

Principle 1: Voluntary and Open Membership

Definition: *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, political, or religious discrimination.*

This principle creates a structure for anyone wanting to join a co-operative. Conditions and expectations for membership vary, and can include requirements such as purchasing a share in the co-operative, attending annual meetings, working/volunteering for some time, or even living at the co-operative, among many other possibilities as determined by the co-operative.

Task: Read the following case study, and answer the questions provided by your teacher. As your group and other groups in class present what they have learned, consider connections between these principles.

Case Study

Trisha is an avid gardener, and has taken great pleasure since childhood in growing vegetables in her family's garden. When she was accepted into her first choice of college, she was required to relocate. She realized that she would not be able to continue gardening in the same way as she would no longer have a backyard, nor would she have the time to dedicate to garden maintenance due to her new academic demands.

Trisha searched for a shared garden, and found an existing gardening co-operative close to her new campus that was accepting membership applications. Requirement for membership was a minimum time dedication of three hours, once a week for garden maintenance. Trisha would be responsible for taking care of not only her own, but other members' crops as well. At the end of the season, members would share in the crops harvested. This shared work and benefit approach pleased Trisha. By working with other members, she was able to fit her love of gardening into her busy schedule and received many crops she would otherwise not have if she were to garden by herself. Trisha was also happy that anyone could join the co-operative; it didn't matter how much money Trisha made, where she worked, or where she lived. As long as she agreed to help out for a minimum number of hours, she could become a member of the co-operative.

Student Worksheet

Principle 2: Democratic Member Control

Definition: Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Persons 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 organized in a democratic manner.

This principle means that it is up to the members of the co-operative to make decisions regarding what their co-operative does. Members may decide how the co-operative operates, how to spend or invest surpluses, or who will represent them on the board of directors. In a co-operative, all members have an equal voice and have an equal say in what happens. This is often referred to as “one member, one vote.”

Task: Read the following case study, and answer the questions provided by your teacher. As your group and other groups in class present what they have learned, consider connections between these principles.

Case Study

Harris lives in a housing co-operative, and has prepared a presentation for a members’ meeting tonight. With spring and summer fast approaching, this meeting allows each member to identify what kinds of projects, repairs, and maintenance need to be done in the months that follow. His neighbor, Gladys, would like a ramp built alongside the steps to make it easier to access the parking lot in the back. Another neighbour has identified trees that were damaged during the winter months and would like new trees to be planted.

Harris agrees that a ramp would ease mobility and access, and also will miss the shade that the trees used to provide. However, Harris has also noticed that some of the windows in the building are cracked and none are energy efficient. He thinks it is a wise investment to save on heating costs in the long term. Though Harris feels that his proposal will benefit all members in the long-run, he knows that deciding how to best look after their co-operative will be up to the members themselves. After tonight’s presentations, the members will vote for what they think is best for all of the members and the co-operative.

Principle 3: Member Economic Participation

Definition: 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. They 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 the 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.

This principle speaks to how money is raised by co-operatives, and how any surplus is distributed. This principle suggests that surpluses should be used to benefit the co-operative, plan for the future and/or be returned to members. This return is called a dividend. Dividends to members are based on how much they have used the co-operative, not on how many shares they own. Members can also decide to use some of their surplus to benefit the community or invest in other projects.

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Case Study

Martin just received a cheque from a grocery co-operative that he belongs to. This co-operative has been in operation for five years. To become a member of the co-operative, Martin purchased a membership share in the co-op. This is the first year all members received a dividend cheque from the surplus generated by the co-operative after the bills were paid and some funds were put aside for savings. Members received a dividend cheque based on how much they spent at the co-operative during the last year.

During the previous four years of operation, the surplus was invested back into the co-operative itself. Some of it went to purchasing new equipment, and some went to creating a strong and stable reserve for planned and unexpected costs. Martin is happy that the co-operative he belongs to has made sound financial decisions to ensure stability in the future, and is pleased that any surplus to members through dividends is returned fairly and equitably. Martin also realizes that the size of his dividend will vary, as it depends on the co-operative's overall success and his individual economic participation as a member from year to year.

Principle 4: Autonomy and Independence

Definition: 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 their co-operative autonomy.

Autonomy means that in a co-operative, the members are the only people that have a say and make decisions about how the business is run. No other organization can—for any reason—tell the co-operative how they are supposed to run their organization. Ultimately, it is the members that control the destiny of their co-operatives.

Task: Read the following case study, and answer the questions provided by your teacher. As your group and other groups in class present what they have learned, consider connections between these principles.

Case Study

Felicia is the owner and operator of a local music school, and is known for her ability to connect her programming and instruction with other community organizations. An example of this is providing mentorship placements for her students who want to play professionally. For the last five years, Felicia has partnered with a musicians' co-operative that features a recording studio, marketing department, and provides a venue for performances and the city's music festivals.

When Felicia originally approached the musicians' co-operative, she knew that they could decide not to participate in a mentorship or placement program. It is within the co-operative's rules of autonomous governance to decide which organizations, if any, they want to partner with. The co-operative, however, was excited at the idea of working with Felicia, as they also showcase youth participation in music and encourage new memberships and this partnership would provide opportunity and experience for upcoming musicians. However, the musicians' co-operative retains control over how it conducts its business, including how it spends its money, what hours it is open, and the responsibilities surrounding membership.

Principle 5: Education, Training, and Information

Definition: 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.

This principle means that every co-operative conducts some sort of educational programming for members, directors, and staff. It highlights the importance of informing the general public about their co-operative and the benefits of membership.

Task: Read the following case study, and answer the questions provided by your teacher. As your group and other groups in class present what they have learned, consider connections between these principles.

Case Study

Adrian is setting up an information booth advertising a local service co-operative bicycle repair shop. As Adrian prepares tools for demonstrations and handouts explaining goals and successes of the repair centre, he is reminded of his first time entering the bicycle repair co-op when he needed to repair his bicycle last summer, but did not have the tools, skills, or knowledge to fix his bike on his own. Adrian was so impressed by the welcoming nature of the co-operative that he decided to become a member, and now volunteers once a week sharing bicycle repair skills he learned from other members. In addition, Adrian sets up a booth every month at his school's campus to promote the co-operative's education goal: to educate, train, and share knowledge about bike repair with members and the public.

The bike repair program has garnered a lot of attention, and the co-operative frequently receives donations of used and broken bikes that can be repaired by members using tools on site. These repaired bikes are sold to members and the public at a low cost. This increases access to bicycles, and raises funds for maintaining operations and programming, such as the booth Adrian is setting up. Of course, not all training is formal, nor is all of the learning one-sided. Adrian frequently learns something new regarding bicycle maintenance, the benefits of different materials, and sometimes—if he's lucky—another member will share an exciting and scenic biking trail he hasn't yet travelled. Because the co-operative has been beneficial for Adrian, he is always sure to let his friends and passersby know why the shop is important and how they can become involved.

Principle 6: Co-operation among Co-operatives

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

This principle means that co-operative organizations often work together toward common goals or on projects that will benefit all organizations involved. The idea is that organizations will be stronger when they are working together.

Task: Read the following case study, and answer the questions provided by your teacher. As your group and other groups in class present what they have learned, consider connections between these principles.

Case Study

Maria is a member of a food truck worker co-operative that operates in a busy square of the downtown business core. Surrounding businesses have embraced the approach of the food truck, which focuses on providing fresh, made-from-scratch meals. From its inception, Maria and other founding members decided to work with a nearby grocery co-operative that provides produce, meat, and dairy from locally-owned farms.

One unique aspect for this business is that the food prepared is seasonally dependent. Spring and summer meals are full of fresh, crisp vegetables and fruit, while fall and winter meals feature hearty soups and warm, savoury flavours. The seasonal offering ensures an ever-changing and interesting menu that means the food truck can support the grocery co-op no matter what time of year they are purchasing supplies.

Recently, the members of the food truck co-operative had an annual general meeting to discuss current and future operations. Members voted in favour of opening another food truck on the other side of the city that they believe would have as much demand as their current location. After writing out a business plan, the co-operative approached their credit union to apply for a loan. The credit union is a financial co-operative, so they understood the worker co-operative business structure and they decided to provide the co-op with a loan. With money borrowed from the credit union, the co-op will be able to expand and provide meals to an entirely new customer base.

Principle 7: Concern for Community

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

Co-operatives work to improve and develop the community, both locally and internationally. How and what co-operatives choose to support in the community is up to the membership and could include such things as supporting a local youth agency, environmental protection, or a local sports team.

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Case Study

Geri is volunteering with other community members at a park clean-up and barbeque. She is flipping hot dogs and hamburgers for the hungry volunteers that have come out to support the annual event. In exchange for collecting litter and sorting recyclables, all volunteers are treated to lunch.

Geri's local grocery co-operative has provided the food and drinks for the event. Geri approached the board of directors three years ago to begin developing a partnership, and since then, the event has grown in popularity with community members, as everyone benefits from cleaner green spaces. This event collects donations, and with funds raised over the years, new recycling bins and playground equipment have been added to the park. Geri is happy to be involved with the planning of this event, and proud that her co-operative is interested in making the community better for everyone.