



**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

**Reduce inequality within
and among countries**





IN AN ERA MARKED BY SOCIAL UPHEAVAL AND WIDENING DISPARITIES,

the principle of “freedom, equality, and justice for all”, echoing the core values of the Universal Declaration of Human Rights (UDHR)¹, has never been more urgent. Reducing inequality within and among countries is central to achieving the 2030 Agenda’s commitment to leave no one behind. Despite progress in poverty reduction in some regions, disparities in income, access, and opportunity continue to widen, both within societies and between regions. The richest 10 percent of the global population currently takes home over 50 percent of global income, while the poorest half receives just 8 percent.² Inequalities persist not only in earnings but across access to decent work, education, social protection, and political participation, disproportionately affecting women, youth, migrants, Indigenous Peoples, and persons with disabilities.

Globally, 3.8 billion people remain without any form of social protection. Youth unemployment is nearly three times higher than that of adults³ and women continue to face entrenched wage gaps and concentration in informal and precarious work.⁴ Discrimination against migrants, persons with disabilities, low-income households, and Indigenous communities is rising.⁵ Productivity gains are increasingly decoupled from wage growth: the global labour income share of GDP has steadily declined since 2015, widening the divide between workers and owners of capital.⁶ High debt burdens, volatile resource flows, and exposure to climate and geopolitical crises further limit the capacity of many developing countries to invest in inclusive development, reinforcing patterns of unequal opportunity across generations.

The 2025 Human Rights Day theme of “Human Rights, Our Everyday Essentials” reminds us that rights are the bedrock of daily life – the right to safety, to work, to a voice in public affairs – and that every person deserves dignity regardless of background⁷. Likewise, SDG 10 calls for reduced inequalities “within and among countries,” pledging to leave no one behind⁸. UN Human Rights Chief Volker Türk warns that “inequalities are rising, conflicts are raging, and the climate emergency is mounting,” and that “we need more solidarity and more human rights to address the current challenges.”⁹

THE COOPERATIVE DIFFERENCE

Cooperatives are uniquely positioned to address these intersecting inequalities by expanding access to economic opportunity, strengthening labour protections, and ensuring that marginalized populations have a voice in economic decision-making. As democratic, member-owned enterprises, cooperatives transform exclusion into agency by redistributing economic value more equitably and reinvesting surpluses locally.¹⁰ More than one billion people worldwide participate in over three million cooperatives across sectors such as agriculture, finance, housing, health, manufacturing, industry services, insurance, retail, and fisheries.

Cooperatives actively fight inequality by advancing human rights in value chains, supporting transitions from informality to decent work, and addressing systemic risks such as child labour and modern slavery. For example, Fairtrade-certified cocoa cooperatives in Côte d’Ivoire and Ghana have implemented Child Labour Monitoring and Remediation Systems that have identified and supported more than 60,000 at-risk children, while also increasing farmer incomes through minimum price guarantees and community-managed premiums.¹¹ These cooperative-led mechanisms strengthen rights-based approaches in agricultural supply chains where risks of exploitation are high.

Cooperatives also reduce structural inequality within countries by empowering small producers and low-income communities. India’s **AMUL** dairy cooperative network, comprising more than 3.6 million small farmers, many of them women, has helped raise rural incomes, eliminate exploitative intermediaries, and expand women’s economic leadership in agriculture.¹² In East Africa, coffee and tea cooperatives in Kenya support millions of smallholder farmers by securing better prices, improving financial inclusion through SACCOs, and protecting workers in value chains from forced or child labour risks.¹³

1 Universal Declaration of Human Rights: <https://www.un.org/en/about-us/universal-declaration-of-human-rights>

2 United Nations & UNU-WIDER. *World Social Report 2025: A New Policy Consensus to Accelerate Social Progress*. 2025.

3 ILO. *World Social Protection Report 2024–26: Building the economic case for social protection*. ILO, 2024.

4 UN DESA & UN Women. *Gender Snapshot 2025*. 2025.

5 United Nations Department of Economic and Social Affairs. “Goal 10 – Reduced Inequalities.” UN SDG Portal, 2025.

6 United Nations Statistics Division. *The Sustainable Development Goals Report 2025. UN DESA*, 2025.

7 2025 Theme – Human Rights, Our Everyday Essentials: <https://www.un.org/en/observances/human-rights-day>

8 SDG 10: <https://sdgs.un.org/goals/goal10>

9 HC Türk on the climate emergency: Human rights are a compass for a just transition: <https://www.ohchr.org/en/statements-and-speeches/2025/06/hc-turk-climate-emergency-human-rights-are-compass-just-transition>

10 ILO & International Co-operative Alliance (ICA). *Cooperatives and the World of Work*. International Labour Organization, 2022.

11 Fairtrade: small investments can make a big difference in preventing child labour: <https://www.fairtrade.net/en/small-investments-make-a-big-difference-in-preventing-child-labour.html>

12 Why cooperatives hold the key to future food security: <https://www.reuters.com/sustainability/society-equity/why-cooperatives-hold-key-future-food-security--ecmii-2025-10-28/>

13 Strengthening social protection to protect children in Kenya’s tea and coffee value chains: <https://www.ilo.org/resource/article/strengthening-social-protection-protect-children-kenya%E2%80%99s-tea-and-coffee>

In the UK, cooperatives have taken a leading role in combating modern slavery and labour exploitation across supply chains. The [Co-operative Group](#), one of the country's largest consumer cooperatives, has been recognised as an early mover in implementing robust human rights due diligence, including transparent Modern Slavery Statements¹⁴ aligned with the UK Modern Slavery Act (2015). Through initiatives such as the Bright Future programme, the Co-op Group has worked with NGOs and employers to provide safe employment pathways, long-term support, and dignified reintegration for survivors of modern slavery.¹⁵ Cooperative retailers and worker cooperatives have also strengthened supplier audits, wage transparency tools, and ethical sourcing frameworks in high-risk sectors such as agriculture, food processing, logistics, and garment production.

In the digital economy, platform cooperatives ensure that technological innovation does not deepen inequality.¹⁶ Examples such as Up&Go in the United States and the [Smart cooperative](#) in Belgium demonstrate how collective ownership models can raise wages, provide social protection to gig workers, and prevent the extraction of value by digital intermediaries. Up&Go cleaners earn more than 30 percent above typical platform rates, while Smart, rooted in the artistic sector of Brussels, provides over 40,000 freelancers with access to insurance and collective bargaining mechanisms.

Cooperatives also reduce inequalities between workers and management by embedding wage fairness into their governance structures. The [Mondragon Corporation](#) in Spain, one of the world's largest cooperative groups, maintains an internal wage ratio where the highest-paid executive earns no more than six to nine times the lowest-paid worker.¹⁷ This approach stands in stark contrast to the 200–300:1 ratios common in large multinational firms and demonstrates how democratic ownership can reduce income disparities while preserving competitiveness.

These actions demonstrate how cooperative business models, grounded in democratic governance and member accountability, can advance human rights, reduce labour exploitation, and build fairer value chains that directly contribute to SDG 10 and the implementation of ILO Recommendation 193.¹⁸ The strengths of cooperatives will be especially needed as automation begins to build momentum across economies. Without an ownership structure ensuring the equitable distribution of wealth created by automated gains in productivity, labour industries that currently serve as the economic foundation of entire communities will begin to extract consumer savings without supplying options for making a living through work. This will only serve to accelerate the globe away from the goals of SDG 10 and rapidly increase disparities in purchasing power and resource access.

14 Co-operative Group. Modern Slavery Statement 2023/24: <https://www.co-operative.coop/ethics/modern-slavery>

15 Co-op Group: Bright Future Programme Overview. <https://www.co-operative.coop/ethics/bright-future>

16 Platform cooperatives and employment: An alternative for platform work: https://www.oecd.org/content/dam/oecd/en/publications/reports/2023/09/platform-cooperatives-and-employment_8e8a1d61/3eab339f-en.pdf

17 Study of Mondragon highlights valuable lessons in building a successful, inclusive economy: <https://ica.coop/en/media/news/study-mondragon-highlights-valuable-lessons-building-successful-inclusive-economy>

18 R193 - Promotion of Cooperatives Recommendation, 2002 (No. 193): https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:12100:0:NO:P12100_INSTRUMENT_ID:312531



CASE STUDIES FROM AROUND THE WORLD



Socodevi - Canada

Through its development programs, SOCODEVI promotes inclusive economic participation by providing technical assistance, governance training, gender-equity tools, and business development services to farmers, women's and forestry cooperatives in Latin America, and other community-based organizations. These efforts help marginalized populations gain access to stable markets, improve productivity, and increase their income. SOCODEVI's methodology—focused on cooperative governance, transparency, and long-term self-management—ensures that benefits are distributed fairly among members, reducing internal gaps and reinforcing local democratic structures.

At the same time, SOCODEVI places strong emphasis on reducing social inequalities by targeting groups that face structural barriers, such as women, youth, indigenous peoples, and rural families. Their programs introduce gender-responsive budgeting, leadership pathways for women, and tools that promote equitable participation in decision-making. They also expand access to financial services through strengthened credit unions and savings cooperatives, ensuring more equitable access to credit and financial education. By empowering communities with the skills, networks, and institutional models needed to manage their own development, SOCODEVI helps reduce both economic and social disparities while fostering more resilient, inclusive local economies across Latin America.



The Women of Dadès Cooperative, Morocco

Located in the Tinghir province of southern Morocco, the Women of Dadès Agricultural Cooperative illustrates how cooperatives can reduce inequality by creating inclusive economic opportunities for rural women.

Founded in 2011 by Drissia Ait Heddou, a geography graduate and long-time advocate for women's empowerment, the cooperative emerged from earlier community organizing that began in 2003. Responding to limited employment opportunities for women, particularly those without formal education, the cooperative was established to build sustainable livelihoods rooted in local knowledge. It specializes in the valorization of agricultural products, especially roses from the Dadès Valley, a key element of the region's cultural and economic heritage.

With support from Morocco's National Initiative for Human Development and the Green Morocco Plan, the cooperative operates as a social enterprise providing flexible local employment, stable income, training, and technical support for rural women. Fairtrade certification in 2016 strengthened production quality, expanded market access, and enabled participation in national and international marketing initiatives.

Beyond income generation, the cooperative has driven wider social change by increasing women's financial independence, supporting household well-being, encouraging girls' education, and inspiring the creation of new cooperatives. Through solidarity and shared growth, the Women of Dadès Cooperative has contributed to greater social inclusion and reduced inequality in the region.



© Ecodes

Europe

CECOP, the European Confederation of Industrial and Service Cooperatives, represents around 43,000 cooperatives, employing 1.3 million workers. Its members include **worker cooperatives**, **social cooperatives**, and **cooperatives of autonomous workers**, all at the **forefront of fighting inequalities**, combining economic performance with social progress to achieve sustainable and inclusive growth.

In the Czech Republic, **SOLEA** is one of the most significant worker cooperatives employing people with disabilities in the country, as over 75% of the workers are people with disabilities. The cooperative, growing from 3 to 180 employees since 2000, manufactures plastics and metal components, supplying them to the automotive, engineering, and electrical industries. Social cooperatives can be owned by workers or also by other community members, such as service beneficiaries or local authorities. They specialise in the provision of services of general interest, often in areas where there is a lack of available, affordable, or quality services. Work-integration social cooperatives have it as their core mission to assist people with disabilities and other disadvantaged groups with their (re)integration into the labour market. An example is **Vesti Solidale (Italy)**. Specialised in the management of special and municipal waste, including textile and electronic waste (WEEE) since 1998, it has been creating jobs for vulnerable people and promoting environmental sustainability. Vesti Solidale operates three plants in the province of Milan, including the largest textile waste management plant in northern Italy, which can process up to 20,000 tonnes of waste each year. Through their work

with large companies, they collect, transport, and manage waste, provide consultancy services, and ensure environmental compliance throughout the process. Finally, some of CECOP members are responding through the rise of non-standard work via co-ops of autonomous workers (such as freelancers or the self-employed). These offer access to social security and job stability through mutualised services, while guaranteeing autonomy and flexibility.

Across Europe, energy cooperatives are ensuring low-income households are not left behind the energy transition nor discriminated against by fluctuating prices. The [Oliver Energy Community](#) provides affordable solar energy to 56 homes, five organisations, and a church in one of the neighbourhoods with the highest social exclusion rates in Zaragoza, Spain. Through broad community participation, this cooperative aims to make the [energy transition accessible](#) to a diverse group of citizens, including the most vulnerable, while reducing their energy costs. The

Belgian energy cooperative [Klimaan](#) uses citizen investments to finance [solar panels on 197 social housing units](#). This initiative prioritises social impact over profit, offering low-income households stable, affordable energy prices shielded from market fluctuations. Klimaan is also involved in research on the feasibility of a district heating network in a social housing neighbourhood, within the [EU project SOCIALNRG](#).



Asia

In Sri Lanka, the [Sanasa Federation of Co-operatives](#)—along with more than 8,000 primary cooperatives and

a million-plus low-income members—forms a community-focused network for savings, credit, and enterprise development. These federation members are mainly those from rural and poor backgrounds who have been left out of the formal banking system. By using democratic ownership and community-centered financial services, Sanasa makes it possible for the small farmers, women, and informal workers to access credit that is affordable, have savings practices, and get support for their livelihoods. Sanasa is able to diminish the gap in income, region, and opportunity by not only decreasing dependence on informal moneylenders but also amplifying the underserved communities' share of economic power through financial inclusion. Thus, Sanasa's cooperative model is a direct contributor to the UN SDG 10 (Reduced Inequalities) because it makes access to finance barrier-free, brings the income security aspect of the disadvantaged across Sri Lanka into focus, and amplifies the economic voice of the marginalized.

CHALLENGES AND OPPORTUNITIES

As the case studies above demonstrate, cooperatives play a vital role in expanding economic participation, strengthening resilience, and advancing equality. Yet their full potential to reduce inequalities under SDG 10 remains constrained by structural barriers. In many countries, cooperative legal and regulatory frameworks are outdated or poorly aligned with evolving economic models, limiting cooperatives' ability to operate in high-growth sectors such as digital labour platforms, social care, and renewable energy, where inclusive ownership could deliver significant benefits for marginalized workers and producers.

Access to finance remains a persistent constraint, particularly for cooperatives led by women, youth, migrants, Indigenous Peoples, or persons with disabilities. Conventional financial institutions often perceive cooperatives as high-risk, while public financing mechanisms rarely cater to member-owned enterprises, restricting their ability to scale and modernize. Social norms and discriminatory practices further limit participation and leadership, while weak national statistical systems fail to capture cooperatives' contributions to income equality, decent work, and service access. Digital divides compound

these challenges, as limited access to infrastructure, skills, and tools makes it difficult for smaller or rural cooperatives to compete in modern markets or reach new members.

Despite these challenges, cooperatives are well-positioned to accelerate progress toward SDG 10. They are expanding in sectors that directly reduce inequality, including renewable energy, affordable housing, social care, and fair digital platforms. Platform cooperatives are emerging as alternatives to extractive models, ensuring that digital profits and decision-making power remain with workers and users, while financial cooperatives extend inclusive services to low-income households, migrants, and rural communities, and producer cooperatives strengthen smallholders' bargaining power and access to ethical value chains.

At the same time, growing recognition of cooperatives and the Social and Solidarity Economy through UN General Assembly resolutions and other intergovernmental outcomes is encouraging stronger legal frameworks, targeted financing, and sustained policy dialogue. With the right enabling environment, cooperatives can scale inclusive business models, deepen democratic participation in the economy, and deliver lasting reductions in inequality within and among communities.

CALL TO ACTION

To realise the full potential of cooperatives in advancing SDG 10, governments, UN agencies, international institutions, and development partners should prioritise policies and investments that expand democratic participation in the economy, reduce structural inequalities, and strengthen inclusion for all. We recommend taking the following actions:



1. Integrate cooperatives into national inequality-reduction and inclusion strategies

Governments should explicitly recognize cooperatives and other Social and Solidarity Economy (SSE) actors as strategic partners in reducing income and social disparities. Policy frameworks for decent work, social protection, financial inclusion, care systems, and rural/urban development should explicitly account for cooperatives' role in expanding access for underserved communities. National SDG monitoring, including Voluntary National Reviews, should document and measure cooperative contributions to equity, access, and representation.



2. Strengthen and modernise legal and regulatory frameworks that protect cooperative identity and expand their scope

Policymakers should update outdated cooperative laws to safeguard autonomy and democratic governance while enabling new models such as worker-buyouts, platform cooperatives, social cooperatives, and youth- and women-led enterprises. Clear, enabling regulation will help cooperatives thrive in digital economies, care systems, renewable energy, and other high-impact sectors central to reducing inequalities.



3. Expand inclusive access to finance, insurance, and markets

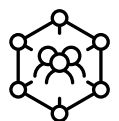
Dedicated cooperative financing mechanisms are needed so that women, youth, migrants, and persons with disabilities can launch and scale enterprises. Development banks, public financial institutions, and cooperative apex bodies should design dedicated financing windows for cooperatives, particularly those led by women, youth, migrants, and persons with disabilities. Governments can accelerate inclusion by leveraging public procurement for

food, care, housing, waste management, and community services to strengthen cooperative value chains and create local, dignified jobs.



4. Invest in cooperative education, leadership development, and skills for the future of work

Member States and development partners should scale training programmes on cooperative governance, financial management, digital transition, climate resilience, and care-economy services. Targeted capacity-building for traditionally excluded groups will ensure more inclusive leadership and strengthen the ability of cooperatives to close inequality gaps in fast-changing labour markets.



5. Strengthen data, partnerships, and international cooperation to scale equity-focused cooperative ecosystems

Governments, UN agencies, national statistical offices, and cooperative federations should collaborate to produce more robust, disaggregated data on cooperative employment, participation, and impact on inequality. At the international level, development partners should scale up South-South cooperation, peer learning, and investment in cooperative-led models for fair value chains, migrant inclusion, care provision, and digital platform governance.

By implementing these actions, policymakers can empower people rather than markets alone, reflecting the core spirit of the cooperative model. The recommendations are grounded in ongoing global efforts, including legal reforms aligned with international standards such as ILO Recommendation No. 193,¹⁹ expanded rural credit schemes, and inclusive social protection frameworks. UN agencies, development partners, and private actors can further accelerate impact by mainstreaming cooperatives across development programmes and co-investing in cooperative capacity and skills.

Advancing SDG 10 through a human-rights lens means ensuring that no one is left behind. Cooperatives, with their people-centered and democratic approach, offer a practical blueprint for a fairer economy in which value is shared and participation is inclusive. As the UN International Year of Cooperatives 2025 unfolds, governments, international organizations, cooperatives, and citizens have a timely opportunity to strengthen enabling ecosystems, enact inclusive policies, and invest in cooperative solutions. Doing so will advance SDG 10 while affirming the fundamental human rights of freedom, equality, and dignity for all.

19 R202 - Social Protection Floors Recommendation, 2012 (No. 202): https://normlex.ilo.org/dyn/nrmlx-en/f?p=NORMLEXPUB:12100:0:NO::P12100_INSTRUMENT_ID:3065524



This brief is part of the *Building a Better World Together: Cooperative Contributions to the SDGs* series, produced by the [Committee for the Promotion and Advancement of Cooperatives \(COPAC\)](#) and the [International Co-operative Alliance \(ICA\)](#), together with its regional organizations; [Cooperatives Europe](#), [ICA Africa](#), [ICA Americas](#), and [ICA Asia Pacific](#) in support of the [UN International Year of Cooperatives 2025 \(IYC 2025\)](#).

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)

copac
coop Committee for
the promotion
and advancement
of cooperatives



This publication has been co-funded by the European Union. The contents of this publication are the sole responsibility of the International Co-operative Alliance and can in no way be taken to reflect the views of the European Union.

