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# COOPERATIVES AND FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK*

## Natural disposition or commitment to action?

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### Introduction

Formed by producers, consumers, workers and businesses worldwide, cooperatives can and do create and consolidate employment opportunities, empower people, provide protection and alleviate poverty. They exist across all sectors of the economy. As enterprises they fulfil economic goals, and as social organizations they build social networks and strengthen voice and representation of their members. As service providers they improve the livelihoods of the communities through services in, e.g., education, health, water, energy, finance, retail and housing, while also generating employment, especially in areas that may be neglected by the state and investor-driven enterprises.[1]

Comparable data on the number of jobs created by cooperatives across time, sectors, countries and regions is not readily available, although concerted efforts are under way for improvements.[2] There is some evidence, however, that cooperatives are significant employers in many countries, globally involving at least 280 million people. Employment in or within the scope of cooperatives makes up almost 10 per cent of the world's employed population (Eum, 2017). In addition to salaried employment, cooperatives promote self-employment both directly, through producer-members getting their livelihood within their scope, and indirectly, by creating market opportunities and by improving market conditions as well as by providing loans and creating and reinforcing value chains through clients and providers.

Even less well known is the quality of work generated by cooperatives and whether this work respects the fundamental rights of workers in terms of remuneration, safe and healthy working conditions and equal employment opportunities.[3] In 1998, the International Labour Organization (ILO) adopted the *Declaration on Fundamental Principles and Rights at Work*, to support the safeguarding and promotion of respect for basic workers' rights (ILO, 1998). The fundamental principles and rights at work (FPRW) are those universal rights that apply to all people

across all ILO member states, regardless of whether they have ratified the relevant Conventions or not.[4] As laid out in the Declaration, the FPRW are: freedom of association and the right to collective bargaining; elimination of forced or compulsory labour; abolition of child labour; and elimination of discrimination in respect of employment and occupation (*ibid*.). FPRW are means for achieving, among others, effective social dialogue, better conditions for workers, rising enterprise productivity, increased consumer demand, more and better jobs and social protection, and for formalizing the informal economy. Despite progress made in some countries, a rapid overview of the global picture relating to the four categories shows that the realization of FPRW remains a worldwide challenge.

Today over 200 million people globally are unemployed. There are an estimated 25 million people who are victims of forced labour, 4.3 million of whom are children (ILO *et al.*, 2017). Of the 152 million children in child labour, 73 million are in hazardous work, and 114 million are younger than 15 years old (ILO, 2017). On average, women are paid 23 per cent less than their male counterparts, and are much more likely to be in vulnerable employment (ILO, 2016b).

Discrimination in the world of work is widespread, with people suffering from discrimination because of the colour of their skin, their ethnicity or social origin, their religion or political beliefs, their age, gender, sexual identity or orientation, disability or because of their HIV status.

Despite the universality of the right to freedom of association, many workers are excluded from the right to associate in a significant number of countries. Exclusion, whether direct or indirect, disproportionately affects workers that are vulnerable to poor working conditions, such as agricultural workers, migrant workers, domestic workers and workers in non-standard forms of employment (ILO, 2012c).

FPRW are human rights,[5] and as such, respecting them is not only critical for achieving sustained economic growth but also for attaining sustainable development goals and objectives. Their violation contributes to the persistence of the cycle of poverty (*ibid*.).

In this chapter, the role and responsibilities of cooperatives in advancing decent work in general and FPRW in particular are explored. Because of data limitations, the analysis focuses on what constitutes good employment practices among cooperative enterprises in the different areas of FPRW. Highlights of cooperatives and their secondary and tertiary organizations, namely unions and federations, in advancing FPRW will be provided. The areas of action identified constitute a starting point for reflections on decent work and FPRW in the cooperative world.

## WAYS COOPERATIVES CAN ENGAGE IN ADVANCING FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK

- Actively engage in and contribute toward actions to eliminate labour rights abuses in the four areas of FPRW in their business operations and supply chains they are involved in;

- Engage in community mobilization and awareness-raising campaigns among their members and within the communities where they operate on the four areas of FPRW;
- Provide guidance and community leadership, and contribute to the planning and delivery of health, educational and other basic social services in their communities on FPRW;
- Promote livelihood opportunities and the use of appropriate technologies as means of increasing income of their members within the guidelines of FPRW;
- Provide collective voice and negotiation power for their members with the public authorities in securing a range of economic and social rights, including FPRW; and
- Stimulate decent work opportunities through training and education programmes in all the four areas of FPRW.

## Fundamental principles and rights at work: cooperative responsibility

Like any other business, cooperative enterprises need to comply with responsible labour practices. However, for cooperatives, which are based on a set of values and principles,[6] this is understood as being inherently built into their business model. Business practices that do not comply with FPRW are not aligned with cooperative values of equality, solidarity, social responsibility or caring for others, for example. The ILO's *Promotion of Cooperatives Recommendation*, 2002 (No. 193) recognizes the importance of the FPRW for the development of cooperatives, making a specific call for national policies to 'ensure that cooperatives are not set up for, or used for, non-compliance with labour law or used to establish disguised employment relationships, and combat pseudo cooperatives violating workers' rights, by ensuring that labour legislation is applied in all enterprises' (ILO, 2002).

Elements within the cooperative movement have been advancing toward decent work practices within their sectors and regions. The International Organization of Industrial, Artisanal and Service Producers' Cooperatives (CICOPA) is one of them.[7] CICOPA has adopted a *World Declaration on Worker Cooperatives*, which was approved by the International Co-operative Alliance (ICA) General Assembly in 2005, highlighting the role of worker cooperatives

> as actors in the solution of the problems of unemployment and social exclusion, and as proponents of one of the most advanced, fair and dignifying modalities of labour relations, generation and distribution of wealth, and democratization of ownership and of the economy.
>
> *(CICOPA, 2005)*

Close to 800 cooperative enterprises from around the world are signatories to the United Nations Global Compact initiative on sustainability and social responsibility

principles for businesses. Four of the Global Compact Principles derive directly from the ILO *Declaration on Fundamental Principles and Rights at Work*.[8] Coop Italia was the first company in Europe, and among the first ten in the world, to get, in 1998, the Social Accountability SA8000 certification (ICA, 2015), which requires compliance with criteria related to child labour, occupational safety and health, discrimination, rights to collective bargaining, and working conditions.[9]

More recently declarations from two International Cooperative Summits in 2014 and 2016 included decent work elements in general and FPRW in particular among their commitments. The 2014 Declaration committed to 'work systematically to promote conditions that lead to decent work – job creation, labour rights, social protection, and social dialogue – in order to improve and better assess cooperatives' contribution to the means of production'.[10] The 2016 Declaration devoted a whole section on the topic of economic growth, employment and decent work.

### DECENT WORK COMMITMENTS IN THE *DECLARATION OF THE INTERNATIONAL SUMMIT OF COOPERATIVES*, 2016[11]

- Promote and offer employment and decent work (job creation, labour rights, social protection, social dialogue) in accordance with the standards of the International Labour Organization, including the *Promotion of Cooperatives Recommendation*, 2002 (No. 193);
- Encourage collective entrepreneurship, particularly the active engagement of women, young people and indigenous people in cooperative start-ups;
- Empower women through their inclusion in management and governance, leading to the elimination of violence and discrimination towards them;
- Enable the most disadvantaged populations to gain access to decent work, in order to be able to accumulate assets, redistribute wealth and influence decision-making on issues of economic growth and development;
- Support the transition from informal to formal economy and employment through the cooperative model; and
- Fight inequalities, particularly through the cooperative principle of voluntary and open membership, and the principle of economic participation, ensuring an equitable redistribution of surplus among members and reinvestment in the cooperative's mission.

The advocates for the cooperative model insist that as democratic membership-based enterprises, cooperatives are well aligned with areas of decent work in general and FPRW in particular. However, the evidence on how cooperative principles and values manifest themselves in advancing these requires further analysis. In fact, there is a significant gap between the evidence on individual cooperatives' good employment practices and the declarations from the cooperative movement that needs to be filled.

## *Cooperatives and child labour*

Child labour is understood as work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical and mental development. In its most extreme forms, child labour involves children being enslaved, separated from their families, exposed to serious hazards and illnesses and/or left to fend for themselves, often at a very early age. Agriculture remains the sector where most child labour is found: 107 million (71 per cent) of all working children are in agriculture. The problem is also particularly prevalent in services (26 million) and industry (18 million) – mostly within the informal economy (ILO, 2017).

The international community has identified the elimination of child labour as a fundamental human right at work, and in recent years there have been advances in its elimination. ILO estimates that in 2016 there were 94 million fewer children in child labour compared with 2000, while the number of children in hazardous work fell by more than half in the same period (*ibid*.).

As cooperatives have a significant presence in many countries, they can play a role in the elimination of child labour. They improve the livelihoods and well-being of people in rural areas, where over 3 billion continue to live, working mainly in agriculture, and where public services are often limited. Cooperatives are not only prominent in agriculture, fisheries, horticulture, forestry, transport and tourism, but also in a range of services from electricity, water and sanitation, to finance and social and community development (ILO, 2014b). They have extensive networks and strong presence in economic sectors where child labour is found. They address it in their own functions and in the communities where they operate by:

- *Improving the livelihoods of their members and people in the communities they serve*: A prominent example of cooperatives improving the quality of life of their members is through credit unions or savings and credit cooperatives that provide members with access to safe savings, affordable credits, and a chance to plan for the future. These cooperatives encourage regular savings of small amounts, helping their members address everyday financial challenges like school fees, medical expenses and transport (Amegashie-Viglo, 2014).
- *Actively engaging their members not to use child labour – directly or indirectly*: Child labour can often occur because of poverty, lack of education and limited knowledge of the risks. Cooperatives, including their secondary and tertiary unions and federations, carry out a number of training and education programmes for their members, elected representatives, managers, and employees. These can range from vocational and managerial training for their members and the members of the larger community to awareness-raising sessions from issues such as climate change and gender-based violence to HIV/AIDS prevention and child labour. Cooperatives in supply chains such as handicrafts, cotton, cocoa and tobacco have been training their members and communities in bringing down the numbers of child workers (ILO, 2009). When coupled with other measures these have proven effective.

- *Supporting the communities to eliminate the worst forms of child labour through educating children*: Lack of access to education is one of the reasons for the prominence of child labour in many rural communities, and the role of cooperatives as community-based enterprises is also to serve the wider community. For example, the Coopérative Agricole Kavokiva du Haut Sassandra (CAKHS) in Côte d'Ivoire is a cocoa and coffee marketing cooperative, which has since 2010 prevented and withdrawn over 1,800 children from hazardous child labour and provided them with basic education and vocational training. CAKHS has also set up kindergarten centres and school facilities hosting children withdrawn from hazardous child labour (ILO, 2014c).
- *Becoming involved in activities toward eliminating the worst forms of child labour in the global supply chains where they operate*: While it is likely to be more difficult for smaller cooperative enterprises to track and monitor as to whether the global supply chains where they operate are free of child labour or not, larger cooperatives and their organizations are likely to be better equipped. Regardless of size, cooperatives can and should adopt and implement codes of conduct to shift to more responsible policies and practices for supply chains free of child labour. In the Global North, particularly consumer cooperatives with large retail operations can use their economic leverage to actively engage in establishing child-labour-free supply chains (ILO, 2009).

A Germany-based cooperative online marketplace, Fairmondo, is owned and managed by its buyers, sellers, workers and investors. It sells ethically-sourced products from producers and small fair trade companies including cooperatives from around the world. As such it is an example of cooperative-to-cooperative trade and a fair trade alternative, providing users with transparent product sourcing. Other ethical trading initiatives involving cooperatives, such as Fairtrade, include criteria on child labour and other FPRW.[12]

## *Cooperatives and forced labour*

Forced labour is work that is performed involuntarily and under the menace of penalty (ILO, 1930). It refers to situations in which persons are coerced to work through the use of violence or intimidation or by more subtle means such as manipulated debt, retention of identity papers or threats of denunciation to immigration authorities. Almost 25 million people are victims of forced labour – 15.6 million women and girls and 9.2 million men and boys. About 84 per cent of victims are exploited by private individuals or enterprises, while the remaining 16 per cent are in state-imposed forms of forced labour, or in rebel groups, for instance. Of those exploited by individuals or enterprises, 4.8 million are victims of forced sexual exploitation. Domestic work, agriculture, construction, manufacturing and entertainment are among the sectors most concerned (ILO *et al.*, 2017). Migrant workers and indigenous people are particularly vulnerable to forced labour.

In order to assist enterprises, including cooperatives, in combatting forced labour and trafficking, the ILO has developed a set of principles to strengthen employers' activities against forced labour. While implementing and monitoring of these principles is the responsibility for all, including smaller cooperatives, secondary- and tertiary-level cooperative organizations (i.e. unions and federations) can play a crucial role reaching out to their members in reconfirming its importance and imparting tools (self-assessment checklists, guidelines and codes of conduct, etc.) and know-how that facilitate their change toward elimination of forced labour practices. In the United Kingdom, the Co-op Group has joined forces with a charity providing support to the victims of human trafficking. The scheme promotes the reintegration of trafficking victims in the society through offering job placements in Co-op Group's stores, while the charity provides them with longer-term support (Co-operative News, 2017).

## TEN PRINCIPLES FOR BUSINESS LEADERS TO COMBAT FORCED LABOUR AND TRAFFICKING (ILO, N.D.)

- Have a clear and transparent company policy, setting out the measures taken to prevent forced labour and trafficking (applied to all enterprises in their product and supply chains);
- Train auditors, human resource and compliance officers to identify forced labour in practice, and seek appropriate remedies;
- Provide regular information to shareholders and potential investors, attracting them to products and services where there is a clear and sustainable commitment to ethical business practice, including prevention of forced labour;
- Promote agreements and codes of conduct by sector, identify and take appropriate measures in areas with risk of forced labour;
- Treat migrant workers fairly. Monitor carefully the agencies that provide contract labour, especially across borders, blacklisting those known to have used abusive practices and forced labour;
- Work towards securing written contracts for all workers, in a language they understand, specifying their rights on payment of wages, overtime, retention of identity documents, and other issues;
- Encourage events with business actors, sharing challenges and good practices;
- Contribute to programmes and projects to assist, through training and other appropriate measures, the victims of forced labour and trafficking;
- Build bridges between governments, workers, law enforcement agencies and labour inspectorates, promoting cooperation in action against forced labour and trafficking; and
- Find innovative means to reward good practice, along with the media.

The ILO estimates migrant workers accounted for 150 million of the world's approximately 232 million international migrants in 2013, of whom 44 per cent are women (ILO, 2015c). They contribute to growth and development in their countries of destination, while countries of origin greatly benefit from their remittances and the skills acquired during their migration experience. Yet, the migration process is mired with challenges. Restrictive migration policies, coupled with the continuing demand for low-skilled workers, often lead to an increased vulnerability of migrant workers to forced labour, trafficking and growth of irregular migration (ILO, 2010). Migrant workers have been establishing cooperatives to access formal labour markets, entrepreneurship opportunities, social protection and other services in the host countries. Their cooperatives range in services from finance and education to job placement (ILO, 2014a).

While migrant domestic workers constitute only a small segment of workers in forced labour, they comprise a significant part of migrant women's workforce and can often face terms and conditions of work that could lead to forced labour, including retention of identity papers, restriction of movement, physical and sexual violence, isolation, intimidation and threats (ILO, 2012b). Migrant domestic workers' cooperatives are emerging as alternatives to commercial employment agencies to negotiate better conditions of employment, including maternity protection and paid leave days, in countries as diverse as the Republic of Korea, Trinidad and Tobago, the USA, India and the Philippines (*ibid*.).

The results of a recent mapping exercise of over 40 cooperatives of domestic workers from around the world show that cooperatives of domestic workers help them with economies of scale, voice and representation, as well as a wide array of support services which help formalize their work. They provide their members with higher wages and better working conditions, member-controlled operations and decision-making processes, and greater bargaining power to leverage improved wages and conditions. They undertake job-matching, skills training, accountancy and awareness-raising to their members, among other services. There are no additional fees or costs charged to the worker-members, as the cooperative is not an outside intermediary, but one that is run by the worker-members for their own needs and interests (ILO, 2015b).

The all-women worker-owned cooperative Si Se Puede! (We can do it!) provides housecleaning services in New York City. It helps its members, who are largely immigrants, come out of situations that imply the risk of forced labour. The cooperative has secured wages at USD20 per hour, up from the USD7–8 per hour that most worker-members earned before. Si Se Puede! also provides members with educational and skills-building opportunities (ILO, 2014a).

The owners of these cooperatives are worker-members who take part in decision-making processes and aim to improve the labour conditions. This is a critical element in ensuring that they are not co-opted into pseudo-cooperatives, as has been the experience in some countries. While these cooperatives may not be able to remove all the elements of forced or compulsory labour, their governance structure reduces the vulnerability of workers and removes the moral hazards as well

as its consequences, such as transfer of placement costs to workers, often found among other private recruitment service providers.

## *Cooperatives and non-discrimination at work*

Hundreds of millions of people suffer from discrimination on the basis of race, colour, sex, religion, political opinion, national extraction, social origin or other grounds which are continuously emerging in the world of work. This not only violates most basic human rights, but has wider social and economic consequences, stifling opportunities, wasting the human talent needed for economic progress, and accentuating social tensions and inequalities. Certain population groups and categories of workers are clearly more exposed to such violations than others. This section focuses on discrimination faced by indigenous peoples and people living with disabilities as well as gender-based discrimination in the world of work, reflecting on how cooperatives can potentially be leveraged to assist populations who face discrimination to support themselves, their households and communities (ILO, 2014e).

Historically, indigenous peoples have long borne the weight of multiple forms of discrimination (ILO, 2013). It is estimated that although they constitute about 5 per cent of the world's population, they account for 15 per cent of the world's poor (ILO, 2016a). In Honduras, for example, an estimated 71 per cent of indigenous peoples live below the poverty line (IFAD, 2011). They are affected by issues that stem from a lack of directed attention, consultation and participation, as well as recognition and protection of culture and rights, especially rights to land, territories and resources. The livelihoods of indigenous peoples that are based on traditional and sustainable use of natural resources are also severely under threat by the impacts of climate change.

Cooperatives of indigenous peoples have served a number of purposes, including securing livelihoods, creating jobs and enabling access to market opportunities, and formalizing informal economic activities and protecting workers. In addition, they have supported preservation of traditional knowledge and environmental sustainability, while advancing gender equality and women's empowerment. Indigenous women's weaving cooperatives in Oaxaca, Mexico, not only foster economic empowerment, establishing them as independent artisans in global markets, but also assist them in gaining political and cultural rights in their communities (ILO, 2016a).

Worldwide, there are at least 785 million women and men of working age with disabilities. They often face enormous obstacles to equal opportunities in the world of work, ranging from attitudinal and physical to informational barriers. Disabled men and particularly disabled women experience higher rates of unemployment and economic inactivity than their non-disabled peers and they are also more vulnerable to discrimination in the workplace (WHO and World Bank, 2011).

Social cooperatives designed to promote the inclusion of women and men with disabilities into the workplace are emerging across the world. Increasingly, these

cooperatives encourage the active involvement of people with disabilities in the management of their enterprises. Social cooperatives in Italy deliver services such as providing work integration for disadvantaged groups into society, including people with disabilities. Social cooperatives specializing in work integration must have at least 30 per cent of workers belong to disadvantaged groups according to the social cooperative law, which also foresees a reduction of the labour cost of these persons. Approximately 45,000 workers from disadvantaged groups work in social cooperatives in Italy (ILO, 2015a).

Despite commitments in many international agreements and treaties to the principle of gender equality, women worldwide continue to face oppression, discrimination and human rights violations. These take many forms, from violence, including harassment against women, to restricted access for women to education and health services. Compared with men, women continue to earn less, are more likely to partake in unpaid labour, and are more apt to be excluded from decent work and opportunities for advancement (ILO, 2014e).

The social and organizational nature of cooperatives can give them a comparative advantage relative to other types of enterprises in advancing gender equality. Women's participation in cooperatives seems to have increased over the past 20 years, together with growing attention to gender issues, increased access for women into leadership roles within cooperatives, and the rise of women-owned cooperatives. In addition, women's access to employment is facilitated by housing and care service cooperatives, providing them with affordable and accessible options that enable them to work outside their homes (ICA and ILO, 2015). Under-representation of women as members and leaders still persists in certain sectors of the cooperative movement, such as agriculture, where women form the majority of the workforce (ILO, 2012d).[13]

There are exceptions to this, however, with various manifestations of women leadership that can be observed across the cooperative movement. There is a strong presence of women members among worker cooperatives in Spain (49 per cent) and nearly 40 per cent of those women are in leadership positions (ILO, 2014b). According to the data from the International Cooperative and Mutual Insurance Federation, the number of women in leadership positions in cooperative insurers is larger than in other types of enterprises. Nine of the largest 100 cooperative and mutual insurers in the world have women CEOs, while only one of the top 100 stock company insurers globally is led by a woman. In countries such as Canada the figures are still higher for mutual and cooperative insurer CEOs, at 27 per cent (ICMIF, 2016).

## *Cooperatives and freedom of association and right to collective bargaining*

Freedom of association is an enabling right to the enjoyment of all other FPRW, as it opens the door to participatory actions against forced labour, the protection of children from abuses, and responsive measures based on non-discrimination

and equality (ILO, 2012a). The right of workers and employers to form and join organizations of their own choosing is an integral part of a free and open society. In many cases, workers' and employers' organizations have played a significant role in the development of their countries' democratic processes and institutions. Nevertheless, challenges in applying these principles persist: in some countries certain categories of workers are denied the right of association, workers' and employers' organizations are illegally suspended or interfered with, or threatened with violence, for example.[14]

As employers, cooperatives need to engage in effective labour relations and social dialogue with unions representing their workforce. As with any other enterprise, issues around freedom of association and the right to collective bargaining apply to cooperatives. While the majority of cooperatives are small and medium-sized enterprises, many of them grow into larger businesses. These exist particularly in sectors such as agriculture, retail, finance and housing, and while most of them have good labour relations, there are those that have faced labour disputes with regard to freedom of association and the right to collective bargaining among their workers. In addition, there are examples of workers establishing their own cooperatives and becoming owners as well as workers, insolvent enterprises transitioning to worker cooperatives, and trade unions forming cooperatives to provide services for their members.

The relationship between trade unions and cooperatives goes back a long way, and they have many similarities. Both are membership-based organizations, whose main objective is to protect and promote their members' economic and social interests. They share similar principles, such as voluntary adherence and resignation, democratic management and control, and a commitment to membership education and training.

Despite their common origins, joint history and common goals of fostering economic security and industrial democracy, genuine collaboration between trade unions and cooperatives has been rather limited in the past few decades (ILO, 2014f). Recently, however, a number of trade unions have started rediscovering cooperatives for their members, or extending their support for cooperatives among workers in the informal economy with the idea that economic activity based on more ethical and democratic principles can be possible.

Examples of solidarity between trade unions and cooperatives on a range of issues, such as curtailing the deterioration of worker rights, flexibilization of labour, loss of jobs and privatization, are expected to continue to grow as a response strategy to the changes that are taking place in the world of work. One of them is the Union Taxi in Denver, USA, a cooperative established by its 800 taxi driver worker-owners, which has a collective bargaining agreement through the support of a trade union (Peck, 2016).

Cooperatives can also promote a worker-owner governance model through, e.g., worker buyouts of failing enterprises in which workers buy firms with economic potential and transform them into worker ownership. A worker cooperative model does not always stem from enterprise failure, but may be attributable to the

retirement of ageing owners as well, particularly where there is no clear plan for the future of the enterprise (Alperovitz, 2016).

Recent examples of worker buyouts include Brazil, where the metalworkers' union Sindicato dos Metalúrgicos do ABC (SMABC) successfully brought back Latin America's largest industrial forge, Conforja, renamed Uniforja, from bankruptcy more than ten years ago as a worker-owned business. It has built on this experience to help establish a new cooperative federation, Unisol. In Paraguay, an important ceramics business making roof tiles has been rescued by its workers and relaunched as the cooperative Cerro Guy (Orbaiceta, 2013). There are similar examples in other countries like Uruguay and Argentina.

In Europe, unions have also been actively engaged in such ventures. French trade unions have played a key role in several cases of business failure where the enterprise has been re-established under the SCOP (worker cooperative) legal framework. For the printing company Hélio-Corbeil, for example, the creation of a worker cooperative has successfully saved around 80 jobs. French textile firm Fontanille tells a similar story. After being run for 150 years as a family business, it was successfully saved from failure through its transformation to a cooperative. The workers helped recapitalize the business by investing their redundancy payments (Monaco and Pastorelli, 2013).

The growth of these enterprises continues, and while their productivity remains lower than their potential, the wages in these enterprises are above average in their respective sectors. The survival rate of the converted enterprises is relatively high – a trend that can be seen in other types of worker cooperatives as well (Pérotin, 2014). In addition, an increasing number of other countries have recently passed legislation that facilitates such enterprise restructuring, including Italy, Spain, Portugal, France, Brazil, Greece and Canada (ILO, 2014d).

Trade unions also have an important role in ensuring that democratic governance structures are established in the newly created cooperatives. Cooperatively run conversions of previously failed companies must operate successfully, both as businesses and as democratic bodies. If either of these is missing, failure may result. They should not, however, try to run the cooperatives themselves. After they help their members establish cooperatives, they should allow them to be managed independently.

## Conclusions

It is not sufficient to conclude that cooperatives are 'better' employers just because of being based on values and principles.[15] Cooperatives are both responsible for respecting and promoting FPRW throughout their operations, and well placed to advance and advocate for their achievement through education, training, services and democratic decision-making processes, among others. Through their principles, values and governance structures, cooperatives can provide a model that allows for participation and inclusion of all stakeholders, including workers, in the management of the enterprise. They can bring in institutional infrastructure and

economies of scale in disseminating the FPRW messages and practices. There are, however, many cooperatives that are not governed according to cooperative principles and values, either because of lack of knowledge and expertise – on account of not truly being cooperative enterprises – or finding themselves in a national environment that does not provide an adequate regulatory framework, including in terms of monitoring and sanctions. Even when they get their governance model to function effectively, they operate as enterprises in the logic of the market. Therefore, cooperatives need to find ways to bridge the gap between their ideals and the realities of the context, including the rapidly changing world of work on account of a series of factors, including technology, climate and demographics, to mention a few. This is why segments of the cooperative movement explore the links with the commons (e.g. platform cooperativism, see Schneider, Chapter 14 in this volume), ethical consumption, and equitable and fair trade (e.g. retail cooperatives that are serving users who seek goods and services that are produced with socially and environmentally conscious standards).

While the cooperative movement has started to recognize the need for increased engagement with global policy discussions, such as the Sustainable Development Goals, climate change and fair trade, more specific involvement on decent work platforms at the national, regional and international levels would be welcome. For instance, on the issue of equal pay, the cooperative movement could get involved and become active members in the ILO/UN-Women Equal Pay Coalition launched in 2017 in follow-up to the 61st session of the Commission on the Status of Women on women's economic empowerment in the changing world of work.

Cooperatives can play a number of key roles in advancing FPRW. As critical players in some key global supply chains such as agriculture, they provide scale to smallholders, helping them access markets, information, technology and finance with conditions that they could not enjoy on their own. Furthermore, cooperatives can use their broad membership base to reach out to large numbers of producers or consumers, educating and raising awareness of their members and communities on FPRW as well as other topics, and providing services such as financial services, vocational training, and extension of social protection. Organized in secondary- and tertiary-level organizations, cooperatives can encourage other private sector institutions as well as governments to adopt policies advancing FPRW. Through their training and education infrastructure, they can disseminate awareness and information on FPRW. Cooperative extension workers can be equipped with knowledge on FPRW to detect violations and relay messages. Cooperative and other research institutions can also conduct assessments of the cooperative model's performance compared with other types of enterprises in advancing FPRW.

Enterprise-level actions, such as codes of conduct, private certification schemes, or Global Compact and Fairtrade initiatives, are important in advancing FPRW in cooperatives. However, deepening their recognition of FPRW requires them to scale up from these enterprise-level actions to wider sectoral and regional-level commitment for sustainable and responsible business practices. At all these levels, implementation and monitoring mechanisms need to be put in place to turn their

commitment into action. Good practices and emerging challenges on FPRW need to be better documented in order to generate a comparative database of cooperative practices compared with other types of enterprises. In order to fill gaps in understanding the performance and role of cooperatives in advancing FPRW, one practical step would be, for example, the development of guidelines and an assessment tool on FPRW and other decent work indicators. Such a move could help cooperatives play a stronger role in guaranteeing FPRW to enable, as outlined in the preamble to the 1998 Declaration, 'the persons concerned ( . . . ) to claim their fair share of the wealth which they have helped to generate, and to achieve fully their human potential' (ILO, 1998).

## Notes



1 A cooperative is 'an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise'. The *Statement on the Cooperative Identity*, adopted by the General Assembly of the International Co-operative Alliance in 1995.

2 Among these efforts, ILO and COPAC are working on development of statistical definitions for the main concepts relevant to the identification and classification of cooperatives, and development of recommendations for data collection methods for collecting and producing statistics on cooperatives.

3 United Nations *International Covenant on Economic, Social and Cultural Rights*, 1966. https://treaties.un.org/Pages/ViewDetails.aspx?src=IND&mtdsg_no=IV-3&chapter=4&clang=_en

4 The eight Fundamental Conventions of the ILO are: *Freedom of Association and Protection of the Right to Organise Convention*, 1948 (No. 87), the *Right to Organise and Collective Bargaining Convention*, 1949 (No. 98); *Forced Labour Convention*, 1930 (No. 29), *Abolition of Forced Labour Convention*, 1957 (No. 105); *Minimum Age Convention*, 1973 (No. 138), *Worst Forms of Child Labour Convention*, 1999 (No. 182); *Equal Remuneration Convention*, 1951 (No. 100) and *Discrimination (Employment and Occupation) Convention*, 1958 (No. 111).

5 See *Universal Declaration of Human Rights*, 1948. www.un.org/en/universal-declaration-human-rights/. Apart from the abolition of child labour, all FPRW are found in the *Declaration of Human Rights*.

Article 20: 'Everyone has the right to freedom of peaceful assembly and association.'

Article 23: '(1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.

(2) Everyone, without any discrimination, has the right to equal pay for equal work.

(3) Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.

(4) Everyone has the right to form and to join trade unions for the protection of his interests.'

Article 4: 'No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms.'

6 The cooperative values and principles are defined in the *Statement of the Cooperative Identity* (1995), by International Co-operative Alliance. See http://ica.coop/en/what-co-operative for more information on these.

7 CICOPA is a sectoral organization of the ICA. See www.cicopa.coop/.

8 www.unglobalcompact.org/what-is-gc/mission/principles

9 SA8000 Social Accountability 8000 Standard is a global social accountability standard for decent working conditions, developed and overseen by Social Accountability International (SAI) www.sa-intl.org/index.cfm?fuseaction=page.viewpage&pageid=1689
10 2014 *Declaration of the International Summit of Cooperatives*, www.sommetinter.coop/sites/default/files/2014isc_declaration_en.pdf
11 2016 *Declaration of the International Summit of Cooperatives*, www.sommetinter.coop/en/2016-edition/2016-declaration
12 www.fairtrade.net/standards/aims-of-fairtrade-standards.html
13 See also Dias and Ogando, Chapter 8 in this volume.
14 ILO International Labour Standards on Freedom of Association, http://ilo.org/global/standards/subjects-covered-by-international-labour-standards/freedom-of-association/lang--en/index.htm.
15 See Schwettmann's chapter in this volume (Chapter 2).

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