

The Seven Cooperative Principles

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Originally drawn up by Charles Howarth, one of 28 weavers and other artisans who founded the Rochdale Society of Equitable Pioneers in Rochdale, England, on December 21, 1844, these principles governing cooperative operations were introduced into the United States in 1874 by the National Grange, and formally written down by the International Cooperative Alliance in 1937 (last updated in 1995).

Open and Voluntary Membership

Membership in a cooperative is open to all persons who can reasonably use its services and stand willing to accept the responsibilities of membership, regardless of race, religion, gender, or economic circumstances.

Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Elected representatives (directors/trustees) are elected from among the membership and are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote); cooperatives at other levels are organized in a democratic manner.

Members' Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital remains the common property of the cooperative. Members allocate surpluses for any or all of the following purposes: developing the cooperative; setting up reserves; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

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 as well as their unique identity.

Education, Training, and Information

Education and training for members, elected representatives (directors/trustees), CEOs, and employees help them effectively contribute to the development of their cooperatives. Communications about the nature and benefits of cooperatives, particularly with the general public and opinion leaders, helps boost cooperative understanding.

Cooperation Among Cooperatives

By working together through local, national, regional, and international structures, cooperatives improve services, bolster local economies, and deal more effectively with social and community needs.

Concern for Community

Cooperatives work for the sustainable development of their communities through policies supported by the membership.

These principles are underpinned by six ideals—the so-called cooperative values of Self-Help, Self-Responsibility, Democracy, Equality, Equity, and Solidarity. In addition, the International Cooperative Alliance lists cooperative “ethical values” of Honesty, Openness, Social Responsibility, and Caring for Others.© 2009 - 2014