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 include development of layperson’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