COOPERATIVE PRINCIPLES
&
WHAT THEY MEAN

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Director of Communications
National Cooperative Business Association
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The Seven Cooperative Principles

- Voluntary and open membership
- Democratic member control
- Member economic participation
- Autonomy and independence
- Education, training and information
- Cooperation among co-operatives
- Concern for the community
Agenda

- Introductions
- Ice Breaker
- About NCBA
- The Cooperative Principles
- Applying the Principles
- Closing

Questions welcomed throughout!
National Cooperative Business Association

Oldest cooperative association in the U.S., founded 93 years ago

NCBA Mission Statement

- Develop, advance and protect cooperative business.

NCBA Vision Statement

- NCBA demonstrates that cooperatives are a better business model for providing domestic and global social and economic progress.
National Cooperative Business Association

- Offers business development, communications, and cooperative development
- Provides a strong, unified voice for cooperatives before the U.S. government
- Has 360 members – including federations, associations and cooperatives representing over 20,000 cooperatives
- Creates cooperative connections
NCBA in Action

- Educate cooperatives
- Build Co-op sector support
- Encourage interaction between sectors
- Lobby Congress
- Support both domestic and international co-op development
- CF&TC advocacy on finance issues
.COOP

- Provides common identity on the Internet
- A strong brand statement
- Reinforces co-op relevance in the global marketplace
- Makes co-ops relevant to younger generation
University of Wisconsin Research

- Understanding the Economic Impact of Cooperatives.
- Released in Spring 2009.
- First-ever statistical study of cooperative businesses in the U.S.
Sectors defined by USDA

- **Sales and marketing**: agriculture, grocery, purchasing, other consumer

- **Social and public service**: housing, health care, childcare, transportation, education

- **Financial services**: credit unions, farm credit, mutual insurance

- **Utilities**: electric, telephone, water and waste, biofuels
U.S. Data on Cooperatives

- 29,284 cooperative firms
- $652 billion plus in revenue
- $133.5 billion in income
- $3 trillion in assets
- 2 million plus jobs
- 72,993 establishments
Distribution of Cooperatives by Sector

Cooperatives by Sector
- Commercial Sales and Marketing
- Financial Services
- Utilities
- Social and Public Services
- County Boundaries
- State Border

Data Sources: University of Wisconsin Center for Cooperatives and UW-Extension

NCBA
Well-Known Cooperatives

- Associated Press
- Nationwide Insurance
- ACE Hardware
- Navy Federal Credit Union
- Land O’Lakes
- Florida’s Natural
- Ocean Spray
- Sunkist
What Makes Cooperatives Better

Cooperatives are the better business model because they:

- Distribute capital widely among average Americans
- Keep capital in the community
- Exemplify the Ownership Society
- Keep governance open and democratic
- Work toward economic and social goals
- Monitor themselves
Cooperative Challenges

- Some co-ops don’t see themselves as co-ops
- Segmentation of the co-op community
- Attacks by competitors
- Globalization of accounting standards
- Co-op data gap
- Lack of investment capital
- Demutualization
The Seven Cooperative Principles

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Shared Cooperative Values

- Self-help
- Self-responsibility
- Democracy
- Equality
- Equity
- Solidarity
- Honesty
- Openness
- Social responsibility
- Caring for others
What Do the Principles Mean For Us?
Voluntary and Open Membership

Consider a way to:

- Remain open to all individuals
- Create discriminatory-free practices
- Accommodate those seeking relief from hardships
- Remove physical and procedural barriers that limit accessibility
Democratic Member Control

Consider a way to:

- Create control only for those who use your services
- Honor equal voting rights for all
- Encourage democratic processes
- Remain open in sharing information
- Encourage active participation from all owners
Member Economic Participation

Consider a way to:

- Allow members to contribute fairly to the co-op’s capital
- Allocate surpluses to share gains equitably for all members
- Utilize capital to further your co-op’s long term goals
Autonomy and Independence

Consider a way to:

- Act as independent organizations through your members’ control
- Promote independence as a true cooperative advantage
- Enter arrangements with governments or other organizations only when terms respect your autonomy
Consider a way to:

- Provide training and education to allow your members and employees to satisfy their responsibilities
- Constantly inform members to deepen their commitment to the cooperative model
- Educate young people, opinion leaders, elected officials, vendors and the public on the benefits of true cooperation
Cooperation Among Cooperatives

Consider a way to:

• Actively engage with housing federations from a local to international level
• Engage cooperatives across all sectors for mutual benefit
• Build relationships with local cooperatives to protect local economies and create increased member value
• Make use of cooperative best practices across sectors
Concern for Community

Consider a way to:

- Be a part of a larger community
- Demonstrate sustainable principles through your design, construction practices, and operation of their buildings
- Contribute to improving the quality of life in your neighborhoods
- Manage resources wisely to sustain its operation
- Treat all people with respect and dignity in the global community
- Promote the value of the cooperative model
Exercise

- Identify how the Seven Principles show up in your cooperative.
- Identify those where you feel you truly flourish.
- Identify those where you feel you need to do some more engagement.

*Share in your small groups  We’ll regroup in a bit!*
Housing is a fundamental need and a human right—
As a housing cooperative, you are part of future world that offers opportunity for all individuals!

Be proud of your cooperative spirit!
To learn more about cooperatives, visit the following Web links:

- www.ncba.coop
- www.go.coop
- www.na.domains.coop
- www.ica.coop

The last link takes you to the Research on Cooperatives!
THANK YOU
Jim Jenkins
jjenkins@ncba.coop
What Do the 7 Co-op Principles Mean for Your Co-op?

Introduction
The following is an exercise for you to complete during the Cooperative Principles and What They Mean breakout session at the NAHC 49th Annual Conference on October 10, 2009.

Exercise
In the space provided, reflect on the following questions:

- Identify how each of the Seven Principles shows up in your cooperative.
- Identify those where you feel you truly flourish
- Identify those where you feel you need to do some more engagement

Once you’ve had the opportunity to answer these for yourself, you will discuss your answers in small groups!

Voluntary and open membership
In the space provided, write down what voluntary and open membership means for your housing cooperative.

Democratic member control
In the space provided, write down what voluntary and open membership means for your housing cooperative.

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<th>Principle</th>
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### Cooperation among co-operatives

In the space provided, write down what cooperation among co-operatives means for your housing cooperative.

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### Concern for the community

In the space provided, write down what concern for community means for your housing cooperative.

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### Where you flourish

In the space provided, write down which of the seven principles do you feel your cooperative exemplifies and why.

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*Continued on next page*
What Do the 7 Co-op Principles Mean for Your Co-op?,
Continued

What you can do better

In the space provided, write down which of the seven principles you feel your cooperative can showcase better in the days ahead.

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Thank you!

Thanks for attending this breakout session!

For more information on NCBA, go to www.ncba.coop

To contact Jim Jenkins, either send an email to jjenkins@ncba.coop or call 202 383-5447.