

## The Cooperative Movement: Identity, Values and Principles

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.

*Cooperative definition*  
International Co-operative Alliance, 1995

### The international cooperative movement

The **International Cooperative Alliance (ICA)**, a non-profit international association established in 1895 to advance the cooperative model, is the **apex organization for cooperatives** worldwide.

It represents **317 cooperative federations and organizations across 110 countries** (figures of September 2018). The members of the Alliance are national level cooperative federations, individual cooperative organizations and government offices concerned with cooperatives.

**One in every six people on the planet are cooperators.** Through its membership, the Alliance represents **1.2 billion members** of cooperatives from any of the **3 million cooperatives** worldwide.

Cooperatives generate **partial or full-time employment for at least 280 million individuals** worldwide, either in or within the scope of cooperatives, making up almost **10% of the entire employed population.**

Source: [www.ica.coop](http://www.ica.coop)

*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.*

*Cooperative values*  
International Co-operative Alliance, 1995

### The cooperative identity, values and principles

Cooperatives are businesses owned and run by and for their members. Whether the members are the customers, employees or residents they have an equal say in what the business does and a share in the profits. **Cooperatives are a unique form of business that put people at the heart of their activities.**

Wherever a cooperative is set up, it should be in line with the cooperative identity statement - definition, values and principles - as adopted by the international cooperative movement in 1995. **The seven Cooperative Principles are the internationally agreed foundational principles** that, when applied to the day-to-day governance and management of cooperative enterprises, enable them to achieve the objective of meeting their members' needs and aspirations, within their specific context.

These cooperative principles are rooted in the *Rochdale Principles*, designed in 1884 by the first cooperators of the modern history. Since then, the cooperative principles have been reviewed and reformulated in 1937, in 1966 and finally in 1995, even though their essence remains. **Cooperative values are immutable**, but the **application of related principles require constant re-appraisal** in light of economic, social, cultural, environmental, and political change and challenge.

For further information: [Guidance Notes to the Co-operative Principles, ICA, 2015](#)

## **Principle 1** Voluntary and Open Membership

- Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

## **Principle 2** Democratic Member Control

- Cooperatives are democratic organisations 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 co-operatives at other levels are also organised in a democratic manner.

## **Principle 3** Member Economic Participation

- Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members 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 their 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.

## **Principle 4** Autonomy and Independence

- Cooperatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, 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.

## **Principle 5** Education, Training and Information

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

## **Principle 6** Cooperation among Cooperatives

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

## **Principle 7** Concern for Community

- Cooperatives work for the sustainable development of their communities through policies approved by their members

*Cooperative Principles*  
*International Co-operative Alliance, 1995*