



**Intervention by Bruno Roelants, Secretary General of CICOPA, in the name of
the International Cooperative Alliance
at the Committee on the Transition from the Informal to the Formal Economy
of the 104th Session of the International Labour Conference**

2 June 2015, Geneva

Let me extend to you Chair and to you all the greetings of the cooperative movement. With around 1 billion members, we are the largest member-based system in the world, and we constitute a considerable share of the economy (e.g. 7% of the German, French and Italian GDPs).

The figures regarding employment are also very significant. According to a study which we presented last year, cooperatives provide employment to at least 250 million people in the world, corresponding to 8% of the world's employed population – 12% for the G20.

But what have cooperatives to do with the present discussion on the transition from the informal to the formal economy? Their role in this regard is explicitly mentioned in an ILO instrument dedicated exclusively to cooperatives, namely ILO Promotion of Cooperatives Recommendation n°193 (2002), voted unanimously but for two abstentions, reflecting a strong consensus from employers, workers and governments.

Recommendation 193 also hints at the social and solidarity economy, in which cooperatives are a main component, and which has become an integral part of the UN agenda.

How do cooperatives and other social and solidarity economy enterprises contribute to the transition? By providing a socio-economic voice and representation to ordinary citizens, economies of scale, a wide array of enterprise support services (training and education, financing, advisory services etc.), and gradual administrative formalization.

In a document which we just drafted and which will be made available in the Committee room, "Cooperatives are Key to the Transition from the Informal to the Formal Economy", we analyse the reasons for such contribution to the transition, and we provide a series of concrete examples from developing, emerging and developed countries. We also try to show that this is not only about formalization, but a big investment in a country's future.

We consider that the important role of cooperatives in the transition, already recognized by all three parties in 2002, should be explicitly stated in the Recommendation, for example in the section on "legal and policy frameworks", extending this recognition to the wider social and solidarity economy.

We also consider that concrete employment policy proposals encouraging the transition to formal employment, such as specific tax policies and public procurement policies, should be proposed in the Recommendation. Complementary social protection systems established by cooperatives and the social and solidarity economy, helping informal economy workers move to the formal economy, should also be mentioned.

It is important to look at cooperatives' and social and solidarity economy's contributions with a long-term vision towards the future of the world of work, which the ILO DG has elaborated in his opening speech. Beyond the formal economy issue, cooperatives and the social and solidarity economy are involved in a wide array of social, organizational and technological innovation, in such fields as education, social care, phone, internet, digital services, environmental services and energy production. Based on its two centuries of experience, and of its ongoing dynamism, and increasingly so among the youth, the cooperative movement has really something to contribute to the future of work in general, and to the transition towards the formal economy in particular.