

SCHEDULE-A
(see section 4 (1) 25)
COOPERATIVE PRINCIPLES

The co-operative principles are guidelines by which co-operative societies put their values into practice.

- 1st Principle : Voluntary and open Membership.
Co-operative societies are voluntary organisations open to all persons able to use their service and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
- 2nd Principle : Democratic Member Control.
Co-operative societies are democratic organisations 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 members. In primary co-operative members have equal voting rights (one member, one vote) and cooperative society at other levels are also organised in a democratic manner.
- 3rd Principle : Member Economic Participation.
Members contribute equitably to and democratically control, the capital of their cooperative societies. 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 societies, possibly by setting up reserves, part of which at least would be invisible, benefiting members in proportion to their transaction with the co-operative society, and supporting other activities approved by the members.
- 4th Principle : Autonomy and Independence.
Co-operative societies are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, 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.
- 5th Principle : Education, Training and Information.
Co-operative societies provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operative societies. They inform the general public- particularly young people and opinion leaders- about the nature and benefits of co-operation.
- 6th Principle : Co-operation among Co-operatives Societies.
Co-operative societies serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.
- 7th Principle : Concern for Community.
Co-operative societies work for the sustainable development of their community through policies approved by their members.