

## Concept Note

# Meeting on enhancing cooperation and trade between cooperatives and other SSE organizations for decent work

**Date:** 12 June 2018 09:00-17:00

**Location:** ILO Geneva, Room VI (R3 South), 4 route des Morillons, Entry building R2 North

## Background

As member-driven and people-centred organizations, cooperatives and other social and solidarity economy (SSE) enterprises and organizations play an important role in advancing productive and decent work.<sup>1</sup> These organizations are well-placed in contributing to the implementation and achievement of the Sustainable Development Goals (SDGs), including Goal 8 on decent work and economic growth. Through providing job opportunities and improving livelihoods, the cooperative model can support vulnerable segments of society such as unemployed youth, single female headed households, migrant workers, indigenous communities and people with disabilities.

Beside their inclusiveness, cooperatives aim to enable equitable opportunities to small farmers, traders and crafts people by pooling resources to achieve economies of scale for access to inputs, credit, technology and markets. Cooperatives facilitate individual producers' collective voice and negotiation power with key players across the supply chain for fairer returns to their members and communities. These collective efforts can foster participation and social dialogue across broader policy domains at national and international level.

Cooperatives are guided by internationally agreed principles and values that prioritize social well-being, democracy, self-help, equality and solidarity among others, while providing economic opportunities to their members. The principles were developed by the international cooperative movement (ICA), and are adopted by the ILO in the Promotion of Cooperatives Recommendation, 2002 (No. 193). Principle No. 6 is on promoting cooperation among cooperatives at local, national, regional and international levels to serve their members most effectively and strengthen the cooperative movement.

Producer and consumer cooperatives have been collaborating to reduce trade costs, shorten value chains, and provide fairer prices and inclusive employment opportunities to their members, users and workers. However, many producer cooperatives face challenges around quality, assurances, high transaction costs and lack of access to (export) market channels. Cooperative-to-cooperative agricultural trade accounted for only US\$10bn in 2012, whereas the overall value of agricultural production by cooperatives was around US\$600bn and retailer cooperatives sold over US\$100bn of agricultural products not produced by cooperatives.<sup>2</sup> These figures indicate that there is room for expanding coop-to-coop trade. However, there is only limited evidence on how this potential can be realized.

The expansion of coop-to-coop trade would not only enable market access opportunities and make value chains more inclusive, but would also be a way of overcoming decent work deficits. Cooperatives often lack access to specific skills, knowledge and financial resources, while being embedded in complex local cultural and market contexts. To fully enable the potential of coop-to-coop trade, the challenges that cooperatives are facing need to be understood and addressed through an appropriate enabling environment, including legislation, institutions, capacity building and funding mechanisms. If achieved, coop-to-coop trade can provide a viable alternative to cooperatives facing high trade costs and limited market access, and enhance

---

<sup>1</sup> These include enterprises that are legally registered as cooperative as well as other organisations that follow the cooperative principles as defined by ICA (2005). Available at: <https://ica.coop/en/whats-co-op/co-operative-identity-values-principles>.

<sup>2</sup> These figures were presented by Dalberg Global Development Advisors at the World Trade Organization 5<sup>th</sup> Global Review of Aid for Trade in 2015, in a session dedicated to coop-to-coop trade.

cooperative collaboration across regions. This in turn can improve the livelihoods of many men, women and youth running cooperatives and the communities where they are operating.

## **Rationale**

To exchange knowledge on how cooperatives can be strengthened, the ILO's Cooperatives Unit (ILO COOP) has participated in several events in the past years related to promoting coop-to-coop trade. These include the 2005 event of ILO, Committee for the Promotion and Advancement of Cooperatives (COPAC) and fair trade organizations; the 2012 meeting with agriculture and retail coops from Europe, organized by Eurocoop and Cogeca; and the 2015 side event on coop-to-coop trade at the World Trade Organization's Global Review of Aid for Trade jointly organized by ILO, CSEND and the International Co-operative Alliance ICA.

ILO COOP and its partners have implemented various projects with an aim to achieve decent work through the promotion of cooperatives. Many cooperatives face challenges in accessing more lucrative international markets, and some are considering coop-to-coop trade or Fairtrade certification as a viable option to respond to this challenge. One such project is the "Local Empowerment through Economic Development" (LEED) in Sri Lanka, which has supported Fairtrade certification for papaya producers' and fishers' cooperatives, opening up opportunities for accessing international markets. Currently ILO COOP is working on an initiative to promote coop-to-coop trade in the SADC region.

Building on these and other initiatives, ILO COOP is bringing together key stakeholders from the international cooperative and fair trade movements interested and involved in coop-to-coop trade, with decent work, fair trade and ethical and responsible consumption and production as cross-cutting themes. The international cooperative movement has made efforts to promote coop-to-coop trade through research, workshops, exhibitions and fairs. Improving livelihoods through trade is also strongly embedded in fair trade's mission. Like cooperatives, Fair Trade Organisations (FTOs) provide an alternative business model and use trade to benefit workers, producers and communities. They also include other business structures apart from the cooperative model to fully embody the Fair Trade principles.<sup>3</sup>

The event will also bring together relevant ILO departments and country offices, regional and sectoral cooperative organisations (such as CoopsEurope, ICA Asia-Pacific, ICA Africa, EuroCoop), and fair trade organisations (including WFTO, Fairtrade International, FTAO) to present good practices, discuss cooperative challenges and exchange effective capacity building methods to strengthen cooperatives, with a view to explore collaboration opportunities for a joint initiative on coop-to-coop trade.

## **Objectives**

The event will provide a unique opportunity for dialogue between different stakeholders, which may result in a fruitful collaboration in future projects focusing on improving coop-to-coop trade in different regions.

The one day meeting aims to:

- Share experiences in cooperative-to-cooperative trade and showcase successful approaches or models to link cooperatives with each other;
- Identify the main challenges for expanding coop-to-coop trade and select feasible market opportunities to move coop-to-coop trade forward;
- Specify what kind of intermediation, mechanisms, capacity building and tools are needed to operationalize coop-to-coop trade in practice. Plan for further collaboration among participating organizations by discussing their roles with a view to develop a joint pilot initiative to promote coop-to-coop trade.

---

<sup>3</sup> FTOs can thus be considered part of the broad family of social businesses that make up the social and solidarity economy.

## **Tentative agenda**

**9:00-9:30**      **Opening session: Setting the scene and aligning expectations**  
*Simel Esim, ILO COOP*

**9:30-11:00**      **Session 1: Sharing coop-to-coop trade experiences**  
Format: Presentations and Q&A

**Discussion points: How can successful coop-to-coop trade linkages be established? What kind of approaches or interventions have proven to work and which ones are doomed to fail?**

- 1) Products produced by coops in Africa, Latin America and Asia, imported to Italy and sold all over Europe. A coop-to-coop trade case study by WFTO members  
*Rudy Dalvai, WFTO*
- 2) Coop Denmark's experience in connecting African producer coops with European consumers  
*Thomas Roland, Coop Denmark*
- 3) Organic Pineapple produced by a youth cooperative in Togo and exported to the Italian cooperative Coopermondo, with NGO facilitation  
*Camilla Carabini, Coopermondo*

**11:00-11:30**      **Coffee Break**

**11:30-13:00**      **Session 2: Identifying challenges and opportunities for coop-to-coop trade**  
Format: Presentations and Q&A

**Discussion points: What problems do cooperatives face when establishing commercial linkages with other cooperatives? What market opportunities exist? How to upscale coop-to-coop trade?**

- 1) Challenges/opportunities for cooperatives in the SADC region in trade promotion  
*Josie Rowe-Setz, Gender Research Alliance*
- 2) Challenges/opportunities for Japanese consumer cooperatives in promoting fair trade and coop-to-coop trade  
*Yasuhiko Takasugi, JCCU*
- 3) ILO support for producer cooperatives in Sri Lanka and challenges/opportunities in integrating them into broader supply chains  
*Nihal Devagiri, ILO Colombo*

**13:00-14:30**      **Lunch break**

**14:30-16:00**      **Session 3: Discussing our roles and strategies for expanding coop-to-coop trade**  
Format: Group discussion

**Discussion points: What is needed in terms of intermediation, capacity-building and tools to make coop-to-coop trade work? What role can we play in strengthening cooperation between cooperatives? How can we collaborate and develop a joint initiative to promote coop-to-coop trade?**

**16:00-16:30**      **Coffee break**

**16:30-17:00**      **Closing session: Reflecting on achieved expectations and future step**  
*The sessions will be moderated by Erinch Sahan, WFTO*