

Co-operative

What is a Co-operative?

A co-operative (often referred to as a co-op) is a business entity, which embraces a strong social mission – it puts serving people’s needs first and yet does not suffer in its bottom line.

Co-operative is a well-trusted and proven model of social enterprise, one which is organised to meet the common social and economic needs of its members. Members make equitable contributions to the capital required and accept a fair share of the risks and benefits of the undertaking.

As a democratically-controlled and a member-owned business enterprise, the co-operative provides services and products to its members and the general public through the principle of self and mutual help.

What is the Co-operative difference?



DNA of a co-operative: This diagram depicts the fundamentals of a co-operative, which is a union of two inseparable elements – a social mission and economic goals (i.e. do good and do well).

Do Good

A co-operative is driven by its social mission to serve its community in many ways. Communities that co-operatives reach out to range from cradle to grave: co-operative services include providing quality pre-school education and making sure that it is available to every child; empowering single parents with livelihood skills to

be financially independent; helping blue-collar workers stretch their dollar; providing a second career to retirees; promoting active ageing among the elderly or providing loans to the man-in-the-street, who otherwise would have difficulty obtaining a loan at a rate lower than a purely commercially-run financial institution to tie them over a difficult period.

With a social mission at the heart of its operations, the co-operative's priority is to provide social benefits to its members than profit maximisation for its shareholders. As such, surpluses are reinvested in the business to maximise social and economic interests of its members, and not distributed as mere financial rewards. In turn, the good contributed by the co-operatives in Singapore helps strengthen the social and economic fabric of society.

Do Well

Like conventional businesses, a co-operative must also meet the measure of the market in order to survive and support its social mission.

There are more than 80 co-operatives providing diverse services for their members and the community in Singapore. Aligned with their unique social mission, co-operatives actively engage in sustainable business activities, competing in the marketplace with other business entities, in industries such as aged care, childcare, consumer, education and training, financial, food and beverage, housing, insurance, medical, security, transport, travel and welfare services. In this way, the co-operative is completely self-reliant in the market and does not need to depend on donations, subsidies from the government or other financial support channels.

How to form a Co-operative?

To register as a co-operative, the proposed business entity must first fulfil the following:

1. Identify a strong social mission
2. Gather at least 10 like-minded individuals, who share the same social mission
3. Submit a business plan and financial projections (of at least five years), to validate the co-operative's economic and financial viability
4. Draft the By-laws, which details the guidelines of how the co-operative intends to operate

Applicants may approach the Singapore National Co-operative Federation (SNCF), the apex organisation of the Singapore Co-operative Movement, to seek assistance and advice regarding setting up a co-operative.

For more information, visit www.sncf.org.sg or contact (65) 6602 0747.