

What is a cooperative?

As the word "Sahak Kor" which means "Cooperative" in English has a bitter history in Cambodian people's mind regarding Pol Pot Regime, a fake cooperative, Royal Government of Cambodia recommends to use word "Sahak Kom" instead. Therefore, the word "Sahak Kom" which is used in this leaflet and Law on Agricultural Cooperative means "Sahak Kor" and "Cooperative" in English.

A cooperative is one type of private organization which is not governmental organization and organized by people. There are various types of organizations such as private company, NGO, saving group, etc., organized by people.

The difference between cooperative and private company

➤ Objective

Cooperative	Private company
provides maximum benefit to members	seeks to earn maximum profit

➤ Motivation of participation

Cooperative	Private company
to utilize cooperative's services	to get dividend from company

➤ Voting right

Cooperative	Private company
One member, one vote	one share, one vote

➤ Control

Cooperative	Private company
controlled democratically by all members	controlled by top investors

Cooperatives exist in almost all countries in the world, and they organize one international NGO, called the International Cooperative Alliance (ICA).

International Cooperative Alliance defines a cooperative as an autonomous organization which is organized voluntarily to meet their common economic, social, and cultural needs.

International Cooperative Alliance advises that the cooperative should be established based on the following values:

The Values of cooperative

- Self-help
- self-responsibility
- democracy
- equality
- equity
- solidarity

Based on the values of the cooperative, International Cooperative Alliance prepares the seven principles which all cooperatives shall follow.

International Cooperative Alliance's principles

1st Principle: Voluntary and open membership

A cooperative is an organization which is organized voluntarily by a group of people. Every person who wants to utilize services of a cooperative and accepts responsibilities of membership can become a member of the cooperative without gender, social, race, politics and religion

discrimination. A member can withdraw from the cooperative if he/she wants.

2nd Principle: Democratic member control

A cooperative is a democratic organization controlled by members. Members have equal voting rights (one member has one vote) and can participate in the General Meeting to determine the policies and elect board of director and supervisory committee for their cooperative. A cooperative exist only in democratic countries.

3rd Principle: Member economic participation

Members shall buy shares of their cooperative to contribute equitably to the capital of their cooperative. Members receive limited share dividend, if any, after allocating net profits for reserve funds, patronage refund and other activities approved by members.

4th Principle: Autonomy and independence

A cooperative is an autonomous, independent and self-help organization controlled by members. A cooperative must stick to the autonomy and independence when it receives the support from outside.

5th Principle: Education, training and information

A cooperative shall provide education and training to its members, elected representatives and employees. A cooperative shall propagate the nature and benefits of cooperation to the public.

6th Principle: Cooperation among cooperatives

A cooperative shall provide supporting services to its members effectively and cooperate with other cooperatives in the country and abroad.

7th Principle: Concern for community

A cooperative shall not only carry out its businesses but also work for the sustainable development of their community.

Variety of cooperatives

There are many kinds of cooperative such as agricultural cooperative, fishery cooperative, credit cooperative, forest cooperative, artisans cooperative etc.



The Seven Principles of International Cooperative Alliance



This leaflet is prepared in order to disseminate the seven principles of international cooperative alliance to government officials, agricultural cooperative's officials and staffs, members and nonmember farmers, and NGO's staffs in order to develop agricultural cooperatives and national economic.

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