

Co-operatives Australia has published this paper to affirm the importance of co-operative education to the co-operative business model e.g. agricultural, child care, commodity, fishing, housing and retail co-operatives.

Co-operative Education

Co-operative Education Guides Business Practice

Co-operatives are unique businesses that reflect and reinforce a set of values and principles – codified by the International Co-operative Alliance (ICA) and adopted in Australia, based on:

1. Voluntary and open membership
2. Democratic member control
3. Member economic participation
4. Autonomy and independence
5. Education, training and information
6. Co-operation among co-operatives
7. Concern for their community

While these principles have historical and philosophical relevance, their overriding purpose is to actively guide co-operative business practice and behaviour.

Individuals, groups and communities form co-operatives because of the mutual benefits of co-operation e.g. ownership and democratic control, increased income, access to improved and quality services and products, assured sources of supplies, expanded markets and enhanced competition.

Members own and control their co-operative on the basis of one member, one vote. Democratic

control, however, depends on an ongoing co-operative education program to guide co-operative business practice.

This is recognised in the 5th Principle Co-operative Principle: 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.

What is Co-operative Education?

Co-operative education is education about how the values and principles of co-operation are applied to co-operative business practice – the business application of the co-operative consciousness. Co-operative education conveys the distinctive ideology and methodology rooted in co-operative values and principles, whether it is in the development of a business plan, marketing of products and services or the accountability of the board to members.

When co-operatives market their co-operative difference they are, therefore, marketing the co-operative advantage and incorporating co-operative values and principles throughout their enterprise in the marketing of their products and services.

Co-operative values and principles underpin the unique co-operative culture and business practice and differ from those of investor-owned businesses. Co-operative education is therefore important to the ongoing success of a co-operative. Policies and practices of any business implicitly and/or explicitly reflect and reinforce the values of that business and guide the organisational culture. Business policies and practices need to be regularly reviewed to ensure they reflect and reinforce co-operative values and principles.

Co-operative Formation and Establishment

Understanding the co-operative business culture is

a prerequisite to forming a co-operative, the success of start-up co-operatives depends on the understanding of the initial board and membership, and those who follow over time, of the co-operative values and principles that will make the enterprise different from other businesses. The formation of a co-operative should not be dependent on the co-operative knowledge of a few individuals. The formation process should involve co-operative education of all concerned to ensure co-operative values and principles are truly understood. The education process should also cover the reciprocal obligations between members and their co-operative. Once a co-operative is formed, an ongoing co-operative education program could develop the understanding and acceptance of co-operative values and principles by new members, managers and employees. Without such a plan, the co-operative identity will remain with only those who formed the co-operative.

Co-operative Continuity and Growth

Ongoing co-operative education would enable the values and principles of co-operation to extend beyond the formation and establishment of the co-operative. It should form part of the induction process for anyone dealing with a co-operative. Once learned, co-operative values and principles can become a life-long way of doing business. However, every co-operative needs to address generational change, working to ensure that the co-operative advantage is maintained and maximised. Over time, members can lose sight of the value of being part of a co-operative. A co-operative education program could reinforce, on an ongoing basis, the value of being an active member. Having educated the membership, and others, about the merits of co-operation, the task confronting every co-operative is the delivery of information that demonstrates and reinforces the value of doing business through your own co-operative compared with the alternative.

All co-operatives are businesses

All co-operatives are businesses, including those that describe themselves as non-profit. All co-

operatives, like any other business, must meet their operating costs and generate a surplus for future investments in the co-operative and for emergencies. 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-operative. They inform the general public particularly young people and opinion leaders about the nature and benefits of co-operation.

In *The Democracy Principle: Farmer Co-operatives in Twentieth Century Australia*, Gary Lewis wrote: "Failing to invest adequately in co-operatives' education (product advertising is not education), farmer co-operatives allowed the run-down of co-operative consciousness to continue, one of Manner's most serious 'threats'. Notwithstanding efforts by a few gallant souls, this neglect guaranteed that the general understanding of co-operative culture among the public and members alike remained superficial. Another consequence was that most co-operators did not know how to co-operate, how to make reciprocity to work, how to help interdependence bear fruit, how to effect timely strategic decisions, how to deal with selfishness, egos and a lust for power or how to learn from mistakes." (p 365)

Who is Co-operatives Australia?

Co-operatives Australia is the national body for state Co-operative Federations. It is an unincorporated body with membership by the State Co-operative Federations of New South Wales, Queensland, South Australia, Victoria and Western Australia.

Comments on this statement are invited and can be directed to -

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