

# Microfinance is our business – Cooperating out of Poverty



**Message from the Director-General  
of the  
International Labour Office (ILO)**

**83<sup>rd</sup> ICA International Cooperative Day  
11<sup>th</sup> UN International Day of Cooperatives**

The ILO is pleased to join the international cooperative movement in celebrating the 83<sup>rd</sup> ICA International Co-operative Day, and the 11<sup>th</sup> UN International Day of Cooperatives.

In the Year of Microcredit, it is most fitting that we put the spotlight on the connection between cooperatives and financial services and their role in effective strategies for poverty reduction.

Around the world, the poor are commonly struggling hard to survive, but not earning enough to lift themselves or their families above the poverty line. Decent work - that is work with rights, protection and voice - is the sustainable route out of poverty. It is also the basis of a decent life for women and men and their families.

Cooperatives are instruments to realizing that goal. As member-driven, democratically managed, locally rooted and value-based enterprises, cooperatives mobilize self-help and mutual help among the poor.

Solidarity is also at the heart of microfinance initiatives. Financial cooperatives deliver the services needed by the poor: secure and accessible institutions; small savings schemes; loans secured only by group solidarity; and basic insurance against risks that threaten livelihoods.

Access to financial services for women and men living in poverty is key to opening up economic opportunities and pathways to social protection. In the mid 19<sup>th</sup> century, the cooperative movement took up the challenge of providing financial services to the rural and urban poor through the establishment of savings and credit cooperatives and later, insurance cooperatives. Such financial cooperatives have taken root globally.

Cooperatives continue to innovate in delivering services to, and empowering those living in poverty – including in the informal economy – helping them to work their way out of poverty.

The ILO is proud to be a founding member of the global campaign “Cooperating out of Poverty” – an outcome of the Memorandum of Understanding signed by the ILO and the ICA in February 2004. This Campaign is also a valuable contribution to the implementation of ILO Recommendation 193 (2002) on the Promotion of Cooperatives.

The ILO remains committed to promoting cooperatives, including financial cooperatives, as a key means of realizing the goal of decent work for all.

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