

Concept of cooperatives

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Definition

- A cooperative is an autonomous association of people who voluntarily cooperate for their mutual social, economic, and cultural benefit.
- Includes non-profit community organizations and businesses that are owned and managed by the people who use its services (a consumer cooperative) or by the people who work there (a worker cooperative) or by the people who live there (a housing cooperative).
- In short: “a jointly owned enterprise engaging in the production or distribution of goods or the supplying of services, operated by its members for their mutual benefit, typically organized by consumers or farmers.”
- Co-operatives frequently have social goals which they aim to accomplish by investing a proportion of trading profits back into their communities.
- The Rochdale Society of Equitable Pioneers, founded in 1844, is usually considered the first successful cooperative enterprise. They set up the society to open their own store selling food items they could not otherwise afford.

Cooperative values

- Self help
- Self accountability
- Democracy
- Equality
- Equity
- Solidarity
- Honesty
- Openness
- Social responsibility
- Caring for others

Principles¹

1. Voluntary and open membership

- Cooperatives are open to all people willing to volunteer to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic member control

- Those who buy the goods or use the services of the cooperatives also actively participate in setting policies and making decisions.

3. Members' economic participation

- Members contribute equally to and democratically control the capital of the cooperative.
- Benefits are distributed proportionally to each member's level of participation in the cooperative, for instance, by a dividend on sales or purchases, rather than according to capital invested.

4. Autonomy and independence

- Cooperatives are autonomous, self-help organizations controlled by their members.
- If they enter into agreements with other organizations, including governments, or raise capital from external sources, they maintain their cooperative autonomy.

5. Education, training and information

- Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives.

6. Cooperation among cooperatives

- Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7. Concern for community

- Co-operative work for the sustainable development of their communities through policies approved by their members.

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