

OFFICE OF LOCAL SUSTAINABILITY COOPERATIVES 101



What is a Cooperative?

A cooperative 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**.

Tiers of Cooperatives

FIRST TIER: **COMMUNITY**

COOPERATIVES

Individuals are members and businesses can be in any sector.

SECOND TIER: **REGIONAL / NATIONAL**

UNIONS, FEDERATIONS

Cooperatives are members and this level tends to be sector-specific for greater efficiencies in markets.

THIRD TIER: **NATIONAL**

APEX ASSOCIATIONS

Multi-sector, national membership of organizations which aim to advocate on behalf of cooperatives, educate the public and improve cross-sector collaboration.

Seven Cooperative Principles

1 **Voluntary and Open Membership**

Cooperatives 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.

2 **Democratic Member Control**

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions.

3 **Member Economic Participation**

Members contribute equitably to, and democratically control, the capital of their cooperative.

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 do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5 **Education, Training and Information**

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of cooperation.

6 **Cooperation Among Cooperatives**

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

7 **Concern for Community**

Cooperatives work for the sustainable development of their communities through policies approved by their members.

VALUE OF THE COOPERATIVE BUSINESS MODEL



Global Cooperative Statistics

ONE IN SIX PEOPLE
ARE MEMBERS OF COOPERATIVES
AND CREDIT UNIONS

ANNUALLY, COOPERATIVES GENERATE OVER
\$2.1 TRILLION
IN TURNOVER

— GLOBALLY, THERE ARE OVER —
3 MILLION
COOPERATIVE BUSINESSES

10%
OF THE
GLOBAL POPULATION
IS EMPLOYED BY COOPERATIVES

IFFCO THE LARGEST FARMER
COOPERATIVE IN INDIA
— HAS OVER —
36,000
MEMBERS

Examples Within USAID Sectors



Agriculture and Food Security

Agricultural cooperatives accept smallholder farmers from the community as members. Farmers receive training, improved inputs and leverage resources to access markets more efficiently.



Environment and Global Climate Change

Members are trained on safe and efficient use of inputs and resources. Since members are from the community, they ensure that resources are used efficiently.



Democracy, Human Rights & Governance

Cooperatives are independent, operate under their by-laws, represent and act in the interests of their members. Apex associations partner with secondary cooperatives to inform and advocate on behalf of membership. Individual members can vote on activities related to internal and external policy.



Gender, Equality, and Women's Empowerment

Cooperatives open membership to individuals, and do not discriminate based on gender. Women, as members, have voting rights. They can financially participate in cooperatives as producers and as owners. In cooperatives, women have access to training, education, and market information, without barriers.



Economic Growth and Trade

Cooperatives ensure a more educated, skilled, and informed workforce. Primary cooperatives supply higher quality products to secondary cooperatives and associations for export.