each individual. Land, skills, songs, dances, information, experiences, tasks and other valuable assets can be shared. The sense of independency may be expressed as a feeling of loyalty to the community as a self-sufficient unit. They trust their community more than they can trust an outside organization⁷. So their viability in accurately responding to the different needs that come with age is a great contribution to development.

⁶ Vanessa Hammond, Chair and co-founder of Health Care Co-operatives Federation of Canada (HCCFC)

⁷ Cooperative Independence among Tlingit Elderly

MAIN CHALLENGES IN EMPOWERING INDIGENOUS PEOPLE AND OLDER PERSONS IN VULNERABLE SITUATIONS

The following table outlines some challenges matched with strategies that can be used to reach indigenous people and older persons in vulnerable situations.

CHALLENGES	SUGGESTED STRATEGIES
Cooperatives have to work in their competitiveness professionalizing their management, boosting innovation and strengthening their governance	<p>Follow the blue print for a Cooperative Decade, guided by the International Cooperative Alliance.</p> <p>Join efforts with other organizations of social economy. There are various interesting examples of applying cooperative principles in labor 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.</p>
Respect for human rights and social inclusion requires the promotion of equality and non-discrimination by acknowledging social differences and cultural diversity and addressing these appropriately in different contexts.	<p>Tailor policies to country-specific conditions and objective people, taking into account their particular situation, cultural beliefs and life philosophy. Therefore it is suggested that actions focus on three priority areas:</p> <ol style="list-style-type: none"> 1. services that are available and accessible when people need them 2. a society that respects them and does not discriminate against them 3. Institutions and laws that protect their rights.
<p>Inequality is a major problem and there is no one-size-fits-all approach to tackling it. Laws are giving more rights to corporations than to human beings. Globalization has played a smaller but reinforcing role that contributed to inequality.</p> <p>Financial deepening is associated with rising inequality in emerging markets and developing countries, suggesting scope for policies that promote financial inclusion. Credit Cooperatives can be a great tool to achieve it.</p>	<p>Policies that focus on the poor and the middle class can mitigate inequality. Irrespective of the level of economic development, better access to education and healthcare and well-targeted social policies, while ensuring that labor market institutions do not excessively penalize the poor can help raise the income share for the poor.</p> <p>The true power of co-operatives did not stem from their size or economic might, but from their distinct nature, characteristics, values, principles and governance structure. Therefore, the co-operative movement should focus on developing alternatives to the neo-liberal economic system</p>
The income distribution itself matters for growth as well ⁸ . If the incomes share of the	Enhance capacity of local organizations to protect human rights, carry out advocacy,

⁸ Causes and Consequences of Income Inequality: A Global Perspective by the International Monetary Fund (IMF) 2015

<p>top 20 percent (the rich) increases, then GDP growth declines over the medium term, suggesting that the benefits do not trickle down. In contrast, an increase in the income share of the bottom 20 percent (the poor) is associated with higher GDP growth.</p> <p>Afro-descendants and indigenous communities face and use innovative approaches to ensure their full participation.</p>	<p>enhance participation of indigenous people in the democratic processes of their countries, and achieve effective political participation in the decision making at the local, national, and regional levels.</p> <p>It is important for organizations to better understand the needs of their communities, express their concerns, evaluate government programs and public policy, develop public and private partnerships, and design and manage their own development projects.</p>
<p>New generation of bilateral investment treaties and free trade agreements that reduce the ability of governments to promote human rights and sustainability, offering lower taxes and cheaper labor to attract investments. Will be difficult for cooperatives to compete fairly and allocate funds to cover the social investments.</p>	<p>The first step would be for governments to identify their marginalized populations by making better use of 'big data'. There must also be an environment that responds to, and acts upon, the data gathered.</p> <p>Obtain the commitment of governments to boost cooperative development and their competitiveness through a number of interrelated economic, social, and political channels allowing that poor and the middle class can increase their incomes.</p>
<p>Erratic climate and weather affecting ecosystems and habitats: The global water crisis is not an inevitable result of a rapidly growing population. It is a result of a thirsty, greedy, economic model that disrespects limits of natural resources. This includes the basic need of water and sanitation services being privatized, and the damage caused by private exploitations that deprives water supply to indigenous communities.</p>	<p>Promote participatory approaches and resources so cooperatives can improve their impacts allowing better services such as universal health coverage and rural electrification. Greater public awareness, such as creating environments where all girls are expected to go to school. Institutional and legal reform, including the extension of a minimum wage to informal workers or the introduction of women's land rights.</p>
<p>Cooperative education can play an important role in reducing income inequality as it determines occupational choice, access to jobs, and the level of pay, and plays a pivotal role as a signal of ability and productivity in the job market. However, indigenous and afro descendant people require specific measures in order to obtain equality of opportunities.</p>	<p>Raising skill levels is critical for reducing the dispersion of earnings. Improving education quality, eliminating financial barriers to higher education, and providing support for apprenticeship programs are all key points to boosting skill levels of cooperative members.</p> <p>Enable previously excluded poorest children to attend cooperative education, with financial support.</p>
<p>High degrees of discrimination against indigenous reduce their equal access to higher incomes despite achieving equal levels of education.</p>	<p>Making labor markets more inclusive and creating incentives for lowering informality is a key challenge.</p> <p>Create following programs to support educated indigenous workers enable them to be agents of change</p>

Conclusion

This document recognizes indigenous people and older persons in vulnerable situations as distinct groups, and it highly recommends the designing of specific measures to address their particular situations related to poverty and to enable the achievement of favorable outcomes.

The empowerment of indigenous people and their access to rights and opportunities through cooperatives become the righter solution to enhance productivity and higher growth trajectory in the rural world.

Effective implementation of these strategies means being mindful of national and local contexts whilst respecting cultural diversity of social systems (including respect and recognition of customary law, diverse traditional healing and medicines, diverse educational institutions and transmission of cultural traditions and languages) and institutions that reinforce social resilience for sustainable development. This also means respect for diverse local economies and traditional livelihoods as countervailing alternatives to economic globalization.

REFERENCES

Dabla-Norris et al., 2015 Causes and Consequences of Income Inequality: A Global Perspective by the International Monetary Fund (IMF)

Dabla-Norris, E., Y. Ji, R.M. Townsend, and D. Filiz Unsal. 2015. "Distinguishing Constraints of Financial Inclusion and Their Impact on GDP and Inequality." NBER Working Paper 20821, Cambridge, Massachusetts: National Bureau of Economic Research.

Economic Commission for Latin America and the Caribbean (ECLAC), 2016. The social inequality matrix in Latin America

Hall G; Patrinos H. 2009 Indigenous Peoples, Poverty and Development: towards a better future for the worlds indigenous.

Niezen, R. 2003. The Origins of Indigenism: Human Rights and the Politics of Identity. Berkeley: University of California Press.

Organisation for Economic Co-operation and Development (OECD) 2014. "Rising Inequality: Youth and Poor Fall Further Behind." Income Inequality Update, Paris.

Ravallion, M. 2004. "Pro-Poor Growth: A Primer." Policy Research Working Paper Series 3242, World Bank, Washington.

Stuart, E. et al. 2016 'Leaving no one behind: a critical path for the first 1,000 days of the Sustainable Development Goals'. London: Overseas Development Institute.