From the Ground Up:
Partnering with Cooperatives on Locally Led Development

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FOREWORD

FROM THE GROUND UP: PARTNERING WITH COOPERATIVES ON LOCALLY LED DEVELOPMENT is A WHITE PAPER BY THE UNITED STATES OVERSEAS COOPERATIVE DEVELOPMENT COUNCIL 2022

The U.S. Overseas Cooperative Development Council (OCDC) brings together U.S.-based organizations committed to building a more prosperous world through cooperatives. OCDC’s mission is to champion, advocate and promote effective and sustainable international cooperative development. Through its research arm, the International Cooperative Research Group (ICRG), OCDC develops research-based evidence to enhance the impact of cooperatives and expand their reach.

Together, U.S. cooperative development organizations promote sustainable solutions to local challenges, through the local leadership, capacity and priorities of cooperatives. With projects in more than 70 countries, OCDC members have implemented the largest portfolio of cooperative development programs in the world. Members include ACDI/VOCA, Equal Exchange, Frontier Cooperative, GENEX, Global Communities, HealthPartners, Land O’Lakes Venture37, NCBA CLUSA International, NRECA International and the World Council of Credit Unions.

OCDC thanks Susan Schram, Consultant, and Judith Hermanson, ICRG Director for their work in developing this paper and their members for the inspiring examples and empirical evidence on which the paper draws.
Cooperatives: the best development partner when localization is the goal

Cooperatives empower local people and institutions to own the planning, implementation, and evaluation of their own sustainable development. When localization is the goal, cooperatives should be a top choice as a development partner.

The virtues of cooperatives as drivers of locally led development are well demonstrated. This paper shows that cooperatives are a successful private sector business model, with a proven track record, that can bring localization goals into clear focus. It is a resource for policy makers, government officials, private sector donors, and U.S.-based cooperatives.

From the international principles of cooperative development, to the long-established reputation of cooperatives as values-based businesses serving local people, to the documented grass roots success of cooperatives in developing and transitional economies, cooperatives are inherently and unequivocally local.
Cooperatives are locally-owned private sector businesses that arise from locally-identified needs. They:

- Create jobs that are culturally appropriate to their settings;
- Strengthen communities “from the ground up,” fostering the dignity of individuals and expanding opportunities for everyone – including women, youth and the most vulnerable;
- Stimulate local economic growth and bring needed services to under-served areas;
- Level the playing field for the individual producer or consumer by aggregating supply and demand;
- Build bonds of trust among community members;
- Serve as learning labs where their members “develop the habit” of democratic participation and accountability;
- Are a safe place to work in economies that are transitioning to democracy and establishing policies for the future;
- Are scalable -- where the policy environment is conducive to their expansion, cooperatives become large, sustainable organizations; and
- Are organized from the outset to mobilize their own resources, become a platform for local investment, and be responsible stewards of external funding. These resources further secure their capacity for locally-led development.
U.S. work in international cooperative development is grounded in legislation and is a well-established aspect of foreign assistance policy. The Foreign Assistance Act of 1961 (the Humphrey Amendment, Section 601) was the initial impetus for U.S. cooperatives to become involved with helping people in developing countries carry out self-help projects, create democratic institutions, and improve their own well-being. The Support for Overseas Cooperative Development Act, passed by Congress on October 17, 2000, reaffirmed the importance of this work.¹

This authorizing legislation was the stimulus for cooperatives with deep roots across the United States to become involved in the international cooperative movement. Subsequent U.S. collaboration with overseas cooperatives strengthened thousands of cooperative businesses and credit unions across Latin America, Africa, and Asia.² This global collaboration continues to this day, carried out by a cadre of seasoned professional cooperative development implementers.³ Their experience in empowering local cooperative partners around the globe can be tapped to implement a localization agenda.

**Localization: a central feature of the U.S. global development portfolio**

Locally-led development occurs when local actors -- individuals, communities, networks, organizations, private entities, and governments -- set their own agendas, develop solutions, and bring their capacity, leadership and resources to make solutions a reality.⁴ Locally-led development includes projects, programs, and practices that:

- Prioritize local ownership of the planning, implementation, and evaluation of assistance efforts
- Address concerns of fairness, inclusion, and equity
- Promote greater effectiveness, without significant new risks or delays in the disbursement of resources
The underlying theory of change is that local ownership to sustain development outcomes is enhanced when local people exercise leadership and decision-making power throughout the development process. Current U.S. foreign assistance policy sets forth a vision for localization based on the following lines of effort:

- Channeling development and humanitarian awards directly to local civil society, business, and other institutions supported by, and accountable to, local communities;
- Engaging local actors with a focus on listening to the voices of women, people with disabilities, youth, the LGBTQI+ community, indigenous populations, displaced persons, and ethnic and religious minorities; and
- Adapting planning processes to reflect a “local systems” approach tied to each country’s unique political, social, cultural, economic, and environmental conditions.

**Cooperative Development and Research -- Strategic Assets for Localization**

For years, private sector cooperatives have successfully conducted business in a way now being recommended as the most effective route to localization: putting people in charge of their own destinies and helping them chart their own course toward sustainable development. The following details the strategic match between the principles of cooperative development and research and the principles of localization. It shows how cooperative development and research bring localization goals into focus, with a track record of success.

**Cooperative Development Principles**

The goal of U.S. cooperative development foreign assistance has always been to build sustainable local institutions, driven by local need, and led by cooperative members. Locally-led development is the underlying philosophy that drives cooperatives to become successful, independently functioning, private sector businesses.

The United States carries out the world’s largest portfolio of cooperative development assistance. This long record shows that when local cooperative members exercise leadership and decision-making power throughout the development process, local ownership and sustainable development result. Metrics of cooperative success are well defined. In *Measuring Cooperative Success*, Mellor has detailed the four essential characteristics of successful cooperatives:

- Sound business practices;
- Strong membership participation;
- Efficient apex organizations that provide oversight and services; and
- A facilitating economic environment.
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<thead>
<tr>
<th>Principle</th>
<th>Description</th>
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<tr>
<td><strong>Voluntary and Open Membership</strong></td>
<td>Open to all without gender, social, racial, political, or religious discrimination.</td>
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<td><strong>Democratic Member Control</strong></td>
<td>One member, one vote.</td>
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<tr>
<td><strong>Member Economic Participation</strong></td>
<td>Members contribute equitably to, and democratically control, the capital of the cooperative. Economic benefits are returned to members, reinvested in the co-op, or used to provide member services.</td>
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<tr>
<td><strong>Autonomy and Independence</strong></td>
<td>Cooperatives are autonomous, self-help organizations controlled by their members.</td>
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<td><strong>Education, Training and Information</strong></td>
<td>Cooperatives provide education and training so members can contribute to the development of their cooperatives and inform others about the benefits of cooperation.</td>
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<tr>
<td><strong>Cooperation among Cooperatives</strong></td>
<td>Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, regional, national, and international structures.</td>
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<tr>
<td><strong>Concern for Community</strong></td>
<td>Working together for sustainable community development through policies accepted by members.</td>
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By definition, a cooperative is “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.”

Cooperatives are the epitome of localization. They are structured around **seven principles** which reflect a deep commitment to local social inclusion, democratic participation, and sustainable growth (Figure 1). They are one of the most proven development tools for local economic, democratic, and inclusive development. More than 12% of humanity is part of the 3 million cooperatives in the world. The World Bank estimates that cooperatives benefit 40% of the global population at the local level.

- Cooperatives are local, **people-centered enterprises**. They are jointly owned, democratically controlled and run by and for local members to realize their common economic, social, and cultural needs and aspirations.
- Cooperatives are private sector businesses that **thrive in many important sectors of the economy** -- agriculture, energy, finance, housing, health, and information technology. Cooperative businesses are owned and operated by their local members. Types of ownership include: consumer, producer, worker-owned, multi-stakeholder, and social cooperatives, which serve others beyond their membership. Because they are not owned by outside shareholders, localization is furthered when the profits and social benefits of cooperatives stay in, and provide benefits to, the communities where they are established.
• As businesses **driven by values** (not only profit) fairness, equality, and social justice are at the heart of the business model. Cooperatives around the world help people work together to create **sustainable enterprises** that generate long-term jobs and community prosperity.

• Cooperatives bring local people together in a democratic and equal way. Whether members are employees, customers, users or residents, cooperatives are **democratically managed** by the “one member, one vote” rule. Members share equal voting rights regardless of the amount of capital they invest.

**Locally-led Cooperative Research Principles**

Commitment and capability for research exist in all countries where U.S.-funded cooperative development assistance is active. The goal is to identify opportunities for co-creation, co-design, co-investment, and collaboration that both develops the capacity of local researchers and advances knowledge and practice.

In addition to its record of success in cooperative development programs, the United States leads in an action-oriented research-learning-application model that builds local capacity and is exemplary in advancing localization. Partnership is at the heart of this work. All activities are conducted in close collaboration with local researchers and the experience and strengthening they gain can be applied to future business opportunities. The research approach optimizes success by building a culture and capacity around local ownership and local systems.
To conduct collaborative research, the International Cooperative Research Group (ICRG) of the U.S. Overseas Cooperative Development Council (OCDC) mobilizes the talents of the U.S. cooperative development community. As well, in all aspects of the process, from design, to implementation, to sharing of results, U.S. researchers work closely with researchers and cooperative stakeholders in USAID-assisted countries. Under its research-learning-application model, collaborative research activities build trust, ownership, and uptake of outcomes through local engagement, while grounding program designs and interventions in data informed evidence. Collaborative research provides the platform for dialogue and the result is locally-led sustainable development built on the priorities and aspirations of the people themselves. Research outcomes are shared with communities, policymakers, practitioners, and academics, opening the door to local learning and adaptation.

**Principles for localized cooperative research:**
- Partnering with local researchers to conduct action-oriented, evidence-based research;
- Co-creating value; co-design; co-investment; collaborating to enhance knowledge and practice;
- Building local in-country research capacity;
- Bridging the gap between theory and practice using a research-learning-application model;
- Engaging with local stakeholders to build trust, local ownership, and uptake of results; and
- Disseminating ideas that ultimately lead to sustainable impact on local cooperative policy

Through the ICRG’s localized research model, the U.S. has become a recognized leader in evidence-based local cooperative development research. The approach has been applauded by the International Cooperative Alliance and cooperative development scholars and practitioners have agreed that more international data-driven research is needed. An expert group convened by the United Nations Department of Economic and Social Affairs, prior to the 2012 International Year of Cooperatives, identified the lack of cooperative research as a serious constraint to the effectiveness of cooperatives.

**Building on a Foundation of Success; Delivering on a Localization Agenda**

A significant advancement in the U.S. localization agenda can be expected if a greater U.S. investment is made in cooperative development and research. These efforts will build on a long and documented history of success in enabling local people to determine their own future.
Building on A Foundation of Success

Rigorous, evidence-based research demonstrates the impact of cooperatives. The recently completed four-country study *What Difference Do Cooperatives Make*,\textsuperscript{12} carried out in Kenya, Peru, the Philippines and Poland in collaboration with local researchers, concludes that local cooperative members are better off than non-members.

Members are better off financially, have greater trust in their local community, and have a social support system that strengthens social capital and resilience. Sustainable cooperatives continue to create jobs, provide a platform for local investment, support community infrastructure improvements and stimulate business development. Cooperative membership is shown to give women and marginalized groups independence and leadership opportunities. The research also shows that cooperatives established during times of transition to democracy have been sustainable for years and left a lasting, positive impression of U.S. foreign assistance. In Poland, for example, decades after U.S. collaboration, cooperatives that were created are still in operation and members were still appreciative of help from the United States.

A full summary of global outcomes of the study can be found in the *What Difference do Cooperatives Make?* Country highlights, as well as the impact on individuals, their families and communities may be found in Appendix 1.

Delivering on a Localization Agenda

Building on a record of success, cooperative development programs have all of the specific qualities needed to help advance the U.S. localization agenda. In an Addendum to the USAID Broad Agency Announcement (BAA) for Locally Led Development Innovation, USAID calls on experienced development implementors to tap their expertise to address the following specific thematic areas in a U.S. localization agenda:

- Engaging the local private sector;
- Working in conflict, post-conflict and non-permissive environments;
- Forming effective partnerships;
- Recognizing the changing role of the donor;
- Embracing local giving, philanthropy, and other private resources; and
- Leveraging existing local capabilities and resources – engaging with local systems in ways that build upon and strengthen local leadership, capacity, and self-reliance; and are inclusive of marginalized populations.\textsuperscript{13}
Appendix 2 illustrates exactly how this happens through cooperative development. Specific examples of success show how effective cooperative development advances one or more of the localization themes listed above, while addressing other important U.S. development priorities such as: food security; poverty alleviation and broad-based economic growth; COVID-19 recovery; democratization; resilience after crises; and public/private cooperation.

**Conclusion**

Cooperatives are important strategic investments for localization. They help people and organizations achieve their own goals, design and implement their own solutions to local development challenges, and innovate over time. Cooperatives are found in places that other types of business deem too risky or unprofitable. They are positive private sector players in the local economy, and many times the primary, or only employer. Where policies are conducive to their growth, cooperatives are scalable – they grow to become large organizations that create jobs; bring needed services to their communities; support local infrastructure improvement; and mobilize their own local investments.

Cooperatives are ideally suited to carry out a localization agenda that includes: engaging the local private sector; working in conflict/post-conflict environments; forming effective partnerships; embracing local giving, philanthropy, and other private resources; and leveraging existing local systems to build inclusive local leadership, capacity, and self-reliance. Simultaneously, they address other U.S. development priorities: food security; broad-based economic growth; COVID-19 recovery; democratization; resilience after crises; and public/private cooperation. The cooperative business model helps today’s local developing country entrepreneurs climb out of poverty and find their niche in the global economy.

Cooperative development proves that U.S. development assistance is more effective, resilient, and equitable when local partners play a lead role in planning, implementing, and evaluating programs. Cooperative members bring ground truth, credibility, accountability, and perspective to the table, and sustainable local development is the result.
Appendix 1: What Difference do Cooperatives Make?  
Country Highlights; Impact on Individuals, Families and Communities

A summary of global outcomes of this study found in: What Difference do Cooperatives Make?

Country highlights

In Kenya, local cooperative members attributed their higher income and improved economic well-being to cooperative membership: 97% said membership improved their household’s financial situation; 63% cited access to loans, savings, shares and commissions as critical to income diversification and for support during financial hardship; 91% cited improved access to markets as a key benefit of cooperative membership.

In Peru, 75% of local cooperative members reported their cooperative has positively affected their economic situation in diverse ways, including facilitating access to credit, supporting entrepreneurship, and increasing their general comfort level in life. Cooperative members surveyed were more likely to be in middle- to higher-middle socioeconomic brackets and less likely to be in lower socioeconomic brackets, compared to the national average. This held true across geographies and cooperative types. Cooperative members were more likely to have higher incomes than average.

In the Philippines, 97% of local cooperative members surveyed affirmed that cooperative membership positively affected their household’s economic status, including 32% who responded that the cooperative had a “considerable” impact and 27% who said the cooperative had a “strong” positive impact on their household economic situation. Of surveyed members, 82% said their financial security improved, and 53% indicated an improvement in their general quality of life.

In Poland, 44.6% of local cooperative members said their main motivation for joining a cooperative was to gain economic advantage. Of those surveyed, 83.4% reported membership in a cooperative positively influenced the economic situation of their situation of their household – 49.4% stated their general comfort of life improved, 32.1% said their financial security improved, and 10.5% said they were able to buy additional household assets. The research showed that many years after U.S. development assistance helped Poland make the transition to democracy, the cooperatives that were created were still functioning and individuals were grateful for the help. What happened in the “safe space” of cooperatives in the transition helped chart their course for the future.

Impact on individuals, families and communities

It is challenging to run a sustainable local cooperative that thrives over time. The emphasis is on success at cooperative level, and members working together toward sustainable community development. But at the core of successful cooperatives are individual members who must see a benefit to their own needs. A key aspect of success is active member participation in the cooperative and its governance. Participation of women contributes to gender balance and positive social and economic outcomes. Educational opportunities provided by cooperatives also contribute to individual success.

What Difference do Cooperatives Make? not only documents broad country benefits, but includes video testimonials of individual members and how their cooperative has expanded their opportunities. In the best-case scenario dedicated individuals also create significant opportunities for other family members and for their local communities, as shown in case examples in the study.
U.S. localization policy calls for engaging the local private sector; working in conflict, post-conflict and non-permissive environments; forming effective partnerships; recognizing the changing role of the donor; embracing philanthropy, and private resources; strengthening local leadership; and including marginalized populations. The following examples show how cooperative development addresses the themes listed above, as well as other important U.S. development priorities such as: food security; poverty alleviation and broad-based economic growth; COVID-19 recovery; democratization; resilience after crises; and public/private cooperation.

**Engaging the local private sector**

Cooperatives are private sector actors that support people-centered development. Beyond economic growth, they have a much broader impact on local development. When localization is the goal, a private sector business model that puts people first and is based on their needs, brings social benefits to a community, and is dedicated to inclusive growth, is the best way to achieve sustainable development.

- **FECOPROD: Doubling Incomes; Surviving Drought; Assuring Food Security**

  In Paraguay, the Federation of Producer Cooperatives (FECOPROD) has 34 large and medium-sized cooperative members, many in areas suffering from high levels of rural poverty. Under the Inclusive Value Chains Project, implemented by USAID and a local implementor, their goal has been to strengthen the capacity of small agricultural producer associations to increase their productivity. Special focus is placed on including women, youth and indigenous populations.

  FECOPROD works with the private sector to leverage funding and create long-term, mutually beneficial alliances, and with local governments to increase their ability to promote and invest in local development. FECOPROD member cooperatives began as small associations. Over the years they have supported over 18,000 small farmers, many below the poverty line. As a result of U.S. assistance, they decided to formalize and become small cooperatives. Consequently, FECOPROD’s 12,000 agricultural producers have doubled their incomes. “FECOPROD is a story about the success of locally-led development – where there is a cooperative, there has been an opportunity for inclusive, economic growth and sustainable democratic development.”

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Cooperatives are about people who come together under a common goal to support each other and allow each other to grow collectively. They are built on the values of common good and solidarity, like most civil society organizations, but they must thrive in competitive markets, which forces them to be efficient, resourceful, and innovative, like private sector companies.

So they are really at the crossroads between private sector and civil society. Cooperatives are also democratic, and self-accountable organizations. They function like growth poles in the areas where they work. They are really at the heart of sustainable, locally-led development.

Adriana Casati,
Program Resources
USAID/Paraguay
Cooperatives like FECOPROD help private sector farmers withstand crises. In 2022 in Paraguay farmers had the worst harvest in memory, due to drought. Soybean production was reduced by 70%. Simultaneously, the prices of production and inputs like fertilizers escalated rapidly. In challenging times cooperatives give a voice to the underrepresented. FECOPROD took the initiative at the federation level to partner with members of its local cooperatives. It encouraged the Ministry of Agriculture to provide financing to small scale soybean farmers unable to work with financial institutions.

FECOPROD spoke with banks to provide loans to farmers with low interest rates in response to the crisis. They negotiated with the Treasury Department to postpone the payment of anticipated taxes, and convinced the president of the central bank to lower the requirement for refinancing loans due to the drought. The federation provides production inputs such as fertilizer to the small farmers at competitive and affordable prices during the crisis. In the words of FECOPROD President Alfred Fast: “Paraguay cooperatives made a difference and ensured that we could produce food for our country.”

Working in Post-Conflict Areas

Cooperatives provide economic opportunities after conflict and rebuild social capital and trust. Throughout the world cooperative organizations have brought people together to cooperate in pursuit of a common vision. They have successfully created badly needed jobs after conflicts, and created new links to global markets. The following are also examples of effective public-private collaboration.

• The Totota Electric Cooperative: Stimulating Private Sector Business in Post-conflict Liberia

The lack of electricity is a major barrier to private sector business development. The work of NRECA International in Liberia with the Totota Electric Cooperative illustrates the important role that cooperatives play in bringing critical private sector services to local business development in remote post-conflict areas.

Liberia is home to 4.4 million people, half of whom live in rural areas; 1.5 million live in poverty. Liberia’s civil war, which ended in 2003, destroyed much of the country’s power sector. At 12%, Liberia has one of the lowest electricity access rates in the world.

Most households in Totota, a rural community 80 miles northeast of Monrovia, had never had access to electric power. They were relying on dry-cell batteries, lanterns, and candles and a few individually owned small generators. NRECA International’s collaborative work with the local Totota Electric Cooperative has brought electricity and economic growth to small businesses.
With U.S. development assistance, and exemplary initiative of cooperative members, the cooperative has become self-sufficient in less than two years, serving as a model for additional cooperatives in Liberia. The Totota Electric Cooperative, with approximately 250 members and growing, owns and operates a power utility that provides reliable and affordable electric service to households, businesses, and community services, such as hospitals. The system can serve 400 homes and businesses, and it is the first time the town has access to reliable and affordable electricity.

Totota has also embraced public/private and U.S./Liberia cooperation. This partnership was funded by NRECA International; USAID’s Cooperative Development Program; and donations from volunteer line workers from U.S. electric cooperatives. Bandera Electric Cooperative of central Texas brought U.S. private sector services to the table by providing the energy system — a combination of solar, energy storage and high-efficiency reciprocating engines/generators. Two volunteers from Boone Electric Cooperative in Missouri helped with the construction. 

• Youth Cooperatives: Public/Private Partnership Provides Jobs in Post-conflict Uganda

In northern Uganda, youth account for 80% of the unemployed. Many were raised in displaced persons camps during the two-decade war in that part of the country. They had little education and few employment opportunities. In Uganda, the MasterCard Foundation partnered with NCBA CLUSA on an innovative five-year project (2015-2020) to stimulate youth employment. Youth Empowerment Through Agriculture (YETA) consortium provided 27,130 at-risk, rural youth with the technical skills and access to credit to run commercial enterprises related to agricultural value chains.

The project included training in agribusiness and entrepreneurship, financial literacy, life skills and group governance. YETA participants engaged in agricultural value chains, including crop production, horticulture, livestock and produce buying and selling. Several provided agricultural services, such as seedling propagation, processing, irrigation services, etc. By 2019, 66% of youth achieved incomes that exceeded expenditures. YETA youth cooperatives developed strong ties with the private sector, signing formal agreements and engaging in contract farming.

Young people were organized into 813 youth associations. On their own initiative, some of the youth associations formed cooperatives. They saw the cooperative business model as a way to pool their limited assets. Nineteen primary cooperatives were formed, including two savings and credit cooperatives (SACCOs), with 4,471 members (2,589 males, 1,882 females). Cooperatives average over 200 members and focus on marketing, inputs, and added-value crop production/financial services.
For the two SACCOS, YETA staff mentored the founding members through the development and registration process, but the youth led the way. They knew they needed long-term access to finance in their community, since there is no bank within a 30-mile radius. The SACCOS gave the youth access to credit to start businesses and pay school fees. Two youth SACCOS provided financing for youth enterprises; combined, they accumulated $7,642 in savings and provided $7,628 in loans. 17

**Forming effective partnerships**

Effective partnerships are critical to sustainable cooperative success, particularly in times of crises such as COVID 19 and food insecurity shocks. Cooperatives are not only a “fair weather friend” – they are a trustworthy, locally-led safety net against shocks. When a sustainable cooperative is in place in a community it makes it much easier to share information urgently, mobilize timely local response to crisis-related disruptions, form partnerships that contribute to the resilience of co-op members, and improve food security.

- **(AgriCOOP): Maintaining Food Supplies in the Philippines**

Cooperation among cooperatives is an important principle, especially in times of stress. APEX cooperative structures can create value for primary cooperatives. In the Philippines, connecting cooperatives has ensured the continued supply and sale of food products. According to Cresente Paez, CEO of AgriCOOP:

“Cooperative structures can create value for primary cooperatives. The profit margin that normally goes to the middleman, or multi-middlemen in the supply chain, will now be shared to the owners of both cooperatives in the trading transactions.”

The first week of the pilot program enabled 1.6 metric tons of fresh produce from a cooperative in the northern part of the country to reach the largest agriculture cooperative in the country, located just south of the country’s capital. The pilot program supported the livelihoods of the farmers, while also making fresh and affordable produce available to the 39,000 cooperative members. Since April, the program has continued to expand – connecting more cooperatives in what Agriterra dubs as “the new normal” for the Philippines. 18

**Including Marginalized Populations**

Cooperatives are listening to the needs of women, youth and marginalized groups in communities and co-designing interesting ways for them to either join an existing cooperative, or create their own. More investment is needed to help cooperatives attract new types of members and to share strategic, scalable solutions globally with other cooperatives. In the future, economic growth will be driven by a country’s diverse younger generation.
• Manos Campesinas: Helping Youth Find Local Alternatives to Migration

In Guatemala, 59% of the population live below the poverty line. The lack of opportunities, including jobs and education, combined with corruption and insecurity are pushing Guatemalans to migrate to the United States in record numbers. Equal Exchange listened to cooperative members to identify barriers for youth membership, better understand their interests, look for opportunities beyond coffee production, and co-create a youth inclusion policy. They have partnered with the 1,300 member cooperative Manos Campesinas to provide technical assistance and marketing support, improve the administration of the cooperatives, and promote the participation of women and youth.

This has addressed concerns about the advanced age of cooperative membership, and a lack of labor caused by youth migration. Projects that will be implemented by Manos Campesinas through the Cooperative Development Program include: 1) an organic compost production facility; 2) chicken coops to raise hens and produce eggs, and 3) an ecotourism initiative along the shores of Lake Atitlan. These projects were designed by the young entrepreneurs at Manos Campesinas and are backed by the local cooperative. The Equal Exchange field staff supports the implementation of these activities.

The first woman has been hired as a local promoter with the technical team. She helped launch a tourism initiative that offers tours of organic coffee farms, processing facilities, and a newly inaugurated café. A group of indigenous Tz’utujil young people started offering tours without any outside support, and have been building their skills, internal protocols, identifying prices, and honing their barista skills to offer services to tourists. The culturally-relevant training, a modest outside investment, and encouragement from the cooperative have helped them stay in their communities and contribute to the cooperative.19

• Helping Incarcerated Women in Peru

In Peru, the National Cooperative Business Association CLUSA International (NCBA CLUSA) initiated a partnership with the National Penitentiary Institute (INPE) and the National Commission for Development and Life without Drugs (DEVIDA) in 2021. NCBA CLUSA works with the prison inmates through its virtual Coop Marketing School. The women of Dulce Esperanza chocolate-producing women’s group in Quillabamba, Peru learned how to better administer their finances, avoid debt, and develop a culture of saving. Training also focused on cooperative management, marketing, finance, branding, and packaging design.
All 40 members of Dulce Esperanza are prisoners at the women’s penitentiary. Most of the women come from poor communities and committed the crime of transporting cocaine from the countryside to the city (some unknowingly) and in exchange for very little money. Many are now serving over 10-year sentences. The women’s penitentiary started Dulce Esperanza in order to produce chocolate to generate income for their children while they are incarcerated.

To date, the women have improved their packaging and sold their chocolates at the 2021 FICAFÉ international coffee fair hosted in Quillabamba in October of 2021; formed a partnership with COCLA Cooperative Union to scale up their chocolate production using COCLA’s facilities and start selling the chocolate in the cafeteria they manage in Cusco; and linked with Thika Thani, a Peruvian market that sells products in brick-and-mortar locations in Lima and online. As Dulce Esperanza gains momentum, the women are providing income for their families while they are imprisoned and looking forward to economic stability and opportunity once they are released.  

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**Endnotes**


3. Cooperative Development Program implementers that are members of the United States Overseas Cooperative Development Council are: ACDI VOCA, Equal Exchange, Frontier Co-op, GENEX, Global Communities, HealthPartners, Land O’Lakes Venture37, NCBA CLUSA, NRECA International, and World Council of Credit Unions

4. USAID. (April 19, 2021). Fact Sheet: What is Locally Led Development?


17 Derman, Kiera. NCBA CLUSA. PowerPoint: Youth in Charge: The Future of Cooperatives; and Agrilinks: Youth Leading the Way: Taking Access to Finance to their Community


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