



# **CREATING AN ENABLING ENVIRONMENT**

(for Cooperative Development)

# 1. The political and administrative environment

- A political and administrative system that upholds democratic principles and respects human rights and freedom of association;
- A system that encourages and supports member-controlled economic associations and the pursuit of self-help through group initiatives.
- A system that *recognizes* the economic and social importance of cooperatives

## 2. The Policy Environment

- A cooperative policy can be one of the following:
  - hostile to cooperative development
  - laissez faire
  - supportive
- A supportive policy is necessary in creating an enabling environment for cooperative development
- A cooperative policy should be consistent with other relevant policies

# Harmonization

- A cooperative policy should be harmonized with other relevant policies – that affect cooperative operations and development – e.g.
  - Taxation policy
  - Commercial policy
  - Employment policy
  - Agricultural policy, etc.

# Essentials of a good policy

- A supportive cooperative policy should, among other things,
  - define the role of cooperatives in the social, economic and cultural development of its members and community
  - underscore the cooperative principles and values in organization and operations of cooperatives

## Essentials of a good policy - (cont'd)

- be consistent with ILO Recommendation 193 on the Promotion of cooperatives
- define the actors in cooperative development
- define the role and attitude of government towards cooperative development

# Essentials of a good Policy– (cont'd)

- provide for the formulation of a cooperative legislation
- underscores gender equality
- provide for the formulation of a cooperative development strategy
- provides a general outline of types of cooperatives take into full account emerging/potential forms of cooperative development
- underscores leadership development

# Essentials of a good Policy – (cont'd)

- Underscore good governance
- A policy needs to be reviewed from time to time before lest it becomes obsolete and irrelevant
- A policy needs to be popularized and implemented



# Participative policy formulation

- The formulation or revision of a cooperative development policies requires that all key stakeholders are actively involved in the process. The principal stakeholder in the policy is the **cooperative member**. Members should therefore be duly represented in the process – along with other stakeholders.

# Popularization of Policies

- Policies are usually presented in a technical language which many stakeholders find it difficult to follow. They therefore need to be simplified and popularized
  - popularization methods includes development of *lay-person's guides*, explaining new policies and to cooperative leaders and members, and discussion of their application at members' meetings

# Harmonization of policies and bylaws

- Bylaws of cooperatives need to be harmonized with cooperative policies and laws

# 3. The Legal environment

- Cooperative legislation provides the legal framework for development of cooperatives in a country
- The law is usually based on the cooperative policy
- Once a policy-based law is in force, it overrides any policy which does not comply with it until such time when the policy is changed according to legally defined procedures

# Cooperative law and policy

- Incoherencies between the two diminish their value. Laws which are not applied harm the *Idea of Law*.
- Failing to implement the law deprives government of its finest instrument to implement policies

# Consistency with other laws

- As with policy, a cooperative law should be consistent with other relevant laws that affect cooperatives.

These may include:

- commercial laws
- labour laws
- Taxation laws
- Land laws, etc



# Participatory law making

- As in the case of policy, the process involved in formulating cooperative legislation must ensure active participation by the key stakeholders through regular consultations, taking into account their views, needs and concern.

# Underscore democracy and autonomy

- The purpose of a cooperative law is not to control but rather to facilitate the development of cooperatives.
- The law should refrain from excessive control or compromising democracy and autonomy of cooperatives
- It must recognize and underscore the cooperative principles and values



# Popularization

- As in the case of a cooperative development policy, the cooperative law (which is full of technical jargon) should be popularized by presenting it in simplified, lay-person's version that is widely disseminated among cooperative stakeholders.

# Regulations

- The Cooperative Societies Act (The law) on its own is not enough. There is need for **Regulations** or **Rules** that would empower the designated official (Registrar of Cooperative Societies or Director of Cooperatives) to implement the Act. Formulation of the Regulations should entail a participatory process and must be popularized.

# 4. A Cooperative Development Strategy

- A cooperative development strategy forms the basis for the plans, programmes and actions that will help achieve the objectives of the cooperative development policy.
- A good cooperative development strategy should feature, among other things, the following:-

# Elements of a Cooperative Development Strategy

- Clearly defined strategic objectives
- Creation of a national coordination structure
- Education, Training and information (including pre-membership and mass cooperative education );  
entrepreneurial skill development
- Institutional enhancement and coordination at national and sub-national levels

# Elements of a Cooperative Development Strategy (cont'd)

- Cooperative support services – including ( but not limited to):
  - pre-formation feasibility studies
  - structuring the cooperative movement
  - technical advisory services
  - management consultancy and business development services
  - audit and supervision
  - women and youth mainstreaming
  - innovation and emerging forms of cooperatives

# Elements of a Cooperative Development Strategy

- Strategies for popularization of policies and laws
- Harmonization of laws and bylaws



**THANK YOU**