"Cooperatives and the Sustainable Development Goals: The Role of Cooperatives in Poverty Reduction"

A cooperative is defined as “an autonomous association of people united voluntarily to meet their common economic, social and cultural needs and aspirations through jointly-owned and democratically-controlled enterprises (International Labour Organization, 2002).” The cooperative principles include: (1) voluntary and open membership; (2) democratic member control; (3) members’ economic participation; (4) autonomy and Independence; (5) education, training and information; (6) cooperation among cooperatives; and (7) concern for community. Indeed, cooperatives are member-driven business enterprises in which decisions balance the pursuit of profit with the needs and interests of members and their communities. One billion people are now members of cooperatives worldwide. In seeing the potential for cooperatives to amplify efforts for sustainable socio-economic development, the United Nations declared 2012 the International Year of Cooperatives.

Though the specific goals, targets and indicators will not be agreed upon until September 2015 as part of the ongoing process, it seems obvious that poverty reduction will be listed as one of top priorities of the sustainable development goals (SDGs). Having said that, cooperatives are highly relevant and important in the realization of the SDGs. There is a widely held consensus among many actors, including the United Nations (UN), the International Labour Organization (ILO), and the International Co-operative Alliance (ICA), that the cooperative enterprise is the type of organization that is most suited to addressing all dimensions of reducing poverty and exclusion. The way cooperatives help reduce poverty is important - they identify economic opportunities for their members; empower the disadvantaged to defend their interests; provide security to the poor by allowing them to convert individual risks into collective risks; and mediate member access to assets that they utilize to earn a living (ILO and COOP, 2014).

Considering the significant role of cooperatives for poverty reduction, this paper reports on international case studies of cooperatives in Sub-Saharan African countries including Ghana and Ethiopia. In Ghana, members frequently obtain loans from the University of Ghana Cooperative Credit Union to support informal businesses that supplement their wage income; and in Ethiopia, 900,000 people in the agricultural sector are estimated to generate most of their income through cooperatives (ILO and COOP, 2014). This paper considers the topic in four sections: a conceptualization of poverty, sustainability, and cooperative; an overview of the two countries’ cooperative movements; case studies of how different resources and competencies from various key players were combined and shared in the two countries’ cooperatives; and, finally, conclusions that highlight how cooperatives can be used to develop more systematic strategies for poverty reduction and achieving the SDGs.