



GLOBAL STUDY ON **YOUTH** **COOPERATIVE** **ENTREPRENEURSHIP**

WITH A FOCUS ON WORKER, SOCIAL AND INDEPENDENT
PRODUCERS'/WORKERS' COOPERATIVES



International Organisation of
Industrial and Service Cooperatives
A Sector of the International
Co-operative Alliance

June 2018

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INTRODUCTION



ACKNOWLEDGEMENT

The author is grateful to all those who have contributed to the elaboration of this study on youth cooperative entrepreneurship. It would not have been possible to carry out this work without the insights provided by all the young cooperators around the world who took the time to participate in the survey launched in 2017. The support of the cooperative movement was essential to disseminate the survey and to provide information about the overall CICOPA



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FOREWORD

BY SÉBASTIEN CHAILLOU

CHAIR OF THE INTERNATIONAL
COOPERATIVE ALLIANCE (ICA) YOUTH
NETWORK



Our generation has grown up in a world of inequalities and these seem to be deepening every year. Just one percent of the world population now owns the same amount of wealth as 50 percent of the very same population. Whilst it is true that extreme poverty is at a historic low, in many countries the middle class is losing ground and shrinking because of unemployment and precarious jobs.

Being told that there is no solution to these issues is unbearable for the coming generation. Certain of their theory of unlimited growth, the wealthiest class and big companies continue to destroy both the climate and humankind in the name of profit. Citizens feel powerless and even when some leaders do want to regulate and redistribute wealth, powerful lobbies and tax evasion leave them too weak to act. Everything seems to say to the coming generation that “there is no alternative”.

However, as cooperators are fully aware, there is no lack of alternatives and this study illustrates some of them. It is interesting to see why people, particularly the young, join cooperatives. Cooperatives appeal to young people because they provide the new forms of solidarity we require. Amongst other examples, we can mention how freelancer cooperatives provide social security to self-employed individuals. At the global level, new forms of cooperation are now reaching maturity and traditional forms are proving themselves to be highly resilient. As you will read in this study, even national authorities are starting to see the cooperative movement as a way to build a better society.

Cooperatives, and especially worker cooperatives, represent a rallying point for young people. They represent a way for us to empower ourselves, to inspire citizenship, notably in an area where democracy has been absent for too long: enterprises and corporations. They are a tool to be used to take back control of our life, rather to sell it.



FOREWORD

BY SÉBASTIEN CHAILLOU

CHAIR OF THE INTERNATIONAL
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NETWORK

When faced with such an enormous challenge, how and where do we start? First, we need to know one another, meet, talk and cooperate. This study provides the first part of the answer.

*“ For us, as young cooperators, we think that the cooperative movement can become the social movement of the coming century. But it has to embrace the aspirations of youth and workers and become a tool for social change. ” **

As young cooperators committed in, and to, the cooperative movement, we are engaged in two main battles. The first is taking place inside the movement: to challenge, as well as rejuvenate, cooperative principles and put them into action. Cooperative leaders must understand that rather than being the future of the cooperative movement, young people are its present. The second is taking place within society: at a time when investor-owned corporations are sending cars into space and claim to be able to do everything better than the national authorities or civil society, there is an urgent need to promote forms of business which do not reduce citizens to mere consumers.

Whilst these two battles are far from being won, fighting them is more important now than it has ever been.

* statement from the ICA youth meeting conclusions, Antalya 2015.



ABOUT THIS STUDY

An increasing interest has been observed in recent years on how cooperatives can, amongst other things, be a concrete tool in the hands of young people for improving their employment conditions and access to entrepreneurship. This study, which is part of the CICOPA campaign on youth cooperative entrepreneurship, “We own it! The future of work is ours”¹, is intended to introduce some considerations into the debate regarding the main points of interests and challenges for establishing worker, social and independent producers’/workers’ cooperatives² amongst young people, in a worldwide context marked by new technologies, shifting sectoral trends and a changing world of work. Its ambition is to be a source of inspiration for further debates and research, a tool at the disposal of the cooperative movement to promote a better understanding among policy makers of the potential of cooperatives for young people. It is based on desk research and on the results of an online survey involving more than 60 youth cooperatives organized as worker, social and independent producers’/workers’ cooperatives in the five continents.



In the first chapter, we will draw a global portrait of youth employment and entrepreneurship: we will focus on the main challenges and opportunities for young people in a world of work which is being deeply reshaped by demographic changes, globalization and technological innovations. Furthermore, we will share some preliminary insights about

1. Available at www.we-own-it.coop

2. These correspond to the main types of cooperatives active worldwide in industry and service sectors represented by CICOPA, the International organisation of industrial and service cooperatives. With the recent transformation of the world economy, industrial and service cooperatives are no longer a marginal phenomenon and their potential for youth job creation deserves a great deal of attention: according to recent CICOPA estimations, worker cooperatives, social cooperatives and cooperatives of independent producers’/workers in this sector employ almost 20 million people worldwide



ABOUT THIS STUDY

the role that cooperatives can play in building a better future for young people. In the second chapter, we will delve into the concrete experience reported by 64 surveyed youth cooperatives. Whilst this group cannot be considered as representative of the whole youth cooperative movement, the answers given provide some insights about, for example, the sectors and activities attracting them the most, the main obstacles they must deal with when establishing a cooperative and the reasons behind their “cooperative choice”, according to their own expressed perceptions. Finally, in the third chapter, we will review some examples illustrating how youth cooperative entrepreneurship is being promoted within the cooperative movement and by institutional policies.

It should be noted that, according to the United Nations definition introduced in 1992, “youth” comprises people aged between 15 and 24. However, since then, some societal changes have contributed to extend the period of youth transition to work, such as longer schooling and a higher participation of young people in tertiary education. In addition to that, other contextual reasons, such as the decreasing employment level following the financial collapse in 2008, have also contributed to the increase in the time taken to enter the labour market after education. In Europe, for example, the Youth Guarantee schemes, to which all European Member States committed in 2013 to improve the performance of the labour market for young people, targeted under 25s, but have been adapted to different age groups in those countries where the access to employment conditions were particularly unfavourable for young people (e.g. 15-29 in Italy and Spain). For the reasons set out above and because the focus of the We Own It CICOPA campaign is on youth entrepreneurship and employment, the indicative age group we refer to in the framework of this campaign and in this study is 18-35.



CHAPTER 1

A GLOBAL PORTRAIT OF YOUTH
EMPLOYMENT AND PRELIMINARY
CONSIDERATIONS ON THE
CONTRIBUTION OF COOPERATIVES

1.1. OVERALL TRENDS

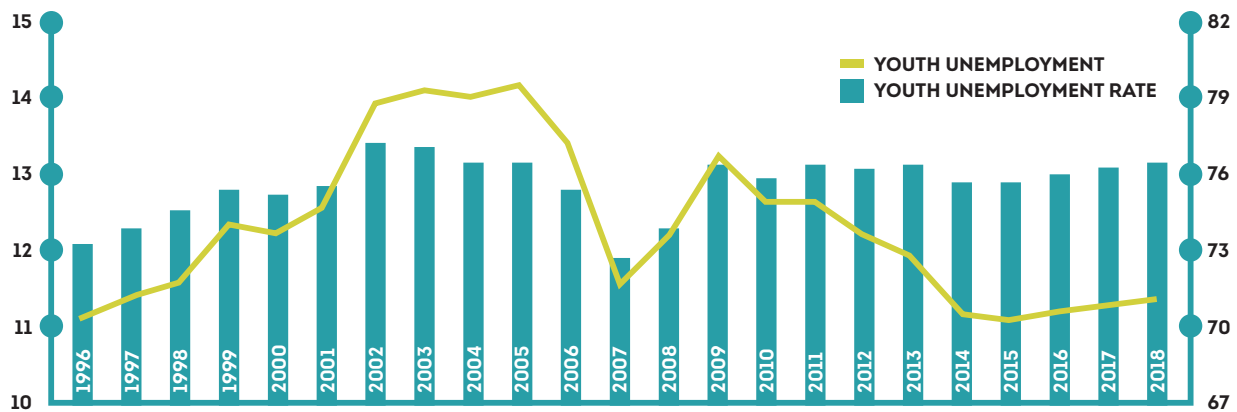
YOUNG PEOPLE ARE THE DEMOGRAPHIC CATEGORY MOST LIKELY TO BE UNEMPLOYED

According to the International Monetary Fund (IMF), world economic growth is projected to accelerate to 3.7 percent in 2018³; however, according to the International Labour Organisation (ILO) this is not enough to bring the global economy to the pre-crisis period:

“economic growth continues to be unfortunately disconnected from employment growth. In fact, labour force participation is on the decline, while global unemployment rates and levels will remain high over the near term”⁴.





In particular, young people continue to be disproportionately affected by unemployment: the global youth unemployment rate was estimated by the ILO at 13.1% in 2017, more than double the total global unemployment rate of 5.8%. Young people are three times more likely than adults to be jobless and, although the figure of 70.9 million unemployed young people estimated for 2017 represents a significant improvement after the crisis peak of 76.7 million in 2009, the number is expected to rise to 71.1 million in 2018 (Fig. 1).

Figure 1 Global youth unemployment and unemployment rate, 1998-2018



According to the ILO's most recent projections for 2016-2018, the deterioration of the employment level and conditions for young people is driven mostly by emerging regions (middle income), such as Latin America and the Caribbean, Central and Western Asia, and South-Eastern Asia and the Pacific. At 30%, the youth unemployment rate in Arab States was the highest in 2017. On the other hand, the situation is expected to remain stable in developing countries (low income) and to improve in developed countries (high income)⁵, especially in Eastern Europe where the youth unemployment rate should decline more than in any other region in the world in 2018.

Figure 2. ILO youth unemployment projections 2016-2018

COUNTRY REGION	UNEMPLOYMENT RATE, 2017-18 (PERCENTAGES)				UNEMPLOYED YOUTH, 2016-18 (MILLION)		
	2017-18	2016	2017	2018	2016	2017	2018
WORLD		13.0	13.1	13.1	70.7	70.9	71.1
DEVELOPED COUNTRIES		14.0	13.4	13.5	9.0	9.0	9.0
EMERGING COUNTRIES		13.6	13.8	13.9	53.5	53.9	53.8
DEVELOPING COUNTRIES		9.5	9.5	9.5	7.7	8.0	8.2

The persisting deterioration of youth labour force participation is an alarming sign of a trend towards marginalization which is at risk of becoming chronic. According to the most recent figures provided by the ILO, 21.8% of young people are neither in employment nor in education or training (NEETs)⁶, a condition that impacts young women in particular (more than three out of four). Furthermore, many young people experience long periods of unemployment. In the EU countries, the rate of youth long-term unemployment (for 12 months or longer) has steadily grown as a result of the financial and economic crisis, from 3.1% in 2008 to 7.1% in 2013⁷.

QUALITY REMAINS A BIG CONCERN FOR YOUTH EMPLOYMENT

Employment quality remains a big concern for young people: according to the ILO, 70 million young workers live in extreme poverty and no improvement has been recorded since 2012. Sub-Saharan Africa reported the highest youth working poverty rates globally in 2017 (69%), followed by Southern Asia (54.2%).



Many young people live in poverty despite having a job, including young people in developed countries: in 2015, the share of working youth at risk of poverty in the EU-28 was 12.5%, compared to 9.5% among workers aged 25 to 54. Three out of four employed young people work in the informal economy, compared to three out of five employed adults. The highest incidence of this phenomenon is in developing and emerging countries, where informality affects 96.8% and 83.0% of employed youth respectively.

DEMOGRAPHIC SHIFTS AND THE IMPACT ON YOUNG PEOPLE

The ILO estimates that the global population will reach 8.5 billion people by 2030 because of longer life expectancy. By 2050, the older population is expected to exceed the global number of young people with all the related consequences this will have in terms of fiscal policies and public welfare spending. However, the youth population will continue to grow in Africa, especially sub-Saharan Africa. As a result, 86% of the young labour force will be in emerging and developing countries by 2030. It will therefore become increasingly important, especially for developed countries, to attract and expand youth participation in the labour market in order to ensure that both their economic productivity and welfare schemes are sustainable for the entire population.

WHAT IS THE ROLE PLAYED BY ENTREPRENEURSHIP IN YOUTH JOB CREATION?

Policy makers refer increasingly to the potential of entrepreneurship as a possible way to increase the labour participation of youth and to support welfare state systems which find themselves under increasing demographic pressure. According to the OECD⁸, young 20-30 year-olds are far more interested in self-employment than older age groups and, although they are inexperienced and lack finances, they see entrepreneurship as a potential career. Many works have highlighted the advantages of youth entrepreneurship in allowing young people to access the labour market. Research released by the Global Employment Monitor (GEM) in 2013 points out that young entrepreneurs are more likely to hire peers and tend to be more innovative and responsive to new trends and needs⁹.

However, these premises seem to conflict with reality in some areas: in the EU, only 4% of 15-24 year-olds are self-employed, mostly in very small businesses, compared to 15% of adults generally; and



businesses run by young entrepreneurs have lower survival rates than those of older entrepreneurs¹⁰. This may be partly explained by the fact that they tend to embrace more risky and competitive sectors (like information technology) but, in general, the main reasons for such weaknesses are the barriers encountered by young people when deciding to start a business.

According to the GEM, whilst access to finance tends to be the major constraint, other barriers such as a lack of appropriate skills, lack of infrastructure, inadequate support structures and administrative hurdles can also play a crucial role in discouraging entrepreneurship or preventing successful experiences. Less common barriers seem to be more directly linked to specific contextual or culture-related factors, such as the stigma of failure or lack of entrepreneurial culture. It can therefore be argued that youth entrepreneurship implies an array of steps for policymakers, covering a number of issues such as education and training, infrastructure needs, access to finance, network and advisory services.

1.2. A CHANGING WORLD OF WORK: ESPECIALLY FOR YOUNG PEOPLE?

SECTORAL SHIFTS

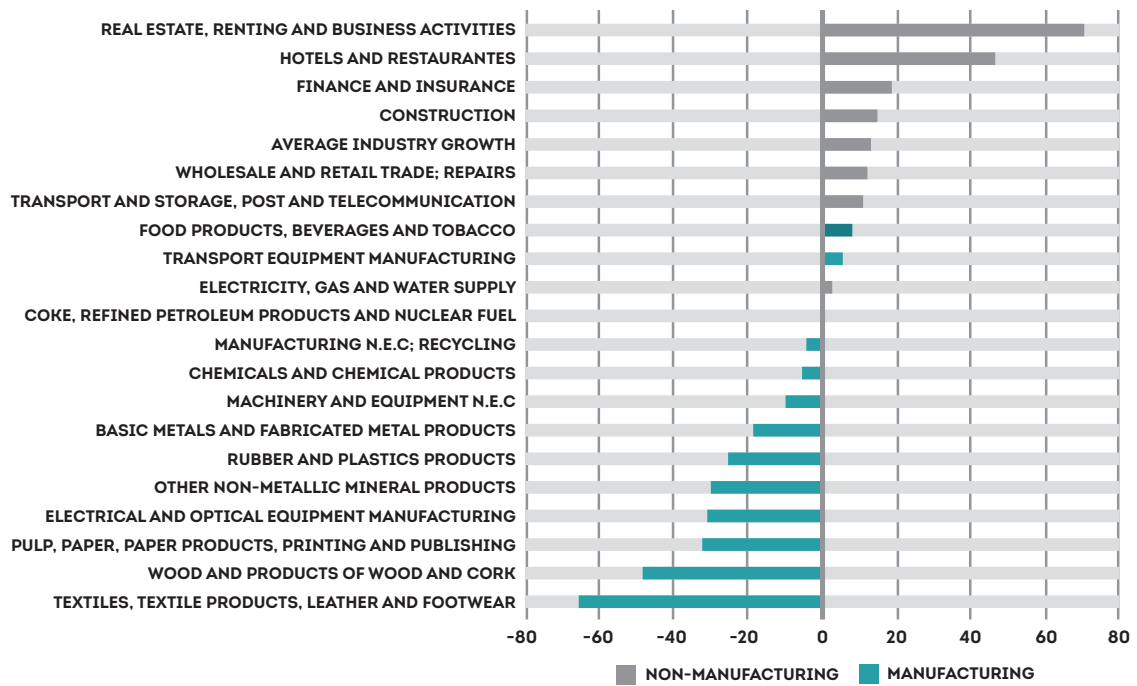
Important global trends such as demographic changes, globalization and technological innovations are reshaping the world of work: employment perspectives are moving across sectors, new forms of work are increasing their attractiveness for young generations and the relationship with work is being deeply transformed.

The ILO has recently analysed how digital technologies are affecting young people in terms of sectoral shifts and skills required to enter the labour market. According to the ILO's analysis, young people are moving increasingly towards services, whilst the proportion of young people employed in the manufacturing sector has declined in most regions, except for Africa and Asia and Pacific regions. Financial intermediation is booming in developing countries and the health and social work sector is absorbing large numbers of young workers in developed and developing countries¹¹. In this regard, the World Health Organisation (WHO) estimates that around 40 million new jobs will be created amongst the health workforce globally by 2030¹².



Sectoral shifts and digital innovation are pushing young people to acquire higher technical and soft skills. Nevertheless, the nature, speed and scale of these transformations are still uncertain and may vary significantly from country to country. Indeed, digital technologies are still highly concentrated in developed countries (according to the World Bank statistics, nearly 60% of the world's population are still offline) and many contextual factors, such as macro-economic and sectoral policies, skills development policies, access to markets, etc., may impact these transformations in different ways. While the ILO highlights how these changes represent both risks and opportunities, deeply depending on country-based factors, recent work carried out by the Organisation for Economic Co-operation and Development (OECD) focused on the impact of technology on job polarization and de-industrialization¹⁴. Overall, the OECD's work suggests that both technology and globalization might have contributed to job polarization and the shift of employment from manufacturing to services.

Figure 3. Percentage change in total employment within industry for select OECD countries, 1995 to 2015





NEW TRENDS AMONG THE EXISTING FORMS OF EMPLOYMENT

Interestingly, the shifts in the existing forms of employment among young people between 2005 and 2015 follow different trends throughout the world. According to the ILO, whilst the proportion of independent young workers decreased in low- and middle-income countries, mostly because of a lower employment share in agriculture (a major employer for own-account and contributing family workers), technological changes have been facilitating the increase in independent workers, especially in high-income countries¹⁵. According to the OECD, this increase (of part-time independent workers in particular) is a generalized trend across most countries in recent years, reflecting the new employment opportunities offered by new technologies and the “gig economy”, but also other significant changes in work organization (outsourcing and globalization) and life style (increasing need for flexibility). Whilst certain work forms are not completely new (for example, the entertainment industry has always relied on independent part-time workers), today they concern larger and more diverse groups of people and cover a wider range of services¹⁶.

The trends towards non-standard forms of employment¹⁷ are generally more widespread among young people than adults and are increasing, notably among European young workers (where one in two were in temporary employment by 2015) and are to be found primarily in the communication and technology-related sectors, as well as the creative industry and personal services. The increase in the following work forms are typically associated with these trends, mostly in industrialized and high-income countries¹⁸:

- Independent workers: this emerging work form is very close to disguised employment, because it implies some conditions that are somehow incompatible with the “traditional” independent status of workers, such as depending on one or a few clients for their income or receiving direct instructions with respect to how the work is carried out. This is an area lacking legal clarity, because it is typically not covered by the provisions of labour law or employment-based social security.
- Gig economy (or crowd work): this term is used increasingly to define employment delivered or managed through on-line platforms. Although it is quite difficult to estimate the real impact of this emerging work form (mostly because it is often not a primary source of income and therefore not reflected



in official statistics), it seems reasonable to say that it is rapidly growing in high-income countries and that its impact is greatest on young people.

- Zero-hours contracts: they denote a continuous employer-employee relationship with no obligation of continuous work or pay. They have become particularly widespread in northern Europe. Their use and abuse is attracting a lot of attention in the United Kingdom: according to a UK Labour Force Survey (LFS), the number of people employed on “zero-hours contracts” as their main job, from April to June 2017, was 2.8% of all people in employment¹⁹ and 33.8% of them were aged 16-24.

All these emerging work forms present opportunities because of their flexibility, but also dangers when they lack proper regulation: lower wages, weaker or no access to social protection schemes, job polarization and fewer opportunities for training are some of the risks most often associated with them. Their increase seems to be challenging the traditional classification of employment arrangements and opens the debate on what changes and mechanisms should be adopted to ensure the access of workers (and especially young workers) to social justice and social protection schemes.

However, it should be noted that, according to the ILO, even in this context most workers aged 15-29 across the world are in wage employment and their proportion has significantly increased between 2005 and 2015. However, this increase in wage employment has not been necessarily translated into greater job security and stability for young people. This is because, generally, it has become more flexible and less stable. The analysis of the contribution of cooperatives as a driving force for decent work for young people, whether they be employees or independent workers, cannot be overlooked.



1.3. BUILDING A BETTER FUTURE FOR YOUNG PEOPLE: PRELIMINARY CONSIDERATIONS ON THE CONTRIBUTION OF COOPERATIVES

AN INCREASING INTEREST OF YOUNG PEOPLE IN THE COOPERATIVE MODEL?

In 2016, CICOPA consulted its members on the most recent trends among young people in terms of the creation of cooperatives²⁰: did they notice any significant increase in the creation of cooperatives in industry and services (worker cooperatives, social and self-employed producers' cooperatives) by young people, or an increased interest among young people to create such cooperatives in their countries?

A **cooperative** is defined as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise”. They are unique because they are both associations of people and full-fledged enterprises involved in economic activities. Indeed, from the outside, they may look like any other business, but their distinctive feature is that they are owned and controlled by their members - not shareholders - who make decisions democratically. These members can be workers, producers, users or clients according to the type of cooperative.

Since 1947, **CICOPA** has been a sectoral organisation of the International Cooperative Alliance (ICA) and the worldwide voice of cooperatives in industry and services, mainly worker, social and independent producers'/workers' cooperatives.

Worker cooperative: its members are the workers who jointly own the enterprise and decide together about its present and future. Within a worker cooperative, the worker-members are involved in one common production of goods and services and the market transaction takes place between the clients and the cooperative. A worker cooperative can be active in a wide range of activities (e.g., manufacturing, information and communication, arts, etc.). The legal status of worker-members varies according to the legal frameworks applied to worker cooperatives. They might have the

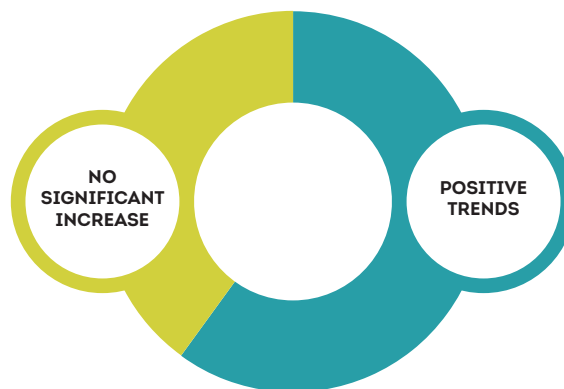


legal status of employee, but there are also specific work forms defined by cooperative law.

Social cooperative: the members can be the workers, but also the users and other community members (e.g., associations, municipalities, etc.). They serve community needs (health, social, educational, environmental services, etc.) and they can be a way to provide employment to the most vulnerable citizens (people with special needs, long-term unemployed, people serving prison sentences, migrants, etc.).

Independent producers'/workers' cooperative: its members carry out their activity autonomously and join forces to overcome issues related to isolation and precarity by pooling resources or services (e.g., accounting services, marketing services, consulting and legal services, co-working spaces, etc.). The market transaction takes place between the clients and the members. They can be active in a wide range of activities (e.g. bakers, architects, consultants, etc.). In some of them, the worker/producer members benefit from employee status and access to all the social rights and protection to which an employee is entitled²¹.

Figure 4. Creation of cooperatives by young people according to CICOPA members



Most members highlighted a higher number of cooperatives created by young people in recent years or, at least, an increased interest to create such cooperatives (Fig. 4). It could be argued that these tendencies have been accelerated in recent years by the employment crisis which is having such a dramatic impact on



young people who need to find solutions that the labour market is no longer capable of providing. However, it is worth emphasising that, in most cases, the trend indicated above was a perception reported by members without much evidence in terms of figures and quantifiable trends. In fact, most CICOPA member organisations do not collect age-related data and this requires us to formulate hypotheses without providing a detailed picture in this regard.

Some available figures related to the involvement of young people in industrial and service cooperatives come from Europe, a continent particularly badly hit by the consequences of the economic crisis which began in 2007. In France, the national confederation of worker cooperatives, CG Scop, reported that in 2015, young managers (≤ 35) represented 15.5% of all managers within worker and social cooperatives, compared to 11.3% in conventional enterprises²². According to COCETA, the Spanish confederation of worker cooperatives, youth cooperative participation in Spain shows very promising trends, given that in some provinces 80% of members in newly established worker cooperatives are under 35 (figure reported in 2015)²³. Moreover, the strong potential of cooperative entrepreneurship for addressing the young employment crisis in Europe has been recognized by the European Commission which, in 2016, launched a Call for proposal specifically aimed at promoting best practices in tackling youth unemployment by helping young people create and work in co-operatives through innovative schemes and training modules.

“Young people are enthusiastic about starting businesses and are increasingly interested in socially responsible business. (...) Whereas young people often cite that it is the cooperative values and principles that make cooperatives attractive to them as both a means to create their own enterprises or as a potential employer, one needs however to note that schools traditionally teach traditional business management with a focus on conventional business models. (...) And yet, the cooperative model is an option for young people as it has low capital requirements, limited liability and, in cases where members are also employees, the flexibility of self-employment. This self-employment option is particularly important for young people to enter into the labour market when faced with problems of finding a first job due to a lack of opportunities or lack of experience” ²⁴



Similar recognitions and endorsements have been expressed by other eminent entities and policy makers, such as the OECD:

“Cooperatives are another particular form of enterprise that may be attractive to young people. (...) cooperatives can be attractive because members can accomplish more than they could individually by increasing their financial and human capital and benefiting from economies of scale: this can be ideal for young people who need to overcome a lack of resources and knowledge” ²⁵

And the ILO:

“Cooperatives enable young women and men to pool resources, share risks, acquire stronger bargaining power, and enhance access to markets. Indeed, community ownership, worker ownership, cooperatives and social entrepreneurship are growing areas of interest for young people” ²⁶

However, the lack of comprehensive figures prevents the cooperative movement from providing more trenchant arguments about the comparative advantage for youth in choosing the cooperative business model and there is no doubt that this is a weakness that needs to be addressed in the future. Nonetheless, the very nature and mission of cooperatives and the observation of its practices make it possible to formulate some preliminary considerations about their strong potential for addressing a number of present and future issues which represent a challenge to young people's living and working conditions. Notably, the cooperative advantage related to the changing world of work is particularly significant when put in the context of global high unemployment and underemployment, increased job insecurity and flexibility and consequent widening inequalities. Cooperative employment has been proven to be more resilient, suffer less income inequality, tends to be characterized by a better distribution between rural and urban areas and leads to a higher than the average level of value-based participation²⁷.



SUSTAINABLE AND QUALITY JOBS AS A RESPONSE TO PRECARISATION AND INFORMALITY

As we have seen above, unemployment, precarious jobs and the lack or inadequacy of social protection have been having a dramatic impact on young people in recent years. In this context, the significance of cooperative employment cannot be ignored: 9.46% of the world's employed population work in or within the scope of cooperatives (279.4 million). No other type of enterprise can claim to provide employment to so many people and, at the same time, show such resilience to crises and economic downturns and provide such a high degree of employment stability²⁸. Worker cooperatives in particular, have generally shown a counter-trend performance: they survive at least as long as other businesses and retain higher employment; they tend to be more productive; they are more stable financially as they keep more profits inside the enterprise than other types of business²⁹.

Furthermore, since their primary mission is to satisfy members' needs and aspirations and give a voice to people without any discrimination, cooperatives contribute substantially to the transition from informal to formal work. Worker cooperatives, whose primary mission is to provide decent jobs to their worker-members, can be a direct solution to the formalization of informal employment, but this transition can also take place in other ways through cooperatives. For example, people working in the informal economy can have easier access to credit through savings and credit cooperatives; they can benefit from social protection schemes through mutual insurance cooperatives; when organized as independent producers'/workers' cooperatives, self-employed entrepreneurs and workers can overcome their isolation through a wide range of shared services, including those related to work status and social protection³⁰.

In recent years, many enterprises have been transferred to, or bought out by, their employees and have been re-established under the worker cooperative form, saving many jobs and economic activities. This phenomenon, which has been significantly accelerated by the financial crisis, has been developing especially in those countries where there are particularly favourable conditions for their success, often as a result of a combination of a conducive legal and regulatory framework and a strong cooperative movement which is able to accompany the conversion process through specific advisory and financial tools. One emblematic case is France where, between 2012 and 2015, 160 worker cooperatives have been created from the transfer of businesses to employees.



This increase in number has benefitted from the support actions carried out by the worker cooperative movement³¹ and encouraged by the Social and Solidarity Economy Law which entered into force in 2014³². The interest in this practice exists, at different degrees of sophistication and development, in a certain number of countries. Interestingly, one of the reasons behind the increasing interest in worker-buyouts in the United States in the “post-recession economy” is the growth of baby-boomer business owners looking to retire³³. Similarly, worker buyouts are attracting a lot of attention in Quebec (Canada), where the number of enterprises is estimated to decrease by 13.9% between 2008 and 2018 due to a quickly aging population³⁴. These cases illustrate the potential of cooperative workers buyouts in ensuring the inter-generational transmission of businesses and jobs. Indeed, the advantages provided by workers buyouts regard not only the workers (whatever their age) and the owners, who are certainly the first beneficiaries, but the entire local socio-economic fabric: the entrepreneurial chain of business partners, goods and services providers, the families and, last but not least, the young people who can benefit from the employment and entrepreneurial possibilities which are retained in this way.

FAIR AUTOMATION AND DIGITALIZATION THROUGH COMMON OWNERSHIP

It is difficult to clearly predict what the impact of digitalization and automation will be on the future of work, especially for future generations. As we have seen, changes are not happening homogeneously in the world and some regions are more impacted than others. Some jobs and related skills may disappear, whilst others may be offshored from developed to developing and emerging countries. On the other hand, automation and digitalization may increase job opportunities for young people, especially in some emerging sectors where new skills are required. However we look at it, the quality of jobs and the stability of future workers seem to be strongly linked to the issue of ownership and control and here cooperatives, in particular worker cooperatives, can play a substantial role: “It begins with thinking about automation like owners do, not like victims of it. In worker co-ops, rather than fearing how machines might take work away, workers can imagine how they could use those machines to make their lives easier (...). For the benefits of technology to be shared more widely, the ownership of it must be shared, too. Co-operation is uniquely well-suited to do this”³⁵.



In particular, the increase in emerging work forms delivered or managed through online platforms, often accompanied by significant precarisation and informalization which have an impact notably on young people, has opened the debate on platform cooperativism. It has drawn attention to how the new digital business configuration can be combined with the cooperative model by giving ownership and controlling power to the people who use and work through on-line platforms. Indeed, cooperatives represent a huge potential for “injecting” democracy and participation in a system which currently runs the risk of being characterized by a strong concentration of wealth, economic value and power in very few hands.

In this regard, it should be noted that whilst the term “worker-owned” is often applied to cooperative platforms, many of these initiatives actually look like multi-stakeholder cooperatives which bring together different actors such as service providers, service users, IT technician employees, founders and investors, etc., and the membership structure and its internal governance are not always clear. Considering the potential of the cooperative model in maintaining democracy in the current development of the collaborative economy, cooperative platforms should be observed closely by the cooperative movement so as to harmonize their development in line with the cooperative identity and principles.

ACCESS TO NEW REQUIRED SKILLS

The important changes occurring in terms of sectoral shifts and work organization require a strong and fast capacity of adaptation. Demand is increasing for high skills in science, technology, engineering and mathematics, as well as for transversal and soft skills. Public authorities have a crucial responsibility in putting into place adequate policies aimed at ensuring a smooth passage to the labour market for young people. However, responsibility for the promotion of youth employment and entrepreneurship does not lie exclusively with schools, universities and vocational training systems. Access to continuous training, retraining and work-based training is expected to play a major role in the future. Once again, there is the risk that young people will be penalised more than older members of society because enterprises are generally more likely to undertake training only for their core permanent workers: as we have already seen, this is a position that seems to be less and less affordable for the youngest workers.

Cooperatives also have a comparative advantage in this field that can greatly benefit young people: indeed, in accordance with



the fifth cooperative principle, they are intrinsically committed to providing education and training for their members, elected representatives, managers and employees, so that they are able to fully assume their responsibilities and contribute effectively to the development of their cooperative. We could say that education is the lifeblood of cooperatives, which may allocate parts of their annual surplus for this purpose.

Furthermore, according to the OECD, a key-factor driving access to new required skills is the use of high performance work practices (HPWP) relating both to the way work is organized and the management practices adopted by firms³⁶. This means that the application of virtuous practices such as team work, autonomy, task discretion, job rotation and others in workplaces is expected to be a central ingredient of business competitiveness. Cooperatives have proven their ability to adapt to emerging needs and to be laboratories of experimentation of innovative and sustainable forms of work management and relations within the enterprise: through their participatory governance, which is one of their main distinguishing features, they can be a source of inspiration for innovation and higher access to active training and education in the workplace. To meet these needs, cooperatives initially developed predominantly in the form of worker cooperatives (since the 1830s), but they have started more recently to experiment new forms such as social cooperatives, community cooperatives, business and employment cooperatives, labour intermediation cooperatives, multi-stakeholder cooperatives, etc.

PARTICIPATORY AND COMMUNITY ANSWERS TO NEW SOCIAL, DEMOGRAPHIC AND ENVIRONMENTAL CHALLENGES

In keeping with the global projections mentioned above in this chapter, health and services provided to the community are displaying promising trends within the cooperative movement. According to the most recent data provided by CICOPA, social cooperatives, which represent 17% of cooperatives within the CICOPA network, are growing both in developed and developing countries. Since the 1990s, they have been progressively expanding into areas where the welfare state model has begun to suffer due to financial constraints and the parallel increase in new social needs. Furthermore, they have been playing a significant role in delivering fundamental services to local people in those countries where social and health services have not been provided sufficiently by public authorities and where welfare systems have not been sufficiently developed. It should be noted that, nevertheless, in



many developing and emerging countries, services such as human health and social work are still predominantly provided by informally employed domestic workers, most of whom are women, working with limited regulation and protection. Therefore, this sector still displays a big potential for cooperatives to create decent and regulated jobs for young women and men.

Being people and community-based, the cooperative model is very well suited to detect and understand new societal and environmental needs and to provide innovative and comprehensive solutions. Services to elderly people, integration of migrants and refugees, environmental and education services, are just some of the activities where cooperatives, and social cooperatives in particular, are positioning themselves as relevant service providers, often in close cooperation with local public authorities. By fulfilling this role, they represent a major opportunity not only for delivering innovative answers to emerging needs, but also as a source of employment for young generations.

However, we should resist the temptation to believe that individual cooperatives can represent a panacea for all challenges driven by the on-going economic, technological, societal and environmental changes. Regardless of the sector and activity they are involved in, worker, social and producers'/workers' cooperatives are only able to display their full potential if they are supported by appropriate institutional frameworks. This is particularly true when it comes to providing quality employment, which is highly dependent on the institutional frameworks which regulate cooperatives' economic activities and workers' conditions. Without appropriate institutional frameworks regulating the legal status of workers in cooperatives, the cooperative model cannot provide decent working conditions as such. Cooperation among cooperatives and with members of the local community, as well as adequate policies for improving institutional frameworks in which cooperatives operate, are crucial to help cooperatives realize their full potential for young people and for society as a whole.



ENDNOTES

3. IMF, 2017, *World Economic Outlook, October 2017: Seeking Sustainable Growth: Short-Term Recovery, Long-Term Challenges*, Washington DC: IMF, p. 1
4. ILO, *Global Employment Trends for Youth 2017: Paths to a better working future*, Geneva: ILO, p. 17
5. *Ibidem*, p. 95
6. Unlike for unemployment or employment, there is no international standard for the definition of NEETs. Eurostat, the ILO and certain other organizations have adopted the following definition: “the percentage of the population of a given age group and sex which is not employed and not involved in further education or training”. NEETs gives absolutely no information related to employment – formal or informal, precarious or not. However, it is often associated with issues such as discouragement, joblessness or marginalization/exclusion among young people. In this regard, see Elder, S., 2015, “What Does NEETs Mean and why is the Concept So Easily Misinterpreted?”, Technical brief, Vol. 1, Geneva: ILO
7. Eurostat, “Youth long-term unemployment rate (12 months or longer) by sex and age”, www.ec.europa.eu/eurostat/en/web/products-datasets/-/YTH_EMPL_120, 28 March 2018 (accessed on 6 April 2018)
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9. Kew, J., Herrington, M., Litovsky, Y. and Gale, H., 2013, *Generation Entrepreneur. The State of Global Youth Entrepreneurship*. Global Entrepreneurship Monitor (GEM), London: Youth Business International (YBI), p. 12
10. OECD/EC, 2012, pp. 6-8
11. ILO, *Global Employment Trends for Youth 2017: Paths to a better working future*, p. 37
12. WHO, 2016, *Health workforce and services Draft global strategy on human resources for health: workforce 2030*, Geneva: WHO, p. 12
13. World Bank, 2016, *World Development Report 2016: Digital Dividends*, Washington DC: World Bank, p. 2
14. De-industrialization refers to the shift of employment from manufacturing to services, whilst job polarization refers to the rising inequalities associated with the squeezing of middle-skill jobs. The latter is the result of a lower demand for middle-skills jobs characterized by “routine” tasks that are easier to replace by automation, relative to both high skills and low skills involving non-routine manual tasks. The decline in the share of middle-skill jobs in individual countries has been attributed not only to new technologies, but also to globalization and the offshoring of the production of goods and services typically provided by middle-skill workers. On this point, see OECD, 2017, *Employment Outlook 2017*, Paris: OECD, p. 98-100
15. ILO, *Global Employment Trends for Youth 2017: Paths to a better working future*, p. 17
16. OECD, 2017, *Entrepreneurship at a Glance 2017*, Paris: OECD, p. 8
17. The ILO classifies non-standard employment in the following four categories: 1) temporary employment; 2) part-time work; 3) temporary agency work and other forms of employment involving multiple parties and 4) disguised employment relationships and dependent self-employment. On this question, regard, see ILO, *Global Employment Trends for Youth 2017: Paths to a better working future*, p. 66



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- 18 · ILO, *Global Employment Trends for Youth 2017: Paths to a better working future*, pp. 65-70; Eum, HS., 2017, *Cooperatives and Employment: Second global report*, Brussels: CICOPA, pp. 62-63
- 19 · Office for National Statistics (UK), "Contracts that do not guarantee a minimum number of hours", www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/contractsthatdonotguaranteeaminimumnumberofhours/september2017, 19 September 2017 (accessed on 6 April 2018)
- 20 · The results of the consultation can be found in CICOPA, 2017, *Industrial and Service Cooperatives: Global Report 2015-2016*, Brussels: CICOPA
- 21 · The definitions given here correspond to standardised categories that, at least as far as worker and social cooperatives are concerned, are based on world standards formally approved by the cooperative movement. However, the reader should keep in mind that, as for every abstraction, they may not fully correspond to the legal forms recognised in one country.
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- 23 · Observatorio Español de la Economía Social, "COCETA celebra 30 años de representación del cooperativismo de trabajo en España": www.observatorioeconomiasocial.es/actualidad-observatorio.php?id=3360&PHPSESSID=fb56146e648d48aeaa3009065e3bcbac, 9 June 2016 (accessed on 6 April 2018)
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- 25 · OECD/EC, 2012, p. 8
- 26 · ILO, *Global Employment Trends for Youth 2017: Paths to a better working future*, p. 85
- 27 · CICOPA, 2018, *The Future of Work. Where do industrial and service cooperatives stand?* Brussels: CICOPA, p. 2
- 28 · Eum, HS., 2017, *Cooperatives and Employment: Second global report*, Brussels: CICOPA, p. 24
- 29 · Pérotin, V., 2014, *What do we really know about worker cooperatives?* London: Co-operatives UK, p. 3
- 30 · An illustrative case is the Belgian cooperative Smart which brings together 85,000 independent workers/producers pooling services and risks and providing support such as training, financing, crowdfunding, management, legal and financial tools, etc. But mostly, it allows the independent workers/producers to be autonomous while working under employee status, thereby giving them access to higher social protection. The Smart model is being replicated across Europe and is present today in different countries. For more information, see <http://smartbe.be/en/>
- 31 · Les Scop, "Les chiffres-clés", www.les-scop.coop/sites/fr/les-chiffres-cles, 2016 (accessed on 6 April 2018)
- 32 · This law provided employees (in enterprises employing less than 250 workers) with the right to be informed in the event that their enterprise is to be taken over. The law also provides for the creation of a "transitional cooperative" ("scop d'amorçage"), in



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which employees can be minority shareholders for up to seven years while keeping the decision-making majority. Furthermore, worker-members may decide to use the cooperative's reserves to buy the shares subscribed by non-cooperative partners within 7 years following the transformation of a cooperative. Also see: Les Scop, "L'économie sociale et solidaire", www.les-scop.coop/sites/fr/les-scop/culture-scop/Loi-ESS (accessed on 6 April 2018)

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CHAPTER 2

SOME INSIGHTS FROM THE
EXPERIENCE OF YOUNG
COOPERATORS



2.1. METHODOLOGICAL NOTES AND LIMITATIONS OF THIS STUDY

The aim of the online survey³⁷ distributed in spring 2017 was to collect information about youth cooperatives organised worldwide, under the three main types of cooperatives in which the workers or producers are the owners and co-managers of the business: (worker cooperatives, social and independent producers'/workers' cooperatives)³⁸. The majority of these types of cooperatives usually operate in the industry and services sectors represented by CICOPA. The survey was distributed mainly through email and social



networks to reach the highest number of cooperatives and countries, including some outside the CICOPA network, which consists of 48 members in 32 countries and affiliates 65,000 enterprises.

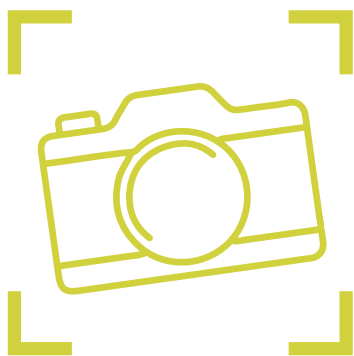
In this report, we will analyse 64 answers out of the 77 received. We did not include 13 answers because of two main ineligibility criteria: double answers coming from the same coop (in two cases, where we did not consider the first one received) and cooperatives where the majority of both members and non-member employees are not aged 18-35. In turn, we included the five cases in which the majority of non-member employees are aged 18-35, but the age profile of members is older. This choice was motivated by two main considerations: firstly, the young profile of the workforce may have a relevance within the enterprise and its management/performance, even if the overall age of members is higher; secondly, these employees could be considered as potential future members of the cooperative. Generally, when elaborating trends based on respondents' answers, we did not consider the answers "I do not know/ Not applicable", except for a few cases in which this choice is substantial within the whole sample and could, on its own, represent a relevant piece of information to be taken into account.

For practical reasons, we will use the term "sample" to indicate the group of received answers. However, it is worth clarifying that we do not intend to consider this group of answers as representative of the entire cooperative movement in which young people (18-35) are involved. We are aware that this small portion provides only a partial picture of the wider youth cooperative network and that, presumably, it corresponds to a group of particularly connected "young cooperative leaders", who are very mobilised and active within the cooperative movement. Furthermore, the lack of available cooperative statistics by age prevents us from estimating the proportion of this sample within the wider number of youth cooperatives. Furthermore, this work does not allow for a

broader comparison to be drawn, either between youth cooperatives and “senior cooperatives”, or between youth cooperatives and non-cooperative youth enterprises. However, when possible, we have tried to contextualize the survey’s findings within broader information elaborated by other research.

Nevertheless, we would like to emphasize that, considering the mission of CICOPA and the objective of this campaign, our ambition is to draw attention to this topic and stimulate future debates and more detailed research, rather than to pursue a strictly scientific approach.

2.2. PRELIMINARY PICTURE OF THE SAMPLE



The clear majority of cooperatives in the sample are worker cooperatives (56%), followed by social cooperatives (36%) and independent producers’/workers’ cooperatives (5%) (Fig. 5). To contextualize these results within the broader cooperative universe throughout the world, it is worth recalling that there are an estimated 377,984 of these types of cooperatives worldwide, providing 20 million jobs³⁹: 67% of them are worker cooperatives, 17.5% are independent producers’/workers’ cooperatives and 15.4% are social and “possible social cooperatives”⁴⁰.

Figure 5. Youth cooperatives by type



If we look exclusively at the breakdown of cooperatives represented within the CICOPA network by type (Fig. 6), we see that worker cooperatives still represent the clear majority, whilst the share of independent producers’/workers’ cooperatives is quite small. Indeed, according to the most recent data



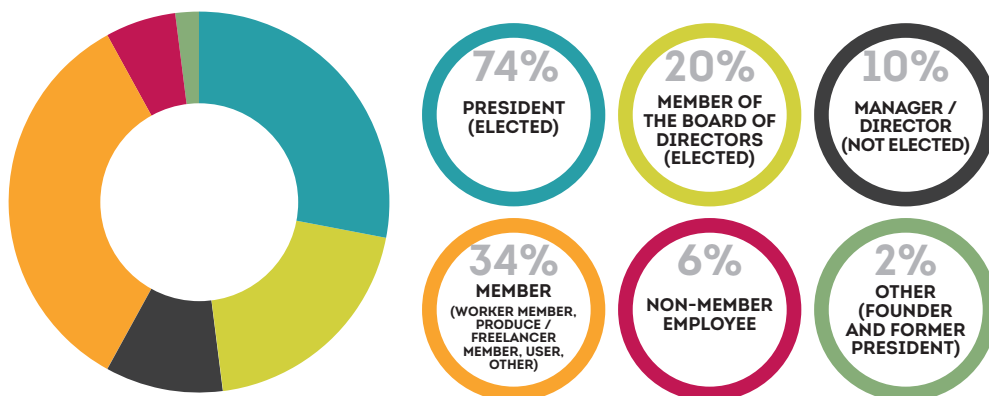
reported by CICOPA in 2017, this type of cooperative is thus far the most under-represented, since only 3.3% of existing independent producers/ workers' cooperatives across the world are part of its membership. Similarly, the lowest level of participation and mobilisation in the survey was recorded amongst this type of cooperative. It is therefore very important to deepen our understanding of this cooperative model, which has not a significant presence yet in the CICOPA network. This is particularly important in this moment when new forms of work and employment are appearing, such as independent workers through the online platforms, and given that the cooperative model could provide innovative solutions for their organization to guarantee both flexibility and protection.

Figure 6. Cooperatives represented by CICOPA by type
Source: CICOPA 2017



Most of the people who answered the survey on behalf of their cooperative are aged 18-35 (51 out of 64 answers) and are mostly members (Fig. 7).

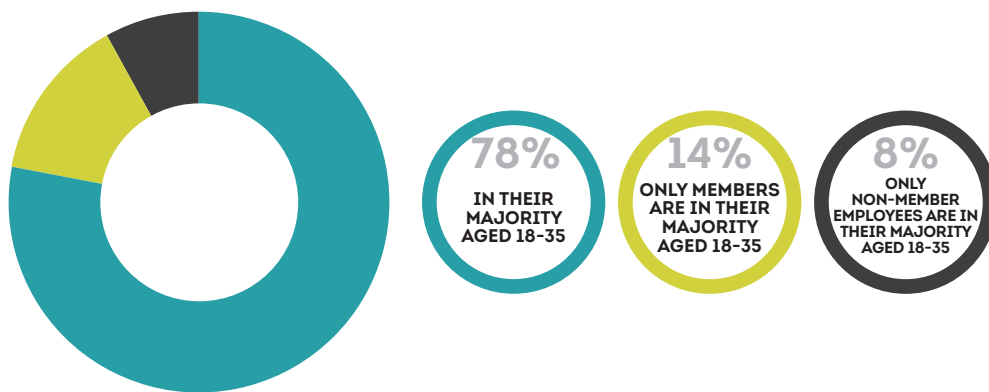
Figure 7. Position of the person answering to the survey





In terms of the overall age profile within the cooperative, in most cases both members (workers, independent producers/workers, users and other) and non-member employees are aged 18-35 (Fig. 8).

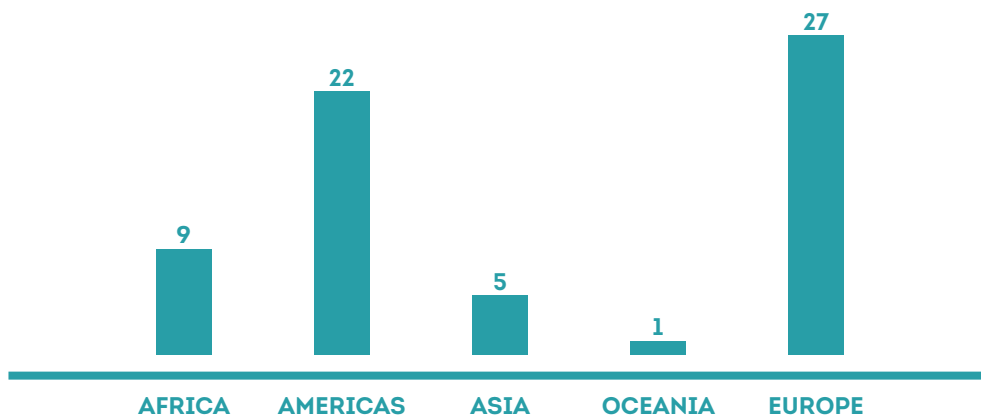
Figure 8. Age of members and non-member employees



Overall, we can therefore say that the answers received and included in this analysis are fully relevant for the elaboration of some considerations on youth cooperative entrepreneurship, taking into account the abovementioned appropriate methodological precautions.

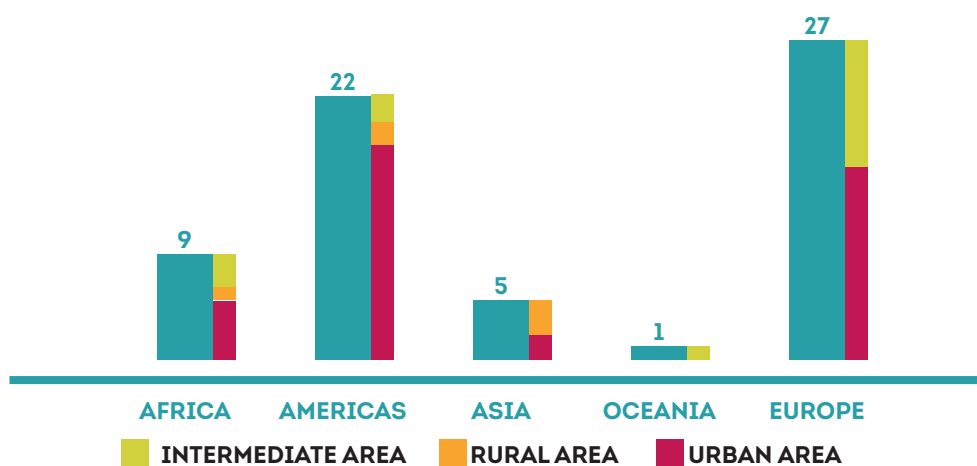
In terms of the geographical distribution of answering cooperatives, the sample covers 5 continents and 31 countries⁴¹, even though there are some important differences in the degree of participation: in decreasing order, Europe, Americas, Africa, Asia and Oceania (see Fig 9).

Figure 9. Youth cooperatives by continent



Overall, most of them operate in urban areas (64%) followed by those active in the intermediate areas (27%) and rural areas (9%). From a continental perspective, the urban area is the most representative in the Americas, Europe and Africa (Fig. 10).

Figure 10. Area of activity by continent



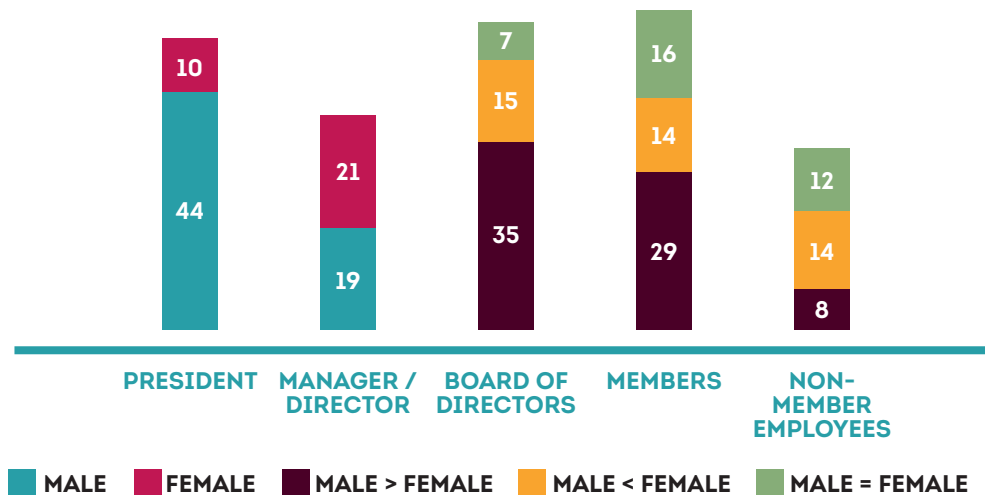
When it comes to analysing the gender dimension, elected positions (chairman/president, board of directors) are mostly held by men. However, at least for the cooperatives which provided this information, women are more represented than men, albeit only slightly, in management positions (manager/director). This is quite interesting, especially if we consider this information in relation to the fact that these cooperatives are active in quite competitive activities (e.g. financial and insurance activities, information and communication and professional, scientific and technical activities). Furthermore, women represent the largest group among non-member employees and their degree of representation is also quite high within membership, especially if we count both cases where there is a higher number of women and they are equal to men within this category (see figure 11).

Creating economic opportunities for marginalized populations, especially women, and elevating their participation and representativeness in cooperative democratic processes are key areas for the development of cooperatives⁴². However, the paucity of evidence and figures related to gender means that it is neither possible to measure the specific cooperative advantage for women's empowerment and gender equality, nor to assess any comparative analysis between youth and senior cooperatives on this specific issue.



Some interesting insights in this regard were provided by an ILO-ICA joint publication published in 2015⁴³. Its key findings, resulting from an online survey, highlighted that cooperatives are often perceived as better than other types of private business in advancing gender equality and improving women’s living conditions. However, the ILO-ICA survey indicated that women are more likely to be represented in cooperatives’ membership than in management and board positions. On the other hand, our survey indicates a stronger presence of women in management roles, which may suggest a narrower gap between young women’s participation in membership and management levels in youth cooperatives compared to senior cooperatives. However, this aspect needs to be investigated and documented in greater detail through comparative research.

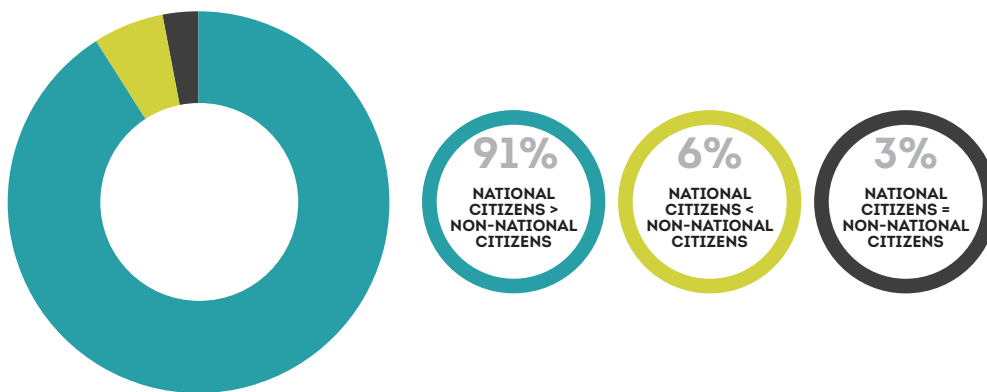
Figure 11. Gender representativeness within youth cooperatives



In most cases, national citizens are in the the large majority, but there are also cooperatives presenting an inverse relationship (national citizens < non-national citizens) and others where the two groups are equally represented withing the cooperative (see Fig. 12). Unfortunately, the results and the size of the sample do not make it possible to deepen the analysis further and to extract additional relevant information (for example about the nationality ratio within the different categories, such as members, board directors, and non-member employees). However, it may be worth looking at the broader reasons which led us to include an indicator of this nature in the survey.



Figure 12. Nationality ratio within the cooperative



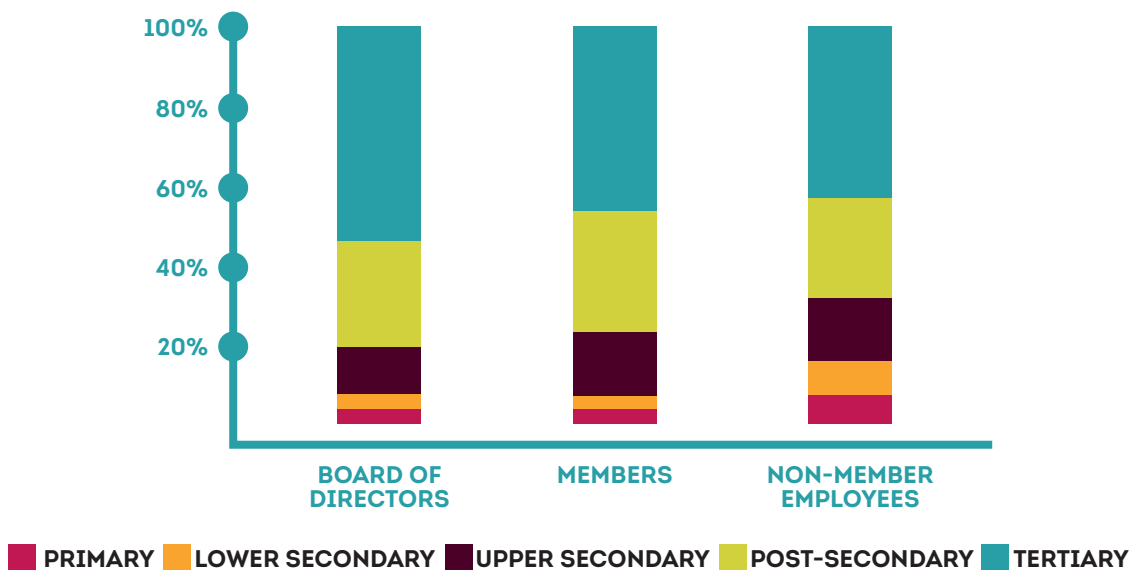
The massive increase in the flow of migrants and refugees is challenging the capacity of host societies to provide these people with employment opportunities and basic social and health services. In developed countries in particular, where around 70% of migrant flows are people younger than 30⁴⁴, the entrepreneurial fabric must be prepared to absorb this wave of active workforce whose labour participation may partially offset the effects of an aging population and help sustain the pension and health-care schemes for a growing number of retired workers. Furthermore, migrants (young migrants in particular) are amongst the categories most vulnerable to in-work poverty, low-paid precarious jobs and potentially exploitative conditions in the informal economy.

One of the distinctive features of cooperatives, stated by the first cooperative principle, is their open membership to all persons, in the absence of gender, social, racial, political or religious discrimination. Worker ownership through cooperatives represents a veritable preferential form of access for migrants to dignified and inclusive work. Cooperatives are also used as a tool by migrants and refugees themselves for developing entrepreneurship initiatives together with other members from the community, thereby increasing their autonomy and active integration, whilst generating wealth for the surrounding community. On the other hand, social cooperatives are recognized in many countries as crucial actors for the organisation of settlement support and the integration process, often in close partnership with local administrations.

Interestingly, the average level of education of the respondents is quite high, with tertiary education being the most common response. Furthermore, there would appear to be no substantial differences in proportional terms between the three main categories taken into account, although the highest and the lowest educational level (tertiary and primary) are most represented respectively within the Board of

Directors and the non-member employees (Fig. 13). The overall high level of education may be explained by the fact that, as we will see later, many of these cooperative are active in innovative and knowledge-intensive activities.

Figure 13. Predominant education level within the cooperative (by category)



2.3. ECONOMIC SITUATION AND DEVELOPMENT PERSPECTIVES

In general, as we can clearly see in the graph below (Figure 9), the cooperatives which took part in our survey are mostly active in the service sectors. When combined, professional, scientific and technical activities, information and communication, financial and insurance activities and other services represent 36 out of the total of 64 considered answers (56.2%). Most of these 36 are worker cooperatives (21), followed by social cooperatives (13) and self-employed producers'/workers' cooperatives (2).

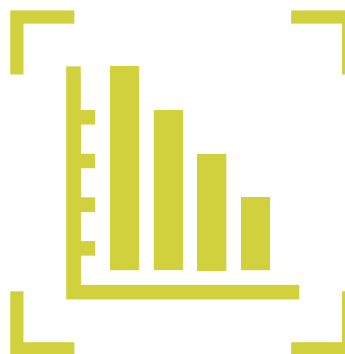


Figure 14. Economic activities of answering cooperatives (according to NACE classification⁴⁵)

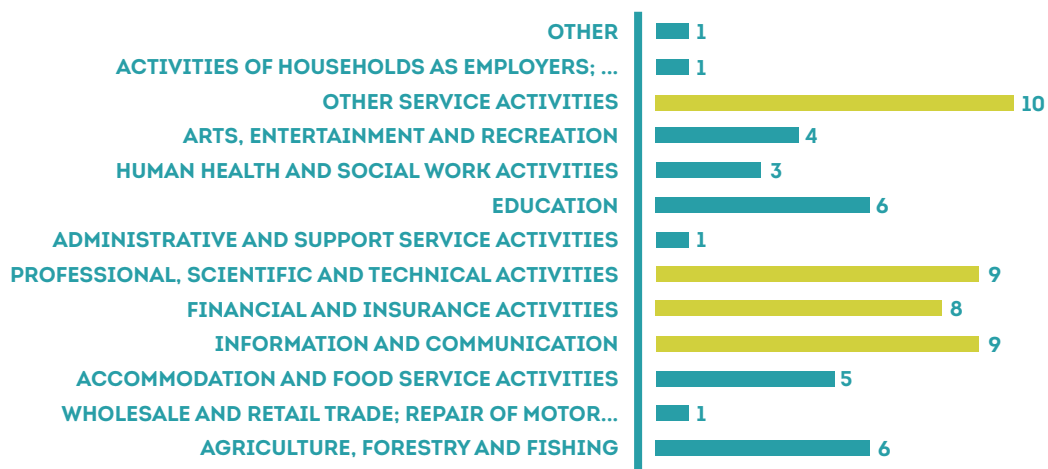
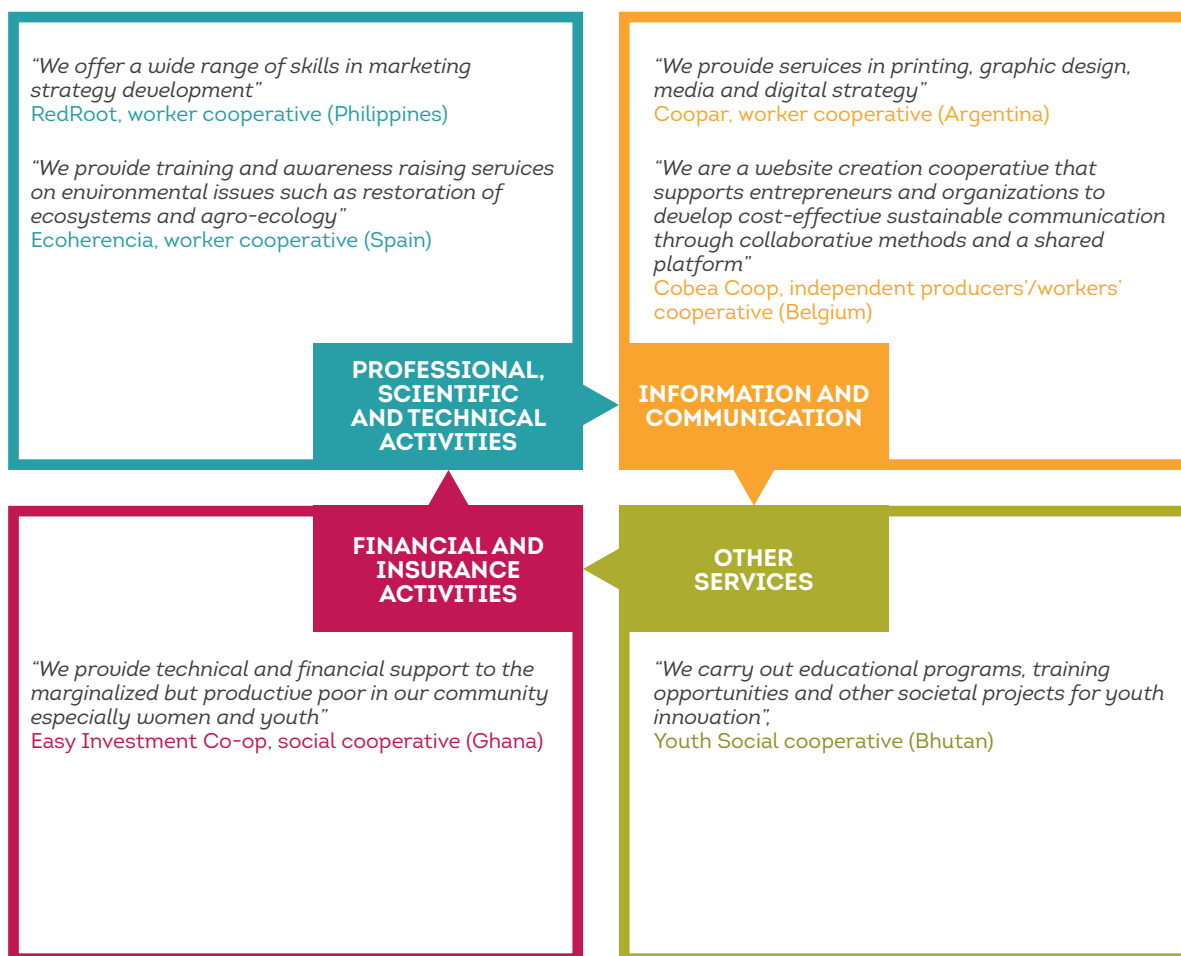


Figure 15. Looking behind the NACE classification, what do young cooperators do?



With regards to the geographical distribution of answers within our sample, if we consider the four main services activities chosen by respondents and listed above, then their highest presence has been reported in South America, where they represent 66% of all economic activities. The share is also quite high in Europe (62%), Asia (60%) and in Africa (44%). In North America, the most represented activity service is accommodation and food which, alone, represents 57% of all activities. More generally, service sectors represent 63% of cooperatives within the CICOPA network, followed by industrial sectors (25%) and the construction sector (10%). The CICOPA Global Report 2015-2016 pointed to the service sector as being the sector with the highest growth rate amongst cooperatives in industry and services, adding that it is in a phase of strong diversification and is being developed in a wide range of activities, from media, technology and culture to education, health and social services⁴⁶.

However, if we compare the results of our survey with those contained in the last CICOPA Global Report 2015-2016 and focus on the ratios of the four service activities listed above, we can easily see that their impact is considerably higher among our youth cooperatives (see Table 1). Furthermore, it should be noted that while manufacturing activities are covered by 19% of worker and social cooperatives within the CICOPA network, this category is not represented at all within our sample.

Table 1. Comparative ratios for 4 service sectors within the CICOPA network and youth cooperatives sample

	CICOPA NETWORK (worker cooperatives + social cooperatives) (%)	YOUTH COOPERATIVES (%)
Professional, scientific and technical activities	7.4%	14.1%
Information and communication	3.8%	14.1%
Financial and insurance activities	0.4%	12.5%
Other services	5.3%	15.6%

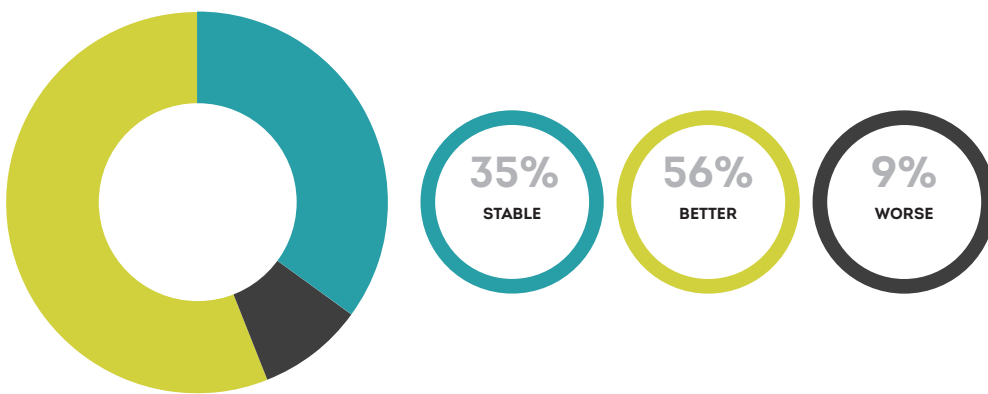
The high percentage of young people in innovative sectors such as information and communication and financial intermediation has also been observed for the entire economy in eminent researches by the ILO, the OECD and the GEM (as we saw in Chapter one). Looking at all



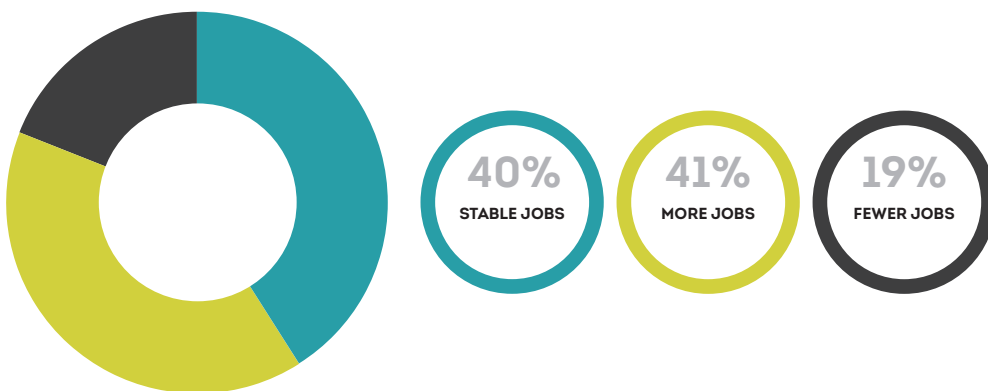
cooperatives within industry and services, we could argue that youth cooperatives are highly involved in those activities requiring a certain degree of training, specialized knowledge and skills and tend to be attracted by less capital-intensive activities (preferring services to manufacturing, for example).

When asked about the economic situation of their cooperative in 2016 compared to the previous years, and referring to production and sales as main indicators, most respondents reported better performances (Fig. 16). The best performance in production and sales was reported among “professional, scientific and technical activities”, whereas the weakest was reported to be in “information and communication and other service activities”.

Figure 16. Production and sales in 2016



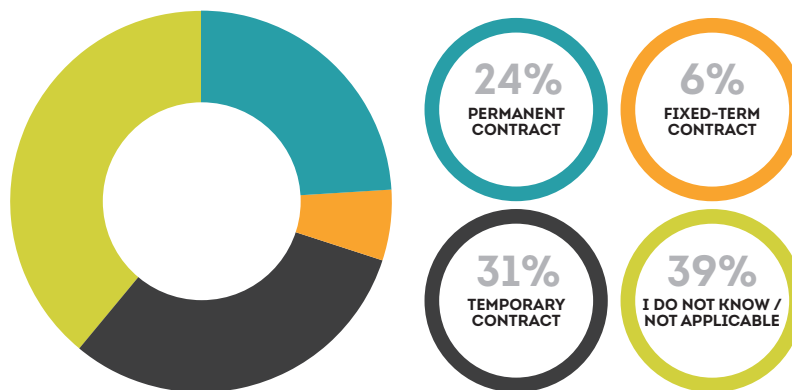
Regarding employment trends, the answers largely pointed to increasing or stable trends in terms of the number of jobs within the cooperative (Fig. 17), in particular among other service activities. Job losses were reported mainly among “information and communication” activities. Interestingly, when asked about future expectations in terms of job creation, 90% of respondents expressed positive expectations for the next five years. More in general, when asked about the future of their cooperative, the vast majority of respondents (80%) expressed optimistic expectations.





A temporary contract has been indicated as being the predominant employment contract among non-member employees by 31% of survey respondents (Fig. 18). However, it should be noted that 25 out of 64 answered “I don’t know/not applicable” to this question (39% of the entire sample) and that 15 out of these 25 have chosen the same answer when asked about the number of non-member employees within their cooperative. We could suppose that, for 23% of the sample, or at least a part of it, the workforce consists of worker-members and does not include any employees, maybe because of the cooperative’s small size and recent creation (both characteristics are quite common within this group). However, this hypothesis requires further verification. Moreover, the ratios between permanent and temporary contracts may follow sectoral and national trends which warrant further analysis.

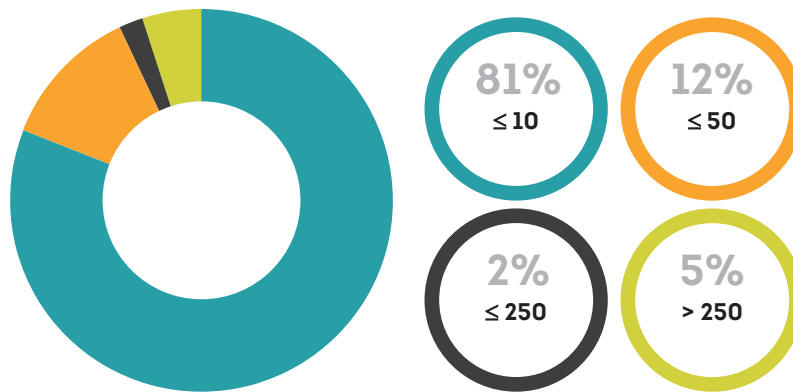
Figure 18. Predominant employment contracts among non-member employees



Using the number of employees as the main indicator⁴⁷ of size, it would appear that the overwhelming majority of enterprises fall into the micro category (Fig. 19). Taken together, micro (<10) and small (<50) enterprises represent 93% of the sample. If we look at the whole CICOPA network, the vast majority of cooperatives in industry and services (more than 90%) are small and medium-sized enterprises (SMEs) and we could argue that these trends are in line with the wider business landscape: SMEs represent almost the totality of the business population in OECD countries, account for large shares of employment and their contribution is particularly high in the service sector. Furthermore, according to the OECD’s most recent data (2017), micro-enterprises account for 70% to 95% of all firms⁴⁸. The prevalence of micro enterprises in our survey may also be linked to their recent creation (see Fig. 21) and high concentration in non-capital-intensive service activities (as already seen above).

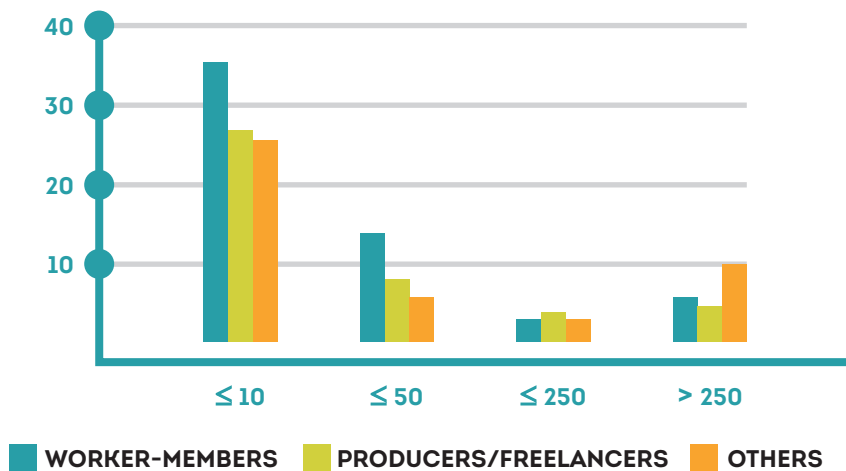


Figure 19. Size of youth cooperatives (based on the number of employees).



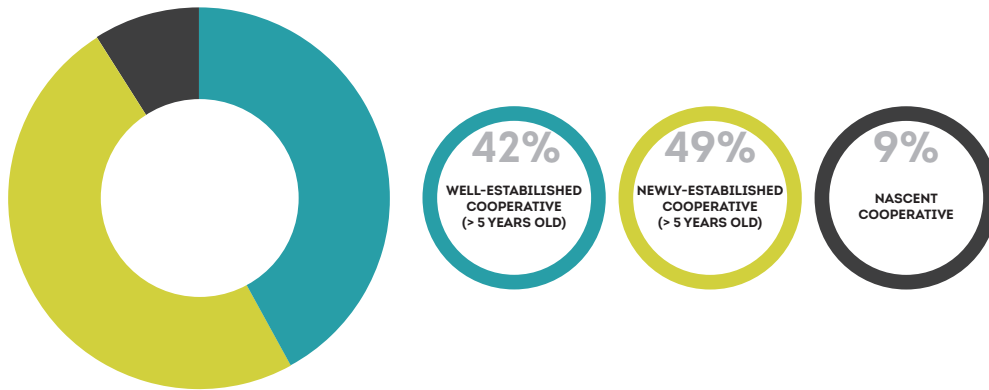
As we will see in the next chapter, one of the key cooperative advantages is inter-cooperation, which enables the cooperatives to overcome any issues related to their size and to create economies of scale through a wide range of strategies and measures, such as access to finance through mutual funds, business services, tools to foster management capacities and skills development, etc. Of course, this practice, which is inspired by the sixth cooperative principle, has been developed to varying degrees across the countries and its level of sophistication depends greatly on the level of organisation and strength of the cooperative movement at the local and national level. Its impact on creating favourable conditions for the development of cooperatives among young people is tremendous.

Figure 20. Size of membership and respective categories of members



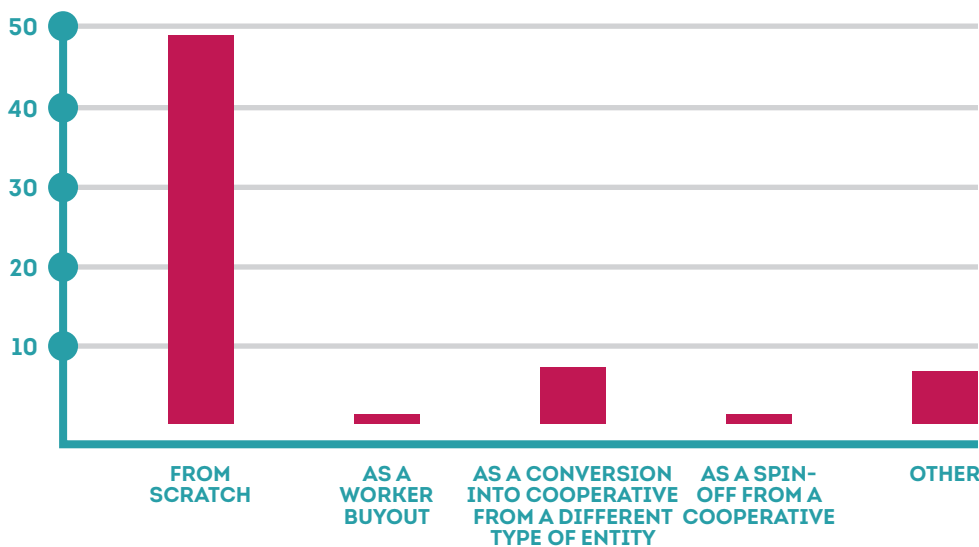
Similarly, the majority of youth cooperatives are composed of less than 10 members. The share of worker-members and independent producers/workers tends to be higher in micro or small cooperatives, whereas other categories of members (such as users or volunteers) are more highly represented in cooperatives where there are more than 250 members.

Figure 21. Stage of development



With regards to the stage of development among respondent cooperatives, most of them are newly established (less than 5 years old) or nascent cooperatives, which could appear quite logical if we consider the young average age of members. However, a large number of them (42%) has been operating for more than 5 years (Fig. 21), which may indicate a certain stability, given that the 3 first years are generally considered as the most critical for SMEs.

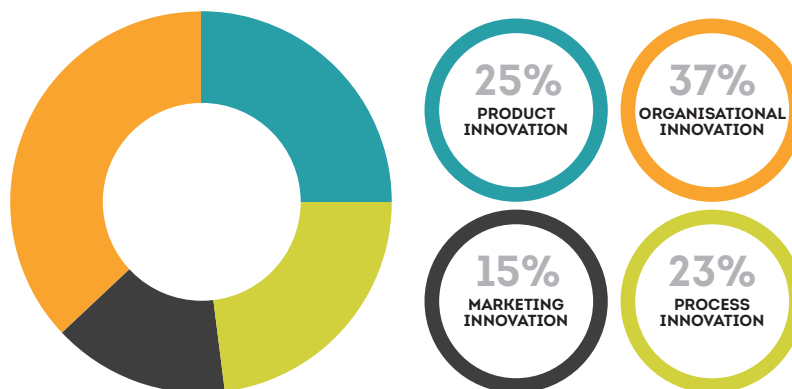
Figure 22. Predominant ways of creation





The vast majority of cooperatives in our sample were created from scratch (Fig. 22). It may be worth recalling here that a cooperative can be created in different ways: from scratch (generally the most common path), but also as a result of a spin-off, a conversion from a different type of entity (e.g. association or conventional enterprises), or a worker buyout, namely businesses that have been transferred to, or bought out by, their employees and re-established as a worker cooperative (as we saw in chapter 1). The viability and success rate of this latter practice, which has been attracting a lot of attention in recent years, is highly conditional upon contextual factors. A major role is played by a favourable regulatory framework, a cooperative movement providing assistance and *ad hoc* services, and a supportive and well-prepared environment of professionals who are the most likely to detect and understand the demands of owners and workers and should be able to inform them about this scenario (accountants, lawyers, etc.).

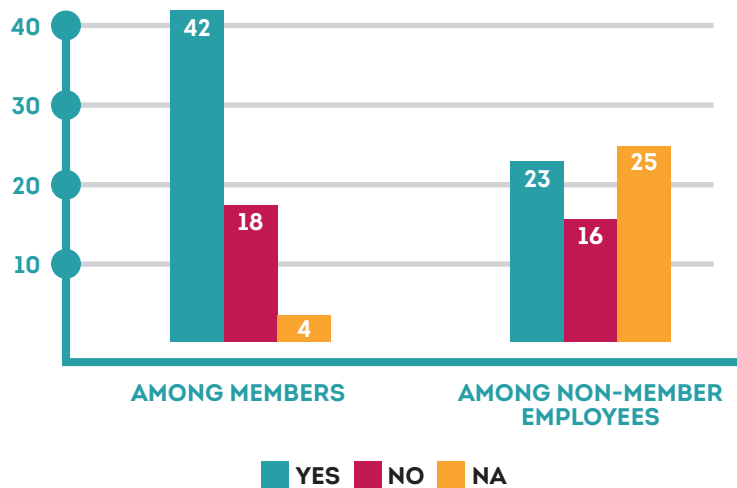
Figure 23. Main fields of future innovation



What kind of innovation strategies do these cooperatives plan for the future? The orientations were quite diverse. However, the most chosen innovation strategy is applied to organisational innovation. It might be worth pointing out that none of the five cooperatives where the majority of members are over 35 chose product or process innovation rather than organisation innovation. Interestingly, youth cooperatives' attitude towards organisational innovation may cast fresh light on the need to enlarge the concept and practice of innovation to also include other items such as the governance process and work organisation. Youth cooperatives should be supported in strengthening skills development and high-performance work and governance practices, which are expected to play an increasing role in determining the market competitiveness of enterprises.



Figure 24. Use of innovative programmes or strategies to foster training



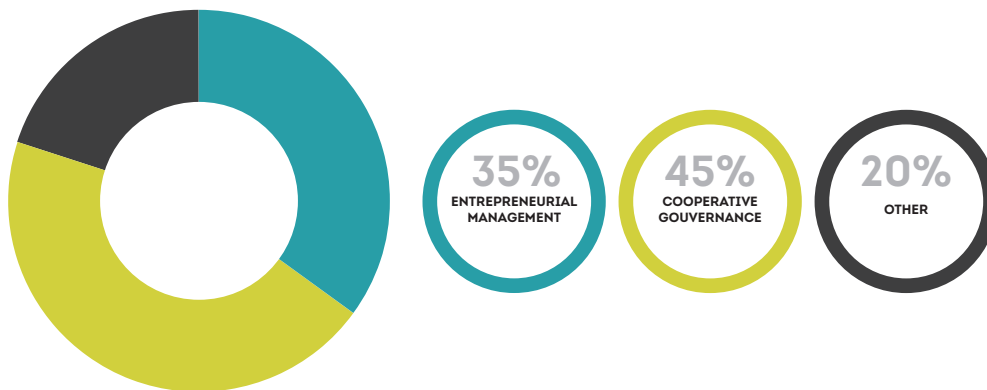
Youth cooperatives active in professional, scientific and technical activities are the keenest to focus on organisational innovation, while those active in financial and insurance prefer production innovation and those involved in information and communication activities focus on marketing innovation. Answers were less homogenous for process innovation. Moreover, the majority of respondents stated that they make use of, or are developing, digital cooperative platforms for selling and buying goods and services, to share services, products and information, or plan to start using them in the near future. The majority of respondents implement innovative programmes or strategies to foster training among members (42 out of 64) and more than one third do the same for non-member employees (although this information was not available for 25 respondents). These results help to illustrate the extent to which youth cooperatives can potentially display a strong comparative advantage for the development of young people's skills and their on-going training. Indeed, as we saw in Chapter 1, cooperatives are, by their nature, committed to ensuring that their members and employees benefit from training and have specific tools for this, such as indivisible reserves.

Interestingly, 68% of respondents say that they use innovative programmes or strategies to promote the transmission of knowledge and skills from older to younger members, especially in the field of cooperative governance (see Fig. 25). The inter-generational transmission of both entrepreneurial expertise and power management is a crucial issue today, not only for young cooperators, but for the future of the



whole cooperative movement. Indeed, it is through the full inclusion of young cooperators in the intrinsic practices made available by the cooperative movement, such as commitment to training and democratic governance, that the survival and sustainability of cooperatives can be ensured through generations.

Figure 25. Main fields of transmission of knowledge and skills from older to younger members



2.4. ENVIRONMENT CONDITIONS AND EXPECTATIONS ABOUT THE FUTURE

Through this consultation, we have tried to understand the conditions under which youth cooperatives operate day by day, as well as the main obstacles they are faced with or the favourable conditions that have supported their creation and ongoing development.

It would appear that access to finance, followed by regulatory complexity (see Fig. 26), is by far the most significant obstacle faced by young cooperatives during their start-up phase. There are obstacles reported exclusively by African young cooperators, such as the minimum legal capital requirements, the number of operational permits and licences needed, as well as the costs of obtaining operational licences and permits. South-American respondents seem to be particularly concerned by registration time and Europeans by taxes. Otherwise, in general, young cooperators seem to be faced with similar difficulties and challenges when it comes to starting up a cooperative (see Fig. 26).

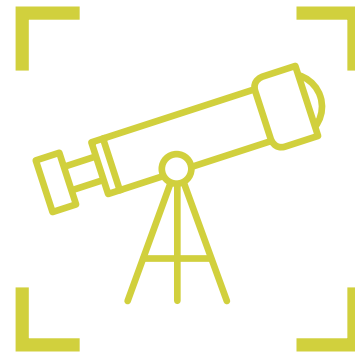


Figure 26. Obstacles to starting up a cooperative

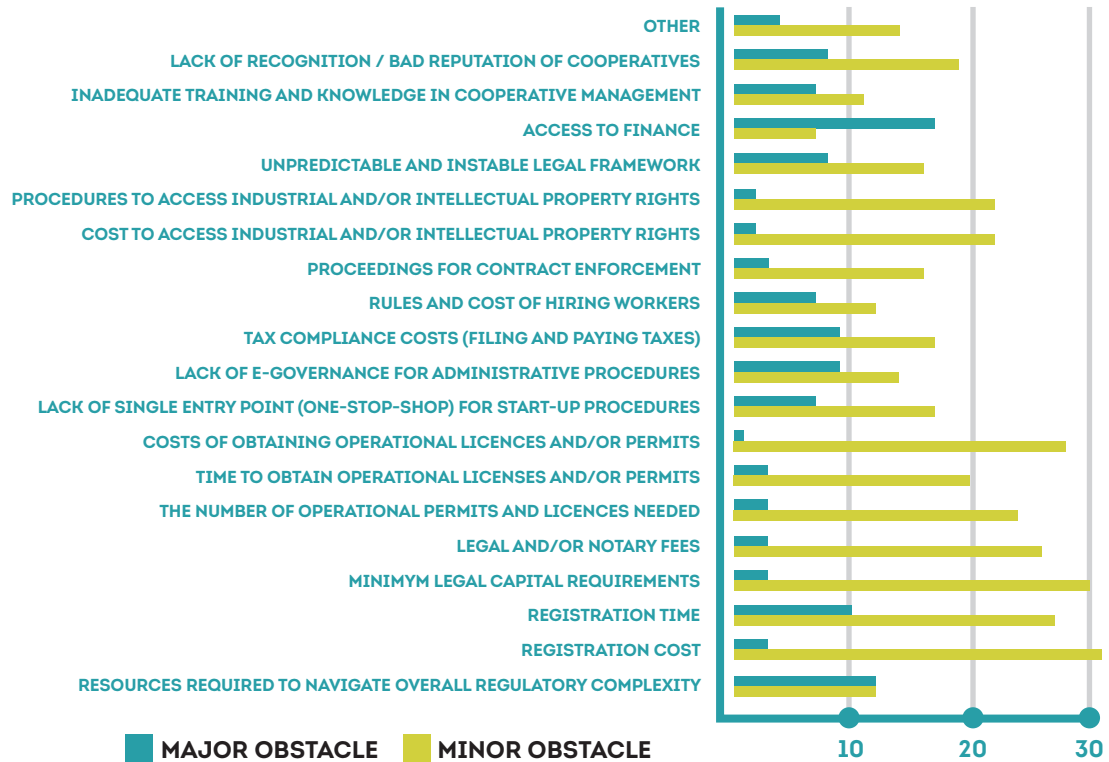


Figure 27. Major obstacles to starting up a cooperative (by continent)





Similarly, the major obstacles highlighted by respondents for both the establishment and running of their cooperative are the availability of financial resources and taxes and bureaucracy (the latter is perceived to be a particularly major issue by the European respondents). Interestingly, another obstacle reported in this field is the lack of government programmes supporting youth entrepreneurship, which is perceived to be a particular issue among youth cooperatives from South America and Asia (see Fig. 28 and 29).

Figure 28. Conditions either fostering or constraining the establishment and/or running of the cooperative⁴⁹

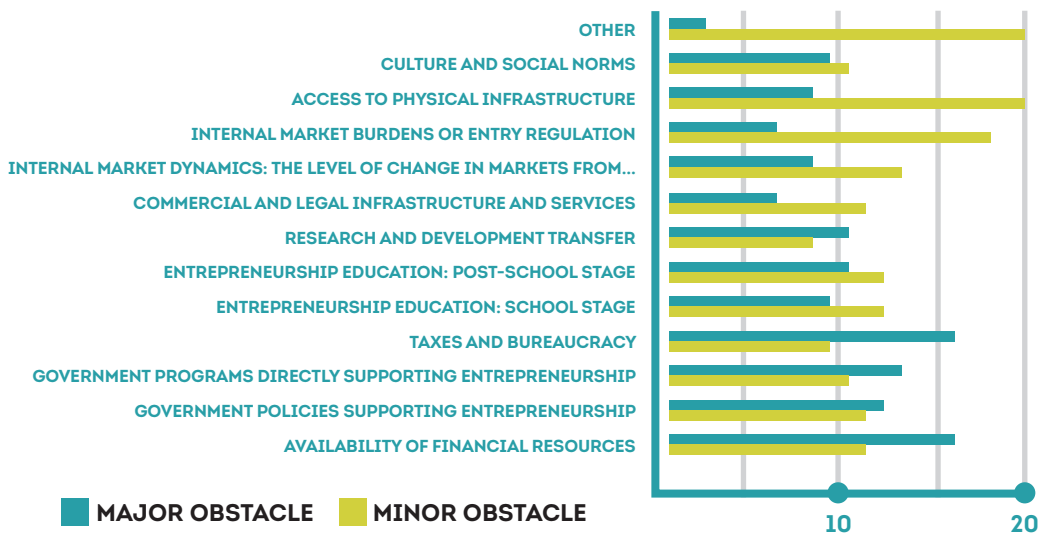
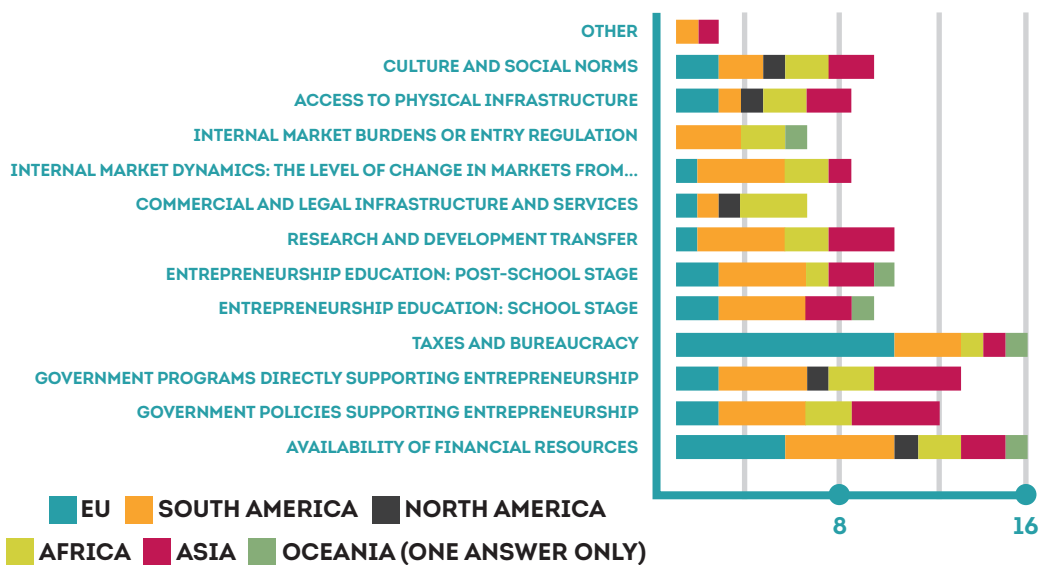


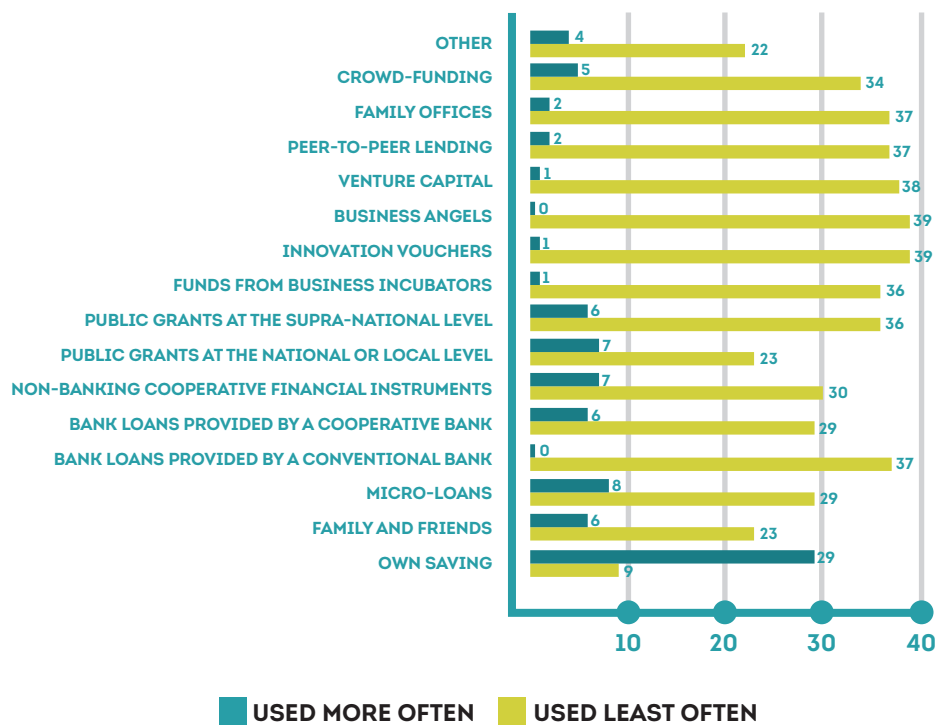
Figure 29. Major obstacles to the establishment and/or running of the cooperative





What are the main funding sources used to start up the cooperative? Own savings seem to be by far the most frequently used by respondents, whereas bank loans provided by conventional banks do not represent a source of financing at all (see Fig. 30). This may be explained partially by the fact that our surveyed cooperatives seem to be largely involved in activities that generally require lower injections of initial capital. However, if we take our analysis further, we see that young cooperators seek financing from alternative sources, such as public grants, non-banking cooperative financial instruments and crowd-funding. This may suggest that young cooperators face major challenges in acquiring loans from conventional banks as, indeed, is reported quite often by cooperatives in general in our researches, at least as far as the industry and services sectors are concerned.

Figure 30. Sources of funding used to start the cooperative (initial capital)



When asked about the main entities providing advice and support, respondents stated that people with a great deal of business experience are the most frequently helpful, followed by cooperatives and advisory services specifically provided within the cooperative movement. Here once again, conventional banks were stated to be the least supportive entities (see Fig. 31).

Figure 31. Entities providing advice

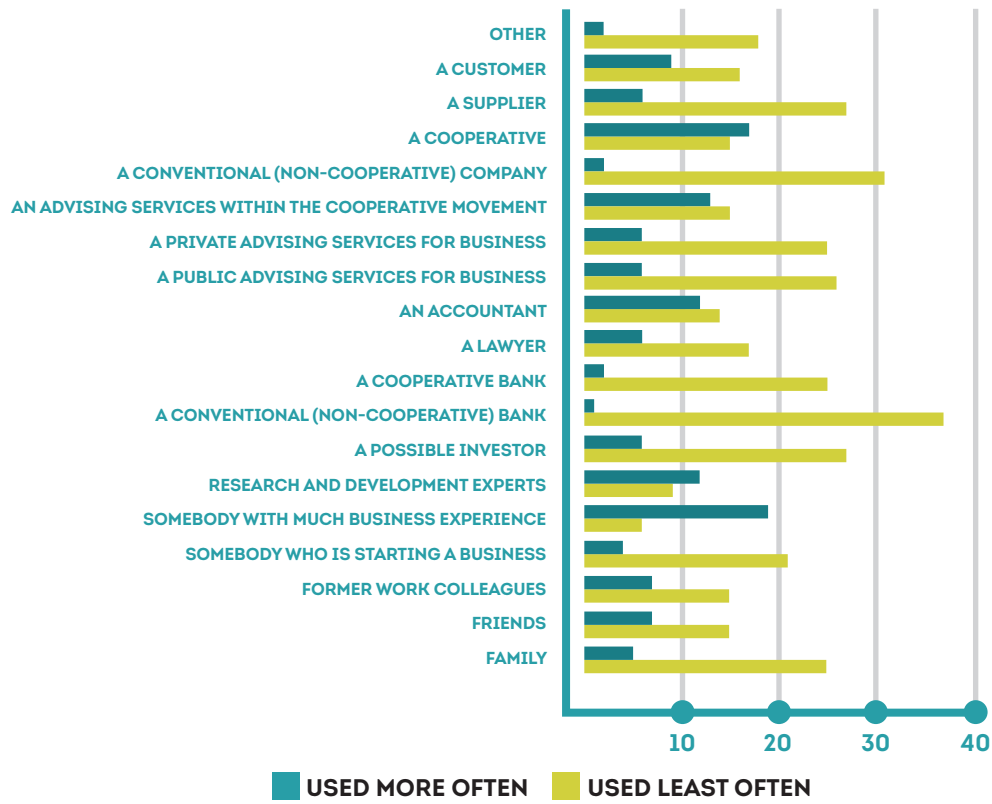
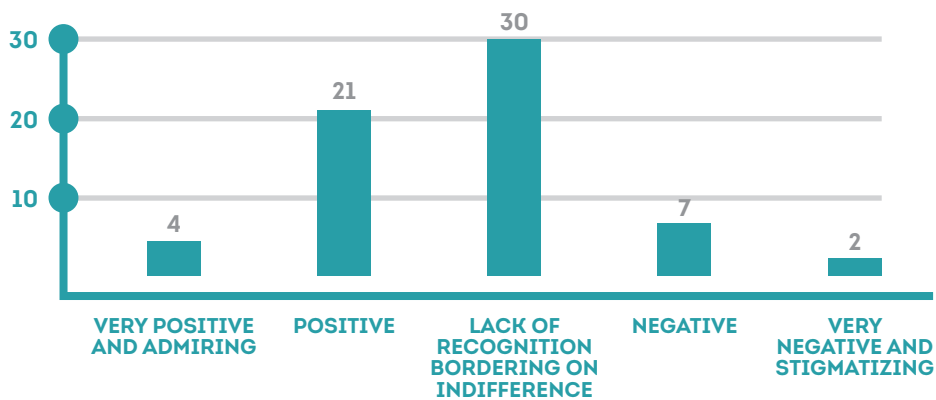


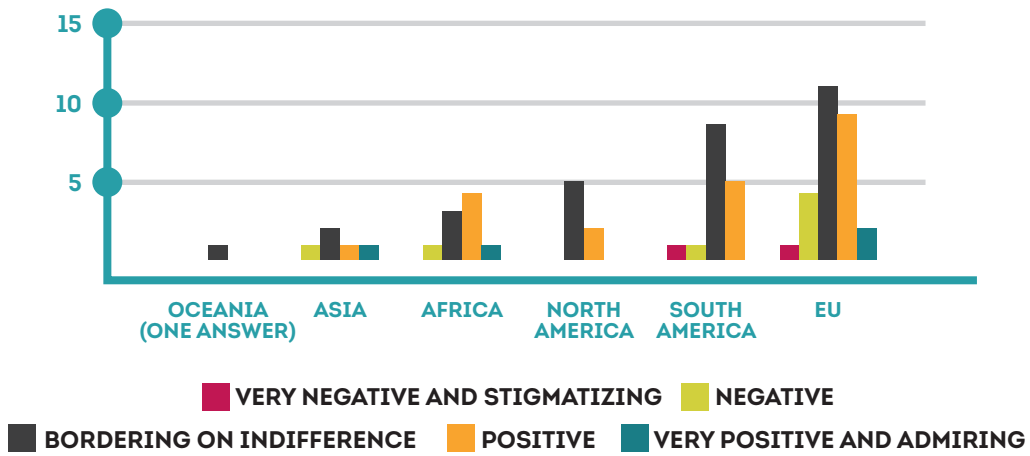
Figure 32. The general attitude towards cooperatives



In terms of their perception of the general attitude towards cooperatives in their countries, the most common answer in all of the continents, except for Africa, was a general lack of recognition bordering on indifference (see Fig. 32 and 33). If we add together the answers which range from

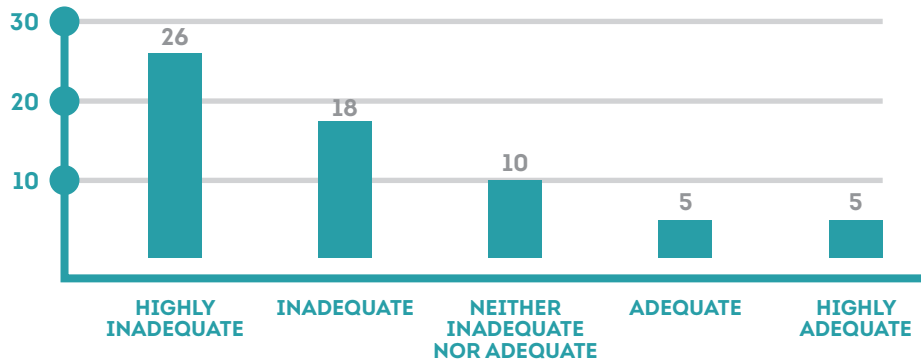
a lack of recognition to negative and very negative attitude towards cooperatives, we see that the majority of young cooperators in our sample (61%) perceives that there is an unfavourable societal attitude towards cooperatives, which is a particularly important factor if we consider that the visibility and attractiveness of cooperatives may have a significant influence on the career choices of future entrepreneurs, the start-up rate of cooperatives and the likelihood that this type of business will find investors, suppliers, customers and advisors.

Figure 33. The general attitude towards cooperatives (by continent)



The incorporation of cooperative entrepreneurship within the education system, which seems to be highly inadequate or inadequate for the majority of respondents (see Figure 34), may contribute, together with weak supporting policy measures also reported by our young cooperators, to the creation of a societal lack of recognition or unfavourable attitude towards cooperatives

Figure 34. Incorporation of training about coops within the education system





2.5. THE COOPERATIVE EXPERIENCE FOR YOUNG COOPERATORS

Why did respondents start or join a cooperative? In the table below, we have tried to organise the three prime motivations used, quoting some of the most emblematic key words and arguments reported by young cooperators.

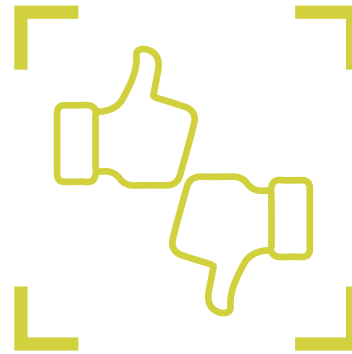


Table 3. Main motivations that drive young cooperators to choose cooperatives

<p>VALUE ORIENTATION</p>	<p>To have a social impact; answer people's needs; to do something socially engaged and influence my environment with a positive change; change the world; my cooperative is my space for militancy</p>
<p>WORK ORGANISATION</p>	<p>The idea of working with others instead of for others; non-hierarchical relationship; being autonomous, free and equal; self-determination; to control my own work life; work in a fair place</p>
<p>NEEDS' SATISFACTION</p>	<p>Get protection; because in my country there are no other companies that are hiring; the situation in our country obliges us to look for other ways of subsisting and the cooperative gave me that option which, without being conscious of it, I had always wanted; cooperatives improve the quality of their members' life; it is a solution to the lack of job opportunities and precariousness; it provides me with benefits and education; to learn things</p>

Interestingly, the motivations reported by young cooperators combine both purely value-based and pragmatic elements. In the respondents' perception, cooperatives help satisfy both their search for a meaningful



work experience (the need to “work differently”), in line with their values and aspirations about themselves and the surrounding community (e.g., autonomy, self-determination and need for societal change), and more concrete needs (having a job, career opportunities and protection). This is a reminder of the dual nature of cooperatives: as associations, they are a tool in the hands of people for the realisation of their dreams, beliefs, values and aspirations; as enterprises, they are intended to satisfy their members’ economic needs.

The motivations summarized above are quite well reflected in the perceptions reported by respondents about the main advantages of being part of a cooperative for young people today, as illustrated in the table below. In the same table, we have also tried to represent the main obstacles perceived by the young cooperators who took part in our survey. In particular, it is worth pointing out that the synthesis once again shows the relevance of certain recurring obstacles that, in the perception of the respondents, prevent them from fully benefiting from their cooperative experience: lack of finance; lack of recognition, knowledge, and training about cooperatives; lack of supporting policies. Interestingly, what is new here is the identification of some weaknesses which are intrinsic to the cooperative movement, such as the need to further improve inter-cooperation among cooperatives and the inter-generational transmission of knowledge and power within cooperatives.



Table 4. Challenges and opportunities of undertaking cooperative entrepreneurship

CHALLENGES

Main obstacles preventing young people from fully benefiting from cooperative entrepreneurship

- Lack of finance
- Lack of awareness and recognition about the cooperative model or bad reputation
- Lack of knowledge about the specificity of worker cooperatives compared to other types of cooperatives
- Lack of training on cooperative management and governance
- Need for more inter-cooperation and solidarity within the coop movement
- Still weak inter-generational transmission of knowledge and power within the cooperative movement
- General point of view that cooperatives are not real companies
- Lack of competencies within existing cooperatives (management, governance, technical knowledge, etc.)
- Lack of incentives and concrete supporting measures
- Lack of communication to young people
- Administrative burdens

OPPORTUNITIES

Main advantages of being part of a cooperative for young people

- Democracy at work
- Participation
- More affordable way to have some ownership
- Positive effects on community development
- You can build your own future
- Take a more proactive place in society
- Self-empowerment
- Personal and professional development
- Benefit from mutual support (within the cooperative and from other cooperatives)
- Not being alone
- Working in a motivated team
- Autonomy at work
- Commitment
- Stable job
- Mutual learning
- Being part of a wider movement



ENDNOTES

- 37 · Available in Annex I
- 38 · These typologies (as described in the first chapter of this report) should be considered as transnational “archetypes” that may not fully correspond to the legal forms recognised in one or another country. Nevertheless, they correspond to largely recognised definitions within the cooperative movement, or at least this is the case for worker and social cooperatives whose definition has been standardised through the World Declaration on Worker Cooperatives and the World Standard of Social Cooperatives, both available on the CICOPA website at www.cicopa.coop
- 39 · CICOPA, 2017, *Industrial and Service Cooperatives: Global Report 2015-2016*, p. 9
- 40 · This category is applied by CICOPA for those cooperatives that are involved in the same activities as social cooperatives but are not recognized as social cooperatives per se. Ibidem, p. 9
- 41 · Argentina, Australia, Belgium, Brazil, Bhutan, Canada, Central African Republic, Chile, China, Colombia, Congo, Denmark, France, Germany, Ghana, Kenya, Honduras, Morocco, Poland, India, Italy, Philippines, Nigeria, Paraguay, Puerto Rico, Spain, Sri Lanka, Sweden, Turkey, United Kingdom, United States
- 42 · This is a key area foreseen by the Blueprint for a Co-operative Decade adopted by the ICA in 2012
- 43 · ILO/ICA, 2015, *Advancing gender equality: The co-operative way*, Geneva: ILO, p. 14
- 44 · ILO, *Global Employment Trends for Youth 2017*, p. 8
- 45 · The Statistical classification of economic activities in the European Community, which is applied by CICOPA for collecting data on members’ activities
- 46 · However, this phenomenon was reported on a large geographic scale even if to different degrees: in some cases, it seems to be a consolidated trend, whereas other members describe it rather in terms of an emerging opportunity for future start-ups; therefore the concrete impact is still to be measured and defined
- 47 · We referred to the classification of Micro, Small, and Medium Enterprises structured according to the size of employment applied by the International Finance Corporation – IFC (World Bank Group): micro enterprises 1-9 employees; small 10-49 employees and medium 50-249 employees.
- 48 · OECD, 2017, *Small, Medium, Strong. Trends in SME Performance and Business Conditions*, Paris: OECD, p. 15
- 49 · The conditions used here are based on the Entrepreneurial Framework Conditions (EFCs) elaborated by the Global Entrepreneurship Monitor. See Global Entrepreneurship Monitor (GEM), “What is the National Expert Survey (NES)?” www.gemconsortium.org/wiki/1142 (accessed on 6 April 2018)



CHAPTER 3

A SUPPORTIVE ENVIRONMENT FOR
YOUTH COOPERATIVES



Young people are a key resource for the present and the future and yet their potential is far from being fully exploited and their deteriorating working conditions, both quantitatively and qualitatively, represent a serious challenge not only for their future, but also for the future and the sustainability of the social welfare system. Moreover, the global changes occurring in fields such as access to education, available technologies and life style are driving young people to demand new models of productivity and work participation.

The environment should not be deaf to such challenges. In this chapter, we will review some examples which illustrate how the cooperative movement and institutional policy makers can help create more favourable conditions for the inclusion of young people and the promotion of active citizenship and better working conditions through cooperative entrepreneurship. Before delving into this chapter, in which we will try to keep a focus on the industry and services sectors, it may be useful to recall the major obstacles reported by young cooperators in establishing and running their enterprise. As well as access to finance, which is by far the biggest obstacle, regulatory complexity and lack of programmes supporting youth entrepreneurship, taxes and administrative burdens, such as bureaucracy and registration time, were also cited as factors making the environment particularly unfavourable for youth cooperatives. Also, the majority of respondents reported a general lack of recognition of cooperatives and a highly inadequate incorporation of cooperative training within the education system.

3.1. THE COOPERATIVE ENVIRONMENT

A WAY FORWARD TOWARDS A GREATER DEGREE OF PARTICIPATION OF YOUNG PEOPLE THROUGH AND WITHIN COOPERATIVES

The Blueprint for a cooperative decade, adopted by the international cooperative movement in 2013 as a guiding strategic vision until 2020, stressed both the need to attract the interest of young people within the cooperative movement:

- Cooperatives need to think about how they are perceived by, and how they project themselves to and communicate with, young people⁵⁰.



And elevate their participation within the cooperative movement:

- Specifically and directly focussing on young adults and young people, exploring their mechanisms for forming and maintaining relationships, and considering whether established traditional mechanisms for participation and engagement can and need to be adapted⁵¹.

This approach helped set the basis for a reflection that is not only about what the cooperative movement can do for young people, but also about what young people can do for the cooperative movement. In accordance with this approach, youth initiatives have been multiplying in number in recent years thanks, in part, to the encouragement and coordination of the International Cooperative Alliance's Youth Network⁵², an advisory, assistance and representative body for the cooperative youth movement which started its activity in 2003 and was formalised in 2013. The ICA Youth Network operates through four regional networks in the Americas, Europe, Asia-Pacific and Africa, which are engaged in diverse actions such as developing business opportunities, creating networks, encouraging cooperative education, sharing information and advocating the interests of young people in discussions with governments.

On the occasion of its Assembly held in November 2017 in Kuala Lumpur (Malaysia), the Youth Network adopted a #coopoyouth manifesto to shape its engagement and vision. Several quotes taken from the manifesto are set out below:

“ Youth have long been, and increasingly are, disproportionately affected by unemployment, underemployment, disempowerment and disengagement. (...) The engagement of youth with cooperatives is a viable and promising option for their transition to full economic and social participation. (...) We are young people, we have been gathering in different countries, different continents and would like to express and share our thoughts. We take part in different cooperative models, and we are all committed to the cooperative movement. We appear and we are diverse and yet stand united as a young generation. We want to promote youth empowerment through engagement with cooperatives ” 53



However, by its own admission the cooperative movement encounters significant obstacles when it comes to engaging young people, who sometimes see the model as outdated or simply are not at all aware of its existence, or face vertical mobility and representation barriers within cooperatives. According to the #coopyouth manifesto, to fully exploit its potential for societal change and innovation, the cooperative movement should ensure the full representativeness and active participation of its young members through adequate leadership succession practices and diverse representation of people in leadership. Another critical point that has already been underlined in this study is the lack of available data to measure the engagement of young people in cooperatives, as well as the lack of indicators assessing the impact of cooperatives on their life and surrounding environment.

As we have already seen in Chapter 2, cooperatives and advisory services specifically provided within the cooperative movement were indicated by young respondents to our survey as being amongst the main sources of advice and support in the establishment and running of their business. Indeed, entrepreneurial cooperation between cooperatives, as postulated by the 6th cooperative principle, is a key cooperative advantage. A long tradition of cooperation of this kind has been developed in this field, especially in those countries where the cooperative movement is particularly well-established: the most significant examples are national and regional federations, training and research institutions, as well as entities providing advisory services, horizontal groups and financial instruments. These measures constitute the major source of cooperatives' development, because they come "from the inside" and are designed to meet their specific developmental and competitiveness needs. In countries characterized by a lack of public policies supporting cooperatives, they represent a main engine for their development. When they are supplemented by adequate public policies, their effectiveness and impact are multiplied.

Below, we will provide some illustrative examples of diverse actions undertaken within the cooperative movement to support cooperative employment and entrepreneurship among young people.



SUPPORTING YOUTH COOPERATIVE ENTREPRENEURSHIP

Parcours COOP⁵⁴ is a business accelerator managed by the network of worker cooperatives in Quebec (Canada) RESEAU, which offers young entrepreneurs aged 18-35 comprehensive coaching for the establishment of their worker cooperative. The programme includes workshops and individualised follow-up applied to four main areas (marketing, human resources, accounting and cooperative management), as well as the allocation of grants and loans for selected deserving projects. According to RESEAU, 75% of projects supported by Parcours COOP launched their business during the current year.



On the other side of the Atlantic, the Spanish confederation of worker cooperatives (COCETA) launched two projects specifically intended to improve young people's access to employment and self-employment through worker cooperatives. The first one, named *Emprende.coop*⁵⁵, which was launched in 2014, is a web portal aimed at encouraging people to set up cooperative business projects. It contains guides on how to set up a cooperative, how to write a business plan and how to develop the business plan and put it into practice (including an online tool to track development). Furthermore, the website offers an online tool that helps with the design of a business plan and other resources and documents published by the Spanish regional governments, informing users of the specifics of setting up cooperative businesses in the different regions. Secondly, COCETA has designed and launched the web portal and mobile app *Orienta.coop*⁵⁶, which targets young people who neither study nor work (NEET), providing them with information on the EU Youth Guarantee scheme, as well as vocational guidance and training on how to set up a worker cooperative.

Similar initiatives have also been developed in Italy, another European country where, as is the case in Spain, youth unemployment has increased massively since the 2008 economic crisis. One example is *Coop Up!*⁵⁷, the national incubator project launched by the Italian cooperative association *Confcooperative* for young people under 35 and for women, that offers mentoring and advisory services for the creation of new cooperatives and the development of existing ones. The new cooperatives incubated by *Coop Up!* can benefit from the support of the cooperative solidarity fund *Fondosviluppo*⁵⁸, which can be used to fund the cooperative's share capital, up to a maximum amount of 30,000 EUR, for a 5-year period at an annual interest rate of 1.5%. Another example coming from the



Italian cooperative movement is Coopstartup⁵⁹, a project launched by Coopfond (a solidarity fund managed by the Italian cooperative association Legacoop) in May 2013, aimed at promoting the creation of cooperatives among young people and encouraging the presence of cooperatives in new markets. It specifically focuses on innovation (technological, organizational and social innovation) to foster “smart, sustainable and inclusive growth”. The inter-generational transmission of skills is at the heart of a project launched by the Italian regional federation Confcooperative Emilia-Romagna in partnership with the cooperative Stars&Cows and the vocational training centre Irecoop Emilia-Romagna: “Di Mano in Mano – older workers at the service of new cooperative business ideas”. The project is based on the idea that knowledge built over time by cooperative managers can be capitalized. Just as the economic capital of cooperatives is not divisible between members after their dissolution, how can the experience of senior cooperators be reinvested in new cooperative projects? To make this possible, the cooperative Stars&Cows is developing a tool aimed at matching the skills of older workers with the needs of emerging enterprises and young cooperators⁶⁰.

GIVING AN IMPETUS TO INNOVATIVE SECTORS



The first case of inter-cooperation among cooperatives in the technology sector may date back to 2012, when the Argentinian Federation of worker cooperatives in Technology, Innovation and Knowledge (FACTTIC) was created. One of the main reasons for establishing the network, which has 16 member cooperatives today, was to achieve economies of scale to compete with larger companies and to promote the

worker cooperative model in this sector. Additionally, the network makes it possible to pool resources to provide member cooperatives with common services such as continuous training, access to market opportunities, administrative and accounting advice, etc.

More recently, the cooperative movement in the United Kingdom has launched some exciting experiments for the development of worker cooperatives within the digital economy, which displays a great potential not only for youth employment but also for the democratisation of a sector broadly controlled by shareholders. For example, the CoTech⁶¹ (Cooperative Technologists) network was established in 2016 by worker cooperatives operating in the digital sector with the aim of sharing skills and resources and making access to technological know-how fairer



and more efficient. Currently composed of 31 worker cooperatives, its ambition is to increase the competitiveness of the cooperative technology sector in the UK and stimulate the creation of 10,000 new jobs by 2020 and 100,000 by 2030.⁶² In this framework, CoTech has recently supported the creation of Space4, a physical incubation and co-working space that, by bringing people closer together, aspires to maximise information and skills sharing via physical exchanges while reducing their costs. Another interesting initiative from the UK in this field is UnFound, a pilot scheme for the creation of platform cooperatives that is challenging the way the digital ecosystem is monopolised by investor-owned platforms controlling data and distributing profits to the few. The accelerator programme, launched by Co-operatives UK in partnership with the community organisation Stir to Action, is designed to support early platform cooperatives with their business development and funding strategies, including mentoring and masterclasses on business planning and cooperative governance. Supported by the Hive (a business support programme of Co-operatives UK and The Co-operative Bank), it is part of the National Co-operative Development Strategy launched by Co-operatives UK in 2017 to determine a way forward for cooperative development and innovation over the coming years.

Similarly, an investment fund called CoopVenture⁶³ was set up in France in 2016 to support the establishment and development of enterprises in the digital sector, notably cooperatives or enterprises willing to become cooperatives. The investment fund, which has been allocated 16 million EUR, lends its support through the provision of equity funds for a period of 3-5 years, after which, rather than being given the possibility to buy back the shares (which would penalize their investment capacity), the beneficiary cooperatives are given the opportunity to participate in the investment fund so that it can continue to serve future generations of enterprises in the same sector. The fund, which was launched by the National Federation of Worker Cooperatives CG Scop together with two French cooperatives with considerable expertise in this sector (Alma and Digital Grenoble), is intended to promote sustainable digital enterprises whose vocation is to be rooted locally and to adopt strategies for local development.

EDUCATION, AWARENESS RAISING AND NETWORKING

Iuvent//coop is an ambitious educational programme launched by the Colombian Association of Cooperatives, Ascoop, to support the promotion of cooperative philosophy and practice among young people aged 15 to 24. It includes three major pillars of the training process: stimulating solidarity awareness; building a culture of solidarity; educating in solidarity through associations. The programme, whose duration can



be several years, can be developed at different levels, from each individual cooperative (involving members' families), to the local community and also at national level. Iuvent//coop is an illustration of the aspiration of the Colombian cooperative movement to transmit the cooperative vision of society to new generations and should be seen as a part of the national cooperative strategy in the framework of the peace-building process. Indeed, the



role of cooperatives in the peace-building process has been strongly advocated by the cooperative movement and strategically defined in the 2016 work programme called “Cooperatives for Colombia 2016-2020. Our contribution for Peace!”, which contains a series of policy recommendations for the development of existing cooperatives and the creation of a greater number of new cooperatives. In particular, the programme advocates the creation of cooperatives amongst young people in emerging sectors such as tourism, arts, entertainment and recreation, environmental protection, etc.

In recent years, young people have been placed at the heart of initiatives aimed at enhancing their visibility within the cooperative movement and creating networking opportunities for young cooperators. In 2016, 70 young people gathered for the First International Cooperative Alliance-Asia and Pacific Youth Summit in Bali (Indonesia)⁶⁴, on the theme “Youth, Co-operatives and the power of innovation and entrepreneurship”. The Summit enabled young people in the region to interact with each other, hear the experience of young speakers who have started cooperatives and engage in team activities. For example, a battle of cooperative ideas took place, providing participants with the opportunity to share ideas about establishing cooperatives in strategic areas (such as agricultural tourism, services for migrant workers, catering services, transport, e-waste recycling and many others). In 2017, the International Co-operative Alliance-Africa organised its second youth conference in Goma (Congo) on the theme of harnessing innovation among young people through cooperatives. The one-day event, co-funded by the European Union under the ICA-EU partnership project, “Cooperatives in Development – People Centred Businesses in Action”, offered its participants (mostly African youth cooperative representatives) a space for debate around the open horizons for development of cooperatives in Africa, which has the world’s youngest population. Participants agreed on the need to call for an enabling environment allowing African youth to adopt the cooperative enterprise model since it is an important driver of sustainable development⁶⁵.



3.2. THE POLICY ENVIRONMENT: POLICIES ENCOURAGING COOPERATIVE ENTREPRENEURSHIP AMONG YOUNG PEOPLE

SUPRA-NATIONAL POLICIES

In 2016, the United Nations launched the Global Initiative on Decent Jobs for Youth⁶⁶ to scale up the objectives set out by the 2030 Agenda on youth employment. The initiative, which brings together an alliance of multiple partners (governments, social partners, the UN System, youth and civil society, the private sector and key youth employment stakeholders), is a digital engagement platform aimed at coordinating the initiatives taking place around the globe to provide decent jobs for young people. It is a space for sharing knowledge, alliances and resources and creating actions that lead to tangible results for young people.

The ILO has been supporting initiatives to encourage national strategies for youth employment. The Youth Employment Crisis – A Call for Action⁶⁷ was launched in 2012 to provide a sound framework for national measures in five key areas: macro-economic policies, employability, labour market policies, youth entrepreneurship and rights. It underscores the need for a multi-pronged approach to support youth employment and entrepreneurship and it calls for an enabling environment for sustainable enterprises like cooperatives, in line with the Promotion of Cooperatives Recommendation, 2002 (No. 193). This Call for Action has been recently reiterated in the national dialogues launched by the ILO Future of Work Century Initiative in 2016.

With regards to supra-national regional policies, in recent years the European Commission⁶⁸ has taken several measures to tackle the alarming situation of youth unemployment and social exclusion in Europe:

- the Youth Guarantee⁶⁹, adopted in April 2013, whose aim is to stimulate national reforms to ensure that all young people up to the age of 25⁷⁰ receive a quality job offer, the opportunity for further education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed. Interestingly, the Youth Guarantee pays special attention to those young people who are not in employment or in education or training (NEETs). The national Youth Guarantee schemes have been financially supported mainly by the Youth Employment Initiative (2013),



which is aimed in particular at NEETs in regions with a youth unemployment rate above 25%. According to recent data, three years after the adoption of the Youth Guarantee, there were almost 1.8 million fewer young unemployed in the EU and 1 million less young people not in employment, education or training (NEETs). In particular, the NEET rate for young people aged 20–34 decreased from 20.1 % in 2013 to 18.3 % in 2016⁷¹. However, such trends should be seen in the context of cyclical factors and it may be too early to obtain a systematic evaluation of its impact across Europe. According to the European Youth Forum, the organization representing the voice of young people in discussions with the European institutions, whilst encouraging achievements have been recognised, more should be done by the European Union and the Member States to increase the Youth Guarantee's reach and effectiveness and to ensure that it attains its long-term goal. At the same time, root causes of social and economic exclusion should be tackled⁷².

- Youth entrepreneurship is also high on the EU political agenda: it is one of the objectives of the Europe 2020 strategy⁷³ and, together with employment, is one of the eight fields of action promoted by the EU Youth Strategy. This strategy is a framework for cooperation among EU Members States covering the period 2010-2018 and is aimed at providing more and equal opportunities for young people in education and the job market, as well as encouraging young people to actively participate in society⁷⁴. It should be noted that Europe tends in general to be a less friendly environment for entrepreneurship and the desire to become an entrepreneur among young Europeans and their assessment of its feasibility is lower in EU countries than in comparable economies⁷⁵.

Even though no specific policy or programme has been designed at EU level to specifically support youth cooperative entrepreneurship, young Europeans willing to create cooperatives can benefit from some of the EU initiatives promoting youth employment and entrepreneurship. However, cooperative organisations should be more involved at national level in the implementation of such initiatives, since they could help to increase their reach and contribute to the creation of sustainable and quality work places for young people.



INSPIRING NATIONAL OR REGIONAL POLICIES

Education and awareness raising

Law 1780 introduced in 2016 and known as “Ley Projuoven” (“pro youth law”)⁷⁶, was adopted in Colombia (South America) with the aim of facilitating young people’s access to quality formal jobs, in a country where young people represent a quarter of the labour force but also half of the total number of unemployed people⁷⁷. The bill supports youth entrepreneurship through seed capital financing, exemption from paying commercial registration fees and tax benefits for small businesses. It eliminates the requirement of holding a military card for those joining the labour market and offers new incentives for employers to hire young people while also implementing rural youth employment action plans. In particular, article 27 of this law encourages the development and awareness raising of the cooperative business model among young people. For this purpose, the law supports cooperative education at all levels of the education system and endorses the creation of school cooperatives as part of the entrepreneurial learning curriculum. The measures contained in article 27 correspond to one of the proposals submitted to the government by the Colombian cooperative movement to be incorporated in the 2014-2018 Development Plan. According to the Colombian Association of Cooperatives, Ascoop, “the adequate implementation of this law would allow young Colombians to undertake cooperative entrepreneurship, at a time when wage employment has been suffering from a severe deterioration in the country and when the paradigms on employment, life project and income generation are being re-assessed by many young people”⁷⁸. Similarly, in 2015 the Government of the Philippines (Asia) provided the legal framework for the establishment of “laboratory cooperatives”⁷⁹, to be established by fifteen or more minors, students or out of school minors, with the purpose of providing training on the management and operations of a regular cooperative.



Initiatives supporting cooperative entrepreneurship and employment

In 2016, the government of Quebec (Canada, North America) launched the strategy “2030 Youth Policy - Together for Present and Future Generations”⁸⁰ with over 200 million CAD in funding being allocated to support measures aimed at young people aged 15-29 years. The broad objective of the strategy, which takes the form of three five-year action plans, is to find sustainable solutions to the demographic crisis in Quebec, where the population is quickly decreasing and, at the same time, a significant number of Quebecers are reaching retirement age. Indeed, over the life of the Strategy, for the first time in Quebec’s history, there will be more retirements than entries in the labour market. Through a transversal approach, it targets five areas of intervention: health; education; citizenship; employment; entrepreneurship and succession. One concrete measure within the fifth area is the implementation of experimental programmes allowing young people to experience cooperative entrepreneurship through the creation of “Youth COOP”⁸¹ and “Youth Services Cooperatives”⁸¹. Youth COOP is a tool providing a cooperative operational framework to 15-19 year olds who want to launch projects in schools or in the community. “Youth Services Cooperatives” consist of programmes in which young students are coached in establishing worker cooperatives over the summer as part-time jobs to provide services for the local community. The government’s main partner in this action is the *Conseil québécois de la Coopération et de la Mutualité* (CQCM), the organisation which represents all sectoral and regional cooperative organizations in Quebec.

In Spain (Europe), the Murcia regional government has allocated 300,000 EUR to boost the participation of young people in social economy organisations, particularly cooperatives. The programme targeted people under-25 by granting cooperatives 7,000 EUR for each member joining the society and also providing funding for training schemes. The Community, which has the highest rate of cooperatives per inhabitant in Spain, has strongly supported this type of business in recent years and has also been doing so as part of the regional government’s strategy on youth employment. In 2017, the region had more than 1,500 cooperatives⁸³, mostly worker cooperatives and in the service sector, and the percentage of young cooperators was higher than the national level, with 46.4% of members aged 25-39, compared to 40.2% across Spain (according to data shared in 2015)⁸⁴.



A recent example comes from Algeria (Africa). The Youth Employment Support Programme ('PAJE') co-financed by the Algerian Government and the European Union, was launched in 2012 to support the reforms and actions taken by the Algerian Government in the implementation of youth-centred policies. In 2016, the A'AMAL project started as a part of this programme to enhance the employability and professional integration of young people in two wilayahs in Eastern Algeria, Annaba and Khenchela, through direct technical and financial assistance to social economy organisations, including cooperatives, in sectors such as agribusiness, tourism, aquaculture, vocational training, handicrafts and public works. The project, implemented between 2016 and 2018, aimed at having an impact on at least 500 young people in the two regions and benefited from the ILO's expertise in the areas of local economic development and entrepreneurship development. Speaking of Africa, an interesting example of institutional supportive initiatives for youth cooperative entrepreneurship is the establishment of the Swaziland National Youth Cooperatives Alliance (SNYCA), an umbrella governing body mandated by the Minister of Commerce, Industry and Trade with the aim of supporting and coordinating the creation and registration of youth cooperatives in the country (which had 26 registered youth cooperatives in 2017⁸⁵) and calling upon the national government to set aside a part of the national budget in favour of youth cooperative development. Young people are encouraged to register their cooperatives and affiliate to SNYCA so they can be assisted under recognized structures.

Supporting legal frameworks

In France (Europe), the Social and Solidarity Economy law approved in 2014 introduced the legal recognition of the "CAE", which is an acronym for "coopérative d'activités et d'emploi" (business and employment cooperative), introducing the status of entrepreneur-employee. Business and employment cooperatives were originally designed as a specific form of worker cooperative with the aim of providing people who plan to develop their own business projects with full-fledged rights and protection as employees for a trial period of 6-18 months, as well as various back-office services (e.g. continuous training, solidarity mechanisms, marketing support services, etc.). As a result of the legal recognition provided through the 2014 law, they have been recognised as a particular form of



cooperative, not only for persons who create their business, but also for those who have completed their trial period and have their own business and clients. For this purpose, a new status of “entrepreneur-employee” (entrepreneur-salarié) has been introduced in the French labour code. This status, which applies only to business and employment cooperatives, provides a higher level of rights and protection compared to similar legal statuses introduced for flexible work forms, such as self-employed entrepreneurs, access to social security schemes, unemployment and sickness benefits and the same rights in terms of retirement and maternity leave as employees on permanent contracts. Although there is no clear evidence yet about the impact of this new status for youth employment and entrepreneurship in France, business and employment cooperatives display a great attractiveness and potential for providing young people with a safer place to start and develop their independent activity. There are more than 100 business and employment cooperatives in France today⁸⁶.

Boosting the development of cooperatives in innovative sectors

With regards to the provision of support for the development of cooperatives in those innovative sectors which are highly attractive to new generations, it is worth mentioning Incubacoop⁸⁷, an initiative launched by the Ministry of Industry, Energy and Mining of Uruguay (South America), in partnership with the National Institute of Cooperativism (Inacoop) and the Uruguayan Confederation of Cooperatives (Cudecoop). The Uruguayan cooperative movement signed an agreement with the government in 2015 for the identification and promotion of strategic sectors for cooperatives. As an outcome of this agreement, Incubacoop was created to accompany the creation of new cooperatives in innovative and knowledge-intensive industries in the following areas: life sciences (biotechnology, food technology, fine chemistry, nanotechnology, and pharmacy), information and communications technology (IT, audio-visual, robotics), as well as graphic design and many others. Since its launch, Incubacoop has received a total of fifty-two project applications, seven of which were approved in 2016 and ten in 2017. The selected applicants benefit from financial assistance, training and advisory services during the development stage of the cooperative. The process is meant to take place for a maximum period of two years, after which the cooperative must leave the Incubator.



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- economy actors active in the two countries. Since the launch of a first pilot project in 2013 in the French region of Brittany, the project has been expanding gradually and, in 2016, 33 such cooperatives were set up in France. In this regard, see Conseil québécois de la coopération et de la mutualité, “Jeune COOP”, www.cqcm.coop/education/jeune-coop (accessed on 6 April 2018); Volat, G., and Plaindoux, A., 2017, “Les Coopératives Jeunesse de Services, vers une conscience citoyenne pour les jeunes coopérants”, XVII Rencontres du RIUESS *Engagement, Citoyenneté et Développement: Comment former à l'économie sociale et solidaire ?*
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CONCLUSIONS

CONCLUSIONS

Our survey reveals a quite fresh and dynamic picture of youth worker, social and independent producers'/workers' cooperatives. In keeping with the global trends in youth employment and entrepreneurship, youth cooperatives which took part in our survey are primarily active in the service sector, supposedly to a greater extent than overall cooperatives within industry and services. They are highly involved in activities requiring a certain degree of training, specialized knowledge and skills, (e.g., professional, scientific and technical activities and information and communication). In most cases, they are micro or small-sized enterprises, which may be explained by their generally recent creation and high concentration in non-capital-intensive service activities. They reported a positive economic performance in production and sales and increasing or stable trends in the number of jobs created in recent years. They tend to involve women in management roles. They are extremely keen to implement new organisational methods in their business practices (e.g., workplace organisation and governance practices), as well as innovative strategies to foster training among members. In particular, they actively promote the transmission of knowledge and skills from older to younger members, especially in the field of cooperative governance. Their cooperative choice is justified by a mix of value-based and pragmatic motivations: cooperatives help them not only to satisfy their search for meaningful work (to "work differently"), experience and values-related aspirations, but also their concrete need for stable jobs, career opportunities and protection.

This picture, albeit partial, strongly suggests that youth cooperatives are riding the wave of changes and represent a valuable option for young entrepreneurs. The significance of cooperative employment cannot be ignored today: they provide employment to 9.46% of the world's employed population and, unlike any other type of enterprise, they continue to be highly resilient in the face of crises and economic downturns and are capable of maintaining a high degree of employment stability. Indeed, a look at the global landscape provides us with important inputs for reflections on how cooperatives can help provide a response to some of the main challenges faced by young people today. Despite the positive forecasts, global economic growth continues to be disconnected from employment and young people continue to be disproportionately affected by unemployment, informal work and deteriorating working conditions. On the other hand, significant global trends such as demographic changes, globalization and technological innovations are reshaping the world of work and these changes are having an enormous impact



CONCLUSIONS

on young people: new forms of work such as independent workers and crowd work are increasing their attractiveness to young generations, in particular in the innovation and technology service sectors, with all of the positive and negative elements this entails: on the one hand, more autonomy and flexibility, but on the other lower wages and weaker or no access to social protection schemes in the absence of proper regulation.

In general, worker, social and independent producers'/workers' cooperatives are mainly active in manufacturing, but their fastest growth seems to be concentrated in the service sector, which represents an increasing potential for absorbing youth employment over the coming years. Worker cooperatives, whose primary mission is to provide decent jobs to their worker-members, can be a direct solution to youth precarious and informal employment. Social cooperatives are providing innovative and comprehensive solutions for new societal and environmental challenges, positioning themselves as a reference, not only for community needs, but also as a source of employment for young generations. Independent producers'/workers' cooperatives can help young people escape isolation through a wide range of shared services, including those related to work status and social protection. Cooperatives can play a crucial role in responding to new challenges introduced by recent societal and economic changes affecting new generations. For example, they can "inject" democracy and participation inside the digital economy, by giving ownership and control of power to the people who use and work through on-line platforms. They can guarantee young people access to continuous training, retraining and work-based training. Through their participatory governance, they are a laboratory in the hands of young people for the experimentation of innovative and sustainable forms of work management.

However, cooperatives cannot be considered to be a panacea. Regardless of the sector and activity in which they are operate, worker, social and independent producers'/workers' cooperatives are only able to display their full potential if they are surrounded by a favourable institutional environment. This is particularly true when it comes to providing quality employment, which is highly dependent on the institutional frameworks regulating the legal status of young workers in cooperatives, but also access to financial resources and user-friendly bureaucracy, concrete supporting measures aimed at young people to help them to start up and run a business, and adequate integration of cooperative entrepreneurship in the mainstream educational system.



CONCLUSIONS

Cooperation among cooperatives and full support of the whole cooperative movement is also necessary to allow the effective integration and participation of young people. The inter-generational transmission of both entrepreneurial expertise and power management is a crucial issue not only for young cooperators, but also for the future of the whole cooperative movement itself. Indeed, it is through the full inclusion of young cooperators in the intrinsic practices made available by the cooperative movement, such as commitment to training and democratic governance, that the survival and sustainability of cooperatives can be ensured through the generations. Last but not least, the cooperative movement should maintain its effort on improving data collection, including data related to age. Unless quantitative and measurable information is made readily available, we are missing the opportunity to move forward and are depriving ourselves of the strategic advantage of showing the outside world – and in particular those who have so much to gain from this, namely young people, – the concrete impact that cooperatives have on improving working and living conditions for young people.



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ANNEXES

ANNEX I

GLOBAL SURVEY ON YOUTH COOPERATIVE ENTREPRENEURSHIP

BEFORE YOU START...

- 1** Does your cooperative correspond to one of the above-described three types of cooperative? (Worker cooperative, social cooperative, and producers/freelancers' cooperative. See Glossary).

Mark only one oval.

YES NO

- 2** Does your cooperative correspond to one of the above-described stages of development? (Nascent, newly-established and well-established cooperatives. See Glossary).

Mark only one oval.

YES NO

- 3** Are the majority of your cooperative's members aged 18-35?

Mark only one oval.

YES NO

- 4** Are the majority of your cooperative's non-member employees aged 18-35?

If in your cooperative there are no non-member employees you should not answer to this question.

Mark only one oval.

YES NO

IF YOU HAVE ANSWERED POSITIVELY TO THE PREVIOUS QUESTIONS, PLEASE CONTINUE COMPLETING THIS SURVEY. WE WOULD LIKE TO LEARN MORE ABOUT YOUR COOPERATIVE!

We will ensure the confidentiality to survey participants who do not wish to share contact information. If, instead, you are interested in sharing your contact information we may contact you later to know better the story of your cooperative and share it through our campaign. We strongly encourage you to share this survey with other young cooperators. Thanks!

IF YOU HAVE NOT ANSWERED POSITIVELY TO THE PREVIOUS QUESTIONS, UNLUCKILY THIS SURVEY IS NOT ADDRESSED TO YOU BUT YOU CAN HELP US SPREAD IT, THANKS!

PRELIMINARY INFORMATION

In order to avoid duplications that could mislead the results, we would ask you to verify that only one person

within your cooperative is answering to this survey.

- 5 Name of the cooperative:
- 6 Short description of the cooperative focused on the main activities:
- 7 Website:
- 8 Name of the contact person:
- 9 Email address of the contact person:
- 10 Position of the person answering to this survey:

Mark only one oval.

- President (elected)
- Member of the Board of Directors (elected)
- Manager / director (hired)
- Member (worker member, producer/freelancer-member, user, other)
- Non-member employee
- Other: _____

11 Age of the person answering to this survey:

Mark only one oval.

- < 18 years old
- 18-35 years old
- > 35 years old

12 Country where the cooperative 12. is located:

13 Is your cooperative affiliated to any cooperative association/representative organisation in your country?

Mark only one oval.

YES NO

14 Position of the person answering to this survey:

Mark only one oval.

- Email sent by CICOPA
- Email sent by a national/regional cooperative organisation
- On Twitter
- On Facebook
- Other: _____

ABOUT YOUR COOPERATIVE

For all respondents

15 Please select the main economic activity of your cooperative:

Mark only one oval.

- AGRICULTURE, FORESTRY AND FISHING
- MINING AND QUARRYING
- MANUFACTURING
- ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY



- WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES
- CONSTRUCTION
- WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES
- TRANSPORTATION AND STORAGE
- ACCOMMODATION AND FOOD SERVICE ACTIVITIES
- INFORMATION AND COMMUNICATION
- FINANCIAL AND INSURANCE ACTIVITIES
- REAL ESTATE ACTIVITIES
- PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES
- ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES
- PUBLIC ADMINISTRATION AND DEFENCE, COMPULSORY SOCIAL SECURITY
- EDUCATION
- HUMAN HEALTH AND SOCIAL WORK ACTIVITIES
- ARTS, ENTERTAINMENT AND RECREATION
- OTHER SERVICE ACTIVITIES
- ACTIVITIES OF HOUSEHOLDS AS EMPLOYERS; UNDIFFERENTIATED GOODS- AND
- SERVICES-PRODUCING ACTIVITIES OF HOUSEHOLDS FOR OWN USE
- Other: _____

- 16** Which of the following describe your cooperative? (See Glossary)
Mark only one oval.

- Worker cooperative
- Social cooperative
- Producers'/freelancers' cooperative

- 17** Please select the geographic area of activity of your cooperative:
Mark only one oval.

- Rural area
- Urban area
- Intermediate area

18 How was or is being your cooperative created?

Mark only one oval.

- From scratch
- As a transfer of sound companies without a successor
- As a worker buyout of enterprises in crisis (failure or bankruptcy)
- As a conversion into cooperative from a different type of entity (e.g. conventional company or association)
- As a spin-off from a conventional company
- As a spin-off from a cooperative
- Other: _____

19 Which of the following stages describe the state of development of your cooperative? (See Glossary)

Mark only one oval.

- Nascent cooperative
- Newly-established cooperative (< 5 years old)
- Well-established cooperative (> 5 years old)

20 Please select the range corresponding to the number of members affiliated to your cooperative, for each type of member affiliated:

Mark only one oval per row.

	≤ 10	≤ 50	≤ 250	> 250	I do not know/ Not applicable
Worker-members	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Producer/freelancer-members:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Others (e.g. users, volunteers etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

21 Please select the range corresponding to the number of non-member employees within your cooperative:

Mark only one oval per row.

	≤ 10	≤ 50	≤ 250	> 250	I do not know/ Not applicable
Non-member employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



- 22** What is the predominant employment contract among your cooperative's non-member employees?

Mark only one oval.

<input type="radio"/>	Permanent contract
<input type="radio"/>	Fixed-term contract
<input type="radio"/>	Temporary contract
<input type="radio"/>	I do not know/ Not applicable

- 23** Please select the gender for each position within your cooperative:

Mark only one oval per row.

	Male	Female	I do not know/ Not applicable
President	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Manager/director	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

- 24** Please select the gender ratio for each of these groups within your cooperative:

Mark only one oval per row.

	Male > Female	Male < Female	Male = Female	I do not know/ Not applicable
Board of Directors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Members	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non-member employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

- 25** Please select the predominant education level for each of these groups within your cooperative (see Glossary):

Mark only one oval per row.

	Primary	Lower Secondary	Upper secondary	Post- secondary	Tertiary	I do not know/ Not applicable
Board of Directors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Members	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non-member employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

26 Please select the nationality ratio for each of these groups within your cooperative (see Glossary):

Mark only one oval per row.

	National citizens > non-national citizens	National citizens < non-national citizens	National citizens = non-national citizens	I do not know/ Not applicable
Board of Directors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Members	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non-member employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

PUT THE ECONOMIC SITUATION AND THE FUTURE DEVELOPMENT OF YOUR COOPERATIVE

For newly-established and well-established ones only

HOW DO YOU EVALUATE THE ECONOMIC SITUATION OF YOUR COOPERATIVE IN 2016, COMPARED TO THE PREVIOUS YEARS?

27 Production and sales

Mark only one oval.

- Lower
 Higher
 Stable
 I do not know/ Not applicable

28 Employment:

Mark only one oval.

- More jobs
 Fewer jobs
 Stable
 I do not know/ Not applicable



29 Employment:

Mark only one oval.

- Yes
 No
 I do not know/ Not applicable

30 Do you expect your cooperative implementing any innovative strategy in the next future in one or more of the following fields? (See Glossary)

Mark only one oval.

- Product innovation
 Process innovation
 Marketing innovation
 Organisational innovation
 I do not know/ Not applicable

31 Did your cooperative DEVELOP any digital cooperative application or platform to sell and buy goods and services, share services, products, and information?

You can browse through a directory of the cooperative platform economy to find some examples: <http://platformcoop.net/resources/directory>

Mark only one oval.

- Yes
 No
 I do not know/ Not applicable

32 Does your cooperative USE any digital cooperative application or platform to sell and buy goods and services, share services, products, and information?

You can browse through a directory of the cooperative platform economy to find some examples: <http://platformcoop.net/resources/directory>

Mark only one oval.

- Yes
 No
 I do not know/ Not applicable



33 If yes, do you find it useful?

*Please rank below from 1 being highly useful to 5 being highly useless.
Mark only one oval.*

1 2 3 4 5

34 If no, does your cooperative plan to start using it?

Mark only one oval.

Yes
 No
 I do not know/ Not applicable

35 Does your cooperative use any innovative programme or strategy to foster training among members?

Mark only one oval.

Yes
 No
 I do not know/ Not applicable

36 Does your cooperative use any innovative programme or strategy to foster training among non-member employees?

Mark only one oval.

Yes
 No
 I do not know/ Not applicable

37 Does your cooperative use any innovative programme or strategy to foster the transmission of knowledge and skills from older to younger members?

Mark only one oval.

Yes
 No
 I do not know/ Not applicable

38 If yes, in which specific field?

Mark only one oval.

- Entrepreneurial management
- Cooperative governance
- Other

39 You can briefly add here further information about the economic situation and the future development of your cooperative:

ABOUT THE ECONOMIC SITUATION AND THE FUTURE DEVELOPMENT OF YOUR COOPERATIVE

For newly-established and well-established ones only

40 To what extent is or has been each of the following an obstacle to start-up your cooperative?

Please rank each option below from 1 being a minor obstacle to 5 being a major obstacle.

Mark only one oval per row.

	1	2	3	4	5	I do not know/ Not applicable
Resources required to navigate overall regulatory complexity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Registration cost	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Registration time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Minimum legal capital requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal and/or notary fees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The number of operational permits and licences needed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time to obtain operational licences and/or permits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Costs of obtaining operational licences and/or permits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of single entry point (one-stop-shop) for start-up procedures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of e-governance for administrative procedures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tax compliance costs (filing and paying taxes)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rules and cost of hiring workers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	1	2	3	4	5	I do not know/ Not applicable
Proceedings for contract enforcement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost to access industrial and/or intellectual property rights	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Procedures to access industrial and/or intellectual property rights	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unpredictable and instable legal framework	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Inadequate training and knowledge in cooperative management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of recognition / bad reputation of cooperatives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

41 You can briefly complete or specify here:

42 What sources of funding are or have been the most used to start your cooperative (initial capital)?

Please rank each option below from 1 being used least often to 5 being used more often.

Mark only one oval per row.

	1	2	3	4	5	I do not know/ Not applicable
Own savings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Family and friends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Micro-loans	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bank loans provided by a conventional bank	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bank loans provided by a cooperative bank	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non-banking cooperative financial instruments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Public grants at the national or local level (e.g. municipality)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Public grants at the supra-national level (e.g. United Nations; European Union)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Funds from business incubators	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Innovation vouchers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Business angels	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Venture capital	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Peer-to-peer lending	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Family offices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Crowd-funding	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

43 You can briefly complete or specify here:

44 Identify how the following conditions either foster or constrain your cooperative's establishment and/or running.

Please rank each option below from 1 being a minor obstacle to 5 being a major obstacle. The items here below are based on the Entrepreneurial Framework Conditions (EFCs) elaborated by the Global Entrepreneurship Monitor (see here for more information: www.gemconsortium.org/wiki/1142)

Mark only one oval per row.

	1	2	3	4	5	I do not know/ Not applicable
Availability of financial resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Government policies supporting entrepreneurship as a relevant economic issue	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Government entrepreneurship programs directly supporting entrepreneurship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Taxes and bureaucracy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Entrepreneurship education: school stage (primary and secondary school)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Entrepreneurship education: post-school stage (higher education such as vocational, college, business schools, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Research and Development transfer: to which extent they are available to companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Commercial and legal infrastructure and services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internal market dynamics: the level of change in markets from year to year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internal market burdens or entry regulation: the extent to which new firms are free to enter existing markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to physical infrastructure (communication, utilities, transportation, land or space)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Culture and social norms: the extent to which they encourage business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

45 You can briefly complete or specify here:



46 Does your cooperative receive advice from any of the following?

*Please rank each option below from 1 being used least often to 5 being used more often.
Mark only one oval per row.*

	1	2	3	4	5	I do not know/ Not applicable
Family	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Friends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Former work colleagues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Somebody who is starting a business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Somebody with much business experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Research and development experts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A possible investor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A conventional (non-cooperative) bank	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A cooperative bank	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A lawyer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
An accountant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A public advising services for business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A private advising services for business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
An advising services specifically provided within the cooperative movement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A conventional (non-cooperative) company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A cooperative	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A supplier	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A customer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

47 You can briefly complete or specify here:

48 Do you think that training in creating or managing cooperatives is adequately incorporated within the education and training system in your country?

*Please rank below from 1 being highly inadequate e to 5 being highly adequate.
Mark only one oval.*

1 2 3 4 5



- 49** Which of the following best describes the general attitude towards cooperative in your country or next environment?

Mark only one oval.

- Very positive and admiring
- Positive
- Lack of recognition bordering on indifference
- Negative
- Very negative and stigmatizing

ABOUT YOUR COOPERATIVE EXPERIENCE AND EXPECTATIONS

For all respondents

- 50** How do you feel about the future of your cooperative?

Mark only one oval.

- Optimistic
- Neutral
- Prudent
- Pessimistic

- 51** Can you briefly explain what made you decide to start or 51. join a cooperative?

- 52** On the basis of your experience, could you list at least 3 advantages of being part of a cooperative for young people today?

Please list in order of importance and use short sentences or key-words. For example: 1) stable jobs; 2) easier access to start-up; 3) take a more proactive place in society, etc.

- 53** On the basis of your experience, could you list at least 3 challenges that prevent young people from fully benefiting from cooperative entrepreneurship today?

Please list in order of importance and use short sentences or key-words. For example: 1) inadequate training; 2) lack of finance; 3) lack of recognition of cooperatives, etc.



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About CICOPA

CICOPA, the international organisation of industrial and service cooperatives represents 65,000 of worker, social and producers' cooperatives providing 4 million jobs across the world. Many of those cooperatives are worker cooperatives, namely cooperatives where the members are the staff of the enterprise, i.e., worker-members. Those enterprises are characterised by a distinctive type of labour relations, called « worker ownership », different from the one experienced by conventional employees or by the self-employed. Two growing typologies of cooperatives represented by CICOPA are social cooperatives, namely cooperatives whose mission is the delivery of goods or services of general interest, and cooperatives of independent workers/ producers. CICOPA currently has a total of 48 members in 32 countries. CICOPA has two regional organisations: CECOP-CICOPA Europe and CICOPA Americas



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GLOBAL STUDY ON
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