

Legislative developments in Latin America and the Caribbean

Dante Cracogna

Objective. Sources. Contents

- ◇ General overview of the development of Cooperative Legislation in the region
- ◇ Information collected from cooperative organizations and scholars
- ◇ General remarks. Analysis of the situation in various countries. Recommendations

1. GENERAL REMARKS

Historical background

- ⇒ Commercial Codes of Mexico and Argentina (end of s.XIX)
- ⇒ Special laws during first decades s.XX
- ⇒ Role played by the OAS after World War II
- ⇒ Continental Congresses on Coop. Law
- ⇒ Framework Law for Cooperatives in L.A.
- ⇒ Recent developments

General outline of cooperative legislation

- Cooperative laws exist in all countries
- General character: for all types of cooperatives and for the whole country
- Special laws for credit and worker coops.
- Laws make clear difference between coops., corporations and charities (Cooperative act)
- National Constitutions often make reference to cooperatives

Main aspects to be considered about cooperative legislation

- Recognition of cooperatives as legal persons (registration)
- State supervision concerning the law on cooperatives and the law regulating their activities (credit, housing, utilities, etc.)
- Promotion, often provided for at different levels (Constitution, legislation and policy)



2. RECENT DEVELOPMENTS IN VARIOUS COUNTRIES (laws and bills)

Innovations as a consequence of the pandemic

- Extension of the terms of office of directors to ensure continuity of activities
- Authorization of virtual meetings
- Facilities for digital records
- Templates of bylaws and minutes for registration

Saving and credit cooperatives

- Law reforms in several countries to improve their performance (Brazil, Honduras, Peru, Colombia)
- Regulations do not take into account their nature, different from capital organizations (Costa Rica, Ecuador)

Worker cooperatives

- Strong tendency towards issuing laws on worker cooperatives
- As aftermath of the severe employment crisis
- Specially: Paraguay, Ecuador, Honduras, Puerto Rico, Colombia

Cooperative education

- Cooperative education in primary and secondary public and private schools (Paraguay)
- Promotion of school cooperatives (Honduras)
- Training for candidates to become members of the organs of the cooperatives (Panama)

Taxation

- General tendency towards elimination or reduction of any tax exemption granted to cooperatives
- Equalization of treatment with capital companies - not recognizing their singular nature and social benefits

New developments

- Inclusion of cooperatives in the law regarding startups (Brazil)
- Extension to cooperatives of the benefits granted to entrepreneurs (Colombia)
- Support to energy cooperatives (Brazil, Puerto Rico)
- Promotion of gender policy (Chile, Uruguay)
- Reduction of the minimum number of members (Colombia, Argentina)



3. CONCLUSIONS AND RECOMMENDATIONS

Recommendations for legislation

- Definition and treatment of cooperatives according to their nature
- Take into consideration other laws affecting cooperatives: taxation, competition, etc.
- Small cooperatives should be granted more simple requirements
- Participation of cooperative organizations in drafting laws and regulations concerning them