

# COOPERATIVES AND POVERTY REDUCTION: A LITERATURE REVIEW

by

Nana Afranaa Kwapong and Markus Hanisch  
Humboldt University Berlin, Division of Cooperative Sciences, Berlin, Germany

Journal of Rural Cooperation, 41(2), 2013: 114-146

---

## Abstract

There is growing consensus among both practitioners and the academic community that the cooperative business model is a form of institution that meets most of the dimensions of poverty, providing opportunities, facilitating empowerment, and enhancing security. But what is the basis for the claim that the cooperative model has a potential to reduce poverty? This paper presents a literature review of empirical research on cooperatives' potential to reduce poverty and finds substantial evidence to support this claim. Four different perspectives on this proposition are identified, all agreeing to this claim but emphasizing further the need to respect cooperative principles and values.

**Keywords:** cooperatives, poverty, literature review