

# What is a consumer cooperative?

As defined by Consumer Cooperatives Worldwide (CCW), "A consumer cooperative is an autonomous association of consumers united voluntary to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled Member needs satisfied are distribution networks ranging from small corner shops to large outlets, elaboration of food quality policies, publication of member-magazines, information and education campaigns, and so on. Consumer cooperatives play an important role in the local social and economic fabric of a country."

CCW is ICA's global sectoral organisation for consumer cooperatives; representing 26 national organisations of consumer cooperatives around the globe and their 75 million individual members.

# SUSTAINABLE GALS DEVELOPMENT GALS

Consumer cooperatives play an important role in the social and economic development of a country. Their activities are based on the principle of social responsibility which align with the UN Sustainable Development Goals (SDGs). While emphasis is placed on satisfying the needs and expectations of their members, consumer cooperatives favour responsible production and distribution (SDG 12), take into account the sustainable development of local communities (SDG 11), address environmental concerns (SDG 13), and meet the health and safety needs of consumers (SDG 3). They take on innovative approaches and adopt new technologies (SDG 9) to answer communities' basic needs and are committed to gender equality and equity (SDG 5 and SDG 10).

# ICA-AP Committee on Consumer Cooperation (Consumer Committee)

Committee Consumer defines consumer cooperatives as one which operates in the wholesale/retail sector and sells goods or services to its members. The Committee was established in 1977 and first met in Bali, Indonesia. It represents 19 consumer cooperative organisations from 13 countries in Asia and Pacific. With the aim to promote the development of consumer cooperatives, it organises training programmes and workshops for managers of consumer cooperatives and encourages members to adopt and review best practices. The Consumer Committee also liaise and collaborate with CCW.

Japanese Consumers' Co-operative Union (JCCU), ICA member since 1952, is at the forefront of promoting consumer cooperatives in the region; conducting trainings, workshops and study tours; and actively funding many of its activities.

# Did you know?

#### In 1844

world's first consumer cooperative, Rochdale Equitable Pioneers Society, was established.

Over US\$ 569 billion global annual turnover of consumer cooperatives.

#### 15%

of all cooperatives worldwide with a turnover greater than US\$ 100 million are consumer cooperatives.

#### 62

consumer cooperatives were among the 'Top 300 by turnover' in the World Cooperative Monitor 2019.









## Co-op Mirai, Japan

- ~ Established in 2013 ~ 3,470,561 members
- US\$ 3.56 billion (JPY 390.9 billion)
   turnover
  - ~ 77 delivery centres ~ 134 stores



A mobile store with daily staples. Image Credit: Co-op Mirai

Co-op Mirai is Japan's largest consumer cooperative, covering the prefectures of Chiba, Saitama and Tokyo. It's a community-based retail cooperative that serves local residents by selling CO • OP brand products - freshly made sides, lunch boxes, groceries and daily ingredients - at reasonable prices. They have brick and mortar stores, mobile stores for more remote locales and an online platform for home delivery. Co-op Mirai promotes ethical consumption by sourcing Fairtrade coffee and Rainforest Alliance cacao. The cooperative also offers services such as elderly care, insurance, ticketing, housing, funeral services, house cleaning and air conditioner maintenance. They launched Co-opdeli Denki in 2017 to supply electricity and Co-opdeli Gas service in 2019.

Co-op Mirai works with local communities by providing grant-type scholarships to deserving students, donating the extra inventory and unsold products to food banks, offering childcare facilities, and by raising funds to support disaster affected areas.

First consumer cooperative set up in 1879.

**Present number :** 568 cooperatives with 29.2 million members.

Turnover: US\$ 31.86 billion (JPY 3,535,051 million)

Supervisory body: Ministry of Health, Labour and Welfare Apex: JCCU

Governing law: Consumer Cooperatives Act of 1948

38% of all households use products and services of consumer cooperatives.

iCOOP is a consumer cooperative federation with a goal to promote safe food standards, ethical consumption, and improvements in the national food labelling standards. It provides healthy, eco-friendly, organic and Fairtrade food products through its network of Natural Dream Stores and the online site. It established Farmer's COOP to source farm produce directly from trusted producer cooperatives and also developed non-genetically modified food products and an organic livestock range.

The Sustainable and People-Centred Economy Network (SAPENet) is an initiative of iCOOP with various stakeholders to create a sustainable people-centred solution to challenges such as climate change and aging population. They developed the Gurye and Goesan Natural Dream Parks as eco-friendly complexes where visitors can see organic food production, tour the food factories and learn about healthy lifestyles. The parks contribute to the local economy by providing jobs and promoting tourism.

Consumer cooperatives in South Korea Consumer cooperatives first set up in the 1920s.

Present number: 163 cooperatives with 586 stores.

Turnover: US\$ 1.025 billion (KRW 1.14 trillion).

Supervisory body: Korea Fair Trade Commission

Apex: iCOOP, Hansalim, Dure, Happiness Co-op, University Co-op

Governing law: Consumer Cooperatives Act of 1999

6% of the households are members of consumer cooperatives.

## iCOOP, South Korea

Consumer

cooperatives in

Japan

~ Established in 1998 ~ 282,720 members ~ US\$ 513.6 million (KRW 571 billion) turnover ~ 229 stores ~ 8 distribution centres



Goesan Natural Dream Park's healing centre. Image Credit: iCOOP

# School cooperatives, Malaysia

~ Started in 1968 ~ 2,409 cooperatives with 1.6 million members ~ US\$ 67 million (MYR 274.40 million)

turnover ~ US\$ 86.4 million (MYR 353.59 million) in assets



Laundry services at Koperasi MRSM Kepala Batas Berhad. Image Credit: Sccop Youth

School cooperatives operate campus canteens, bookstores, supply uniforms, and in residential schools they also operate hair salon services, laundromats, photocopy and telecommunication facilities. The members are students between the age of 13 to 17. In many schools, the cooperative is part of the curriculum since it teaches thriftiness and fosters entrepreneurship. Senior students with leadership potential are nominated as board members while the teachers and staff supervise the cooperative. Many successful cooperatives use the profit to improve the infrastructure of their schools and/or provide scholarships for deserving students.

Angkatan Koperasi Kebangsaan Malaysia Berhad (ANGKASA), the apex for the Malaysian cooperative movement, and the Cooperative Institute of Malaysia conduct administrative management courses for the young cooperators. School Cooperative Day celebrations, promoted by the Ministry of Education, are held to promote awareness of the model and recognise outstanding members. ANGKASA plans to strengthen and diversify the business of school cooperatives by setting up nurseries and tuition centres.

First consumer cooperative registered in 1936.

Present number: 5,429 cooperatives with over 2 million members.

Annual turnover: US\$ 272.85 million (MYR 1,142.13 million).

Supervisory body: Malaysia Co-operative Societies Commission

Apex: ANGKASA

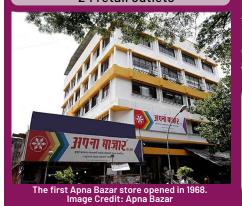
Governing law: Co-operative Societies Act 1993

Malaysia has 86 financial institutions in the consumer sector.

Consumer cooperatives in Malaysia

# Mumbai Kamgar Madhyawarti Grahak Sahakari Sanstha Maryadit (MKMGSSM), India

~ Established in 1948 ~ 9,383 members ~ US\$ 15.4 million (INR 1.1 billion) turnover ~ 24 retail outlets



MKMGSSM was started by social activists to protect the interests of the working class as a fair-price shop selling food and clothing. It now consists of the Apna Bazar ('our market') brand of 8 department stores and 15 supermarkets, along with a medical store and a gas supply business. Its members include farmers, fishermen, workers and civil officers usually belonging to the low or middle-income bracket. Apna Bazar reaches millions of households across urban Mumbai, and also helps rural Maharashtra state by sourcing directly from farmers. The stores in the smaller towns and villages, not only provide affordable products, but also promote local entrepreneurship and generate employment.

MKMGSSM has various committees to help with its supervision and management such as the Control Committee, Price/Rate Verification Committee, Women Committee and Health Committee. Exhibitions, public lectures and cultural activities are organised to generate awareness particularly about food adulteration and the various services available to customers.

First consumer cooperative established in 1904.

Present number: 26,355 cooperatives with 8.61 million members.

Supervisory body: Ministry of Consumer Affairs, Food & Public Distribution

Apex: National Cooperative Consumers' Federation of India Ltd. Cooperatives in India are governed by federal (Co-operative Societies Act, 1912; and, if applicable, Multi-State Cooperative Societies Act, 2002) and state laws.

Consumer cooperatives in India

COOPFED is the national apex of Sri Lankan consumer cooperatives. Their mission is to promote and strengthen its member consumer cooperatives, and to supply and fulfil consumer's requirements. They have the largest urban and rural distribution network in the country of storefront operations. COOPFED also develops, distributes and retails coop brand products like Cooplight CFL Bulbs. They provide services ranging from agricultural solutions, financial services to travel operators.

The Sri Lankan government considers fair competition among sectors important to maintain market stability. In 2007, they collaborated with COOPFED to start the Co-op City Project to run cooperative stores that supply essential food items for 10% lower prices than private stores. COOPFED also played an important role during Sri Lanka's civil war years by ensuring that there was no disruption in the supply of essential items to the war-affected regions. COOPFED promotes sustainable practices among its members by sourcing directly from farmers and giving back to the community.

Consumer cooperatives in Sri Lanka Consumer cooperatives first set up in the 1940s.

Present number: 304 cooperatives with over 5 million members.

Annual turnover: US\$ 455.3 million (LKR 69.8 billion).

Supervisory body: Ministry of Cooperatives and Internal Trade

Governing law: Co-operative Societies (Amended) 1992

Multipurpose cooperatives which run businesses such as retailing, insurance, medical, banking etc, belong to the consumer sector.

Sri Lanka Consumer Co-operative Societie's Federation Ltd. (COOPFED), Sri Lanka

~ Established in 1989 ~ 257 members ~ US\$ 548,923 (LKR 84,239,540.85)

turnover ~ Over 9,000 cooperative shops



A regional session to promote cooperation among cooperatives.

Image Credit: COOPFED

# GP+ Co-operative, Singapore

~ Established in 2018 ~ 62 regular and associate members ~ 65 partner clinics





GP+ offers online shopping and various healthcare services. Image Credit: GP+ Co-operative Ltd.

GP+ Co-operative's main objective is to transform the healthcare space by providing good quality, reasonably priced and ethical healthcare options. Formed by a group of doctors, the members are registered healthcare professionals - general practitioners (GP) and specialists. Doctors use the cooperative's network to easily refer patients to other specialist members offering laboratory and radiological services. The Friends of GP+ Co-op Programme also links up paramedical and allied health professionals such as dentists, optometrists, counsellors and social workers, to the GPs. This ensures the 'friends' get to fully use the established network for patient-centred care and for advertising their services.

The cooperative offers blood test, health screening packages, and seasonal discounted services for health check-ups. The cooperative purchases medicines in bulk which members can buy in the member-only online shop. The public online shop allows patients to purchase rehabilitation and healthcare equipment at competitive rates.

First consumer society formed in 1946.

Present number: 60 cooperatives with 1.3 million members. Supervisory body: Registry of Co-operative Societies (RCS) Apex: Singapore National Co-operative Federation (SNCF)

Law: Co-operative Societies Act 1979 (Amendment) 2018

Service and school cooperatives are also consumer cooperatives as per the RCS

Consumer cooperatives in Singapore

# Cooperation among cooperatives

- The Foodstuffs group in New Zealand is made of and owned by two separate regional cooperatives, Foodstuffs North Island Ltd. and Foodstuffs South Island Ltd. Foodstuffs (NZ) Ltd., a non-trading entity, acts as the federation body of the two cooperatives and represents them at the national and international level.
- JCCU's CO OP Italian spaghetti, made of durum wheat, has been sourced from Italian consumer cooperatives since 1981. The long-selling product is sold at a reasonable price in cooperative stores across Japan. JCCU also developed CO  $\cdot$  OP Italian Wine in collaboration with the National Federation of Italian Co-operative in 2011.
- Since 1991, JCCU has been co-organising, with the Consumer Committee, training programmes for managers of consumer cooperatives. Cooperative managers from across the region are invited for a workshop-cum-study visit to expose them to the management systems and practices of Japanese consumer cooperatives.
- Singapore's SNCF and NTUC FairPrice Co-operative Ltd. have co-hosted the regional workshop for managers on management of consumer cooperatives with the Consumer Committee from 2000 to 2019. Open to cooperators in the region, the workshops improve understanding of different models of consumer cooperatives and strengthens human resource development. In 2019 and 2020, Saigon Union of Trading Co-operatives Ltd. (Saigon Co-op) in Vietnam, hosted (or co-hosted) the workshop.
- Since 2011, iCOOP and other Korean cooperatives have visited JCCU and other Japanese cooperatives for study trips and workshops in community development, healthcare provisions, university cooperatives and consumer cooperative
- NTUC FairPrice and Saigon Co-op entered into a joint venture in 2013 to build a hypermarket chain, Co.opXtra and Co.opXtra Plus, in Vietnam. The partnership plans to have 15 hypermarkets operating across Vietnam by 2020 with FairPrice maintaining a 36% stake. FairPrice also diversified its inventory of Vietnamese products and product categories at its Singapore stores.
- The ICA-AP Malaysia Business Office, Consumer Committee, ANGKASA and JCCU jointly organised an SDG seminar in 2018 in Malaysia. The two-day seminar's theme was 'SDG 12: responsible consumption and production' and it was attended by more than 100 delegates from 30 organisations.
- The Consumer Committee and iCOOP organised a regional workshop on 'social contribution of consumer cooperatives in Asia-Pacific' in 2019. Cooperators and guests from eight countries attended the three-day event to learn about SAPENet's social contributions and establish an international network of consumer cooperative leaders.

## What are cooperatives?

Cooperatives are people-centred enterprises owned, controlled and run by and for their members to realise their common economic, social, and cultural needs and aspirations.

#### Cooperative values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

## Cooperative principles

The seven cooperative principles are guidelines by which cooperatives put their values into practice.

- 1. Voluntary and Open Membership
- 2. Democratic Member Control
- 3. Member Economic Participation
- 4. Autonomy and Independence
- 5. Education, Training, and Information
- 6. Cooperation among Cooperatives
- 7. Concern for Community

# References

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#### About International Cooperative Alliance Asia and Pacific

ICA-AP is one of four regional offices of the ICA. Established in 1960 in New Delhi, India, it unites, promotes, and develops cooperatives in the region. ICA-AP's 109 members from 32 countries spans a variety of sectors, including agriculture, credit and banking, consumer, education, fisheries, forestry, housing, and insurance.

The ICA Domus Trust was set up, in 1988, to recognise the valuable contribution made by Dr. Mauritz Bonow to the development of cooperative movement throughout the world and particularly in developing countries. The Trust has its offices in India and is fully supported by International Cooperative Alliance.

## Contact information

For more information about the Consumer Committee and how to become a member, please contact ICA-AP.

Email: info@icaap.coop







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