

Abstract

The Role and Potential of Co-operatives in the Poverty Reduction Process

Investigators

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Aims and objectives of the research

1. To evaluate the role and potential of co-operative sectors in poverty reduction
2. To identify and account for the 'organisational comparative advantages' of co-operative sectors compared to NGOs and other civil society organisations
3. To measure the impact of national-level poverty reduction/ reconstruction strategies on co-operative sectors, and account for their comparative neglect in the policy process
4. To provide improved methodological tools for collection of statistical data on co-operative sectors, project evaluations, and national-level comparisons.

Key research questions/hypotheses and methods

We have three assumptions:

1. The term 'co-operative' refers to a membership-based organisation whose primary purpose is to provide goods or services to its members. When it brings poor people into membership, it overlaps with development NGOs.
2. Poverty reduction is multi-dimensional, including the reduction of chronic and temporary poverty, and of associated lacks expressed by the Millennium Development Goals, and the enabling of people to escape poverty traps.
3. The national policy context is affected by three processes: poverty reduction strategies, post-disaster and post-conflict reconstruction.

We have four hypotheses:

1. Co-operatives make a significant contribution to poverty reduction.
2. As membership-based organisations, they have organisational comparative advantages compared to NGOs, local government, and private businesses.
3. The co-operative sector is neglected in national poverty reduction strategies, because the traditional sector lacks autonomy due to government interference, and new sectors have to compete with NGOs.
4. The impact of co-operatives in poverty reduction is reduced by the comparative neglect of the sector at national level.

We choose a case study strategy, the unit of analysis being the co-operative/self-help business sector in a country. There are three cases: Uganda (involvement of co-operatives in the poverty reduction strategy process), Bosnia (post-civil war reconstruction through agricultural co-ops) and Sri Lanka (post-Tsunami reconstruction). Methods include: semi-structured, taped interviews with key informants from contributing agencies; a sample survey of co-operative managers; observation and field visits; documentary analysis; and tracer studies.

Relation to the programme

The project contributes mainly to Strand B of the programme, providing a national-level focus on the role and potential of co-operative businesses in poverty reduction. Taking into account the particular histories and politics of three countries, it plots the 'changing contours of non-governmental public action', testing out claims for the efficacy of co-operative self-help in poverty reduction and comparing the organisational comparative advantages of co-operatives in different market sectors. It evaluates the relative influences of North (eg co-operative development agencies, the ILO, the World Bank) and South (co-operative federations, NGDOs) on poverty reduction strategies.

Relevance of this research to user groups

The proposal has been the subject of extensive consultation with relevant user organisations (eg International Co-operative Alliance, International Labour Office, Co-operative College, UK). Its findings will be published as a report by ILO/ICA, influencing the international development agencies, and improving the involvement of national co-operative federations in country-level poverty reduction strategies. It will provide policy guidance to the umbrella body, the Committee for the Promotion and Advancement of Co-operation.

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September 2005