

What Are Co-ops?

Cooperatives are member-owned, member-governed businesses that operate for the benefit of their members according to common principles agreed upon by the international cooperative community. In co-ops, members pool resources to bring about economic results that are unobtainable by one person alone. Most simply put, a cooperative is a business:

- voluntarily owned by the people who use it, and
- operated for the benefit of its members.

Regardless of the goods and services provided, co-ops aim to meet their members' needs.

Most of NCGA's member co-ops (Cook County Whole Foods Coop is an NCGA member co-op) are consumer cooperatives, which means that they are owned by the people who shop at the stores. Members exercise their ownership by patronizing the store and voting in elections. The members elect a board of directors to hire, guide and evaluate the general manager who runs day-to-day operations.

All co-ops contain the following elements:

- Co-ops are owned and governed by their primary users (the member-owners).
- Co-ops are democratically governed (one-member, one-vote).
- Co-ops are businesses, not clubs or associations.
- Co-ops adhere to internationally recognized principles.

Consumer cooperatives are very different from privately owned "discount clubs," which charge annual fees in exchange for a discount on purchases. The "club" is not owned or governed by the members and the profits of the business go to the investors, not to members. In a cooperative, the members own the business and the profits belong to the community of members. The specific goals of a cooperative are determined by its members, but all cooperatives adhere to the principles of cooperation that are based on practices of the first successful consumer cooperative in Rochdale, England (founded in 1844). There are consumer, producer co-ops (usually agricultural) and worker-owned cooperatives. There are also housing co-ops, health care co-ops (the original HMOs were co-ops) and financial co-ops (credit unions). The overall goal of the cooperative movement is to create organizations that serve the needs of the people who use them. Cooperative businesses provide goods and services in a way that keeps community resources in the community.

Our thanks to Elizabeth Archerd, Member Services Manager, Wedge Co-op, Minneapolis, MN for this content.