



Sharing the benefits

International development through cooperatives

A project implemented by



This project is funded
by the European Union

What is a cooperative?

A tried and tested business model, cooperatives enable people around the world to take control of their livelihoods.

As people-centred businesses, cooperatives are owned and run by their members. Whether those members are employees, customers or local communities, they are everyday people who have an equal say in what their business does and how it generates and uses its profits.

Nearly 1 billion people are members of cooperatives worldwide, from Argentina to Zambia, Italy to India.

Cooperatives come in all shapes and sizes, and they operate in all parts of the economy: from healthcare to housing, farms to pharmacies, supermarkets to sports clubs, banks to bakeries.

A strong network spanning local and global organisations, the cooperative movement is a vital part of civil society that works together to build a better world.

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Cooperatives as a route for development

Supporting the start-up and growth of cooperatives is an established way to enable people to take charge of their own development.

For international bodies such as the European Union and the United Nations, effective and sustainable development needs to be a process led by local people which is firmly anchored in civil society.

With a conducive legal and economic environment, cooperatives provide an effective business model for inclusive development.

“Cooperatives are a unique and invaluable presence in today’s world. They help to reduce poverty and generate jobs.”

Ban Ki-moon, Secretary-General, United Nations

Why support cooperative development

With a track record stretching back over 150 years, and guided by the seven international cooperative principles, the cooperative model for sustainable development is widely acknowledged (ILO rec. 193).

Policy recommendations from the International Labour Organization on decent jobs and from the Food and Agricultural Organization on food security, as well as leading economists such as Joseph Stiglitz, all point to the important role cooperatives play in development.

In the EU's strategy for international development for 2014–2020, the Agenda for Change, cooperatives are highlighted as critical local private sector actors.

“In the quest for sustainable enterprises and sustainable development, the cooperative model offers a tested route.”

Guy Ryder, Director-General,
International Labour Organization





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The benefits of cooperatives in development

Tackling poverty and creating food security

Cooperatives enable smallholders in partner countries to market products together and get a stronger voice in the global supply chain. An established model, the ILO estimates that nearly 50 % of the world's rural agricultural produce is marketed through cooperatives.

In action

Over 75% of Fairtrade products are produced by cooperatives, helping 887,000 smallholders, according to figures from Fairtrade Labelling Organizations International.

Providing affordable finance

Financial cooperatives such as credit unions offer sustainable finance for local people excluded from the traditional banking system. Because they are run by and for people at a community level, and they lend cautiously, credit unions offer a safe approach to savings and loans.

In action

In India, the Self-Employed Women's Association has created a cooperative bank, owned and run by its users, to provide affordable finance for female workers who are otherwise unable to access credit.

Building local expertise and profits

Because cooperatives are run by and for local people, they develop, and pass on, the business expertise. Profits generated stay local, and are invested in the cooperative, the local area or distributed to the local owners. Cooperatives are an effective tool for self-help.

In action

Saguapac in Bolivia has grown to become the largest urban water cooperative in the world, serving 1.2 million people – growth made possible because the profits have been reinvested in the business and the expertise retained locally.

International cooperation

As an international movement founded on the principle of self-help, there is a high degree of cooperation amongst cooperatives. Strong cooperative networks enable practitioners in different parts of the world to share learning and best practice to one another.

In action

The Ugandan Cooperative College, which provides training in cooperative management and governance, is supporting the development of cooperatives across South Sudan.





Creating decent jobs

Worldwide, over 100 million people are employed by cooperatives and 3 billion secure their livelihoods through them. As people-centred businesses, they aim to provide decent work with job security and good working conditions, whether it is for farmers, labourers or office workers.

In action

Approximately 250,000 Kenyans are directly employed by cooperatives and 63% of the population derive their livelihoods directly or indirectly from them.

Empowering women

As open and democratic organisations, cooperatives foster gender equality. Many women have senior positions in cooperatives, a significant number of cooperatives have been established by women to enable them to secure an income, whilst in countries such as Kenya gender quotas are required for cooperative Boards.

In action

In Uganda, the Bukonzo coffee cooperative union is strongly committed to women's empowerment: 85% of its members are women, and specialist courses are run to develop female members' business skills and capacity.

“Cooperatives have the potential to play such a key role in the development process. For instance in Bangladesh, these organisations touch the lives of millions, providing small loans for the development of new enterprises. As new needs were recognised, they began to address those too.”

Joseph Stiglitz, Nobel Prize winning economist and Professor, Columbia University

Cooperatives Europe

Cooperatives Europe is the voice of cooperative enterprises in Europe and the European Region of the International Cooperative Alliance.

On behalf of our member organisations we advocate for a level playing field between cooperatives and other forms of enterprise.

We work to increase the knowledge of the cooperative business model across Europe and to facilitate the development of cooperative enterprises.

Work with us

Cooperatives are key partners for organisations interested in human, social and economic development.

By giving local people ownership, creating jobs and security on the ground and by harnessing the power of international networks, cooperatives offer a tried and tested model for development.

Find out more about the role cooperatives play in development by visiting **www.coopseurope.coop/development**

Discuss ways of working with us by emailing **development@coopseurope.coop** or calling **+32 2 743 10 33**

Cooperatives Europe Development Platform

The Cooperatives Europe Development Platform brings together members of Cooperatives Europe active in international development and cooperation. Individually and together, CEDP members aim to implement cooperative development programmes, coordinate and facilitate partnerships and information sharing, and advocate for the cooperative business model as a valuable and viable engine of development.

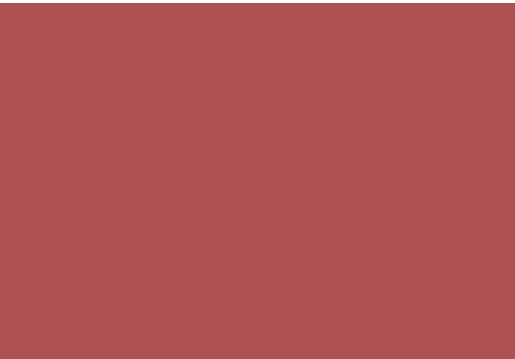


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