

Technical working group on cooperative statistics

DRAFT CONCLUSIONS

11-12 MAY 2017

Room VI, Level R3, ILO Headquarters

Geneva, Switzerland

All recommendations made in this meeting will be proposed to the COPAC Board for their consideration and potential follow-up.

11 MAY 2017

Session 1

The meeting was opened by Rafael Diez de Medina, Director of ILO Statistics, and Vic Van Vuuren, Director of ILO Enterprises.

The participants shared their expectations which included:

- The need to be practical and realistic, focusing on the feasibility of eventual guidelines, given the challenges that National Statistics Offices (NSOs) face (e.g. monitoring and reporting on the SDGs, limited resources). The proposal should help NSOs, rather than over-burden them;
- Gaining clarity and consensus on concepts and definitions toward a framework;
- Learning about other countries' experiences in advancing cooperative statistics; and
- Defining a clear strategy regarding next steps leading up to the 20th session of the International Conference of Labour Statisticians (ICLS) in 2018.

Mustafa Hakki Özel (ILO STATISTICS) provided a review of how standards on international labour statistics are set and the various structures involved at national and international levels. He also outlined the purpose of the ICLS and its work process to pass resolutions and guidelines. Mr Diez de Medina confirmed that the NSO of the Philippines will be the next ICLS chair and that reports from the 2018 ICLS will go to the UN Statistical Commission in March 2019 for approval. He noted the fact that this will be the first time in the history of ICLS when statistics on cooperatives are discussed in depth. He underlined the importance of making the links to the SDG indicators and the opportunity to revisit them as they get revisited in 2020 and again in 2023.

Chiara Carini (EURICSE) presented the purpose, methodology, desk research, interviews, and results of the case studies on Brazil, Canada, Colombia, the Philippines, the United Kingdom, and the Russian Federation, commissioned by the ILO. She concluded that there is no “one size fits all” solution for defining cooperatives and the concepts of membership and employment that works for all countries. She added that a common core statistical definition on cooperatives could facilitate comparability of statistics across different national contexts.

RECOMMENDATION 1.1: Participants agreed that a lack of financial and human resources contributes to the inability of the NSOs to accurately capture the full picture of cooperative activities in countries and that NSOs, the cooperative movement, and the research community benefit from collaborating on cooperative statistics and sharing resources and expertise, including good practices on what works.

Session 2

Marie J. Bouchard presented the conceptual framework report commissioned by the ILO, which was based on existing literature (including the global mapping undertaken by the ILO and the country studies commissioned by the ILO). She outlined the need for common core criteria to develop a basic structural operational definition of cooperatives, the problems of the knowledge base of different actors, boundary issues (e.g. parent organisations, similar organisations not registered as cooperatives, isomorphization, false cooperatives, inactive cooperatives and unregistered cooperatives, and operationalisation by NSOs), and classifications for membership and employment.

Fran McCrae (COPAC) urged the working group to think critically about the issues raised by the International Co-operative Alliance in comments provided on the first draft of the conceptual framework report including: the ways to measure value added, the different classes of membership, and the various roles of members in their cooperatives.

Members encouraged the working group to consider the institutional frameworks (e.g. minimum thresholds for numbers of members in order for an enterprise to be statistically counted as a cooperative, considering that the legal definitions of the minimum threshold can range widely from three persons in Canada to as many as twelve in Costa Rica), so that definitions are contextually appropriate.

RECOMMENDATION 2.1: Members agreed that the engagement of stakeholders who were not present at this meeting, including NSOs, IGOs, and the cooperative movement in the working group process is critical, and that the results of the working group meeting should be shared with those invited but not present (including NSOs from Turkey & Russia, FAO) for their feedback and consensus.

RECOMMENDATION 2.2: Members took note of the differences in the country contexts with regards to the boundaries of what constitutes formal and informal enterprises/organisations based on the minimum threshold of number of members. They also noted that the collection of data on informal enterprises/organisations would require a different approach than data collection on formal enterprises/organisations. The TWG members noted that inputs received on informal enterprises/organisations could be recorded, but the initial discussion would benefit from focusing on formal entities.

RECOMMENDATION 2.3: The issue of double counting was raised, but it was suggested that focusing on memberships rather than the number of individual members was the best path, as each of these memberships is to be counted under a different sector, which is important for statistics pertaining to different sectors.

Session 3

David Hunter (ILO STATISTICS) shared highlights of his work on employment statistics, with a specific focus on the revision of the international classification of status in employment. He informed participants that the classification of “members of producer cooperatives” was recommended for removal as a separate classification in the upcoming ICLS, since in only four countries does this represent more than 1 per cent of total employment.

RECOMMENDATION 3.1: Members noted the need for a simple yet comprehensive conceptual framework for countries leading up to the 20th ICLS. They suggested that once the conceptual framework is complete, measurement issues around more challenging aspects (e.g. informal enterprises/organisations, value added, double counting, etc.) could be introduced at a follow-up stage. Taking into account the time constraints this may take place after the 20th ICLS in 2018.

RECOMMENDATION 3.2: Working group members noted that statistics on informal enterprises/organisations that adhere to cooperative values are crucial to understanding the full picture of cooperation, and the scope and extent of cooperative employment. However, for purposes of practicality and feasibility, including the available knowledge base, it is suggested that the initial proposals for the 2018 ICLS could focus on formally registered cooperatives. This would be a starting point allowing the producers and users of cooperative statistics to best use the available know-how and resources. At the same time the initiative would continue to take into consideration the methodological differences in measuring informal enterprises/organisations. The four common core criteria could be used to identify what constitutes informal enterprises/organisations, and “formal enterprises/organisations” (e.g. bookkeeping disseminated to members, internal statutes) could suffice (rather than “legal registration”) to screen informal enterprises/organisations that have the minimum level of formality for being counted as an entity despite their informal arrangements (or informal settings).

RECOMMENDATION 3.3: The importance of different country and regional contexts was noted (e.g. variations in the minimum number of members required). The TWG members underlined the need for guidelines provided to be clear and simple, allowing countries to have the flexibility and choice to adapt to their own realities. In this context, it was suggested that the guidelines around other statistical topics where such flexibility was allowed could provide good examples.

RECOMMENDATION 3.4: The working group members suggested that both membership typology (classification) and the relationship of the members to the cooperatives were important data points that needed to be tracked. The issue of active versus inactive memberships was raised as a concern, but was not considered as a priority issue to be elaborated upon prior to the 20th ICLS.

RECOMMENDATION 3.5: Working group members suggested that various kinds of employment within a cooperative (e.g. worker-members versus employees who are also user-members versus producer-members who use the services of the cooperative) be carefully elucidated. Membership association as it relates to labour in a cooperative is a key matter that needs to be well thought out in the context of the status of employment technical working group, which is working on guidelines for the 20th ICLS.

RECOMMENDATION 3.6: The working group members agreed that the issue of false cooperatives (i.e. those registered as cooperatives but not complying with the cooperative principles) was a legal problem that NSOs could attempt to solve in collaboration with federations and governments.

Session 4

RECOMMENDATION 4.1: Members suggested that four common core criteria (non-compulsory and non-restrictive membership; a private, formally organised and autonomous entity; democratic member control; the purpose of serving the needs of members) can be used to define cooperatives.

RECOMMENDATION 4.2: The technical working group suggests consulting with the ICA Co-operative Law Committee on the question of democratic member control as a core criterion, i.e. how to determine whether an entity is democratically governed when representativeness in its governance is based on the amount of transactions that members have with it (versus one member, one vote).

RECOMMENDATION 4.3: The technical working group noted that “autonomy and independence” refers to the ability of members to make decisions about the cooperative without interference from non-members. It was also noted that the ICA [Guidance Notes on the Cooperative Principles](#) mentions autonomy and independence from external organisations, non-member users, and investor-members.

RECOMMENDATION 4.4: The technical working group suggested that cooperatives as enterprises could use the same definition for being active or inactive as other enterprises, in order for data to be comparable.

- Operational definition of value added – *Damien Rousselière, AGROCAMPUS Ouest and Marie J. Bouchard*

RECOMMENDATION 4.5: The technical working group suggested highlighting the challenges and opportunities for measuring value added of cooperatives in the guidelines to be presented to the 20th ICLS. The problems of conventional value added measurement methods to appropriately capture the essence of cooperatives was noted. In addition, the feasibility and actionability of measuring value added would need to be revisited once cooperatives are better measured and data on cooperatives are more readily available across countries.

12 May 2017

Session 5

In his review of the first day's discussions, Mr Van Vuuren pointed out the consensus emerging from the technical working group on the need for having an inclusive conceptual framework on cooperative statistics. He also emphasised the convergence of the members of the technical working group on the need for a practical way forward in complementing the theoretical discourse, the need to focus on the low-hanging fruits as a starting point, and a step-by-step approach based on feasibility and sensitivity to resource constraints. He also shared the importance of being able to highlight the strategic links of this work with the wider development agenda, including its relevance to the SDGs. The guidelines to be presented at the ICLS will be a step toward setting international standards on statistics of cooperatives.

- Classification issues and need for further study

RECOMMENDATION 5.1: Members noted that the analytical typology was a tool to be refined to help data collectors classify cooperatives for the purposes of certain data points. It was suggested that the tool could include sector of economic activity and membership type to be operational. It was also noted that the analytical typology would need to be harmonised with ISIC for purposes of standardisation.

David Hunter explained that employment is measured as work performed for pay or for profit, and that everything else is not work. This definition excludes household production for own subsistence, as well as work which doesn't aim at producing goods and services for markets. Work performed by cooperative members without being paid is employment as 'own account workers', since it is performed for the profit of the cooperative, and the member ultimately benefits from this work. Worker-members of worker cooperatives can be own account workers or employees, depending on their labour contracts and social protection status.

RECOMMENDATION 5.2: The technical working group members noted that the nature of employment in cooperatives needs to be reflected accurately and in a comprehensive manner in overall employment statistics. To ensure that statistical discussions on cooperatives inform and are well aligned with statistical discussions on the status of employment, it was suggested that the COPAC TWG could advise the work of the TWG working on status of employment. It was also suggested that a member of the COPAC TWG that is knowledgeable on employment issues could be a liaison between the two technical working groups working toward developing guidelines for the 20th ICLS. It was suggested that the documents from the Status of Employment Working Group are shared with the technical working group on cooperative statistics for members' information and feedback.

The statistical working group on the status of employment will meet at the end of September and there will be a tripartite meeting in February 2018 in preparation for the ICLS in October 2018. The COPAC technical working group will be informed of these meetings.

Session 6

- Review of the working group terms of reference

The COPAC Coordinator presented the terms of references for the technical working group's review.

RECOMMENDATION 6.1: The following changes were approved by the members of the technical working group and will be made by the COPAC Coordinator in the TOR accordingly:

- Recommendations on data collection methods should be better reflected as an outcome of the working group's activities (though it was noted by ILO Statistics that recommended methods would need to be tested in countries for legitimacy and could come later in light of the lack of time before the ICLS);
- Remove the 'maximum of 15 representatives' from the 'structure' section; and
- Better define 'results' to be shared in task #3.

Marie Bouchard enquired about how the working group will manage coordination and monitoring of the ongoing work on the social and solidarity economy and the third sector¹.

In general terms, and on the topic of coordination, it was noted that COPAC Coordinator is providing the secretariat functions for the technical working group. The COPAC Board will be kept abreast of the progress of the working group and provide its guidance and inputs as needed, and ILO as current Chair of COPAC will also be ensuring follow-up through its COOP Unit and on the topic of statistics of cooperatives with its STATISTICS Department.

ACTION POINT: The ILO will confer with the [UN Inter-Agency Task Force on Social and Solidarity Economy \(UNTFSSSE\)](#) as its Chair. The working group will communicate the outcomes of its work to the UNTFSSSE and share updates on COPAC and its members' websites. COPAC and the ILO are also preparing eleven country notes based on the case studies commissioned by the ILO on statistics of cooperatives. These will be disseminated widely through COPAC and member institution websites, as well as on the ILO Statistics Department website.

Regarding the Third Sector Impact Project, it was suggested that members of the working group could seek out information on the manual being prepared and potentially set up a meeting with those in charge of the project to better understand it and the way cooperatives are integrated there.

- Discussion about the need to further investigate the needs of users and producers more in-depth

The ILO will use its mapping work and the eleven country case studies as the basis for a preliminary needs analysis of producers, before a more in-depth analysis and pilot testing can be undertaken. As noted by Hakki Özel, while a resolution presented to the ICLS requires justification from user and producer surveys, this is not a requirement for submission of guidelines.

RECOMMENDATION 6.2: Members noted that a qualitative needs analysis of users of cooperative statistics would be useful to create demand for data. However it was agreed that this could be

¹ <http://ccss.jhu.edu/research-projects/un-nonprofit-handbook/>

<http://thirdsectorimpact.eu/documentation/tsi-working-paper-no-2-third-sector-europe-towards-consensus-conceptualization/>

http://thirdsectorimpact.eu/site/assets/uploads/documentations/tsi-working-paper-no-12-size-scope-third-sector-europe/TSI-Working-Paper-12_Size-and-Scope.pdf

undertaken after the presentation of the overall guidelines at the 20th ICLS in October 2018. The technical working group members need to make efforts toward facilitating further dialogue between users and producers at the country and regional levels. Better inclusion of cooperative statistics in SDG reporting processes should also be a priority for the technical working group.

Session 7

- Specific issues in producing statistics on cooperatives and the need for further studies

Members reinforced the need for better understanding which data points are most useful for cooperatives, and data collection methods and providers in all countries.

Other suggestions included:

- A mapping of the geographical location of cooperatives to determine regional clusters that can help with establishing networks;
 - Case studies to illustrate how producers of statistics can most effectively and efficiently measure cooperatives;
 - Further studies on classifying cooperatives and linking work within cooperatives to employment categories; and
 - Best practices for data collection, taking into account institutional frameworks, with pilot country testing.
- Definition of a strategy and timeline to achieve the deliverables of the terms of reference

Mr Van Vuuren highlighted that the UNTFSSSE is also working to ensure the strategic inclusion of cooperatives as a key building block of the social and solidarity economy. One of the items under discussion is the creation of a knowledge hub for cooperatives, mutuals and other social and solidarity economy enterprises that contains policy briefs and research, as well as other knowledge products. The next meeting of UNTFSSSE is in late June after the International Labour Conference.

ACTION POINT: The ILO will commission a study of users' needs, which will include analytical work exploring the importance of cooperative statistics for national policy making including development plans. ILO COOP will develop a first draft of the terms of reference to be circulated to all working group members on 31 May 2017.

ACTION POINT: Technical working group members will provide written comments on the conceptual framework and send to Fran McCrae by 22 May 2017. Members will also circulate the conceptual framework to colleagues and key contacts for their feedback. Upon their return to their countries the technical working group members (e.g. including from Iran, Costa Rica, the Philippines, Italy and Canada) will reach out to the NSOs in their countries to brief them of the key discussions and decisions emerging from the technical working group toward submission of guidelines at the 20th ICLS.

ACTION POINT: Technical working group members will send any contacts to add to the mailing list to Fran McCrae by 31 May.

ACTION POINT: The COPAC Coordinator will prepare and send a meeting report for members to share with their NSOs and other country counterparts. The COPAC Coordinator will also send updated terms of reference, photos from the meeting, and a calendar of work to all members.

ACTION POINT: The next in-person meeting of the technical working group will tentatively take place at the end of March 2018, on the occasion of the COPAC Board meeting in Geneva at the ILO. Additional efforts will be made to ensure more NSOs representatives will be present in the upcoming meeting of the technical working group meeting.

The Coordinator noted that a session on cooperative statistics will take place during the ICA Global Conference in Kuala Lumpur, Malaysia on 15-16 November 2017. The ICA invited all working group members to Malaysia to use the presence of statistics users to conduct focus groups and collect data on their needs.

Marie Bouchard and her research team will present a paper on the conceptual framework for the June ICA cooperative research conference in Stirling, UK.

In conclusion, Mr Van Vuuren reinforced the driving purpose of improving statistics on cooperatives: to improve the lives of people suffering from poverty and inequality by helping cooperatives reach their full potential. Statistics are an ammunition to strengthen the case for cooperation.