

Democratic member control in groups nurtures good governance

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Members of the Nation Staff Consumer Society (Nascos) at the sacco's 12th Annual General Meeting at HH Plaza, Nairobi, on April 2.

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Ever wondered what role cooperatives play in nurturing good governance practices—namely, responsible management of public affairs and resources?

Cooperatives boast of ability to attract membership from across the social and economic spectrum, level the playground for self-determination and create communities where a member is accorded a chance to their livelihood.

Where for-profit organisations avoid, cooperatives enter to offer economic opportunities and services. Thus, for the poor and people in remote locations, they present viable pathway out of poverty.

The success of cooperatives is encapsulated in good governance principles, key among them member participation, representation and fair and transparent elections. This is espoused by Cooperative Principle #2: Democratic Member Control. It stipulates that cooperatives are democratic organisations controlled by members who actively participate in setting policies and making decisions.

Representatives are elected from among them and are accountable to the membership. At the primary level, members vote on the basis of one member, one vote; this exercise may be delegated but the basic principle still holds. The voting criteria differs from other types of business, where members' votes are prorated—your votes are proportionate to your shares. In this sense, co-operatives nurture democratic values in society.

Through democratic member control, cooperatives offer broad grassroots involvement, local control and ownership, and the potential to nurture the capacities of individuals and groups to direct their economic development. The involvement of elected members in day-to-day decision-making distinguishes them from other business enterprises. Members have a dual relationship with their cooperative: They are both beneficiaries and also democratically control it.

Rights of members

This principle is captured in the Cooperative Societies Act (Cap 490). Article 21 defines rights of members: (a) attend and participate in decisions taken at general meetings and vote; (b) be elected to organs of the society, subject to its by-laws; (c) enjoy all facilities and services of the society subject to the by-laws; (d) access to all legitimate information relating to the society, including internal regulations, registers, minutes of general meetings, supervisory committee reports, annual accounts and inventories, investigation reports at the society's head office.

A recent policy paper—"Cooperatives Building a More Prosperous Democratic and Inclusive World"—from US-Overseas Cooperative Development Council (OCDC) summarises this well. First, cooperatives offer people in some places their first opportunity to practise democracy and take charge of their destiny. This is key to empowerment.

Secondly, members have equal voting rights, regardless of the capital they put into an enterprise; hence, no single owner can dominate decision-making. Members vote to elect a board to represent their interests and put in place management structures for oversight and accountability in the cooperative.

Thirdly, local cooperative democratic lessons percolate into the broader society. Members learn to vote in local and state elections, work democratically for change and advocate modernisation of laws for their cooperatives, thus a stronger civil society and stabler foundation for inclusive economic growth.

Lastly, cooperatives are catalysts for community organisation and cohesion. With their focus on member needs and concern for communities (Cooperative Principle #7), they foster social development. This includes meeting urgent community education needs for literacy and numeracy training and supporting reconstruction of social trust and understanding in post-conflict communities.

Cooperatives are the crucible where members engage in economic development and experience democratic governance. This may extend to advocacy for cooperative law review at the national level for performance.

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