



# THE SEVEN CO-OPERATIVE PRINCIPLES & CO-OPERATIVE VALUES



## THE CO-OPERATIVE PRINCIPLES ARE GUIDELINES BY WHICH CO-OPERATIVES PUT THEIR VALUES INTO PRACTICE.

### 1. Voluntary and Open Membership

Co-operatives are voluntary organizations, 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.

### 2. Democratic Member Control

Co-operatives are democratic organizations 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 co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

### 3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. 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 co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

### 4. Autonomy and Independence

Co-operatives 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 by their members and maintain their co-operative autonomy.

### 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.

### 6. Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

### 7. Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.



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## CO-OPERATIVE VALUES

In addition to the **Seven Cooperative Principles**, there are a number of cooperative values that guide these principles: Equity, Equality, Self-Help, Democracy, and Solidarity. According to the North country Cooperative Foundation, “These are the values on which the modern cooperative movement was founded and the basis for the organization of every cooperative enterprise in the world today.”

### CONTENTS:

- 1 Equity
- 2 Self-help
- 3 Self-responsibility
- 4 Solidarity
- 5 Equality
- 6 Democracy
- 7 Spotlighted Discussions

- 1) **Equity:** While “equality” is about giving people access to the same resources and treating them the same – “equity” is the concept of providing disadvantaged folks and privileged people with fair accommodation and treatment according to their needs - in order to put them on equivalent ground.

For example, an “equal” treatment of two people would be to give them both three apples. However, if one person already has two apples and the other person has none, an equitable action would be to give the first person one apple and the second person three apples. Otherwise the first person would still have more apples than the second.

This is important in situations where an “equal” action would continue to keep one person in an unfair position over another. People are born into different positions and our society provides certain individuals with privileges that others do not share. Therefore, equitability seeks to account for these unfair advantages that certain individuals inherit by giving people access to the proper resources, treatment, and more – in order to help them gain equal and fair social, economic, and political conditions.

- 2) **Self-Help:** This is the notion that a co-op is an organization that will directly benefit its members and community by the actions it takes and the decisions its members make. Therefore, a co-op is not a charity; instead it is a tool for individuals and groups to use to directly improve their lives and communities through their own work and effort



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- 3) **Self-Responsibility:** Self-responsibility is a major aspect of cooperation. In a cooperative, all members are in charge; so individuals must be accountable for their actions, responsibilities, and duties. Thus, a co-op cannot function properly if the members are neglectful of their responsibilities to their job, the co-op, their fellow members, and themselves. Specifically, in Worker cooperatives, all members are the owners and the body of the business, and so a worker co-op depends on the actions and accountability of the workers more than any other business.
- 4) **Solidarity:** This is the value of “fellowship” amongst members of a co-op (worker-owners or member-owners) and more, including: other co-ops, organizations, and individuals who are linked by a shared concern or cause. Solidarity is the recognition that, in the cooperative movement, the betterment of individuals’ immediate and distant futures depends on the improvement of others’ lives and the fulfillment of their goals (and especially for those who are from less privileged backgrounds). Thus, it is essential for cooperatives and cooperators to recognize the importance of working together to support others in their struggles, goals, and efforts – and for others to do the same for them.
- 5) **Equality:** Only one vote shall be entitled to one member regardless of the amount of contribution he/she has.
- 6) **Democracy:** Cooperatives are controlled, managed and operated by its members, thus every member's suggestions are accepted and heard for the betterment the services or products being extended. Every member, regardless of the amount of their contribution are treated fairly and whose voice or opinion are also honored and heard.