

# Role of Co-operative Entrepreneurship in Achieving Sustainable Development Goals: A Review and Assertion

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## ABSTRACT

In every nation, co-operatives have played an active role in the empowerment of weaker sections where rural areas under major influences and significant role in urban areas too. Co-operatives have contributed their might in the development of economies all over the world. Sustainable development is the organizing principle for meeting human development goals while at the same time sustaining the ability of natural systems to provide the natural resources and ecosystem services upon which the economy and society depend. Sustainable Development Goals, otherwise as the global goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy and peace and prosperity. Sustainable Development Goals are a collection of 17 global goals set by the United Nations General Assembly in 2016. In this context, this paper deals with that how co-operative sector is highly relevant and important enterprises in achieving these global goals 2030. Further, this paper explore with wide statistical evidences by global level on various sectorial intervention of co-operative enterprise as entrepreneurship model that influences in achieving the Sustainable Development Goals proposed by United Nations Organization.

**Keywords:** Co-operative enterprises, sustainable, goals, economic model, sector intervention.

## Introduction

In every nation, co-operatives have played an active role in the empowerment of weaker sections where rural areas under major influences and significant role in urban areas too. Co-operatives have contributed their might in the development of economies all over the world. Co-operative enterprise as entrepreneurship model is the free and voluntary association of people to create an organization which they democratically control, providing themselves with goods, services and/or a livelihood rather than profiting from others, with an equitable contribution of capital and accepting a fair share of the risks and benefits generated by the joint activity. To sustain their endeavour, they must develop the individual society and build a solidarity relationship with other co-operators and like-minded people.

## Sustainable Development Goals

Sustainable development (SD) is the organizing principle for meeting human development goals while at the same time sustaining the ability of natural systems to provide the natural resources and ecosystem services upon which the economy and society depend. The desired result is a state of society where living conditions and resource use continue to meet human needs without undermining the integrity and stability of the natural system. Sustainable development can be classified as development that meets the needs of the present without compromising the ability of future generations.

Sustainable Development Goals (SDGs), otherwise as the global goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy and peace and

prosperity. Sustainable Development Goals are a collection of 17 global goals set by the United Nations General Assembly in 2016. The Sustainable Development Goals are a call for action by all countries- poor, rich and middle-income - to promote prosperity while protecting the planet. They are;

- No Poverty
- Zero Hunger
- Good Health and Well-being
- Quality Education
- Gender Equality
- Clean Water and Sanitation
- Affordable and Clean Energy
- Decent Work and Economic Growth
- Industry, Innovation and Infrastructure
- Reduced Inequality
- Sustainable Cities and Communities
- Responsible Consumption and Production
- Climate Action
- Life below Water
- Life on Land
- Peace and Justice Strong Institutions
- Partnerships to achieve the Goal

### **Exploring the Co-operative Economy for Sustainable Development**

Co-operatives are highly relevant and important in the realization of the proposed sustainable development goals. This brief highlights the actual contribution of co-operatives to the twelve SDGs proposed by the High-Level Panel of Eminent Persons in the Post- 2015 Development Agenda in their report of 2013. Though the specific goals, targets and indicators will not be agreed upon until September 2015 as part of the ongoing process, these twelve proposed. Goals reflect the range of themes that will likely be covered by the SDGs.

In total, about one billion people are involved in co-operatives in some way, either as members/ customers, as employees/participants, or both. Co-operatives employ at least 100 million people worldwide, and the livelihoods of nearly half the world's population have been estimated as made secure by co-operative enterprise. The world's 300 largest co-operative enterprises have collective revenues of USD 1.6 trillion, which are comparable to the GDP of the world's ninth largest economy- Spain.

As value-based and principle driven organizations, co-operative enterprises are by nature a sustainable and participatory form of business. They place emphasis on job security and improved working conditions, pay competitive wages, promote additional income through profit-sharing and distribution of dividends, and support community facilities and services such as health clinics and schools. Co-operatives foster democratic knowledge and practices and social inclusion. Co-operatives have also shown resilience in the face of the economic crises.

Hence, co-operatives are well-placed to contribute to sustainable development's triple bottom line of economic, social and environmental objectives plus the governance agenda, not least because they are enterprises that endeavour to meet the economic progress of members while satisfying their sociocultural interests and protecting the environment. They offer an alternative model for social enterprise, with contributions to sustainable development well beyond job creation. Since co-operatives' share in GDP and total enterprises is relatively small in most countries at present, the promotion and expansion of co-operatives could be an important instrument for achieving the Sustainable Development Goals (SDGs).

The following brief highlights the contribution of co-operatives to sustainable development and stimulates discussion on the role of co-operatives in the design and

implementation of the Sustainable Development Goals (SDGs) that will succeed the Millennium Development Goals. Co-operatives are not a marginal phenomenon;

- More than 12% of humanity is a co-operator of any of the 3 million co-operatives in the world.
- The top 300 co-operatives and mutuals report a total turnover of 2,164.23 trillion USD.

Co-operatives contribute to the sustainable economic growth and stable, quality employment, employing 280 million people across the globe, in other words, 10% of the world's employed population. Further, according to the Global Co-operative Monitor study, it reveals that co-operative sector alone contribute more on global level such as Insurance (41%), Agriculture (30%), Wholesale and retail trade (19%), Banking and Financial Services (6%), Industry and utilities (1%), Health, Education and Social Care (1%) and Other services (1%).

### **Application of co-operative economy in achieving the Global Goals: 17**

Co-operative enterprise is highly relevant in achieving an important economic model in achieving the proposed Sustainable Development Goals are 17 which are closely connected to the Post-2015 Development Agenda. The Post-2015 Development Agenda was a process from 2012 to 2015 led by the United Nations to define the future global development framework that would succeed the Millennium Development Goals. The new framework, starting from 2016 is called Sustainable Development Goals. The following analysis is an attempt to explore that how co-operative operation is applicable or fit into these global goals of 17 with some statistical based information.

#### ***Poverty Reduction (Relevant to the SDGs Goal: 1)***

The way co-operatives 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. Agricultural co-operatives are well recognized for their poverty reduction efforts. Co-operatives also contribute to poverty reduction by providing employment, livelihoods and wide variety of services.

#### ***Food security and good nutrition (Relevant to the SDGs Goal: 2)***

Co-operatives contribute to food security by helping small farmers, fisher folk, livestock keepers, forest holders and other producers to solve numerous challenges that confront them in their endeavours to produce food. Farming and agriculture is where the co-operative business model is most widely utilised. Co-operatives together have an estimated 32 per cent of the global market share in the agricultural sector. Diversification of household food supply by dairy co-operatives can improve nutrition as well as incomes.

#### ***Health (Relevant to the SDGs Goal: 3)***

- Co-operatives ensure healthy lives by creating the infrastructure for delivering healthcare services; financing healthcare and providing home-based healthcare services to people living with HIV/AIDS, among others.
- The International Health Co-operative Alliance estimates that there are more than 100 million households worldwide that are served by health co-operatives. Across Canada there are more than 100 healthcare co-operatives providing mainly home care to more than a million people spanning its eight provinces. Salud Co-op in Colombia is a healthcare co-operative, and the second largest national employer, serving 25 per cent of the population. In Japan, more than 125 medical co-operatives serve nearly 3 million patients

- Pharmacy co-operatives give members' access to genuine and affordable Medicines. This network of 13,000 pharmacies all over Turkey provides jobs to 40,000 people and is known for its high quality services.
- In the United States, health care co-operatives operate hospitals and clinics, such as the Group Health Co-operative of Puget Sound with 650,000 members, 30 medical facilities, and 9500 employees, including 1000 physicians.
- Financing healthcare is an important role of co-operatives: In the US, healthcare co-operatives are among the most popular types of healthcare insurance.
- HIV/AIDS home-based care services are provided by co-operatives in Kenya, South Africa, Tanzania, Lesotho and Swaziland, as well as parts of Asia.

#### ***Quality Education and Lifelong Learning (Relevant to the SDGs Goal: 4)***

- Co-operatives support access to quality education and life-long learning opportunities by providing the means for financing education; supporting teachers and schools; establishing their own schools to provide quality education to both youth and adults; and serving as centres for lifelong learning.
- In the UK, the Manchester-based Co-operative College has established democratically driven co-operative trust schools, with a strong commitment to social justice and moral purpose.
- In African countries, where local governments have been unable to provide school infrastructure, co-operatives have often filled the gap to build and support local schools.
- Support in other cases has included developing financial skills of youth and encouraging saving habits, scholarships to members' children to attend school and higher education, organizing educational competitions, funding equipment and stationery, and maintaining libraries.

#### ***Gender Equality (Relevant to the SDGs Goal: 5)***

- Co-operatives are contributing towards gender equality by expanding women's opportunities to participate in local economies and societies in many parts of the world.
- In consumer co-operatives, most members are women, e.g. in Japan, women constitute of 95 per cent of membership and have gained a place in the governance structure of their co-operatives.
- Women's presence on financial co-operative boards in East Africa ranges from 24 per cent (Kenya) to 65 per cent (Tanzania). Bangladesh or Philippines, women are more likely to be in majority.

#### ***Access to Water and Sanitation (Relevant to the SDGs Goal: 6)***

- Co-operatives are increasingly becoming major actors in facilitating access to clean water and sanitation services to make up for the failures of both the public and private sectors.
- Co-operatives have provided alternative ways for urban communities to get clean water and safe sewerage services. SAGUAPAC in the Bolivian city of Santa Cruz, for example, is the largest urban water co-operative in the world, with 183,000 water connections serving 1.2 million people, three quarters of the city's population, with one of the purest water quality measures in Latin America.
- 14 In the Philippines, water shortages due to El Niño, managerial problems and financial losses due to corruption and politicking led the Municipal Council of Binangonan city to allow co-operatives to provide water services. Water co-operatives set up water delivery systems in their neighborhoods.
- Water co-operatives also provide remote locations that would otherwise have no service. In the Panchayat of Olavanna ( Kozhikode, Kerala) in India, acute drinking

water shortages in the 1990s led to the establishment of 70 drinking water co-operative societies by 2012, providing water to more than 14,000 households in the region

- There are about 3,300 water co-operatives in the US, providing water for drinking, fire protection and landscaping irrigation, and often wastewater services.
- Sanitation has also been addressed by co-operatives, as part of providing shelter and upgrading slums. In India, the National Co-operative Housing Federation (NCHF) has mobilised the urban poor in more than 92,000 housing co-operatives, with a membership of over 6.5 million people, constructing and financing 2.5 million housing units, 75 per cent for low income families.
- In Ankara, Turkey, an alliance between the municipality and the union of housing construction co-operatives has supplied housing for 200,000 low and middle income people, and kept down selling and rental prices in the Ankara housing market.

#### ***Sustainable Energy (Relevant to the SDGs Goal: 7)***

- Energy co-operatives are contributing to the achievement of the sustainable energy goals of energy access, energy efficiency, and reduced emissions. They are also leading the way to the adoption of new and renewable energies like solar and wind power in many parts of the world.
- Rural electrification co-operatives that have provided electricity to rural populations in many countries, both developing and developed.
- In the US, there are 864 distribution co-operatives delivering 10 per cent of the nation's total kilowatt-hours of electricity and serving 12 per cent of electricity consumers co-operatives own and maintain 42 per cent of the nation's electric distribution lines, covering 75 per cent of the land mass. 66% generation and transmission co-operatives were also formed to pool purchasing power for wholesale electricity.
- Bangladesh was later assisted by the US electricity co-operative movement, with today a Rural Electrification Board having set up more than 70 rural electric co-operatives, and more than 219,000 km of distribution lines installed connecting 47,650 villages to the grid, including 170,000 rural irrigation pumping stations and 30 million people connected.
- In developing countries, success stories include a biomass-based power co-operative in Karnataka, India.
- Generation of renewable energies has also been taken up by co-operatives. In the UK, a co-operative is selling charcoal and briquettes made from recycled materials, using an anaerobic digester to power the factory. More than 30 renewable energy co-operatives were registered in the UK between 2008 and 2012, including solar power co-operatives in London and Bristol.
- According to the German Co-operative and Raiffeisen Confederation (DGRV), 158 out of 250 new co-operatives formed in 2011 in the energy sector operate in renewable energy, and between 2006 and 2011, 430 new energy co-operatives were formed.<sup>22</sup> Co-operatives Europe has set up a working group on energy and environment to promote the role of co-operatives in renewable energy.

#### ***Employment Creation, Livelihoods and Equitable Growth (Relevant to the SDGs Goal: 8)***

- More than 100 million jobs existing in co-operatives globally is cited by the International Labour Organisation (ILO) and International Co-operative Alliance(ICA).

- Co-operative enterprises impact on employment: They employ people directly; indirectly they promote employment and self-employment through creating marketing opportunities and improving marketing conditions.

***Exhibit: 1 Employment in co-operatives in selected Countries***

| Country       | Number of jobs                                     |
|---------------|--|
| United States | 2 million  |
| France        | 1 million  |
| Italy         | 1.1 million  |
| Brazil        | 274,000  |
| Argentina     | 290,000  |
| Kenya         | 250,000  |
| Indonesia     | 300,000  |
| India         | 1 lakh dairy co-operatives employ 12 million women |

**Source:** ICA (2014) Co-operative Facts & Figures.

***Sustainable Natural Resource Management (Relevant to the Goals: 13, 14& 15)***

- Co-operatives contribute to the sustainable management of natural resources in a variety of ways: They ensure that natural resources are not depleted, where co-operatives have provided a forum for local people to find solutions to environmental change by defining their property and user rights, managing natural resources, and diversifying their economic activities to embrace green economic ventures.
- In Indonesia, for example, forestry co-operatives promote sustainable use of tropical hardwood and have received Forest Stewardship Council (FSC) certification for the international furniture market, overcoming monopoly of wood buyers and earning a sustainable living.
- Wastepickers have established co-operatives in Colombia, Brazil, Argentina, Mexico, Philippines, India and Indonesia, among other countries, to increase incomes and dignify their activities.
- The Netherlands has more than 125 environmental agricultural co-operatives.

***Promotion of Stable and Peaceful Societies (Relevant to the SDGs Goal: 16)***

- In the aftermath of violent social conflict, co-operatives have often emerged as sources of positive social capital, fostering a strong sense of community, participation, empowerment and inclusion among members and restoring interpersonal relationships and peace.
- Women's co-operatives have been especially active as brokers of peace and development: In Nepal: During Maoist insurgency crisis, In India: Communal violence in Gujarat – SEWA, etc.,)

***Global Enabling Environment (Relevant to the SDGs Goal: 17)***

- Co-operatives have played a role in creating a global enabling environment by bridging the trade barriers between developed and developing countries through fair trade and other forms of alternative trade that alter the imbalanced trade relationship.
- Financial co-operatives are some of the best means for financial deepening, and provide the financial base for other kinds of development activities in many parts of the world.

### Concluding Remarks

Co-operatives nurture a long-term vision for sustainable economic growth, social development and environmental responsibility. Co-operatives are highly relevant and important in the realization of the proposed sustainable development goals. Co-operatives are already present in all the areas that the proposed Sustainable Development Goals envisage the direction the world will take in its journey to make sustainable development the reality. The UNO should recognize the role of co-operatives in the realization of sustainable development by including co-operatives in the indicators, targets and funding mechanisms for the Sustainable Development Goals. Co-operatives should be proactive by getting involved in discussions at all levels (local, national, regional and international). The way forward to the sustainable development goals is that Co-operative entrepreneurship model has a key role.

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