ENSURING LEGAL FRAMEWORK FOR COOPERATIVE GROWTH AND DEVELOPMENT IN NIGERIA

A PRESENTATION

BY

DR. D. A. OKOLO

AT

THE 11\textsuperscript{TH} REGIONAL ASSEMBLY FOR ICA AFRICA

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Cooperatives are a flexible business model.

They are growing in popularity; 10 million people around the world are employed by cooperatives, while nearly 1 billion are members.

They carry out all kinds of business; but all cooperative businesses have some core things in common; e.g;

- Cooperatives want to trade successfully and reward themselves;
- Cooperatives exist to serve their members;
Cooperators think that all people, everyman, woman, and child anywhere in the world deserve a decent life.

- Everybody has a right to a fair livelihood, etc.

One strong argument usually adduced to support the growth and development of cooperatives as a business model therefore is the necessity to have a level playing field; and this is about the legal framework in which cooperatives must operate.

- The right law to allow cooperatives to operate must be in place and compliance with the law is essential in achieving the goal of cooperatives.
2.0 DEVELOPMENT OF THE COOPERATIVE LAW IN NIGERIA

- The first Cooperative Society’s Ordinance/Legislation was enacted in 1935 which established a Cooperative Division in the then Department of Agriculture. And even though, the ordinance was in place, the Colonial Government expressed the view that national capacity did not exist then for the movement to successfully run.
  - So, strong Government control of cooperatives was recommended.
- With regionalization of the country in 1950, each regional government appointed its own Registrar of Cooperatives to regulate the emerging Cooperative Societies.
- In 1974, the Cooperative Development Act (CAP C27) was enacted.
  - It provided administrative duties of the Federal Registrar and support staff as well as the establishment, functions and composition of bodies to oversee cooperative development.
In 1993, the Nigerian Cooperative Societies Act (CAP No 98) was enacted to harmonize the principal law, and allow States to enact regulations as applicable to the States.

- The law defined statutory duties of the office of the Director of Cooperatives; and re-emphasized his functions which included:
  - Registration,
  - Inspection of records,
  - Inquiry,
  - Cancellation of registration,
  - Settlement of disputes,
  - Division,
  - Amalgamation etc.
3.0 COMPLEMENTARITY OF COOPERATIVE POLICY AND LAW

- Initial efforts made towards having an effective law in place did not consider policy as the basis for framing the law.
  - The development of the policy in 2004 therefore probably lagged behind the enactment of the law.
- Current efforts in proposing amendments to extant laws are deriving from the outcome of recent policy revisions.
4.0 MAIN THRUST OF THE NATION’S LEGAL FRAMEWORK FOR COOPERATIVE GROWTH

i. Focus of the legal framework is deriving from new paradigm shift in cooperative policy.

ii. Impactful and sustainable cooperative institutions are being promoted and supported.

iii. New emphasis is on promotion of cooperative business as basis for cooperative societies sustenance.

iv. The goal of financial inclusion (micro-finance and micro-insurance) is a cardinal focus of the national cooperative law.

v. Development of an effective national data base for cooperatives through the Cooperative Data Analysis System (CODAS).
5.0 CONCLUSION

• There is need to acknowledge and recognize the necessity for specific and unique legal framework for cooperatives in public policy and regulations.

• In above regard, effort is on towards deepening the support for cooperative regulators, law makers and policy makers to have greater appreciation of the information/knowledge base of cooperatives required to deepen Cooperative legal framework.