What is a Cooperative?
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.

Why Cooperatives?
Cooperative businesses provide both social and economic benefit to their members and to the communities in which they serve. Cooperatives are also versatile, operating in all sectors and ranging in size from ten members to more than 50 million members.

COOPERATIVES 101

SEVEN COOPERATIVE PRINCIPLES

Around the world, all cooperatives share the same seven principles. These principles set them apart from traditional businesses, as cooperatives commit to being responsive and resilient development actors in their communities. These principles are:

1 Voluntary and Open Membership
Cooperatives are voluntary organizations and are open to all persons, regardless of gender, social, racial, political, or religious identity, who are able to use their services and are willing to accept the responsibilities of membership.

2 Democratic Member Control
Cooperatives are democratic organizations controlled by their members, who actively participate in making decisions and setting the policies for their cooperative.

3 Member Economic Participation
Members democratically control and contribute equitably to the capital of their cooperative.

4 Autonomy and Independence
Cooperatives 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 maintain their autonomy and democratic control by members.

5 Education, Training and Information
Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperatives.

6 Cooperation Among Cooperatives
By working together through local, national, regional, and international structures, cooperatives both serve their members most effectively and strengthen the broader cooperative movement.

7 Concern for Community
Cooperatives are made up of and look out for the communities they operate in. As such, cooperatives work for the sustainable development of their communities through policies approved by members.
Questions about the Cooperative Development Program? For more information, please contact us at localsustainability@usaid.gov.