



Switzerland: the land of cooperatives

The cooperative business model not only permeates the Swiss economy, but also forms the roots of its politics.

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Almost all Swiss people buy their groceries at a cooperative. Many have their bank account at a cooperative bank. The largest animal-feed producer, the largest car-sharing company, and even parts of the public media in Switzerland are all organised as cooperatives.

Only in New Zealand do cooperative companies create more jobs per 100 inhabitants than in Switzerland (figures from 2014). Migros alone employs almost 100,000 people: Switzerland's largest private employer produces everything from baby powder to breakfast rolls, which are then sold in supermarkets.

But what precisely distinguishes cooperatives from other companies? In cooperatives, the vote of each member counts equally. As in a political democracy, the principle of “one person, one vote” applies. By contrast, in limited companies, one person holding 51% of the shares has the majority voice.

Cooperatives, on the other hand, bring together members with a common practical or idealistic goal. Instead of being paid to outside investors, the profits of cooperatives flow back into the business or are distributed equally among members.

In some cooperative projects, such as the agricultural cooperatives of Longo Mai founded in France in the 1970s, cooperative living encompasses all areas of life.

Communal life in the Freidorf (Free Village) near Basel was probably experimental in a similar way, at least in its first decades. Starting in the 1920s, managers and employees of today's supermarket chain Coop lived next door to each other. Altogether they occupied 150 houses. They shopped in the village-owned shop and saved together for their pensions. The cooperative concept permeated all aspects of their lives.

That way of life paid off: in the first few years, the inhabitants paid CHF850 (\$906) to rent a house and received CHF200 from the profits of the cooperative shop.

To this day, housing remains the purpose of many cooperatives. Today's housing cooperatives mainly guarantee low rents – only very few offer alternative forms of living together. Cooperatives contribute decisively to preserving affordable housing in sought-after urban areas, especially in expensive Zurich.

In terms of population, only two countries have more cooperative members than Switzerland. The ten largest cooperative companies alone accounted for more than 11% of gross domestic product in 2018. Switzerland is a country of cooperatives. And it always has been.

The primordial soup of Switzerland

A major Swiss newspaper, the *Aargauer Zeitung*, calls cooperatives the “primordial soup of the Swiss economy”. In fact, they could also be declared the primordial soup of political life in Switzerland.

The Swiss Confederation, as Switzerland is officially called in German, hints at the idea of a nation of wills. Switzerland sees itself as a state united not by its linguistic or cultural singularity, but by the fusion itself. Beyond national myths, early cooperatives in many Swiss regions were precursors of the state.

Around 700 years ago, pasture and forest land were jointly managed in so-called "cooperative societies and corporations". In some cases, farmers in the Middle Ages used land that had previously been without dominion; in others, noble families and monasteries handed over their land to such a cooperative for their use. The members' cattle grazed together. Work that needed doing was planned together.

These cooperatives marked the beginning of the political community: villages and municipalities developed out of them. The responsibilities of the cooperatives grew gradually, from water supply and justice to, eventually, care of the poor. In these cooperatives, people were living "direct democracy in its purest form", says historian Hans Stadler.

Beginning in the 1830s, farmers, artisans and workers in Switzerland came together to form "bread and fruit associations". In the decades that followed, the Swiss cooperative movement developed in the wake of the international movement that had its origins in Rochdale, England. These pioneers believed they were following in the footsteps of Switzerland's older cooperative tradition. The "cooperative" has existed as a form of enterprise under Swiss law since 1881.

International Cooperative Movement

In 1895, participants from 13 countries launched international organisations of the political cooperative movement. Delegates from Switzerland travelled to the founding congress of the International Cooperative Alliance (ICA) in London.

In Switzerland, cooperatives developed in the agricultural, banking, and construction sectors. Consumer cooperatives played an essential role in the economy, in addition to forming the backbone of the political cooperative movement.

Around 1900, the worldwide cooperative movement developed into a pacifist and internationalist force which, according to historian Rita Rhodes, managed to keep its distance from warring countries even during the First World War. Cooperative comes from cooperation. At the Cooperative Congress in Basel in 1921, the delegates of the League of Nations declared that the international organisation was pursuing the same goals as the cooperative movement.

From 1982 to 2013, the International Cooperative Alliance had its headquarters in Geneva. It is now based in Belgium. The United Nations, like the League of Nations before it, maintains a bond with cooperatives: following a decision of the General Assembly, the UN has celebrated the Day of Cooperatives on July 2 each year since 1995. In 2022, the motto was "Cooperatives build a better world".

The Swiss consumer cooperatives were once driven by a vision of a different society. Today, they have evolved into the large retail company Coop. Together with its competitor Migros, the company has a market share of more than two-thirds in the Swiss retail food sector.

Both supermarket chains still champion cultural or political causes today – but they are primarily large businesses.

Among the smaller cooperative projects, many are still driven by idealism, such as the Güter (participatory shop), whose members want to democratise the economy. Internally, cooperatives are also more likely than other companies to advocate for a greater say inside the company or for far-reaching labour democracy.

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