



SEVEN COOPERATIVE PRINCIPLES

Cooperatives around the world operate according to the same set of core principles and values, adopted by the International Cooperative Alliance. Cooperatives trace the roots of these principles to the first modern cooperative founded in Rochdale, England in 1844. These principles are a key reason that America's electric cooperatives operate differently from other electric utilities, putting the needs of their members first.

1 **Open and Voluntary Membership**

Membership in a cooperative is open to all people who can reasonably use its services and stand willing to accept the responsibilities of membership, regardless of race, religion, gender or economic circumstances.

2 **Democratic Member Control**

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Representatives (directors/trustees) are elected among the membership and are accountable to them. In primary cooperatives, members have equal voting rights (one member, one vote); cooperatives at other levels are organized in a democratic manner.

3 **Members' Economic Participation**

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital remains the common property of the cooperative. Members allocate surpluses for any or all of the following purposes: developing the cooperative; setting up reserves; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

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 ensure democratic control, as well as their unique identity.

5 **Education, Training and Information**

Education and training for members, elected representatives (directors/trustees), CEOs and employees help them effectively contribute to the development of their cooperatives. Communication about the nature and benefits of cooperatives, particularly with the general public and opinion leaders, helps boost cooperative understanding.

6 **Cooperation Among Cooperatives**

By working together through local, national, regional and international structures, cooperatives improve services, bolster local economies, and deal more effectively with social and community needs.

7 **Concern for Community**

Cooperatives work for the sustainable development of their communities through policies supported by the membership.