STATEMENT ON THE INTERNATIONAL YEAR OF COOPERATIVES

Social and Solidarity Economy: A Call for Systemic Change

November 25th, 2024. The Social and Solidarity Economy (SSE) entities—cooperatives, associations, and other collectives—are engaged in economic, social, environmental and care-related activities which serve collective interests. Based on the principles of democratic governance, mutual aid and the primacy of people and social purpose over capital[1], the SSE is an alternative model capable of helping us tackle the great problems of our times, such as economic inequality, precarious work, and the climate and care crises.

Today, we enthusiastically participate in the launch of the United Nations International Year of Cooperatives and reinforce our full commitment with the theme: "Cooperatives Build Prosperity for All." This event, occurring during the ICA Global Conference, will help us prepare for the general discussion on the Innovative approaches to tackling informality and promoting transitions towards formality to promote decent work during the 2025 International Labour Conference. We are committed to raising awareness of the cooperative model and the SSE as a solution to promote decent work and social justice, particularly for workers in informal employment, who make up 61% of the employed population.

The SSE Opens Up Pathways towards Formalization

The SSE offers an alternative path for workers in informal employment to transition towards formality. Formalization through the SSE is based on decent work and the enjoyment of formal work benefits such as access to social protection, care services and job and income security. Even though a common narrative holds that formalization will be achieved by increasing the productivity of economic units in the informal economy, productivity alone cannot be considered the only valuable measure or factor of well-being. We share six ways in which the SSE can promote formalization and well-being for workers in informal employment:

1. **Accessing economies of scale:** the SSE enables collective possibilities that would be impossible to achieve individually. By combining their labour, resources and knowledge, workers and their productive units can fulfill their common needs and obtain benefits such as increasing the value of their goods and services, securing job stability, reducing intermediation costs, and minimizing the risks of accessing tools and platforms[2]. This can be achieved by making collective and democratic decisions on their productive activities and keeping their autonomy when facing third parties.
2. **Accessing social protection:** With the SSE, workers in informal employment find alternatives to access social protections, through their collective organizations or as external beneficiaries. Some instances of this include funeral aid, insurance, health care services, child care and collective savings schemes to protect against

[1] ILC.110/Resolution II: Resolution concerning decent work and the social and solidarity economy
[2] ILO & WIEGO (2017), "Cooperation Among Workers in the Informal Economy: A focus on home-based workers and waste pickers." Geneva

occupational hazards. SSE entities can also act as representatives to facilitate access to government social programs.

3. **Articulating a collective voice:** The SSE enables workers in informal employment—and marginalized groups fighting against discrimination based on class, gender, ethnicity, or any other aspect—to have a collective voice and political representation, which helps them overcome the lack of recognition from traditional trade unions. For example, in Argentina, popular economy organizations have collaborated with the government in managing public policies, by setting up a formal dialogue, which has helped grant workers with recognition and budget allocation for programs that meet workers' needs. A key feature of this practice was the direct involvement of popular economy workers in the management of these programs from within government structures.
4. **Establishing collective units:** The SSE brings together workers in informal employment, helping them organize and advance together towards formalization. This approach is based on collaboration and benefit sharing, it prioritizes collective well-being over individual interests and reduces risks through joint action. In this way, workers' groups transition towards formalization together instead of individually, which makes the process more efficient, sustainable, and secure.
5. **Granting legal status:** SSE entities, such as cooperatives, usually have legal status and offer workers in informal employment a pathway to formalization. However, in some countries, legal frameworks make their registration difficult. In Recommendation 193, the International Labour Organization (ILO) acknowledges the existence of "informal cooperatives": organizations that work under cooperative principles but without formal registration. They fulfil common needs without following all the legal requirements.
6. **Collective bargaining:** Self-regulation within SSE entities enables workers to overcome informal working conditions while strengthening the trust and solidarity that exists within their collectives. By pooling resources and services, the SSE helps workers overcome resource scarcity and poor infrastructure. For example, after the success of a pilot project, waste pickers in Pune, India, established a cooperative (SWaCH) and collectively bargained with the local government to secure a contract for their waste collection services. The collectivization of resources and interests eased access to bigger markets, improving their working conditions and productivity.

A call to action to support workers in informal employment and their organizations in the Year of Cooperatives

Our experience has shown that collaborative approaches between worker organizations and governments offer promising alternatives to the traditional pathways to formalization. These are our key proposals:

1. **Recognizing SSE entities:** For many workers in informal employment, SSE entities are a more realistic option than registering as enterprises since these entities are similar in nature to how workers are already organizing themselves. They also are aligned with

workers' cultural and territorial practices. Thus, cooperatives and other SSE entities must be recognized for how they can help people transition towards formality.

2. **Designing social, fiscal, and education policies from a social justice perspective:** For instance, legal and fiscal frameworks can be adjusted to facilitate the development and sustainability of SSE organizations. Other policies could include providing technical assistance and access to credit. Members in these organizations must also be granted access to social protection floors, including affordable care services. For these proposals to be sustainable, the education system must teach citizens about the SSE to normalize its values and principles among everyone, including workers in informal employment. By creating an enabling environment, SSE entities would be better placed to overcome barriers to their growth and development and become a more viable alternative for workers in informal employment.
3. **Forging alliances among governments, trade unions, civil society organizations and international organizations to facilitate the expansion and strengthening of the SSE:** These collaborations enable the exchange of experiences and good practices. By sharing resources, experiences, and knowledge, it would make the SSE more visible, contributing to its legitimacy throughout the world. It is necessary to scale up the SSE and normalize its values and principles for it to become the new normal in theory and in practice as we build a more just and fair world of work.