

Mapping responses by cooperatives and social and solidarity economy organizations to forced displacement





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ISBN: 9789220321812 (web pdf)

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Preface

The number of forcibly displaced persons worldwide is increasing due to persecution, conflict, violence, climate change or human rights violations. The overwhelming majority of the forcibly displaced are hosted in developing countries with limited resources and capacities to respond to the situations – with substantive socioeconomic impacts on both refugees and host communities. Action is urgently needed to mitigate the plight of these affected persons. There is a window of opportunity for improving the management of the forced displacement crisis. A new consensus is emerging around the need for displaced persons and host communities to have effective and inclusive access to protection, education and enhanced economic opportunities. This consensus is reflected in the 2016 New York Declaration for Migrants and Refugees, in government commitments made at the September 2016 Leaders' Summit, in the roll-out of the Comprehensive Refugee Response Framework (CRRF), and in the adoption of the Global Compact on Refugees.

A joint and fully integrated partnership programme has emerged toward responding to this context. The PROSPECTS Partnership Programme brings together humanitarian and development actors in order to help transform a response to forced displacement. The United Nations International Children's Emergency Fund (UNICEF), the United Nations High Commissioner for Refugees (UNHCR), the International Labour Organization (ILO), the International Finance Corporation (IFC) and the World Bank are working to respond to forced displacement in the Middle East, North Africa and the Horn of Africa, in collaboration with and supported by the Government of the Netherlands.

One of the three objectives of the PROSPECTS partnership is to strengthen the resilience of host communities through inclusive socio-economic development that also benefits forcibly displaced persons. As part of the activities under this objective, the ILO is seeking to work with and strengthen existing cooperative enterprises so they can become vehicles for inclusive socio-economic development for both refugees and host communities and contribute meaningfully and sustainably to enhanced social cohesion among and between these communities. In the framework of crisis, cooperatives promote joint action to address common needs and concerns. Therefore, they can make a significant contribution in helping refugee and host community populations to access inclusive employment, livelihoods and training opportunities, while distributing resources on an equitable basis. They can also build mutual understanding and contribute to conflict eradication, goals embedded in Sustainable Development Goal (SDG) 16: promoting peaceful and inclusive societies.

Recognizing their influence and impact, the ILO has been working with cooperatives since 1920, and more recently expanded its area of work to cover other Social and Solidarity Economy (SSE) enterprises to further its goal of building universal and lasting peace based on social justice and decent work conditions for all – foundation stones for the PROSPECTS partnership programme. Article 12.3 of the ILO Constitution gives cooperatives a general

consultative status at the ILO and the Promotion of Cooperatives Recommendation, 2002 (No. 193) is the only international instrument on cooperatives. Adopted in June 2019, ILO's Centenary Declaration for the Future of Work recognizes cooperatives and the SSE as a source of economic growth and job creation and therefore key actors in generating decent work, productive employment and improved living standards for all.

In light of the above, the ILO conducted a "Mapping of responses by cooperatives and social and solidarity economy organizations to forced displacement" under the PROSPECTS Partnership to inform practitioners in the field, including the programme staff, in the design and implementation of activities. This study, presented here, seeks to identify good practices; capture lessons learned and take note of potential areas of innovation by cooperatives and other SSE organizations with a view to enhancing their role in crisis response and promoting decent work for all. We hope that the study will help shed light on the social and economic contribution of cooperatives and SSE organizations in displacement response, and in supporting the emergence of more inclusive and resilient local economies and societies that can adapt to protracted situations of displacement.

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Acknowledgements

This mapping was conducted by Courtenay Cabot Venton and Toscane Clarey from The Share Trust. Andrea Dávila, Simel Eşim, Nicholas Grisewood, and Fatma Kaya from the ILO provided technical guidance and gave comments on the various drafts. Valuable information and contributions were provided by practitioners, staff and representatives from the International Cooperative Alliance, CECOP-CICOPA Europe, Cooperatives Europe, Uganda Cooperative Alliance, Multicultural Health Brokers Cooperative, and the ILO. Design and layout was done by Marina Humblot.

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Acronyms

CECOP-CICOPA European Confederation of Industrial and Service Cooperatives COP Community of practice CSA Community Supported Agriculture CRRF Comprehensive Refugee Response Framework FCAS Fragile and conflict-affected states GDP Gross Domestic Product ICA International Co-operative Alliance IDP Internally displaced person IFC International Finance Corporation ILO International Labour Organization
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IFC International Finance Corporation ILO International Labour Organization
ILO International Labour Organization
INGO International Non-Governmental Organization
LDC Least-developed country
LEED+ Local Empowerment through Economic Development and Reconciliation
MCHB Multicultural Health Brokers Cooperative
MOBAN Moral Brotherhood and Neighbourhood
R2R Refugees to Refugees
SACCO Saving and Credit Cooperative Organization
SDG Sustainable Development Goal
SHG Self-help group
SME Small and medium enterprises
SSE Social and Solidarity Economy
SSEO Social and Solidarity Economy Organization
UCA Uganda Cooperative Alliance
UNHCR United Nations High Commissioner for Refugees

Executive summary

Introduction

At the end of 2018, 70.8 million people were forcibly displaced worldwide as a result of persecution, conflict, violence or human rights violations. The vast majority of displacement crises are protracted, yet sustainable and long-term solutions have not been forthcoming, with many displaced remaining in camps for decades.

Most displaced persons come from fragile and conflict-affected states (FCAS), states characterized by weak social cohesion. Establishing structures that the local community can trust, as well as strengthening local governance, is key to peacebuilding. Cooperatives and other Social and Solidarity Economy Organizations (SSEOs) are well positioned to address the needs of both displaced persons and host populations, because of their ability to combine practical assistance and psycho-social support through collective action, underpinned by principles of self-help, mutualism and democratic governance.

The overall objective of this assessment is to identify good practices, capture lessons learned and take note of potential areas of innovation by cooperatives and other SSEOs working in displacement contexts, with a view to enhancing their role in crisis response and promoting decent work.

Findings

Types of cooperatives

There are several kinds of cooperatives that support displaced persons, including consumer/users, worker, producer and multi-stakeholder cooperatives.

Membership structures

Cooperatives typically align along one of four membership structures: (1) host membership; (2) displaced membership; (3) mixed membership or multi-stakeholder; and (4) returnee membership.

Pathways for successful engagement of cooperatives

Cooperatives are engaging with host and displaced populations in many ways:

- ▶ Host community cooperatives provide services to displaced persons
- ▶ Host community cooperatives recruit displaced persons as workers
- ▶ Host community cooperatives include displaced persons as members
- ► Host communities provide capacity building and training for displaced persons to set up their own cooperatives

- ▶ Displaced persons form cooperatives provide services for themselves or their host community
- ▶ Displaced persons and host communities organized into cooperatives by an international organization provide services for themselves or the host community
- ▶ Returning displaced persons rebuild their own communities through cooperatives

Roles of cooperatives in displacement

Cooperatives play a variety of roles in displacement contexts, providing not only practical services that contribute to economic and human development – such as access to goods and services, employment, income generation, finance and knowledge exchange – but also building social capacities and peacebuilding functions, such as networking, solidarity and trust, problem solving, collective action, women's empowerment, reconciliation, and cultural sensitization. Importantly, many cooperatives work across both categories and are able to leverage an integrated response to provide a combination of mutually reinforcing benefits to those involved.

More broadly, SSEOs provide many of the same benefits as cooperatives in displacement contexts. Generally, they strengthen and generate social cohesion through their functioning principles, their social purposes intended to benefit both members and the community, and their impact at the local level. This helps to maintain linkages and a sense of community. They provide forms of social protection for the most vulnerable such as health insurance, and they empower individuals and communities by fostering active involvement in the participatory decision-making process.

Key characteristics of successful pathways

Both the literature and those working with cooperatives highlighted a variety of ways in which cooperatives can address the specific needs of displaced persons and host communities, bringing a wide range of benefits. Key messages include the following points.

- While cooperatives play an important practical role providing access to jobs and income generation, their social and peacebuilding benefits are paramount, particularly for displaced and host communities.
- As people-centred businesses, cooperatives provide access to goods and services that displaced communities need, and which are not always readily available through other means.
- ▶ Different from economic migrants, displaced persons need integrated responses including livelihoods, health and child-care services and psychological assistance, and cooperatives can provide for these needs.
- ► Collective action through cooperatives helps to advance agency and resilience among those affected. Key themes cited include agency, empowerment, autonomy, democratic nature, solidarity, mutual support, and self-reliance/self-sufficiency.

- ▶ Cooperatives are community-based and sustainable. They are locally owned and needsbased, highly sustainable, taking a long-term focus that can provide a bridge between the different phases of a crisis.
- ▶ The fact that cooperatives are well grounded in local communities and devise a joint response to common needs makes it easier for them to be accepted by the host communities fostering inter-communal peace. Cooperatives promote integration, and they are inclusive. They can increase contact between different groups, break down barriers, create dialogue, and bring about greater cultural sensitivity. As a result, cooperatives can build social cohesion, both within and between groups, a critical component of rebuilding the social fabric for recovery.

Operational insights

Three key operational priorities or characteristics that allow cooperatives to thrive were consistently mentioned in consultation: (1) a legal framework that facilitates cooperatives to formalize; (2) a democratic and participatory management structure; and (3) a strong focus on cooperative values including solidarity, working together and meeting member needs. The intermediary ecosystem of supporting organizations can play a key role in bringing together and strengthening locally led cooperatives, providing a bridge between macro-level legal and policy frameworks and cooperative governance structures and values.

Role of international and supporting institutions

Feedback consistently emphasized that the role of international agencies is to listen to local demand and find ways to support the goals and needs expressed. It is critical that international agencies take a very intentional focus on value addition, partnering with and supporting cooperatives rather than driving the process. The areas where international agencies can best add value include: providing a coordination and sensitization role; increasing visibility on the potential role of cooperatives and facilitating learning; building organizational capacity of local actors, as well as apex bodies and members; and creating new opportunities for cooperative creation in different sectors.

Many cooperatives grow organically, and supporting organizations at the macro, meso and local levels can play a catalytic role, bringing structure and scale to what would otherwise be fragmented and unsustainable local cooperative organizations. Supporting organizations can also play a key role in providing knowledge and capacity on cooperative governance structures, providing technical capacity and knowledge.

Challenges to cooperatives

Several barriers to cooperatives operating in displacement contexts were highlighted, including the conduciveness of the enabling environment, distrust of cooperatives, insufficient or lack of long-term financing mechanisms that compromises sustainability, and issues around building trust.

Summary of lessons learned

- ▶ Cooperatives are uniquely placed to help support displaced persons and host populations. Cooperatives are able to combine activities that support economic and human development, alongside a strong focus on self-help and collective action that can address a range of needs through an integrated and flexible approach that is uniquely tailored for displacement contexts.
- ▶ Structure matters. Good governance and management of cooperatives that are locally owned and democratic is fundamental to the success of cooperatives.
- ▶ The key role of international agencies in supporting cooperatives is to listen to local demand and find ways to support the goals and needs expressed, otherwise, they run the risk of driving an external process that tries to scale cooperatives too quickly. A strong intermediary ecosystem of supporting organizations is critical, particularly at a meso level, to provide a bridge between macro-level legal and policy frameworks and cooperative governance structures and values.
- ▶ The ability of cooperatives to replicate, grow and become self-sufficient fundamentally relies on formal legal recognition. However, this does not negate the social and solidarity benefits that can arise from collective action and cooperation in more informal associational forms in the social and solidarity economy (SSE) such as self-help groups (SHGs). This is particularly true in displacement contexts where social benefits and peacebuilding are paramount.
- Cooperatives should be seen as development partners. Their democratic nature, collective ownership model and focus on self-help creates a unique vehicle for empowerment. Partnering with and contracting them directly shows a commitment from the national government, as well as the international community, towards supporting local organizations.
- Cooperatives are highly contextual, responding to myriad different needs in different ways, and programming should reflect this. Local cooperative federations in the host community provide advice, governance and management support for refugee-related cooperatives and can be a key entry point for engagement.

Recommendations for next steps

- Build a community of practice: Facilitate working with cooperative members and intermediary organizations, invest in a knowledge platform for ongoing sharing of resources, and adapt relevant tools, capacity building and training services on cooperatives.
- Raise awareness on the role of cooperatives in displacement contexts: Develop a series of policy briefs, case studies, articles and other media placements.
- Invest in further research: Conduct further research on the role of SSEOs in general, and SHGs and social enterprises in particular, in displacement contexts, the role of cooperatives in internal displacement, the economics of refugee cooperatives, and the role of women's cooperatives for women's empowerment and gender equality in displacement contexts.

1. Introduction

1.1 The displacement crisis context

According to the United Nations High Commissioner for Refugees (UNHCR), there were 70.8 million forcibly displaced persons worldwide as a result of persecution, conflict, violence or human rights violations at the end of 2018. Of these, 25.9 million were refugees and 41.3 million were internally displaced persons (IDPs). One-third of the global refugee population is hosted by least-developed countries (LDCs), such as Sudan, Ethiopia and Uganda, and less than three per cent of refugees returned to their country of origin.¹

The vast majority of displacement crises are protracted, not acute. Around 78 per cent of all refugees under UNHCR's mandate are currently in protracted situations, which is defined as exile for five consecutive years or more. Of these, 28 per cent (5.8 million) have been in exile for 20 years or more.² Yet sustainable and long-term solutions have not been forthcoming, with many displaced persons remaining in camps for decades. Host countries doubt their own capacity to absorb new labour and fear that economic integration will bring labour market distortion, the crowding of certain sectors, lower job availability for citizens, reductions in wages and a decline in working conditions.³

Though refugees are more likely to boost economies in the medium to long term than be an economic burden,⁴ ⁵ ⁶ only 75 out of the 145 states party to the 1951 Refugee Convention formally grant refugees the right to work⁷ and they usually impose conditions on access to labour markets.⁸ This inability to work in the formal economy often results in refugees seeking employment in the informal economy, which increases their vulnerability and puts them at risk of exploitation and workers' rights abuse. It may also result in underor unemployment, barring them from earning sufficient income to meet their basic needs. They are unable to accumulate the capital or skills needed to finance their own self-

¹ UNHCR (2018). "Global trends: Forced displacement in 2018", https://www.unhcr.org/5d08d7ee7.pdf.

² UNHCR (2018).

³ R. Zetter and H. Ruaudel: "Refugees' right to work and access to labour markets: Constraints, challenges and ways forward", in *FM Review*, June 2018, https://www.fmreview.org/sites/fmr/files/FMRdownloads/en/zetter-ruaudel.pdf.

⁴ H. d'Albis, E. Boubtane and D. Coulibaly: "Macroeconomic evidence suggests that asylum seekers are not a 'burden' for Western European countries" in *Science Advances* (2018, Vol. 4, No. 6). https://advances.sciencemag.org/content/4/6/eaaq0883/tab-pdf.

⁵ J. Taylor et al.: "Economic impact of refugees" in *PNAS* (2016, Vol. 113, No. 27), pp. 7449–7453. https://www.pnas.org/content/113/27/7449.

⁶ J. Alix-Garcia et al.: "Do refugee camps help or hurt hosts? The case of Kakuma, Kenya", in *Journal of Development Economics* (2016, Vol. 130), pp. 66–83. https://www.sciencedirect.com/science/article/pii/S0304387817300688.

⁷ S. Esim: "Activating cooperatives for migrant and refugee response", presentation at the International Cooperative Alliance Global Conference and General Assembly in Kuala Lumpur, Malaysia (14–17 Nov. 2017). https://www.ilo.org/wcmsp5/groups/public/---ed-emp/---emp-ent/---coop/documents/presentation/wcms-603275.pdf.

⁸ R. Zetter and H. Ruaudel, ibid.

reliance and integration or to support their return to and reintegration in their countries of origin.⁹

In many cases, host communities are just as vulnerable as the displaced populations they are helping. One-third of the global refugee population is hosted by least-developed countries, 10 whose combined Gross Domestic Product (GDP) accounted for only 1.25 per cent of global GDP. Nine of the top ten refugee-hosting countries were in developing regions, accounting for 84 per cent of all refugees. Lebanon hosts the largest number of refugees relative to its national population – 1 in 6 people, followed by 1 in 14 in Jordan and 1 in 22 in Turkey. 11

Table 1. Host country refugee populations in 2018

Host country	Number of refugees	Percentage of refugees	GDP per capita (USD) Nominal, 2018	Primary countries of origin
Turkey	3.7 million	0.06%	\$8 716	Syria, Iraq
Pakistan	1.4 million	0.01%	\$1 527	Afghanistan
Uganda	1.2 million	0.03%	\$718	South Sudan, DRC, Burundi, Somalia, Rwanda
Sudan	1.1 million	0.03%	\$792	South Sudan, Eritrea, Syria
Germany	1.1 million	0.01%	\$48 670	Syria, Iraq, Afghanistan, Eritrea, Iran, Turkey, Somalia
Iran	1.0 million	0.01%	\$5 222	Afghanistan, Iraq
Lebanon	1.0 million	0.14%	\$1 736	Syria
Bangladesh	0.9 million	0.01%	\$1 888	Myanmar
Ethiopia	0.9 million	0.01%	\$891	South Sudan, Somalia, Eritrea, Sudan
Jordan	0.7 million	0.07%	\$4 227	Syria, Iraq

⁹ R. Zetter and H. Ruaudel, ibid.

¹⁰ According to the UN, "least-developed countries (LDCs) are low-income countries confronting severe structural impediments to sustainable development. They are highly vulnerable to economic and environmental shocks and have low levels of human assets. There are currently <u>47 countries</u> on the list of LDCs which is reviewed every three years by the <u>Committee for Development (CDP)</u>. LDCs have exclusive access to certain <u>international support measures</u>, in particular in the areas of development assistance and trade."

¹¹ UNHCR (2018).

1.2 Objective of this report

The overall objective is to identify good practices, capture lessons learned and take note of potential areas of innovation by cooperatives and other SSEOs, with a view to enhancing their role in crisis response and promoting decent work for all.

This study builds on previous work commissioned by the ILO (Sanchez-Bajo, 2016), with a focus on the following areas of research:

- highlight relevant practices illustrating the responses of cooperatives and SSEOs more broadly in forced displacement;
- capture lessons learned related to pathways for successful engagement of SSEOs and key characteristics of those pathways, including operational insights, policy and legal environment, emerging trends, and the role of international agencies and the wider supporting environment;
- develop and categorize case studies related to displacement response by cooperatives and other SSEOs;
- provide recommendations for enhancing effectiveness of cooperatives and other SSEOs in providing responses to forced displacement.

1.3 Approach to the research

This section describes the approach to the research, comprised of a desk review of relevant literature, combined with consultation with key stakeholders.

Desk review

A desk review was undertaken of relevant literature that describes the role of SSEOs in displacement contexts, with specific emphasis on literature focused on the key countries. The desk review was also used to gather a range of case studies, with a focus on:

- examples highlighted through consultation as particularly strong or relevant;
- examples that are detailed and well evidenced (a lot of the reporting on specific examples is fairly high level and lacking in detail);
- examples that tease out or showcase elements of the research, such as innovations, operational insights, or policy/legal insights.

Consultations

Complementing the desk review, consultations were undertaken with a range of key stakeholders. Semi-structured interviews were conducted with a number of relevant SSEOs, relevant international organizations, ILO staff, as well as others identified during the initial desk review. Consultation has included actors from the European Confederation of Industrial and Service Cooperatives (CECOP-CICOPA), Cooperatives Europe, Uganda Cooperatives Alliance (UCA), the International Co-operative Alliance (ICA), Multicultural Health Brokers Cooperative (MCHB) and various ILO staff from headquarters and country offices. Annex B contains a full list of consultation interviews.

1.4 Taxonomy

The focus of this report is primarily on cooperatives. A cooperative is defined as "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". They are based on values of self-help, self-responsibility, democracy, equality, equity and solidarity, and are guided by seven defining principles: voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and concern for community. 14

The report also aims to look more broadly at the wider category of SSEOs and their role in displacement contexts. The social and solidarity economy is a viable and distinct sector of the economy that specifically produces goods, services and knowledge while pursuing economic and social aims and fostering solidarity. SSEOs could include cooperatives, mutual benefit societies, associations, community-based organizations, SHGs, social enterprises and foundations, as long as they are people-centred and their purpose focuses primarily on the services they are providing rather than solely on generating surplus or profit. They are economically viable businesses that are also socially and/or environmentally focused. Their common operating principles are participation, voluntary involvement, autonomy, solidarity, a collective dimension and economic and social functions (see Figure 1).

Because of the scope of this work, it was not possible to carry out a complete review of the full range of organizations that might fall within the SSEO category. Based on an initial review of the taxonomy, and in consultation with the ILO, the research has focused largely on cooperatives. However, consultation with key stakeholders found that cooperatives

¹² ILO: Promotion of cooperatives recommendation. Recommendation 193, art. 2 (2002).

¹³ International Co-operative Alliance: *Cooperative identity, values and principles.* https://www.ica.coop/en/cooperative-identity?ga=2.13995572.202891456.1561588604-688927567.1558036155

¹⁴ ILO: Recommendation 193, art. 3b (2002).

¹⁵ ILO: The reader: Social and solidarity economy (2013).

remain the dominant modality for displacement response. The consultees had few, if any, examples of using other types of SSEOs in their work. Therefore, the research with respect to SSEOs that are not cooperatives, such as SHGs and social enterprises in displacement contexts, appears to be nascent.

Figure 1. Common operating principles of SSEOs (combined social and economic) 16



The report references refugees, IDPs, displaced persons, returnees and host communities throughout. These terms are defined as follows:

- As outlined in the Refugee Convention of 1951, a **refugee** is someone who has been forced to flee their country due to persecution, war or violence. It is likely that they cannot return to their country of origin because of a well-founded fear that they will be persecuted on the basis of race, religion, nationality, political opinion or membership of a particular social group.
- ▶ Internally Displaced Persons (IDP) are also forced to leave their home communities, but they have not crossed an international border to seek shelter. They are not protected by international law since they are legally under the protection of their home government.
- A displaced person is anyone who has been forced to leave their community of origin as a result of persecution, war, violence or natural disaster. This is an umbrella term that includes refugees, IDPs, asylum-seekers and stateless persons.
- A returnee is a former refugee who has returned to his or her country of origin spontaneously or in an organized fashion but has not yet been fully (re)integrated.
- **Host community** refers to any community hosting displaced persons, whether it represents a city, a region or villages adjacent to a camp.

¹⁶ Ibid.

1.5 Structure of this report

This report combines findings from previous ILO research with the findings of the literature review and the consultation undertaken by the researchers. The findings are reported as follows.

Section 2 describes the context in more detail, providing a brief history of cooperatives, the needs of displaced populations, and the ways in which cooperatives can help to address the needs of both displaced and host communities.

Section 3 describes the key findings from the research, including:

- a typology and examples of cooperatives working in displacement and some examples of SSEOs that are not cooperatives;
- ▶ the pathways for successful engagement of cooperatives; and
- ▶ the key characteristics of successful pathways, including the role of cooperatives in displacement, benefits provided, operational insights; and the role of supporting organizations at different levels.

Section 4 describes, in summary, the main lessons learned from the review and suggestions for next steps.

2. Context: Cooperatives and displacement

2.1 Brief history of cooperatives

Cooperatives as we know them today can be traced back to nineteenth-century Europe. The first recorded business considered to be the prototype of today's cooperatives was the Rochdale Equitable Pioneers Society in 1844, a group of 28 artisans in England who became tired of the horrible working conditions and low wages they faced in the cotton mills. They decided to pool their resources and buy basic goods such as flour and sugar to resell. They invited every one of their customers to become a member of their business to share the profits and have a say in how things were run.¹⁷

This history of hardship faced by small businesses and workers in the age of the industrial revolution was not an anomaly; mass production threatened the livelihoods and well-being of smaller businesses and artisans, prompting them to band together to compete with the emerging large-scale model. The cooperative movement has grown significantly since that time. In 2016, it was estimated that at least 12 per cent of the global population was a member of a cooperative, and cooperatives provided jobs or work opportunities to 10 per cent of the world's working population.¹⁸ The top 300 cooperatives worked primarily in agriculture (35 per cent), insurance (32 per cent) and wholesale and retail trade (19 per cent) and they generated more than US\$2,000 billion in turnover.¹⁹

The cooperative model is steeped in a culture of social justice. Historically, cooperatives have shown to be pools of social integration and effective tools in peacebuilding, enabling a strong sense of civic agency, participation and empowerment. In the nineteenth century, they ensured the survival of entire communities of Europeans escaping conflict and persecution. In the twentieth century, they helped rebuild war-torn communities in areas such as the Basque region of Spain or Emilia Romagna in Italy.

2.2 Refugees and IDPs: Needs and cooperative solutions

2.2.1 Needs of displaced persons and hosts communities

Most displaced persons come from FCAS, states characterized by weak social cohesion (relationships within society) and weak social contracts (relationship between the government and its citizens). A state is considered "fragile" when the government cannot or will not provide basic functions to the majority of people.²⁰ This inability to provide services, and the resulting lack of trust in government structures by citizens, can then

¹⁷ International Co-operative Alliance: *History of the cooperative movement*. https://www.ica.coop/en/cooperatives/ history-cooperative-movement.

¹⁸ International Co-operative Alliance: *Facts and figures*. https://www.ica.coop/en/cooperatives/facts-and-figures. <a href="https://www.ica.cooperatives/facts-and-figures/facts-and-f

²⁰ DFID: Building peaceful states and societies: A DFID practice paper (2010).

amplify existing social and economic inequalities. Insecurity and conflict thrive in environments characterized by a lack of trust and social capital, where people feel powerless. The nature of conflict has also changed over recent decades, now typically decentralized and localized, occurring in areas with high levels of poverty and corruption, marginalization, displacement and under-development.²¹

Establishing structures that the local community can trust, as well as strengthening local governance, is thus key to peacebuilding. A key step towards preventing displacement is securing the social contract between government and society. In situations where displacement has already occurred, displaced persons need a pathway towards self-reliance that restores dignity and agency. In camps, displaced persons are heavily dependent on humanitarian organizations and therefore may feel disempowered. The 61 per cent of refugees²² who live in urban settings are more likely to find employment and economic opportunities, often in the informal economy, where they are vulnerable to other threats such as exploitation, arrest, and detention, forced to compete with the poorest of the local workers in the host community for the most precarious jobs.²³ Many cannot legally work and thus cannot earn an income for themselves or their families, further disempowering them. They need ways to earn their livelihoods, to regain access to a range of services and to rebuild trust and social cohesion in the wake of the loss and fear they have experienced.

Host communities also suffer. Many of the countries in the developing world that host displaced persons are already stretched thin caring for their own populations, affected themselves by fragility and conflict. Host communities often face severe structural barriers to sustainable development and are usually ill-equipped to respond to the needs of people seeking refuge, since they are lacking resources to adequately sustain themselves.²⁴

Economic opportunities and access to jobs as well as services, especially education and protective services, are key to successful management of such situations – for both displaced and host communities.

2.2.2 The role of cooperatives in displacement

Cooperatives are uniquely positioned to address the needs of both displaced persons and host populations because of their ability to combine both practical assistance as well as psycho-social support, through collective action.

Cooperatives and displaced persons

²¹ UNDP: Local governance in fragile and conflict-affected settings: Building a resilient foundation for peace and development, a UNDP How-To Guide (2016).

²² UNHCR (2018). However, refugee location is variable and only covered about 56 per cent of the refugee population in 2018.

²³ UNHCR (2018).

²⁴ Ibid.

From a practical perspective, cooperatives are being put to use by displaced persons and host communities to provide direct assistance for those affected and to deliver basic goods and services. There are many types of cooperatives engaging in services, marketing, financing, and defending workers' or consumers' interests. Cooperatives create jobs, promote self-employment and provide access to a wide range of affordable services, including savings, loans, remittances, child care, training and health care, among others. Refugee camps and services in camps can be run cooperatively, with the participation of camp-dwellers as members and decision-makers. Cooperatives can be set up specifically for displaced persons, or the latter may join existing cooperatives in growth-oriented sectors of the host country's economy. In some countries, legislation does not allow refugees to establish or join a cooperative; however, host countries can still be active in providing services to refugees via cooperatives in these contexts.

Cooperatives also play a key role in providing a social structure that can facilitate empowerment, peacebuilding and problem solving – all characteristics that are vitally important in a displacement context. Cooperatives are enterprises that are based upon self-help and mutual aid. Cooperative members share a feeling of ownership, solidarity and trust, and gain confidence to seek out solutions through mutual support. A 2018 USAID report found that some of the primary determinants of a person's resilience are social capital, aspirations, self-efficacy, confidence to adapt, financial inclusion and access to markets, ²⁵ all pathways that cooperatives can strengthen.

The most important feature of a cooperative is that people can join forces instead of trying to do it alone, therefore collective action is at the heart of any cooperative. The members of a cooperative must decide on a course of action democratically, sharing surplus or profits,²⁶ knowledge and resources. This common bond builds trust. Without trust, the cooperative will fail. For displaced persons who have lost so much, a model focused on mutual help that builds economic, human and social capacities is key to rebuilding identity and community.

Cooperatives and host communities

In a situation of crisis, host country governments are often overwhelmed; hence local community-based solutions are needed. Cooperatives are inherently community based and locally owned, which can empower communities to take control of their local capacity to engage in business activities and solving problems. Cooperatives are inclusive and can engage various groups in dialogue, bridging differences among members of differing perspectives. They can play a significant role in risk mitigation, providing micro-insurance and facilitating participatory community planning.

²⁵ USAID: Resilience evidence report (2018).

²⁶ Surplus is the result of transactions with members according to special cooperative cost calculation schemes, and profit is the result of transactions with non-members according to commercial principles. For more information see *Guidelines for Cooperative Legislation*, https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_195533.pdf.

The economic and social benefits provided by cooperatives to the displaced are of equal importance to host populations, though sometimes tension and resentment exist within the host communities if they feel the displaced are getting all the services. Host populations need economic stability as well as the increased social capital, solidarity and resilience that cooperatives can provide to reduce their own vulnerability.

2.2.3 Contribution of cooperatives at different phases of a crisis

Cooperatives can serve important functions at all stages of a crisis, and one cooperative may play different roles in different phases. During the early-warning stages, cooperatives can help through preparation and mitigation. By providing micro-insurance and risk transfer they can alleviate some of the effects of a shock, and their influence can help coordinate the community to develop local risk mitigation plans. At the onset of a crisis, established cooperatives in host communities can contribute directly to humanitarian efforts through donations, providing volunteers, distributing resources fairly, raising awareness and exchanging knowledge.²⁷ Social cooperatives can be essential partners in delivering basic goods and services in initial stages including shelter, clothing, food, psycho-social support and intervention services such as translation and legal support. If partnered with appropriate local institutions, they can serve as a crucial local community-based solution for providing goods and services when host country governments are overwhelmed.²⁸

During an ongoing displacement crisis, cooperatives can address the disempowerment that comes from displacement by providing an avenue through which people can take charge of their own lives and rebuild their sense of identity and self-worth. By facilitating integration and providing services, jobs and skills trainings, cooperatives can provide a structured community through which people can gain some stability, build their skills, earn an income and boost their confidence. Cooperatives can bring in the displaced as workers and/or members, subject to legislation that allows refugees to become a member of a cooperative and/or work in the host country. If appropriately supported by the political and legal framework, cooperatives can promote sustainable livelihoods in protracted crises by enhancing market and credit access, increasing bargaining power and lowering the costs of inputs, effectively scaling business models and increasing workers' negotiating power.²⁹

Cooperatives can also play a role in post-conflict reconstruction. In Sri Lanka, a pre-existing cooperative structure provided important stability and humanitarian assistance during the nearly three decades of civil war, and the ILO's Local Empowerment through Economic

²⁷ Wanyama (2014).

²⁸ S. Esim: *Cooperatives, resilience to crises*. ILO Newsroom. Interview originally published in *Efsyn Magazine* in Greek (12 Dec. 2016). https://www.ilo.org/global/about-the-ilo/newsroom/ilo-in-the-media/WCMS_538200/lang-en/index.htm.

²⁹ S. Esim: *How workers' cooperatives can help tackle the refugee crisis*. Interviewed by ILO Newsroom, published 9 Nov. 2015. https://www.ilo.org/global/about-the-ilo/newsroom/features/WCMS_418992/lang--en/index.htm.

Development and Reconciliation (LEED+) project built upon this to increase incomes and sustainable livelihoods. One of the 38 cooperatives supported by this project is the Puthukkudiyiruppu D.S Division Women Entrepreneurs' Cooperative Society (PTK cooperative), the only all-female cooperative in the district whose story began when 15 women returned to their village post-conflict to find it destroyed. They banded together to support each other through the reconstruction; the ILO helped the PTK cooperative expand, linking them with other social enterprises. They officially registered as a cooperative in 2016. The agricultural cooperative has proven itself professionally, financially and socially transformative for its now 500 members who, as heads of households, war widows and women farmers, are particularly vulnerable in conflict-affected contexts. One member says:

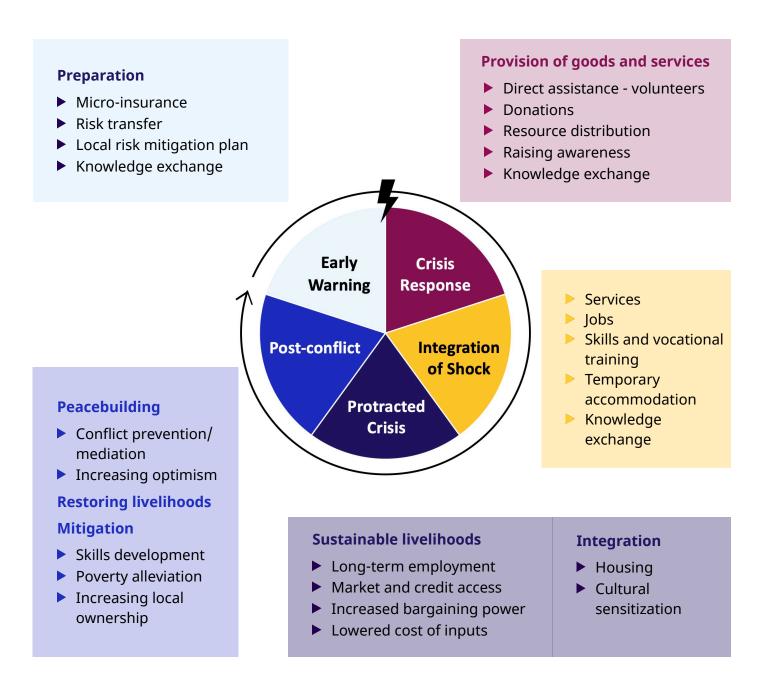
"Normally, conflicts rise on economic grounds and due to unequal access to resources. We are changing that, people are becoming more empowered, and they have many sources of income as we build good business connections with other communities. It motivates everyone to think in a peaceful way." ³⁰

A 2016 report by Ettang and Okem³¹ described the benefits associated with cooperatives in post-conflict African societies, including "skills development, poverty alleviation, increasing local ownership and commitment, reducing dependence on donor countries and humanitarian agencies, contributing positively to humanitarian and international support, conflict prevention and more importantly, improving optimism about the future". The study also described some of the challenges and failures that can arise, including "clashes in views and perspectives, lack of funds and requisite skills, fragile peace processes, corruption, and increased competition".

³⁰ ILO: All-female cooperative brings women farmers to the fore in Sri Lanka. Published 22 Mar. 2018. https://www.ilo.org/colombo/info/pub/features/WCMS_634688/lang--en/index.htm.

³¹ D. Ettang and Andrew Emmanuel Okem: "An examination of the roles of cooperatives in post-conflict societies", in A.E. Okem (ed.): *Theoretical and empirical studies on cooperatives*, SpringerBriefs in Geography (2016).

Figure 2. Contributions of cooperatives at different phases of a crisis



3. Findings

3.1 Typology of cooperatives in displacement contexts

By presenting case studies, this section describes the different types of cooperatives working in displacement, their membership structures, as well as some emerging trends in the types of cooperatives being used with displaced populations. Annex A provides detailed information of the case studies presented in this section.

3.1.1 Types of cooperatives according to membership

A range of cooperatives support displaced persons. Cooperatives can usually be broken down into four broad categories based on the main interest of their members.

Consumer/user cooperatives

They are owned by the customers who are the users of the goods or services made available by the cooperative. The consumer cooperative umbrella is vast and encompasses housing, financial services and utility cooperatives, among others.

Consumer cooperatives have played active roles in displacement crises. For example, housing cooperatives in Germany reserved accommodation and provided housing for Syrian refugees,³² and the Moral Brotherhood and Neighbourhood (MOBAN) has been providing financial services through Saving and Credit Cooperative Organizations (SACCOs).

Worker cooperatives

They are owned and democratically controlled by their workers, who are "workermembers". Most of the workforce owns shares, and the majority of shares are owned by the workforce. Worker cooperatives in displacement settings can offer employment, vocational training and services to facilitate integration. For example, Mera Kitchen Collective in Baltimore, United States, is a cooperative that empowers refugee chefs through food entrepreneurship, and Si Se Puede is a cooperative established by migrant and refugee women in Brooklyn, New York that provides cleaning services for both residential and non-residential spaces.

Social cooperatives are a type of worker cooperative with a more specialized mission: they provide services of general interest or reintegration, through work, of disadvantaged and marginalized workers including migrants.³³ Several social cooperatives in Italy provide services for refugees that range from language courses to housing to primary schools. In 2015, it was reported that Italian social cooperatives provided 18,000 refugees, asylum seekers and migrants with services and projects in 220 welcome centres and 170 dedicated

³² G. Dobush: "This German cooperative shows the rest of the world how to welcome Syrian refugees", in Quartz (25 Aug. 2015). https://qz.com/483247/this-german-cooperative-shows-the-rest-of-the-world-how-to-welcome-syrian-refugees/.

³³ CECOP-CICOPA Europe: "What is a cooperative?". https://cecop.coop/aboutCoop.

housing structures.³⁴ Multicultural Health Brokers Cooperative (MCHB) in Alberta, Canada, is specialized in bridging the gap between immigrant and refugee families and Canadian society.

Producer cooperatives

They are owned by producers of commodities or crafts who have joined forces to purchase, process and market their products. They provide services involved in moving a product from the point of production to the point of consumption. They often aggregate demand to get lower prices from selected suppliers, bringing down prices by buying in bulk. Unlike worker cooperatives, the members can also be a conglomeration of businesses as opposed to individual workers.

There are countless agricultural and artisanal cooperatives working in displacement contexts, often started by the displaced persons themselves. Producer cooperatives provide an income, a pathway to independence and a strong community of workers that support each other. They are often multipurpose, fulfilling a range of functions. For example, in the Melkadida refugee camp in Ethiopia, 20 Somali women buy goat, cow and camel milk from local herders and then test, pasteurize, store and sell the milk back to the camp and the surrounding community.³⁵ The Kalandia Camp Women's Handicraft Cooperative was formed by nine Palestinian women and they produce dried foods and manufactured goods, among many other services.

Multi-stakeholder cooperatives

They represent different stakeholder groups. They include more than one type of member with significant involvement in the activity of the cooperative, in which more than one type of member is represented in the governance structure of the cooperative, and no type of member has a dominant position through a majority of votes in the governing body or an exclusive veto over decisions. Multi-stakeholder cooperatives can provide a wide range of benefits, depending on the focus of the cooperative. For example, Camelot is a cooperative in Italy, that is continuously extending its network to include private and public stakeholders because it considers a multi-stakeholder approach an essential tool for people's empowerment and development. It deems it key to enhancing the quality of its provided services.

3.1.2 Membership structures for cooperatives in displacement contexts

Cooperatives play an important role not only with displaced persons, but also with host communities, and in some cases, they can play a key role in bringing together the two. Therefore, for the purpose of this report, the membership structure for cooperatives is classified as follows.

³⁴ S. Esim: "How workers' cooperatives can help tackle the refugee crisis", interviewed by *ILO Newsroom* (9 Nov. 2015). https://www.ilo.org/global/about-the-ilo/newsroom/features/WCMS_418992/lang--en/index.htm.

³⁵ D. Diaz: "Dairy start-up empowers Somali women refugees", UNHCR (8 Mar. 2017). https://www.unhcr.org/news/stories/2017/3/58b3f7d74/dairy-start-up-empowers-somali-women-refugees.html.

Host membership

Membership in these cooperatives is restricted to people in the host community. They are usually active in their local context and extend services to displaced persons. Sometimes they provide services only to displaced persons. For example, Armadilla is an Italian social cooperative comprised of members from the host community that focuses on services for victims of the war in Syria.

Displaced membership

Only displaced persons are members of this kind of cooperative. They usually provide services for their own community, hosts or a combination of the two and are started by either the displaced themselves or by international organizations, such as the UN or international non-governmental organizations (INGOs). Typically, the cooperatives initiated by larger organizations have greater visibility, and their actions are better documented.

Cooperatives initiated by displaced persons include, for example, Barikama, which operates near Rome, Italy, and was started by a group of African refugees and migrants who were tired of the exploitative working conditions they faced in fruit picking. They banded together to form a small organic business that makes yogurt and grows vegetables.³⁶ There are 15 Tibetan worker cooperatives in India supporting the livelihoods of refugees. Established in the 1960s and 1970s, their activities range from agricultural production and handicrafts to running guesthouses.³⁷

Cooperatives started by a larger organization include, for example, UNHCR's work to establish cooperatives in Ethiopia. Since 2012, UNHCR has established 40 cooperatives across five camps in Ethiopia spanning six sectors: agriculture, livestock, gum and incense, construction, energy and environment (Prosopis firewood and charcoal briquette production; solar energy production and maintenance). Cooperatives were chosen to promote local leadership and increase project sustainability across a number of camps.

Mixed membership

In this case, membership includes both host community and displaced persons within the same cooperative, which can be started by the displaced, the host community or an international organization. They can serve either the displaced or the hosts, or both. For example, the SADA Women's Cooperative in Gaziantep, Turkey, includes Syrian, Turkish and Afghan members and engages in a variety of business activities.³⁸

³⁶ U. Bacchi: "Organic yogurt wins migrants freedom from exploitation in Italy", *Reuters* (20 Feb. 2017). https://www.reuters.com/article/italy-migrants-farming-idUSL8N1FZ5XY.

³⁷ Federation of Tibetan Cooperatives India Ltd.: A brief information on 15 member Tibetan co-operatives in India. http://www.nyamdel.com/about-us/tibetan-co-operatives-in-india/.

³⁸ ILO: "Procedures Initiated to Establish SADA Women's Cooperative" in *ILO News* (29 Mar. 2019). https://www.ilo.org/ankara/news/WCMS_680334/lang--en/index.htm.

Returnee membership

This is the case of former refugees who have returned to their country of origin spontaneously or in an organized fashion but have not yet been fully (re)integrated. The cooperative may be a way for them to (re)integrate. For instance, Cooperativa Agricola Insieme in Bratunac, Bosnia and Herzegovina, has allowed many refugees to return home in the aftermath of the Bosnian War. The cooperative is mostly made up of women who transform small berries grown by local families into jams and nectars.

3.2 SSEOs that are not cooperatives

More broadly, SSEOs provide many of the same benefits as cooperatives in displacement contexts. Generally, they strengthen and generate social cohesion through their functioning principles, their social purposes intended to benefit both members and the community, and their impact at the local level. This helps to maintain linkages and a sense of community. They provide forms of social protection for the most vulnerable such as health insurance, and they empower individuals and communities by fostering active involvement in the participatory decision-making process. SSEOs such as SHGs, associations and social enterprises, demonstrate that all individuals can become active and productive economic and social actors.³⁹

This sampling of SSEOs active in displacement contexts demonstrates the range and versatility of the social and solidarity economy. They are active in a range of sectors, benefiting displaced populations in myriad ways.

- ➤ SSEOs such as <u>Earth Heir</u> in Malaysia and <u>Women Craft</u> in Tanzania market products made by refugee artisans, while organizations such as <u>Nut & Feder</u> in Vienna train and employ refugees to make products, incorporating them into their company structure.
- ▶ RefuSHE works with refugee girls in Nairobi, Kenya, who have been separated from their families or orphaned because of war, conflict, violence or terrorism. Their trauma-informed approach helps the artisans achieve economic and social independence through a holistic and healing model.
- ▶ Emma's Torch in Brooklyn, New York provides refugees with a 12-week, paid apprenticeship programme with more than 500 hours of culinary training to prepare them for successful employment in the culinary industry.
- ► The <u>Magdas Hotel</u> is Austria's first hotel run as a social business and is staffed by 20 former refugees and 15 hotel industry professionals.
- ► <u>Hand of Help</u> is an Iraqi organization active in Iraq and Jordan providing aid, vocational training and support to refugees and IDPs.

³⁹ ILO: The reader: Social and solidarity economy (2013).

- ▶ <u>MIRARES</u> in Buenos Aires, Argentina, is focused on integrating refugees and immigrants through training, capacity building, technical assistance, microcredit, registration and employment assistance.
- ▶ Graefewirtschaft is a German social enterprise that runs a range of businesses from catering for schools to household services to operating a restaurant. It employs about 50 people, many of whom are displaced persons or migrants. The SSEO was founded in 2009 by immigrants and Germans.⁴⁰ Several SSEOs work with refugees in the food sector, especially in the United States and Europe.
- ▶ <u>Souk El Tayeb</u> is a Lebanese social enterprise whose mission is to create environments that bring people of different regions and beliefs together. It started out as an experimental farmer's market in Beirut but has expanded its scope to work on national and international projects. It works with refugee communities, integrating products such as Soufra's Palestinian-inspired dishes into the farmer's market. Soufra is currently expanding its business beyond catering to include a food truck and is run by women from the Burj el Barajneh refugee camp.

It is also interesting to note that, anecdotally, there seems to be a rise in the number of organizations using SHGs – groups of people who meet on the basis of solidarity to create change for themselves and to solve problems – in the context of displacement. While these groups may not become formally recognized in the cooperative sector, they can provide an important precursor for rebuilding trust and solidarity.

During consultations, it was interesting to note that cooperatives were more prominently highlighted than other kinds of SSEOs. It was unclear whether this was because the function and structure between cooperatives and other SSEOs were similar in practice, whether the SSEO category was too broad for consultees to offer concrete insights, or whether this was because consultees were primarily focused on cooperatives. Another possibility is that they were unfamiliar with the term, since SSEOs are still new throughout the Middle East and East Africa. In the European context, associations and social enterprises were among the SSEOs encountered, in addition to cooperatives.

3.3 Pathways for successful engagement of cooperatives and SSEOs

Based on a review of cooperatives responding to the needs of the displaced from around the world, the following were the primary pathways for successful engagement of cooperatives in displacement contexts. Clearly, there are many variations, and some new

⁴⁰ H. Birkhölzer: "A social enterprise creating job opportunities for migrants and disadvantaged persons in Berlin", in interview by *ILO News* (9 Feb. 2017). https://www.ilo.org/global/topics/cooperatives/news/WCMS_543747/lang--en/index.htm.

models are highlighted in the innovations section. However, this section aims to describe the main pathways that have been identified as dominating to date.

Host community cooperatives providing services to displaced persons

This can include access to work permits, jobs, essential care services and training. For example, in Italy, Auxilium provides health care, psychological support, cultural mediation (interpretation and communication), legal counsel, food and cleaning services, Italian language training and religious support to migrants. The approach focuses on education and integration into the labour market. Integration is further promoted through workshops, projects, sports-related programmes and public events that involve the local host community.

Agricultural and multipurpose cooperatives in Jordan have played an important intermediary role to facilitate more than 40,000 flexible work permits for Syrian refugees in the agricultural sector, a sector where the majority of Syrian refugees work.⁴¹ Even if the Jordanian law does not allow for non-nationals to found or become members of cooperatives, host agricultural and multipurpose cooperatives have become an important actor to provide services to Syrian refugees and to their members in host communities. Besides acting as intermediaries in issuing flexible work permits, cooperatives have also raised awareness of decent work among their members and Syrian refugees. They have implemented cash for work programmes and promoted joint ventures between Jordanians and Syrians. With the support of the ILO and partners such as ACTED, My.Coop training tool was adapted to the Jordanian and refugee contexts, and training was conducted with eight select cooperatives.⁴²

Host community cooperatives recruiting displaced persons as workers

Host community cooperatives may go beyond providing services to the displaced and actually recruit them as workers. For example, as of 2017, Camelot in Italy employed 200 people, 20 per cent of whom were migrants.⁴³

Host community cooperatives including displaced persons as members

For example, the Regina Community Clinic is a consumer cooperative in Saskatchewan, Canada, that acts as a primary health service provider giving diagnosis and treatment, disease prevention and patient education. Its members provide input on the policy and direction of the clinic. They have been providing care to refugees who are their members since 2004, and the refugee population represents around 20 per cent of the clinic's patients.

⁴¹ ILO Regional Office for Arab States: Work permits and employment of Syrian refugees in Jordan (2017).

⁴² ILO: "My.Coop – Building capacity of cooperatives towards involving Syrian refugees and Jordanian farmers in agricultural value chains", in *ILO News* (29 Nov. 2018). https://www.ilo.org/global/topics/cooperatives/news/WCMS_651756/lang--en/index.htm.

⁴³ A. Voinea: "Taking steps to meet the long-term needs of refugees", in *COOP News* (20 Oct. 2017). https://www.thenews.coop/122486/sector/taking-steps-meet-long-term-needs-refugees/.

Host community providing capacity building and training for displaced persons to set up their own cooperatives

For example, UCA is the apex organization for cooperatives in Uganda. It plays a key bridging role between the Ugandan government and regional and local cooperatives, as well as arbitrating conflicts within the cooperative movement. It is working to create production, marketing and financial services for cooperatives to improve household incomes. Five farmer groups have formally registered as agricultural cooperatives through these efforts thus far. UCA offers training and guidance on cooperative creation, and it supports its members by providing various services such as finance, organized production and produce bulking, collective processing and marketing.

Displaced persons forming cooperatives to provide services for themselves or host community

Cooperatives serving their members: In Uganda, MOBAN offers fixed deposit accounts with a 12 per cent yearly interest rate and gives out loans to members. It also intends to start offering remittance services as soon as it can secure enough capital to begin.

Cooperatives serving communities more broadly: New Roots is an agricultural producer cooperative in Maine, United States, started by four Somali refugees. They sell their produce at farmers and wholesale markets, and have a seasonal Community Supported Agriculture (CSA) programme for which locals can register. Hope is a kindergarten cooperative in Kenitra, Morocco, started by eight Yemeni refugees. It serves both the displaced and host communities: 25 Moroccan and Yemeni children attend the school, and it is staffed by local Moroccan people.

Refugees to Refugees (R2R) Solidarity Call Center in Greece, fills a vital information gap by providing translated logistical information to refugees arriving in Greece. The cooperative call centre is run by and for refugees, answering calls and translating between actors. The call centre assists both refugees and allies. Ramez Shame, a founder of R2R and a refugee from Egypt, describes one such incident:

"An Italian volunteer in a refugee camp called saying the refugee he wanted to help did not speak English and that he did not speak Arabic. He said, 'I want him to explain to me what he is feeling in his mouth, because I want to get him to a clinic for dental care.' I asked him to put me on speakerphone, and I started to translate between them. It was like I was there in the camp, but I was here in the office. And that night, he asked me to come to the clinic to help translate for his dental work, and so I went, and we got it taken care of." 44

⁴⁴ M. Molina: "A call center run by refugees fills a void in Greece", in Waging Nonviolence: People Powered News & Analysis (3 Jan. 2017). https://wagingnonviolence.org/2017/01/refugee-call-center-cooperative-greece/.

Displaced and host communities organized into cooperatives by an international organization to provide goods and services for themselves or the host community

For example, SADA Women's Cooperative in Turkey was established by UN Women, ILO and the Association for Solidarity with Asylum Seekers and Migrants (ASAM). It has Syrian, Turkish and Afghan members and hopes to implement three different work streams based on a market analysis: shoe manufacturing, textiles and packaging local food products.⁴⁵ It also plans to partner with local actors in innovative ways, such as catering for local organizations in Gaziantep and designing a custom bag with the local university.

Returning displaced populations rebuilding their own communities

By rebuilding businesses, homes and infrastructure through cooperatives, returning populations can facilitate reconciliation, create jobs and access essential services and training. For example, the Cooperativa Agricola Insieme in Bratunac, Bosnia and Herzegovina, has allowed many refugees to return home in the aftermath of the Bosnian War, making Bratunac the area with the highest number of returnees (30 per cent). The worker cooperative is restoring a sustainable local economy while overcoming divisions created by war through values of peace and by working together.⁴⁶

As in Bosnia and Herzegovina, cooperatives in Rwanda have also played an important role in reconciliation following the Rwandan genocide. Abahuzamugambi is a coffee cooperative in Rwanda that has brought back work, small businesses and hope to the Maraba district by bridging both sides of the divide.⁴⁷ ActionAid has supported 345 cooperatives with 1,000 survivors of the genocide since 1997. One member of a recently formed cooperative says of a fellow member:

"Her husband killed my father. Many witnesses came forward and testified against him in the community court and he admitted it... But I have learned to forgive – even after losing my father, husband and others. It's been a difficult process, but whatever happened has happened. We have to live with those that remain. The cooperative is a good way to help us do that." 48

The groups help people share their experiences, strengthen social cohesion and improve their income as they look towards the future and heal.

⁴⁵ ILO: "Procedures initiated to establish SADA women's cooperative", in *ILO News* (29 Mar. 2019). https://www.ilo.org/ankara/news/WCMS_680334/lang--en/index.htm.

⁴⁶ Cooperatives Europe (2019).

⁴⁷ B. Gonzalez: "Rwandan cooperative shows reconciliation needed to draw refugees home", in *UNHCR News* (8 Feb. 2006). https://www.unhcr.org/en-us/news/latest/2006/2/43ea0ced4/rwandan-cooperative-shows-reconciliation-needed-draw-refugees-home.html.

⁴⁸ N. Bhalla: "Rwanda's genocide survivors find reconciliation, income in women's cooperatives", Thomas Reuters Foundation (12 Apr. 2019). https://www.reuters.com/article/us-rwanda-genocide-women-feature/rwandas-genocide-survivors-find-reconciliation-income-in-womens-cooperatives-idUSKCN1RO1SM.

3.3.1 Emerging trends

As community-led and needs-based institutions, cooperatives have adapted to their various contexts in creative ways. Some examples of emerging trends in the ways that cooperatives are being used with displaced populations are summarized here.

The use of cooperatives in new sectors

- ▶ Culinary and catering industry: Mera Kitchen Collective in the USA, highlights the culinary expertise of its refugee members. <u>Eat Offbeat</u> is a catering SSEO in New York, United States, providing homestyle traditional recipes prepared by its team of eight refugee and immigrant chefs.
- ▶ Film: The Refugee Directors' Cooperative in Montana, United States, brings together refugees from Eritrea, Syria, Iraq and the Democratic Republic of Congo interested in documentary filmmaking. They work together to create self-directed stories to share with the public.
- ▶ Housing: WELCOMMON Hostel, a project of the social cooperative Anemos Ananeosis ("Winds of Renewal") in Greece, combines sustainable tourism with social and cultural activities and job integration for host and displaced communities. Originally temporarily housing refugees, they have since turned into a more traditional hostel catering to tourists.

Cooperatives and SSEOS for and/or by women

Research has shown that there are strong links between women's involvement in cooperatives and poverty reduction. Women report that cooperative membership increases shared care-giving and their decision-making power in their household and community. Benefits mentioned fall into three categories: access to employment; improved conditions of work; social benefits such as respect recognition, and confidence to take on leadership roles. Within the cooperative sector there is a growing attention to gender issues, a progression of women into leadership roles and an increase in number of women-owned cooperatives.⁴⁹ The Kalandia Camp Women's Handicraft Cooperative is the oldest women's society established and formally registered by Palestinian refugees in the West Bank. Its mission to financially empower Palestinian women remains unchanged decades later.⁵⁰

Six women in Irbid, Jordan, have started a sweet manufacturing business with help from the ILO. After a change in Jordanian law in 2018 that allowed refugees to run their own home-based businesses, four Syrian and two Jordanian women began making cookies, cakes and biscuits that they sell to people all over Jordan. They have even been approached by people in Kuwait and Turkey who are interested in buying their products. They have also built a relationship with a local sweet manufacturer, Abeedo; the women's

⁴⁹ ILO: Advancing gender equality: The co-operative way (2015).

⁵⁰ S. Freitekh: "A lifetime as a refugee: Empowering women in Qalandia Camp", in *The Elders* (26 Aug 2009). https://theelders.org/news/lifetime-refugee-empowering-women-qalandia-camp.

kitchen acts as an additional product line for the company which provides them with regular income and training when needed. They are currently producing about 50 boxes of sweets a day and estimate they can expand to employ about 20 more women. This women-run social enterprise sets an example, as women generally are curtailed from working outside the home on account of family reservations. An all-women space helps overcome some of these concerns. Jordan has the lowest female labour force participation in the world for a country not at war.⁵¹ In 2018, the labour force participation rate for women older than fifteen was 14 per cent. Of the 120,000 work permits issued to Syrian refugees since 2016 in Jordan, only 5 per cent are for women.⁵²

Cooperatives being contracted by organizations and enterprises

Gaziantep, Turkey is a hub for international aid and development agencies and SADA Women's Cooperative plans to approach these agencies to get catering contracts for their events.

Cultural sensitization and mediation projects

MCHB acts as a cultural broker by helping newcomers navigate the Canadian health system, taking a holistic and comprehensive view of health. It provides intensive and deliberate support to help families acquire the skills and confidence necessary to navigate the systems themselves. Abecedario is a course by the In Migrazione cooperative in Rome, Italy, that uses games, music, dance and art to facilitate language learning. The expressive workshops are designed to involve the whole person and build community ties; Italian is passed on through informal conversation.⁵³ AtayaApp by Cooperativa Ruah is an Italian language learning programme, aimed at illiterate migrants. It is designed for those who cannot attend Italian courses for psychological, geographical or logistical reasons.

3.4 Key characteristics of successful pathways

This section describes some of the key characteristics of successful engagement of cooperatives in displacement contexts, drawing heavily from consultation feedback and complemented by findings from the literature review. The narrative starts with a description of the overall benefits that arise from successful pathways, followed by a description of operational insights, the role of international and supporting institutions, and challenges that may arise from the cooperative approach.

3.4.1 Roles of cooperatives in displacement contexts

⁵¹ World Bank: *Hashemite Kingdom of Jordan: Understanding how gender norms in MNA impact female employment outcomes* (2018). http://documents.worldbank.org/curated/en/859411541448063088/pdf/ACS25170-PUBLIC-FULL-REPORT-Jordan-Social-Norms-June-1-2018-with-titlepg.pdf.

⁵² L. Carlisle: "Syrian refugee and Jordanian women develop home-based sweet business in Irbid", *UNHCR* (7 Mar. 2019). https://www.unhcr.org/jo/11364-syrian-refugee-and-jordanian-women-develop-home-based-sweet-business-in-irbid.html.

⁵³ ANSA: "Refugees in Rome learn Italian with action painting", in INFOMIGRANTS (2 Jan. 2018). https://www.infomigrants.net/en/post/6801/refugees-in-rome-learn-italian-with-action-painting.

Cooperatives play a variety of roles in displacement contexts, providing not only practical services that allow economic and human development, but also fulfilling social capacities and peacebuilding functions. Importantly, many cooperatives work across both categories and can leverage an integrated response to provide a combination of mutually reinforcing benefits to those involved.

Table 2: Role of cooperatives in displacement

Economic and human development

- Access to goods and services: provision of care services – health, education, child care
- Access to employment: job creation and hiring of displaced persons; vocational and skills training
- Income-generating activities: job creation; professional development; access to markets; strengthened bargaining and purchasing power
- Access to financing: micro-credit provision; risk mitigation through microinsurance
- Knowledge exchange: education on host economic system to maximize business impact; education on host civic system – how to apply for and obtain permits

Social capacities and peacebuilding

- Social capacities: networking; problem-solving; collaboration; solidarity; trust; community involvement
- Empowerment and gender equality: economic independence through savings and loans; skills training; knowledge exchange; solidarity; leadership; increased bargaining power
- Peacebuilding: reconciliation and mediation; cultural sensitization and mediation; provision of advice and counselling; vehicle through which to better understand and address differences; stability – solid governance/management structure and strong values and principless

3.4.2 Benefits of cooperatives for displaced persons and host communities

The literature and those working with cooperatives both highlighted a variety of ways in which cooperatives can specifically address the needs of displaced persons and host communities, bringing a wide range of benefits. This section distils some of the key messages from consultations. Words presented in bold highlight specific characteristics or benefits that were raised during consultations.

While cooperatives play a very important practical role providing access to jobs and income generation, their social and peacebuilding benefits are paramount. This was a message that was consistently highlighted during consultations – the benefits of cooperatives, particularly for displaced person and host communities, are grounded in their ability to combine access to goods, services and income generation within a strong social and solidarity framework. Cooperatives not only provide for practical needs, but through cooperation, members are able to access training and services, and can also lobby for more strategic needs through their collective voice. This is particularly critical in the context of displacement, where social capacities, solidarity, trust, problem-solving, psychosocial support and peacebuilding, both with the displaced persons as well as host communities, are strongly required.

As people-centred businesses, cooperatives provide access to goods and services that displaced persons need, and which are not always readily available through other means. The literature and consultations both highlight the key role that cooperatives can play in economic and human development. The economic benefits of cooperatives generated through livelihood activities, savings, employment and access to finance/insurance all play a key role in ensuring that displaced populations can access these critical and practical resources. Health and education components of cooperatives can also play an important role in ensuring that displaced populations have access to these services.

Different from economic migrants, displaced persons need integrated responses including livelihoods, health and child-care services and psychological assistance. Cooperatives, especially social cooperatives, have developed integrated practices suited to the needs of the displaced. The ability to provide a multi-sector and integrated approach is critical for building self-reliance.

Collective action helps to advance agency and resilience among those affected. In addition to providing an integrated response, cooperatives are also differentiated in that they work through collective action. Consultation feedback highlighted numerous points related to the importance of collective action: 1) agency – displaced persons feel they have the ability to work collectively to solve problems, which in turn leads to increased feelings of empowerment and autonomy; 2) the democratic nature of cooperatives restores people's voice; and 3) solidarity and psycho-social support fostered through collective action and mutual support build social capacities and self-reliance/self-sufficiency.

Cooperatives are community based and sustainable. Displacement sends everything into flux. Families that are displaced, as well as host families, must be highly adaptable and have to face a wide range of needs depending on their specific circumstances. Cooperatives are uniquely designed to address these needs because they are locally owned and needs-based, and therefore can be responsive and flexible to a range of specific needs that are regularly fluctuating. As a result, they can be a sustainable intervention – they take a long-term focus and can bridge the phases of a crisis from emergency response to longer term development.

The fact that cooperatives are well grounded in local communities and devise a joint response to common needs makes it easier for them to be accepted by the host communities fostering inter-communal peace. Consultations highlighted a range of points in support of the ability of cooperatives to foster peacebuilding. Cooperatives promote integration and they are inclusive. They can increase contact between different groups, break down barriers, create dialogue and bring about greater cultural sensitivity. As a result, cooperatives can build social cohesion, both within and between groups, a critical component of rebuilding the social fabric for recovery.

3.4.3 Operational insights

Consultations around key operational priorities or characteristics that allow cooperatives and other SSEOs to thrive (for example, facilitate replication, autonomy and self-sufficiency) clustered around three key themes: the legal and policy environment, the governance and management structure, and the importance of cooperative principles and values.

Legal and policy environment

Cooperatives can only do so much if they are not recognized within the legal framework and allowed to take part in the formal economy. Having an institutional structure that is legally recognized can help in accessing training, financing, and so on. The ability of cooperatives to replicate, grow and become self-sufficient fundamentally relies on formal legal recognition so that cooperative members can access land, jobs and finance. It is also critical to ensure that working conditions are maintained to protect worker rights. Developing the cooperative, finding entry points for joint action and practicing collaboration for some time before registration is important to ensure maturity and strength of the cooperative before establishing legal status.

It was also highlighted that advocacy for legal integration needs to be undertaken with caution particularly in the context of refugees. Most governments are still very hesitant to fully integrate refugee populations; the support behind integration is still very recent. More work is required to demonstrate that cooperatives can improve local economic development.

Specific recommendations from consultation included: providing cooperatives with their own tax designation; ensuring that legislation protects the autonomy of cooperatives; establishing an apex body that is well versed with the legal and policy environment that will be alert to proposed changes in order to lobby for or against these changes depending on how they affect cooperatives; advocating for policy development that allows for emerging global trends such as information technology, e-commerce, inclusivity for all and appropriate technologies.

Governance and management structure

The governance structure of the cooperative must be very clear, democratic and participatory. Trust is at the core of a successful cooperative, and a poor governance structure, or power capture by management, will break down trust and compromise the stability of the cooperative. Importantly, everyone needs to know their role for the system to work.

Cooperative principles and values

Related to the above, consultation feedback consistently highlighted the importance of strong cooperative principles and values being embedded in the cooperative. Solidarity, working together and a strong focus on member needs were all highlighted as core characteristics of cooperatives that thrive.

The intermediary ecosystem of supporting organizations can play a key role in bringing together and strengthening locally led cooperatives, providing a bridge between macrolevel legal and policy frameworks, and cooperative governance structures and values.

A case study review by Cooperatives Europe highlighted key characteristics of cooperatives that are effective at peace building, specifically, and therefore highly relevant as operational priorities. First, the cooperative should be supporting activities that already have links or a base in the community. Second, cooperatives should pursue their goals by prioritizing and linking both economic and social objectives. This creates the right conditions for social unity and peacebuilding; by addressing the issues holistically they are addressing structural injustices that cause conflict rather than merely providing short-term responses that only cover the symptoms of conflict. And third, to maximize their potential as bridging institutions, cooperatives should have mixed membership of host communities and displaced persons. This, along with the process of pursuing shared economic goals, can be critical to integration between groups.⁵⁴

3.4.4 Role of international and supporting institutions

Consultation for this research specifically focused on the role of international organizations in supporting the cooperative ecosystem. However, the support of a whole range of institutions – local, national, regional and international – is required. Therefore, while this section provides more detailed feedback on the role of international agencies, it

⁵⁴ Cooperatives Europe (2019).

also highlights examples of the ways in which other types of institutions have provided support.

Feedback consistently highlighted that the role of international agencies is to listen to local demand and find ways to support the goals and needs expressed. Multiple consultees mentioned that international agencies can be helpful, but can also impact negatively on the cooperative ecosystem, by using a top-down approach that seeks to replicate and scale cooperatives rather than allowing them to grow organically. There is a high risk that international agencies and large amounts of funding can undermine the organic growth process for cooperatives.

As such, it is critical that international agencies focus on value addition, partnering with and supporting local institutions and cooperatives rather than driving the process. International agencies should take a bottom-up approach that is context-based and adheres to "do no harm" principles. Greater support should be given to local agencies, and fewer international ones, with a strong focus on building local capacity and strengthening local partnerships. The areas where international agencies can best add value include:

- providing a coordination and sensitization role;
- increasing visibility on the potential role of cooperatives and facilitating learning;
- building organizational capacity of local actors, as well as apex bodies and members;
 and
- ▶ creating new opportunities for cooperatives including through research, business incubators, financing and creating market links.

A range of institutions play a critical role in supporting cooperatives to grow and develop. Many cooperatives grow organically, and supporting organizations can play a catalytic role, bringing structure and scale to what would otherwise be fragmented and unsustainable local cooperative organizations. Supporting organizations can also play a key role in providing knowledge and technical capacity on cooperative governance.

At a local level, non-governmental organizations (NGOs) can help to facilitate market access, integration and business partnerships. For example, Souk el Tayeb (described above) offered market space to Soufra, a catering organization started and run by refugee women from a nearby camp. Local cooperatives can provide important business partnerships and knowledge exchange. At a national level, national cooperative bodies can provide important capacity functions for local cooperatives. For example, the UCA advocates at the national level and helps local cooperatives get the support and capacity-building they need.

Many cooperatives thrive when a range of partners across the micro, meso and macro levels collaborate with each other. For example, SADA in Turkey, a mixed membership cooperative, was started through a partnership between UN Women, the ILO, national government (cooperatives directorate of the Ministry of Customs and Trade) and Turkish social cooperatives. SADA is now also partnering with local organizations and a local

university. The Somali dairy cooperative in Ethiopia partners with UNHCR, local herders, and the local host community to sell its pasteurized milk.

MADE51 is a project partnership between UNHCR, social enterprises, cooperatives and artisans that markets refugee crafts at a global scale. By partnering with local social enterprises and with the support of strategic partners who focus on impact measurement and logistics, among other key activities, MADE51 offers artisans a way to rebuild livelihoods and re-establish independence by sustaining artistic traditions and preserving culture. The social enterprises partner with the refugees locally and then promote their collections through MADE51's website. The initiative currently has 13 social enterprise partners working in ten countries, namely Burkina Faso, Egypt, Kenya, Tanzania, Rwanda, Jordan, Lebanon, Afghanistan, Pakistan and Malaysia. There will soon be partners from Thailand, Israel, India, South Sudan and Turkey.

3.4.5 Challenges to cooperatives and SSEOs operating in displacement contexts

While cooperatives provide a wide range of benefits in displaced contexts, they can also face significant barriers and challenges. It is critical to understand and address these challenges so that cooperatives can continue to grow and thrive.

One of the most significant barriers is the conduciveness of the enabling environment, particularly for refugees who have crossed international borders and are therefore subject to the regulatory structure of a new country, which may not be supportive of resettling refugees. Beyond the legal requirements, a wider ecosystem of intermediary organizations that can support cooperatives and their undertakings may be nascent, and small and medium enterprises (SME) support may require repurposing to expand their services to include cooperatives and SSEOs.

On a related point, there can be a distrust of cooperatives, where their past misuses of cooperatives by state authorities and/or political parties has undermined their effective function. Further, failure of cooperatives in the past due to a lack of knowledge on legal requirements, and in management and governance of cooperatives, has contributed to negative perceptions of cooperatives across regions in general, and in the Middle East and North Africa regions in particular.

Refugee response and host community support often do not consider cooperatives/SSEOs among beneficiary institutions for credit and funding. This lack of funding can result in initiatives that struggle to grow and sustain their activities. For example, WELCOMMON hostel in Greece is struggling to pay for itself, resulting in a deficit for its first year of activity. Unfortunately, the hostel and programme management are proving expensive and the cooperative is struggling to pay rent, facing potential closure.⁵⁵ Furthermore, the short-term cycle for funding in humanitarian contexts can undermine efforts to invest in cooperatives, compromising their sustainability.

⁵⁵ A. Voinea: "Former refugee hostel Welcommon facing closure", in *Coop News* (12 June 2019).

The role of international organizations and external actors can also undermine the successful growth of cooperatives, as described previously. It is essential that cooperatives be locally owned and led. In addition, during consultation, several people pointed out that in some cases where international organizations have offered financial and material incentives for cooperatives to form, the trust-building and solidarity that is inherent to cooperatives was undermined, and also that numerous "fake" cooperatives have formed in order to access these financial and other material incentives.

Finally, even where the ecosystem is supportive and conducive to the formation of cooperatives and other SSEOs, displaced persons can struggle to engage with cooperatives from a fundamental perspective. On the one hand, one of the key benefits of cooperatives with displaced populations is that they can help to rebuild trust and conflict resolution. On the other hand, however, these same basic elements can present a barrier, as displaced persons often struggle significantly with trust and solidarity after everything they have witnessed. Preparatory trust-building work is often critical as a precursor to successful engagement in cooperative structures. This has important implications for the implementation of cooperatives and the challenge of ensuring that external efforts to invest in the cooperative ecosystem do not try to rush a process that relies on rebuilding trust. Therefore, any cooperative engagement with displaced populations needs to take the time to build trust among the displaced and host communities.

4. Lessons learned and next steps

4.1 Lessons learned

This section consolidates the evidence presented above into overarching lessons learned and key themes that came out of the review.

Cooperatives are uniquely placed to support displaced persons and host populations. Displacement brings a wide variety of challenges, including practical concerns related to basic services and income generation, as well as social concerns including a loss of social cohesion, a breakdown in trust, and a strong need for psycho-social support and peacebuilding. Cooperatives can combine activities that support economic and human capital development, alongside a strong focus on self-help and collective action that addresses a range of needs through an integrated and flexible approach. By placing an emphasis on ownership, solidarity and trust, cooperatives build confidence to adapt and seek out solutions through mutual support. As a result, cooperatives are particularly well suited to building the resilience of those affected – both displaced and host – to address the many, and often changing, challenges that face them. Further, cooperatives offer an opportunity to address loss of social cohesion that sits at the root of displacement, by building trust and breaking down cultural barriers.

This does not suggest that cooperatives are a panacea. Certainly, they are one part of a solution for a very complex set of drivers and conditions. Importantly, cooperatives should not be expected to assume the role of the state in the provision of goods and services. Rather, "the formula is more like that of tens of thousands of initiatives, big and small, public and private, some more successful than others, converging together in partnership towards creating a critical mass that reaches a tipping point."⁵⁶

Structure matters. Good governance and management of cooperatives that are locally owned and democratic is fundamental to the success of these organizations. Strong cooperative values are also radically important, as they support a structure that focuses on member needs and working together. Some evidence suggests that cooperatives work best when there is already a culture of cooperation, and hence where they can grow organically. Legal and policy structures also play a critical role in the ability of cooperatives to grow. Bringing informal groups into the formal economy can provide access to land, work permits, markets and other resources that allow these groups to thrive.

The key role of international agencies in supporting cooperatives is to listen to local demand and find ways to support the goals and needs expressed; otherwise, they run the risk of driving an external process that tries to scale cooperatives too quickly. International agencies have a key role to play in building the cooperative ecosystem. However, it was

⁵⁶ S. Esim: "Cooperatives, resilience to crises", *ILO Newsroom*, interview originally published in *Efsyn Magazine* in Greek (12 Dec. 2016). https://www.ilo.org/global/about-the-ilo/newsroom/ilo-in-the-media/WCMS_538200/lang-en/index.htm.

consistently noted that efforts to scale cooperatives too quickly can curtail their natural progression, corrupting the inherent practices that allow these groups to be so effective. Furthermore, where agencies have provided external incentives for cooperatives to form, the cooperative ecosystem has focused on attaining these incentives, without a strong focus on the social processes that are so critical. However, international agencies can drive forward progress on systems-level work, helping to ensure a conducive political and legal framework, supporting with technical capacity and playing coordinating roles to ensure that cooperatives can thrive. A strong intermediary ecosystem of supporting organizations is critical at a meso level to provide a bridge between macro-level legal and policy frameworks and cooperative governance structures and values.

The ability of cooperatives to replicate, grow and become self-sufficient fundamentally relies on formal legal recognition; however, this does not negate the very powerful social and solidarity benefits that can arise even when cooperation is at a more informal level, such as in SHGs. The key strength of cooperatives lies in their ability to combine economic and social capacity building. The economic strengthening that arises through job creation and income generation ultimately relies on a strong legal and policy framework that allows cooperatives to become formalized. However, even in places without this framework, the social and economic benefits of cooperatives can still be achieved and play a transformative role in building social cohesion and problem solving through collective action. The principles of self-help – including mutualism, cooperation and collective action – can play a more significant role than institutional affiliation and registration.

Cooperatives should be seen as development partners by local and national governments, the private sector, as well as the UN and other international agencies. Their democratic nature, collective ownership model and focus on self-help creates a unique vehicle for empowerment. Engaging with cooperatives as equals, and focusing on what they have to offer as opposed to what they lack, is a powerful statement in its own right and further empowers communities. Though local capacity may vary depending on context, cooperatives have the potential to move people from being passive recipients of aid to agents advocating for themselves and their own agenda. Partnering with and contracting them directly shows a commitment from the international community towards supporting local organizations.

Cooperatives are highly contextual, responding to myriad different needs in different ways, and programming should reflect this. As highlighted above, where international funds seek to create cooperatives at scale, the process can be compromised. Cooperatives are set up rapidly and not allowed to grow organically; they are established to achieve certain objectives rather than allowing them to be responsive to need; they are established from the outside using external incentives. Further, evidence suggests that new cooperatives may be ineffective, particularly in the early stages of a crisis, as they are not as stable and have not had a chance to build up a store of social capital and solidarity. The notion that "working through cooperatives automatically creates the right conditions for peace cannot be taken for granted as there are inevitably certain conditions that need to be in place to

be effective peacebuilding actors. Havers (2007) argues that this is best achieved by supporting activities that already have social links or a base in the given community, such as the existing cooperative infrastructure".⁵⁷ Local cooperative federations in the host communities can provide advice, governance and management support for refugee-related cooperatives and can be a key entry point for engagement. In order to achieve that, such local cooperative institutions need to be oriented and activated towards that end.

4.2 Next steps

Based on the research presented above, the following steps are recommended to further the development of the use of cooperatives and other SSEOs in displacement contexts. These next steps present a range of potential ideas for deepening understanding of the important role that cooperatives and SSEOs may play in displacement, as well as supporting their growth.

Build a community of practice

The research undertaken for this report clearly indicates that the use of cooperatives and other SSEOs in displacement is increasing and can bring about significant benefits. However, documentation of the role of cooperatives in displacement, particularly in developing countries, as well as the strengths and challenges faced, is relatively nascent. Further, given the fundamental importance of ensuring that cooperatives are locally led, a critical first recommendation is to begin to build a Community of Practice (CoP) for those working on cooperatives and refugees. While this report offers initial ideas for next steps, these really should be driven by cooperative members and their supporting intermediary institutions, through much more in-depth and direct consultation.

- ▶ Facilitate workshops with cooperative members and intermediary organizations from a range of contexts and countries to find out, in their own experiences, how the cooperative ecosystem can thrive, what barriers they face and what they would recommend as next steps for this CoP on cooperatives and refugees. These workshops may be global, and/or may be run in a series of regional or country-specific workshops to allow for greater representation and depth of experiences. The findings from these workshops could be used to direct future investment and activities to priority areas as identified by the cooperative members.
- ▶ Invest in a knowledge platform for ongoing sharing of resources. This CoP could further be strengthened by creating a knowledge platform where cooperative members and supporting institutions can access and upload case studies, relevant research, good practices, and so forth. This may require the formation of a secretariat that can oversee the management of this platform and ensure its effective use.

⁵⁷ Cooperatives Europe (2019), p. 21.

▶ Adapt relevant ILO tools, capacity building and training services on cooperatives to be fit for purpose for cooperatives operating in displacement contexts, addressing their specific needs. This should be done in close collaboration with local cooperative and SME support organizations. This can be a critical practical measure to support the CoP, and can be disseminated via the knowledge platform, to provide support to strengthen those already working with cooperatives or seeking to do so. Annex C contains a list of training materials.

Raise awareness on the role of cooperatives in displacement

There is relatively little visibility on the unique role that cooperatives can play in displacement contexts. It is broadly perceived that cooperatives can contribute to economic strengthening as well as helping refugees find access to other goods and services. However, few are aware of the key role that cooperatives can play in building social capacities, collective action and peacebuilding. Even more so, growing evidence shows that these social outcomes can play a catalytic role in building resilience, therefore raising awareness around the role of cooperatives in displacement is timely and strategic.

▶ Develop a series of policy briefs, case studies, articles, and other media placements that could help to draw attention to the role of cooperatives in displacement. This research has highlighted compelling examples of the ways in which cooperatives are seeking to assist displaced persons, as well as the ways in which displaced persons themselves are creating cooperatives that are contributing to local economies. Further, ongoing research can provide targeted policy briefs on different themes targeted at implementing organizations, funders, and/or host country governments.

Invest in Further Research

The role of cooperatives in displacement is relatively understudied. Investing in further research is key not only to raising awareness of the potential impact that cooperatives could have as an effective strategy for displaced populations, but also to ensuring that investment in programming is effective and sustainable.

▶ Conduct further research on the role of SHGs and social enterprises in displacement contexts. As highlighted in this research, despite a concerted effort to gather more data on the role of SSEOs that are not cooperatives in displacement, very little was found. And yet, anecdotally, SHGs and social enterprises are among the types of SSEOs that are being used increasingly in displacement contexts, especially those where formalization is less likely. Further, initial evidence indicates that the benefits of working collectively in a cooperative can help to advance agency and resilience among displaced persons. Because these groups are informal, they are not as visible. A review of the role of SHGs and social enterprises would be useful to better understand the social and solidarity benefits that they may bring. A methodological approach that involves several country case studies to undertake more in-depth research may help to fill this gap.

- ► Conduct further research on the role of cooperatives in internal displacement. The vast majority of research seems to arise from refugee contexts, with many cooperative examples coming from countries that host refugees, such as Italy, Jordan and Lebanon. There is a gap in the knowledge base around the role that cooperatives may play in contexts where people are internally displaced.
- ▶ Conduct further research on the economics of refugee cooperatives. One of the largest barriers to effective integration of refugees into host countries is restrictive government policy on integration. Further evidence on the economic impact of refugee cooperatives on local economies, for example, the Kakuma market integration study in Northern Kenya,⁵⁸ could help to build the case for legal recognition of refugee cooperatives.
- ▶ Conduct further research on the role of cooperatives for women's empowerment and gender equality in the context of displacement. Funding towards gender equality and the empowerment of women and girls in displacement has not measured up to requirements. Cooperatives, SHGs, and other types of SSEOs may offer an entry point for engaging with women and finding ways to support them through self-help, mutualism and economic empowerment. Further research is needed on the ways in which cooperatives and other SSEOs can specifically support gender equality and women's empowerment in displacement contexts.

⁵⁸ A. Sanghi, H. Onder and V. Vemuru: Yes in My Backyard? The economics of refugees and their social dynamics in Kakuma Kenya, World Bank and UNHCR (2016).

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Annex A. Compendium of Case Studies⁵⁹

Abahuzamugambi, Rwanda

Year started: 1999 Type: Producer Membership: Returnees

Short Description: Abahuzamugambi is an award-winning coffee cooperative in Rwanda with about 2,000 members, half of whom are women. It brings together members from both sides of the 1994 Rwandan genocide and is helping to rebuild communities in Maraba district. Their coffee is Fair Trade certified and sold on both the local and international markets. Seventy per cent of the coffee revenue is shared among members; 30 per cent is invested in the cooperative.⁶⁰ They own a lot of the infrastructure necessary for quality control on their product, most notably coffee washing stations. With help from the nongovernmental organization (NGO) Project Pearl, they opened their own banking branch to offer members banking services. They provide training and medical insurance for their members and academic scholarships for their members' children. They are organized through a board and a farmer general assembly which comprises all members.

Akeza Karigura Cooperative, Rwanda

Year started: 2017 **Type**: Worker **Membership**: Displaced persons

Short Description: Akeza Karigura Cooperative was started by <u>Indego Africa</u>, an SSEO that provides vocational training to artisan women and youth in Ghana and Rwanda. Fifty Burundian refugee women living in Mahama Refugee camp in Rwanda received the SSEO's vocational and educational training and were inspired to start their own cooperative. As they went through Indego's business training, they set up bank accounts with the income from selling their sweetgrass-woven products and came up with their own invoicing system for clients. Akeza collects monthly membership dues to subsidize the cost of maintaining the cooperative and purchasing supplies. Members cite the benefits of teamwork, conflict resolution skills and income-generating opportunities that is bringing them closer to becoming financially independent.⁶¹

⁵⁹ Information on the year started, cooperative type, and membership structure were not readily available for all case studies.

⁶⁰ B. Gonzalez: "Rwandan cooperative shows reconciliation needed to draw refugees home", in *UNHCR News* (8 Feb. 2006). https://www.unhcr.org/en-us/news/latest/2006/2/43ea0ced4/rwandan-cooperative-shows-reconciliation-needed-draw-refugees-home.html.

⁶¹ Indego Africa: "Training and teamwork led to amazing opportunities for these refugees", in *One* (24 Aug. 2017). https://www.one.org/us/blog/refugee-income-opportunity-rwanda/.

Hope, Morocco

Year started: 2016 Membership: Host and displaced persons

Short Description: Hope is a kindergarten cooperative in Kenitra, Morocco, started by eight Yemeni refugees. It serves both the displaced and host communities: 25 Moroccan and Yemeni children attend the school and it is staffed by local Moroccan people. It follows the Moroccan educational system. The partners hope to expand to include a primary and secondary school in the near future. It is the first refugee cooperative in Morocco, following the 2016 changes by the government that grant refugees the ability to establish their own cooperatives. Two more will follow suit shortly: a refugee-run Yemeni restaurant and a poultry meat-processing cooperative.⁶²

Anemos Ananeosis, Greece

Year started: 2014 Type: Social Membership: Host

Short Description: Anemos Ananeosis ("Winds of Renewal") is a social cooperative in Greece that originally developed a hostel to temporarily house refugees. Between October 2016 and February 2018, the hostel accommodated 600 refugees from 22 countries. WELCOMMON hostel has since turned into a more traditional hostel, deciding to cater to tourists once UNHCR began to focus more on individual housing for refugees and started cutting funding in 2018. It is still focused on social inclusion, combining sustainable tourism with social and cultural activities and job integration for Greeks, migrants and refugees. It offers a variety of programmes such as language classes, activities for refugee children, cooking classes, gardening and cultural visits.⁶³

Armadilla, Italy

Year started: 1984 Type: Social Membership: Host

Short Description: Armadilla is a social cooperative that focuses on providing humanitarian aid and collaborating on development projects with victims of the war in Syria and with Syrian refugees in Lebanon. They are based in Rome and work in humanitarian contexts, improve food security and sanitation, mother and child protection,

⁶² M. Bratkrajc: "Kindergarten becomes Morocco's first refugee cooperative", in *UNHCR* (7 May 2018). https://www.unhcr.org/news/stories/2018/5/5af029f14/kindergarten-becomes-moroccos-first-refugee-cooperative.html.

⁶³ A. Voinea: "Former refugee hostel Welcommon facing closure", in *COOP News* (12 June 2019). https://www.thenews.coop/139898/sector/community/former-refugee-hostel-welcommon-facing-closure/.

sustainable development, income generation and the environment. Though they have been focusing their energy on Syria and Lebanon, they also work in El Salvador, Mozambique, Nicaragua and Costa Rica.

Auxilium, Italy

Year started: 1999 Type: Social

Short Description: Auxilium is a social cooperative in Italy that works on health care, social care services and educational programmes. They have been managing immigrant and refugee reception centres since 2007, providing health care, psychological support, cultural mediation (interpretation and communication), legal counsel, food and cleaning services, Italian language training and religious support. The approach focuses on education and integration into the labour market. Integration is further promoted through workshops, projects, sports-related programmes and public events that involve the local host community.

Barikama, Italy

Year started: 2013 Type: Worker Membership: Displaced persons

Short Description: Barikama was started by a group of African refugees and migrants who were tired of the exploitative working conditions they faced in fruit picking. They banded together to form a small organic business that makes yogurt and grows vegetables.⁶⁴

Camelot, Italy

Year started: 1999 Type: Multi-stakeholder Membership: Host

Short Description: Camelot provides accommodation, intercultural mediation, language and civic trainings that give information on relevant Italian bureaucratic administration, after school and summer programmes for primary school children, and work trainings and job placement assistance to refugees arriving in Italy. Camelot's Integrated Services Centre for Immigration (CSII) raises awareness regarding integration and intercultural dialogue and provides advice and assistance relating to entry and residence in Italy for the displaced. As of 2016, Camelot has provided more than 3,400 hours of Italian courses as a second language in both primary and secondary schools in Ferrara and Bologna. They work on hosting and housing options for refugees and have developed a web platform

⁶⁴ U. Bacchi: "Organic yogurt wins migrants freedom from exploitation in Italy", *Reuters* (20 Feb. 2017). https://www.reuters.com/article/italy-migrants-farming-idUSL8N1FZ5XY.

called Vesta which allows citizens of Bologna to host refugees. Camelot also provides capacity building services: it is helping refugees set up cooperatives by providing training courses on cooperative principles and management. In Ferrara, Italy, three refugees set up a security service cooperative through the programme.⁶⁵

Cooperativa Agricola Insieme, Bosnia and Herzegovina

Year started: 2003 Type: Worker Membership: Returnees

Short Description: Cooperativa Agricola Insieme in Bratunac, Bosnia and Herzegovina, has allowed many refugees to return home in the aftermath of the Bosnian War, making Bratunac the area with the highest number of returnees (30 per cent). The cooperative is mostly made up of women who transform small berries grown by local families into jams and nectars. It employs about 500 families in the area, and the production line is set up to create as many jobs as possible: lids are closed manually; labels are attached by hand. Their work has gained the attention of larger consumer cooperatives in Italy who sell and promote the products. The cooperative is restoring a sustainable local economy while overcoming divisions created by war through values of peace and by working together. Cooperativa Agricola Insieme crucially provides continuous training and sustainability through its organic production and the high quality of their end product.⁶⁶

Cooperativa Ruah, Italy

Year started: 2009 Type: Social

Short Description: Cooperativa Ruah is a social cooperative in Bergamo that works in four primary areas of intervention: hospitality, culture, solidarity economy and asylum seekers and refugees. Their services include reception, employment of disadvantaged people, intercultural training interventions and accompanying migrants requesting international protection. They have developed an app, AtayaApp, which is an Italian language learning programme, aimed at illiterate migrants. It is designed for those who cannot attend Italian courses for psychological, geographical or logistical reasons.

⁶⁵ A. Voinea: "Taking steps to meet the long-term needs of refugees", in COOP News (20 Oct. 2017). https://www.thenews.coop/122486/sector/taking-steps-meet-long-term-needs-refugees/.

⁶⁶ Cooperatives Europe: Cooperatives and peace: Strengthening democracy, participation and trust. A case study approach. (2019).

In Migrazione, Italy

Year started: 2015 Type: Social Membership: Mixed

Short Description: In Migrazione is a cooperative in Rome whose mission is to welcome and support refugees and migrants in Italy. They have a range of projects which include Casa Benvenuto (a temporary housing solution that serves as a point of reception hosting 20 single, male asylum seekers), RifugiArti (a project that helps displaced persons express their artistic gifts and market them) and Abecedario (a course developed by the cooperative that uses games, music, dance and art to facilitate language learning. The expressive workshops are designed to involve the whole person and build community ties; Italian is passed on through informal conversation.⁶⁷).

Kalandia Camp Women's Handicraft Cooperative, Occupied Palestinian Territory

Year started: 1950s Type: Producer Membership: Displaced persons

Short Description: The Kalandia Camp Women's Handicraft Cooperative is the oldest women's society established and formally registered by Palestinian refugees in the West Bank. It has been active in the West Bank since the 1950s when a group of nine Palestinian women came together to eradicate women's illiteracy and improve their livelihoods. ⁶⁸Today, it provides refugee women with increased opportunities for economic, social, cultural and educational participation. It offers vocational training; projects to preserve Palestinian heritage; and production of sewing, quilting, dried foods and manufactured goods. In 1982, they built a kindergarten to receive refugee children in the area and, in 1986, they established a nursery so that working mothers could attend practical trainings.

Mera Kitchen Collective, United States

Year started: 2017 Type: Worker Membership: Mixed

Short Description: Mera Kitchen Collective in Baltimore, United States, is focused on empowering refugees and immigrants through food entrepreneurship by highlighting the culinary expertise of its refugee members through pop-up events, catering and cooking

⁶⁷ ANSA: "Refugees in Rome learn Italian with action painting", in *INFOMIGRANTS* (2 Jan. 2018). https://www.infomigrants.net/en/post/6801/refugees-in-rome-learn-italian-with-action-painting.

⁶⁸ S. Freitekh: "A lifetime as a refugee: Empowering women in Qalandia Camp" in The Elders (26 Aug. 2009). https://theelders.org/news/lifetime-refugee-empowering-women-qalandia-camp.

classes. Each event showcases the story and cuisine of a different chef, building self-expression and livelihoods for refugees.

MOBAN, Uganda

Year started: 2007 Type: Consumer Membership: Mixed

Short Description: Moral Brotherhood and Neighbourhood (MOBAN) started with 140 refugees of 12 different nationalities. They saved monthly to purchase and breed goats. As of 2017, the cooperative had 1,449 members (which include men, women, youth, savings groups and Village Savings and Loans Associations), of which 25 per cent were from the host community. Members are divided into groups that work on five specific objectives: peace education, livelihoods, mobilization and sensitization, mediation and leadership. MOBAN offers fixed deposit accounts with a 12 per cent yearly interest rate and gives out loans to members. It also has the intention to start offering remittance services as soon as it can secure enough capital to start. Total deposits amounted to around UGX 2 billion (about US\$ 540,000) at the end of 2017.⁶⁹

MCHB, Canada

Year started: 1994 Type: Social Membership: Mixed

Short Description: The <u>Multicultural Health Brokers Cooperative</u> (MCHB) act as cultural brokers by helping newcomers navigate the Canadian health system, taking a holistic and comprehensive view of health. They provide intensive and deliberate support to help families acquire the skills and confidence necessary to navigate the systems themselves. From 1994 to 2012, their budget grew from CA\$115,000 to CA\$2 million (from US\$ 88,000 to US\$ 1.5 million) and they expanded from twelve original Brokers to 54 in that same period. Many of the 75 members were immigrants or refugees themselves.

New Roots, United States

Year started: 2016 **Type**: Producer **Membership**: Displaced persons

Short Description: New Roots is an agricultural producer cooperative in Maine, Unites States, started by four Somali refugees. They sell their produce at farmers and wholesale markets and have a seasonal Community Supported Agriculture (CSA) programme for

⁶⁹ Microfinanza: Assessing the needs of refugees for financial and non-financial services – Uganda, Fondation Grameen Credit Agricole (GCAF), UNHCR and the Swedish International Development Cooperation Agency (Sida). https://www.unhcr.org/5bd01fab4.pdf.

which locals can register. Their cooperative has allowed them to settle, become socially integrated, make a living and exchange knowledge and culture with their new neighbours. The farmers are connected by their backgrounds, their shared struggles and common vision for the future. They are all graduates of Cultivating Community's New American Sustainable Agriculture Program (NASAP). New Roots is characterized by mutual ownership of farmland and equipment, and democratic decision-making about marketing produce and how to distribute surplus.

Refugee Directors' Cooperative, United States

Membership: Displaced persons

Short Description: Refugee Directors' Cooperative in Montana, United States, brings together refugees from Eritrea, Syria, Iraq and the Democratic Republic of Congo (DRC) interested in documentary filmmaking. They work together to create self-directed stories to share with the public.⁷⁰

Refugees to Refugees (R2R) Solidarity Call Center, Greece

Year started: 2017

Short Description: R2R Solidarity Call Center fills a vital information gap by providing translated logistical information to refugees arriving in Greece. The cooperative call centre is run by and for refugees, answering calls and translating between actors. They post details online in different languages about transportation, Greek residency and refugee legal rights in Greece and throughout Europe.

Regina Community Clinic, Canada

Year started: 2004 **Type:** Consumer **Membership:** Mixed

Short Description: The Regina Community Clinic is a primary health service provider that provides diagnosis and treatment, disease prevention and patient education. Its members provide input on the policy and direction of the clinic, and the refugee population represents approximately 20 per cent of the total clinic patient care.

⁷⁰ Tribeca Film Institute: The Refugee Directors' Cooperative. https://www.tfiny.org/filmmakers/detail/the-refugee directors cooperative.

SADA Women's Cooperative, Turkey

Year started: 2019 Membership: Mixed

Short Description: The SADA Women's Cooperative includes Syrian, Turkish and Afghan members and engages in a variety of business activities. Implemented by ILO, UN Women and the Association for Solidarity with Asylum Seekers and Migrants (ASAM), the cooperative is working across three different work streams: shoe manufacturing, textiles and packaging local food products. SADA has a board of eight members who meet weekly along with monthly meetings with all 50 members of the cooperative. They are conducting cooking classes⁷¹ and provide catering services.

Si Se Puede, United States

Year started: 2006 Type: Worker Membership: Displaced persons and migrants

Short Description: Si Se Puede is a cooperative established by migrant and refugee women in Brooklyn, New York, United States, that provides cleaning services for both residential and non-residential spaces. It has more than 100 members and works to provide social support and educational opportunities for all members.

Uganda Cooperative Alliance (UCA), Uganda

Year started: 1961

Short Description: <u>Uganda Cooperative Alliance</u> is the apex organization for cooperatives in Uganda. It plays a key bridging role between the Ugandan government and regional and local cooperatives, as well as arbitrating conflicts within the cooperative movement. It is working on production, marketing and financial services for cooperatives to improve household incomes. UCA offers training and guidance on cooperative creation, and it supports its members by providing various services such as finance, organized production and produce bulking, collective processing and marketing.

⁷¹ "SADA Women's Cooperative has been selected as one of the most successful 100 initiatives of the world", in United Nations Turkey Newsletter (2019). https://www.bmdergi.org/language/en/sada-womens-cooperative-has-been-selected-as-one-of-the-most-successful-100-initiatives-of-the-world/.

Unknown, Ethiopia

Year started: 2015 **Type**: Producer **Membership**: Displaced persons

Short Description: In the Melkadida refugee camp in Ethiopia, 20 Somali women established a dairy retail cooperative. They buy goat, cow and camel milk from local herders and then test, pasteurize, store and sell the milk back to the camp and the surrounding community. On a good day they can earn up to 540 Ethiopian Birr (about US\$18) which they put back into the business. They save some of the money, use some to buy goods they need and collect the rest in a fund which they give out to each member in turn. They are supported by UNHCR and the IKEA Foundation, among others.⁷²

Annex B. Consultation interviews

Name	Organization
Aida Awel	ILO Ethiopia
Yvonne Chiu	Multicultural Health Brokers Cooperative (MCHB)
Bilge Coban	ILO Turkey
Joe Connolly	Independent
Rasha El-Shurafa	ILO Occupied Palestinian Territories
Nicholas Grisewood	ILO Geneva
Giuseppe Guerini	CECOP-CICOPA Europe
Fatma Kaya	ILO Geneva
Jeffrey Moxom	International Co-operative Alliance (ICA)
Federico Negro	ILO Geneva
Arielle Romenteau	Cooperatives Europe
Samuel Sentumbwe	Uganda Cooperative Alliance (UCA)

⁷² D. Diaz: "Dairy start-up empowers Somali women refugees" UNHCR (8 Mar. 2017). https://www.unhcr.org/news/stories/2017/3/58b3f7d74/dairy-start-up-empowers-somali-women-refugees.html.

ANNEX C. Training materials

- ▶ My.COOP is a training programme on the management of agricultural cooperatives. It was developed in partnership with the ILO, Food and Agriculture Organization (FAO), the International Training Centre of the ILO, Agriterra, the Royal Tropical Institute and the Wageningen University and Research Centre. My.COOP was used by the ILO and ACTED in Jordan to build the capacity of host community cooperatives towards involving Syrian refugees in agricultural value chains.
- ► <u>Think.COOP</u> is a training module developed by the ILO to provide basic information on cooperatives for those interested in establishing or joining one. Think.Coop uses participatory and activity-based learning methodologies.
- ▶ <u>Start.COOP</u> is a training guide designed to take participants through four modules that correspond to each phase of the cooperative formation process. It is designed to increase a cooperative's chance of success by visualizing key decisions at each step. Start.Coop also uses participatory and activity-based learning methodologies. As of 2019, they are being used in refugee contexts in Jordan, Turkey and the Occupied Palestinian Territories.⁷³

⁷³ ILO: "Roll-out of Think.Coop and Start.Coop in the occupied Palestinian territory", in ILO News (27 June 2019). https://www.ilo.org/global/topics/cooperatives/news/WCMS_711856/lang--en/index.htm.