



**International Year
of Cooperatives**

Cooperatives Build
a Better World



Committee for
the promotion
and advancement
of cooperatives



Building a Better World Together: Cooperative Contributions to the SDGs

**End poverty in all its
forms everywhere**





POVERTY REDUCTION IS A CENTRAL PILLAR OF THE 2030 AGENDA, YET THE PROGRESS IS FALLING FAR BEHIND.

In 2025, an estimated 808 million people, about **10 percent of the world's population, are projected to live in extreme poverty**, surviving on less than USD 3.00 per day (2021 PPP).¹ Decades of gains have been eroded by conflicts, climate shocks, and economic crises, leaving SDG 1 advancing at its slowest pace in over twenty years. While economic growth has lifted millions out of poverty, it has not reached everyone equally, and the gains achieved remain fragile.

Access to work, once considered the main pathway out of poverty, no longer offers a guaranteed escape. According to the 2025 UN Sustainable Development Goals Report, **6.9 percent of employed persons**, more than 240 million workers, still live below the poverty line.² Although social protection systems have expanded, 3.8 billion people remain without coverage, and in low-income countries, coverage reaches only 9.7 percent.³ At the current rate, only one in five countries is on track to halve national poverty rates by 2030. Ending poverty requires more than income growth; it calls for inclusive and resilient economic systems that uphold dignity, equality, and social justice.

THE COOPERATIVE MODEL: A PEOPLE-CENTRED PATH TO RESILIENCE AND CATALYST FOR POVERTY ERADICATION

Cooperatives are uniquely positioned to combat poverty and uphold human dignity. By placing people before profit, they create pathways out of poverty through decent work, shared purchasing power, social inclusion, and community solidarity. As democratic, member-owned enterprises, cooperatives enable individuals to meet common needs while reinvesting in their communities. Guided by the *Statement on the Cooperative Identity* and its seven principles, they combine **economic participation, social inclusion, and concern for community** in a single, people-centred model of enterprise.⁴

Unlike conventional profit-driven businesses, cooperatives pursue long-term and multidimensional well-being across economic, social, and environmental dimensions. More than 1 billion people—about 12 percent of the global population—are members of one of the 3 million cooperatives worldwide. Through collective ownership and decision-making, they promote fairer wealth distribution and build social capital. By pooling resources, members share risk, stabilise income, and generate employment—benefiting at least 280 million people worldwide, or 10 percent of the global workforce.⁵

In agrifood systems, cooperatives empower smallholder farmers and consumers to access markets and secure fair prices. Credit and savings cooperatives (SACCOs) and credit unions expand access to finance by providing affordable loans, savings mechanisms, and insurance products to low-income communities for housing, health, and education. Worker and social cooperatives transform precarious jobs into dignified employment, especially for women, youth, and informal workers. They also deliver health, childcare, eldercare, and emergency support services to the most vulnerable and marginalised groups. They create platforms for Indigenous peoples and migrants to exercise economic agency and leadership. Across sectors, cooperatives demonstrate that enterprises can operate democratically, rebuild trust, and embed respect and care at the heart of sustainable poverty eradication. Through collaboration among cooperatives and concern for the community, they anchor prosperity in place and turn solidarity into practical, measurable outcomes. They demonstrate that when people have access to democratic ownership, collective resources, and supportive networks, poverty can be reduced not only through income but through empowerment, participation, and shared prosperity.

1 United Nations, *The Sustainable Development Goals Report 2025*, p. 8,9

2 *Ibid.*, p. 10.

3 *Ibid.*, p. 11.

4 International Co-operative Alliance (ICA), "[Sustainable Development Goals: Position Paper](#)," Brussels, pp. 1–5.

5 CICOPA, *Cooperatives and Employment: Second Global Report*, 2017.

CASE STUDIES ON HOW COOPERATIVES CONTRIBUTE TO POVERTY ALLEVIATION



Empowering women in Kenya's dairy sector

The [Maasai Kajiado Women Dairy Cooperative](#) is a women-led co-operative established to enhance household incomes and support family livelihoods by empowering women traditionally excluded from livestock ownership and financial decision-making. Today, it has grown to over 5,000 members, with more than 3,200 actively involved across Kajiado Central, East, and West. Through collective milk collection, processing, and marketing, members have improved market access, secured fairer prices, and stabilized incomes. Although climate variability since 2015 has caused revenue fluctuations, the cooperative has strengthened resilience through training in modern dairy practices, animal health management, and business skills, alongside diversification into value-added products such as yogurt, ghee, and fermented milk. Beyond economic gains, the cooperative advances gender equality by granting women financial control, promotes environmental sustainability through pasture conservation and water harvesting, and fosters community cohesion and collective empowerment among Maasai women.



Raising cocoa farmers' incomes and empowering women in Ghana

Ghana's **Kuapa Kokoo Farmers' Cooperative Union**, one of Africa's largest cocoa cooperatives with over 100,000 members, has become a global example of how producer cooperatives reduce poverty in rural economies. Before organizing, smallholder cocoa farmers—many cultivating less than 3 hectares—faced predatory buyers, low farm-gate prices, and limited access to credit or extension services. Through Kuapa Kokoo, farmers now benefit from collective bargaining, transparent weighing systems, and guaranteed fair prices, including Fairtrade premiums. These premiums fund community development projects such as boreholes, schools, women's entrepreneurship centres, and farm-productivity training. Women's participation has increased markedly through the cooperative's **Women's Programme**, which supports income diversification into soap-making, vegetable gardening, and small trading activities. Independent assessments (Fairtrade Foundation; ODI) show that Kuapa Kokoo members earn **20–40% higher net incomes**, experience more stable cash flow, and invest more in their children's education than non-members. By ensuring fair market inclusion and social investment, the cooperative directly advances SDG 1 while addressing multi-dimensional poverty in cocoa-growing communities.



Formalizing waste pickers and expanding social protection for urban informal workers in Brazil

Associação dos Catadores de Papel, Papelão e Material Reaproveitável (ASMARE), founded in 1990 in Belo Horizonte, Brazil, is one of the most internationally recognized examples of a cooperative movement transforming informal, marginalized work into dignified livelihoods. Before ASMARE, waste pickers—many of them women, Afro-Brazilian, or unhoused—worked in extreme precarity, earning little and lacking legal recognition or social protection. ASMARE organized these workers into a cooperative structure, negotiated formal agreements with the municipality, and secured access to recycling centres, equipment, training, and safe working conditions. These changes allowed waste pickers to earn more consistent incomes, improve occupational health and safety, and access social security enrollment and municipal services. ASMARE's model later informed Brazil's National Solid Waste Policy, placing cooperatives at the centre of inclusive urban recycling systems. Beyond income, the cooperative fostered community empowerment, gender inclusion, adult literacy, and political representation, demonstrating how cooperatives can transform informal labour markets into structured, rights-based economic participation.⁶



Forest-based cooperatives build livelihoods and resilience in Nepal with Finnish expertise

Through its international cooperative activities, **Food and Forest Development Finland (FFD)** founded by Pellervo Coop Center, helped found the **Amritpur Social Entrepreneur Cooperative (ASEC)** in Nepal.⁷ Formed by ten community forest user groups in Nepal's Dang District, ASEC has now grown to over 9,200 members managing community forest resources sustainably. It strengthens forest users' livelihoods through entrepreneurship, leadership, and climate resilience training. Through the latter, FFD is equipping the local community with ad-hoc tools to avert and adapt to natural disasters, today among the key drivers of poverty.

ASEC has launched several income-generating enterprises, including a sal leaf plate business that employs staff full-time and engages hundreds of women in leaf collection. It also supports 43 small businesses, 35 led by women, to generate income through non-timber forest products (NTFP) and non-forest, climate-smart businesses. ASEC also partnered with **Tulsipur Sub-Metropolitan City** to develop three ward-level climate adaptation plans, which local authorities have committed to financing. These initiatives are not only reducing poverty through job creation and business development but also enhancing women's leadership, voice, and resilience within their communities.



The contribution of European consumer cooperatives

Across Europe, cooperatives are demonstrating solidarity through practical initiatives that address poverty and social exclusion. In the Czech Republic, more than 300 cooperatives under **Skupina COOP** participate each year in the **Autumn Food Collection Solidarity Day**, donating non-perishable food and essential goods to families in need.

In Sweden, **Coop Mitt** has partnered with **Julhjälpens Gävleborg** to provide grocery bags to families with limited financial resources. Over the past five years, the cooperative has donated more than 200 bags during the Christmas season, helping create what it calls "the Christmas miracle everyone deserves." Since 2016, Julhjälpens has supported low-income families with children in Gävle and surrounding areas.

In Spain, **Consum Cooperative** continues to support the **Adecco Foundation's #EmergenciaPorElEmpleo (Emergency for Employment) programme**, which promotes labour inclusion for people in vulnerable situations. Through this partnership, 41 individuals have received assistance, 752 training and job guidance sessions have been conducted, 226 job placement services provided, and 29 employment contracts secured, showcasing the cooperative commitment to inclusion and decent work.



Fair-trade and organic coffee create stable, high-value incomes in rural Mexico

Unión Majomut, founded in 1983 in Chiapas, Mexico, is one of the country's most respected indigenous coffee cooperatives. It organizes Tzotzil and Tzeltal smallholders who historically faced deep poverty, limited market access, and exploitation by middlemen. Through collective milling, organic certification, and long-standing relationships with fair-trade buyers in Europe and North America, Unión Majomut has enabled its members to significantly improve the prices they receive for their coffee. By eliminating intermediaries and collectively negotiating export contracts, the cooperative helps producers capture a much larger share of the final value of their product. In addition to higher incomes, members benefit from technical assistance in agroecology, pest management, and climate adaptation—vital in an area heavily affected by coffee rust and environmental degradation. Unión Majomut is also known for its strong social programmes, including youth training, women's income diversification initiatives, and community savings groups, all of which reinforce local resilience and reduce rural out-migration.⁸

⁷ Federation of Community Forestry Users Nepal (FECOFUN), "Women for Entrepreneurship and Resilience – Transforming Fish-Farming and Forest Value-Chains in Nepal," 2021–2024.
⁸ Cooperatives of the Americas, "Publication on the Evolution of the Cooperative Sector between 2012 and 2025," 5 September 2025.



Mundukide Foundation, inter-cooperation between Spain and Mozambique

The Mondragon Cooperatives, recognizing that approximately one billion people worldwide live in extreme poverty, most of them hard-working individuals who nevertheless earn very little from their labor, partnered with a group of development NGOs to establish the Mundukide Foundation 25 years ago. One of their key initiatives operates in [northern Mozambique](#), a region marked by severe poverty, where average family income is around \$200 per year. Over the past 15 years, cooperative activities

aimed to increase the ability of the local population to generate income, which contributes to equitable and sustainable development, enabling people to be autonomous and self-sufficient. Thus far, more than 30,000 peasant families have participated in the programme, which focuses on improving organization, production, and sales. As a result, these families have achieved significant income growth, collectively generating more than €30 million.

Haliéus and Legacoop supporting poverty reduction in Laos

With around 17% of the population under the poverty line, Laos is still ranked among the 44 Least Developed Countries (LDCs), facing the challenge to reduce rural poverty. Among others, the coffee producers of the province of Dakcheung made positive improvements in the last years in terms of product quality and

production sustainability thanks to several projects from different donors, but the results in terms of an increase in income were still lacking due to constraints in marketing the production and poor organization among farmers.

The Italian association of cooperatives Legacoop, through its structure dedicated to international development, Haliéus, started supporting the local producers of the Dakcheung province by improving their cooperative organizations and their capacity to connect to regional and international markets, leading to the improvement of their sales and income. The [SuperWeCoffee](#) project, realized in connection with the NGO CARE, sees the active contribution of two other key cooperative players as 4Form, the training consortium of Legacoop, and Fairtrade Italy, demonstrating the strict relations of the SDG1 with other SDGs (SDG4 *Quality Education* and SDG12 - *Responsible consumption and protection*.)

CHALLENGES AND OPPORTUNITIES

Cooperatives have long demonstrated their ability to improve livelihoods, build economic resilience and expand access to essential services. Yet despite their proven impact, many continue to operate in environments that limit their full contribution to SDG 1. In numerous countries, cooperative laws remain outdated, overly restrictive, or misaligned with the ICA cooperative identity. These gaps often push cooperatives toward workarounds that undermine their democratic governance and economic potential. Access to affordable finance remains one of the most significant barriers, especially for small and emerging cooperatives led by women, youth, and informal workers. Weak governance capacities, limited market linkages, and low levels of digital readiness can further constrain cooperative growth and sustainability.

The enabling environment is not the only challenge. External pressures, including climate change, natural disasters, conflict, inflation, and global market volatility, expose the vulnerability of cooperatives that rely heavily

on agriculture or natural resources. At the same time, cooperatives are not yet fully prepared to take advantage of the opportunities presented by globalization, digitalization, and the transition to green economies.

Yet, the opportunities are profound. Across the world, new cooperative ecosystems are emerging around community finance, renewable energy, platform work, health and care services, and climate-resilient agriculture, sectors that directly address poverty, inequality, exclusion, and vulnerability. Cooperative unions and federations are innovating with pooled social protection schemes, micro-insurance initiatives, and community-based savings systems that reach populations left out of formal structures. Digital platforms are enhancing traceability, improving cooperative management systems, and connecting small producers to more stable and fair markets.

With the right policies, investments, and partnerships, cooperatives can scale these innovations and serve as catalysts for economic democracy and long-term poverty reduction

CALL TO ACTION

To unlock the full potential of cooperatives in achieving SDG 1, concerted action is needed from governments, donors, and development partners.



1. Integrate cooperatives into national and local poverty-reduction strategies

Governments should formally recognize cooperatives and other Social and Solidarity Economy (SSE) actors as partners in poverty alleviation, rural development, resource stewardship, and social protection. National SDG monitoring systems should include cooperative statistics and mapping—an increasingly emphasized recommendation by the United Nations⁹—to more accurately capture their contributions to employment, income generation, and community resilience.



2. Strengthen the legal and institutional environment

Legal frameworks should recognize the unique nature of cooperatives and guarantee their autonomy. Governments can incentivize inclusion by revising cooperative laws to allow mixed ownership, ensure democratic governance, and encourage broad membership (especially of women, youth and informal workers). Public policies can encourage local procurement from cooperatives (e.g. in food, housing or public works), strengthening their market position.



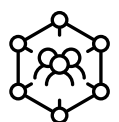
3. Expand cooperative access to finance and markets

Create or scale up financing facilities tailored to cooperatives: for instance, dedicated cooperative banks, national apex organizations for saving-and-credit cooperatives, and support for producer organizations in value chains. International donors and development banks can channel funds through cooperative-friendly channels. Public procurement rules should favor co-operatives where appropriate, helping them win contracts in infrastructure or services. These steps ensure cooperatives have the capital and market access needed to benefit members. They can be instrumental in bridging the urban–rural divide, strengthening domestic markets, and enabling small producers to benefit from global economic opportunities.



4. Invest in cooperative education and capacity building

Support technical assistance and training programs on cooperative management, accounting, governance and digital tools. For example, linking universities and vocational schools with cooperative colleges can professionalize the movement. Capacity building should especially target rural areas and underserved groups (women, youth) so that emerging cooperatives can thrive. Cooperatives themselves can form networks for peer-learning, further bolstered by international partnerships (South–South cooperation on best practices) to create more opportunities for job creation and poverty alleviation initiatives and programs. Stronger capacities will lead to better-managed cooperatives, greater accountability, and higher economic and social returns for members.



5. Foster multi-sectoral and cross-institutional partnerships

Finally, enhance collaboration across sectors and institutions: trade unions, civil society, private sector and governments can form alliances to scale cooperative solutions. For instance, public social protection programs could partner with cooperative savings schemes to reach the informal poor. Development agencies should integrate cooperatives into broader poverty and employment initiatives (e.g. in rural development, health insurance, housing). Such crosscutting efforts amplify the solidarity effects of cooperatives and ensure that progress in poverty reduction is inclusive and sustainable.

By adopting these measures, the global community can unlock the full potential of cooperatives as engines of poverty eradication and resilience-building. In practice, this means supporting the next generation of farmer cooperatives, craft and artisanal cooperatives, worker and social cooperatives, platform cooperatives, and community finance institutions so they can create decent livelihoods for the millions still left behind. With nearly 3.5 billion people worldwide living in poverty by moderate measures, strengthening cooperatives is a people-centred strategy to reduce vulnerability and restore global progress toward SDG 1. When fully recognized, properly resourced, and effectively supported, cooperatives become powerful catalysts for economic democracy, community empowerment, and lasting poverty eradication.

⁹ United Nations Secretary-General, *Cooperatives in Social Development*, Report of the Secretary-General, 2023

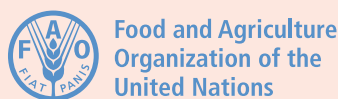


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Under the theme “*Cooperatives Build a Better World*,” IYC 2025 aims to raise awareness, promote growth, and inspire leadership in the cooperative movement. This series explores how cooperatives drive progress toward the 17 Sustainable Development Goals (SDGs) by fostering economic inclusion, democratic participation, and social solidarity for over one billion members worldwide.

Established in 1971, the Committee for the Promotion and Advancement of Cooperatives (COPAC) is a multi-stakeholder partnership that champions and supports people-centered and self-sustaining cooperative enterprises. Its current members include the International Cooperative Alliance (ICA), the International Labour Organization (ILO), the United Nations Department of Economic and Social Affairs (UNDESA), the Food and Agriculture Organization of the United Nations (FAO), and the International Trade Centre (ITC).

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