

116TH CONGRESS
1ST SESSION

H. RES. 602

Commending the cooperative business model and the businesses, employees, and practitioners nationally and internationally who use it for their contributions to the economy and social impacts they make on their communities.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 26, 2019

Mr. POCAN (for himself, Mr. GOSAR, and Ms. VELÁZQUEZ) submitted the following resolution; which was referred to the Committee on Energy and Commerce

RESOLUTION

Commending the cooperative business model and the businesses, employees, and practitioners nationally and internationally who use it for their contributions to the economy and social impacts they make on their communities.

Whereas cooperatives are member-owned businesses, owned and governed by the people that use the business, create its products, or manage its operations, and operate under the 7 agreed upon principles of—

- (1) voluntary open membership;
- (2) democratic control;
- (3) owner economic participation;
- (4) autonomy and independence;
- (5) education, training, and information;

- (6) cooperation among cooperatives; and
- (7) concern for community;

Whereas cooperative entrepreneurs are often categorized into 4 variations of the business model—consumer, producer, purchasing, and worker cooperatives—and can be found in almost every economic sector in the United States, throughout all 50 States and territories, and every congressional district in the United States;

Whereas internationally the principles of cooperation and the cooperative business model help smallholder farmers organize themselves and gain access to local and global markets, training, improved inputs, and aggregated sales and marketing;

Whereas this provides farmers ownership over their economic decisions, a focus on learning, and a broader understanding of environmental and social concerns;

Whereas cooperatives help farmers increase incomes and become more resilient to shocks and stresses by working together to plan and prepare for the future;

Whereas cooperative values stress self-help, diversity, and inclusion of vulnerable groups to ensure access to women and youth;

Whereas annual Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriation bills fund the sole domestic program dedicated to cooperative development to improve the economic condition of rural areas within the United States Department of Agriculture Rural Business-Cooperative Services under the Rural Cooperative Development Grant program, and grantee organizations use funding to provide technical assistance to cooperatively owned businesses;

Whereas the Global Food Security Act identified cooperatives among key stakeholders who are actors engaged in efforts to advance global food security programs;

Whereas annual Agriculture, Rural Development, Food and Drug Administration, and Related Agencies and State and Foreign Operations appropriation bills fund titles and programs within the United States Agency for International Development and the Department of Agriculture under Development Assistance, Feed the Future, Food for Peace Title II, and the Cooperative Development Program, and grantee organizations use funding to advance international development using cooperative principles and the cooperative model;

Whereas Federal legislation authorized a cooperative research program with academic institutions to conduct research on the effects of all types of cooperatives on the national economy as part of the 2008 farm bill;

Whereas an Interagency Working Group on Cooperative Development was established in the Agricultural Act of 2014 and authorizes the Secretary of Agriculture to coordinate and chair an interagency working group to foster cooperative development and ensure coordination with Federal agencies and national and local cooperative organizations that have cooperative programs and interests, and has organized four meetings thus far;

Whereas a bipartisan Congressional Cooperative Business Caucus unites Members of Congress in a cause to create a better informed electorate and a more educated public on the important role that cooperatives play in the national and international economy, to promote the cooperative business model because it ensures consumers have access to high-quality goods and services at competitive

prices and costs that better the lives of individuals, families, and their communities, and to address and correct awareness challenges among the public and within the Government on what a co-op looks like, who are co-ops, where are co-ops, and why do people choose them;

Whereas, the Census Bureau, as part of its 2017 Economic Census, included a question in its survey of all businesses asking if the business is organized as a cooperative which will yield both quantitative and qualitative data on the effects and importance of cooperatives across the American economy;

Whereas the University of Wisconsin Center for Cooperatives completed a research study in 2009, entitled, “Research on the Economic Impacts of Cooperatives”, wherein they built a comprehensive list of all United States cooperatives, gathered economic data from cooperatives, analyzed the direct and indirect economic impacts of cooperatives, and developed approaches for measuring the unique economic and social impacts of cooperatives;

Whereas, in 2017, the University of Wisconsin Center for Cooperatives found that there were 64,017 cooperatives in the United States operating in the commercial sales, marketing and production, financial services, social and public services, and utilities sectors;

Whereas in the utility services sector, utility cooperatives are tasked with the delivery of public services such as electricity, water, telecommunications, and broadband, mainly throughout the rural United States, where investor-owned utility companies typically do not operate due to low profitability;

Whereas in the financial services sector, cooperatives including credit unions, farm credit banks, and financing organizations that lend to cooperatives ensure that all revenue is funneled back into the business to lower interest rates and provide other benefits to its member-owners;

Whereas in the insurance sector, the first cooperative was a mutual insurance company founded in 1752 by Benjamin Franklin;

Whereas with no stockholders, policyholders vote in board elections and profits earned are cycled back into cost saving programs or returned as dividend payments;

Whereas in purchasing and shared-service cooperatives, independent and franchise businesses who rely on them thrive;

Whereas in the agriculture sector, cooperatives account for a significant portion of the economic activity in the United States agriculture and food markets;

Whereas these producer cooperatives collectively help farmers buy required supplies and services to operate their individual farms and help more efficiently market their raw or processed products more than if they performed these duties individually;

Whereas food cooperatives range in size from small, local buying clubs to multistore regional giants that go head-to-head with national chain stores;

Whereas in the housing sector, housing cooperatives and resident-owned communities are an alternative to conventional rental apartments, mobile home parks, and condominiums;

Whereas a housing cooperative owns the building or land and empowers each resident with ownership and responsibility;

Whereas housing cooperatives have roots dating to the late 1800s and today are mostly concentrated in major cities like New York City, Chicago, and the District of Columbia, and increasingly are becoming an alternative for students at colleges throughout the United States;

Whereas cooperatives allow residents of mobile home parks to collectively purchase the land they live on, providing stability and the opportunity to self-govern;

Whereas, as of 2018, at least 220 mobile home communities have converted to a resident-owned model;

Whereas in worker cooperatives, members both perform the work and govern the business;

Whereas in recent years, many businesses are choosing to structure this way so that workers have greater control over the business in which they work and own;

Whereas many sole proprietor, partnership, or family businesses are converting to worker-owned cooperatives when faced with a potential closure or buyout;

Whereas cooperatives have the potential to ease the impending problem of baby boomer small business owners retiring by transitioning employee-owned or consumer-owned cooperatives rather than closing the business when the owner retires;

Whereas cooperatives are a proven strategy in helping people build a more inclusive economy that is more equitable, participatory, growing, sustainable, and stable; and

Whereas the national apex organization representing people and organizations that use the cooperative business model to build a better world, the National Cooperative Business Association CLUSA International, celebrated its 100th anniversary in 2016: Now, therefore, be it

1 *Resolved*, That the House of Representatives—

2 (1) commends the cooperative business model
3 for its contributions to the Nation’s and the world’s
4 economy, the jobs it creates, and its social impacts
5 on the communities in which they operate;

6 (2) expresses its confidence in and support for
7 cooperatives toward continuing their successes;

8 (3) will seek to enact legislation ensuring that
9 cooperatives won’t be adversely affected;

10 (4) will be mindful in crafting legislation affect-
11 ing other business models so that the legislation does
12 not adversely affect the cooperative business model’s
13 competitive position; and

14 (5) will seek to enact legislation studying, sup-
15 porting, encouraging, and promoting the use of the
16 cooperative business model across all policy areas
17 that can be an additional alternative toward helping
18 solve a number of the Nation’s and the world’s pol-
19 icy issues and concerns.

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