

# P5 Study Programme. Unit 1: Co-operative Identity

## Co-operative identity

1. definition, values & principles. Critique - any problems with these?  
Improvements/extensions (eg. Alex Bird proposal)?
2. Different definitions eg. Parnell.
3. Is P5 a co-operative?
4. Is TCG a co-operative?
5. Is John Lewis a co-operative?

What are Mutuals? When is a mutual a co-operative or not a co-operative?  
Building Societies (eg. Nationwide, the Ecology BS), mutual insurers/pension providers, credit unions.

### From ICA website:

Co-operative identity, values & principles

#### 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 the 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.

#### 1. Voluntary and Open Membership

Co-operatives are voluntary organisations, 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.

## **2. Democratic Member Control**

Co-operatives are democratic organisations 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 organised in a democratic manner.

## **3. Member Economic Participation**

Members contribute equitably to, and 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 or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

## **4. Autonomy and Independence**

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative 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. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

## **6. 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.

## **7. Concern for Community**

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

From ICA Blueprint for a co-operative decade:

## Identity

The marketplace for ‘social’ or ‘ethical’ business is a crowded one. Investor- or shareholder-owned businesses are re-branding themselves through ‘corporate social responsibility’ campaigns and programmes, for example. Co-operatives don’t simply appear different, thanks to an image makeover – they fundamentally are different. The abiding values of participation and sustainability are not just bolted on, but rather structure how co-operatives are owned, governed, managed, and evaluated.

Co-operatives have an internationally agreed definition and code of ethics: [the Co-operative Values and Principles](#). The Values and Principles guide how co-operatives behave and operate.

## Elements of the co-operative identity

The Alliance is engaged in bolstering the tools co-operatives can use to expand the co-operative message and secure the co-operative identity. [Learn more about the history of the co-operative identity](#).

- The Guidance Notes on the Co-operative Principles help bring the Co-operative Principles of 1995 into contemporary terms. [Read more and participate in the consultation \(open until August 2015\)](#).
- The Co-operative Marque and .coop internet domain are the symbols of the global co-op movement and of our collective identity. Together, these tools demonstrate our unity of purpose on and offline. [Learn more](#).

Identity & values are immutable, principles are “reviewable” (from Guidance Notes).

## Guidance Notes to the Co-operative Principles

Co-operatives are active in every sector of the global economy. A key distinguishing feature is that co-operatives create wealth for the many members of co-operatives who engage in co-operative businesses as service users, producers, independent business owners, consumers, and workers, not solely for the few who are rich enough to invest capital in investor-owned enterprises. Co-operatives help counterbalance the massive growth of inequality between the world’s rich and poor; an issue that, if not addressed,

has major economic, social, cultural, environmental, and political consequences.

In its role as custodian of the distinctive characteristic of co-operatives enterprise, the Alliance adopted in 1995 the Statement on the Co-operative Identity, values and Principles, (“the Statement”) see above.

The Co-operative Principles included in the Statement have been forged in the furnace of over 150 years of practical experience of what constitutes the foundational principles necessary for the successful operation of a sustainable co-operative enterprise. The Statement was adopted by the Alliance at its 1995 Centennial Congress and General Assembly in Manchester, England. Recommended to the General Assembly by the Alliance’s board, the Statement was the product of a lengthy process of consultation involving thousands of co-operators around the world. The Statement includes a definition of co-operatives, a listing of the global co-operative movement’s key values, and a reformulation of the co-operative movement’s principles to guide co-operative enterprises in their day-to-day business operations.

Our co-operative identity and values are immutable, but the principles have been reviewed and reformulated. In the history of the Alliance revisions to them have been approved three times after special commissions and consultation with Alliance members at the Congress of Paris in 1937, the Congress of Vienna in 1966, and in Manchester in 1995. Whilst the principles have been reformulated and restated, their essence remains: they are the guiding principles by which our co-operative identity and values are brought to life in the day-to-day operations of a co-operative enterprise.

The Co-operative Principles, which are the subject of these Guidance Notes, have long been known internationally as the Rochdale Principles, although the Alliance recognises the contribution of many co-operative founders in different countries, in particular Charles Gide in France, Alfonse and Dorimène Desjardins in Quebec, Canada; Friedrich Wilhelm Raiffeisen and Hermann Schulze-Delitzsch in Germany; Horace Plunket in Ireland; frs. Jimmy Thompson and Moses Xavier of the Antigonish Movement in Nova Scotia; and father José María Arizmendiarieta in Mondragon, Spain.

The human and international nature of the Principles is shown by the fact that the Rochdale Pioneers never claimed ownership of them. At the Rochdale Pioneers Museum in England, the following quotation is displayed next to the Alliance Statement on the Co-operative Identity – words that are well to be remembered: “the co-operative ideal is as old as human society. It is the idea of conflict and competition as a principle of economic progress that is new. The development of the idea of the Co-operative Principles do not stand in isolation from each other. They are interdependent principles which support and strengthen each other. For example, the 5th Principle on education, training and Information will, if applied, strengthen and enhance Principle 2 on Democratic Member Control. If all the Principles are observed and applied in the day to day operations of a co-operative enterprise, that co-operative enterprise will be stronger and more sustainable.”

The Statement on the Co-operative Identity adopted by members of the Alliance in 1995 created a milestone in the history of recognition for co-operatives. Its clarity enabled the essential nature of co-operative enterprise to be recognised by the United Nations General Assembly in resolution 56/114 of 2001. The Statement also underpins the International Labour organization’s recommendation 193 of 2002 that has been widely used in reviewing and updating co-operative legislation in over one hundred countries and is a powerful tool for co-operatives throughout the world to make the case for a vibrant and expanding co-operative enterprise sector of the economy. Co-operatives are the only type of enterprise that have an internationally agreed ethical code of values and operate in accordance with principles democratically and internationally agreed by co-operatives that are members of the Alliance. The Co-operative Principles and these Guidance Notes on their application are not a doctrine to be observed, nor are they a straightjacket on the entrepreneurial innovation of co-operatives seeking to meet their members’ economic, social, cultural, and environmental needs. Innovation to meet the needs of co-operative members has always been the mother and father of co-operative enterprise and will remain so. These Guidance Notes 3 from “Consumers’ Co-operation in Great Britain”, A M Carr-Saunders, P Sargant Florence and Robert Peers, G Allen our Co-operative founders wanted to achieve much more than just establishing and operating successful business enterprises. They were concerned for social justice and were motivated by a passion to help transform the lives of those whose social, economic and cultural needs they had the vision to seek to meet through a jointly-owned and

democratically controlled enterprise. In the tradition of our founders the Alliance too seeks, through these Guidance Notes, to show that same passion for social justice and transformation and a renewed vision of how co-operative enterprises in the 21st century can indeed build a better world by putting our Co-operative Identity Values and Principles into practice.