

# Student Cooperatives: Affordable Student Housing



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## Table of Contents

*Preface*

*Cooperative Forms*

*Statement of Cooperative Identity*

*Movement History*

*Student Co-ops Today*

*California Legislation*

## Preface

Having existed for over half a century, student cooperatives have recently embarked on a campaign to educate the public about the benefits of student cooperatives and their relevance to students and campus communities in contemporary society.

Heading the effort is the North American Students of Cooperation (NASCO), a federation of student cooperatives that has existed since 1968.

The public education campaign views student cooperatives as part of a strategy for making higher education more accessible. Food and housing comprise the most significant portion of the average student's budget (around 50% in California), which can make the difference between going to college or not.

The objective of the campaign is to build broad-based support for affordable student housing in order to bring cooperatives to more campuses. General goals include: creating a base of support to assist in legislative actions, forming a coalition of supportive organizations, and facilitating a better understanding of the history, benefits, and role of cooperatives in campus communities.

The campaign will focus on several target communities: student organizations and associations, college faculty and administrators, legislators at all levels of government, community-based organizations, and concerned citizens.

If you or your organization are interested in participating in the effort, contact NASCO:

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## Cooperative Forms

Cooperatives are widespread throughout North America and throughout the world, which is a surprising fact for many who are unfamiliar with the movement. The variety is often an astonishing aspect. People familiar with housing cooperatives often seeing housing co-ops as defining what a co-op is, however, cooperatives are actually a general form of economic organization that manifest in every form imaginable. Cooperatives exist in every economic sector of our society and consist of many different kinds of people: rural farmers, urban activists, working families, students, rich yuppies in New York, poor blacks in South Central Los Angeles, and so on. This worksheet describes various forms of cooperative organization.

### Housing

In both student and non-student communities, housing cooperatives create tenant ownership and participation at home. Even in the housing co-op sector, difference ranges from collective households to apartment buildings bought-out by tenant unions.

### Food

Food cooperatives provide food and incorporate worker or consumer participation. Styles range from large supermarkets, to small health food markets, to neighborhood buying clubs.

### Dining

These cooperatives are usually found in student communities and serve as affordable (and tasty) alternatives to the "food" served in university dining halls.

### Bookstores

Found primarily in student communities but also in the "real world," book cooperatives are cooperatively owned book shops.

### Childcare

These cooperatives often serve an entire neighborhood or apartment complex, providing families with two working parents (or otherwise) with affordable childcare. Sometimes, the parents will look after the kids, or, childcare staff will be hired.

### Credit Unions

These financial service cooperatives, or alternative banks, are places for a group of people to pool their capital for greater control. Today, community development credit unions are being formed in low-income communities to serve populations that are neglected by the financial industry.

### Agriculture

Agricultural co-ops are groups of small farmers that join together to compete with large agribusiness corporations. Because of their profit-oriented nature, these organizations are not known for their progressive actions: some agricultural co-ops have been involved in anti-union labor disputes.

### Rural Electric

These cooperatives were created in communities that had been neglected by the electric industry because it was not profitable to develop an electric system. Community members joined together to create an organization that would serve their needs.

### Worker

Worker cooperatives are workplaces that are owned by the employees, varying from retail businesses to factories. An excellent example of a worker cooperative system exists in the Basque region of Spain, where several thousand workers own a network of factories and other economic organizations. In fact, the Mondragon system is an entire cross-section of the economy that is controlled by the worker owners.

The International Cooperative Alliance  
Statement of Cooperative Identity

**Definition:** A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

**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.

**Principles:** The cooperative principles are guidelines by which cooperatives put their values into practice.

**First Principle: *Voluntary and Open Membership***

Cooperatives are voluntary organizations, open to all person able to use their services and willing to accept the responsibility of membership, without gender, social, racial, political, or religious discrimination.

**Second Principle: *Democratic Member Control***

Cooperatives are democratic controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

**Third Principle: *Member Economic Participation***

Members contribute equitably to, and democratically control, the capital of the cooperative. At least part of that capital is usually the common property of the cooperative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible, benefiting members in proportion to their transactions with the cooperative, and supporting other activities approved by the membership.

**Fourth Principle: *Autonomy and Independence***

Cooperatives are autonomous, self-help organizations controlled by their members. 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.

**Fifth Principle: *Education, Training, and Information***

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of cooperation.

**Sixth Principle: *Cooperation among Cooperatives***

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

**Seventh Principle: *Concern for Community***

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

## A Brief History of Student Cooperative Development

Student cooperatives have a rich history that dates back to the previous century. Having existed for well over half a century, many established cooperatives have researched, documented, and published their organizational histories. These resources provide participants with insight into our identity and help us to strategize for the future. Beginning in the 1930s, student cooperatives began to see themselves as part of a movement that was spreading to college campuses throughout the continent. As the movement developed, it intersected with other progressive movements and social trends concerning such issues as: student empowerment, community involvement, civil rights, christianity, environmentalism, women's rights, socialism, and so forth. This historical synopsis focuses on the development of new cooperatives in an effort to contextualize the impending wave of student co-op development.

1882-1932

In 1882, the Harvard Cooperative Society is founded to provide textbooks and firewood. Other cooperatives were created, including bookstores, dining, and housing co-ops. Cayahuga Lodge, one of the early housing co-ops, was begun at Cornell in 1922. Furthermore, several examples of university-sponsored women's housing cooperatives have been found to exist during this period.

1932-1940

The Depression. Co-ops began popping up all over the US and Canada as a way for students to survive on as little as possible. Most student co-ops formed local associations at this time. Many of the student cooperatives created during this period were the creation of campus socialist and progressive christian organizations that wanted to address the bread and butter issues of the student community.

1940-1950

Student cooperatives started buying their houses and legally incorporating. Although a few houses had owned their property before this time, co-ops did not start expanding in earnest until this period. In 1946, NASCO's predecessor, the North American Student Cooperative League, was formed to unite student co-ops and their supporters.

1950-1966

Some cooperatives continued to expand; many did nothing or concentrated on improving their operating systems. A few systems died, usually due to the intervention of the university. In 1956, NASCL ceased to exist, a victim of lack of funds, too loose an organization, and the general malaise of the period. One major co-op, the Oberlin Student Cooperative Association, began during this period.

1966-1972

More cooperative housing was created due to interest in alternative systems generated during the 1960s. The systems created during the depression were again radicalized and some served as hubs of student activism. NASCO was created in 1968 by a group of student activists who wanted to create an alliance of student cooperatives.

1972-1985

Cooperatives acted much as they had during the 1950s and 1960s. Groups that had formed during the late 1960s expanded during this period. NASCO held regional and national conferences which turned into the Cooperative Education and Training Institute, an annual meeting of student activists.

1986-1997

Cooperatives once again became interested in expanding. Three major groups added several additional buildings. Four student co-ops established the Campus Cooperative Development Corporation as a vehicle for developing new cooperatives.

The Future

Due to the magnitude of NASCO's mission and the relative lack of available resources, many in the student cooperative movement believe that future success lies in creating strong partnerships and coalitions with other student organizations and movements.

## Student Cooperatives Today

The more historically-inclined people in the cooperative movement have found that the periods when co-ops have experienced the strongest waves of development are the times when they have enjoyed widespread popular support. The vision of our movement is to facilitate the creation of a cooperative system on every campus in North America. However, co-ops exist on only a small percentage of college campuses and probably serve an even smaller percentage of the total student body.

The central issue is building the popular support necessary to realize this vision. Thus, the Preface will consider questions relating to the relevance of co-ops to contemporary students, the barriers that students face in the housing market, and a strategy for widespread development.

### Are cooperatives relevant to contemporary students?

Didn't co-ops die in the 60s with the hippie communes? Are the apathetic, Gen X youth of today really interested in social and economic justice? How do cooperatives relate to the interests of contemporary students?

Two historical examples of periods when cooperatives have experienced massive waves of development are the 1930s and the 1960s. In the 30s, cooperatives addressed economic and racial issues related to student housing. The 60s wave of development was motivated by a vision of equitable social and economic relations in which cooperatives were viewed as grassroots strategy for economic democracy.

Contemporary student organizers that focus on cooperative housing derive their inspiration from a variety of concerns. One concern is the lack of control students face as tenants in the housing market: co-ops bring democracy into the economy to advance livable housing conditions and the fair treatment of tenants. Likewise, by bringing students together to manage the organization, cooperatives create a community that works toward common goals. Building a sense of community on campus is integral to reviving civic life and student involvement.

Because cooperatives are democratic organizations that are entirely defined by their members, they will continue to address issues that relate to contemporary students. For instance, because they include the space to dialogue about such as difference and equality, co-ops can contribute to the current interest in the politics of identity. Furthermore, new cooperatives can contribute to interest in sustainable living by experimenting with alternative methods of construction and rehabilitation.

Probably the aspect of cooperatives that makes them most relevant to the concerns of today's students is that they make education more economically-accessible. In recent years, one of the most important issues in student communities has been the accessibility of higher education to people who have been historically-underrepresented. By lowering the cost of housing, cooperatives can a vital part of a strategy to make college more affordable.

### Is a co-op on every campus realistic?

Sure, student co-ops are a great idea, but do they really work? How can students, who are so stressed-out and inexperienced possibly own and operate a housing organization? Is the vision of a cooperative on every campus really feasible? Such are the questions that come to many minds when they first encounter student cooperatives?

Such questions stem from a lack of information about cooperatives and the perception that the student community is transient and inexperienced. However, once the rational observer is presented with the history and success of student cooperatives, such illusions are easily dispelled.

There are concerns about whether it is truly feasible to organize a system of cooperative housing on every campus in North America, which have some avidity. Historically, new campus co-ops have experienced serious difficulty obtaining loans from mainstream financial institutions. Even when the facts are presented, bankers shy away from lending to what are considered "high risk" projects. This has resulted in a financial crisis that has severely limited the development of new cooperatives throughout history.

The movement has responded to this crisis creatively. Using innovative methods, new cooperatives have obtained financing from a variety of sources: established co-ops, owners, universities, governments, credit unions, and other community-based lenders. Yet, these sources cannot be relied upon for consistent support, as they are not obligated to provide loans to student cooperatives. What is needed are funding sources that exist for the sole purpose of creating co-ops on new campuses.

The project of creating such a source has been undertaken by cooperative movement organizations. The Kagawa Fund for Student Co-op Development is a movement-controlled loan fund for establishing new co-ops. Kagawa is currently being raised to a capacity that could facilitate a substantial wave of cooperative growth on college campuses.

### How can we realize our vision?

The student cooperative movement is slowly coming to the conclusion that it cannot realize its vision alone. Our resources are too few to effectively facilitate a wave of development that will produce a cooperative on every campus on the continent. Now more than ever, we should be ready to reach beyond the student co-op movement to other cooperative sectors and reach beyond the cooperative movement to other progressive people and organizations seeking to revitalize community, democracy, and education.

Indeed, we have begun to create partnerships and coalitions with allies working towards common objectives. Partnerships with universities, governments, and community organizations can provide the resources necessary to purchase and construct new student housing. Likewise, coalitions with other student associations and progressive movement organizations can create the network of support to tackle the nitty-gritty work of cooperative development. Seeing cooperatives as part of a broad-based strategy for educational accessibility is the key to a strong future.

### **North American Students of Cooperation**

NASCO is a nonprofit educational organization dedicated to strengthening and expanding the cooperative movement on campuses across Canada and the United States.

NASCO was founded in the Spring of 1968 by a group of student co-op leaders and supporters who wanted to create a common voice for cooperatives in campus communities. It was conceived to help educate new generations of student co-op members about the history, principles, practice of cooperation, to forge new alliances between existing student cooperatives, and to act as an advocate for student cooperatives.

Since its inception, NASCO has provided comprehensive programs and services aimed at building the student cooperative movement. Those programs and services include an annual conference, internships for students, publications, and assistance for student activists struggling to start new co-ops. Student activists who are interested in organizing a student cooperative can contact NASCO for more information.

NASCO's programs are ultimately aimed at developing the potential of student cooperatives to achieve their mission of empowerment and affordability. By strengthening the student cooperative movement, we can strengthen the future of economic democracy.