

# Align Worker-Owner Cooperatives to Values and Key Principles of the Movement

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I'll today focus on the link between the seven cooperative principles and worker-owner cooperatives. A worker-owner cooperative is owned and self-managed by its workers using an established democratic governance structure where decisions are made either by every worker-owner democratically participating directly in decision-making or through an elected management. Each member has one vote.

A key objective for the worker cooperative is to provide viable and fulfilling employment to members following the core values of self-help, self-responsibility, democracy, equality, equity,

and solidarity. These values demonstrate the foundational basis for building commitment from, and relationship between, the members. This is what builds a successful and stable cooperative.

The worker-owner cooperatives espouse established principles that operationalise the core values. Members should always be alive to these ideals, which set them apart from conventional capitalist businesses whose priority is focused on profits and paying high dividends to investors.

The first and cardinal principle stipulates that membership to a cooperative is voluntary and open (Principle #1). For worker-user cooperatives, while membership is open and non-discriminatory, it's usually limited to the people that work for it.

Membership in worker-owner cooperatives is often smaller compared to, say, a typical agricultural or financial cooperative.

## **Each member has one vote**

Second, cooperatives are democratic organisations controlled by members (Principle #2), who actively participate in setting policies and making decisions. The members have equal voting rights. Thus, in a worker-owner cooperative, each member has one vote.

The members elect a board that manages and supervises the cooperative; the board remains at all times accountable to the members. This can only be achieved if it adheres to cooperative values and members take their responsibility to actively participate in its governance.

Third, members contribute equitably to, and democratically control, the capital of their cooperative (Principle #3). They allocate surpluses for: developing their cooperative; paying members in proportion to their transactions with the cooperative; and supporting activities approved by members.

In this respect, the worker-owner cooperatives are modeled differently from traditional business enterprises. Worker-owner cooperative members have greater say in their investments and how the proceeds are shared, including what they may allocate for community activities.

Fourth, the underlying principle in democratic member control is that of individual and collective autonomy and independence (Principle #4) in decision making. Worker cooperatives depend upon members' commitment for success. Thus, any externally raised resources to support the cooperative's operations must have clauses which protect the autonomy and independence of members.

Fifth, cooperatives are entrusted with a duty to provide education and training for members, elected representatives, managers, and employees so they can contribute effectively to its growth (Principle #5). Education should also be extended to the public for it is here that (young) members are recruited.

This is done through the farmer field days in the case of agricultural cooperatives. Also, few members ever come to a worker cooperative with all the required set of skills. In order to be

successful, the cooperative has to train its members, the board and managers so they can fully participate in its activities.

### Mutually beneficial relationship

Sixth, cooperatives must work together to serve most effectively and strengthen the movement (Principle #6) and make use of the extensive networks and structures. Similarly, members of worker cooperatives benefit from their mutual efforts. For instance, a boda-boda worker-owner cooperative may negotiate a mutually beneficial relationship with a mechanic worker-owner society. Cooperation also benefits members in terms of training, financing and information sharing.

Finally, while focusing on member needs and wishes, cooperatives work for the sustainable development of their communities (Principle #7). Worker cooperatives rely upon their larger ecosystem of community and the natural environment.

In all activities designed to meet their own needs, they should consider how to execute them sustainably while strengthening their communities. They draw their primary commodities from and sale their products and services to the community. Thus, worker-owner cooperatives are aligned to the core values and the seven principles of the movement.

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**Full text link:** <https://nation.africa/kenya/blogs-opinion/blogs/align-worker-owner-cooperatives-to-values-and-key-principles-of-the-movement-3817726>