



International
Labour
Organization

PROSPECTS

► Mapping responses by cooperatives and social and solidarity economy organizations to forced displacement



Executive Summary

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Introduction

At the end of 2018, 70.8 million people were forcibly displaced worldwide as a result of persecution, conflict, violence or human rights violations. The vast majority of displacement crises are protracted, yet sustainable and long-term solutions have not been forthcoming, with many displaced remaining in camps for decades.

Most displaced persons come from fragile and conflict-affected states (FCAS), states characterized by weak social cohesion. Establishing structures that the local community can trust, as well as strengthening local governance, is key to peacebuilding. Cooperatives and other Social and Solidarity Economy Organizations (SSEOs) are well positioned to address the needs of both displaced persons and host populations, because of their ability to combine practical assistance and psycho-social support through collective action, underpinned by principles of self-help, mutualism and democratic governance.

The overall objective of this assessment is to identify good practices, capture lessons learned and take note of potential areas of innovation by cooperatives and other SSEOs working in displacement contexts, with a view to enhancing their role in crisis response and promoting decent work.



Findings

Types of cooperatives

There are several kinds of cooperatives that support displaced persons, including consumer/users, worker, producer and multi-stakeholder cooperatives.

Membership structures

Cooperatives typically align along one of four membership structures: (1) host membership; (2) displaced membership; (3) mixed membership or multi-stakeholder; and (4) returnee membership.

Pathways for successful engagement of cooperatives

Cooperatives are engaging with host and displaced populations in many ways:

- ▶ Host community cooperatives provide services to displaced persons
- ▶ Host community cooperatives recruit displaced persons as workers
- ▶ Host community cooperatives include displaced persons as members
- ▶ Host communities provide capacity building and training for displaced persons to set up their own cooperatives
- ▶ Displaced persons form cooperatives provide services for themselves or their host community
- ▶ Displaced persons and host communities organized into cooperatives by an international organization provide services for themselves or the host community
- ▶ Returning displaced persons rebuild their own communities through cooperatives

Roles of cooperatives in displacement

Cooperatives play a variety of roles in displacement contexts, providing not only practical services that contribute to economic and human development – such as access to goods and services, employment, income generation, finance and knowledge exchange – but also building social capacities and peacebuilding functions, such as networking, solidarity and trust, problem solving, collective action, women's empowerment, reconciliation, and cultural sensitization. Importantly, many cooperatives work across both categories and are able to leverage an integrated response to provide a combination of mutually reinforcing benefits to those involved.

More broadly, SSEOs provide many of the same benefits as cooperatives in displacement contexts. Generally, they strengthen and generate social cohesion through their functioning principles, their social purposes intended to benefit both members and the community, and their impact at the local level. This helps to maintain linkages and a sense of community. They provide forms of social protection for the most vulnerable such as health insurance, and they empower individuals and communities by fostering active involvement in the participatory decision-making process.

Key characteristics of successful pathways

Both the literature and those working with cooperatives highlighted a variety of ways in which cooperatives can address the specific needs of displaced persons and host communities, bringing a wide range of benefits. Key messages include the following points.

- ▶ While cooperatives play an important practical role providing access to jobs and income generation, their social and peacebuilding benefits are paramount, particularly for displaced and host communities.

- ▶ As people-centred businesses, cooperatives provide access to goods and services that displaced communities need, and which are not always readily available through other means.
- ▶ Different from economic migrants, displaced persons need integrated responses including livelihoods, health and child-care services and psychological assistance, and cooperatives can provide for these needs.
- ▶ Collective action through cooperatives helps to advance agency and resilience among those affected. Key themes cited include agency, empowerment, autonomy, democratic nature, solidarity, mutual support, and self-reliance/self-sufficiency.
- ▶ Cooperatives are community-based and sustainable. They are locally owned and needs-based, highly sustainable, taking a long-term focus that can provide a bridge between the different phases of a crisis.
- ▶ The fact that cooperatives are well grounded in local communities and devise a joint response to common needs makes it easier for them to be accepted by the host communities fostering inter-communal peace. Cooperatives promote integration, and they are inclusive. They can increase contact between different groups, break down barriers, create dialogue, and bring about greater cultural sensitivity. As a result, cooperatives can build social cohesion, both within and between groups, a critical component of rebuilding the social fabric for recovery.

Operational insights

Three key operational priorities or characteristics that allow cooperatives to thrive were consistently mentioned in consultation: (1) a legal framework that facilitates cooperatives to formalize; (2) a democratic and participatory management structure; and (3) a strong focus on cooperative values including solidarity, working together and meeting member needs. The intermediary ecosystem of supporting organizations can play a key role in bringing together and strengthening locally led cooperatives, providing a bridge between macro-level legal and policy frameworks and cooperative governance structures and values.

Role of international and supporting institutions

Feedback consistently emphasized that the role of international agencies is to listen to local demand and find ways to support the goals and needs expressed. It is critical that international agencies take a very intentional focus on value addition, partnering with and supporting cooperatives rather than driving the process. The areas where international agencies can best add value include: providing a coordination and sensitization role; increasing visibility on the potential role of cooperatives and facilitating learning; building organizational capacity of local actors, as well as apex bodies and members; and creating new opportunities for cooperative creation in different sectors.

Many cooperatives grow organically, and supporting organizations at the macro, meso and local levels can play a catalytic role, bringing structure and scale to what would otherwise be fragmented and unsustainable local cooperative organizations. Supporting organizations can also play a key role in providing knowledge and capacity on cooperative governance structures, providing technical capacity and knowledge.

Challenges to cooperatives

Several barriers to cooperatives operating in displacement contexts were highlighted, including the conduciveness of the enabling environment, distrust of cooperatives, insufficient or lack of long-term financing mechanisms that compromises sustainability, and issues around building trust.



Summary of lessons learned

- ▶ Cooperatives are uniquely placed to help support displaced persons and host populations. Cooperatives are able to combine activities that support economic and human development, alongside a strong focus on self-help and collective action that can address a range of needs through an integrated and flexible approach that is uniquely tailored for displacement contexts.
- ▶ Structure matters. Good governance and management of cooperatives that are locally owned and democratic is fundamental to the success of cooperatives.
- ▶ The key role of international agencies in supporting cooperatives is to listen to local demand and find ways to support the goals and needs expressed, otherwise, they run the risk of driving an external process that tries to scale cooperatives too quickly. A strong intermediary ecosystem of supporting organizations is critical, particularly at a meso level, to provide a bridge between macro-level legal and policy frameworks and cooperative governance structures and values.
- ▶ The ability of cooperatives to replicate, grow and become self-sufficient fundamentally relies on formal legal recognition. However, this does not negate the social and solidarity benefits that can arise from collective action and cooperation in more informal associational forms in the social and solidarity economy (SSE) such as self-help groups (SHGs). This is particularly true in displacement contexts where social benefits and peacebuilding are paramount.
- ▶ Cooperatives should be seen as development partners. Their democratic nature, collective ownership model and focus on self-help creates a unique vehicle for empowerment. Partnering with and contracting them directly shows a commitment from the national government, as well as the international community, towards supporting local organizations.
- ▶ Cooperatives are highly contextual, responding to myriad different needs in different ways, and programming should reflect this. Local cooperative federations in the host community provide advice, governance and management support for refugee-related cooperatives and can be a key entry point for engagement.

Recommendations for next steps

- ▶ Build a community of practice: Facilitate working with cooperative members and intermediary organizations, invest in a knowledge platform for ongoing sharing of resources, and adapt relevant tools, capacity building and training services on cooperatives.
- ▶ Raise awareness on the role of cooperatives in displacement contexts: Develop a series of policy briefs, case studies, articles and other media placements.
- ▶ Invest in further research. Conduct further research on the role of SSEOs in general, and SHGs and social enterprises in particular, in displacement contexts, the role of cooperatives in internal displacement, the economics of refugee cooperatives, and the role of women's cooperatives for women's empowerment and gender equality in displacement contexts