

Current status of global efforts to consolidate statistics on cooperatives



Changhee Lee
Director, ILO Country Office for Viet Nam
17 April 2019

ILO 100 years – working with cooperatives

- Since its establishment in 1919, ILO recognized the roles of cooperative
- In 1920, the Cooperative Service unit created for research and policy advice
- The only specialized agency of UN with an explicit mandate covering all cooperatives
- Promotion of Cooperatives Recommendation, 2002 (No. 193) provides a practical and contemporary framework for the development and revision of cooperative policies and legislations in the world
- **2013 19th International Conference of Labour Statisticians (ICLS) adopted a resolution on statistics of cooperatives**
- 2015 ILO and ICA signed a new partnership agreement, aiming at contributing to SDG by promotion of roles of cooperative

19th ICLS resolution on cooperative statistics, and 20th ICLS adopting the guideline

- In 2013, 19th ICLS Resolution III recognizes the need to produce statistics on cooperatives in all countries of the world and recommends that the ILO carries out further developmental work on the measurement of cooperatives
- ILO Promotion of Cooperatives Recommendation, 2002 (No. 193) highlights the need for better national statistics on cooperatives
 - Measures to promote the potential of cooperatives in all countries, irrespective of their level of development
 - Role of cooperatives to create and develop sustainable decent employment, develop human resources, increase savings and investment, etc.
- Cooperatives are well-placed to contribute to the SDGs
 - Transforming our world: A cooperative 2030 series in 10 Briefs:
 - <https://ilo.org/global/topics/cooperatives/publications/transforming-our-world/lang--en/index.htm>
- In 2018, 20th ICLS adopted a guideline concerning statistics of cooperatives

Guideline concerning statistics of cooperatives (adopted at 20th ICLS in 2018)

- Preamble
- Objectives and uses
 - An adequate information base for descriptive, analytical and policy level work
 - Number and type of cooperatives; member of cooperatives; work generated in cooperatives
 - Economic contribution of cooperatives
- Reference concepts and definitions (R.193, 2002)
 - *A cooperative is defined as an autonomous association of persons and/or legal entities united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.*
- Types of cooperatives
- Statistical units; Operational definitions; Work in cooperatives; Data collection; tabulation and analysis; Future work

Guidelines – types of cooperatives

Type of cooperative	Interest of members	Type of member
Producer cooperative	Production activity	Producer-members: <ul style="list-style-type: none"> - enterprises such as small agricultural or craft producers - may or may not be incorporated
Worker cooperative	Work	Worker-members
Consumer/user cooperative	Consumption	Consumer-members: <ul style="list-style-type: none"> clients, family of clients, non-profit institutions, producers, corporations
Multi-stakeholder cooperative	More than one interest	Producer-members Consumer-members Worker-members

Guidelines – operational definitions

- The definition of cooperatives can be operationalized on the basis of four criteria:
 - A cooperative should be a formally established institutional unit (non-financial corporation, financial corporation or non-profit institution);
 - A cooperative should be controlled democratically by its members according to the principle that each member has an equal vote;
 - Membership of the cooperative should be voluntary and non-restrictive;
 - Distribution of profits or surplus among the members is not directly linked to the capital contributed by each member.

Guidelines – work in cooperatives

- Work performed in cooperatives can be undertaken by members and by non-members and may include all forms of work defined in the resolution concerning statistics of work, employment and labour underutilization adopted by the 19th International Conference of Labour Statisticians (2013).
- Work within the scope of statistics on cooperatives includes work performed by members and non-members in:
 - Cooperatives;
 - Economic units that are members of a producer cooperative or multi-stakeholder cooperative;
 - Subsidiary enterprises owned or controlled by cooperatives.
- Statistics on work generated in cooperatives, in particular statistics on employment, should be compiled and tabulated separately or disaggregated for each of these institutional settings.

Guidelines – data collection and analysis

- Comprehensive statistics on cooperatives, members of cooperatives and jobs or work activities performed within the scope of statistics on cooperatives should be published on a regular basis, if possible at least every five years. Such comprehensive statistics should preferably be based on a census of cooperatives but may also be based on periodic sample surveys.
- Statistics of cooperatives should be systematically tabulated, as follows:
 - By the four main types of cooperatives, as well as by nationally specific sub-types where relevant and feasible;
 - By branch of economic activity;
 - By regions relevant to national purposes, including by urban and rural areas.

Country cases in Asia: South Korea

- Legal system: special laws & general law
 - >2013, only eight special laws specific to coop sectors
 - These sectors include agriculture, fisheries, forestry, credit unions, community credit....
 - In 2013, a Framework Act on Cooperatives was enacted → no. of coops under Act boomed from 54 in 2012 to 12,540 in 2017
- Coop statistics produced under special vs. general law
 - Eight sectoral laws on coops: each sectoral federation produces statistics and reports to the authorities
 - General law: biennial survey under Ministry of Finance responsibility
 - almost comprehensive & largely aligned with ICLS guidelines
- Work needed: Integration of statistics on cooperatives under the special laws into the survey under the purview of the general law, more detailed information on employment (types, quality, wages) needed

Country cases in Asia: Indonesia

- Legal system: constitution & law no. 25/1992
 - Constitution states coops as fundamental to national economy
 - By law, Indonesian Coop Council (DEKOPIN) is the national apex body
- Ministry of Cooperatives & SMEs is responsible for statistics on coops
 - Local and national gov. conducts & publishes coop census every year (no. of coops, no. of members, board of directors, board of trustees, managers, employees, assets, capital, liabilities, turnover & surplus)
 - As of 2017, no. of registered coops was 212,135, of which 30% was estimated as inactive, 15% of total population are coop members
 - Recently, government assigned IDs to coops to monitor whether active or not
- Work needed: excluding inactive coops to improve accuracy of data, coordination between actors, need for the stats authority to be involved, more detailed information on employment (types, quality, wages) needed

Country cases in Asia: Philippines

- Legal system: constitution & republic act
 - Constitution provides a definition of coops
 - Republic Act, provides specific definition on coops and identifies Cooperative Development Agency (CDA) as key regulatory authority on coops
- CDA publishes data annually as submitted by coops in four areas
 - No. of coops, No. of members, No. of employees, Economic performance
- Cooperative Annual Progress Report (CAPR) has more information including qualitative data from coops to CDA
- Work needed: overcoming challenges, e.g. only half of all coops reported to government in 2014, more detailed information on employment (types, quality, wages) needed

Country cases in Asia: Japan

- Legal system: 10+ industry-specific laws & no general law
 - Ministry of Agriculture, Forestry & Fisheries: agricultural, forestry...
 - Bank of Japan: coop banks
 - Ministry of Health, Labour and Welfare: consumer coops
 - Ministry of Economy, Trade and Industry: no data on SMEs, etc.
- Each ministry produces different data without a unified methodology established
 - In parallel, different secondary or tertiary coop institutions publish data on their businesses
 - National Federation of Agricultural Coops (ZEN-NOH), Japanese Consumers' Coop Union (JCCU), Japan Coop Insurance Association (JCIA)...
- Work needed: produce comprehensive official stats in coordination with the statistics office, more detailed information on employment (types, quality, wages) needed

Country cases in Asia: Australia

- Legal system: coop law & corporation act
 - Co-cooperatives National Law (2017): registered coops under surplus distributing (enterprises) vs. non-distributing (charity)
 - Federal Corporation Act (2001): companies with coop principles in their constitution
- Biz Council of Coops & Mutuals (BCCM): produce coop stats, no official stats by authority (ABS)
 - Australian Co-op & Mutuals Index (referenced by BCCM): research by University of Western Australia to map coops and mutuals
 - In 2017, 2,134 active, of which 83% coops, 13% mutuals, 2% friendly societies, 2% member-owned superannuation funds
- Work needed: stats authority needs to work on coop stats, more detailed information on employment (types, quality, wages) needed

Next steps

- The guideline adopted at 20th ICLS is the first international statistical norm on cooperatives, which are non-binding & instructive.
- They depend on the constituents' willingness to adapt
- Establishment of national multi-stakeholder committees bringing national statistics offices, coop agencies and coop movement would be useful for follow up to the guidelines
- ILO, as a chair of COPAC, will work on further development of guidelines with other members of the Committee
 - Pilot-testing as a first step at the level of coops and countries
 - Approaches to country level will be different depending on country groups based the level of development of coop stats
 - * Group 1 (advanced coop stats, national coordination needed but not technical support)
 - Group 2 (national coordination and technical advice needed, no funding through development cooperation project necessary)
 - Group 3 (national coordination, technical support and funding through development projects needed)



Decent
Work

Thank you

 www.ilo.org/hanoi

 hanoi@ilo.org

 VIETNAM.ILO