

Gender Issues in Cooperatives

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What are cooperatives?

Cooperatives are autonomous associations of people who join together to meet their common economic, social and/or cultural needs through jointly-owned and democratically controlled enterprises. Cooperatives are able to promote economic and social development because they are commercial organizations that follow a broader set of values than those associated purely with the profit motive. Because cooperatives are owned by those who use their services, the decisions taken by cooperatives balance the need for profitability with the wider interests of the community. They also foster economic fairness by ensuring equal access to markets and services for the membership base, which is open and voluntary (see Statement on Cooperative Identity).

Cooperatives play an important role in job creation by directly providing productive self-employment for several hundred million worker-owners of production and service provision cooperatives and non-member em-

ployees of these and other cooperative enterprises. Although cooperatives are not instruments of employment promotion as such, they do create and maintain employment in both urban and rural areas around the world and thus provide income to both members and employees in the form of shares of surplus (profit), wages and salaries depending on the type of cooperative.

Enterprise development and particularly the promotion of small and medium enterprises, has been adopted as a prerequisite and a strategy for job creation and economic growth in a large number of countries. Governments are responsible for formulating policies for an enabling environment for these businesses. However, more awareness and knowledge about the cooperative form of enterprise, as an option to conduct business, is widely needed by the people most likely to benefit from it.

Statement on the Cooperative Identity

Values:

Cooperatives are based on the values of self-help, self responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Cooperative Principles:

- Voluntary and Open membership
- Democratic Member Control
- Member Economic Participation
- Autonomy and Independence
- Education, Training and Information
- Cooperation Among Cooperatives
- Concern for Community

Cooperatives as potential empowerment vehicles

Empowerment has always been fundamental to the cooperative idea where people get together to achieve goals that they would not be able to achieve on their own. The goals are decided by the members themselves and, since cooperatives are organized on the principle of one person - one vote, the cooperative form of enterprise provides women with the opportunity of participating on equal terms with men. Cooperative enterprises can take on different forms: They can be set up by a group of enterprises or by individual entrepreneurs wishing to benefit from shared services, cheaper goods, easier access to markets or higher prices for their products. But what they all have in common is that, as a group, members are able to create economies of scale and increase their influence and bargaining power.

In many developing countries women work individually, often isolated, in the informal economy, operating at a low level of activity and reaping marginal income. Joining forces in small-scale cooperatives can provide them with the economic, social and political leverage they need. A good example of this can be seen in the achievements of SEWA in India (see Box overleaf). For the member entrepreneurs, cooperatives provide the setting for collective problem-solving and the articulation of strategic and basic needs. The support and mutual encouragement that a group of entrepreneurs can give each other can also be crucial in helping to maintain or boost their self-confidence. Solidarity, social responsibility, equality and caring for others are among the core values on which genuine cooperatives are based.

But are women able to fully utilize the potential that the cooperative method of doing business represents? And do the traditional cooperatives recognize and make full use of the potential that women members and employees represent?

Barriers and challenges to women's participation in cooperatives

Since cooperatives, like other forms of enterprise, reflect the broader society in which they operate, it is not surprising that gender imbalances do exist, despite the cooperative principles and values that proclaim equality and equity. Among the most important gender issues in cooperatives today are women's low level of *active* participation and their under-representation in decision-making and leadership. In cases where women actually do make up a large proportion of the membership, such as in credit and consumer cooperatives, their active participation is particularly crucial as the cooperatives cannot claim to be truly democratic if women do not participate in decision-making, and neither can women members' needs and interests be adequately addressed.

Women, especially in developing countries, are confronted by formidable constraints that block their active participation in cooperatives. First and foremost among these constraints is the traditional role of women in society and the prevalent misconception that women's reproductive and domestic responsibilities constitute their main role. This places women at the margins of the cooperative business world. It restricts their choice of economic occupations and opportunities and is the root cause of their heavy work burden and time constraint. Carrying out income-earning activities in addition to their non-paid work as mothers and home-makers, often leaves little time or energy to attend meetings or carry out other additional tasks.

Women's lack of access to resources is also a major stumbling block. It affects both their participation in existing cooperatives or the setting up of new ones. Without independent assets it is also difficult for women to invest in their own right in cooperatives. In many countries women lack access to land, credit or production inputs; their level of education is lower than men's and their business experience and knowledge of cooperatives is very often limited. Because they are unable to participate in cooperatives, they are excluded from the benefits that cooperatives and their support structures often provide to their members such as credit, education and training, production inputs, technology and marketing outlets. In other words, because they are disadvantaged at the outset, it is all the more difficult for them to change their predicament as they do not have access to resources.

Legal constraints can also hinder women's participation in cooperatives. Studies carried out by the ILO¹, have indicated that cooperative laws are generally "gender neutral" and do not discriminate directly against women. In certain cases, the provisions in the cooperative law are in fact gender pro-active, stating that the participation of women in the membership should be reflected in cooperative decision-making i.e. in boards and committees. One such example is the Cooperative Law of Namibia of 1996.

However, women do face barriers to their participation in cooperatives as a result of related laws that discriminate against women in regard to property ownership and in-

heritance. In some countries, women are also restricted from conducting business independently or without their husband's consent. In other cases women's legal rights may be stipulated in a law but not necessarily enforced or they may be superceded by customary law.

In cooperative by-laws, which are formulated by the members themselves, certain rules and regulations can have a discriminatory effect on the participation of women. For example, in agricultural cooperatives, ownership or control over land or property are often stipulated as a condition for membership. Or, if the cooperative only allows one member per farm/household, the general tendency is that a man is chosen. When the women household members are excluded from membership, they are consequently excluded from the services that cooperatives provide in rural communities.

To address this problem, cooperatives in some countries allow for participation and voting rights for several members per household. In Norway, for example, it is stipulated that "there must be at least two votes per farm". In order to exercise one's right to vote, personal attendance at the general meeting is obligatory. In addition, it is stipulated that both representatives must be able to hold office bearer positions or responsibilities in the cooperative.

The lack of social, economic and legal rights also partly explains women's low participation in cooperative decision-making and leadership positions.

Box: SEWA, the Self-Employed Women Association

SEWA is a trade union formed in 1972 which aims at mobilizing women in the unorganized sector of the Indian economy. It is in fact a confluence of three movements: the labour movement, the cooperative movement and the women's movement which all share similar values and goals.

SEWA's members are self-employed women who earn a living through their own businesses or through their own labour. SEWA believes that self-employed women must organise themselves into sustainable organizations so that they can collectively promote their own development. SEWA members therefore form cooperatives whenever possible to create economies of scale, increase their bargaining power whilst maintaining full control as owners and leaders. In SEWA's experience the formation of cooperatives has resulted in sustained employment and income.

Cooperatives are particularly successful in the provision of social services and social protection. In India the integrated insurance scheme of SEWA is one of the largest contributory social security schemes in the country for informal sector workers. The scheme offers insurance coverage to more than 30,000 women workers.

¹ "Legal constraints to women's participation in cooperatives", ILO-Cooperative Branch, 2002

Cooperatives in a changing environment

Cooperatives have undergone tremendous changes during the past decade, triggered by expanding global trade, deregulation, economic liberalization and political transformation. Earlier cooperatives in many countries functioned in protected and highly regulated domestic markets in more or less monopoly situations. In centrally-planned economies, cooperatives were subjected to state interference at all levels of their operations making it impossible for them to function as member-owned and member-run business enterprises. With the end of the Cold War, cooperatives were for the first time exposed to the challenges posed by the market economy.

In developing countries too, where cooperatives had been introduced by colonial powers as development tools, they generally benefited from government subsidies and other preferential treatment. The introduction of structural adjustment policies in the 1980s had dramatic effects as cooperatives were suddenly forced to adjust to increased competition from the private enterprise sector without the financial support and extension services that they had become accustomed to. They thus entered a period of crisis and were forced to adapt rapidly or disappear. Despite the difficulties many cooperatives have managed to survive by introducing new innovative strategies and becoming - often for the first time - genuine, member-owned and controlled cooperatives. And, because of their social and economic role, it is increasingly recognized that cooperatives have an important role to play in helping to mitigate the negative effects of globalization.

As a result of liberalization, many different forms of cooperatives today exist side by side in the same country. "Free-enterprise (or commercial) cooperatives" can, for example, co-exist with "state-sponsored cooperatives" and "self-help groups". This can be seen in countries where governments legalized the already existing, but until then illegal, unregistered cooperative self-help organizations such as the *tontine*, *adjo*, *naam* groups, *harambee* groups or *gotong royong*. In other cases, alternative forms of cooperatives were established, or registration procedures were simplified, which led to the emergence of a large variety of cooperatives alongside the formal cooperative sector. Examples include: village groups in Burkina Faso (see Box), Mali and Niger; common initiative groups in Cameroon; economic interest groups in Senegal and other French-speaking African countries; credit cooperatives in Indonesia; mutually aided cooperatives in Andhra Pradesh (India) and pre-cooperatives in Côte d'Ivoire. As surveys carried out in several developing countries have indicated, simplifying registration procedures, would greatly encourage women entrepreneurs to join and/or form their own cooperatives or group enterprises.

Liberalization has thus dismantled or reduced monopolistic advantages and provided a more equal playing field to other business enterprises and new cooperatives to compete with the earlier established ones. Many of the cooperatives that were ill prepared for the change to a

Box: Empowerment of women in the Sahel

Women in Africa, as in other parts of the world, face numerous obstacles and constraints in their access to such resources as knowledge, land, production inputs, finance as well as income-earning opportunities. Women's heavy workload and subsequent lack of time constitutes one of the greatest obstacles.

In an effort to address this and other problems, an ILO-initiated project has been assisting more than 5,000 women in the Bulkiemdé and Sanguine provinces of Burkina Faso in the Sahel. Through the establishment of micro-finance associations run by the women themselves, the local communities have experienced surge in entrepreneurial activity which has been spurred on by the establishment of financial links with the national bank, *Caisse Nationale de Crédit Agricole*.

According to the villagers interviewed, the project has had a long-term catalytic impact on the communities concerned. It has not only contributed towards improving the standard of living of the women and their families and increasing their social status, but has also kindled a strong sense of solidarity and mutual help among the villagers.

Moreover, gender sensitization, especially among men, has led to a redistribution of tasks and responsibilities within the households and communities. Being freed from their heavy work burden, women are now increasingly able to participate in education and training programmes, income-generating activities and meetings in their cooperative and in the community.

More women also participate in decision-making both at home and in the community, where the traditional negotiation methods are being transformed. With strong women leaders now taking their rightful place in municipal councils and village committees, it is deemed that the voice of women will continue to be heard and their needs adequately addressed.

competitive market have been wiped out and rising in their place are dynamic, innovative cooperatives that have successfully adapted and transformed themselves into market-oriented enterprises.

In Western Europe, the cooperative movement experienced a new period of growth after the 1970s when the so-called "new cooperatives" started to emerge. These new forms of cooperatives came about in response to the economic crisis of the late 1970s, which had led to rising unemployment and a gradual decline in the European social model. Some of these new cooperatives were set up by employees as a way of saving their jobs in enterprises that were nearing bankruptcy. New cooperatives and new jobs were also created as unemployed people established social economy enterprises and as entrepreneurial activities were developed in areas abandoned by the welfare state.

According to a report carried out by CECOP, women are the main cooperative entrepreneurs in Western Europe. For example, in Sweden, 80% of the founders of new

cooperatives are women. They see cooperatives as a good way of starting up a business, and they value the positive flexibility and influence and control over their work situation that the cooperative framework is able to provide. In Finland, 40% of the founders of worker cooperatives are women. The main sectors in which they operate are social services, health care, marketing of handicrafts, culture and media. In Germany, many new cooperatives have also been set up by women, who in many cases see them as an opportunity to combine social, political and ecological work. In Italy, France and Spain, where the cooperative movement has a long tradition in certain sectors, cooperative enterprises have been established in new and innovative sectors such as in the provision of services, social care, tourism, cleaning, catering, environment and architectural conservation and many others. The growing number of cooperative enterprises, many of which are run by women, has greatly

helped to absorb the steadily increasing number of women entering the labour force in these countries. It is estimated that more than 4,000 new social economy enterprises are created annually leading to the creation of jobs for around 30 - 40,000 people each year. CECOP characterizes these new cooperatives created by women as a “veritable laboratory of new methods of work sharing and methods for positive flexibility. This experimentation in the restructuring of working time has not only contributed to the individual aspirations of women, but also to better reconciliation of individual, family and working time.”

²“Participation and flexibility: An Opportunity for Women’s Employment”, EURb/100/97, CECOP (European Confederation of Workers’ Co-operatives, Social Cooperatives and Participative Enterprises)

Seeds of change

The advancement of the status of women in cooperatives and in society in general has always been important to the international cooperative movement. Since the World Summit on Social Development and the Beijing Conference, however, the promotion of gender equality has been particularly high on its agenda. In 1995, the International Co-operative Alliance (ICA) passed a resolution on "Gender Equality on Cooperatives" in which the members of the ICA noted that gender equality is a global priority for the cooperative movement. ICA members declared their commitment to take action and the ICA at the global level has undertaken a series of programmes and activities for the advancement of women. Several initiatives have been undertaken in collaboration with the ILO such as the development of training materials on gender in cooperatives in French, English and Spanish (see reference materials below) and leadership development manuals for women cooperators soon to be published.

Attaining equality of opportunity between men and women is a long process and cooperatives in all parts of the world still have a long way to go before they are able to claim that they are truly gender responsive. However, the very fact that cooperatives, as opposed to other types of enterprise, have to pay attention to the needs and interests of their members, gives them a special role to play. Members, clients and customers very often perceive cooperatives as having a high regard for business ethics, therein included equality issues, so in order to attract new members and loyal clients and customers, cooperatives should take advantage of this. The Cooperative Commission of the UK states in its Report (2001):

“Active equal opportunities management can open up new opportunities and improve market share by broadening the customer base, particularly where the customers can identify with the specific policies and practices e.g. gender, disability, race and age. Conversely, bad practice can lead to a loss of reputation and customers...”

Many cooperative businesses today have clearly formulated policies on equal opportunities but practice may, of course, differ. Very few cooperatives, for example, actually have a percentage of women in decision-making positions that corresponds to the percentage of women in the membership. A key starting point is therefore to ensure that cooperative leaders and management are sensitized to gender issues. It is only with a understanding of the issues and a commitment to systematically address them that proactive measures will be taken by the leaders and managers. Ensuring that gender concerns are mainstreamed in all cooperative policies, legislation, mission statements, visions, by-laws, strategies, plans and programmes is also essential. Gender analysis can be used as a tool to help reveal areas needing change. Examining the rights, resource allocations and decision-making processes within cooperatives can give an indication of the constraints and challenges facing women and provide a key to designing policies and strategies to enable them to take better advantage of the opportunities that exist. Measures can be taken, for



example, that can lead to a more equal allocation of management and leadership positions through affirmative action, equal access to cooperative benefits such as credit, cooperative education and training, and removing legal obstacles to women's equal and active participation. For successful gender mainstreaming, the strengthening of gender capacities within the cooperative movement should be a priority.

Benchmarking, sharing best practice and establishing a monitoring system in cooperatives which can trace the progress in equal opportunities through agreed indicators, are necessary for cooperatives that wish to maintain a high and dynamic profile as businesses based on ethical and social standards.

Capacity building is another key area that needs to be given priority as one of the main obstacles to equal opportunities is the education gap between men and women and the resulting occupational segregation. Cooperatives and their support structures should ensure that their women members are fairly and equally represented in all training and education programmes. These programmes should be sensitive to women needs, or specifically designed where necessary, and should include confidence-building measures. Identifying potential women leaders and helping them gain visibility and experience within the organization through training, coaching and mentoring has proven to be an effective strategy

Nominating, encouraging and supporting women members to stand for election in various committees, representative bodies and higher-level cooperative structures and to participate actively in meetings, is an important step towards the advancement of women in cooperatives, but special

attention must often be paid to the specific gender-related obstacles that women face.

In many countries where women are particularly disadvantaged in terms of legal rights, cooperatives should form national level coalitions and alliances with gender advocacy organizations and other civil society organizations to lobby governments for equal rights (especially in property and asset ownership) and an effective legal framework and institutions that foster gender equality. Without fundamental changes in society it is of course difficult for cooperatives alone to alter gender disparities which affect their operations. However, since cooperatives often have the needed representation force behind them, they are in a good position to influence national level policies and should make use this.

From the time cooperatives first emerged out of the excesses of the industrial revolution to today's market turbulence and resulting marginalization, social exclusion and denial of access of opportunities of large sectors of the population, cooperatives have always represented a valid organizational form with an important role to play. For cooperatives hold the potential to help people to help themselves, to present an alternative way of organizing and carrying out business activities, and to demonstrate that values of caring and sharing, democracy and participation do indeed work for the benefit of society.

³ The ICA represents over 200 cooperative organizations with nearly 760 million individual members in nearly 100 countries. ICA Gender Equality Committee: www.coop.org/women

References and further reading:

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