

Explain the seven cooperative principles. Choose one which is important to you and discuss its role in the cooperative business model.

What is the first thing you think about when you hear the words “Electric Cooperative”? When I was a little kid I always imagined that an electric cooperative was something like to lightning bolts that were friends that would help each other whenever they had a problem that they needed solved. I never thought to ask my parents what an Electric Co-op was because I never thought it was important to know. Then one day I learned what an Electric Co-op was, and just how important they are to rural communities as well as town and city communities; I never realized that electric cooperatives were businesses that provided electricity to those who need.

The dictionary definition describes a Cooperative as “A Jointly owned enterprise engaging in the production or distribution of goods or the supplying of services, operated by its members for their mutual benefit, typically organized by consumers (and) or farmers.” In essence or in my opinion a cooperative is a group of people who come together, who have a plan to make their community better by providing needs and services to the individuals and families of those communities. A Cooperative is a business made by the community for the community. What the dictionary definition does not state is how cooperatives are nonprofit organizations that focus on spending the money they receive on the production, distribution, and or good itself. This fact is important when defining a cooperative business, and is important to the founders and members of most Cooperatives.

Electric cooperatives have seven principles that separate them from other electric utilities, one principle known as the Voluntary and Open Membership principle states that anyone who wants to use their services can and anyone can become a(n) volunteer/member as long as they accept the responsibility that they are given. The second Principles name implies what it means, Democratic Member Control, that all members run the business using a direct democracy form of self governing. The third principle is called the Members’ Economic Participation discusses how the members “contribute equitably to, and democratically control, the capital of their cooperative”, most of which is used to go back to the community by providing more electricity. The fourth principle, Autonomy and Independence states “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”. The fifth principle is called Education, Training and Information which states that all volunteers and members have the training they need for the job that they volunteered for. Number six “Cooperation Among Cooperatives, Cooperatives serve their members most effectively and strengthen the Cooperative movement by working together through local, national, regional and international structures”. Number 7 is “Concern for Community, while focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

In my personal opinion the second principle is one of the most important principles that any Cooperative could follow. Making the business a democratic member control ensures the equality of members as well as the business being controlled by the community itself and not an outside force. This way if the community wants a change the business can easily change something since it is run by the community. The decision making is up to the people to decide rather than a few individuals, and with shared control ideas for improving the company can be shared.