

ICA Statement on the Cooperative Identity

Preamble

Since 1895, cooperatives around the world have affirmed their cooperative identity through the International Cooperative Alliance, which holds this Statement in trust as custodian of the cooperative tradition and its guiding principles. The Definition, Values and Principles form a single whole that expresses the shared identity that unites the world's great array of cooperatives and distinguishes them from other forms of enterprise. Interpretive guidance issued by the ICA assists cooperatives of all kinds in giving consistent expression to this identity. As the world changes, the ICA may renew the Statement through its democratic and deliberative processes, taking care to preserve the integrity of the cooperative identity as it is sustained and passed on from one generation to the next.

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, self-responsibility, democracy, equality, equity and solidarity. In the tradition of the movement's founders, they embrace the ethical values of honesty, transparency and caring for others. Stewards for future generations, they practise social, economic and environmental responsibility.

Cooperative Principles

Seven principles guide cooperatives in putting these values into practice.

1st Principle: Voluntary and Open Membership

Cooperatives are voluntary organisations, open without discrimination to all persons who can contribute to or use their services and who accept the responsibilities of membership. Any membership restrictions must be reasonable and related to the cooperative's purpose.

2nd Principle: Democratic Member Control

Cooperatives are democratic organisations controlled by their members. Persons elected or appointed to senior leadership roles are accountable to the members, who exercise their control through their voice, their vote and their active participation. In primary cooperatives, members normally have equal voting rights (one member, one vote). Cooperatives at other levels and those with discrete classes of members are organised on a suitable democratic basis determined by their members.

3rd Principle: Member Economic Participation

Members contribute to their cooperative's economic life when they use or produce its products and services. They contribute equitably to its capital, which they control democratically. Any return on capital subscribed as a condition of membership is limited.

Cooperatives allocate surpluses for any or all of the following: developing the cooperative; setting aside reserves, at least a portion of which remains indivisible; providing for education; distributions to members in proportion to their business with the cooperative; benefiting members on another equitable basis; or advancing other purposes approved by the members.

4th Principle: Autonomy and Independence

Cooperatives are independent organisations controlled by their members. When they enter into arrangements with governments or other organisations, or raise capital from external sources, they do so on terms that protect the cooperative's autonomy and the members' democratic control.

5th Principle: Education, Training and Public Promotion

Cooperatives provide information, education and training to their members, elected representatives, managers and employees to strengthen their engagement and enable them to contribute fully to the cooperative's 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 most effectively and strengthen the cooperative movement when they use each other's services and work together through local, national, regional and international structures.

7th Principle: Commitment to Sustainable Communities

Through practices and policies supported by their members, cooperatives work for the sustainable development of their communities and a secure, just and peaceful future for all.