

Revised Statement on the Cooperative Identity: Discussion Draft 2

ICA Statement on the 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 founded on the values of mutual self-help, personal responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, they embrace the ethical values of honesty, transparency and accountability. Stewards for future generations, they practise social and environmental responsibility.

Cooperative Principles

Seven principles guide cooperatives in putting these values into practice.

1st Principle: Voluntary and Open Membership

Cooperatives are voluntary organizations, open without discrimination of any kind to all persons able to use their services and willing to accept the responsibilities of membership.

2nd Principle: Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who have a vote and a voice in the affairs of the cooperative. Persons serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote). Cooperatives at other levels are organized on the democratic basis determined by their membership.

3rd Principle: Member Economic Participation

Members participate in their cooperative as producers, consumers, workers, community members or independent business owners. They contribute equitably to its capital, a portion of which remains common property under the democratic control of the cooperative. Members receive a limited return, if any, on capital subscribed as a condition of membership.

Cooperatives allocate surpluses for any or all of the following purposes: developing the cooperative; setting aside indivisible or other reserves; benefiting members in proportion to their business with the cooperative; and advancing other purposes supported by the membership.

4th Principle: Autonomy and Independence

Cooperatives are independent organizations controlled by their members. When they enter into agreements with governments or other organizations, or raise capital from external sources, they do so on terms that do not weaken the members' democratic control or undermine the cooperative's autonomy.

5th Principle: Education, Training and Public Promotion

Cooperatives provide education and training to their members, elected representatives, managers and employees to strengthen their engagement with the cooperative and enable them to contribute fully to its success and its democratic life. They inform the public—particularly young people and opinion leaders—about the nature and benefits of cooperation.

6th Principle: Cooperation among Cooperatives

Cooperatives serve their members and strengthen the cooperative movement when they use the services of other cooperatives and work together through local, national, regional and international structures to meet their common goals and advance their aspirations for the movement.

7th Principle: Community Engagement

Through responsible business practices and policies supported by their members, cooperatives work for the wellbeing of the communities in which they operate and a peaceful, just and environmentally sustainable future for all.