



# THE SEVEN COOPERATIVE PRINCIPLES

A cooperative is defined as a user-owned and controlled business from which benefits are derived and distributed equitably on the basis of use or as a business owned and controlled by the people who use its services. The cooperative system is built on a strong foundation of guiding principles. The seven cooperative principles explain the unique relationship between itself and its members.

1

## VOLUNTARY AND OPEN MEMBERSHIP

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

2

## DEMOCRATIC MEMBER CONTROL

Cooperatives are democratic organizations controlled by their members – those who buy the goods or use the services of the cooperative. The members participate in setting policies and making decisions.

3

## MEMBERS' ECONOMIC PARTICIPATION

Members contribute equally to, and democratically control, the capital of the cooperative. This benefits members according to the amount of business they conduct with the cooperative rather than the amount of money they invest in it.

4

## AUTONOMY AND INDEPENDENCE

Cooperatives are autonomous, self-help organizations controlled by their members. If a co-op enters into agreements with other organizations or raises capital from external sources, it does so based on terms that ensure democratic control by its members and the autonomy of the cooperative.

5

## EDUCATION, TRAINING AND INFORMATION

Cooperatives provide education and training for members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. Members also inform the general public about the nature and benefits of cooperatives.

6

## COOPERATION AMONG COOPERATIVES

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

7

## CONCERN FOR COMMUNITY

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