

Statement on the Co-operative Identity

The Statement on Co-operative Identity was adopted at the 1995 General Assembly of the International Co-operative Alliance (ICA), held in Manchester on the occasion of the Alliance's Centenary. The Statement was the product of a lengthy process of consultation involving thousands of co-operatives around the world.

Definition:

A Co-operative 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.

Values:

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles:

The co-operative principles are guidelines by which co-operatives put their values into practice.

- **Voluntary and Open Membership:** Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
- **Democratic Member Control:** Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives, members have equal voting rights (one member, one vote), and co-operatives at other levels are also organized in a democratic manner.
- **Member Economic Participation:** Members contribute equitably to an democratically control the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any of the following purposes: a) Developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible. b) Benefiting members in proportion to their transactions with the co-operative. c) Supporting other activities approved by the membership.
- **Autonomy and Independence:** Co-operatives 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 do so on terms that ensure democratic control by their members and maintain the co-operative identity.
- **Education, Training and Information:** Co-operatives provide education and training for their members, elected representatives, managers and employees so that they can contribute effectively to the development of their co-operatives. They inform the general public- particularly young people and opinion leaders- about the nature and benefits of co-operation.

- **Co-operation Among Co-operatives:** Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.
 - **Concern for Community:** Co-operatives work for the sustainable development of their communities through policies approved by their members.
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Types of Co-operatives

Co-operatives are as diverse in their structure as they are in members. It is impossible to create categories and expect every co-op to fit into only one. In reality, many co-ops include aspects of several types of co-ops. The following list describes some of the general types of co-ops that exist.

A consumer co-op is usually a retail outlet that buys products in bulk, sells at market prices and passes on the savings to the members. Unlike “big box” stores that also buy in bulk, the members of consumer co-ops own their store and make decisions about what products to sell, whether to expand and other important issues. **Mountain Equipment Co-op** is a good example.

Creative Solution: Mountain Equipment Co-op provides ‘personal days’ for their employees. This creative solution recognizes that employees maintain a work-life balance, and offers some flexibility to those who might have competing priorities.

A worker co-op provides employment, and could be a bakery, food store, printer or sawmill – virtually anything. The member-owners operate their business together and make decisions about all the important issues including wages, production methods and finances. Examples include **Care Connection Co-op** whose members provide home care services in the Fraser Valley, and **Ambulance Co-ops** in Quebec whose members provide about one third of ambulance service in the province.

Creative Solution: The Painter Sisters is a co-op in development that will train and employ women as exterior and interior painters, particularly targeting the non-profit and co-op housing market.

A producer or marketing co-op sells the products of members who may be farmers, fishers, artisans or other producers. It allows members to share processing and packaging equipment and pool their marketing efforts to reach more customers, perhaps through a retail outlet or website. The most familiar producer marketing co-ops are those that process and market agricultural products for their farmer members. **InsideArt**, the majority of whose members are inmates at Mountain Institution in the Fraser Valley is an art marketing co-op that mainly employs an agent and uses a website to sell its products.

Creative Solution: Sex trade workers in the downtown east-side of Vancouver are considering adopting the co-op structure to help them exercise more control and create more safety in their line of work.

A multi-stakeholder co-op includes different types of members within one co-op, with the rights of each class of membership set out in the co-op’s rules: The members of **PACE** (Penticton & Area Co-operative Enterprises) are mainly people with a history of mental illness who operate a number of businesses; supporters are also eligible as members and can be on the board of the co-op.

Creative Solution: Parents and employees of the **Ottawa Parents’ Federation of Co-operative Daycares** sit together on their board to make decisions regarding the daycares. Parents sit in the majority, which reflects the members’ belief that parents should have final say on how the centers operate.

A financial co-op provides financial services such as insurance, loans, savings plans, and marketing services to their members who may be individuals or organizations. *Credit unions* are financial co-ops that provide a full range of financial services to members.

Creative Solution: The **Ottawa Women's Credit Union** operates to financially empower women. Through providing training programs, offering loans to women with few recognized assets and helping to support local women entrepreneurs, the credit union helps to support over 1200 women and their families.

A social co-op provides access to essential community services. This kind of co-op is involved in distributing services such as childcare, utilities, transportation, recreational facilities and health care. For example, a *housing* co-op is a service co-op that gives members secure access to apartment units and houses, which they own co-operatively. Another type of social co-op provides employment or training for people who have been generally excluded from mainstream society.

Creative Solution: The **Opening Doors** initiative, started by the **Co-op Housing Federation of BC**, encourages housing co-ops to give women leaving abusive relationships priority for vacant units.

A shared services co-op is one in which individuals and/or organizations join together to purchase a service they all need or to promote their common interest. **United Community Services Co-op** maximizes its non-profit society members' purchasing power and leverage with government.

Creative Solution: The most classic form of shared service co-ops are informal 'baby-sitting' groups where parents either employ a small number of child-minders or take turns themselves in taking care of the group's children.

What's the Difference?

A Cooperative	A Company	A Non-Profit Society
"Person" under Law	"Person" under Law	"Person" under Law
Formed to provide a service to members	Formed to create profit for owners	Formed to provide service to "clients"
Control rests with members: voting is vested in membership, one member one vote	Control rests with capital: voting is vested in share ownership, one share one vote	Control rests with members, one member one vote.
Liability is limited, members and shareholders don't automatically share in liabilities of co-op.	Liability is limited, shareholders don't automatically share in liabilities of company	Liability is limited, members don't automatically share in liabilities of Society
Shares, when the co-op has shares, are par value. Members benefit from services provided at or near cost.	Shares are typically non-par value. Owners benefit/suffer from the market's valuation of shares.	No shares, no distribution of funds to members. Capital is obtained from donations and contributions.
Profits are distributed based on the member's use of the co-op's services	Profits are distributed based on number of shares owned	No profits are distributed.
Accountability to the community and the co-op system are built in through Co-op Principles and values.	Accountability is to the shareholders, as determined by the market	Accountability is to the community and to the clients.