

STUDY REPORT ON

Promoting Partnerships
between the State and
Cooperatives: Comparative
Perspectives from Select
Countries of the Asia-Pacific Region

Presented at the 11th Asia-Pacific
Cooperative Ministers' Conference
28-30 April, 2024 JORDAN

International Cooperative Alliance – Asia And Pacific
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Acknowledgements

We express our gratitude to the International Cooperative Alliance – Asia & Pacific (ICA-AP) for initiating this timely research. This research, which spans multiple countries, was only possible with the valuable contributions of numerous researchers. We sincerely thank all the country partners who participated in this project and came up with valuable contributions within a short time frame.

Furthermore, we appreciate the government officials and cooperative practitioners for participating in the in-depth interviews. We would also like to thank Dr. Sandeep Nair from Chanakya University for coordinating the research and Dr. Chithra for her assistance in reviewing the literature and formatting the report.

The suggestions given in the report are based on the research findings and aim to guide policymakers, cooperative practitioners, and researchers in promoting state-cooperative partnerships. We see ample scope to further develop on these indicative suggestions, both at the national and regional level.

We look forward to suggestions for improving this work as well as to undertake other related studies.

Yashavantha Dongre and Indira Mahendravada

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LIST OF ABBREVIATIONS

ACCFA - Agricultural Credit and Cooperative Financing Administration

ADB - Asian Development Bank

ADP - Agriculture Development Program

ANGKASA - National Cooperative Movement of Malaysia

AP region - Asian-Pacific Region

ARUNS - Accumulated Reserves and Undivided Net Savings

BAF - Business Assistance Fiji

BDCO - Bureau of Development of Cooperation

C2C - Cooperative-to-Cooperative

CAO - Cooperative Administration Office

CDA - Cooperative Development Authority

CDCs - Cooperative Development Councils

CDD - Cooperative Development Department

CDS - Country Development Strategy

CID - Cooperatives In Development

CIM - Cooperative Institute of Malaysia

CSP - Cross-sector Partnerships

CSR -Corporate Social Responsibility

CTC - Cooperative Training Center

DCB - Department of Cooperative Business

DCD - Department of Cooperative Development

EBP - Ethanol Blending Programme

EE - Entrepreneurial Ecosystem

FAC - Framework Act on Cooperatives

GST - Goods and Services Tax

ICA – International Cooperative Alliance

IDACA - Institute for the Development of Agricultural Cooperation in Asia

ILO - International Labour Organization

IGP - Income Generating Project

IHRDP - Integrated Human Resource Development Programme

IORs - Inter Organizational Relationships

IPWRA - Inverse Probability Weighting-Regression Adjustment

IRR - Implementing Rules and Regulations

JA - Japan Agricultural Cooperatives

JCA - Japan Cooperative Alliance

JCC - Jordan Cooperative Corporation

JCCU - Japanese Consumers' Co-operative Union

JCIA - Japan Cooperative Insurance Association Incorporated

JCO - Jordanian Cooperative Organization

JICA - Japan International Cooperation Agency

JJC - Japan Joint Committee of Co-operatives

KAU - Kyrgyz Agrarian University

KCA - Korea Consumer Agency

KICB - Kyrgyz Investment and Credit Bank

KNCF - Korea National Cooperative Federation

KSEPA - Korea Social Enterprise Promotion Agency

LINAC - Laxmanrao Inamdar National Academy for Cooperative Research and Development

MAT - Minimum Alternate Tax

MCC - Malaysian Cooperative College

MCST - Ministry of Culture, Sports and Tourism

MEDAC - Minister of Entrepreneur Development and Cooperatives

MFI - Micro Finance Institutions

MOE - Ministry of Education

MOEF - Ministry of Economy and Finance

MOLIT - Ministry of Land, Infrastructure and Transport

MOUs - Memorandum of Understanding

MSCS - Multi-State Cooperative Societies Act

MSS - Ministry of SMEs and Startups

MTC SMEC - Ministry of Trade, Co-operatives and Small and Medium Enterprises and Communications

NATCCO – National Confederation of Cooperatives

NCARE – National Centre for Agricultural Research and Extension

NAC - National Alliance of Cooperatives

NCC-CD - National Coordinating Committee for Cooperative Development

NCCF - National Consumer Cooperative Federation

NCCT - National Council for Cooperative Training

NCDC - National Cooperative Development Corporation

NCF - National Cooperative Federation of Nepal

NCP - National Cooperative Policy

NCUI - National Cooperative Union of India

NDM - New Development Model

NGO - Non-Governmental Organizations

NHIP - National Health Insurance Program

NPRS - National Poverty Reduction Strategy

NRB - Nepal Rastra Bank

BAF - Business Assistance Fiji

ODA - Official Development Agencies

ODCO - Office of Cooperative Development

PACS - Primary Agricultural Credit Societies

PfG - Partners for Good

PMEP - Prime Minister Employment Program

PPPs - Public-Private Partnerships

PSM - Propensity Score Matching

QCA - Qualitative Content Analysis

ROK - Republic of Korea

SDGs - Sustainable Development Goals

SEEs - Social Economy Enterprises

SIFFS - South Indian Federation of Fishermen Societies

SMECs - Small and Medium-Sized Enterprise Cooperatives

SMEs – Small and Medium-Sized Enterprises

SSE - Social and Solidarity Economy

SSF - Social Security Fund

TDS - Tax Deducted at Source

PACS - Primary Agricultural Credit Societies

PCARDB - Primary Cooperative Agriculture and Rural Development Bank

UN – United Nations

VAMNICOM - Vaikunth Mehta National Institute of Cooperative Management

VAT – Value Added Tax

WFCPCL - Wailailai Flats Cane-Producer Cooperative Ltd

EXECUTIVE SUMMARY

The research study “Promoting Partnerships between the State and Cooperatives – A Comparative Perspectives from Select Countries of the Asia-Pacific Region” explores the legal and institutional provisions for state partnership with cooperatives in select countries of the Asia-Pacific region. The report was prepared by a project team comprising of academic partners from select countries, with support from the International Cooperative Alliance - Asia and Pacific.

The study is based on a comparative analysis of different countries in the region, including India, Japan, Jordan, Kyrgyzstan, Malaysia, Morocco, Nepal, The Republic of Fiji, the Republic of Korea and the Philippines. The study examines the constitutional, legal, and policy frameworks for cooperative development and the nature of engagement between governments and cooperatives, including fiscal incentives, human resources, and financial contributions. The study also explores the perceptions of practitioners and policymakers about the importance of partnerships between government and cooperatives, the gains from partnerships to the government, cooperatives, and society, and the major hurdles/challenges for partnerships. The report is presented in five chapters. It starts with an introductory chapter, which outlines the objectives, methodology, and definitions used in the study. A review of the constitutional, legal, and policy frameworks for cooperative development in each country was compared in the second chapter. The third chapter discussed the mapping of the institutions for facilitating partnerships and the nature of engagement. The fourth chapter presents practitioners' and policymakers' perceptions about partnerships based on in-depth interviews. The report concludes with lessons from case studies and suggestions for promoting partnerships. The report emphasizes the need for a comprehensive legal and policy framework that encourages partnerships between the state and cooperatives and the importance of sustained collaboration between government and cooperatives to achieve common goals.

The study's key findings are as follows:

The research study found a wide variation in the level of engagement between governments and cooperatives across the Asia-Pacific region. While some countries have well-developed legal and institutional provisions for partnerships, others lack such provisions and face significant challenges in promoting cooperative development.

The study also found a strong correlation between the degree of engagement between governments and cooperatives and the contribution of cooperatives to the state. In countries with a high level of engagement, cooperatives have played a significant role in promoting economic development, social inclusion, and environmental sustainability.

The study identified several factors that contribute to successful partnerships between governments and cooperatives, including providing fiscal incentives, human resources, and financial contributions. It also highlighted the importance of consulting with stakeholders in developing cooperative policies and the need for clear partnership guidelines and regulations.

Based on the study's findings, the following recommendations are proposed to promote partnerships between states and cooperatives in the Asia-Pacific region.

1. Develop legal and institutional frameworks for partnership between governments and cooperatives to promote cooperative development.
2. Foster consultations and stakeholder engagement culture in developing cooperative policies.
3. Provide fiscal incentives, human resources, and financial contributions to support cooperative development.
4. Develop clear guidelines and regulations for partnerships between governments and cooperatives.
5. Strengthen the capacity of cooperatives to participate in government welfare programs.
6. Share best practices and lessons learned across countries to promote cooperative development.

Overall, the research study concludes that partnerships between governments and cooperatives can be critical in promoting economic, social, and environmental development in the Asia-Pacific region. The recommendations provided in the study can serve as a roadmap for policymakers and practitioners to promote cooperative development through effective partnerships.

Chapter 1: Introduction, Objectives and Methodology

1.1 Introduction

Cooperatives are people's organizations catering to the needs of different sections of society. Their seven core principles and the set of values they pursue make them unique enterprises in any economy. Though these institutions are voluntary, they work under the policy and legal framework of the respective states. States play an essential role in promoting cooperatives, but the degree of engagement differs in different countries. The degree of engagement of the state with the cooperatives influences their functioning and contribution to the economy and society in general.

Recognition that the modern-day world's problems are 'wicked problems' (Rittel and Webber, 1973) and cannot be solved by a single player encourages cross-sector partnerships worldwide. The announcement of the Sustainable Development Goals (SDGs) witnessed a shift in development thinking. In contrast with the Millennium Development Goals, SDGs emphasize the inter-connectedness of prosperity of business, society, and the environment. Cross-sector collaborations are vital factors in achieving sustainable development goals. Sustainable Development Goal 17, which reads, "Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development", recognizes multi-stakeholder partnerships as important vehicles for mobilizing and sharing knowledge, expertise, technologies, and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries. Cross-sector partnerships create advantages in terms of new knowledge creation, closer collaborations, customized solutions, and increased information and experience sharing, which provides opportunities to form a network of expertise, develop competencies, and realize active learning and new knowledge creation (Khan et al., 2022).

Cooperatives are democratically controlled enterprises with collective ownership. Several researchers have emphasised the importance of legislation and public policies in promoting cooperatives as they impact cooperatives' taxation, level of capitalization, access to finance, and support structures (Beishenaly & Dufays, 2021). The examples often cited are Mondragon in Spain, the Emilia-Romagna and Trentino Regions of Italy and Canadian provinces. Rowe et al. (2018) identified six primary forms of policy support based on analysing the above three 'cooperative hot spots'. They are cooperative recognitions, financing, sectoral finance, preferential taxation, supportive infrastructure, and preferential procurement. In developing

countries, Develtere et al. (2008) observed that public policy is equal to top-down cooperative development, with the cooperative sector heavily dependent on government support.

Therefore, developing an environment to promote cross-sector partnerships (CSP) through policy interventions is essential. In the Indian context, the mandatory CSR policy facilitated CSPs between the corporate and voluntary sectors for development. A recent study observed that mandatory CSR implementation resulted in several CSPs that generated collaborative benefits for companies and voluntary organizations (Indira, 2023).

1.2 International Initiatives

In the context of partnerships between government and cooperatives, tracing the initiatives of the International Labour Organization (ILO) and the United Nations (UN) over time and the recent resolutions of the general assembly are pertinent. The first is the resolution of the General Conference of ILO held in 2002 which recommends government support for the activities of the cooperatives to meet the specific social and public policy outcomes, such as employment promotion or developmental activities benefiting disadvantaged groups. The resolution identified a significant role for the governments in promoting cooperatives through appropriate policy changes. This includes facilitating access to support services to strengthen the visibility and their capacity to generate employment and income.

In the Fifty-sixth session of the UN General Assembly of Economic and Social Council held in 2001, a report on the implementation of UN resolution 54/123 on cooperatives in social development and the views of Governments on the draft guidelines aimed at creating a supportive environment for the development of cooperatives was discussed. The report presented guidelines for the development of cooperatives in member states. The report explained the views of the member states on creating a supportive and enabling environment for the development of cooperatives by, among other things, developing an effective partnership between Governments and the cooperative movement. The initiatives of some of the members are discussed in the report. In Israel, the report says, “The partnership between the Government and the cooperative movement has been the cornerstone of economic and social development in the country since its establishment and is growing through joint programmes in education, industry incubators, and research and development institutions.” The Czech cooperatives develop effective partnerships with the Government mainly through the Council of Economic and Social Agreement (comprising of the Government, trade unions and employers), the Economic Chamber, and the Union of Commerce.

The draft guidelines aimed at creating a supportive environment for the development of cooperatives with several measures being proposed to support cooperatives by creating an environment where cooperatives can participate on an equal footing with other forms of enterprise and develop an effective partnership to achieve their respective goals. An effective partnership between governments and cooperative movements could be sought as part of such an environment.

The guidelines proposed applied research that would be of immediate utility in improving the efficiency of cooperatives, extending benefits to society, and improving partnerships between the cooperative movement and Governments. The guidelines also provided institutional arrangements for collaboration and partnerships. According to this, “an institutional arrangement which enables regular consultation and effective collaboration between Governments and the cooperative movement would be valuable.”

The recent UN resolutions adopted in the General Assemblies held in 2021 and 2023 profoundly influence cooperatives in member countries. The 76/135 resolution adopted by the General Assembly on 16th December 2021 emphasizes the role of cooperatives in social development. The Secretary-General's report submitted under the General Assembly resolution 76/135 outlines vital policies and activities to assist cooperatives in playing an essential role in supporting member countries in achieving their SDG. The report uses the Entrepreneurial Ecosystem Approach as an analytical framework for reporting on implementing 76/135 resolution. According to the report, the cooperative values of voluntary and open membership, participatory decision-making, democratic control by the members, economic participation of members, autonomy and independence, education, training and information, cooperation among cooperatives and concern for the community can contribute to all the dimensions of sustainable development. It calls for governments to identify and expand the availability, accessibility, and dissemination of evidence-based research on the operations and contribution of cooperatives to develop statistical frameworks for systematic and comprehensive data on best practices.

The UN Resolution adopted in the General Assembly held on 18th April 2023 is a landmark in the history of cooperatives as it recognizes cooperatives as part of the Social and Solidarity Economy (SSE). As observed by Ariel Guarco, President of ICA, it is a crucial instrument in improving the visibility of SSE and guides the UN Agencies in setting the SSE priorities. The resolution calls for dedicated legal frameworks in the member states to support national, local and regional strategies. The 2023 UN Secretary-General report on cooperatives in social

development emphasizes the importance of partnerships. It says, “*Cooperatives engage in multi-stakeholder partnerships as well as bilateral collaboration with government agencies, education and research institutions, private intermediaries, international organizations and other cooperative groups and networks.*”

Cooperatives have been recognized as critical agents of socioeconomic development. With their democratic, member-owned and community-oriented structure, cooperatives have the potential to foster resilience, sustainable development, and inclusive growth. To maximise their impact, collaboration between governments and cooperatives is crucial. However, to unlock the full potential and encourage partnership between government entities and cooperatives, there is a need to foster a collaborative and supportive environment, establish a clear legal framework, and develop policies that recognise the value and importance of cooperative enterprises as a vital component of the economy and society. By working together and building a solid partnership, the government and cooperatives can create a conducive environment for economic growth, job creation, and social development, benefiting both the cooperative sector and society.

Even though the literature has many studies investigating the partnerships between nonprofit organizations and businesses from different aspects, more empirical research is needed on the issue of how cooperatives collaborate with other actors in partnerships. Understanding the existing collaborations between governments and cooperatives in the Asia Pacific region is critical to arrive at appropriate policy suggestions. With this premise, the study attempted to explore the existing legal and policy environments to facilitate the engagement of governments with the cooperatives among the countries in the Asia Pacific Region.

1.3 Review of Literature

The review involves literature on recent studies and research papers on cooperative policies, development, governance, and partnerships. The studies highlight the importance of public policy, financial mechanisms, technical assistance, and sector support infrastructure in promoting cooperative development. The success and sustainability of cooperatives are also emphasised through government-cooperative partnerships, long-term support, capacity building, and effective leadership.

Public policy plays a vital role in developing cooperatives in several countries. The significance of public policy and legislations in fostering or hindering cooperative development was analyzed by Adeler (2014). Appropriate policies can create the necessary mechanisms for

developing cooperative organizations more effectively. Elo and Kyngas (2008) provided a comprehensive overview of inductive and deductive content analysis methods for policy analysis. The authors discuss content analysis's preparation, organizing, and reporting phases, including data coding, categorization, and abstraction. In the context of China, Chen et al. (2022) assessed the policy effects of the demonstration cooperatives for farmers in Sichuan Province, China, using the propensity score matching (PSM) method and inverse probability weighting-regression adjustment (IPWRA) method. The study finds that the Chinese government's construction of demonstration cooperatives significantly influenced these cooperatives' economic strength, service capacity, product quality, and social response. The study supports government involvement in improving demonstration cooperatives' economic strength, service capacity, product quality, and social response while taking more effective measures to promote democratic management.

Cooperatives contribute to the development of countries in various different ways. The role of energy cooperatives in advancing sustainability within the energy supply sector was investigated by Besio et al. (2022). The study underscores how these cooperatives foster innovative practices to produce and distribute sustainable energy, promoting profound sustainability ideals. With a focus on participation, the research elucidates how energy cooperatives positively contribute to sustainability by engaging various stakeholders and integrating economic, social, and ecological objectives. Bezboruah and Pillai (2015) studied women's participation in developing countries' financial cooperatives and credit unions based on the data from a 2013 survey of 1,180 MFIs across 110 developing countries, containing financial and operational information collected from balance sheets, income statements, and other relevant documents. Results indicate that women often seek small loans from NGO MFIs, potentially limiting their engagement in larger entrepreneurial endeavours. Future research should address gender disparities in both cooperative and non-cooperative settings. The paper highlights the significance of understanding factors influencing women's participation in financial cooperatives and credit unions to advance gender equality and economic empowerment. The pivotal role of cooperatives in the Philippines' socio-economic progress during the centennial from 1915 to 2015 was examined by Castillo and Castillo (2017). The paper underscores cooperatives' contributions to banking, insurance, agriculture, labour, housing, and energy sectors. Government support in technical guidance, financial assistance, and development were emphasized. It is observed that cooperatives played a vital role in advancing sustainable development goals, contributing to various aspects of well-being and development. The importance of government-cooperative partnership in promoting and

sustaining cooperative growth for socio-economic development was emphasized. Joannidès de Lautour and Cortese (2016) discussed cooperatives' governance and accountability systems and the need to bridge academic and practitioner concerns in understanding cooperative governance and accountability. Kumar (1988) examined the challenges faced by artisanal fisherfolk in Kerala and the success story of the South Indian Federation of Fishermen Societies (SIFFS). It also discussed the historical exploitation of fisherfolk, the failures of past government cooperative efforts, and the emergence of SIFFS as a successful private initiative. Through grassroot efforts and a genuine commitment to battling exploitative forces, SIFFS has become a model for authentic regional cooperativisation. The article highlighted the importance of spontaneous responses to exploitation, community involvement, and government support in the success of fisherfolk cooperatives. The author discussed the limitations faced by SIFFS in terms of market vulnerability and the unique challenges of the fish economy in Kerala. Priyono (2023) Discussed the development of cooperatives in increasing business in Mojokerto City, Indonesia, focusing on factors influencing their growth. Moon and Lee (2020) discussed the success and failure of agricultural cooperatives in the Musambira Sector, Rwanda, under the Saemaul ODA Program. The authors emphasized the importance of precise target setting, diligence for accomplishment, and a sense of ownership as crucial elements for the success and sustainability of cooperatives. It highlighted the necessity of long-term support, capacity building, and effective leadership for the success and sustainability of agricultural cooperatives in developing countries.

Dhakal and Mueser (2021) analyzed the role of agricultural cooperatives in poverty reduction in Nepal using a two-stage least squares technique and probit model. The result revealed that membership in agricultural cooperatives was associated with higher per capita consumption expenditure. The agrarian cooperatives positively impacted poverty reduction in Nepal, evidenced by higher per capita consumption expenditure among members. Dongre (2015) documented the mainstreaming of cooperatives in Asia. The discussion focused on the importance of the ICA Blueprint for a Co-operative Decade in guiding cooperatives towards sustainable growth. It highlighted the strength of the Asian cooperative movement in contributing to GDP, employment, and social well-being.

The Social and Solidarity Economy (SSE) landscape in the Republic of Korea was discussed by Kim et al. (2021). The diverse array of organizations and enterprises within this sector underline its vibrancy, supported by a conducive institutional environment, which was discussed. The authors observed that Government engagement has been instrumental in

expanding SSE and integrating it into broader social and labour policies. Notably, social enterprises and cooperatives in Korea play a vital role in generating employment opportunities for marginalized and vulnerable populations. A comprehensive overview of South Korea's social economy's growth and development, highlighting its unique challenges and opportunities, was analyzed by Lee and Kim (2013). The authors documented the positive impacts of government-driven policy initiatives, such as creating new employment opportunities and supporting economically disadvantaged individuals. Over-reliance on government subsidies, the absence of a comprehensive policy framework, and the necessity for a more coordinated approach to policy implementation were observed. The authors suggested that addressing these challenges and promoting collaboration between sectors will enable the South Korean social economy to achieve long-term sustainability and continue its positive societal impact.

Othman et al. (2013) studied the growth of cooperative organizations in Malaysia and the government's reliance on them for economic development. The government's involvement in the development of cooperatives and the challenges faced in cooperative governance were discussed. The study presented the importance of cooperative legislation in Malaysia and the government's efforts to strengthen cooperative governance. Rajaratnam et al. (2010) investigated factors influencing the success of cooperatives in Malaysia, drawing on literature from other countries. According to the authors, strong leadership, competent management, and engaged membership contribute to success. Further research was proposed to validate these findings and their connection to cooperative achievement, aiding Malaysia's goal of enhancing the sector's economic contribution. Safiyuddin et al. (2022) evaluated the financial performance and efficiency of selected cooperatives in Malaysia highlighting the importance of managerial efficiency in driving overall technical efficiency. Tripathy et al. (2021) examined the relationship between governance practices and competitiveness in Primary Agricultural Credit Societies (PACS) in Kerala, India. Strategic diversification is identified as a critical factor for the competitive advantage of PACS, while collaborative alliances and shared resources are seen as contributors to their competitive capabilities. In the context of China, Zhang et al. (2023) explored the role of government intervention in promoting cooperative development, focusing on the XM Beekeeping Cooperative in Sichuan Province. The authors analyzed the challenges and issues related to government intervention in cooperative development in poverty-stricken areas, particularly in the People's Republic of China. The findings emphasized the crucial role of government intervention in building cooperative

ecosystems in impoverished areas. They also stressed the need for timely adjustments to intervention methods based on their effectiveness.

Partnerships are the recent development paradigm. The literature mainly focuses on partnerships between government, non-governmental organisations (NGOs), and the corporate sector. Kabdiyeva and Dixon (2014) analyzed the partnerships between NGOs and the state in Kazakhstan. They explored the history of NGOs and NGO-state cooperation. They emphasized the importance of transparency, institutional capacity building, and fostering long-term collaboration between NGOs and the state and discuss the constraints and success factors in NGO-State collaboration.

Very few studies explored the partnerships between government and cooperatives. The definitional issues of collaboration, coordination, and cooperation in the context of Inter Organizational Relationships (IORs) within the general management literature were discussed by Castaner and Oliveira (2020). By a systematic literature review of top-tier management journals from 1948 to 2017, the study addresses the conceptual confusion surrounding these terms and proposes refined definitions. The findings emphasized the importance of methodological rigour, conceptual clarity, and consistency in defining and studying collaboration, coordination, and cooperation. Several researchers have analyzed the partnerships between the public and private sectors. Wang et al. (2017) presented a systematic literature review of articles in the Public Administration discipline, with a focus on public-private partnerships (PPPs). This paper offers a general overview of PPP studies in the Public Administration (PA) field, serving as a platform for future research and fostering better cooperation between PPP policymakers and practitioners. While analyzing these partnerships in providing health and education services, Wang (2000) suggested that public-private partnerships can serve as a developmental strategy for developing countries. However, it is essential to address the obstacles to facilitate such collaborations.

The critical characteristics of partnerships between agricultural cooperatives and other entities in Saudi Arabia were studied by Alotaibi and Kassem (2022). Various facets such as partnership configuration, stakeholders, objectives, types, stages, communication methods, outcomes, evaluation, and sustainability were discussed based on the analysis of 69 partnerships formed by 32 agricultural cooperatives from 2016 to 2020, primarily involving the provision of farming inputs, equipment, capacity building, and training to stakeholders. Notably, the public sector emerges as the primary actor in inter-sector partnerships. The importance of collaborative efforts and strategic partnerships in enhancing governance practices at various

levels, from local to global, were discussed in the Report of an Expert Group (2003) Meeting on Supportive Environment for Cooperatives held in Ulaanbaatar, Mongolia and supported by the Department of Economic and Social Affairs of UN (2000). It emphasizes the significance of inclusive governance involving diverse stakeholders, such as government, civil society, and the private sector, to promote transparency, accountability, and efficiency in decision-making processes. The role of international organizations like the United Nations in supporting the development of global partnerships and fostering cooperation among nations in the Global South was discussed. Through case studies, recommendations and discussions, the document showcases the practical applications of partnership strategies in achieving sustainable human development and advancing the goals of good governance worldwide. Partnerships between the public and cooperative sectors in Sweden were discussed by Fregidou-Malama and Tiwari (2022). The study explores the motivations, goals, and challenges both public and cooperative organizations encounter in forming partnerships. It also delves into these partnerships' governance structures, power balance, and contractual governance. The findings highlighted the importance of understanding the objectives and motivations of both sectors in establishing partnerships, as well as the challenges faced in structuring and managing such collaborations. The study emphasized the significance of power balance, network governance, and contractual governance in ensuring successful partnerships. Grossman (2012) explored the concept of public-private partnerships (PPPs) and their transformation into business improvement districts, focusing on performance measurement. The paper highlighted the complexity of PPPs due to their multisectoral nature, diverse stakeholders, and associated change risks. The paper discussed the significance of trust in PPPs and suggested that government actors adopt entrepreneurial thinking and behaviour. In contrast, business actors should prioritize public interest considerations and anticipate increased public accountability. The significance of partnerships between agricultural cooperatives and development actors in supporting financial capital and addressing sustainability issues collectively was discussed by Herab et al. (2022). The study analyzed the features and strengths of 33 partnerships established between the Beekeeping Cooperative Association in Al-Baha, Saudi Arabia, and other actors between 2016 and 2021. Findings indicated the positive impact of partnerships on beekeeping services, innovation, environmental objectives, and asset development.

Munir et al. (2021) studied the issues of developing sustainable cooperative partnerships for economic development by overcoming obstacles such as limited human resources and funds. The results showed that the cooperative strategy in building partnerships between cooperatives and other financial institutions was based on mutual benefit. Cooperatives need to improve

themselves so that they can meet the feasible and bankable criteria. Reed and Reed (2009) analyzed various partnerships between businesses and stakeholders to advance development. The authors categorized the partnerships into four models: conventional business, corporate social responsibility, corporate accountability, and social economy. The authors explored each partnership type's roles, forms, and potential contributions to development. Royer et al. (2017) examined the partnership between a cooperative union and a domestic private firm in Ethiopia. The technical assistance provided by the union, supported by the exporting company and an NGO, was a crucial factor in the partnership.

UN promotes an Entrepreneurial Ecosystem perspective for developing cooperatives in member countries. The 2023 UN Secretary-General report on cooperatives in social development has recommended the entrepreneurial ecosystem approach to support cooperatives in realising their potential to enhance economic and social well-being. The report outlines policies and actions to assist cooperatives in achieving Sustainable Development Goals (SDGs), including creating decent jobs, eradicating poverty, and promoting environmental sustainability. The cooperative entrepreneurial ecosystem comprises five key actions: policy and regulatory environment, education and capacity-building, the culture of cooperation, funding and finance, and building networks and partnerships. Thriving cooperative ecosystems were illustrated through case studies of the Mondragon Corporation in Spain and the Kibbutz movement in Israel. The report highlighted four key recommendations to Member States: adopting the entrepreneurial ecosystem approach, supporting further research, collecting comprehensive data on cooperatives' role, integrating cooperatives into national development plans and SDG reporting processes, and providing policy analysis and capacity-building assistance to promote cooperative growth for sustainable development.

Beishenaly and Dufays (2023) discussed the development of agricultural cooperatives in Kyrgyzstan from an Entrepreneurial Ecosystem (EE) perspective, aiming to enrich the understanding of factors supporting cooperatives in developing countries. It adapts the EE framework to cooperative entrepreneurship and identifies five primary dimensions: policy and regulatory framework, education and skills, market environment, culture, and networks. The study emphasizes cooperative enterprises' unique characteristics and requirements, highlighting the significance of public policy, legislation, and investment in education and skills. It emphasises cultural factors and advocates for a holistic approach to unlock cooperative entrepreneurship's potential. Focusing on agricultural cooperatives in Kyrgyzstan, a post-socialist country with a transition economy, the paper sheds light on the benefits of cooperation

in agriculture despite challenges arising from a lack of understanding of cooperative specificities. Naseef and Jyothi (2019) proposed the EE System approach as an effective mechanism to revive the coir co-operatives industry in Kerala. The study also calls for a paradigm change in the industry's administrative framework to promote innovation and growth. The study emphasized the need for support systems for funding, infrastructure development, and customer base expansion to improve the industry's performance. Stam and Van De Ven (2018) explored how entrepreneurial ecosystems impact entrepreneurial outcomes, emphasizing their interdependence and the necessity of a systems perspective for clarity of understanding.

The literature review establishes that collaboration/partnership between sectors is a commonly seen and highly recommended approach to realising development goals. Further, most researchers and policy analysts innately feel that the government and cooperative sector need and have scope to work together. Though there are few specific studies on such partnerships, understanding the partnership between the state and the cooperative sector becomes imperative within the paradigm of inter-sectoral partnership. This study is an attempt to explore such partnership possibilities.

1.4 Objectives

The primary objectives of this study are:

- To review the existing constitutional and legal provisions and policy initiatives in the Asia Pacific region to understand their support for the promotion of partnerships between the government and the cooperatives
- To map the existing partnerships between government bodies and cooperatives in different countries of the Asia-Pacific region
- To understand the perceptions of cooperative practitioners and policymakers on the feasibility of partnerships and the benefits
- To provide recommendations for promoting partnerships between the government and corporations to generate partnership gains for the welfare of the members.

The research tries to answer the following questions.

- What are the constitutional and legal provisions in countries of the AP region for encouraging partnerships?
- What are the recent policy interventions?

- What are the existing partnerships, and what is being shared?
- Are there any hurdles in the existing policies, and what should be the policy changes?
- What challenges do governments/local authorities and cooperatives face in promoting partnerships?

- How can partnerships between cooperatives and governments be fostered to achieve sustainable development goals while benefiting from the cooperative model?

1.5 Definition:

Partnerships are collaborative arrangements between different actors. Partnerships between organizations from different sectors are considered cross-sector partnerships (CSPs). A partnership between the State and a Cooperative is one of the various types of cross-sector partnerships. In the last twenty years, the concept of ‘partnership’ has emerged as the ‘new big idea’ in development discourses (Kayizzi-Mugerwa, 1998). The Oxford Dictionary defines partnership as a relationship between people or organisations. Other associated words include *association, cooperation, collaboration, participation, joint decision making* and *long-term relationship*. However, there is a lack of clarity surrounding what partnership means and the principles that underlie a partnership approach. Fifty Shades of Partnerships: A Governance Typology for Public-private Engagement in the Nutrition Sector by Patay et al. (2023) is a testimony to this diversity of association.

According to Brinkerhoff (2002), equality in decision-making and mutual influence are the key characteristics that distinguish partnerships from other types of relationships. However, developing a relationship characterised by a free and equal exchange of ideas is challenging because of language diversity, geographical constraints, and differences in how the relationship/partnership is conceptualised and interpreted (Bailey & Dolan, 2011).

Partnerships indicate the engagement between the partners. The engagement could be for different purposes, such as sharing scarce resources, increasing coverage, sharing the costs, or gaining credibility from each organization's reputation. Partnerships frequently involve collaborations between parties with varied and often unequal resources. To truly benefit all collaborators, partnerships must be carefully monitored and evaluated with an equity lens considering this resource disparity context.

The present study defines partnership broadly, covering engagement, participation, involvement, and consultation.

1.6 Methodology

The study examines national legislative policies of select countries in the Asia Pacific region to elucidate the extent of government engagement with cooperatives.

The following Ten Asia Pacific countries spread across the region were selected for the study.

South Asia – India, Nepal

South East Asia – Malaysia, Philippines

East Asia – Japan, Republic of Korea

Central Asia – Kyrgyzstan

Middle East – Jordan

Africa – Morocco

Oceania – Republic of Fiji

It is an exploratory study using content analysis to qualitatively analyse the constitutional and legal provisions and policies adopted in these countries. Data sources for the study include documents collected from multiple sources, mainly internet sources and in-depth interviews. Documents include publicly available cooperative laws, acts, etc. In-depth interviews were conducted with the various stakeholders, such as policymakers, cooperative experts, office bearers of cooperatives and members of cooperative societies in the selected countries, to understand their perceptions about existing partnerships, gains from partnerships, legal support, the challenges and the potential for partnerships. A framework for data gathering was prepared and provided to the participating countries, requesting that they discuss it with the cooperative sector's representatives, i.e., policymakers, cooperative practitioners, and other members.

We followed Qualitative Content Analysis (QCA) of policies/laws in Asian Pacific countries. The content analysis aims to document policy changes, policy innovations, and the evolution of legal systems through the involvement of institutions and cooperatives in sustainable development. The content analysis of the policy documents focused on understanding,

- a) What aspects of partnerships/engagement are evident in the language?
- b) Does the policy language refer to this directly/indirectly?
- c) What is expressly stated/not stated in the policy?

We used MAXQDA software for computer-assisted qualitative and mixed methods data and text analysis. This is used to organize and document our close reading (line-by-line coding) of

all the relevant laws to understand the legal provisions for government engagement with cooperatives. Coding for the concept's existence is adopted rather than for its frequency. Counting is only once in coding for the idea while counting how many times is essential in coding for frequency. Codes are developed around the partnership domains using MAXQDA software to organize the content. The codes are created based on the extant literature on cross-sector partnerships. They are,

Mention of partnerships/engagement in the policy

Sharing of resources

Institutions involved

Governance structure

Fiscal Provisions

Preferential treatment

Mandatory conditions

Engagement with government agencies

Implementation of government programmes.

Discussions were held about how to make sense of the non-classified codes, allowing us to understand the linkages.

1.7 Chapter Scheme

The report is presented in Five chapters.

The first chapter introduces the topic and briefly reviews the literature, objectives, and methodology.

The Constitutional, Legal and Policy Scenario for Cooperative Development is discussed in the second chapter.

The Mapping of Partnerships is presented in the third chapter.

The Perceptions of Practitioners and Policy Makers are discussed in the fourth chapter.

The fifth chapter summarizes the findings and provides suggestions.

Chapter II: Constitutional, Legal and Policy Scenario for Cooperative Development

2.1 Introduction

The State's involvement with the cooperatives could be constitutional or through legal and policy instruments. While constitutional provisions provide a broad framework, the laws define specific institutional details and structures while, policies create a series of regulations associated with each law. When it is constitutional, the legal and policy guidelines will be aligned with the constitutional provisions. Constitutional provisions are essential in safeguarding cooperative principles, as changes can be made only with the majority opinion in democratic federal systems. One example is the 97th constitutional amendment incorporated in 2011 in India, where the centre introduced an amendment to achieve uniformity. However, the Supreme Court quashed specific provisions because they conflicted with the state's autonomy and that any amendment should be done only with the ratification of at least one-half of the state legislation.

The constitutional, legal and policy provisions for cooperatives in selected Asia Pacific countries are discussed in this chapter.

2.2 Constitutional Provisions

Among the ten countries studied, only in three countries (India, Nepal and the Philippines) we found the inclusion of cooperatives in the constitution. In the case of India, cooperatives are included in the constitution under Part IV Directive Principles of State Policy 43B. It says, *"The State shall endeavour to promote voluntary formation, autonomous functioning, democratic control and professional management of co-operative societies."* Cooperation is included in the State List under the Seventh Schedule of the Constitution. As per entry 32 of the list, *"Incorporation, regulation and winding up of corporations, other than those specified in List I, and universities; unincorporated trading, literary, scientific, religious and other societies and associations; co-operative societies"* are in the list. However, the 97th constitutional amendment moved it from directive principles status to the status of a fundamental right. Article 43B, which directs the state to promote cooperative societies, was added by the Ninety-Seventh Amendment of the Constitution of India. The 97th Amendment Act of 2011 amended the Constitution to establish the right to organise cooperative organisations as a fundamental right (Article 19), and it inserted a new Section IX-B to the

Constitution, named “The Cooperative Societies” (Article 243-ZH to 243-ZT) which applies to the Multi-State Cooperative Societies (MSCS) registered under the MSCS Act 2023.

Though the Moroccan constitution does not provide a detailed account of cooperatives, Article 71 of the 2011 constitution states that the domain of law, other than the matters expressly devolved on it by other Articles of the Constitution, is *‘the regime of civil and commercial obligations, the law of societies and cooperatives’*. This indicates that *cooperatives are constitutional institutions in Morocco*.

Nepal is another country where cooperatives are provided equal importance along with the public and private sectors in the constitution. Article 50 of the Constitution of Nepal, which came into existence in 2015 under the democratic political setup, provides the directive principles, and sub-article 3, under the directive principles, elaborates explicitly on the economic objectives of the state and the institutions involved in achieving sustainable economic development. Cooperatives are one of the three institutions given equal importance along with the public and private sectors. The Constitution of Nepal also details the state policies addressing different sectors of the economy to achieve development. Article 51 of the constitution classifies these policies into twelve categories covering all dimensions of sustainable development. These policies aim “To strengthen the national economy through participation and independent development of the public, private, and cooperative sectors, and to promote the cooperative sector and mobilize it in national development to the maximum extent.”

The 1987 constitution of the Republic of the Philippines recognises cooperatives as a model for improving the economy. Article 12 of the Constitution provides cooperatives with constitutional status. Section 1 (National Economy and Patrimony) envisages that in pursuit of attaining the national goals, all sectors of the economy and all regions of the country shall be given optimum opportunity. Private enterprises, including corporations, cooperatives, and similar collective organizations, shall be encouraged to broaden their ownership base.

Section 6 defines the rights of institutions, including cooperatives. The article states, “The use of property bears a social function, and all economic agents shall contribute to the common good. Individuals and private groups, including corporations, cooperatives, and similar collective organizations, shall have the right to own, establish, and operate economic enterprises, subject to the State's duty to promote distributive justice and intervene when the common good demands.”

Section 15 of the constitution defines the state's role in promoting the cooperatives. Congress is given the power to create an agency to promote the viability and growth of cooperatives as instruments for social justice and economic development.

The constitution of the Philippines went ahead of any other constitution in the Asia Pacific region in granting ownership and management of mass media to cooperatives along with the citizens of the Philippines or to corporations, cooperatives or associations wholly owned and managed by such citizens. Section 5, ARTICLE 13 deals with the Agrarian and Natural Resources Reform. The constitution says, “The State shall recognize the right of farmers, farmworkers, and landowners, as well as cooperatives, and other independent farmers’ organizations to participate in the planning, organization, and management of the program, and shall provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing, and other support services.” Another essential feature specific to the Philippines is the provision for the political representation of cooperative-backed parties in the House of Representatives. As per the constitution, the party-list representatives shall constitute 20% of the total representatives. The Cooperative NATCCO party (Coop-NATCCO) is a party-list in the Philippines that has represented the cooperative sector in the Philippine Congress since 1998.

Among the other five countries, though cooperatives are not directly mentioned in the constitution of the Republic of Korea (ROK), self-help institutions are mentioned. For example, according to Article 123, “The State shall foster organizations founded on the spirit of self-help among farmers, fishermen and businessmen engaged in small and medium industry and shall guarantee their independent activities and development”. The same is the case with Japan. The Constitution of Japan (1947) does not mention cooperatives specifically. However, under Article 21, Freedom of assembly and association, as well as speech, press, and all other forms of expression, are guaranteed. This provides the opportunity for the formation of cooperatives as voluntary associations.

The Jordanian Constitution mentions associations or self-help groups in its articles. Accordingly, Article 31 of the Constitution stipulates that the King ratifies the laws, promulgates them, and directs the enactment. This said, the Constitution (Article 16.2) grants Jordanians the right to establish societies provided that the objects of such societies are lawful, their methods peaceful, and their by-laws not contrary to the provisions of the Constitution. It is generally understood that such a right applies to cooperative associations. Therefore, the Jordanian Constitution stipulates the establishment of associations, including cooperatives.

There is no mention of cooperatives in the first constitution of Kyrgyzstan, adopted on 5 May 1993, or in its several amendments introduced subsequently. The Federal Constitution of Malaysia, which came into force in 1957 as the Constitution of the Federation of Malaya and was amended in 1963 to form the Constitution of Malaysia, does not refer to cooperatives, except that cooperatives are included in List 1 of Federal List Malaysia's Constitution. However, it guarantees freedom of assembly and association under the Fundamental Liberties. Similarly, the constitution of the Republic of Fiji that came into effect in 2013 does not mention cooperatives, though freedom of assembly is mentioned under the Bill of Rights in Chapter 2.

2.3 Legal Frameworks

Legal frameworks governing cooperatives differ in different countries. They range from an overarching framework for all types of cooperatives regulated by one ministry to different Frameworks for different cooperatives, as in Japan. On the other hand, in a federal system, there may be a central framework controlled by the federal government and state frameworks initiated by respective state governments. For example, in the Indian context, the Cooperative Societies with objects confined to one State are governed under the respective State Cooperative Societies Act. In contrast, the Cooperative Societies with objects not confined to one State are administered under the provisions of the Multi-State Cooperative Societies Act (MSCS), 2002 and rules made there. These Acts provide the guidelines for the eligibility for membership, registration, privileges of cooperative societies, inspection, inquiry, tax exemption, etc. Among the countries reviewed, we found a combination of all the above. While Japan has different Acts for each cooperative and three ministries with jurisdiction over these Acts, the Malaysian cooperative sector is governed by a single national cooperative policy.

In the case of the Central Asian country Kyrgyzstan, the Law of the Kyrgyz Republic “On Cooperatives” dated June 11, 2004, N 70 defines the legal and economic basis for the formation and activities of cooperatives in the Kyrgyz Republic and their unions. The law which is presently under implementation, made it possible to eliminate the main barriers to the development of cooperation and cooperatives are well integrated into national policy in Kyrgyzstan. The National Development Strategy of the Kyrgyz Republic for 2018-2040, adopted by Decree of the President of the Kyrgyz Republic dated October 31, 2018, No. 221, stipulates that to increase the economic efficiency of agriculture, the state should promote the transformation of small private farms into cooperatives. State support would be directed to large rural enterprises, farms, and cooperatives that produce and process agricultural products and create high-value-added products.

The Kyrgyz Republic provides a vital role for cooperatives in the strategic direction of transforming agriculture in the medium term.

Perhaps the Indian cooperative legal framework has the most extended history among the countries reviewed. The earliest Cooperative Credit Societies Act, 1904, provided guidelines and tax exemptions and the Cooperative Societies Act of 1912 and the Government of India Act of 1919 provided rules for Federations of cooperatives. Though cooperation as the subject was transferred to the provinces in the Reforms Act 1919, the membership issues of people from different states in the case of Central Government salary earners credit cooperative was resolved with the Multi-Unit Cooperative Societies Act passed in 1942. This delegated the power of the Central Registrar of Cooperatives to the State Registrars for all practical purposes. However, this was repealed in 1984, and comprehensive central legislation was enacted to facilitate the organization and functioning of genuine multi-state societies and to bring uniformity in their administration and management, the MSCS Act of 1984 was enacted. A Model Cooperatives Bill of 1990 was introduced based on the recommendations of the Expert Committee. However, due to the operational difficulties as cooperation is a state subject, a section of cooperators and civil society initiated action to implement Parallel Cooperative Legislation for self-reliant cooperatives. Thereby, the Model Cooperative Bill of 1990 became law, i.e. Mutually Aided Cooperative Societies (MACS) Act in 1995, which is also widely known as self-reliant cooperative societies. Self-reliant cooperatives do not receive government assistance through equity contributions, loans, or guarantees. Eight States/ UTs (Andhra Pradesh, Telangana, Karnataka, Bihar, Chhattisgarh, Jharkhand, Jammu & Kashmir and Uttarakhand) enacted this MACS as a Parallel Cooperative Act besides their (traditional) State Cooperative Societies Act, which ensures the autonomous and democratic functioning of cooperatives.

The Companies Amendment Act of 2002 is a landmark in India's cooperative legislation history resulting in the amendment of the Companies Act of 1956. The Producer Companies Bill was introduced in Parliament and became law on 6 February 2003 as Part IXA—Producer Companies in the Companies Act, 1956. Based on the cooperative principles of mutual assistance, it provided an alternative to the institutional form available to cooperative enterprises.

The government of India embarked on a more significant role for the government in promoting cooperatives with the formation of the Ministry of Cooperation on 6th July 2021. Under the

umbrella of the Ministry, several initiatives are proposed. The Multi-State Cooperative Societies (Amendment) Act and Rules 2023 have been introduced to promote transparency, accountability, ease of business, and self-regulation among multi-state cooperative societies. The Multi-State Co-operative Societies (Amendment) Bill, 2022, was passed on July 25th 2023, which facilitates the establishment of the Co-operative Election Authority to conduct and supervise elections to the boards of multi-state co-operative societies and creates a Co-operative Rehabilitation, Reconstruction and Development Fund to meet the financial requirements of sick cooperatives, it requires a multi-state cooperative to take prior permission from the government authority before redemption of their shareholding. The provisions of financing the fund by the profitable cooperatives and the prior permission for the redemption were criticised by many as an encroachment into the cooperative principles.

In Japan, although there is no general cooperative law, separate cooperative Acts are dedicated explicitly to different kinds of cooperatives and are regulated by different ministries. Four cooperative laws are tailored to specific cooperative types: the Agricultural Cooperative Law, the Fisheries Cooperative Law, the Consumer Cooperative Law, and the Small and Medium Enterprise Cooperative Law. Each law falls under the jurisdiction of different ministries: the Ministry of Agriculture, Forestry and Fisheries oversees the Agricultural Cooperative Act and the Fisheries Cooperative Act, the Ministry of Health, Labour and Welfare manages the Consumer Cooperative Act, and the Ministry of Economy, Trade and Industry governs the Small and Medium-sized Enterprises Cooperative Act.

Japan Cooperative Alliance (JCA) was formed in 2018 as an apex organization to unite cooperatives and strengthen the movement based on shared values and interests. The JCA has as its members various co-operative organisations in Japan with a total membership of approximately 65 million and works to promote cooperation between them. Its members include cooperatives and related organisations in various fields and industries, such as agricultural and fishing cooperatives, co-operatives, small and medium-sized business organisations, credit unions and credit associations, workers' welfare organisations, welfare and welfare organisations and workers' co-operatives. In 1956, its predecessor, the Japan Joint Committee of Co-operatives (JJC), was established to promote cooperation between the various cooperative societies. In 2018, the JJC was reorganised into the current JCA to allow cooperatives to expand the potential of their roles and functions in the community (JCA, 2018).

Since agricultural cooperatives are the most potent and constitute Japan's most significant share of the cooperative sector, the agricultural cooperative law, enacted in 1947, is analysed in the present study. The Japanese Agricultural Cooperatives (JAs) are organized in associations at the prefectural and national levels, and the group of all such associations and related entities is called the JA Group. Centralisation in the agricultural cooperative sector in Japan started with the establishment of JA-Zenchu, the Central Union of Agricultural Cooperatives, in 1954. It is a specially authorized body under the Agricultural Cooperative Law to represent all JAs, coordinate their activities, and provide consulting services. The JA has a top-down power structure that controls local agricultural cooperatives through JA-Zenchū. JA-Zenchu, the specially authorized body under the Agricultural Cooperative Law, was converted into a generally incorporated association in 2019 following the revision of the Agricultural Cooperative Law.

In the case of Jordan, Government involvement with the cooperatives can be traced back to the new cooperative law enacted in 1968. During the war, several cooperatives ceased to function and therefore, after the war in 1967, a new cooperative law (No. 55 of 1968) was enacted. The act provided for establishing the Jordanian Cooperative Organization (JCO) as a private institution. The JCO, established in 1968, was a hybrid, parastatal organization funded and managed by the Government, with the cooperative movement providing oversight and direction. With the establishment of JCO, all the other previously existing cooperative arms, such as the Jordanian Cooperative Central Union and the Cooperative Audit Union, were absorbed into JCO. The government was registering societies under the Ministry of Labour and Social Affairs, however, as the cooperative Banks could not survive due to a poor loan recovery rate, which never exceeded 40 per cent, it collapsed in 1995. Subsequently, the government dissolved the Jordan Cooperative Organization (JCO) and replaced it with the Jordan Cooperative Corporation (JCC), a government agency wholly owned by the state.

The Federated Malay States Council passed the first co-operative law called the Co-operative Societies Enactment under the British government on 28 June 1922. Subsequently, the Postal and Telecommunications Co-operative Thrift and Loan Society Limited Company was registered on 21 July 1922. During the same year, the Department of Cooperative Development (DCD) was established to promote the growth of cooperatives and ensure that they operate according to the Cooperatives Societies Act of 1922. In the 1990s, the Department of Cooperative Development (DCD) was placed under the Ministry of Land and Cooperative Development, which emphasized creating more worker-investment cooperatives in factories

and private companies. The Malaysia Co-operative Societies Commission Act 2007 was established to create the Malaysia Co-operative Societies Commission and related matters.

In Morocco, cooperatives are the major players in the Social and Solidarity Economy (SSE) with all the policies and legal provisions made to address the SSE guide cooperatives. Morocco's New Development Model (NDM), established in 2021, has paid particular attention to the Social and Solidarity Sector. The NDM focuses on the combined SSE sector and its components positioning it at the heart of national economic development by considering it a fully-fledged economy, with the present constitution voted in 2011 as its framework along with specific laws for the cooperatives.

In Morocco, cooperatives are regulated by law 112-12 on cooperatives of November 21, 2014 with all cooperatives being subject to this law, except agrarian reform cooperatives. Other texts also regulate housing cooperatives, mining cooperatives, the national federation of cooperatives and agrarian reform cooperatives. Housing cooperatives are regulated by the Royal Decree No. 552-67 of December 17, 1968, relating to land credit, constitution credit and other concerns of housing cooperatives. The Law 74-15 promulgated on August 25, 2016, concerns with the procedure for obtaining the authorization to mine mineral deposits.

Dahir n ° 1-58-376 of November 15, 1958 regulating the right of association - This law concerns the constitution and the functioning of the national federation of cooperatives, For the missions they are mentioned at the level of the law 112-12

The entry into force of Law 112-12 has also contributed to the multiplication of the number of cooperatives. By introducing simplified procedures for creating cooperatives, this law has made access to this organizational model easier for a larger number of people and entities. By allowing legal entities and non-Moroccan foreigners to form cooperatives, the law has opened up new possibilities and broadened the base of potential cooperators.

Furthermore, Law 112-12 has clarified and strengthened governance structures, encouraging member confidence and participation. The principles of transparency and accountability have been integrated into the new legislation.

The Cooperatives Act 2017 was announced after the proclamation of the Constitution of Nepal in 2015 by consolidating the existing cooperative laws to prepare cooperatives as one of the three pillars in the development process, the other two being the government and the private

sector. Such an ambitious role for cooperatives cannot be achieved without the involvement of the government and the private sector. Therefore, the Act made provisions for the participation of the other two institutions in promoting cooperatives. Since the government of Nepal identified cooperation as one of the pillars, government engagement is mainly state-induced and promoted. Several opportunities are created in the Cooperatives Act of 2017 for the government's engagement with the cooperative, but the specifics of the engagement are not spelt out. The Act provides a significant role for the government in developing cooperatives in Nepal by contributing to human resource development, involving cooperatives in poverty alleviation programmes, etc. However, the Act provides an opportunity for cooperative-to-cooperative (C2C) partnerships. As per the Act 2017 (21- 5), "Two or more Organizations and Associations may, subject to this Act, carry on transaction, business, industries, or project for marketing of their product or service jointly or in partnership". The Act also promotes inter-governmental transactions.

In the Philippines, cooperatives were officially started and recognized with the passing of the first cooperative law, the Rural Credit Cooperative Association Act, enacted in 1915 "to protect and develop the agricultural interest of the country." With the enactment of the Philippine Non-Agricultural Cooperative Act in 1957, other types of cooperatives were organized, particularly savings and credit and multipurpose cooperatives along with electric, consumers, producers, housing, transport, and service cooperatives. During the colonial period, cooperatives were part of the government's program to mobilize the rural population for socio-economic development. After gaining independence, cooperatives continued to be regarded as vital instruments for the two-fold objectives of people's participation and internal economic growth. Immediately after the war, the government assisted in the reorganization of cooperatives as part of the rehabilitation period.

The earlier Commonwealth Act No. 713 of November 1, 1945, was amended and the Cooperative Administration Office (CAO) was created on November 30, 1950, under the Department of Commerce and Industry. The Government created the Small Farmers Cooperative Loan Fund or Republic Act No. 583 of 1950. In 1952, the Agricultural Credit and Cooperative Financing Administration (ACCFA), also known as Republic Act 821, was established and the Republic Act No. 6939 established the Cooperative Development Authority. However, CDA's charter was repealed and replaced in August 2019 with Republic Act No. 11364, known as the "Cooperative Development Authority Charter of 2019".

Consequently, the Implementing Rules and Regulations (IRR) were promulgated to operationalize the CDA's new mandate.

Republic Act 11364 reorganized and strengthened the Cooperative Development Authority (CDA) with broad powers to formulate appropriate regulations, standards, rules, orders and guidelines to ensure cooperatives' effective and sound operation. Section 18 of the law mandated the CDA to establish a strong partnership with the cooperative sector and the academia in implementing the developmental functions of the Authority, “to ensure the maximum participation of the cooperative sector on matters of government plans, projects and policies affecting cooperatives.”

The Implementing Rules and Regulations of RA 11364 defined the partnership of the CDA with the cooperative sector. Memorandum Circular 2023-06 elaborated on a framework for this partnership, covering all activities of the collaboration, consultation, and coordination of CDA with regional and national cooperative structures. These activities will be guided by the principles of *complementation and subsidiarity, circumscribed governance, empowerment, transparency, strategic alliance and critical collaboration*.

The Cooperative Act 1996 and the Cooperative Regulations of 1999 guide cooperatives in Fiji, providing for the Minister to make regulations. Accordingly, a few regulations were made in 1999 to ease work. Later, when the Cooperative Tribunal was set up in 2019, another set of Regulations, known as Co-operative (Amendment) Regulation 2019, was made, which legislated the Function and operations of the Co-operative Tribunal.

The Cooperative Act 1996 outlines members' rights and duties, allows for the formation of secondary cooperatives and apex organizations, promotes cooperative principles and practices, and ensures cooperatives operate in accordance with their own by-laws and regulations, safeguarding their autonomy and values. Section 5 of the Co-operatives Act, 1996 states that a cooperative shall observe the cooperative principles in its operations and goes on to set out the cooperative principles as set out in the 1995 Statement of cooperative identity.

Fiji's policy framework encourages active engagement between the government and cooperatives to foster economic growth and community development. This partnership is formalized through structured agreements and ongoing dialogue aimed at aligning cooperative activities with national development priorities.

Korean legal framework consists of Special Cooperative Acts and the Framework Act on Cooperatives. The eight Special Cooperative Acts are sector-specific laws applicable to particular sectors: agriculture, fisheries, tobacco producers, forestry, small and medium enterprises, credit unions, community credit, and consumers. All these Acts have a common thread of promoting enterprises and contributing to economic value. The Framework Act on Cooperatives (FAC) was enacted in 2012 to provide guidelines for Cooperatives and Social Cooperatives under the supervision of the Ministry of Economy and Finance. According to Article 1 of the Act, the purpose is “to facilitate independent, self-supportive, and autonomous activities of cooperatives, thereby contributing to social integration and balanced development of the national economy by providing for basic matters regarding the establishment and operation of cooperatives”.

The Framework Act on Cooperatives encourages the formation of cooperatives in all economic sectors except banking and insurance. Another essential feature of this Act is that it recognises social cooperatives as different from cooperatives and provides legal recognition to self-help organisations excluded from the jurisdiction of the existing eight special Cooperative Acts. The Act provides guidelines for both types of cooperatives. All the special Cooperative Acts have been amended over the years, adjusting to changes in Korea's socio-economic situation and increased industrial structure. The FAC has been amended four times, the latest in 2017.

2.4 Policy Scenario

The policy scenario studied across the Asia Pacific countries spreads from exclusive cooperative policies in some countries, such as India, Malaysia and the Republic of Fiji to cooperative policies embedded in the overall macroeconomic policies and programmes in countries like Kyrgyzstan and Jordan. In most countries studied, the cooperative sector is guided and monitored by the respective Acts and the institutions established for operationalising the acts. Developing a comprehensive cooperative policy is a recent initiative triggered by international initiatives such as recommending excellent government support to cooperatives by the General Conference of ILO, 2002, UN resolution 76/135 adopted in 2021 calling for an Entrepreneurial Ecosystem Approach, and the General Assembly 2023 resolution for a dedicated legal framework in the member states to support national, local and regional strategies.

In the Indian context, the National Cooperative Policy (2002) was enunciated to facilitate the country's all-round development of cooperatives. The policy promises to provide cooperatives with the necessary support, encouragement, and assistance to ensure their functioning as

autonomous, self-reliant, democratically managed institutions accountable to their members and making a significant contribution to the national economy. Based on the recommendations made at a Conference of State Ministers for Cooperation in 2002, the Government constituted a Ministerial Task Force to formulate a plan for implementing the National Cooperative Policy. The Task Force suggested that a single law instead of parallel laws should be introduced in the States. It also recommended, among others, that to depoliticize cooperatives, Members of Parliament or Members of Legislative Assemblies should not be allowed to hold office in any cooperative society.

The Report of the High-Powered Committee on Co-operatives (2009) recommended against government participation in the share capital of co-operatives since it leads to government control, which could be detrimental to the autonomy of co-operatives. The Committee recommended that, as far as possible, government aid for co-operatives could be provided as grants or interest-free loans. Even in cases where the government has provided initial share capital, it must be redeemed as soon as possible. However, no significant changes happened in the policy scenario until the formation of the Ministry of Cooperation as a Union ministry under the Government of India in 2021. The primary mandate of the Ministry is the realization of the vision of '*Cooperation to Prosperity*' by strengthening the cooperative movement in the country and creating appropriate policy and legal and institutional framework to help cooperatives realize their potential. A 49-member national-level committee was constituted, drawing expertise from all walks of society, to formulate a new National Cooperative Policy, which is being called the "National Cooperation Policy", to develop healthy and cordial relationships between and amongst all community-based enterprises like cooperatives, producer companies, self-help groups, their federations, etc. The committee submitted its report, which is yet to be approved by the government to become policy.

In Japan, there is no specific cooperative policy, but the sectoral policies provide opportunities for the involvement of cooperatives. For example, the Agricultural cooperatives are significant players in implementing agricultural policies through various legal-administrative measures. The policies include a price maintenance scheme for farm products, the selective expansion/reduction of production, a financial stabilization scheme, a farming infrastructure scheme, etc. Coops have often been designated as the sole agents to implement promotion measures. They have also acted as subcontractors to channel the public money to farmers. Thus, they have been "institutionally" ensured to benefit from promotion measures and subsidies (Kurimoto, 2004).

The ILO Recommendation No. 193 provides guidance on policy and implementation for promoting cooperatives. The Recommendation has influenced legislative and policy processes in over 110 countries, including Jordan. The National Strategy for the Jordanian Cooperative Movement (2021-2025) was developed through a partnership between the Jordan Cooperative Corporation and the ILO, with input from various stakeholders. The Strategy was endorsed by the Cabinet of the Prime Minister and launched in July 2021. Jordan Economic Growth Plan 2018 - 2022 proposed inviting the private sector to join the National Centre for Agricultural Research and Extension (NCARE) boards, the Jordan Cooperative Corporation, and the Agricultural Credit Corporation. The strategy called for increasing women's representation on the organization's board of directors and enabling them to reach leadership positions in cooperative management.

The government of Kyrgyz Republic provided opportunities for the involvement of international agencies to promote local cooperatives, thus encouraging local cooperatives. According to the report of ADB (2012), the German development organization GTZ/GIZ has promoted commodity and services cooperatives and supported rural self-help institutions of farmers, such as cooperatives and credit unions. JICA provided training on developing agricultural cooperatives and water user associations and increased the capacity of seed farmers who united in the Kyrgyz Vegetable Seeds cooperative.

The program for the development of agricultural cooperation in the Kyrgyz Republic for 2023-2027, adopted by Resolution of the Cabinet of Ministers of the Kyrgyz Republic dated August 23, 2023, No. 418, provides for the development of the agricultural cooperative movement in the republic in two stages - short and medium term:

A) In the Short term (2024-2025), the following set of measures are identified to stimulate the development of agricultural cooperatives:

- Organizing and conducting a wide information campaign in rural areas to familiarize the population in detail with the advantages of agricultural cooperatives, developing information materials and recommendations for organizing agricultural cooperatives;
- Separate targeted financing for obtaining preferential lending to agricultural cooperatives within the framework of the project, “Lending to the agro-industrial complex”;
- Attracting investments and funds from international donor organizations to assist in the development of agricultural cooperatives and the organization of pilot agricultural cooperatives with the participation of government agencies and the placement of public procurement;

B) In the medium term (2025-2027), the focus is on developing infrastructure and promoting cooperation in the agricultural sector by creating a sustainable and steadily growing network of agricultural cooperatives in processing agricultural products, services, lending, insurance, supply, and sales.

In this program, the Government also proposes the need to develop service cooperatives in the regions of the republic to provide veterinary and agrotechnical services to rural producers, as well as to organize agricultural cooperatives using a cluster approach, including the entire chain of promotion of products from the manufacturer to the sales market. It is planned to organize pilot agricultural cooperatives, one in each region, specializing in producing and processing agricultural products.

In the case of Malaysia, the first National Cooperative Policy (2002 – 2010) and the National Cooperative Policy (NCP) 2002-2010 provided the road map for promoting cooperatives with the government's engagement. Before 2001, government policy regarding cooperatives was primarily focused on ensuring compliance with laws. The second National Cooperative policy was integrated with the Malaysian Economic Transformation Programme in 2013. To promote cooperatives in the entrepreneurial ecosystem, cooperatives were placed under the Ministry of Entrepreneur Development in 2019. The Malaysia Cooperative Policy 2030 (DaKoM, 2030) was launched by Datuk Ewon Benedick, Minister for Entrepreneurial Development and Cooperatives (MEDAC) in 2023.

Cooperatives are promoted through different sectoral strategies in Morocco. The agriculture ministry launched the Moroccan Green Plan from 2008 to 2020 to develop and strengthen the Moroccan agricultural sector and make it a vector of economic and social development.

This Strategy is articulated around two axes:

- This first pillar focuses on projects oriented towards large entrepreneurs, qualified aggregators, or investors who have benefited from state lands under public-private partnerships (PPP).
- The second axis focuses on promoting agriculture, centred on the development of disadvantaged small farmers through socially adapted initiatives.

Thanks to this strategy, more than 30.000 cooperatives operating in the agriculture sector were created.

In addition, the Green Generation Strategy continues to work on the cooperative model.

However, it mainly focuses on cooperatives of agricultural services rather than production.

The National Cooperative Policy is not active in Nepal. However, after the declaration of the Republic, the Government of Nepal established a separate Ministry of Cooperatives and Poverty Alleviation and issued a National Cooperative Policy in 2012.

The overall cooperative policy in the Philippines emanates from the Philippine Cooperative Code of 2008. Article 2 of the Code states: “It is the declared policy of the State to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people power towards the attainment of economic development and social justice. The State shall encourage the private sector to undertake the actual formation and organization of cooperatives. It shall create an atmosphere conducive to these cooperatives' growth and development.”

Under the principle of subsidiarity, the cooperative sector can “initiate and regulate within its ranks the promotion and organization, training and research, audit and support services relating to cooperatives with government assistance where necessary.”

Government agencies and instrumentalities shall support the promotion and development of cooperatives, like the National Economic Development Authority to include cooperatives in the national development plan, with the Department of Finance and the Department of Budget and Management to ensure the availability of resources in the implementation of the plan, and the Department of Trade and Industry to promote the growth and expansion of cooperatives. Other government agencies, including government financial institutions, shall provide financial and technical assistance and other services, particularly to cooperatives in the agricultural sector. The State “maintains the policy of non-interference in the management and operations of cooperatives.”

In the case of Fiji, Cooperative law was introduced by the British Ordinance in 1947. However, cooperatives already existed in the agricultural and dairy sectors. Since its independence in 1970, the movement's focus has changed from predominantly agricultural cooperatives to increasing consumer cooperatives located primarily in rural and maritime areas. Following independence, the British ordinance was adopted as law until it was replaced by the Cooperatives Act 1996. This Act remains the current law in Fiji, although it is currently under review. The Cooperative Regulation 1999 and the Co-operative (Amendment) Regulation 2019 provide policy guidance for the cooperative sector. Apart from this, The Department of

Cooperative Business, established under the Ministry of Trade, Co-operatives and Small and Medium Enterprises and Communications, is responsible for formulating and implementing policies and strategies to facilitate the promotion, establishment and monitoring of Cooperatives.

The Republic of Korea's Cooperative policies complement the country's overall economic objectives. After enacting the Framework Act on Cooperatives in 2012, the Republic of Korea introduced successive master plans for developing cooperatives under the coordination of the Minister of Strategy and Finance.

Major policy programs introduced by different ministries included cooperatives in their policies. The Ministry of SMEs and Startups (MSS) included fostering SME cooperatives as one of its objectives. Similarly, the Ministry of Culture, Sports and Tourism (MCST) fosters tourism cooperatives, the Ministry of Education (MOE) encourages school cooperatives, the Ministry of Land, Infrastructure and Transport (MOLIT) promotes community management cooperatives, and the Ministry of Economy and Finance (MOEF), etc., helps incubate cooperatives of scientists and engineers.

Table 1 summarizes the constitutional, legal, and policy scenarios for promoting the cooperative sector in the sample countries.

Table 1. Summary of the Constitutional, Legal, and Policy Scenario for Cooperative Development Across the Countries

| Country | Constitutional Scenario | Legal Framework | Policy Scenario |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| India | Cooperatives are included in the constitution under the Directive Principles of State Policy (Article 43B). The 97th Amendment Act of the Indian Constitution, enacted in 2011, introduced the right to form cooperative societies as a fundamental right under Article 19 of the Constitution. It also introduced a new Directive Principle of State Policy, as per Article 43B, emphasizing the state's role in promoting cooperative societies. | Various national and state laws, including the 97th Constitutional Amendment, govern the cooperative sector. | The National Cooperative Policy of 2002 guides the development. A new National Cooperative Policy 2024 was drafted but has yet to be implemented. |
| Japan | There is no specific constitutional mention of cooperatives. However, freedom | Co-operatives are guided by sector-specific laws under | No general cooperative policy exists, but sectoral policies aid co- |

| | | | |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| | of assembly and association are guaranteed (Article 21). | the jurisdiction of multiple ministries. | op involvement in economic activities. |
| Jordan | There is no specific constitutional mention of cooperatives. However, the Constitution grants Jordanians the right to establish societies, provided that the objects of such societies are within the Constitution's provisions (Article 16.2). | Legal provisions are favourable but general; some administrative procedures may challenge co-op activities. | Policies facilitate co-op engagement in specific projects, like water pump management. |
| Kyrgyzstan | There is no specific constitutional mention of cooperatives. | The legal framework supports cooperative development and registration. | National strategies incorporate cooperatives in economic and regional development plans. |
| Malaysia | Although the Constitution does not explicitly mention cooperatives, it includes them in Federal List 1 and guarantees freedom of assembly and association under the Fundamental Liberties. | Governed by successive National Cooperative Policies, the latest being the Cooperative Policy 2023. | Cooperative Policy 2023 focuses on the development and regulation of cooperatives. |
| Morocco | Article 71 of the Morocco Constitution of 2011 states that the domain of the law, other than the matters expressly devolved on it by other Articles of the Constitution, is <i>'the regime of civil and commercial obligations, the law of societies and cooperatives'</i> . | In Morocco, cooperatives are the major players in the Social and Solidarity Economy (SSE). Therefore, all the policies and legal provisions made to address the SSE guide cooperatives. However, there are specific laws for the cooperatives. | Cooperatives are promoted through different sectoral strategies in Morocco. |
| Nepal | The constitution explicitly supports cooperatives. It elaborates explicitly on the institutions involved in achieving sustainable economic development, and Cooperatives are one of the three institutions identified (Article 50 and sub-article 3). | Cooperative Act of 2017 consolidates previous laws aiming at comprehensive co-op development. | Cooperatives are integrated into the national development strategy as a critical sector. |
| Philippines | The 1987 Constitution gives cooperatives constitutional status (Article 12) and recognizes them as vital to economic development and social justice. | Various laws govern cooperative activities, including the Cooperative Code and recent updates. | The Cooperative Development Authority oversees policies promoting cooperative growth and partnerships. |

| | | | |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| | Section 15 of the Constitution defines the state's role in promoting cooperatives and provides for the political representation of cooperative-backed parties in the House of Representatives. | | |
| Republic of Fiji | No mention of cooperatives in the constitution | The Cooperative Act 1996 is the legal document relating to cooperatives and is under revision. | The Cooperative Regulation 1999 and the Co-operative (Amendment) Regulation 2019 provide the policy guidance. |
| Republic of Korea | There is no specific mention of cooperatives. However, it promotes organizations founded on the spirit of self-help among farmers, fishermen, and business people (Article 123). | The Framework Act and Special Cooperative Acts for different sectors govern cooperatives. | The policy supports cooperative development in various economic sectors. |

Chapter III: Mapping of Partnerships

3.1 Introduction

The nature of state-cooperative partnerships in select countries is analysed in this chapter. While it is evident that governments have always had a close relationship with cooperatives in almost all the countries under study, the nature and extent of collaboration and partnership differ. This study has therefore considered the term ‘partnerships’ from a broad perspective, including all initiatives that facilitate mutuality between government and the cooperative sector. Government involvement with the cooperatives is analyzed under the following domains.

3.2 Institutions for Facilitating Partnerships

Institutions are essential to operationalize the policies and Government involvement with the cooperatives is facilitated by several institutions in different countries. While some are created exclusively in response to the legal requirements, others are utilized by the government. In countries the world over, cooperatives are either state-sponsored or state-supported. In both cases, the state mainly supports cooperative education and the promotion of cooperatives. Therefore, some institutions are created to support cooperative education and promote cooperative development. On the other hand, some institutions are created to support cooperatives or deliver government programmes financially. In the Indian context, Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM) belongs to the former type of cooperative institution. In contrast, the National Cooperative Development Corporation (NCDC) is the latter type of institution.

The National Cooperative Union of India (NCUI), established in 1929, works as an apex organization for strengthening the cooperative movement by promoting cooperative education and training in India. The National Centre for Cooperative Education (NCCE) of NCUI, in collaboration with State Cooperative Unions/ Federations and their affiliate institutions, conducts member education and leadership development programmes. In contrast, the National Centre for Cooperative Training (NCCT), along with 20 constituent institutes comprising VAMNICOM, Pune at the National Level, Five Regional Institutes of Cooperative Management (RICMs) at Chandigarh, Bangalore, Kalyani, Gandhinagar, Patna and 14 Institutes of Cooperative Management (ICMs) spread across India undertakes cooperative personnel training and capacity building. These institutes contributed immensely to the human

resources of cooperatives both in India and other countries by imparting training in various aspects of cooperatives.

The NCDC facilitates the government's involvement with cooperatives through financial contributions. It is involved in financing programmes for the production, processing, marketing, storage, export and import of agricultural produce, food, etc. The corporation advances loans, grants subsidies to the state governments for financing cooperatives and purchasing agricultural produce, and provides loans directly to some cooperatives on the state or central government guarantee. It also participates in the share capital of the national level cooperatives and multi-state cooperatives. NCDC also contributes to the human resources of the cooperative sector through its training, research and consultancy services from its training academy. NCDC established its training institution in 1985 through a World Bank project named Laxmanrao Inamdar National Academy for Cooperative Research and Development (LINAC).

The latest in the institutions for the formal involvement of the Government of India with the cooperatives is the formation of the Ministry of Cooperation in 2021 wherein through its various departments, the government engages with cooperatives. Apart from the administrative divisions, Cooperative Education & Training Division, Cooperative Development Division, and Cooperation to Prosperity (CTP) Division were created in the ministry. The government promoted the National Multi-State Cooperative Seed Society, National Multi-State Cooperative Organic Society and National Multi-State Cooperative Export Society for greater government involvement in respective domains.

In Japan, three ministries (the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Health, Labour and Welfare, and the Ministry of Economy, Trade and Industry) are the institutions that facilitate government engagement with cooperatives. The Japanese government does not directly support cooperatives. However, agricultural cooperatives play an essential role in implementing agricultural policies such as the price maintenance scheme for farm products, the selective expansion/reduction of production, the financial stabilization scheme, the farming infrastructure scheme, etc. Japan Cooperative Alliance (JCA) was set up in 2018 to promote cooperation among sectoral cooperatives. Japanese Consumers' Co-operative Union (JCCU) is hailed as the most successful model worldwide, working independently, with the government providing only an enabling environment.

The Jordanian Cooperative Corporation (JCC) is an official institution with a legal personality having financial and administrative independence according to Law No. 178, Article 3, in 1997. The Foundation supervises the cooperative sector and works to raise the economic, social and cultural levels of cooperatives and local communities according to Article 4 of the law. It is involved in cooperatives' development, regulatory, and representational functions. JCC receives financial resources from the Ministry of Finance. The Ministry of Planning and International Cooperation disburses grants and zero-interest loans directly to individual private cooperatives while JCC executes the procedure. The other ministries, like the Ministry of Labour and the Ministry of Environment, implement the projects. The Ministry of Local Administration and Municipalities approve plans submitted by the Housing Cooperatives. However, unlike in other countries, the Ministry of Education and Higher Education, public and private universities and higher educational institutions do not play any role in cooperative education. JCC is responsible for supporting MOUs with international NGOs and support organizations.

In the case of Kyrgyzstan, the government engages with the cooperatives through the Cooperatives Union of Kyrgyzstan (CUK), established in 2007 by the General Assembly of Kyrgyz Cooperatives, with the technical support of the German Technical Centre (GIZ) to create a stable and sustainable system of cooperatives in Kyrgyzstan. The Cooperative Union of Korea (CUK) supports its members by promoting cooperatives, providing training and consultations on technical, legal, financial, and management issues, and organizing study tours in various countries. In addition, CUK has been building business partnerships with suppliers and buyers of agricultural products for local and international markets.

In Malaysia, establishing ANGKASA facilitated the government's involvement in the cooperative sector, helping the government to steer the cooperative sector. The governing body of the ANGKASA provides an opportunity for the government to participate in decision-making. It is governed by a Board led by a President, a Deputy President, six ANGKASA Board Members, including a representative from the Ministry of Entrepreneurship & Cooperative Development and a representative from the Ministry of Finance, **as well as 16 National Governance Committees (JTK) consisting of 16 Committee Chairmen State SPACE Communications.**

Under the National Co-operative Policy (NCP) 2002-2010, all co-operatives were placed under the Ministry of Domestic Trade, Co-operatives, and Consumerism, with the Malaysia Co-

operative Societies Commission (MCSC) as the sole authority. The Malaysia Co-operative Societies Commission Act 2007 was enacted to create the Commission and related matters.

Some essential functions of the Commission as provided in the Act (Malaysia Cooperative Societies Commission Act 2007, p. 23) are:

- (a) to promote and maintain the stability of the cooperative sector,
- (b) to be responsible for the surveillance, supervision and regulation of co-operative societies and the cooperative sector,
- (c) to act as trustee and to manage any scheme of Islamic financing or credit facility set up by the Government of Malaysia for cooperative societies.
- (d) The Act assigned the Commission, the responsibility of monitoring, supervising, and regulating cooperative societies and the cooperative sector. The commission enters into contracts to discharge its duties and can acquire, purchase, take, hold, and enjoy every description of movable and immovable property.

As per the Act, the Government shall annually grant a sum of money to the Commission to meet the cost of operation of the Commission (Malaysia-Co-Operative-Societies-Commission-Act-2007, p. 30)

In Morocco, each ministerial department engages with, and develops cooperatives pertinent to its sector. For instance, the Ministry of Agriculture may focus on agricultural cooperatives, while the Ministry of Handicrafts might concentrate on artisan cooperatives. These efforts are carried out in consultation with the Office of Cooperative Development, which is a central coordinating body to limited extent.

The Office of Cooperative Development, a public institution with financial and administrative autonomy, was created and placed under the supervision of the Ministry of Tourism, Handicrafts, and Social and Solidarity Economy. Initially, the government created the Bureau of Development of Cooperation (BDCO) in 1962, an administrative entity dependent on the Presidency of the Government Council, as a body to respond to the upward trend in cooperation, especially within territorial communities. The bureau focused on promoting a general cooperation policy based on support mechanisms in training, information, and rapid and effective legal assistance that responded to aspirations for devolution towards a better future.

In 1975, this bureau was restructured and established as the Office of Cooperative Development (ODCO), a public establishment enjoying financial and administrative autonomy, responsible for:

- Maintaining the central register of cooperatives;
- Approving the naming certificates of cooperatives and their unions;
- Accompanying cooperatives and their unions in the areas of training, information, and legal support;
- Popularizing the principles of cooperation through awareness campaigns and the training of cooperators;
- Ensuring compliance of the management of cooperatives and their unions with the provisions of Law No. 112-12;
- Studying and proposing any reform likely to promote the cooperative sector.

The Office of Cooperation Development is also responsible for implementing all Social and Solidarity Economy (SSE) programs dedicated to cooperatives.

The National Cooperative Federation of Nepal (NCFN) is Nepal's apex body for cooperatives of all types and levels. The Federation offers several training programmes on different aspects of cooperative management and brings in other institutions to promote cooperative education. The NCF and the Central Department of Management, Tribhuvan University, recently signed an MoU for Curriculum Development and Semester Commencement. Tribhuvan University introduced MBA course in 'Cooperative and Entrepreneurship Development' for the first time in Nepal.

In the Philippines, the Cooperative Development Authority (CDA) was created by the "Cooperative Development Authority Charter of 2019, and its reorganization by the Republic Act No. 11364 to Implement the Rules and Regulations (IRR) promulgated to operationalize the CDA's new mandate to facilitate the engagement of government with the cooperatives. The Authority recognizes the importance of consulting with stakeholders in formulating policies, rules, regulations, plans, and programs affecting cooperatives. According to the Act, *“a strong partnership between the Authority, cooperative sector, and academe will be established to ensure maximum participation of the cooperative sector in government plans, projects, and policies affecting cooperatives.”*

As the regulatory agency tasked to supervise cooperatives in the Philippines, the CDA oversees policy and program coordination for cooperatives. Republic Act 11364 enumerates the powers

and functions of the Authority in carrying out this mandate. Among these functions is to “recognize sectoral apex organizations and a national alliance representing all types and categories of cooperatives which shall function as the overall consultative and coordinating body with the Authority.”

In Rule X of the Implementing Rules and Regulations of RA 11364, the CDA is tasked to form and organize cooperative development councils (CDC) at the national, regional, provincial, city and municipal levels. These multi-sectoral bodies shall exercise the following functions:

- a. Coordinate and harmonize the implementation of various cooperative plans, programs, and projects of the government;
- b. Assist the Authority in the broad-based monitoring and coordination of the Philippine Cooperative Development Plan (PCDP) through the collective efforts of all sectors and to develop such mechanism in line with the PCDP; and
- c. Propose policies affecting cooperatives for local and national implementation.

In case of the Republic of Fiji, the Ministry of Trade, Co-operatives, Small and Medium Enterprises and Communications, formulates and implements policies and strategies for the growth of cooperative business in synergy with the growth in industry, investment, trade, tourism and transport. Under the ministry, the Department of Cooperative Business (DCB) works exclusively for the cooperatives. Having become a member of ICA in 2019, the department is responsible for formulating and implementing policies and strategies to facilitate the promotion, establishment and monitoring of cooperative businesses in Fiji.

Its other key role is to provide training and capacity-building to cooperative members and officials. However, the government does not contribute to the cooperative's share capital.

In Korea, Intermediate Support Organizations play an essential role in government engagement with the cooperatives. The necessary ISOs are the Korea Credit Guarantee Fund (KODIT), which provides credits for social enterprises, cooperatives, village companies and self-sufficiency enterprises. The National Council of Intermediary Support Organizations for Social Enterprises and Cooperatives is a national organisation of the regional intermediary agencies of the Korean government that provides support for social enterprises and cooperatives. The main objectives include strengthening policy partnerships with the government, fostering local ecosystems to grow local social economies, and establishing regional and national exchange

systems and cooperation among the member agencies toward fostering inter-sector partnerships.

3.3 Nature of Government Engagement with the Cooperative Institutions

The nature of engagement is discussed under the following domains.

3.3.1 Providing Enabling Policy Environment

The study observed that in all the countries under study, governments provide an enabling policy environment for the cooperatives to develop. However, only in some countries can the government contribute to the share capital of the cooperatives. Providing an enabling environment includes introducing converging policies and programmes. One of the recent such efforts in India is strengthening Primary Agricultural Credit Societies (PACS) and converting them into multipurpose cooperatives and developing as Common Service Centres (CSCs) for better access to e-services through MoU between the Ministry of Cooperation, Ministry of Electronics and Information Technology, NABARD, and CSC e-Governance Services India Limited. In addition, PACS have been allowed by the Government to operate Pradhan Mantri Bhartiya Jan Aushadhi Kendras (PMBJK) under the Pradhan Mantri Bhartiya Jan Aushadhi Pariyojana of the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Govt. of India.

In the case of Japan, cooperatives have been designated as sole agents to implement various policies in different sectors. They have also acted as subcontractors to channel the public money to farmers. Thus, they have been “institutionally” ensured to benefit from promotion measures and subsidies (Kurimoto, 2004). Consumer cooperatives in Japan are independent, and the government does not hold any share of the capital in the cooperatives. JCCU started mutual aid business activities in 1984. However, with the implementation of the Revised Consumer Co-operative Law in April 2008, JCCU can no longer carry out mutual aid business. As a result, the Japan CO-OP Insurance Consumers' Co-operative Federation (CO-OP Kyosai) was established to take over the co-operative insurance business conducted by the JCCU. (Japan CO-OP Insurance (Kyosai) Consumers' Co-operative Federation, 2023). The relationship of consumer cooperatives with the government is to the extent of providing an enabling environment while, JCCU has a specific division that promotes communication with the government. Since there are still legal restrictions on business activities, coops will continue to consult with the government to improve the situation. The Japanese cooperative sector is an example of how a cooperative sector can grow without the government sharing financial

resources. It underlines the importance of government in enabling the appropriate policies to get the synergic effect from other policies.

By encouraging JCC to enter partnerships with national and international agencies to support cooperatives in Jordan, the government of Jordan has created an environment enabling cooperative development. The government of Jordan facilitates the involvement of several national NGOs, UN agencies, the Islamic World Organization, and bilateral cooperation agencies such as GIZ in promoting cooperatives in Jordan by providing training and funding for many associations and the JCC. The strategy also provided, according to the first output (an enabling environment for the cooperative movement), through updating the legislation regulating cooperative work in Jordan in a way that is consistent with international legislation based on the principles and values of cooperative work and in a way that enhances the cooperative identity.

The corporation promoted partnerships with other government, private, and not-for-profit companies. According to the JCC statement, MOUs were signed with the Civil Service Consumer Corporation (CSCC), the National Centre for Packaging (JOPAC), and "Partners for Good (PfG)." Cooperatives greatly depend on the government and donors for subsidies and government services.

In the case of Kyrgyzstan, cooperatives are integrated into the national policies. The National Sustainable Development Strategy for The Kyrgyz Republic from 2013 to 2017 by the National Council for Sustainable Development of the Kyrgyz Republic provides a vital role for cooperatives in the strategic direction for the transformation of agriculture in the medium term with the specific aim of consolidation of smaller peasant farms into cooperatives. The Development Program of the Kyrgyz Republic for 2018-2022 discusses the government's support for promoting cooperatives. The programme aims to encourage cooperatives by addressing the Policy scenario and creating new cooperatives. According to the document, "the government will support the development of cooperation a. Measures will be taken to create secondary cooperatives and develop cooperative lending."

The government proposed to involve cooperatives in regional development by creating a cluster of agricultural cooperatives to complement the promotion of production, processing, and storage facilities (The Development Program of the Kyrgyz Republic for the period 2018-2022)

The National Poverty Reduction Strategy (NPRS) 2003–2005 included cooperatives in its strategy with the establishment of commodity cooperatives and associations for an effective system of marketing agricultural products. The government of Kyrgyz Republic provided opportunities for the involvement of international agencies to promote local cooperatives. According to the report of ADB (2012), the German development organization GTZ/GIZ has promoted commodity and services cooperatives and supported rural self-help institutions of farmers, such as cooperatives and credit unions. JICA has provided training in developing agricultural cooperatives and water user associations.

Malaysia's first National Cooperative Policy (2002 – 2010) was launched to enable the cooperative movement to play an active role in national development along with public and private sectors. The policy made provisions for the involvement of cooperatives in national development together with the public and private sectors. Specific strategies for the future development of cooperatives were incorporated. The policy was implemented through programmes which included business development, access to financial resources, and inculcation of entrepreneurial culture. The second National Cooperative Policy (2011-2020) strengthened the government's involvement with the cooperatives. The Malaysia Cooperative Policy 2030 (DaKoM, 2030) was launched by Datuk Ewon Benedick, Minister of Entrepreneur Development and Cooperatives (MEDAC) in 2023. The policy proposes to map out the direction of the cooperative movement until 2030 through four core policies and 20 strategies as catalysts toward achieving a target of RM60 billion in revenue by 2025 and RM73 billion by 2030.

In Morocco, the government facilitates the progress of cooperatives by providing opportunities for cooperatives to participate in national and international exhibitions to help them showcase their products to a broader audience, including potential buyers and business partners. This exposure helps cooperatives penetrate new markets and increase their sales, boosting their revenue and enhancing their economic impact on local communities.

Moreover, the government often facilitates training and capacity-building programs to equip cooperative members with the necessary skills to market their products effectively. These initiatives include workshops on branding, packaging, quality control, and export regulations, enabling cooperatives to meet international standards and compete successfully in the global market.

The supervisory Ministry has formulated a strategy for the SSE sector, which encompasses cooperatives as a significant component. It seeks to transform the cooperative sector by moving

away from a traditional viewpoint that often sees cooperatives as small, informal entities. Instead, it promotes a modern vision where cooperatives are seen as dynamic, professional, and capable of significant socio-economic impact.

The Cooperatives Act 2017 of Nepal recognized cooperatives as essential institutions and provided an environment that enabled their development by consolidating existing institutions. According to the preamble of the Act, the consolidation is needed “ to make Economic, social and cultural upliftment of members of cooperatives through the integration of capital, technology and talents scattered amongst farmers, craftspersons, labourers, low-income groups and marginalized communities or general consumers by norms, values and principles of cooperatives; to promote the regulation of cooperative organisation as community-based, member-centric, democratic, autonomous, corporate entity; and to develop self-reliant, sustainable and socialism-oriented national economy by way of cooperative farming, industries, goods and services enterprises”. Such an ambitious role for cooperatives cannot be achieved without the involvement of the government and the private sector. Therefore, the Act made provisions for the participation of the other two institutions in promoting cooperatives. Since the government of Nepal identified cooperation as one of the pillars, government engagement is mainly state-induced and promoted. Several opportunities are created in the Cooperatives Act of 2017 for the government's engagement with the cooperative, but the specifics of the engagement are not spelt out. However, this gives the government and cooperatives more freedom to evolve different types of engagement/partnerships given the changing local and global business scenario.

The Philippines is the only country where partnership is mentioned in the statement of policies and also in the implementing rules and regulations of the government. A consultative mechanism is established to ensure the participation of the cooperative sector on matters concerning government plans, programs, and policies affecting cooperatives.

The Philippine Cooperative Code of 2008 recognizes the principle of subsidiarity in government dealings with the cooperative sector. Cooperatives are allowed to establish partnerships with government agencies and instrumentalities that can provide financial assistance, technical assistance, marketing assistance, training, and other types of services. They can also accept monetary and technical support from foreign institutions, including donors. External institutions partnering with cooperatives are expected to maintain the State's policy on non-interference in the internal affairs of cooperatives.

In the Republic of Fiji, the government creates an enabling environment by integrating the cooperatives' priorities with national priorities. The strategic priority of the Department of Cooperative Business is to increase employment and entrepreneurship through cooperatives. It is linked to the Fijian government's National Development Plan and is aligned with the Sustainable Development Goals of one and eight, i.e., No poverty, Decent work, and Economic growth.

The Government of Korea, through creating an enabling environment, helped cooperatives to increase their business operations.

3.3.2 Consulting Cooperatives in Policy Making

Consultations are essential to developing partnerships. While consultations may not always lead to implementable partnerships, they result in participatory decision-making with the involvement of relevant stakeholders. Government consultations with cooperatives in policy-making indicate the extent of government engagement with cooperatives among the Asia Pacific Countries. These observations are based on the views of cooperative practitioners and policymakers in respective countries. While there is a consensus on the importance of consultations, there is a divide on the existing situation. The general perception is that cooperatives must be consulted in policymaking as they process valuable insights into local needs and challenges. However, many expressed that the consultations generally occur at the apex level rather than at the regional level despite having institutional mechanisms. In the Indian context, the latest cooperative policy, which is yet to be announced, is prepared with the involvement of stakeholders from different sections. However, the cooperatives are not consulted regularly. In Japan, the Japanese government consults with cooperatives in policy-making processes, sometimes with solid intervention, as represented by the Japanese agricultural cooperatives' self-reform (Saito, 2020). JA for agriculture, JCCU for consumer services, and the National Federation of Workers and Consumers Insurance Cooperatives (Zenrosai) for insurance services are some institutions engaged in dialogue with the government for appropriate policies.

Jordan's Government does not often consult cooperatives in the policy-making process. However, the cooperatives were involved in many meetings and field visits when preparing the national strategy. However, in Korea, there are provisions in the Framework Act on Cooperatives for consultations. In the words of a practitioner, "There are four points when the government and cooperatives sit on the tables. First, the Ministry of Economy and Finance

(MOEF) establishes a master plan every three years. It conducts a fact-finding survey every two years by the Framework Act on Cooperatives. During this period, the MOEF meets with cooperative sectors, listens to opinions from the field, and works together. Second, opinions from the cooperatives are collected when the National Assembly or the government enacts or revises new laws. Third, cooperatives request institutional improvements or new laws. Fourth, we meet when there is a social issue. When there are negative issues with the cooperative system or differences of opinion when interpreting the law, we consult with each other and try to prevent problems in advance.”

In Morocco, each ministerial department engages with and develops cooperatives pertinent to its sector. These departmental efforts are carried out in consultation with the Office of Cooperative Development, which is a central coordinating body to some extent.

There are mixed responses in Nepal, with many expressing that there is a sufficient mechanism for consultations, but in reality, they do not happen. It is also described that though consultations are held, the suggestions from cooperatives never find a place in the final policy documents. Another expression is that “traditionally, suggestions are sought from the National Cooperative Federation, but they are not implemented.”

In the Philippines, consultative mechanisms exist in Rule IV of the Implementing Rules and Regulations of Republic Act No. 11364. The provisions under the heading Partnership and Complementation reads, "establish a consultative mechanism consistent with Section 18 of this Act to provide the cooperative sector a system to ensure participation on matters concerning government plans, programs, and policies affecting cooperatives." These mechanisms allow for the active participation of the cooperative sector in crafting government policies, plans and programs. The setting up of cooperative structures for this purpose is ongoing and has required consultations in different parts of the country to ensure that all stakeholders are onboard and on the same page.

3.3.3 Contributing Finances

Governments engage with cooperatives mainly through financial contributions. However, the engagement ranges from directly contributing to share capital in India to only facilitating access to economic resources, as in Kyrgyzstan and Jordan. In India, as per the cooperative legislation, the government may contribute to the share capital of a cooperative society and participates in the management by nominating delegates as nominee directors on the boards of such societies (maximum three). In case of Japan, there are no such provisions. The largest cooperatives in

Japan, the Consumer cooperatives, do not have a government share. As for the agricultural sector, the Norinchukin Bank is a private financial institution based on the Norinchukin Bank Law, established by JA, Japan Fishery Cooperatives (JF), Japan Forest Owners' Cooperatives (JForest) and other members of the agriculture, fishery and forestry cooperative system. The Ministry of Agriculture, Forestry and Fisheries has jurisdiction over the Norinchukin Bank Law. In Jordan, the government does not directly contribute to the share capital of cooperatives. However, cooperatives enable members to contribute to business and participate in decision-making processes democratically, fostering a sense of ownership and investment among members. Government assistance often comes through grants, in-kind contributions, technical expertise, or consulting services—these resources aid cooperatives in their operational and developmental endeavours, fostering growth and sustainability.

Kyrgyzstan's government does not directly contribute but facilitates international funding for the cooperatives. The government of Malaysia assists socially motivated cooperatives through grants and soft loans. Cooperatives must contribute a percentage of their profits to funds that finance training and cooperative development programs organized by various organizations.

The Moroccan government, NGOs, and international organisations often support cooperatives through funding, capacity-building programs, and legal frameworks that encourage their formation and operation. This support is part of the broader social welfare strategies for poverty alleviation, social inclusion, and sustainable development. The government facilitates support from national and international agencies through various programmes. The launch of the NATIONAL INITIATIVE FOR HUMAN DEVELOPMENT (INDH) in 2005 is an exceptional and singular initiative in perfect convergence with the cooperative principles of His Royal Highness King Mohamed VI. It has revolutionized the cooperative sector and remains a beacon of hope for the emergence of the cooperative movement for the benefit of the most disadvantaged (Bouhazzama & Said, 2021).

Another programme to support the new cooperatives was initiated, known as the “MOURAFAKA” program, was launched on June 13, 2011, and since then, several advancements have been recorded. It is a post-creation support program for newly created cooperatives aiming to support and strengthen the technical and managerial capacities of 2,000 cooperatives at a rate of 500 per year over four tranches by providing them with a complete program of training, support and financing services. This program was based on the agreement signed between the Ministry of Tourism, Handicrafts and the Social and Solidarity Economy,

the Ministry of Economy and Finance and the Office of Cooperation Development (ODCO) on May 11, 2011.

The program takes into account multiple considerations, namely: innovation, the territorial approach, the gender approach, convergence between the different national programs and the environmental dimension. Research shows that the MOURAFAKA program improved the sustainability of agricultural cooperatives by strengthening their management, governance, and market access capabilities (Ibourk & Aynaoui, K, 2022).

Recently, the University Mohammed VI Polytechnic [UM6P] in Morocco, the United States Agency for International Development [USAID], and GiveDirectly signed a Memorandum of Understanding [MoU] to launch the Cooperative Resilience Programme, a new initiative focused on supporting Moroccans in adapting to the impacts of the climate crisis.

The programme will provide cash transfers ranging from US\$3,000 to US\$9,000 of climate financing to more than 1,000 cooperatives and entrepreneurs, helping them invest in equipment, raw materials, and improved techniques and processes that catalyze sustainable economic development and resilience to climate impacts.

It will also foster collaboration among local cooperatives, entrepreneurs, the private sector, academia, the Government of Morocco, and international partners for sustainable socio-economic development. USAID, UM6P, and GiveDirectly designed the Cooperative Resilience Programme in close collaboration with local cooperatives, some of whom met with the signatories before the MoU signing.

The provisions of the Nepal Cooperatives Act 2017 permit the government to engage with cooperatives. According to the Act, a Cooperative Organization may sell shares to an organization or agency under the total or partial ownership or control of the Government of Nepal in addition to its share members. If a Cooperative Organization requires Security against a loan borrowed from a foreign bank or agency, the government provides security.

In the Philippines, cooperatives can avail of financing from government financial institutions and specialized agencies, particularly the Landbank of the Philippines (LBP) and the Development Bank of the Philippines (DBP). While LBP's financing programs are primarily directed at cooperatives in the agricultural sector, DBP's programs also cover financing for small, medium, and large enterprises. The Department of Agriculture (DA) has budget

allocation from the national government to support the capital requirements of farmers' associations and cooperatives for farm inputs and equipment and training programs for farmers in various aspects of farming, livestock and fisheries management.

The Department of Agrarian Reform (DAR) is the other government agency directly involved with farmers, mainly agrarian reform beneficiaries (ARB), with a portfolio of various support programs for ARBs. It provides financial support to farmers' associations through LBP and has partnered with existing cooperatives to provide financial support to individual farmers in agrarian reform areas.

In the Republic of Fiji, the government provides grants to different cooperatives through Government Ministries. The Government Ministries support cooperatives through funds, as once registered, a cooperative becomes a legal entity, and the Government Ministries find it easy and comfortable working with the cooperatives. With support from the Ministry of Agriculture, rice farmers could procure harvesters using these funds. Farmers contributed one-third of the cost of the harvester, while the Ministry of Agriculture provided Two-Thirds of the cost. Consequently, 21 cooperatives for rice farmers were established with such assistance. The Ministry of Agriculture also supports cooperatives acquiring other farming machinery, including farm tractors. Under the Ministry's Animal Health & Production Division, the Ministry has assisted many Grazing and Marketing Cooperatives with veterinary advice and provided livestock farming fencing materials. Ministry of Trade, Cooperatives, Small and Medium Enterprise and Communications (MTCSMEC) also supports cooperatives through its Integrated Human Resource Development Programme (IHRDP). The ministry supported 36 cooperatives in funding their capital investments. The funding was utilised in a manner where the cooperatives contributed one-third of the investment costs, while IHRDP supplied the remaining two-thirds of the funds. The IHRDP supports investments such as Poultry materials, Bakery Equipment, Freezers, Fiber Boats and Engine, Generators, Hiab Truck, Solar Panels, Farming Implements, 4WD Tractors, Mechanical Harvesters, Solar Drier Accessories, Water Pumps, Bee Hives, Layer Bird, and Meat Birds. Though there has never been a separate fund allocated in the Government's Annual Budget to directly support the cooperatives in their income-generating projects, the Government, in its 2024/2025 budget to MTCSMEC, has provided a Cooperative Development Fund of FJ\$400,000 to assist the new and existing cooperatives.

Korea Social Enterprise Promotion Agency (KSEPA) is a public organization affiliated with the Ministry of Employment and Labor, established in December 2010 based on Article 20 of

the Social Enterprise Promotion Act. It engages with cooperatives through several teams, such as the Cooperatives Division and Cooperatives Policy Support Team, Establishment Support Team and Cooperative Management Support Team. It partners with cooperatives by sharing skills and promotes the human resource base of the cooperatives. It also shares financial resources in the form of support for the business cost needed for the newly formed cooperatives.

3.3.4 Contribution to Human Resources

Human Resources Development is the most common engagement of governments with cooperatives in different countries. Governments, with their more comprehensive access to resources, knowledge, and technology, contribute to the human resource development of cooperatives through training programmes and by promoting networking among academic and knowledge-based institutions. In the Indian context, NCUI, NCCT with 20 affiliate institutions, 34 State Cooperative Unions/ Federations with 117 affiliate cooperative training institutions and other sector-specific training institutes are involved in training members, leaders and managers and providing consultancy services to formulate new projects. NCDC established its training institution in 1985 through a World Bank project named Laxmanrao Inamdar National Academy for Cooperative Research and Development (LINAC). The newly formed Cooperative Ministry has a Cooperative Education and Training Division.

Institute for the Development of Agricultural Cooperation in Asia (IDACA), which is responsible for the international cooperation activities of the JA Group, was established in 1963 to serve as a “place to foster solidarity in the international community by providing learning opportunities within the agricultural movement in Japan for leaders engaged in cooperative movement in developing countries.” It collaborates with the International Co-operative Alliance (ICA), the Japan International Cooperation Agency (JICA), and other international organizations to carry out training programs that nurture human resources that are expected to strengthen agricultural cooperatives. Collaborations among Japanese Co-operatives have been undertaken through the Japan Joint Committee of Co-operatives (JJC, established in 1956). The JJC was reorganized into the Japan Co-operative Alliance (JCA) in 2018 to promote those collaborations further. JCA provides education and training to cooperative managers and staff members.

The Japan Cooperative Insurance Association Incorporated (JCIA) was established in 1992 by integrating seven cooperative organizations into a body to promote cooperation and coordination among cooperative insurance societies. JCCU is the largest consumer

organization in Japan. Since 1991, JCCU has annually organized a training program for managers of consumer co-ops and cooperatives in Asia and the Pacific, allowing them to learn about the businesses and activities of Japanese consumer co-ops.

The Jordanian government engages with cooperatives to develop human resources through the Jordanian Cooperative Corporation.

The Cooperative Development Agency (CDA), Kyrgyz Agrarian University (KAU), Kyrgyz Investment and Credit Bank (KICB), Local NGOs, and Civil Society Organizations facilitate the government's involvement with cooperatives in Kyrgyzstan.

In the Malaysian context, the government imparts cooperative training through academic institutions and universities. Some of the institutions are the Malaysian Cooperative College (MCC), the Cooperative Institute of Malaysia (CIM), the Cooperative Development Department (CDD), and several Universities and Colleges. The National Cooperative Movement of Malaysia (ANGKASA) and Cooperative Federations and Unions are also involved in training.

In Morocco, the Office of Cooperative Development (ODCO), a public establishment enjoying financial and administrative autonomy, is responsible for the human resource development of cooperatives. It helps popularize the principles of cooperation through awareness campaigns and the training of cooperators and conducts studies to propose reforms that are likely to promote the cooperative sector. The Office of Cooperation Development is also responsible for implementing all Social and Solidarity Economy (SSE) programs dedicated to cooperatives.

The Cooperative Act in Nepal made provisions for the government's involvement with the cooperative sector to promote human resource development by contributing monetary and non-monetary resources. Under the title of cooperative education, the Act details the ways of involvement. “(1) The Government of Nepal may submit basic knowledge of cooperatives in the school level curriculum and help establish co-operative schools or faculty or college (school of cooperatives) under Universities. (2) Other provisions for cooperative education, including accreditation of cooperative institutions running academic programs of cooperatives, shall be as prescribed.” National Cooperative Federation of Nepal (NCF), Cooperative Training Center (CTC), Cooperative Federations and Unions and different Universities and Colleges offer cooperative training.

In the Philippines, no central educational body or institute undertakes education and training for the cooperative sector. CDA has an accreditation process that allows cooperative federations and unions to conduct training programs for their members, following the training standards set by the Authority. Other training providers may also be accredited as long as they meet the requirements for accreditation. Some state universities carry out specialized programs for cooperatives. The Implementing Rules and Regulations of RA 11364 also envision the integration of cooperatives in the education system. State universities and colleges can offer cooperative development and administration as a field of study in the baccalaureate, post-baccalaureate and masters programs. Private educational institutions are also encouraged to include cooperatives in their curricula.

In the Republic of Fiji, the Government contributes to the human resources of the cooperatives. The Department of Cooperatives provides business training and legal services. Commencing with initial concept development by a group of ten or more individuals, the Department offers guidance on cooperative registration, including awareness sessions and assistance with business plan formulation and by-law creation. The Department also convenes the inaugural general meeting to facilitate a smooth transition. All these services are provided at no cost to the prospective cooperative except for the mandatory registration fee. The government has Department of Cooperative offices in all four divisions with adequate resources and staff to continue supporting the cooperative movement.

Universities, education and research institutes, and support institutions for SSE operate education and training programs for cooperatives funded and supported by central and local governments in the Republic of Korea. The programs include various levels, from entrepreneurs to cooperative managers.

3.3.5 Involvement in the Implementation of Government Welfare Programmes

In some countries, cooperatives are often used as instruments to deliver government welfare programmes. Such engagement is observed in nearly all the countries studied. For example, the Cooperative Policy 1977 allowed cooperatives to be involved in the Public Distribution System in India. Similarly, in a recent initiative, PACS delivered e-governance and the supply of generic medicines through Jan Aushadhi Kendras in rural India.

In Jordan, development projects are also implemented in collaboration with cooperatives. One example is the partnership between the Ministry of Agriculture and agricultural cooperatives, such as the Almonds Cooperative Society in the North of Jordan—Irbid. In this collaboration,

the government provides support, such as financial assistance, for projects to modernise agricultural practices. The government supports cooperatives in implementing various projects through ministries and government institutions. The support is through grants and loans after the cooperatives fulfil the required conditions. In coordination with the cooperative institution and international bodies operating in Jordan, it provides support to cooperative societies. For example, the Ministry of Planning and International Cooperation, the Ministry of Agriculture, the Ministry of Environment, and other international bodies support cooperative societies, such as agricultural and multi-purpose women's societies.

In Morocco, all the ministerial departments implement their strategies using the cooperative entrepreneurial model. These cooperatives often focus on various sectors, including agriculture, handicrafts, and social services, and contribute to improving the livelihoods of their members and the communities they serve.

In Nepal, government programs such as the Prime Minister Employment Program (PMEP) often leverage cooperative outreach to financially support small-scale entrepreneurs and marginalized communities. Government schemes such as the Agriculture Development Program (ADP) usually involve cooperatives distributing subsidies, providing extension services, and promoting sustainable farming practices. Government initiatives like the Social Security Fund (SSF) and the National Health Insurance Program (NHIP) work with cooperatives to extend coverage to their members and improve access to essential services.

Cooperatives in South Korea are involved in implementing government programs across various sectors. The Cooperatives, particularly small and medium-sized enterprise cooperatives (SMECs), collaborate with the government to support SMEs, entrepreneurs, and self-employed individuals. They provide business development services, access to credit, training programs, and market opportunities for SMEs. Social Cooperatives in South Korea participate in government programs to provide social services, healthcare, and support for vulnerable populations. They operate nursing homes, childcare centres, rehabilitation facilities, and other social welfare institutions in partnership with government agencies, local authorities, and nonprofit organizations. Similarly, the housing cooperatives in South Korea participate in government-led housing programs aimed at providing affordable housing, improving living conditions, and revitalizing urban areas. Overall, cooperatives in South Korea are active partners in implementing government programs and contributing to economic growth, social welfare, and community development. They collaborate with government agencies, local

authorities, and other stakeholders to address critical challenges, meet societal needs, and achieve national development goals.

3.3.6 Involvement through Fiscal Incentives

Several governments are involved with cooperatives by offering fiscal incentives through tax concessions and subsidies. The government of India has been providing tax concessions to cooperatives through successive budgets. In a recent initiative to provide a level playing field between cooperative societies and companies, the Minimum Alternate Tax (MAT) rate paid by cooperatives has been reduced from 18.5% to 15%. Further, a surcharge on cooperative societies has been reduced from 12% to 7% for those having a total income of more than ₹1 crore and up to ₹ 10 crore (Economic Survey, 2022-23). A clarification has also been issued to remove difficulties in cash transactions by cooperatives under Section 269ST of the Income Tax Act. New cooperatives commencing manufacturing activities on March 31, 2024, will be charged a flat lower tax rate of 15%, compared to the current rate of up to 30% plus a surcharge. The limit for deposits and loans in cash by PACS and Primary Cooperative Agriculture and Rural Development Banks (PCARDB)s has been increased from Rs. 20,000 to Rs. 2 lakhs per member, and the cash withdrawal limit for cooperatives has been increased from Rs. 1 crore to Rs. 3 crores per annum without being subjected to TDS. Additionally, the GST on Molasses has been reduced from 28% to 5% to help Cooperative Sugar Mills.

The Government of Japan has provided tax exemptions to cooperatives, wherein Agricultural cooperatives are entitled to a lower corporation tax rate of 19% compared to the ordinary rate of 25.5% and are exempted from real estate tax and the Anti-Monopoly Act. However, these tax incentives were also strongly criticised during the Government's discussions on agricultural cooperative reform (cf. The House of Representatives, Japan, 2015).

Unlike some countries where cooperative societies receive tax benefits, no specific tax privileges are granted to cooperatives in Jordan. They are subject to the same tax regulations as other business entities. The Jordan Cooperatives Law and Charter do not address cooperative taxation, leaving it to the Income and Sales Tax Law. Cooperatives are exempt from taxes on non-profit activities, but this does not provide tax benefits or privileges. Cooperatives are treated equally to other forms of enterprise and do not receive any unique benefits or access to public works programs. Discussions are in progression within the government about exempting cooperatives from taxation.

The cooperative sector in Jordan is in a less advantageous position than that for companies as identified according to the **strategy**, such as access to markets and access to financing. Cooperatives are subject to regulatory and financial control by the Jordan Cooperative Corporation, while companies have financial independence. Cooperatives can receive support at incorporation, which is also available to companies. The lack of preferential treatment for cooperatives in taxes and government support creates a disincentive for cooperative formation. Also, Cooperatives in Jordan do not enjoy any tax advantages.

The Tax Code of the Kyrgyz Republic of January 18, 2022, No. 3, defines the basic principles for the taxation of cooperatives. Tax issues are provided only in the tax code; including taxes in other laws is prohibited. Cooperatives are exempt from paying profit tax, sales tax, VAT (except on export), supply, and real estate tax by 50 percent. However, the organization pays 2%, and the employees pay 10% of the social fund.

There are provisions for tax exemptions in the cooperative law of Malaysia, but the decision is left to the concerned minister, according to Exemption 87, (1) The Minister may, on being satisfied that it is desirable to do so in the interest of the development of co-operative society generally or of a particular co-operative society or a particular class, category or description of co-operative society, by general or special order, subject to such conditions as he may impose, exempt any co-operative society or class, category or description of co-operative society, from any of the provisions of this Act, or direct that such provisions shall apply to any co-operative society or class, category or description of cooperative society, with effect from such date or with such modifications as may be specified in the order. (2) Any exemption made under subsection (1) shall be published in the Gazette. Cooperative tax is charged to resident Co-operative society receiving income in Malaysia. Exemption of Cooperative Tax, if the first five years from the co-operative registration date and after the end of the 5th year (first day of the 6th year), the members' funds are less than RM750,000.

In Morocco, cooperatives benefit from certain tax exemptions, which can be a significant incentive for their formation. While they are subject to taxes such as Income Tax, Value-Added Tax, and professional tax, the cooperatives and their unions, created in accordance with the legislation, enjoy several tax advantages. These exemptions, along with the taxes they are subject to, provide a comprehensive view of the tax system for cooperatives in Morocco.

Cooperatives with the primary objective of collection and resale raw materials from their members are totally exempt from income tax. Other cooperatives involved in the processing of

raw materials with an annual turnover lower than 10 million dirhams and agricultural cooperatives involved in the packaging of citrus fruits are also exempt. In the case of those cooperatives engaged in other activities, the exemption is determined in proportion to the turnover corresponding to the marketing of the raw materials collected from members.

Similarly, the above specific cooperatives are exempted from Value Added Tax (VAT).

In the case of professional tax, cooperatives are exempted when their activities are limited to collecting raw materials from members and marketing them, and their annual turnover is lower than two million dirhams excluding VAT for those carrying out processing activities.

Section 78 of the Cooperative Act of Nepal contains exemptions, facilities, and discounts. For example, they are not required to register any deed other than the one for immovable assets. Government bonds and treasury bills can be bought or sold by cooperative organisations. The Act exempts income stamp ticket fees or registration fees while procuring necessary land or other immovable assets for an office building or service centre construction. The government may provide whole or partial exemption of excise duty or value-added tax to large-scale commercial projects of cooperative industrial villages, marketplace development, etc. The Cooperative organisations operating financial services within Municipal Corporation areas, Sub-Municipal Corporation areas, and Municipal areas shall be subjected to 10%, 7%, and 5% tax, respectively. Additionally, no tax is levied on cooperative organisations operating financial services in the Rural Municipality.

The Philippine Cooperative Code of 2008 deals with the tax treatment of cooperatives which distinguishes between cooperatives transacting with members and non-members. Cooperatives transacting only with members are exempted from all taxes such as VAT, Donor's tax, excise tax, Documentary stamp tax and all taxes on transactions with insurance companies and banks. In those transacting with members and non-members, accumulated reserves and undivided net savings are the criteria. Cooperatives with Accumulated Reserves and Undivided Net Savings (ARUNS) of not more than P10 million shall be exempt from all national, city, provisional, municipal or barangay taxes. However, cooperatives with ARUNS of more than P10 million are taxed for transactions with non-members.

Tax exemptions are provided to cooperatives in the Republic of Fiji. Income Tax (Exempt Income) Regulations 2016- Part 2 Exempts Entities and provides that Fijian cooperatives registered under the Co-operatives Act 1996 may be entitled to an exemption from income taxation for a period of up to 8 years from the date of registration if the Minister so orders.

Savings and loan cooperative societies are entitled to claim as exempt, any income derived by the society and carried to a reserve fund or capitalised. A cooperative society registered under the Cooperatives Act that is receiving government assistance for a project may be exempt for the duration of the project for a period of up to five years.

Similarly, in Korea, Cooperatives are subject to the general taxation system. Also, Korean tax laws do not recognise “patronage refunds” as different from “dividends” and treat them differently. They do not provide tax exemption for profits allocated to legal reserves or non-distributable assets. Cooperatives established by eight special Cooperative Acts get preferential taxation treatment. Among cooperatives under the Framework Act, only social cooperatives are exempted from public assessment of the central government or local governments (Art. 99, the Framework Act).

3.3.7 Preferential Treatment for Cooperatives

Governments engage with cooperatives in non-financial engagement by providing preferential treatment to the products or services they produce. Such preferential treatment is observed in some of the countries studied. The Indian government has extended preferential purchases to certain cooperatives.

Department of Personnel & Administrative Reforms on 14.7.1981 made it incumbent on all Central Government Departments, their attached/subordinate offices, etc. and other organization financed and controlled by the Government located at Delhi/New Delhi to make all local purchases of stationery and other items required by them only from the Central Government Employees Consumer Cooperative Society Ltd. (now known as Kendriya Bhandar), New Delhi. Subsequently, the policy was changed, and it was decided on 05.07.2007 inter-alia to give the following special dispensation for all Central Government Departments, their attached and subordinate offices and other organisations financed and controlled by them.

A) They are to make purchases at their discretion of all items required for office consumption up to Rs.1.00 lakh directly from Kendriya Bhandar without calling for quotations. B). To procure all items of office consumption beyond Rs. 1 lakh to Rs. 25 lakhs from Kendriya Bhandar/National Consumer Cooperative Federation (NCCF) by giving purchase preference in case of limited tenders. C). Other things being equal, purchase preference will be granted to Kendriya Bhandar/NCCF if prices quoted by the cooperatives are within 10% of the lowest price (L1). In a recent move, Cooperative Sugar Mills was put on par with private companies

for ethanol procurement by the Ministry of Petroleum under the Ethanol Blending Programme (EBP).

In Jordan, such preferential treatments are not observed.

In Kyrgyzstan, the lack of legislation in public procurement, which ensures agricultural cooperatives' access to public procurement, is identified as one of the barriers to coop development.

According to the Philippine Cooperative Code of 2008, section 13, if there are two or more applicants for the same public service Franchise or Certificate of Public Convenience and Necessity, all things being equal, the concerned government agency shall prefer a transportation service cooperative.

The other provisions are:

In areas where appropriate cooperatives exist, the preferential right to supply government institutions and agencies rice, corn and other grains, fish and other marine products, meat, eggs, milk, vegetables, tobacco and other agricultural commodities produced by their members shall be granted to the cooperatives concerned;

Preferential treatment in the allocation of fertilizers, including seeds and other agricultural inputs and implements, and in rice distribution shall be granted to cooperatives by the appropriate government agencies;

Cooperatives organized by faculty members and employees of educational institutions shall have the preferential right to manage the canteen and other services related to the operation of the educational institution where they are employed, provided that such services are operated within the premises of the said educational institution.

However, in the Korean context, the Framework Act on Cooperatives of Korea provides preferential treatment for cooperatives. Article 95-2, under the head of Preferential Purchase by Public Institutions, provided guidelines for preferential purchases. Public institutions should preferentially purchase goods or services produced by a social cooperative. (**Art. 95-2(1)**). The head of a public institution should notify the Minister of Strategy and Finance of a purchase plan to increase the purchase of goods or services produced by a social cooperative and the results of the purchase of the preceding year (Art. 95-2(2), The Framework Act).

Table 2. Summary of the Institutions and Nature of Engagement in the Sample Countries

| Country | Institutions for Facilitating Partnerships | Nature of Engagement |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| India | The National Cooperative Union of India (NCUI), the National Dairy Development Board (NDDB), the National Cooperative Development Corporation (NCDC), Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM) at the national level, and other institutions at the state level. | Extensive government engagement, including financial contributions, cooperative education, and capacity building. Tax exemptions and preferential purchases from cooperatives are provided, and the government is involved in implementing welfare programmes. |
| Japan | JA Bank, National Federation of Agricultural Cooperatives Associations (ZEN-NOH) Central Union of Agricultural Cooperatives (JA-ZENCHU), The Japan Cooperative Alliance (JCA), Japanese Consumers' Cooperative Union (JCCU) | Engagement primarily revolves around cooperative education and sector-specific support. Cooperatives receive tax exemptions and indirect subsidies. They are extensively involved in delivering government services in the field of agriculture. |
| Jordan | The Jordan Cooperative Corporation (JCC) performs three functions: Regulatory, Developmental and Representative. | The government does not contribute directly to the share capital but partners in the form of grants, technical expertise, or consulting services in the agriculture sector. JCC facilitates international support. Cooperatives' non-profit activities are tax-exempt. However, cooperatives are treated on par with private enterprises without special benefits. |
| Kyrgyzstan | Cooperatives Union of Kyrgyzstan (CUK) was established in 2007 by the General Assembly of Kyrgyz cooperatives, with the technical support of the German Technical Centre (GIZ) to create a stable and sustainable system of cooperatives in Kyrgyzstan. | Focus on supporting agricultural and rural cooperatives through governmental programs. Cooperatives are exempted from paying certain taxes. They are involved in development strategies. |
| Malaysia | Angkatan Koperasi Kebangsaan Malaysia Berhad (ANGKASA), Malaysia Co-operative Societies Commission (MCSC) | Significant governmental involvement in cooperative education and development, supported by national policies. |
| Morocco | Ministry of Tourism, Handicrafts, and Social and Solidarity Economy and the Office of Cooperative Development (ODCO). | The Ministry oversees the promotion and regulation of cooperatives as part of the broader social and solidarity economy and provides guidance and resources. The Office of Cooperative Development (ODCO) engages with cooperatives in several ways, such as maintaining a |

| | | |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | central register and approval and providing cooperatives and their unions with training, information, and legal support. It also implements all programs of the Social and Solidarity Economy (SSE) dedicated to cooperatives. |
| Nepal | The National Cooperative Federation of Nepal (NCFN) government facilitates through the Cooperative Act. | The government contributes to cooperative education and financial support. Cooperatives are entitled to exemptions and discounts and can purchase and sell government bonds and treasury bills. |
| Philippines | Cooperative Development Authority, National Alliance of Cooperatives (NAC), Cooperative Development Councils (CDCs), and the National Coordinating Committee for Cooperative Development (NCC-CD) | Engagements include technical guidance, financial support, cooperative development programs, and integrating cooperatives into governmental welfare programs to develop them into viable economic enterprises. |
| Republic of Fiji | Ministry of Trade, Co-operatives and Small and Medium Enterprises and Communications(MTCSMEC) Department of Cooperative Business (DOB), National Cooperative Federation | The Department of Cooperative Business engages with cooperatives by offering monetary and non-monetary support for their development. |
| Republic of Korea | The National Association of Cooperatives (NAC), Korea Cooperative Council (KCC), The National Council of Intermediary Support Organizations for Social Enterprises and Cooperatives | The government shares finances and business opportunities with cooperatives and supports the promotion of business models. The Preferential Procurement System introduced for SEEs also applies to cooperatives. |

Chapter IV: Perceptions of Practitioners and Policy Makers

4.1 Introduction

Stakeholder perceptions are an important indicator of the status of any partnership. Cooperatives are often called multi-stakeholder organizations because they function for and through close association with varied groups. Therefore, the perceptions of stakeholders, i.e. representatives of cooperative apex bodies, members, policymakers, and government representatives, on various aspects of partnerships between the government and cooperatives in the AP region were collected through interactions and semi-structured interviews. The views are presented under different headings.

4.2 Importance of Partnerships Between Government and Cooperatives

All the stakeholders think that partnerships between the government and the cooperatives are essential. However, according to an official from South Korea, the state will cooperate with cooperatives because of ‘national need’ even if it is not required. Considering the usefulness of cooperatives, it is somewhat irrational for the state not to cooperate with cooperatives.

Fijian government considers partnerships as essential and according to one of the officials “without government support the cooperatives cannot exist and without the cooperatives government's agenda cannot be fulfilled”

According to the cooperators in Korea, cooperatives play a role in practising and institutionalizing alternative policies through self-help and independence. With their experience in the healthcare sector spanning more than 30 years, partnering with health cooperatives is necessary to create viable alternatives that fit the community's needs.

4.3 Policy Triggers to Initiate Recent Changes in the Existing Policies

Recent changes in cooperative policies in some countries were in response to changes in internal and international scenarios. In the Indian context, the government announcement that development should be cooperatively led, ‘*Sahakar-se-Samridhi*,’ and the formation of the Ministry of Cooperation in 2021 influenced the recent policy changes. All the policy initiatives aim to make cooperatives part of the development journey.

In the case of Jordan, the importance given to the cooperatives as vehicles for development by the government in Jordan is responsible for the enactment of Cooperation Law No. 18 of 1997. At the international level, global calls for more and improvised government support for

cooperatives, as evidenced by initiatives such as the General Conference of the International Labour Organization (ILO) in 2002, emphasizes the importance of cooperative development. Additionally, resolutions like UN resolution 76/135 adopted in 2021, advocating for an Entrepreneurial Ecosystem Approach, and the General Assembly resolution for dedicated legal frameworks in member states to support cooperative strategies have influenced the trajectory of cooperative policies in Jordan. These policy changes reflect a concerted effort to strengthen the cooperative sector in Jordan and align it with national development goals.

In the case of Morocco, when the earlier legislations were found to have limitations, the launch of the National Human Development Initiative (INDH) to combat social deficits and territorial disparities provided the need for a comprehensive law for the cooperative sector, unifying the Moroccan cooperative movement, The Law No. 24-83 was promulgated in October 1984 and came into force in September 1993. This was repealed by Law No. 112-12 in November 2014, introducing several new features to simplify the procedure for establishing cooperatives and promotion of the sector.

4.4 Provisions to Promote Partnerships in the Existing Policies

The existing policies in many countries, except for the Philippines, do not directly discuss the partnerships between the government and the cooperatives. However, the rules do not prevent the government from entering partnerships. The Indian cooperative legal frameworks provided for the engagement of government with cooperatives through the subscription to the share capital of a cooperative society, sanctioning of loans, a guarantee of the repayment of the share capital of a cooperative society, providing grants for revival, etc. There are provisions in the Cooperative Societies Act of some states, including Chhattisgarh, Madhya Pradesh, Karnataka, Maharashtra, Telangana, and Goa, for "*Collaboration by Societies*" with government undertakings or any other undertaking that the state government has approved for carrying out particular business activities, such as industrial investment, financial assistance, marketing, and management expertise.

The cooperative ecosystem in Jordan appears conducive to partnerships between the state and cooperatives. The Cooperation Law No. 18 of 1997 permits partnerships in this matter. It outlines the rights, duties, and procedures governing cooperative entities, including their ability to partner with other entities. It is flexible and supportive and permits capacity building while maintaining the independence of cooperatives.

In Kyrgyzstan, participation in tenders held by schools and children's institutions for the supply of organic products produced by agricultural cooperatives on a privileged basis is currently being initiated at the legislative level. The supply of organic products to schools and preschool institutions to ensure healthy nutrition for children is also under implementation.

The Fiji government's policymakers feel that allocating a separate budget for the Cooperative Development Fund in the annual budget of 2024-25 and strengthening the National Cooperative Federation has greater potential for promoting partnerships.

4.5 Nature of Existing Partnerships

By encouraging government support for cooperatives, governments in many countries have been partnering with the cooperatives. In this kind of partnership, the resource flow is only from the government to the cooperatives. Some existing partnerships reported in Jordan are between the Royal Court / Royal Initiatives and cooperative societies and between different ministries and cooperatives. For example, the Ministry of Agriculture established a set of cooperation agreements to support many cooperatives in **establishing strategic and developing** agricultural projects. Similarly, the Ministry of Planning and International Cooperation has generally made support agreements for the cooperative sector. The involvement of Water Users Cooperatives by the Jordan Valley Authority in managing water is very significant. Jordan's government supports agreements with international organizations and donors to achieve the visions and objectives of cooperatives.

In Kyrgyzstan, the state's collaboration with cooperatives aligns with the overall objectives of organizing rural infrastructure and incorporating cooperative management in agriculture, fostering a more coordinated and practical approach to rural development.

In Morocco, cooperatives and government partnerships are structured through a formal framework that needs further development. This framework establishes clear agreements and protocols that define both parties' roles, responsibilities, and expectations. The key elements of this framework are formal agreements, funding and resources, technical assistance, marketing and promotion, monitoring and evaluation, compliance, and reporting.

In Fiji, the present partnerships are mainly initiated by the government. They are limited to providing financial assistance and contributing to the human resources of the cooperatives in the form of training. The government also facilitates partnerships between cooperatives and NGOs and between cooperatives and industry. The examples are the engagement with Liv and

Learn, an NGO committed to climate change, and the engagement with Business Assistance Fiji (BAF), a government-funded limited company. The government also facilitates engagement with international development partners like the FAO and Japan International Cooperation Agency (JICA) to raise funds for the cooperative sector.

4.6 Perceptions about What is to be Shared

In several countries, governments share financial resources with cooperatives in the form of grants, subsidies, and, sometimes, share capital. The government does not directly contribute to cooperatives' share capital in Jordan. However, it provides associations with material, financial, and technical support and facilitates their tasks. In India, the government contributes to the share capital and provides grants for developing certain cooperatives registered under the State Cooperative Societies Act.

According to government officials, resources, information, and support mechanisms should be shared between the government and the cooperatives. The government should provide financial assistance, infrastructure development, and policy frameworks that promote cooperative growth and sustainability. Simultaneously, cooperatives should communicate transparently with the government, sharing data on their activities, challenges, and successes.

4.7 Who Prepares Partnership Rules?

In partnerships, who prepares the partnership rules and how they are ready is vital in identifying respective roles and responsibilities. In many countries, the partnership rules are embedded in the legal provisions framed by the governments. Within the given framework, cooperatives are often free to choose how they participate and contribute to partnerships. However, the cooperatives are bound by their respective laws **and bylaws**. Each cooperative association develops its statute and internal regulations, outlining its objectives, governance structure, and operational procedures. These documents govern the association's activities and engagements with external entities, including the government.

According to Indian officials, the government consults cooperatives and relevant stakeholders to frame engagement rules. Cooperatives can provide suggestions for expanding the cooperative sector and strengthening the cooperative movement.

In Jordan, the national legislation governing cooperative activities, Law No. (18) of 1997, along with any subsequent regulations issued by the government, provides the overarching legal framework within which cooperatives operate and engage with governmental authorities.

The engagement rules governing government-cooperative interactions are primarily established through legislation and regulations. These include the cooperative association's statute, internal regulations, and broader laws about collaborative work, such as Law No. (18) of 1997 and its associated regulations.

4.8 MOUs in Partnerships

MOUs for the execution of partnerships clarify what is expected from each partner. They outline the terms, objectives, and responsibilities of the partners involved in the collaboration. They serve as legal documents that formalize the cooperative-government relationship and provide a framework for cooperation and coordination. In India, the engagement typically does not necessitate a formal MoU between the government and cooperatives; it is embedded in the policy framework. In Jordan, MOUs are reported in some of the partnership agreements in water management. Partnerships with international agencies are based in the MOUs. In Fiji, collaborative partnerships between the government and cooperatives are typically formed through formal agreements, memorandums of understanding (MOUs), or informal collaborations. Sometimes, they are embedded within policy frameworks outlining mutual responsibilities, objectives, and expected outcomes. These partnerships aim to achieve various developmental goals, such as poverty alleviation, agricultural development, and community empowerment. They involve shared resources, expertise, and responsibilities to achieve mutual benefits. Government agencies typically prepare engagement rules. While guidelines exist, cooperatives rarely negotiate terms based on their specific needs and operational capacities.

4.9 Restrictions/Constraints in the Existing Legal and Policy Frameworks

Perceptions about the constraints in the existing legal and policy frameworks for forming partnerships in the AP region were elicited from the cooperative practitioners. Although the existing policy does not restrict partnerships, certain constraints are observed in Jordan. They are mainly in the form of administrative constraints and no specific guidelines for partnerships. In the absence of these guidelines, the awareness levels are low. One more constraint observed is the absence of cooperative content in educational curricula, which limits opportunities for students to learn about cooperative principles, values, and practices. Integrating cooperative thinking into school and university curricula can help cultivate a collaborative mindset among future generations. In Jordan, we need to introduce the concept of cooperation more broadly into the curricula for students in schools and universities.

There is no restriction on any cooperatives in India except that.

- Borrowing from non-members is restricted, as no society shall receive or raise loans from non-members (including any banking company other than the Central Bank) unless specially authorized by the Registrar of Cooperative Societies.
- Mutual Benefit Cooperative Societies and self-reliant cooperatives are restricted from receiving share capital from the Government; however, these cooperatives can receive all other support provided by the government.
- No cooperative bank shall hold shares in any other cooperative society except to such extent and subject to conditions as the Reserve Bank may specify.

4.10 Consultations with Policy Makers

Consultations with stakeholders ensure equal power sharing between partners in any partnership. Similarly, in the state's case, collaboration with cooperatives requires consultation between the state and cooperatives as often as possible on matters concerning the cooperatives. Perceptions about the consultations and the existing mechanisms for partnerships indicate that cooperatives are not frequently consulted in most countries.

Cooperative leaders in Nepal observe that the state and cooperatives consult only sporadically. Even when the state consults, the government tends to adopt a traditionalist approach, leaning towards a control-oriented direction, whereas the cooperative movement advocates for cooperative-friendly policies. Traditionally, suggestions are sought from the National Cooperative Federation but are not implemented.

In Jordan, according to the National Strategy for Cooperatives, the methodology of involving the most significant number of representatives of cooperative societies was followed to involve them in policy development (The National Strategy for the Jordanian Cooperative Movement 2021–2025).

In the Republic of Fiji, cooperatives are consulted only when there are any policy changes. For example, when the Cooperative Act was reviewed to make appropriate changes to the changing circumstances, consultations were organized in all the divisions, and cooperative members participated and gave their views.

In Korea, the representatives of the apex cooperative organizations and the Government agencies take suggestions and advice from the cooperatives in their respective fields. For example, the Ministry of Health and Welfare requests advice on the overall health welfare cooperatives to the apex cooperative organizations on the Health Welfare Social Cooperatives.

Also, the cooperatives make requests through the Korea Social Economy Network and the National Cooperative Association. The government consults cooperatives based on their needs. There do not seem to be any routine or formal channels in place.

4.11 Importance Attributed to Partnerships in the Development of Cooperatives

All the countries' stakeholders received the concept of partnerships between the government and the cooperatives. Many observed the gains from partnerships: gains to the government, cooperatives, and the public. However, the practitioners say partnerships play a minor role in cooperative development. The cooperative and supporting macro policies are more influential in cooperative development. According to one of the cooperative experts, *“Overall, while partnerships between the government and cooperatives can facilitate synergistic efforts and amplify impact, the gains attributed to these partnerships may also stem from independent actions and initiatives driven by shared objectives and aligned priorities. Effective policy frameworks and strategic interventions provide the basis for realizing these gains, with or without formalized partnerships.”*

However, in the Indian context, it is doubtful that the gains witnessed through the partnership between the government and the cooperative would have been achieved independently in the same way as in the partnership case. In the opinion of a government official and subject expert, without partnerships, *“while incremental progress might have been possible, the transformative impact and outcomes observed through collaboration would have been significantly diminished in the absence of these partnerships.”* Both partners would have been operating within their constraints: the government would have suffered from a lack of grassroots connection and innovative approaches, and the cooperatives would have suffered from a lack of funds.

The Fijian policymakers expressed that partnerships are essential for developing the cooperative sector. In their words, *“As a government, we talk about poverty **evaluation (alleviation)**, economic and rural transformation, and economic diversification, and that is where we see the cooperatives play a critical role in fulfilling those agendas' mandates. We have seen many success stories where existing and new cooperatives have been formed that have transformed the lives of the cooperative members, particularly in the rural areas.”*

4.12 Gains from Partnerships with the Government, Cooperatives and Society

Many stakeholders perceive partnership gains. In Jordan, the observed partnership gains are in the form of increased reachability and serving the community. By working together,

governments have been able to extend their services to a broader audience and address community needs more effectively. Cooperatives bring local knowledge, resources, and a grassroots approach to problem-solving, while the government provides support, resources, and infrastructure. Together, they can reach marginalized populations, provide essential services, and contribute holistically and sustainably to community development. Collaborative efforts between the government and cooperatives engage youth and women groups in productive economic activities, empowering them to contribute meaningfully to society and the economy. On the other hand, cooperative-government partnerships enable cooperatives to achieve their stated objectives and missions, aligning their activities with broader development goals. Partnership with the government enhances the sustainability of cooperatives by providing access to resources, expertise, and support mechanisms necessary for long-term viability.

According to cooperative experts in India, a partnership between the government and cooperatives promotes innovation and adaptive solutions through knowledge exchange between the public and private sectors. Ultimately, the collaboration between government and cooperatives amplifies the impact of community service initiatives, leading to improved socio-economic development and greater resilience in the face of challenges. One example cited is the Rupay Kisan Credit Card issued to members of cooperative societies, through which loans are made available to cooperative societies at a reasonable rate. Members can also use this card for other financial transactions.

Society gains from the complementary resources shared by the partners. Partnerships between the state and cooperatives facilitate the delivery of essential services, promote economic development, and empower local communities. Partnerships promote inclusivity and empower local stakeholders. Thus, society gains from the collective efforts of these partnerships through improved access to essential services, enhanced economic opportunities, and strengthened societal harmony.

Partnerships are crucial in helping the government achieve Sustainable Development Goals (SDGs). For example, following the Ministry of Cooperation's recent initiative, the Government of India introduced the world's most extensive decentralized grain storage program to ensure food security and reduce food grain wastage. This initiative directly contributes to several SDGs, including SDG 2 (Zero Hunger) and SDG 12 (Responsible Consumption and Production).

Due to a lack of capital and skills (including equipment), current resources and facilities cannot be fully utilized in Nepal. Therefore, establishing partnerships between the state and cooperatives appears inevitable and is expected to positively impact the state's progress. Government Officials observe that the government can offer services to citizens at reduced costs through partnerships with cooperatives, which can prove advantageous for the government.

According to government officials in Korea Koh (2024), *“If the government cooperates with cooperatives to foster and support cooperative businesses, it will have a significant effect in alleviating economic inequality by increasing decent work.”*

Fijian policymakers also agree that both the cooperatives and the government gain due to the partnerships between the government and the cooperatives. The cooperatives gain from the financial and non-financial support they receive. On the other hand, cooperatives' development contributes to the government's larger development agenda, i.e., poverty removal and employment creation. *“Partnerships between the government and cooperatives in Fiji have resulted in significant community benefits such as improved service delivery, employment creation, enhanced economic stability, and sustainable development outcomes.”*

4.13 Perceptions about Major hurdles/challenges for Partnerships

The major hurdles for the state to partner with cooperatives may include bureaucratic processes, legal constraints, budgetary limitations, and potential resistance from vested interests or competing stakeholders and sometimes ensuring compliances can create hurdles. Cooperatives must ensure compliance with relevant rules and requirements set forth by government agencies. Meeting these compliance standards may require additional resources, expertise, and efforts from cooperatives, which could act as potential hurdles in forming partnerships with the state. Regarding grants being provided by the government or supporting bodies, we find a lack of readiness in many cooperative societies regarding their administrative, technical, and financial structure in managing their projects, which limits the ease of partnerships with government or supporting bodies. There are existing associations that are not committed and suffer from a crisis of cooperative identity, which leads to a weak opportunity to obtain financing. In addition, many cooperative societies do not invest in their cooperative fund to build the capabilities of their departments, members, and workers. This limits the establishment of partnerships, given the conditions and requirements that governmental and international donors have.

In the Indian context, the significant hurdles identified by the experts are lack of professionalism amongst cooperatives in partnering, financial constraints, including limited access to credit and funding, inadequate infrastructure and outdated technology, governance issues such as lack of transparency, accountability, and proper management practices and in some cases, the political interference and patronage that undermines the autonomy and effectiveness of cooperatives, making it challenging for the state to form equitable and sustainable partnerships with them. Additionally, cooperatives lack the capacity and expertise to navigate complex government processes, negotiate partnerships, and effectively implement projects, limiting their ability to engage with the state.

Many stakeholders also expressed challenges ensuring effective communication, coordination, and goal alignment between government agencies and cooperatives.

According to the policymakers in Morocco, the government, local authorities, and cooperatives face several challenges in promoting partnerships due to the lack of expertise to implement an effective partnership. While the government does not understand the cooperative model's functioning, cooperatives have experience in successfully executing projects. The non-engagement of Stakeholders to concrete the terms of the partnerships and difficulties in evolving the monitoring processes to reflect transparency and accountability are also other hurdles observed in Morocco.

Major hurdles in Fiji include overlooking crucial aspects that should be included in the agreements, the lack of focus on cooperative capacity building when NGOs are involved, and the lack of compliance.

4.14 Partnerships and Cooperative Principles

The seven principles guide cooperatives, and through these principles, cooperatives put their values into practice. These include, Voluntary and Open Membership, Democratic Member Control, Member Economic Participation, Autonomy and Independence, Education, Training and Information, Cooperation among Cooperatives, and Community Concerns. It is essential to ensure that promoting and sustaining partnerships with the government do not negatively influence these principles. Many agree that partnerships can be sustained without compromising on the principles. However, specific prerequisites are essential. As the cooperative expert from Jordan explained, *“Cooperatives are generally capable of sustaining partnerships with the state without compromising on cooperative principles, provided that the partnerships are built on mutual respect, transparency, and shared values. However, it requires*

careful negotiation, clear agreements, and mechanisms for accountability to ensure that the interests of cooperative members are protected and that the partnership remains aligned with cooperative values such as democratic member control, autonomy, and social responsibility.”

The Korean officials stress the importance of capabilities in sustaining partnerships without compromising cooperative principles. Advocacy organizations, such as associations, secondary cooperatives, or apex cooperatives not entrusted to government organizations, must sustain their partnerships.

The Cooperative Act of 1996 in Fiji maintains autonomy and cooperative principles. It explicitly considers maintaining cooperative freedom and identity. It emphasizes voluntary membership, equal voting rights, fair distribution of surplus, education and training for members, democratic governance, and the unique identity of cooperatives.

4.15 Potential for Engagement between Government and Cooperatives

Stakeholders see massive potential for partnerships between the government and the cooperatives. There is significant potential for government engagement with cooperatives across various levels and frameworks. By leveraging their respective strengths and resources, government agencies and cooperatives can work together to achieve shared goals, promote inclusive growth, and enhance the well-being of communities. In the case of Jordan, partnerships between the Ministry of Agriculture and cooperatives to establish strategic agricultural projects demonstrate the readiness for collaboration to address sector-specific challenges.

In India, cooperatives can play a vital role in implementing schemes such as Toilets in Schools, Jan Dhan Yojana, Swachh Bharat Abhiyan, Pradhan Mantri Krishi Sinchai Yojana, Make in India, and Soil Health Card, given their extensive network spanning even the most remote areas and villages. Strong emphasis can also be placed on creating employment opportunities related to skills, mainly since nearly 65% of the country's population is below the age of 38. Considering this demographic landscape, cooperatives can contribute significantly to employment generation and improving access to rural areas.

In Nepal, the potential for partnerships is seen in operating large industrial businesses, markets, agricultural equipment workshops, chemical fertilizer factories, milk processing industries, and large agricultural farms. On the other hand, cooperators in Korea see more significant potential for the government to partner with cooperatives to address the issues of seniors and women entering the labour market. It has excellent potential in terms of job creation because it has high

survivability in ‘labour-intensive fields’ that are directly related to job creation. It can significantly include the unemployed from automation into the labour market in labour-intensive sectors such as primary and tertiary industries.

Fijian policymakers also find a greater potential for encouraging partnerships due to greater political will to encourage cooperatives and greater access to resources.

4.16 Necessary Policy Changes For Promoting Partnerships

Opinions from the stakeholders on the required policy changes to encourage partnerships between government and cooperatives are divided. According to some policymakers in Nepal, there is no need for any changes. However, what is important is the effective implementation of already existing provisions in the acts.

In Jordan, changes are suggested to create an enabling environment, supportive administrative policies, political accreditation, and support for community organizations. This involves streamlining administrative procedures, reducing bureaucratic hurdles, and providing administrative support and guidance to cooperatives. Policies within the state strategy involve accrediting cooperatives, organizations, and unions, giving them a formal role and enabling them to perform better.

In Morocco, structuring the intervention of all stakeholders and collaborating synergistically by adopting an integrated approach to foster the development of the cooperative sector was suggested to strengthen the partnership between governments and cooperatives. The suggested partnership model comprises establishing a comprehensive inventory of stakeholders, designing an integrated Collaboration Framework by defining common goals, developing coordination and communication mechanisms, launching pilot projects to test the partnership model in real-world conditions, strengthening capacities and skills by organizing training sessions for cooperative members and stakeholder representatives on key aspects of collaboration and the partnership model, evolving a regular reporting system with performance Indicators to track the progress of the partnership and measure its impact on cooperatives.

In Fiji, changes to the Cooperative Act were suggested to develop a mentorship programme, revamp the training college with a new curriculum, strengthen the National Cooperative Federation, attract international partners, and to encourage cooperatives to export.

4.17 Perceptions on Mandating Partnerships

As observed in the earlier chapters, legal and policy frameworks adopted to develop cooperatives vary considerably across different countries in the Asia Pacific region. Governments engage with cooperatives through various institutions. In some cases, even if guidelines provide opportunities, governments engage rarely. For example, according to the Karnataka Panchayat Act, a gram panchayat can deposit their funds in cooperatives in that area (Karnataka Panchayat Act). However, none of the Panchayats avail this due to a lack of confidence in the cooperatives. This helps the cooperative raise its financial resources, and the panchayat can involve cooperatives in implementing programmes. The same is the case with the Nepal Cooperative Act. Cooperatives are not consulted in policymaking despite the provisions. This brings us to the policy option of mandating the partnerships in the policy. However, the opinions on mandating partnerships between the government and cooperatives are divided. According to the cooperative expert from Jordan, *“while mandating partnerships could potentially ensure broader engagement and alignment with national development objectives, it should not be at the expense of the autonomy and flexibility of cooperatives and control their decisions.”* A cooperative expert from Kyrgyzstan expressed similar views. *“While making state partnerships with cooperatives mandatory might be a rigid approach, it is crucial to strike a balance. Instead of mandatory partnerships, the government should create an enabling environment through policies and incentives that encourage voluntary collaboration.”* Mandatory partnerships are not preferred by many. However, it is felt that it could be considered in sectors where cooperatives also have a significant role, such as agriculture, dairy, marketing, consumer, etc. However, it is essential to strike a balance, as persistent measures may not be appropriate in all cases and could lead to resistance or inefficiencies. According to Fijian policymakers and practitioners, mandating partnerships may not be necessary. Promoting voluntary collaborations through supportive policies and incentives can enhance cooperative-government synergy and effectiveness.

According to Korean policymakers, the state cooperates with cooperatives because of the ‘national need’ even if it is not required. Considering the usefulness of cooperatives, it is somewhat irrational for the state not to cooperate with cooperatives. Mandating the partnerships is supported in the context of Korea. According to the supporters of this argument, the Framework Act on Cooperatives already presupposes that a collaboration between the state and cooperatives is necessary.

4.18 Perceptions on What Should Be Shared

A review of existing partnerships indicates that financial resources are mainly shared, and the sharing is only from the government to the cooperative. However, sharing non-financial resources with both partners is also possible and desirable. Some of the resources are the distinctive expertise that these two organizations own. The government bodies can share access to administrative bodies, training institutions, and reputations as permanent institutions. As the cooperative expert from Jordan observed, “Support should focus on various aspects, including project selection, fund attraction, sales and marketing skills, and effective project management. By investing in capacity building initiatives, the state can empower cooperatives to operate efficiently and sustainably, enhancing their contribution to socio-economic development.”

Fijian policymakers observe that the government should share access to information and resources. However, cooperatives must follow good governance practices and comply with the Cooperative Act.

According to Korean policymakers, the state and cooperatives should be able to share strategic goals and directions, participate in developing plans to achieve them, be combined as subjects in the subsequent implementation process, and have a standard performance management mechanism to create and utilize partnerships effectively.

4.19 Perceptions on the Extent of Involvement Desired

Given cooperatives' distinctive nature, the extent of involvement plays a vital role in sustaining partnerships. Many practitioners and experts express that the extent of involvement should be determined through mutual consultation, depending on the local environment. The partnership between the cooperative sector and the government should be based on shared objectives, mutual respect, and the recognition of each other's autonomy.

4.20 Involvement of Cooperatives in the Implementation of Welfare Programmes

Cooperatives in several countries are involved in the implementation of government programmes. Especially in the agriculture sector, government programmes for promoting agriculture are delivered through cooperatives. As observed by the experts, cooperatives' involvement in government welfare programs, particularly in healthcare and support for individuals with special needs, is essential for addressing societal challenges, promoting social inclusion, and empowering vulnerable groups. Through collaboration and support from the

government, cooperatives can effectively contribute to improving the well-being and quality of life for all members of society.

Government officials in India support the involvement of cooperatives in implementing government welfare programs because such participation can develop solidarity amongst members and between members and their cooperatives. Cooperatives often have a deep understanding and reach to the local communities they serve and possess networks and infrastructure that can facilitate the efficient delivery of services to targeted beneficiaries. Thus, by involving cooperatives, the government may better reach marginalized and underserved populations more effectively.

In the opinion of policymakers in Nepal, Cooperatives should actively engage in government welfare programs for several reasons as;

- Their deep community connections enable them to understand local needs thoroughly.
- Their established networks streamline the delivery of government services.
- Their commitment to inclusivity promotes democratic participation in program implementation.
- Their collaboration enhances the accountability and transparency of welfare programs.

However, which cooperatives should be involved in each welfare program should be clear. If this is clarified, the outcomes will be more effective.

Cooperatives in Fiji are significantly involved in implementing welfare programs. Their role is crucial in bridging the gap between government initiatives and the grassroots level, ensuring that benefits reach the intended beneficiaries efficiently and effectively.

According to policymakers, cooperatives in Fiji are valuable partners in the implementation of welfare programs. Their deep-rooted connection with communities, coupled with their democratic structure, makes them effective in delivering social services and promoting sustainable development. *“cooperatives can play a vital role in implementing government welfare programs by leveraging local knowledge, community networks, and operational capacities to reach marginalized populations effectively.”*

However, welfare projects are in limited areas like the Agriculture sector or where natural resources are involved.

Government officials in South Korea believe there are two ways to involve cooperatives in implementing welfare programmes. First, cooperatives can receive welfare projects from the government and directly implement them. Second, a cash-for-work effect can be generated if the government supports cooperatives and these cooperatives employ vulnerable groups. “We believe that partnerships between government and cooperatives are important in meeting their objectives.”

4.21 Sustaining Partnerships

Cooperatives can sustain partnerships with the state without compromising on cooperative principles, provided that the partnerships are built on mutual respect, transparency, and shared values. However, it requires careful negotiation, clear agreements, and mechanisms for accountability to ensure that the interests of cooperative members are protected and that the partnership remains aligned with cooperative values such as democratic member control, autonomy, and social responsibility. By maintaining a solid commitment to these principles and actively involving members in the partnership process, cooperatives can effectively collaborate with the state while upholding their cooperative identity and integrity. Cooperatives are inherently structured to uphold cooperative principles while engaging in partnerships, including those with the state. Due to this, cooperatives can sustain partnerships without compromising their principles. In the case of Fiji, the policymakers observe that cooperatives in different stages need different support from the government. Therefore, the government should facilitate that sort of mentoring and build relationships.

4.22 Institutional Mechanisms for Partnerships

The stakeholders from cooperatives agree on an institutional mechanism for nurturing and promoting partnerships between the government and cooperatives that benefit both. As observed by one of the experts, a formal institutional mechanism should be established for consulting cooperatives in policymaking. This mechanism could involve the creation of a dedicated department or committee within the government that engages explicitly with cooperative apex organizations. Regular meetings, forums, or advisory boards could be established to ensure ongoing communication and collaboration between the government and cooperatives. Indian cooperative practitioners also propose a dedicated platform or body in the form of a committee or cooperative advisory board to ensure the meaningful participation of

cooperatives in decision-making processes. In Fiji, consultation forums are usually organised, or Cooperatives are asked to provide their submission in writing when any policy changes are proposed. However, the policymakers feel that platforms should be created to enable information to be shared. Strengthening the National Cooperative Federation (NCF) is suggested as an institutional mechanism for promoting partnerships, as in the absence of this, there is a gap between the cooperative space and the government. Currently, the Cooperative Act is under review with the involvement of stakeholders.

Table 3. Summary of Perceptions of Practitioners and Policymakers on partnerships in the selected countries

| Country | Perceptions on Existing Government Engagement | Perceptions on the Importance of Partnerships | Major Challenges Identified |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| India | Engages through direct implementation of welfare programs. | Strong support for partnerships; need for better cooperative education. | Financial constraints, lack of professionalism, and governance issues. |
| Japan | Designated cooperatives as agents for specific government measures. | Partnerships are viewed as essential for achieving societal goals. | Bureaucratic processes and legal constraints are hurdles. |
| Jordan | Involves cooperatives in specific projects like water management. | Partnerships are seen as vital for socio-economic development. | Regulatory requirements and administrative procedures are challenges. |
| Kyrgyzstan | Cooperatives are included in national poverty reduction strategies. | Partnerships help in achieving national development goals. | Needs more governmental support and more transparent regulations. |
| Morocco | Cooperatives are recognized as an important part of the social and solidarity economy, and the government engages through ministerial strategies. | Partnerships are recognized as important mechanisms for the cooperatives to contribute to the attainment of SDGs | Involvement of multiple stakeholders, size of cooperatives, non-engagement of all Stakeholders and lack of expertise on the part of government and cooperatives. |
| Nepal | Cooperatives' involvement in policy consultations and welfare programs. | Partnerships enhance service delivery and promote inclusivity. | Occasional consultations; need for more consistent engagement. |
| Philippines | Regular consultation through cooperative structures and policies. | Partnerships are crucial for inclusive growth and | Lack of formal consultation mechanisms; need for better policies. |

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|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | sustainable development. | |
| Republic of Fiji | The Fijian government and cooperatives have a mutually beneficial partnership. The government supports cooperatives through registration, grants, business training, and legal services. Cooperatives are also involved in implementing welfare programmes. | It was emphasized that the government gains from supporting cooperatives as they play a crucial role in poverty alleviation, economic diversification, and rural transformation. The importance of shared access to information and resources between the government and cooperatives is valued. | Poor compliance with the Cooperative Act, lack of involvement of all the relevant stakeholders and limited access to resources are the major challenges |
| Republic of Korea | Preferential treatment in public procurement for cooperatives. | Emphasizes the effectiveness of partnerships in addressing complex issues. | Resistance from vested interests; ensuring compliance. |

4.23 Suggestions for Promoting Partnerships

Jordan's expert observes that while no fundamental obstacles prevent the state from partnering with cooperatives, specific regulatory requirements and administrative procedures may present challenges and hurdles that must be addressed to facilitate effective collaboration between the state and cooperatives. Therefore, a balanced approach that promotes voluntary collaboration while providing incentives and support for partnerships, as seen in agreements between the Water Authority and cooperatives for water pump management, may be more effective in fostering sustainable and mutually beneficial relationships between the state and cooperatives. The cooperative assists the state and international bodies in organizing the management of water demand for farmers and members of cooperative societies by strengthening partnerships.

Many expressed the need to institutionalise regular consultation and collaboration mechanisms between the government and cooperatives to ensure effective engagement. The institutional mechanism is observed in the Philippines, where the government has set up local and national cooperative structures to facilitate regular consultation.

By nature, cooperatives prioritize democratic decision-making, member ownership, and community benefit. While partnerships with the state offer avenues for support, funding,

regulatory frameworks, etc., a delicate balance must be struck to ensure that cooperative autonomy and principles remain intact. One approach is establishing clear guidelines and mechanisms safeguarding cooperative independence while effectively utilizing resources. Furthermore, partnerships should be forged based on mutual respect, shared objectives, and recognition of cooperatives' unique role in promoting growth and sustainable development.

Promoting public-private Cooperative partnerships, streamlining bureaucratic processes, and reducing regulatory burdens can facilitate smoother operations for cooperatives, allowing them to focus more on their core objectives. Overall, a comprehensive review of existing policies and legislation that promotes cooperatives' vitality and resilience is suggested to harness their full potential as drivers of inclusive economic growth and social progress.

Other suggestions include preparing clear and transparent guidelines outlining the roles, responsibilities, and mechanisms for collaboration between the government and cooperative organizations. This may involve establishing dedicated departments or agencies within the government tasked with overseeing cooperative affairs and facilitating partnerships. Additionally, there is a need for direct financial incentives and support mechanisms explicitly tailored to the needs of cooperatives. Furthermore, regulatory frameworks should be revised to eliminate any barriers or ambiguities that may impede the participation of cooperatives in various sectors of the economy. By implementing these policy changes, the government can create an enabling environment conducive to the growth and sustainability of cooperative enterprises, thereby promoting inclusive economic development and social progress. However, it should be ensured that partnership is facilitated, and excessive governmental control should be avoided.

A dedicated platform or body, such as a committee or cooperative advisory board, is suggested to ensure cooperatives' meaningful participation in decision-making processes. This body would liaise between cooperatives and relevant government agencies, promoting open communication channels. Regular conferences, meetings, and workshops could be organized to bring cooperative leaders, policymakers, and other stakeholders together to discuss pertinent issues and share ideas.

The fundamental policy changes that may be considered or needed to facilitate government engagement with cooperatives revolve around recognizing and valuing cooperatives' unique contribution to the economy and society. First, there should be formal recognition of cooperatives, including sectoral cooperatives, as legitimate and integral partners in

policymaking processes, with provisions for their representation and participation in relevant decision-making forums. Additionally, policies should be formulated to provide financial and technical support to cooperatives, including access to low-interest loans, subsidies for cooperative development projects, and capacity-building programs tailored to the specific needs of cooperative members. Moreover, reforms in legislation operating cooperatives focusing mainly towards the partnership between the government and cooperatives are needed.

In addition, due to conflicts with related laws such as medical law, there is more supervision and sanctions than the operation of private and general medical organisations, and there are many cases of reverse discrimination. For example, the government inspection once in every three years for four days, is perceived as an invasion of autonomy.

In Morocco, the policymakers ask to develop a model that is based on democratic principles, inclusivity, financial sustainability and environmental conservation. Apart from this favourable regulations, tax incentives and access to funding are identified as essential for promoting partnerships.

In Fiji, strengthening the National Cooperative Federation as an overarching organization is suggested. A review of the Cooperative Act suggested by policymakers is underway. Binging in international partners in the cooperative space to expose and share the learnings to take the existing cooperatives to the next level is also suggested. The introduction of the mentorship programme, revamping of the training college, and the introduction of a new curriculum suitable to the changing national and international scenario are also suggested.

Government officials involved with Korean cooperatives recommend a decentralised public support system. Because cooperatives are primarily based on the local community, this system would significantly help revitalize cooperatives. Cooperatives in many countries are still evolving. Due to the efforts of internal agencies such as ICA, ILO, and UNO, many countries realized the importance of cooperatives as institutions to balance the state and neoliberal market-oriented policies. Policy changes are taking place in many countries to promote cooperatives as an alternative institution for sustainable development. We need to take a long-term view of incubating cooperatives. Cooperatives should be given opportunities and wait so that they can create their models and develop their capabilities.

4.24 Lessons from Case Studies

There are case examples of government and cooperative sector partnerships from countries like India, Jordan and the Philippines. The nature of engagement of the two parties and the specific activity are very different in each of these countries. In the case of the Philippines, one government agency leveraged partnership with cooperatives effectively by transforming farmer-beneficiaries of the government's land reform program into self-reliant and productive members of society.

The case example from India demonstrates a tripartite partnership between cooperatives, the private sector and cooperatives in delivering rural health services. These case studies demonstrate that there is both scope for and gains for all parties concerned in the partnership endeavours. Bureaucracy often challenges such partnerships, and solid political will is required to facilitate them. It is, therefore, for the people's representatives, both at the level of state assemblies and national parliaments, to take a call on facilitating such partnerships, keeping the larger public good in mind.

The case study of Waililai Flats Cane-Producer Cooperative Ltd (WFCPCL) in Fiji is an example that showcases how the timely sharing of financial resources and advisory by the government can help promote the cooperative spirit among cane growers and solve labour problems.

4.25 Overall Perceptions of various stakeholders

The study shows that cooperative leadership, bureaucracy, and political leadership favour the government's engagement with cooperatives. Many have clearly articulated the need for and the expected benefits of such engagement. Though they converge on the importance of partnerships, they diverge on the reasons for supporting them and the options available. For many bureaucrats, partnerships are essential as they facilitate the implementation of government welfare programmes. However, the cooperators feel that partnerships are essential as they help achieve what the government cannot.

Cooperative leaders consider more frequent interaction with cooperatives and participation in policy-making important when developing partnerships. However, at present, though some consultations take place, legislative efforts appear to be swayed more by personal and political interests than the recommendations put forth during these consultations.

Chapter V: Summary and Suggestions

5.1 Summary

The following points emerged from reviewing the constitutional and policy environment in eight Asia Pacific Countries and the stakeholders' perceptions regarding the policy environment for promoting partnerships between the government and cooperatives.

1. Constitutional provisions for cooperatives are observed in India, Nepal and the Philippines. However, in other countries, though there is no reference to cooperatives, provisions are made for voluntary initiatives. Article 123 The constitution of the Republic of Korea states, “The State shall foster organizations founded on the spirit of self-help among farmers, fishermen and businessmen engaged in small and medium industry and shall guarantee their independent activities and development”.

The Japanese constitution guarantees freedom of assembly and association under Article 21. In Malaysia, the only mention was the inclusion of cooperatives in Federal List 1 of the Constitution. However, the constitution guarantees freedom of assembly and association under the Fundamental Liberties. In Morocco, the constitution mentions the cooperatives, but not in detail. In the Republic of Fiji, only freedom of association is guaranteed in the constitution.

2. Legal provisions are made in all countries to guide cooperatives. However, in Japan, there is no general cooperative law. Different types of cooperatives are guided by their respective cooperative laws and are under the jurisdiction of three ministries. Special cooperative law and the Frame Work Act on cooperatives govern cooperatives in Korea. The Malaysian government enacted successive National Cooperative Policies, the latest of which is Cooperative Policy 2023. The Ccentral and State Acts guide Indian cooperatives while the National cooperative policy is in its making and will be announced soon. There are legal provisions in the case of Morocco, and some revisions are proposed to take place in the future. In the Republic of Fiji, the Cooperative Act 1996 is under revision to make it more relevant to the changing national and international situations.
3. Though governments in different countries are involved in cooperatives through their supporting, supervisory, and monitoring functions, partnerships are not mentioned in the policies except in the case of the Philippines. Cooperative Development Authority

Charter of 2019, the IRR rules mention partnerships. Rule IV of the IRR is entitled "Partnership and Complementation," According to the Act “, a strong partnership between the Authority, cooperative sector, and academe will be established to ensure maximum participation of the cooperative sector on matters of government plans, projects, and policies affecting cooperatives.” In Kyrgyzstan, the cooperatives are incorporated into the national sustainable strategy, country development strategy, etc.

The government of Morocco engages with cooperatives through ministries that provide financial, training, and marketing support.

The recent initiatives in the Republic of Fiji include the ‘Target 100’ initiative, launched in January 2018 to guide 100 cooperatives across Fiji to comply with the Co-operative Act and the budgetary and operational assistance to establish the National Cooperative Federation.

4. Though financial support for cooperatives is observed in all countries, the government contributes to the share capital of some cooperatives only in India.
5. Cooperative education and training are the only areas in which governments of all the countries are involved.
6. In all the countries studied, institutional mechanisms facilitate partnerships between the government and cooperatives.
7. The reviews observed that the government's partnerships/engagement with cooperatives is limited to sharing financial resources and supporting human resources development. On the other hand, cooperatives do not share their expertise with the government, except when government programmes are implemented through the cooperatives.
8. Tax exemptions are provided for cooperatives in almost all the countries studied except Jordan. The lack of preferential treatment for cooperatives in taxes and government support creates a disincentive for cooperative formation, given that many associations, especially those in rural and desert areas, have members with limited income.
9. Cooperative involvement in policymaking is not very common. Though there are mechanisms, they are not effective, as one of the stakeholders expressed. In Korea, the Ministry of Economy and Finance consults cooperatives during the national assembly or when any new rules are made. Consultations are reported only at the apex level in Nepal.

10. Some countries are found to be engaging with cooperatives through preferential treatment accorded to them. In Korea, The Municipal Ordinances on Public Purchase and Marketing Support for the Products of SEEs (effective as of 30 April 2014) and on Public Procurement for Realization of Social Values (effective as of 14 May 2014) were introduced to create a policy system that favours SEEs as partners in public procurement. Preference for purchasing ethanol from Cooperative Sugar Mills and establishing Cogen Power Plants was introduced in India recently.
11. Government engagement with cooperatives through their involvement in implementing welfare programmes is observed. In Japan, cooperatives have often been designated as the sole agents for implementing promotion measures. Kyrgyzstan cooperatives are involved in the National Poverty Reduction Strategy (NPRS) 2003–2005 and the Country Development Strategy (CDS) 2007–2010. Recent changes in the functioning of PACS into multipurpose cooperatives in India gave way to the involvement of cooperatives in implementing government programmes. In Fiji, cooperatives are also involved in the implementation of welfare programmes.
12. All the cooperative leaders and policymakers who participated in the in-depth interviews agreed that partnering is a win-win case and should be encouraged. Partnerships in Korea are viewed as a mechanism to address complex and multi-layered issues that a single player like the government, private companies, or the market cannot solve. Stakeholders expressed that the partnership gains to the cooperatives are increased business and higher dividends to members. On the other hand, the government gains in achieving its objective of inclusive growth and attainment of sustainable development.

5.2 Suggestions

The following suggestions emerged from the consultations with stakeholders in some South Asian countries.

1. All the stakeholders observed that the existing policy scenario does not prevent partnerships but does not incentivise them. Therefore, policy changes are needed to incentivise partnerships. One of the stakeholders observed that incentivising partnerships makes partnership initiatives self-selective and helps them enter into partnerships without compromising cooperative values.
2. As in the Philippines, the partnerships are to be included in the policy itself.

3. The implications of the government's contribution to the cooperatives' share capital should be assessed. Similarly, the cost of subsidies and tax concessions needs to be evaluated. Creating incentives rather than tax concessions is suggested so the cooperatives can compete in the free market.
4. In consultation with the stakeholders, it is essential to identify the areas of engagement that create higher collaborative value.
5. Clear partnership rules should be developed through a consultative process and incorporated into the policy.
6. Many stakeholders do not welcome mandating partnerships between the government and cooperatives. However, mandating in selective sectors without compromising cooperative principles is also suggested. According to them, mandating cooperatives involved in production improves their efficiency.
7. Sectoral policies need a re-look, and a study needs to be initiated to identify if there are any policy conflicts and unintended outcomes.
8. Any national and provincial policy conflicts must be identified and addressed appropriately.
9. There is a shortage of knowledge on the workings of the existing partnerships, the hurdles involved, the capabilities of cooperatives in partnering with the government, and the partnership gains. Therefore, all countries should initiate micro-level studies to understand the benefits and challenges of partnerships between states and cooperatives.
10. Evolving mechanisms for frequent public consultations are essential for identifying partnership opportunities and gaining collaborative benefits.
11. Many have stressed the need for clarity in the roles of each partner in a partnership. Therefore, while formulating policies, attention should be paid to the respective roles. Legal provisions are to be evolved, specifying the roles of each partner in the partnership.
12. To avoid 'arm twisting', the cooperatives' capabilities in proposing and maintaining partnerships should be improved.
13. Involvement of stakeholders is essential for developing sustainable partnerships.
14. Local administration must be involved in promoting cooperatives through partnerships for greater government involvement. There are provisions for the participation of cooperatives with the Panchayat system in India. The Karnataka Panchayat Act promotes cooperatives and is included in one of the functions of the local panchayat. Panchayats can share their resources with the local cooperatives, and both can be

involved in the advocacy (Paranjyoti, 2020). However, as it is not observed in reality, efforts should be made to promote the same.

15. The entrepreneurial ecosystem paradigm, promoted worldwide, rests on the policy and regulatory environment, education and capacity-building, and the culture of cooperation, funding, and finance. Attainment of all these depends on building networks and partnerships. Therefore, building partnerships should be the priority of all governments to ensure the participation of cooperatives in the development process.
16. Cooperatives In Development (CID) is proposed as an approach that focuses on the role of cooperatives in the economic and social development of a country. The approach stresses the need for cooperatives to play a more significant role in the development process. It focuses on understanding the problems the cooperative sector faces and promotes cooperatives' participation in the development process. The approach suggests the inclusion of the cooperative sector in planning and decision-making at the macro level and in designing policies and programmes that address the specific needs of the cooperative sector. It also emphasises building the capacity of the cooperative sector to enable it to play in a level playing field.

5.3 Conclusions and the Way Forward

The study shows that government engagement with cooperatives varies across different countries, and there is not enough empirical evidence to arrive at a model to relate the outcomes to the extent of partnerships. However, if we are to place the existing scenario in the framework of the entrepreneurial ecosystem; the recent policy changes in many countries fulfil the requirement of enabling a policy environment to a larger extent. However, policy changes are needed to promote cooperatives as economic enterprises rather than limiting them as welfare institutions. The other elements of the Entrepreneur Ecosystem, i.e., education and capacity-building, cooperative culture, funding and finance, networks and partnerships, must be addressed. Recent studies on cooperative Entrepreneurial Ecosystems (Beishenaly & Dufays, 2023; Spicer & Zhong, 2022; Purbasari & Raharja, 2023; Fkun et al., 2023) in different countries indicate the significance of country-specific in-depth studies to understand the systems in different socio-cultural situations to arrive at solutions to realize the potential of cooperatives.

Partnerships are higher-order engagements in which the government and cooperatives work as equal partners, sharing common resources with a common objective. In this type of partnership, cooperatives are involved in the planning, monitoring, and evaluation processes. Regular

interactions between partners are essential to attain this level of partnership, with a clear definition of roles and responsibilities. It is possible to promote this level of partnership only when both partners have equal strengths and are equally committed beyond political aspirations.

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Annexure 1: Country Summaries

INDIA

Cooperative movement in India dates back to pre-independence. Cooperatives are important institutions with deep roots in rural India. They have been playing an important role in developing the agricultural sector. Cooperatives are developed mainly under the patronage of the government. Based on the existing policy scenario and the perceptions of some of the major stakeholders in the sector, the present country summary provides an overview of the partnership between the cooperative sector and the government in India.

Mention of Partnership in Policy

The cooperative sector in India has been under the government's patronage since the start of the planning era. State partnership with cooperatives is mentioned in the policy documents but was limited only to financial patronage. The recommendations of the All India Rural Credit Survey Committee (1951) appointed in 1951 include introducing an integrated system of rural credit, the government's partnership in the cooperatives' share capital, and appointing government nominees on their boards, thus participating in their management.

The Second Five-Year Plan emphasized “building up the cooperative sector as part of a scheme of planned development” as one of the aims of national policy to enable cooperatives to increasingly become the principal basis for the organization of economic activity. State partnership with cooperative institutions at various levels was recommended, the essential basis of which was assistance, not interference or control. To facilitate State partnership in cooperatives, the Plan also recommended the establishment of a National Agricultural Credit Long-term Operations Fund.

Since then, several initiatives have been introduced during successive plans, which has increased cooperatives' dependence on the government. It is observed that “the relationship between the State and cooperative sector in independent India has moved from that of promotion and patronage to control and regimentation and then to a political partnership of parties in power and cooperative leaders” (ICA).

“Several Indian organizations termed "cooperatives" are not cooperatives by any stretch of the imagination, even if the law recognizes them. They are government-owned, government-controlled enterprises, which work against and/or are formed in contravention of most or all of the universally accepted principles of cooperation” (ICA).

Recent Developments

The government of India embarked on a more significant role for the government in promoting cooperatives with the formation of the Ministry of Cooperation on 6th July 2021. It is a landmark in the history of cooperative development in India. A committee of experts has been formed to create a new national cooperation policy that will strengthen and deepen the cooperative movement, promote a level playing field, and encourage infrastructure and technology adoption. The policy considered the global efforts, especially by the two international agencies, the UNO and the ILO. The policy incorporates the suggestions and recommendations of ILO 2002, UN resolution 2021 and General Assembly 2023 resolution.

What is Shared in Partnership between the Government and Cooperatives?

The cooperative law in India permits the government to contribute to the share capital of cooperatives and support them when there is a request from the cooperatives. Therefore, essentially, financial resources are shared between the government and the cooperatives. Apart from this, cooperatives are involved in the credit delivery system and public distribution of essential commodities. However, the recent initiatives under the Ministry of Cooperatives introduced several measures to partner with cooperatives in delivering common services through PACS. This will make a big difference in partnerships between the government and cooperatives.

Enabling the Cooperatives through Fiscal Measures

The Indian government has announced several tax reliefs for cooperative societies and sugar cooperative mills. For cooperative societies, the surcharge has been reduced from 12% to 7% for those with income between Rs. 1 to 10 crore, and the Minimum Alternate Tax (MAT) has been reduced from 18.5% to 15%.

A clarification has also been issued to remove difficulties in cash transactions by cooperatives under Section 269ST of the IT Act. New cooperatives commencing manufacturing activities till March 31, 2024, will be charged a flat lower tax rate of 15%, compared to the current rate of up to 30% plus a surcharge.

The limit for deposits and loans in cash by PACS and PCARDBs has been increased from Rs. 20,000 to Rs. 2 lakhs per member, and the cash withdrawal limit for cooperatives has been increased from Rs. 1 crore to Rs. 3 crores per annum without being subjected to TDS.

Sugar cooperative mills are not subjected to additional income tax for paying higher sugarcane prices to farmers up to Fair and Remunerative or State Advised Prices. The government has also resolved decades-old pending issues related to the Income Tax of Sugar Cooperative Mills, allowing them to claim as expenditure their payments to sugarcane farmers for the period before the assessment year 2016–17, giving a relief of nearly Rs. 10,000 crores.

The National Cooperative Development Corporation (NCDC) has launched a Rs. 10,000 crore loan scheme to strengthen Sugar Cooperative Mills. The loan can be used to set up ethanol plants or cogeneration plants, contribute to the working capital, or for all three purposes. The Ministry of Petroleum will also put cooperative sugar mills at par with private companies for ethanol procurement under the Ethanol Blending Programme (EBP).

Additionally, the GST on Molasses has been reduced from 28% to 5% to help Cooperative Sugar Mills. This will increase the liquidity of distillers, as molasses is the raw material for their operations. These tax reliefs aim to strengthen cooperative societies and sugar cooperative mills, expand the cooperative sector, and increase profits.

Preferential Treatment to Agricultural Cooperatives

The government's initiatives aim to strengthen the overall cooperative sector. However, the current focus is on transforming Primary Agriculture Credit Societies (PACS) into viable business entities to monetize opportunities in the agribusiness sector. The Ministry of Cooperation (MoC) has strengthened PACS through computerization, establishing multipurpose PACS in every Panchayat/village, and making PACS Common Service Centres (CSCs) for better access to e-services. PACS are also eligible for LPG distributorship, conversion of bulk consumer petrol pumps operated by PACS into retail outlets, and priority for new Petrol/Diesel Pump dealerships. The government has also taken initiatives to revive cooperative sugar mills, including relief from income tax, resolving pending issues related to income tax, preference in purchasing ethanol and establishing cogen power plants. The government has also reduced GST on Molasses from 28% to 5% and introduced a 10,000 crore loan scheme through NCDC for strengthening cooperative sugar mills.

Implementing Government Programmes

Implementing government welfare programmes through cooperatives is generally accepted as it can foster solidarity among members and their communities. Cooperatives have a strong understanding of local communities and possess networks and infrastructure to deliver services

to targeted beneficiaries efficiently. By involving cooperatives, the government can more effectively reach marginalized and underserved populations.

Government Restrictions on Specific Cooperatives

The government imposed some restrictions on the financial aspects of certain cooperatives. Firstly, cooperative societies are not allowed to borrow from non-members, including banking companies, unless authorized by the Registrar. Secondly, Mutual Benefit Cooperative Societies/Self-reliant cooperatives cannot receive share capital from the government but can accept other forms of government support. Lastly, cooperative banks are not allowed to hold shares in any other cooperative society except under conditions specified by the Reserve Bank. These restrictions aim to regulate the operations of cooperative societies and cooperative banks.

Partnership Gains to Cooperatives

The partnership between the government and cooperatives benefits both entities and the community they aim to serve. By combining resources, expertise, and networks, they can address community needs more comprehensively and efficiently.

The gains to the cooperatives are improved access to financial resources, expansion of business activities, and greater reach to communities. Including more services also promotes member participation in the cooperative business.

The recent amendments to PACS, which converted them into multi-purpose, helped the cooperatives to take several initiatives partnering with the government in service delivery. Some examples are PACS as Jan Aushadhi Kendra for access to generic medicines at the rural level, PACS as Paani Samiti to carry out O&M of rural piped water supply schemes (PWS), and PACS as distributors of LPG. PACS are developed as Common Service Centers (CSCs) for better access to e-services through MoU between the Ministry of Cooperation, Ministry of Electronics and Information Technology, NABARD, and CSC e-Governance Services India Limited. So far, 30,647 PACS have started providing CSC services to rural citizens, which will also increase the income of these PACS.

Partnership Gains to Government

Partnering with cooperatives can significantly benefit the government in promoting social inclusion, economic growth, and poverty reduction. Cooperatives can provide a community-driven approach and grassroots presence to effectively provide various services, including

banking, healthcare, consumer, and agriculture. Through such partnerships, the government can promote inclusive growth and empower underserved populations, such as small-scale farmers, artisans, and women entrepreneurs. This will ultimately lead to the enhancement of the Indian economy.

Essentiality of Partnerships

Partnerships are an essential part of the cooperative sector in India. However, it is restricted mainly to the sharing of financial resources. In the state-promoted cooperative sector, financial resources are shared by the government. Non-financial resources like sharing technology and management skills are also observed in some cooperatives. The cooperatives acknowledge the support they received from the government, and it is found to be an essential input without which the cooperative sector could not have developed. Without such partnerships, both entities would operate within their respective constraints, limiting their ability to address the challenges. Therefore, it is essential to encourage partnerships in which nonfinancial resources are also shared to improve the efficiency of both the government and the cooperative institutions. The recent policy initiatives by the government are creating more opportunities for partnerships between the government and cooperatives through the sharing of technology, skills, and delivery of government services. Due to these efforts, partnering with the government will become essential for the cooperative in the future.

Hurdles/Barriers

The hurdles/barriers cooperatives face in partnering with the state vary from state to state. Lack of professionalism among cooperatives is a significant issue that hinders effective partnerships. Lack of capacity and expertise to navigate complex government processes, negotiate partnerships, and effectively implement projects limits cooperatives' ability to engage with the state.

Policy Changes Needed

Regarding the required policy changes to promote partnerships between the government and cooperatives, we suggest encouraging public-private partnerships, streamlining bureaucratic processes, and reducing regulatory burden. We also recommend a comprehensive review of existing policies and legislation to identify the areas where partnerships can be encouraged.

To facilitate government engagement with cooperatives, policy changes should be made to recognize and value the unique contribution of cooperatives to the economy and society. This includes:

Formal recognition of cooperatives as legitimate partners in policymaking processes, identification of the financial and technical support and capacity-building programs tailored to the specific needs, and clear and transparent guidelines outlining the roles, responsibilities, and mechanisms for collaboration between the government and cooperative organizations.

Revision of regulatory frameworks is needed to eliminate any barriers or ambiguities that may impede cooperatives' participation in various sectors of the economy. Legislative reforms focusing specifically on the partnership between government and cooperatives are also needed.

Mandating Partnerships between the Government and Cooperatives

Based on the opinions expressed by the practitioners and the policymakers, it appears that mandatory partnerships are not welcomed in all sectors except in specific sectors where cooperatives play a significant role. Rather than mandating, appropriate policies focusing on creating incentives, technical assistance, marketing skills, opportunities, and capacity-building should be encouraged to facilitate mutually beneficial partnerships. It is essential to strike a balance, as persistent measures may not be appropriate in all cases and could lead to resistance or inefficiencies. Adequate safeguards should be in place to protect the interests of both parties and promote transparency and accountability in cooperative governance.

Mandatory

Potential for Partnerships

More significant potential for government involvement in cooperatives is observed, particularly in emerging sectors such as renewable energy, tourism, transport, services, health, and IT/platform coops. With democratic principles and aligning goals with community goals, partnerships with the government in these sectors can identify innovative solutions grounded in community needs and environmental protection. Collaborative efforts between governments, non-governmental organizations, and cooperatives are crucial for addressing complex global challenges such as poverty, climate change, and inequality. The government can better execute programs and initiatives through cooperative partnerships by utilizing community trust and local knowledge. In contrast, cooperatives gain access to government funding, resources, and legal frameworks to improve the community's general well-being.

Sustaining Partnerships

The cooperatives can sustain partnerships with the government without compromising their core principles by carefully aligning the collaboration with cooperative values. Establishing clear agreements and structures that respect the autonomy and democratic nature of cooperatives, maintaining transparency, accountability, and member participation throughout the partnership, and educating government officials about cooperative principles are essential. While engaging with the government, cooperatives must remain committed to member welfare, democratic decision-making, and community development.

What Should be Shared?

The best way to determine the extent of involvement in partnerships between cooperatives and the government is through a flexible and mutually agreed-upon framework. This approach allows cooperatives to decide on the nature and scope of collaboration based on their unique needs and circumstances while preserving their autonomy. A voluntary and flexible approach to partnership allows for better customization, responsiveness, and adherence to the cooperative principles of self-help, self-responsibility, and democratic control.

The present policy initiatives of the government reflect the government's intention to involve cooperatives in reaching the communities. This provides more significant opportunities for partnerships. Promoting the sharing of resources, information, and support mechanisms is essential. The government should provide financial assistance, infrastructure development, and policy frameworks that promote the growth and sustainability of cooperatives. On the part of the cooperatives, transparent communication, collecting and sharing data on the activities, outputs and outcomes, challenges, and successes are essential. This exchange of information can aid in crafting effective policies, targeted interventions, and tailored support programs.

Hurdles in the Management of Partnerships

The current policy and legislation do not explicitly prohibit the government from collaborating with the cooperative sector. However, the rules and regulations governing such partnerships are unclear.

Hurdles in developing sustainable partnerships include a lack of knowledge and skills about identifying relative strengths and partnership opportunities and clarity about what should be shared to gain maximum collaborative benefit. Therefore, definitive guidelines are needed to outline the nature and extent of governmental involvement with cooperatives. Explicit

provisions can facilitate more productive partnerships between the government and cooperative enterprises, promoting socio-economic development and community welfare.

Recent Policy Changes that have a Profound Impact

The Multi-State Cooperative Societies (Amendment) Act and Rules 2023 have been introduced to promote transparency, accountability, ease of doing business, and self-regulation among multi-state cooperative societies. Efforts are being made to bring uniformity to the respective provisions of the State/UTs Cooperative Societies Act. These changes are expected to profoundly impact the cooperative sector by promoting good governance, resilience, and inclusive growth, ultimately contributing to sustainable and socio-economic progress. The Ministry has also developed model bylaws for transforming existing PACS into multi-purpose business entities, which will increase their sources of income and create opportunities in more than 25 new sectors. So far, 31 States/UTs have adopted these bylaws, and adoption in other States is in progress.

Conclusions

The Indian cooperative policy scenario shows the government's involvement with cooperatives. Recent initiatives such as establishing a ministry exclusively for development cooperatives (Ministry of Cooperation) and efforts to evolve a comprehensive policy show the increasing importance given to cooperatives in the development process.

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JAPAN

Cooperatives play an important role in Japan's economy. According to the statistics published by JCA, there were 40,252 primary cooperatives in the country in the 2018 business year and 1,358 federations. They are present in over 35,000 locations in Japan and cover many sectors. According to ICA, agricultural cooperatives constitute 75 % of the cooperatives in Japan, and consumer cooperatives constitute 11% in 2018. The rest are workers' cooperatives and SME cooperatives.

Constitutional Provisions

The Constitution of Japan (1947) does not mention cooperatives specifically. However, under Article 21, Freedom of assembly and association, as well as speech, press, and all other forms of expression, are guaranteed. This provides the opportunity for the formation of cooperatives as voluntary associations.

Legal Provisions

The regulation of cooperatives in Japan is specific to each cooperative and is overseen by different ministries. There is no general cooperative law in Japan. However, separate cooperative acts are dedicated explicitly to different kinds of cooperatives and regulated by different ministries.

Japan Cooperative Alliance (JCA) was formed in 2019 as an apex organization to unite cooperatives and strengthen the movement based on shared values and interests. Since agricultural cooperatives are the most powerful and constitute the largest share of the cooperative sector in Japan, the present study analyses the agricultural cooperative law.

Japan Agricultural Cooperatives

The Japan Agricultural Cooperative (JA) is a cooperative established to protect and improve the lives of farmers and contribute to society through mutual help. Cooperatives allow the collection and selling of crops in large quantities and the purchasing of agricultural machinery and fertilizers at a discount. JAs are organized at the prefectural and national levels and are part of the JA Group. The Agricultural Cooperative Law was enacted in 1947. JAs are organized in associations at the prefectural and national levels, and the group of all such associations and related entities is called the JA Group.

Institutions

The Japanese Agricultural Cooperatives (JA)

The Japanese Agricultural Cooperatives (JA) played a crucial role in overcoming food shortages and contributing to Japan's economic recovery in the 1950s. Since the 1970s, JAs have been encouraged to merge. In the late 1990s, there was a trend towards consolidating all JAs within a prefecture into a single prefectural JA to enhance management stability.

JA Bank

JA Bank comprises JA Bank members (JA, the Federation of Agricultural Cooperatives Credit Union (JA Shinren), and The Norinchukin Bank) and operates financial service activities.

Central Union of Agricultural Cooperatives (JA-ZENCHU)

It is a specially authorized body under the Agricultural Cooperative Law, representing all JAs, coordinating activities, and providing consulting services. It was established in 1954 to provide strong leadership and coordination among all JAs. In the 1970s, JAs were encouraged to merge and expand their designated production areas.

National Federation of Agricultural Cooperatives Associations (ZEN-NOH)

ZEN-NOH is a federation of agricultural cooperatives under the Agricultural Cooperative Law. It is responsible for economic activities, including selling agricultural and livestock products and supplying production materials. It was formed in 1972 by merging the National Federation of Marketing Divisions of Agricultural Cooperatives for Marketing (Zenhanren) and the National Federation of Purchasing Divisions of Agricultural Cooperatives (Zenkoren).

Most of the 4 million farm households in the country belong to one of JA's 507 municipal level cooperatives. ZEN-NOH serves its member farmers by purchasing and distributing the materials and equipment for agricultural production and the necessities of daily farm life. It is equally involved in collecting, distributing, and marketing agricultural products. Its overseas operations range from direct importing from producing countries to establishing procurement subsidiaries and production bases and chartering ocean-going vessels.

Government Engagement with Cooperatives

The government's engagement with cooperatives in Japan dates back to before the enactment of the Japanese constitution in 1946. During the Second World War, government-controlled associations of farmers and landowners worked under government orders to collect, store, and

redistribute agricultural products in respective regions. Industrial Cooperative Law in 1900 established the basis of formal cooperatives.

The significant milestones in developing Japanese cooperative law were the enactment of the Industrial Cooperative Law (Sangyo Kumiai Ho-ICL) in 1900 and subsequent legislation passed after 1945. The ICL established the basis of formal cooperation, embracing all types of cooperatives as part of the Central Union of Industrial Cooperatives (Sangyo Kumiai Chuokai) as the sole apex body. At the same time, the post-1945 legislation laid the legal framework for post-war cooperative organizations federated into different bodies (Kurimoto, 2013).

The Agricultural Cooperative Law was enacted in 1947 in Japan. When Japan faced a severe food shortage and needed to manage food, JAs were set up to succeed in the role played by Agricultural Associations.

The cooperatives in Japan were created at the end of the 19th century under overwhelming European influence but evolved as a different model under the substantial impacts of industrial policies and institutions. They developed as multi-purpose cooperatives bearing triple natures as state agencies, pressure groups, and cooperatives Kurimoto (2004).

Centralisation and Coordination of Agricultural Cooperatives

Centralization in the agricultural cooperative sector in Japan started with the establishment of JA-ZENCHU in 1954. JA-ZENCHU was a specially authorized body under the Agricultural Cooperative Law but changed to a general incorporated association in 2019 following amendments to the Act. It represents Japanese agricultural cooperative organizations (JA Group), coordinates activities and provides consulting services. JA-ZENCHU is an apex body of agricultural cooperative organizations in Japan.

Government Engagement through Policy

The Government of Japan has been engaging with the cooperatives by implementing various policies in different sectors. Agricultural cooperatives are significant players in implementing agricultural policies through various legal-administrative measures. The policies include a price maintenance scheme for agricultural products, the selective expansion/reduction of production, a financial stabilization scheme, a farming infrastructure scheme, etc. Cooperatives have often been designated as the sole agents to implement promotion measures. They have also acted as subcontractors to channel the public money to farmers. Thus, they have been “institutionally” ensured to benefit from promotion measures and subsidies (Kurimoto, 2004).

Government Engagement through Tax Exemptions

The Government of Japan has provided tax exemptions to cooperatives. Agricultural cooperatives are entitled to a lower corporation tax rate of 19% compared to the ordinary rate of 25.5% and are exempt from real estate tax.

The Welfare Federations of Agricultural Cooperatives became tax-exempt in 1984. In 1988, a higher tax rate was introduced for large-scale cooperatives with more than 500,000 members and retail store sales of more than JPY100 billion. The cooperatives are exempted from the Anti-Monopoly Act.

Government Restrictions

The Agricultural Cooperative Act (ACA) allows agricultural cooperatives to trade with non-members up to 20% of their trade with members. The Consumer Cooperative Act (CCA) completely prohibits trading with non-members, which had a long-standing effect on cooperative evolution. The Ministry of Health, Labour and Welfare (MHLW) conducted administrative inspections to gauge the extent of non-member trade.

The 2007 amendment of the CCA introduced regulation relaxation, but the framework prohibiting non-member trade was maintained, and exceptional cases were enlisted. ACA allows agricultural cooperatives to carry out any economic activity in the same organization as multipurpose cooperatives, including banking and insurance.

Due to their wide range of financial activities, agricultural cooperatives are subject to more inspections than consumer cooperatives. In 2011, MAFF and the Financial Services Agency (FSA) published a joint guideline on implementing inspections stipulated in JAs' financial activities under ACA. Following these guidelines, the tripartite joint inspection of Prefectures, MAFF, and FSA was conducted on agricultural cooperatives' banking and insurance activities.

Confrontational Engagement between the Government and Cooperatives

The engagement between the Japanese government and the agricultural sector has been complex and intertwined. Many farmers are members of JA, which can exercise considerable influence over local politicians and make demands to the government based on their power to control votes.

It is observed that the JA, with roots in the organs of the wartime command economy, emerged as an institution with a top-down power structure geared to transmitting instructions and orders from the central headquarters to the local organizations. The Central Union of Agricultural

Cooperatives (JA-ZENCHU) in Tokyo controls the local agricultural cooperatives, and 47 prefectural unions are affiliated (Kazuhito,2015).

The Agricultural Cooperatives Credit Union (Shinren) and The Norinchukin Bank were established to balance the excess and shortage of funds among different regions and lend to the government at favourable interest rates. However, excessive guidance to local farms led to criticism and government-led changes to the JA system.

Power dynamics and conflicts within the agricultural sector led to the increased political power of JAs, and there was a tussle between The Ministry of Agriculture, Forestry and Fisheries (MAFF), JA, and legislators.

MAFF urged cooperatives “to reform or to dissolve” and set up the Commission on JAs, which produced a report in March 2003 (MAFF, 2003). The Commission pointed out that JAs should increase farmers’ income by actively marketing products, reducing input costs, and drastically rationalizing supply/marketing businesses to pay without compensation from financial businesses. It also recognized that the government’s stance of using agricultural cooperatives as its agents had inhibited their independence. It recommended a clear-cut division of roles, confining the former to regulatory supervision. In particular, the government is requested to treat cooperatives and other farmer organizations equally in channelling subsidies and closely monitoring cooperatives’ unfair trade practices in collaboration with the Fair Trade Commission. Ironically, cooperatives are requested to become independent by a government that uses them as an effective means to implement a public agricultural policy (Kurimoto, 2004).

The Japanese government's Decision to participate in the Trans-Pacific Partnership (TPP) free trade pact pushed for a significant overhaul of the agricultural system. The TPP negotiations were one catalyst for implementing MAFF's revised Agricultural Cooperative Act in 2015, which required JA Group to reform. The reform plan proposed and accepted in 2015 effectively dismantled JA-ZENCHU.

Critical Points of Agricultural Cooperative Reforms

JA-ZENCHU, the specially authorized body under the Agricultural Cooperative Law, was converted into a generally incorporated association in 2019 following the revision of the Agricultural Law.

The Japan Cooperative Alliance (JCA) was set up as a GIC in April 2018 to promote cooperation among cooperatives among sectoral cooperatives.

Consumer Cooperatives

Japanese consumer cooperatives are hailed as successful cooperatives in the world. Japanese consumer cooperatives have evolved into the world's largest consumer cooperative organizations in terms of membership and turnover and have exhibited robust member participation features. The cooperatives are involved in various businesses such as retail, insurance, and welfare for senior citizens. These are governed by the Consumer Cooperatives Act and work under the supervisory authority of the Ministry of Health, Labour, and Welfare. The act classifies the cooperatives into different categories according to the type of business, and it does not permit consumer cooperatives to do banking business. Each consumer co-op is permitted to do business only in the prefecture where it is registered. In principle, non-members are not allowed to use cooperative services. They developed a unique model characterized by the predominant membership of homemakers, home delivery as a significant business model, and a robust social movement dimension Akira Kurimoto (2020)

Japanese Consumers' Cooperative Union (JCCU) was established in March 1951 as a national federation of consumer cooperatives in Japan. Today, 306 consumer cooperatives and consumer cooperative unions join JCCU. The total business turnover of the member cooperatives is about 4.3 trillion JPY, with 30 million members. It is the largest consumer organization in Japan. As the representative of member cooperatives, JCCU communicates with various organizations, promotes consumers' cooperative movement, and makes policy proposals. JCCU also develops and supplies COOP Brand Products to its member cooperatives and supports the development of member cooperatives' businesses and activities. JCCU and its member cooperatives operate their businesses independently of each other.

JCCU interacts with the government on behalf of its members. It submits public comments to the government and attends its councils. It also takes initiatives to establish, improve, and advocate consumers' rights and enhance the social system.

Consumer cooperatives in Japan are independent, and the government does not hold any share of the capital in the cooperatives. Regarding taxation, Japanese consumer cooperatives have a lower tax rate than private enterprises. However, there are no subsidies. Local governments carry out the registration of co-operatives. The relationship of consumer cooperatives with the government is to the extent of providing an enabling environment. JCCU has a specific division

that promotes communication with the government. Since there are still legal restrictions on business activities, coops will continue to consult with the government to improve the situation.

Conclusions

A review of Japanese legal and policy scenarios indicates no mention of partnerships or sharing of resources. Cooperatives have grown independently in the cooperative spirit of greater member participation in the business. However, the government is vital in providing an enabling environment and supporting institutions. The Japanese cooperative sector is an example of how a cooperative sector can grow without the government sharing financial resources. It underlines the importance of government in enabling the appropriate policies to get the synergic effect from other policies.

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JORDAN

The cooperative movement in Jordan has been growing in recent years. According to Jordanian Yearbook statistics (DoS, 2019), 1,592 cooperatives were registered in the Kingdom as of 2018. The growth in cooperative membership between 1970 and 2018 was three times faster than Jordan's population growth over the same period (15.3 per cent compared to 5.8 per cent). This shows the growing popularity of the cooperative movement in Jordan.

Agricultural and multi-purpose cooperatives (the most involved in agricultural supply, marketing and financing) constitute 75% of all primary cooperatives and 64% of the total membership. Housing cooperatives, mainly located in urban areas, constitute the third largest group, followed by women's empowerment cooperatives, active in many different economic sectors such as agriculture, handicrafts, textile production, daycare, financial services, etc. However, according to the Commission, 68 per cent of cooperatives have suffered losses in recent years (JNCW, 2017). Most "mutual benefit" cooperatives are essentially family-based entities that organize mutual assistance, support and cooperation within the closed circle of a particular family structure.

Government participation in the development of the cooperative movement

As noted by the National Strategy Drafting Committee of the Jordanian Cooperative Movement (2021-2025), the history of cooperatives in Jordan is essentially the history of the relationship between cooperatives and the state.

Cooperatives in Jordan were initially formed to protect farmers from moneylenders and intermediaries. The Jordan Central Cooperative Union (JCCU) was established in 1959 to provide farmers with loans, seeds, fertilizers, pesticides, and production requirements at affordable prices. Between (1961 and 1966), additional higher institutions were created. These are the Cooperative Institute [Training], established in 1963, the Cooperative Audit Union in 1964, and the Union of Olive Processing and Marketing in 1966.

Establishment of the Jordanian Cooperative Organization

The government's involvement with cooperatives can be traced back to the new Cooperatives Law enacted in 1968; many cooperatives ceased to operate. In 1967 a new Cooperative Law was enacted (No. 55 of 1968). The law provides for establishing the Jordanian Cooperative Organization as a civil institution. The JCO organization, established in 1968, absorbed all

other previously existing cooperative arms, such as the Jordan Central Cooperative Union and the Control Union. Accounts, the new organization, JCO, became the only institution that directed, monitored and controlled cooperatives, and to meet the financial needs of the cooperative sector, Jordan Cooperative Bank JCB was established in 1971 as a subsidiary of JCO under the Cooperatives Law No. 20 of 1971. This has been fully integrated into the structure of the organization. However, the cooperative work could not survive, which led to the bank's capital erosion, which never exceeded 40 per cent. It collapsed in 1995. Subsequently, the government dissolved the Jordanian Cooperative Organization and replaced it with the Jordan Cooperative Corporation, a wholly state-owned government agency.

Establishment of the Jordan Cooperative Corporation

The JCC performs three functions: regulatory, developmental, and representative. Regulatory functions mainly facilitate cooperative registration, supervision, auditing, and association classification. Development functions include training and educating cooperative leaders and members, raising public awareness about cooperatives, providing business support services, and accessing finance. JCC performs a representative function to represent the Jordanian cooperative movement locally and internationally. I became a member of the International Cooperative Alliance.

The Jordan Cooperative Corporation (JCC) is a wholly government-owned enterprise, and the cooperative movement plays a secondary role in its management structure. The Corporation operates, and its financial and administrative staff is managed and supervised by a Director General appointed by the Council of Ministers, who shall issue a Royal Decree approving appointment decisions. Cooperatives in Jordan rely heavily on government support and grants, as well as governmental and other supporters.

Partnership in financial resources through government institutions

Jordanian cooperatives interact with various ministries. JCC receives financial resources from the Ministry of Finance. The Ministry of Planning and International Cooperation disburses grants and interest-free loans directly to primary cooperatives, and JCC can implement this procedure.

The Ministry of Agriculture provides services to agricultural cooperatives, and its policies influence their activities. The Ministry of Water and Irrigation, which collaborates with

irrigation cooperatives, provides additional support services in cooperation with the Jordan Cooperative Corporation (JCC) and the Jordan Valley Authority.

The Ministry of Planning and International Cooperation disburses grants and loans to primary cooperatives. The Ministry of Labour's Development and Employment Fund provides financial support to cooperatives wishing to launch or expand community development and job creation programs. The Ministry of Environment implements environmental projects with cooperative societies in cooperation with the Jordanian Cooperative Corporation (JCC), and the Ministry of Local Administration and Municipalities approves the plans submitted by the housing cooperatives. The National Agricultural Research Center is a partner of the JCC. However, it is not included. The concept of cooperation and the importance of cooperative societies sufficiently in educational curricula, where some topics were mentioned modestly in some curricula, while the ambition, according to the national strategy, is to launch curricula for cooperative work in schools, colleges and universities.

Partnership to facilitate

The Government of Jordan facilitates the participation of many national NGOs, United Nations agencies, the Organization of the Islamic World and bilateral cooperation agencies such as the German Agency for International Cooperation in promoting cooperatives in Jordan by providing training and funding to several associations and the Jordan Cooperative Corporation (JCC),

Several agreements and memoranda have been signed with partners, for example, with the Consumer Civil Service Corporation (CSCC), the National Center for Packaging (JOPAC) and "Partners for Good (PfG)". The government established the Civil Service Consumer Corporation in 1976 under Law No. (60) of the same year to provide a good standard of living for government employees and their families by purchasing food grains. While JOPAC is a private company that enhances the competitiveness of Jordanian products by providing a range of specialized technical services in the field of packaging, PfG is a Jordanian non-profit organization looking for sustainable and inclusive ways to implement heritage and methodologies. (CSubsidies depend heavily on the Government and donors, including subsidies and government services.

Policy Operator

ILO Recommendation No. 193 provides policy and implementation guidance for promoting cooperatives. The recommendation has impacted legislative and policy processes in more than 110 countries, including Jordan. The National Strategy for the Jordanian Cooperative Movement (2021-2025) was developed through a partnership between the Jordan Cooperative Corporation and the International Labour Organization and supported by the (**Prospect**) project—various stakeholders. The Council of Ministers approved the strategy and launched it in July 2021.

Government control

The government of Jordan exercises effective control over the cooperative movement through the Jordan Cooperative Corporation, which was established as an independent parastatal organization with financial and administrative autonomy to organize, promote, and supervise cooperatives in Jordan. The JCC has considerable authority to approve cooperative bylaws, investigate cooperatives, audit cooperatives, and appoint a cooperative manager. JCC is also responsible for promoting cooperatives and building their capacities. It acts as a cooperative registrar and performs many supervisory and regulatory functions. However, many cooperative leaders in Jordan feel that the supervisory and regulatory functions of JCC reflect high external control over cooperatives. According to Law No. 18 of 1997, the Council of Ministers appointed three leaders of the cooperative movement to fill these seats, which led to a superficial representation of the cooperative movement in the JCC, and the national strategy launched by the cooperative institution called for increasing the representation of cooperatives and women in the council.

Tax incentives.

The Cooperative Law and Charter do not address cooperative taxes, as cooperatives are currently subject to the Income Tax Law. Cooperatives are exempt from taxes on nonprofit activities, but this does not provide tax benefits or privileges. Cooperatives are treated on an equal footing with other forms of enterprise and do not receive any special benefits.

Discussions are still ongoing within the Government on exempting cooperatives from taxation.

The legislative framework for cooperatives in Jordan needs to be amended in line with international standards to create an enabling environment for the cooperative movement, and this has been included in the strategic plan to review the legislation governing cooperative work in Jordan. After incorporation, cooperatives are subject to regulatory and financial control by

the Jordan Cooperative Corporation. There is no preferential treatment for cooperatives in taxes and tax exemptions.

Reliance on international support

The Jordanian government depends on international agencies to promote the cooperative sector. One of the agencies is the Agency for Technical Cooperation and Development (ACTED). It is a French humanitarian NGO that promotes innovative agricultural practices and supports business management to improve livelihood opportunities and resilience. ACTED supports Jordanian agricultural cooperatives and small businesses to promote sustainable growth and livelihoods.

Cooperatives in Jordan received support from the United Nations Industrial Development Organization (UNIDO) Jordan Integrated Programme. It was an income-generating initiative for poor families from three villages in the Ajloun governorate. By the third quarter of 2003, 80 women from three cooperatives had been trained to produce high-quality olive oil-based soap using a new "cold production" method. While production capacity was successfully developed, the results were mixed in marketing, product diversification and business management skills. The partnership helped Positivity with the Government, the Federation of Cooperatives and UNDP enhance impact.

Between 2018 and 2021, UNDP supported agricultural cooperatives under the project "Improving the livelihoods of sheep owners in the Jordanian Badia by enhancing sheep wool productivity and quality". It was a partnership project between UNDP, the Ministry of Environment/Badia Restoration Programme and the Ministry of Agriculture/Jordan Cooperative Corporation. The Ministry of Agriculture, the Jordan Cooperative Corporation and the Department of Livestock Services played a crucial role in carrying out specific "field activities" given their mandate and capacity. The project budget was estimated at a total of (2,512,180 USD). The Ministry of Environment/Badia Restoration Program (BRP) funded the project with co-funding from UNDP. The total cost of the project is USD 2,582,180, with USD 2,512,180 being requested from the Biometric Residency Program and USD 70,000 from the UNDP.

The International Labour Organization (ILO) was influential in promoting cooperatives in Jordan. A steering committee was formed to oversee the development of a national strategy for the cooperative movement in Jordan to discuss the progress and ongoing implementation requirements for the design of the strategy, which aims to improve the organization and

management of cooperatives in the various economic sectors in the country. The Government of Jordan formed the Committee with the support of the International Labour Organization (ILO) in cooperation with the Jordan Cooperative Corporation. Minister of Agriculture Mohammed Dawudiya chairs it and includes experts in the field of cooperative movement, as well as a representative of various cooperatives in Jordan.

Under the Improving Prospects for Forcibly Displaced and Host Communities initiative, the ILO provides technical and financial support in designing and adopting Jordan's cooperative development strategy.

In addition to the strategy, ILO is implementing other initiatives to help build the capacity of cooperatives. More recently, this has included a train-the-trainers (ToT) program for thirty-one women and men in (My.Coop) - a training package on the management of agricultural cooperatives, enabling trainers to design and deliver their training in the future - as well as training programs for specialized agricultural associations. The Jordan Cooperative Corporation held training programs on Think & Start Coop topics. Training courses were also held to reduce child labour through cooperative societies and its impact on society, as well as workshops and awareness sessions related to tax.

Jordan's Economic Growth Plan 2018-2022 proposed inviting the private sector to join the Jordan Cooperative Corporation and the Agricultural Credit Corporation.

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KYRGYZSTAN

Kyrgyzstan attained sovereignty after the breakup of the Soviet Union in 1991. Before independence, all land was state-owned. The independent Kyrgyz Republic recognized private land ownership in 1998, and a 5-year moratorium on all transactions in privately owned land was imposed. However, the moratorium was lifted in March 2001 (by the Law on Agricultural Land Management), mainly in response to international donor pressure. In the early phase, the government passed laws mainly to set basic rules and procedures for reorganizing collective enterprises and distributing land and property shares to the rural population.

Cooperatives were identified as one of the key strategies for reorganizing the agricultural activity in Kyrgyzstan. As a result, the first agricultural cooperatives were established in Kyrgyzstan in the early 1990s. In the third phase of agrarian reforms, developing a wide range of cooperatives was prioritised under the New Directions and Measures of Land and Agrarian Reform policy, Presidential Decree, April 2004. Strategic development of cooperatives is viewed as a possible cure to the problems of small farms created by land privatization. Land reforms have contributed to the country's food sufficiency and the creation of alternative employment opportunities in rural areas. The number of private peasant farms has increased dramatically in the last decade, and agriculture is one of the priorities in the 2007 Country Development Strategy for 2007–2010. In this strategy, creating and encouraging cooperatives are among the measures for agricultural development.

Based on their origin and motivations, the cooperatives in Kyrgyzstan are classified into four models (JICA, 2012).

- a) former state farms that maintained their managerial practices and conventions represented large-sized Soviet-type cooperatives;
- b) donor-funded projects that resulted in establishing the Western-type of cooperatives that follow international cooperative principles and benefit from modernised equipment and extension services;
- c) family cooperatives, that represent businesses often led by a single person and his family members and whose functioning is close to a regular investor-owned firm; and
- d) dormant cooperatives that temporarily stopped their functioning and can get activated in case of calls for tender or other opportunities

Government Engagement

The government of Kyrgyz engages with cooperatives mainly through policies and programmes.

Cooperatives were recognized as one institution that addressed the problems facing the agriculture sector, and several related policies were given importance.

As a result, the first agricultural cooperatives were established in Kyrgyzstan in the early 1990s.

Due to their importance for the agricultural sector, the Kyrgyz government supported agricultural cooperatives with targeted laws and policies. The National Sustainable Development Strategy for The Kyrgyz Republic for The Period of 2013-2017 by the National Council for Sustainable Development of the Kyrgyz Republic provides a vital role for cooperatives in the strategic direction for the transformation of agriculture in the medium term. It aims to consolidate smaller peasant farms into cooperatives. The document proposed the following actions to improve owner-cultivators' efficiency and capital concentration in the agricultural sector.

- The establishment of the regulatory framework to ensure that the interests of potential participants in cooperative relations, especially in the protection of property rights and the equitable distribution of income;
- Create a pilot cooperative based on a public-private partnership principle in each area. In this model, the state would assume the risks associated with the farms' instability for five years.
- Creating a network of breeding farms, one in each Oblast of the country, to fully meet the demand of selected agricultural cooperatives with 8.5 million USD in 2013) National Council for Sustainable Development of the Kyrgyz Republic,

The Development Program of the Kyrgyz Republic for 2018-2022 discusses the government's support for promoting cooperatives. The programme aims to encourage cooperatives by addressing the policy scenario and creating new cooperatives. According to the document, “the government will support the development of cooperation. Measures will be taken to create secondary cooperatives and develop cooperative lending.” The government proposed to involve cooperatives in regional development by creating a cluster of agricultural cooperatives to complement the promotion of production, processing, and storage facilities (The Development Program of the Kyrgyz Republic for the period 2018-2022)

The National Poverty Reduction Strategy (NPRS) 2003–2005 included cooperatives. The strategy also established commodity cooperatives and associations and an effective agricultural product marketing system.

The Country's Development Strategy (CDS) 2007–2010, released by the government, emphasizes the establishment of cooperatives to provide support services, market agricultural products, transfer seed development, and livestock breeding to the private sector.

Government Support to Seek External Assistance

The government of Kyrgyz Republic provided opportunities for the involvement of international agencies to promote local cooperatives. According to the report of ADB (2012), the German development organization GTZ/GIZ has promoted commodity and services cooperatives and supported rural self-help institutions of farmers, such as cooperatives and credit unions. JICA has provided training in developing agricultural cooperatives and water user associations.

Government

The government leads the policy and regulatory field for cooperative development. The Ministry of Justice is responsible for registration, and the National Statistics Committee and the Ministry of Agriculture collect basic statistical information. According to Article 7, the Kyrgyz Republic guarantees the rights and interests of cooperatives and their members. State authorities and local governments promote the development and strengthening of cooperatives and facilitate the provision of effective credit services to cooperatives by financial and credit organizations.

However, state authorities and local government bodies do not have the right to interfere in economic activities and inspect cooperatives' financial activities, except in cases provided for by the Kyrgyz Republic's legislation.

Article 10 provides the conditions for a cooperative's State registration. State registration is carried out in the manner established by the Kyrgyz Republic's legislation on the registration of legal entities. A cooperative is considered a legal entity from the date of its state registration.

Government involvement in the cooperatives can be grouped into three categories.

1. Government as a strategic planner

As a strategic planner, the government designs country programmes based on the targets or inter-governmental meetings. It also develops concepts for developing specific sectors, such as agricultural cooperatives. The National Poverty Reduction Strategy (NPRS) 2003–2005, The Country Development Strategy (CDS) 2007–2010, and The Development Program of the Kyrgyz Republic for 2018-2022 are some strategic plans for promoting cooperatives.

2. Government as a supporter of specific sectors

The government initiated agricultural cooperatives to improve the efficiency of small farms, which increased due to the agrarian reforms after the Soviet Union's separation. State Program of Development of Agricultural Cooperatives movement in the KR, 24.12.2002, Decree No. 875 was prepared exclusively to support agricultural cooperatives. The decree's objectives were to Create a regulatory framework for agricultural cooperatives, introduce cooperative management in agriculture, and provide informational and consulting support.

The KR's Concept of Agricultural Policy existed until 2010, 22.06. 2004 Decree No. 465 established legislation for creating and functioning rural credit organisations based on cooperative principles.

3. Government as a facilitator of international cooperation and funding

The Concept for developing agricultural cooperatives of 2017-21 outlines the need to attract investments and funds from international donor organizations to assist in developing agricultural cooperatives. International organizations provide funding and knowledge, and their country programs are designed upon the government's request or during inter-governmental meetings. The government can request support from international donor organizations and seek cooperation with other countries for joint projects and training. The former president of the Kyrgyz Republic asked for a memorandum of collaboration between the National Union of Cooperatives of Germany and the Cooperatives Union of Kyrgyzstan during his visit to Germany in 2019. This was acknowledged by Angela Merkel, who offered support in areas such as phytosanitary, food security, quality of agricultural products, and green technologies.

It was proposed that the Concept of 2017 be implemented with financial assistance from international organizations such as GIZ, USAID, FAO, SCO, and JICA.

A 2012 survey commissioned by JICA found that most cooperatives were established with support from international organizations or donor countries. However, donors rarely target cooperatives.

In 2015-2016, CUK collaborated with international partners to implement joint projects on capacity building for cooperative managers and members and cooperative organization management. Currently, several continuing training courses for cooperatives are offered in all regions of the country, thanks to the support of GIZ (Batken, Osh, Issyk-Kul oblast.); JICA (Chui, Talas, Jalal-Abad oblast.) and Friend Asia-Korea (Issyk-Kul, Naryn., Chui region).

Cooperatives Union of Kyrgyzstan (CUK) was established in 2007 by the General Assembly of Kyrgyz cooperatives, with the technical support of the German Technical Centre (GIZ) to create a stable and sustainable system of cooperatives in Kyrgyzstan. It acts as an agency to initiate and implement government projects, participates in drafting government programs and strategic documents for the development of cooperatives, and networks with national and international donors. The Cooperative Union of Korea (CUK) supports its members by promoting cooperatives, providing training and consultations on technical, legal, financial, and management issues, and organizing study tours in various countries. In addition, CUK has been building business partnerships with suppliers and buyers of agricultural products for local and international markets.

Engagement through Fiscal Measures

The Kyrgyz Republic's tax code is No. 230, dated October 17, 2008 (last modified on August 6, 2018, No. 88). The Code defines the basic principles for the taxation of cooperatives. Tax issues are provided only in the code; including taxes in other laws is prohibited.

The cooperatives are exempt from paying profit tax, sales tax, and VAT (except on exports). However, the organization pays 2%, and the employee pays 10% to the social fund.

The Kyrgyz Republic's Tax Code provides agricultural cooperatives with several preferences. Cooperatives are exempt from sales taxes, profit taxes, and VAT, and the import of assets is also exempt from VAT.

With the assistance of the CUK, agricultural commodity and service cooperatives were exempted from the sales tax, VAT, and income tax, subject to the implementation of cooperatives, which included 75% of the cooperative activities with the participants.

Present Scenario

Cooperatives in Kyrgyzstan increase access to knowledge through training and study tours. They also facilitate access to local and external markets and participate in donor-funded projects and international trade fairs. The CUK members and staff participated in training programs abroad, and the Turkish cooperative movement facilitated the establishment of a training centre for cooperatives in Kyrgyzstan. Though the government intends to create an enabling policy and regulatory environment, it needs more resources and capacity.

Cooperatives attempt to raise awareness about cooperative culture and build networks and partnerships, but they also need more resources and capacity. On the other hand, international organisations have resources and capacity, but cooperatives are only sometimes their programmatic priority. This paradox explains the slow progress of Kyrgyz agricultural cooperatives' development as policies and programs need more funding, and available financing from international organizations is episodic and attributes minimal role to cooperatives (Beishenaly & Dufays, 2021). Cooperatives remain active in joining donor-funded projects, bringing attention to cooperative issues.

Opportunities

Unions are allowed to engage in entrepreneurial activities to achieve their goals. The trade name of the union must indicate its main subject and include the word "union". The Union of Cooperatives has the right to establish requirements for member organizations to ensure financial stability and monitor their implementation. Individuals and legal entities can be members of multiple cooperatives unless the charters of those cooperatives state otherwise.

Types of Cooperatives

Cooperatives are voluntary associations created by individuals and legal entities to carry out joint economic and other activities as provided for by their charter. They can be commercial or non-profit, with the former focused on making a profit and the latter operating in the interests of their members. Financial cooperatives, such as credit unions, are established by legislation. The minimum number of members for a cooperative is seven, except for mutual aid housing and savings cooperatives, which require at least fifty members. Agricultural cooperatives can engage in joint activities to produce and process farm products and their sale, storage, transportation, and other related services. Housing, housing maintenance, and housing construction cooperatives are created solely to acquire real estate intended for housing, with

share contributions paid in cash or property with a monetary value. Unions of cooperatives can be formed to coordinate activities, represent and protect common interests, and provide information and training services. The formation of a cooperative requires the establishment of an organizing committee, and the charter of a housing construction or mutual aid housing and savings cooperative must include specific information regarding shared contributions, borrowed funds, and priority for obtaining housing.

However, despite a few success stories, cooperatives needed to be higher in number. According to the National Statistic Committee (NSC) 2018, 328 agricultural cooperatives corresponded to less than 1% of the farmers' organizations. It translates a mismatch between the government's intention to develop agricultural cooperatives' development and their slow take of

The National Development Program of the Kyrgyz Republic until 2026 is a nationwide policy document adopted by the President of Kyrgyzstan. It expires in 2026. The state proposes creating conditions for developing clusters to produce and process agricultural products. Reforms are aimed at consolidating small peasant farms and agricultural cooperatives using a set of incentive mechanisms.

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MALAYSIA

Co-operatives were introduced in Malaysia to address the problems of rural farmers and urban public servants. The Co-operative Societies Enactment 1922 was introduced to monitor mutual self-help societies, now known as co-operatives. The objective of co-operatives was to encourage thrift, self-help, and cooperation among those with everyday needs. The Office of the Director of Co-operation was established in Taiping, Perak, in 1922. In due course, cooperatives have become integral to Malaysia's business. The government promotes them as business models through strategic planning.

ANGKASA, the officially registered national union, promotes cooperatives in eight major sectors: 1. agriculture and agro-based industries, 2. telecommunication and technology, 3. financial services, 4. tourism and healthcare, 5. wholesale and retail, 6. community, 7. property development and construction, 8. plantation and commodities. These sectors cover every aspect of citizens' economic lives.

As of 2019, there are 14,417 cooperatives in Malaysia with a membership of 6,046,031. There were 249 women cooperatives with 18,981 members. The number of school cooperatives has grown to 2,433 in 2019. According to the minister's recent announcement, there are 14,975 cooperatives in the country, generating a total income of RM22.4 billion in 2023. The country's top 100 co-operatives (co-ops) have combined assets totalling RM123.24 billion.

Constitutional Provisions

The Federal Constitution of Malaysia, which came into force in 1957 as the Constitution of the Federation of Malaya and was amended in 1963 to form the Constitution of Malaysia, does not refer to cooperatives, except that cooperatives are included in List 1 of Federal List Malaysia's Constitution. However, it guarantees freedom of assembly and association under the Fundamental Liberties.

Engagement of the Government with Cooperatives through Legal Provisions

The cooperative sector in Malaysia has grown with the support from the government through appropriate policies introduced and the institutions created. The Federated Malay States Council passed the first co-operative law called the Co-operative Societies Enactment under the British government on 28 June 1922. Subsequently, the Postal and Telecommunications Co-operative Thrift and Loan Society Limited Company was registered on 21 July 1922. During the same year, the Department of Cooperative Development (DCD) was established to

promote the growth of cooperatives and ensure that they operate according to the Cooperatives Societies Act of 1922.

Post-independence Legislation and Institutions

After independence in 1957, the cooperative movement in Malaysia became solid and active through the consolidation and rationalization programmes undertaken by the DCD and the Bank Rakyat. By 1966, the need for interlinked markets prompted policies that encouraged existing and new cooperatives to develop into multi-purpose cooperatives.

Establishment of Angkatan Koperasi Kebangsaan Malaysia Berhad (ANGKASA)

Angkatan Koperasi Kebangsaan Malaysia Berhad (ANGKASA) was registered on 12 May 1971 under Cooperative Ordinance 33/1948. It was established based on the proposal of the Second Cooperation Congress and was declared as a cooperative representing the cooperative movement throughout Malaysia. This declaration was gazetted on 23 May 1996.

"In exercising the authority given by Paragraph 57(2)(b) Act 502 Act 502 of the Cooperatives Act 1993, the Minister declared Angkatan Koperasi Kebangsaan Malaysia Berhad (ANGKASA) as the body representing the Malaysian cooperative movement at the national and international level," according to [KTPK. (S)07/49/1/9: PN. (PU2) 572/III].

The establishment of ANGKASA facilitated the government's involvement in the cooperative sector. Through this, the government steered the cooperative sector. The governing body of the ANGKASA provides an opportunity for the government to participate in decision-making. It is governed by a Board led by a President, a Deputy President, six ANGKASA Board Members, including a representative from the Ministry of Entrepreneurship & Cooperative Development and a representative from the Ministry of Finance, as well as 16 National Governance Committees (JTK) consisting of 16 Committee Chairmen State SPACE Communications.

Farmers Organisation Authority (FOA)

Farmers Organisation Authority (FOA) was established in 1972 to consolidate the agricultural cooperatives, and all the agro-based cooperatives were placed under the supervision of FOA.

Role of Government in Consolidating the Cooperative Sector

During the 1980s, when competition increased domestically and internationally due to the liberalisation and globalisation policies, the Ministry of National and Rural Development (the

Ministry in charge of cooperatives) initiated various policies and programmes to prepare cooperatives for a dynamic role in the country's economic development. The government initiated new cooperatives such as district development cooperatives, cottage industry cooperatives, village development cooperatives, and workers' investment cooperatives.

In the 1990s, the Department of Cooperative Development (DCD) was placed under the Ministry of Land and Cooperative Development, which emphasized creating more worker-investment cooperatives in factories and private companies.

National Cooperative Policy (2002 – 2010)

The first National Cooperative Policy (2002 – 2010) was launched to enable the cooperative movement to play an active role in national development along with public and private sectors. The National Cooperative Policy (NCP) 2002-2010 provided the road map for the promotion of cooperatives with the engagement of government. Before 2001, government policy regarding cooperatives was primarily focused on ensuring compliance with laws related to their supervision. However, the National Cooperative Policy (NCP) 2002-2010 made provisions for the involvement of cooperatives in the national development together with the public and private sectors. Specific strategies for the future development of cooperatives were incorporated. The policy was implemented through programmes which included business development, access to financial resources, and inculcation of entrepreneurial culture.

The NCP focused on several economic activities, including financial services, wholesale and retail, tourism, healthcare, agriculture, and plantation. Its implementation aimed to promote the growth and sustainability of cooperatives in these areas. Under the NCP 2002 - 2010, the accountability structure of the relevant authorities was streamlined, and all co-operatives were placed under one Ministry, with the Malaysia Co-operative Societies Commission (MCSC) as the sole authority. They were placed under the Ministry of Domestic Trade, Co-operatives, and Consumerism. Before this, the agro-based co-operatives were monitored by the Farmers' Organisation Authority of Malaysia (LPP), while fishery-based co-operatives were supervised by the Malaysia Fisheries Development Board (LKIM). The Malaysia Co-operative Societies Commission Act 2007 was established to create the Malaysia Co-operative Societies Commission and related matters.

National Cooperative Policy (2011-2020)

The second National Cooperative Policy (2011-2020) strengthened the government's involvement with the cooperatives. The policy identified five strategic thrust areas: (1)

stimulate the participation of cooperatives in high-value economic sectors (2) strengthen the capacity and capability of cooperatives (3) create and develop the capability of human capital in cooperatives (4) improve public confidence in the cooperative movement (5) strengthen cooperatives through adequate supervision and enforcement. The policy identified six main economic sectors, namely financial services, wholesale and retail, tourism, personal and health care, agriculture and agro-based industry, plantation, and property development and construction industry. This second National Cooperative policy was integrated with the Malaysian Economic Transformation Programme in 2013. To promote cooperatives in the entrepreneurial ecosystem, cooperatives were placed under the Ministry of Entrepreneur Development in 2019.

Financial Restrictions

Cooperative society needs the approval of the Commission to borrow funds from non-members. No member can hold more than one-fifth of the share capital. A cooperative society cannot accept deposits from non-members except as provided in the regulations, and any contravention of this rule is an offence punishable by a fine not exceeding five hundred thousand ringgits. A cooperative society can invest its surplus funds in securities issued by the Government of Malaysia, Bank Negara Malaysia, or any other securities approved by the Commission and shares of any other cooperative society. However, it cannot invest its surplus funds in bonds or debentures of any other co-operative society, the securities of any company or anybody corporate registered in Malaysia, other than those specified, its subsidiaries, or any other manner as may be determined by the Commission.

Powers of the Malaysia Co-operative Societies Commission (MCSC)

The Powers of the Commission about co-operative societies are outlined in two sections. Section 18A allows the Commission to direct any cooperative society to convene a general meeting within a specified period. Section 19A outlines several powers of the Commission, including the requirement for prior written approval for any co-operative society or subsidiary to open a branch in or outside Malaysia. The Commission may also prohibit or restrict the lending of money on a charge or mortgage of immovable property by any cooperative society or class, category or description of the cooperative society. Additionally, the Commission may order that the accounting and other records of a co-operative society, including those of its subsidiary or subsidiaries, be open to inspection by an approved auditor acting for any member or officer of such co-operative society, but only upon an undertaking in writing given to the Commission that he shall not disclose any information acquired by the auditor during his

inspection except to that member or officer. The Commission may also audit the accounts of any cooperative society at any time, either on its motion or on the application of the cooperative society. The Commission can enter into contracts and acquire and dispose of property.

Engagement of Government

The government of Malaysia began formal engagement with the cooperative sector with the establishment of the Malaysia Co-operative Societies Commission. The National Cooperative Policy (NCP) 2002-2010 provided the road map for promoting cooperatives with government involvement.

Malaysia Co-operative Societies Commission

The Malaysia Co-operative Societies Commission, responsible for the cooperatives, was established by the Malaysia Co-operative Societies Commission Act 2007 with the objectives of fostering sound and orderly development of co-operative societies and the co-operative sector in accordance with co-operative values and principles to contribute towards achieving the socio-economic objectives of the nation. The authorized capital of the commission was three hundred million ringgits. The government subscribed fifty million ringgits of the authorized capital while establishing the Commission.

Some of the essential functions of the Commission as provided in the Act (Malaysia Cooperative Societies Commission Act 2007, p. 23) are:

- (a) to promote and maintain the stability of the cooperative sector,
- (b) to be responsible for the surveillance, supervision and regulation of co-operative societies and the cooperative sector,
- (c) to act as trustee and to manage any scheme of Islamic financing or credit facility set up by the Government of Malaysia for cooperative societies.
- (d) The Act assigned the commission the responsibility of monitoring, supervising, and regulating cooperative societies and the cooperative sector. The commission enters into contracts to discharge its duties and can acquire, purchase, take, hold, and enjoy every description of movable and immovable property.

As per the Act, the Government shall annually grant a sum of money to the Commission to meet the cost of operation of the Commission (Malaysia-Co-Operative-Societies-Commission-Act-2007, p. 30)

Improving public confidence in the cooperative movement was identified as the IV Strategic Thrust of the government of Malaysia. This was achieved by creating awareness and encouraging the establishment of cooperatives at all levels of society. Due to these efforts, 100% of secondary schools and 100% of public institutions of higher learning (IPTA) have cooperatives. Additionally, 50% of private institutions of higher education and the adult population are members of cooperatives (Government of Malaysia, 2011).

Cooperative Policy 2030

The Malaysia Cooperative Policy 2030 (DaKoM, 2030) was launched by Datuk Ewon Benedick, Minister of Entrepreneur Development and Cooperatives (MEDAC) in 2023. The policy proposes to map out the direction of the cooperative movement until 2030 through four core policies and 20 strategies as catalysts toward achieving a target of RM60 billion in revenue by 2025 and RM73 billion by 2030.

DaKoM 2030's framework is a strategic direction for the development of cooperatives in enhancing economic performance and the social well-being of its members, with the vision of making this sector the primary driver of Malaysia's socio-economic growth. The three main objectives to be achieved through this new policy are 1. to make the cooperative sector a significant contributor to Malaysia's economic growth, 2. to establish capable and strong cooperatives that the Malaysian people accept and 3. to position cooperatives as the preferred business model in driving Malaysia's socio-economic development. The government of Malaysia assists socially motivated cooperatives through grants and soft loans. Cooperatives must contribute a percentage of their profits to funds that finance training and cooperative development programs organized by various organizations. The government's New Economic Model aims to transform Malaysia into a high-income developed nation, challenging cooperatives to be more effective in their roles.

Conclusions

The development of the cooperative sector in Malaysia is a model to showcase the importance of the government as a policy maker in facilitating the process. Through its engagement with the cooperatives, the government shares finances through grants and other financial instruments. Sharing of non-financial resources in the form of strategizing the direction, encouraging new cooperatives, providing marketing linkages, creating awareness about cooperatives in the educational institutions starting from schools to higher education institutions and improving the human resource base of the cooperative sector are some of the

benefits that the cooperative sector gains. On the other hand, engagement with cooperatives makes it possible for the government to create employment and increase national income. Cooperatives contribute to the attainment of sustainable development goals. The Malaysian government could integrate cooperative development with national policies, which would be a win-win situation for the government and the cooperative sector.

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MOROCCO

Introduction

Cooperatives play an increasingly crucial role in the socio-economic development of marginalized populations, aiming to combat poverty and social exclusion and ensure the integration of small producers into the market by creating income- and job-generating activities. Additionally, their attractiveness in Morocco has grown since the launch of the National Initiative for Human Development (INDH) in 2005, followed by other sectoral strategies, notably the Green Morocco Plan (PMV) in 2008. The implementation of Law No. 112-12 relating to cooperatives in November 2014 marked a new era for this sector, which has seen a significant increase in the number of cooperatives. Furthermore, this sector has proven its efficiency in the country's socio-economic development. It is now recognized as a true societal engine and a key lever for sustainable development. At present, there are 58566 cooperatives in Morocco. The number of cooperatives increased considerably from 310 in 1975 to 58566 by 2023. However, the real jump in the number of cooperatives was observed in 2020 when the number of cooperatives was 40531. Since then, there has been a significant increase every year.

History of Cooperative Legislation

Legislation relating to cooperatives has shown notable changes over a period of more than one hundred years. The first legal text related to the organization of cooperatives is the Dahir of 1922, which established consumer cooperatives, followed in 1930 by the Dahir establishing a union of cooperatives to ensure the supply of surplus cereals to France. In 1935, the Dahir related to mutual credit and agricultural cooperation was enacted, and in 1937, the Dahir appeared which authorized the constitution of Moroccan agricultural cooperatives and artisanal cooperatives.

Other sectors only saw legislative and regulatory texts authorizing the creation of related cooperatives after independence, namely the regional popular banks (1961), mines (Dahir No. 1-60-019 of December 1, 1960 creating the Mining Region of Tafilalt, retail trade (1963), artisanal fishing and housing (1968), and agrarian reform (1966 and 1972).

All these texts suffered from limitations and restrictions. Thus, the Moroccan legislator put in place a comprehensive law for the cooperative sector, unifying the Moroccan cooperative movement, with Law No. 24-83 establishing the general status of cooperatives and defining

the missions of the Office of Cooperative Development. This law was promulgated in October 1984 and came into force in September 1993.

In November 2014, Law No. 112-12 relating to cooperatives came into force, repealing Law No. 24-83, and introducing several new features to simplify the procedure for establishing cooperatives and promote this sector.

In effect, this law introduced mainly :

- A precise definition of the activity of cooperatives;
- The seven cooperative principles as adopted by the International Cooperative Alliance (ICA) in 1995;
- A simpler constitution procedure by allowing legal entities and non-Moroccan foreigners to form cooperatives;
- The creation of a register of cooperatives composed of a central register of cooperatives, local registers of cooperatives, and a local registration register;
- The possibility for cooperatives to tender for public contracts;
- A conflict resolution mechanism overseen by cooperative unions or the national federation of cooperatives;
- The rules of governance within cooperatives, notably the holding of general meetings and compliance with the laws in force.

The transition from Law 24-83 to Law 112-12 represents a significant evolution in the legal framework for cooperatives in Morocco, moving from basic and sometimes rigid regulations to a more modern, flexible framework that is better suited to the current needs of cooperatives. Law 112-12 aims to strengthen the governance, transparency, and diversity of cooperatives, while also providing increased support for their sustainable development.

The impact of the law 112-12 on the cooperative movement

The entry into force of Law 112-12 has also contributed to the multiplication of the number of cooperatives. This law, by introducing simplified procedures for the creation of cooperatives, has made access to this organizational model easier for a larger number of people and entities. By allowing legal entities and non-Moroccan foreigners to form cooperatives, the law has opened up new possibilities and broadened the base of potential cooperators.

Furthermore, Law 112-12 has brought clarifications and governance structures that have encouraged member confidence and participation. The principles of transparency and

accountability integrated into the new legislation have made cooperatives more attractive to investors and members, ensuring better management and more efficient use of resources.

The increased support for the sustainable development of cooperatives, through training programs, technical assistance, and easier access to financing, has also played a crucial role. These measures have not only enabled the creation of new cooperatives but also strengthened and sustained existing ones, significantly increasing their number.

Finally, the possibility for cooperatives to participate in public procurement has opened up new economic opportunities, encouraging more people and groups to create cooperatives to benefit from these advantages. In summary, Law 112-12 has created a more favorable and incentive-driven environment for the development and proliferation of cooperatives in Morocco.

Social and Solidarity Economy (SSE)

Cooperatives are an important segment of the social and solidarity economy (SSE) in Morocco. The concept of social and solidarity economy (SSE) dates back to the beginning of the 19th century. It is inspired by the practices and precepts of Islam based on solidarity and cooperation between community members. Gradually, this concept has captivated the growing interest of public authorities, thus positioning itself as a solution to socio-economic problems and turbulence. Currently, the Social and Solidarity Economy is experiencing real growth. It stands out from its previous perception as a simple emergency measure to address the problems of unemployment, poverty and social exclusion. It is now evolving as a development pillar and a vector of resilience for the national economy. Confirming this new perspective, the Special Commission on the Development Model introduced the Social and Solidarity Economy in its report as a strategic choice to strengthen national competitiveness. It positions it as a full-fledged economy that is structured, innovative, and capable of generating collective services while creating economic value in all country territories.

In Morocco, cooperatives are the major players in the Social and Solidarity Economy (SSE). Therefore, all the policies and legal provisions made to address the SSE guide cooperatives. The document discusses the development of legal requirements and policy scenarios concerning the SSE, which applies to cooperatives.

The Social and Solidarity: A Royal Vision

“No social development is possible in the absence of economic growth. It is, therefore, necessary to build a new economy capable of supporting globalization and meeting its

challenges. If we have opted for a market economy, this does not mean that we are seeking to establish a market society, but a social economy in which economic efficiency and social solidarity are combined” – Excerpt from the Speech of His Majesty King Mohammed VI of 30 July 2000.

Since his enthronement, His Majesty King Mohamed VI has paid particular attention to the social and solidarity economy (SSE). He considers this sector an essential pillar of Morocco’s economic and social development. Under his reign, many initiatives and reforms were implemented to promote and support cooperatives, associations and social enterprises. These efforts aim to strengthen social cohesion, fight poverty and promote the economic inclusion of all layers of society. Thanks to this royal vision, the SSE now occupies a central place in the country's public policies, contributing significantly to sustainable and equitable development.

The Social and Solidarity Economy at the Core of the New Development Model

In November 2019, a Special Commission on the Development Model (SCDM) was established by King Mohammed VI of Morocco to think through and elaborate a new development model for the country. Morocco's New Development Model (NDM), established in 2021, has paid particular attention to the Social and Solidarity Sector. The NDM focuses on the combined SSE sector and all its components and places it at the heart of national economic development as a real one by considering it a fully-fledged economy. It called for breaking with the vision of the social and solidarity economy dominated by subsistence activities with low added value. It aims to emerge as a third sector alongside the private and public sectors, providing employment and supported by innovative, dynamic and structured companies. The Model considered the present constitution voted in 2011 as its framework. It aimed to

- Establish a framework law which defines the scope of the SSE and covers all the fundamental aspects which allow the develop the SSE with all its components;
- Promote the delegation of the services public among SSE Organizations;
- Develop innovative social entrepreneurship.
- Increase the contribution of the social and solidarity economy from 2% to 8% of GDP by 2035 and create 50,000 new jobs per year by encouraging innovative social entrepreneurship.

Institutions for promoting partnerships

The government in Morocco is actively involved in supporting and regulating cooperatives. Office of Cooperative Development, a public institution with financial and administrative autonomy, placed under the supervision of the Ministry of Tourism, Handicrafts, and Social and Solidarity Economy is responsible for maintaining the central register of cooperatives, approving the naming certificates of cooperatives and their unions, accompanying cooperatives and their unions in the areas of training, information, and legal support, opularizing the principles of cooperation through awareness campaigns and the training of cooperators, ensuring compliance of the management of cooperatives and their unions with the provisions of Law No. 112-12 and studying and proposing any reform likely to promote the cooperative sector. The Office of Cooperation Development is also responsible for implementing all programs of the Social and Solidarity Economy (ESS) dedicated to cooperatives.

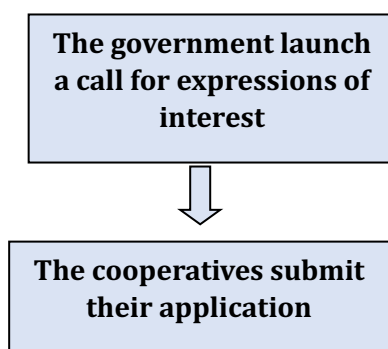
The Ministry of Agriculture, Fisheries, Rural Development, Water, and Forests oversees the cooperative sector and provides support for its development. Laws and regulations govern the formation and functioning of cooperatives, ensuring fair practices and compliance with standards. Additionally, the government provides financial assistance and technical support to cooperatives, aiming to promote their growth and sustainability. Overall, the government plays a crucial role in the development and success of cooperatives in Morocco.

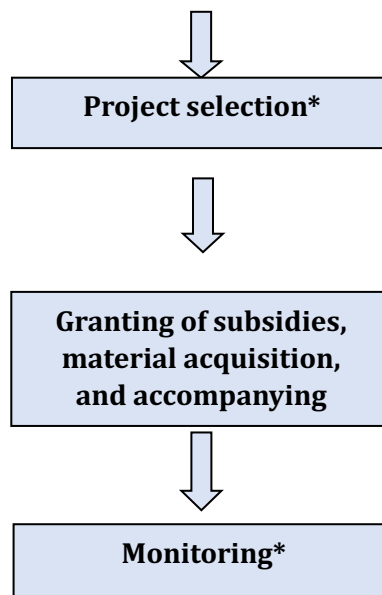
Partnerships Between Government and Cooperatives

In Morocco, all the ministerial departments use the cooperative entrepreneurial model as a lever to implement their strategies.

The following diagram explains the government's involvement with cooperatives in Morocco.

Scheme of partnership between the government and the cooperatives in Morocco





*The Office of Cooperation Development, a governmental organization in charge of the cooperative sector, is involved in the phases of project selection, accompanying and monitoring.

The partnership between the government and cooperatives extends beyond acquiring equipment, financing, and support. It also seeks solutions for marketing cooperative products through national and international fairs. This collaboration aims to provide comprehensive support that ensures the sustainability and growth of cooperatives.

By participating in national and international exhibitions, cooperatives can showcase their products to a broader audience, including potential buyers and business partners. This exposure helps cooperatives penetrate new markets and increase their sales, boosting their revenue and enhancing their economic impact on local communities.

Moreover, the government often facilitates training and capacity-building programs to equip cooperative members with the necessary skills to market their products effectively. These initiatives include workshops on branding, packaging, quality control, and export regulations, enabling cooperatives to meet international standards and compete successfully in the global market.

Through this multifaceted partnership, the government not only addresses the immediate needs of cooperatives but also fosters a conducive environment for their long-term development. By ensuring that cooperatives have access to resources, expertise, and market opportunities, the government helps them become self-sustaining entities capable of driving local economic growth and improving the livelihoods of their members.

The cooperatives in the sectorial strategies

Cooperatives are promoted through different sectorial strategies in Morocco. Some of such sectorial strategies are discussed below.

The National Initiative for Human Development (NIHD), launched on May 18, 2005, by His Majesty King Mohammed VI, may God Assist Him, is based on an integrated vision of social and human development to combat social deficits and territorial disparities, and ultimately establishing the foundations for harmonious development in both urban and rural areas.

The NIHD constitutes a lever for promoting employment and economic inclusion of the most deprived populations. The figures for the first three phases highlight the creation of more than 11.000 cooperatives.

The Moroccan Green Plan

The agriculture ministry launched the Moroccan Green Plan from 2008 to 2020 to develop and strengthen the Moroccan agricultural sector and make it a vector of economic and social development.

This Strategy is articulated around two axes:

- This first pillar focuses on projects oriented towards large entrepreneurs, qualified aggregators, or investors who have benefited from state lands under public-private partnerships (PPP).
- The second axis focuses on promoting agriculture, centered on the development of disadvantaged small farmers through socially adapted initiatives.

Due to this more than 30.000 cooperatives operating in the agriculture sector were created.

In addition, the Green Generation Strategy continues to work on the cooperative model. However, it mainly focuses on cooperatives of agricultural services rather than production.

The Involvement of Regional Councils

The cooperative sector has strong territorial anchoring and is often related to local development. It is considered a lever for the economic growth of territories, especially for the most disadvantaged. Furthermore, Organic Law 111-14 relating to regions, which came into force in 2014, assigns promoting the social and solidarity economy as a specific competency

of the regions. As a result, the social and solidarity economy is an integral part of the regional development programs (PDR).

Forms of Partnerships between the Government and Cooperatives

In Morocco, cooperatives and government partnerships are structured through a formal framework that needs further development. This framework establishes clear agreements and protocols that define both parties' roles, responsibilities, and expectations.

The critical elements of this framework typically include:

Formal Agreements: Establishing contracts that outline the terms of cooperation, including objectives, resources, and support mechanisms.

Funding and Resources: Clearly define the government's financial support, subsidies, or other resources and specify how these will be allocated to the cooperatives.

Technical Assistance: Detailing the technical support and capacity-building activities that will be provided, such as training programs, advisory services, and workshops.

Marketing and Promotion: Setting up strategies for promoting cooperative products, including participation in trade fairs, exhibitions, and other marketing events, both domestically and internationally.

Monitoring and Evaluation: Implement a system for monitoring the partnership's progress and evaluating its outcomes to ensure that objectives are met and to make necessary adjustments.

Compliance and Reporting: Outlining the requirements for reporting on the use of funds, progress of projects, and adherence to agreed-upon standards and regulations.

Engaging with Fiscal Incentives

The government of Morocco engages with cooperatives by providing fiscal incentives. Cooperatives are subject to taxes such as Income Tax, Value Added Tax, and professional tax. However, cooperatives and their unions created in accordance with the legislation benefit from several tax advantages.

In terms of Corporate Tax (IS):

Cooperatives are totally exempt from this tax when:

- The main activity of the cooperatives is the collection and resale of raw materials coming from the members of the cooperative.

- They operate in the field of processing raw materials and their annual turnover is lower than 10 million dirhams excluding tax.
- They are agricultural cooperatives for the packaging of citrus fruits and early fruits whose activity consists of washing, waxing, screening, and packaging of products collected without processing.
- When a cooperative engages in other taxable activities, the exemption is determined in proportion to the turnover corresponding to the marketing of the raw materials collected from members.

In terms of Value Added Tax (VAT):

Cooperatives are exempt from VAT without the right to deduction when:

- Activities are limited to the collection of raw materials from members and their marketing.
- The annual turnover is less than 10 million dirhams excluding VAT for those carrying out processing activities.

In terms of professional tax (TP):

Cooperatives are exempt from TP without the right to deduction when:

- Activities are limited to the collection of raw materials from members and their marketing.
- The annual turnover is lower than 2 million dirhams excluding VAT for those carrying out processing activities.

Fostering Collaboration Between Government and Cooperatives

In the Moroccan case, the intervention involves numerous stakeholders, making it difficult to assess the impact of all the developed partnerships. Therefore, to strengthen the partnership between governments and cooperatives, it is crucial to structure the intervention of all stakeholders and collaborate synergistically by adopting an integrated approach to foster the development of the cooperative sector.

This integrated partnership model can be designed as follows:

- **Establish a** comprehensive inventory of stakeholders, including local governments, regional authorities, cooperatives, non-governmental organizations (NGOs), financial

institutions, private sector actors, and local communities and analyze their contribution to design how they can work together in a partnership framework.

- Establish an integrated Collaboration Framework by defining shared goals that address cooperatives' needs while aligning with stakeholders' priorities.
- **Develop a coordination and communication mechanism that includes** guidelines for cooperation and operational procedures and ensures coherence among stakeholders;
- Launch pilot projects to test the partnership model in real-world conditions, involving stakeholders and adjusting the model based on the results obtained.
- **Strengthen Capabilities and skills** by organizing training sessions for cooperative members and stakeholder representatives on crucial aspects of collaboration and the partnership model.
- **Set Performance Indicators** to track the partnership's progress and measure its impact on cooperatives. Additionally, a regular reporting system is required;
- Measure the partnership's performance, allow adjustments to the established model, and evolve it to achieve better outcomes.

Challenges in promoting partnerships

The government, local authorities, and cooperatives face several challenges in promoting partnerships in Morocco. They are

- The involvement of multiple stakeholders
- The size of cooperatives that can curb the partnership development;
- The lack of expertise to implement an effective partnership. On the government side, it involves a lack of understanding of the cooperative model's functioning, while on the collaborative side, it relates to their lack of experience in successfully executing projects;
- The non-engagement of Stakeholders to concrete the terms of the partnership;
- The complexity of the monitoring process can perturb the accountability and transparency processes in the use of resources;

Suggestions for the formation of the National Federation of Cooperatives

The formation of the National Federation of Cooperatives was proposed by Law No. 112-12 with the status of an association, and it is to be managed in accordance with the law of November 15, 1958. However, it is not yet established. It is suggested that it should be immediately taken up with the following mandate.

- Develop and strengthen the cooperative movement;
- Popularize and ensure the dissemination of the principles of cooperation;
- Contribute to the regulation of conflicts that may arise between cooperative organizations;
- Contribute to the training of cooperatives and their unions;
- Contribute to the examination of legislative and regulatory texts related to cooperatives;
- Establish commercial relations with foreign cooperative organizations;
- Foster cooperation between Moroccan cooperatives and unions and their foreign counterparts;
- Represent the Moroccan cooperative sector both domestically and internationally;
- Represent the sector and defend its interests by advocating with the government.

Suggestions for Promoting Partnerships

In Morocco, structuring the intervention of all stakeholders and collaborating synergistically by adopting an integrated approach to foster the development of the cooperative sector was suggested to strengthen the partnership between governments and cooperatives. The suggested partnership model comprises the following :

- **Establishing a** comprehensive inventory of stakeholders, including local governments, regional authorities, cooperatives, non-governmental organizations (NGOs), financial institutions, private sector actors, and local communities and analyze their contribution to design how they can work together in a partnership framework.
- Design an integrated Collaboration Framework by defining common goals that address the needs of cooperatives while aligning with the priorities of stakeholders.
- **Developing a coordination and communication mechanism that includes** guidelines for cooperation and operational procedures and also ensure coherence among stakeholders;
- Launching pilot projects to test the partnership model in real-world conditions, involving stakeholders and adjusting the model based on the results obtained.
- **Strengthening Capacities and Skills** through the organization of training sessions for cooperative members and stakeholder representatives on key aspects of collaboration and the partnership model.

- **Setting Performance Indicators** to track the progress of the partnership and measure its impact on cooperatives. Measuring the performance of partnership allows to make corrections to achieve maximum out of the partnerships.
- **Evolving a regular reporting system**

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NEPAL

The partnership between the Government and the cooperative sector in Nepal and the enabling environment for partnerships is analysed at the constitutional level and within the legal framework.

The Enabling Environment for the Promotion of Partnerships

The analysis at the constitutional level reflects the government's commitment to promoting its engagement with the cooperative sector while safeguarding autonomy, which is a strong pillar of cooperatives, and the importance given to government involvement with the cooperative sector. The legal environment reflects the opportunities created to operationalize the constitutional commitment. A study of various legal provisions reveals the legal framework's opportunities and constraints.

Constitutional Provisions for Partnership between Government and Cooperative Sector of Nepal

The Constitution of Nepal came into existence in 2015 under the democratic political setup. It aims to achieve economic development with the participation of all sections of society. The constitution's preamble announces that it resolves to build an egalitarian society based on inclusive and participatory principles to ensure economic equality, prosperity, and social justice by eliminating discrimination based on class, caste, region, language, religion, gender, and all forms of caste-based untouchability.

Article 50 provides the directive principles, and sub-article 3, under the directive principles, elaborates explicitly on the economic objectives of the state and the institutions involved in achieving sustainable economic development. Cooperatives are one of the three institutions identified. Cooperatives are given equal importance along with the public and private sectors. The primary aim is to achieve sustainable economic development and rapid growth with the active participation of public, private, and cooperative sectors. The newly formed democratic government found cooperative principles appropriate to achieve development democratically.

According to Article 50, "The economic objective of the State shall be to attain a sustainable economic development, while achieving rapid economic growth, by way of maximum mobilisation of the available means and resources through participation and development of public, private and cooperatives; and to develop a socialism-oriented independent and prosperous economy while making the national economy independent, self-reliant and

progressive to build an exploitation-free society by abolishing economic inequality through equitable distribution of the achievements made.”

The Constitution of Nepal also details the state policies addressing different sectors of the economy to achieve development. Article 51 of the constitution classifies these policies into twelve categories covering all dimensions of sustainable development. Policies in the Economy, Industry and Commerce category address the issues relating to macroeconomics, industrial development, and the promotion of commerce. Cooperatives are included in this category of policies and are given equal importance along with industry and commerce. According to the constitution, the economic, industrial, and commerce policies aim “To strengthen the national economy through participation and independent development of the public, private, and cooperative sectors, and to promote the cooperative sector and mobilize it in national development to the maximum extent.”

Various clauses in schedules 6, 7 and 8 of the constitution of Nepal discuss the federal powers, provincial powers and concurrent powers of the federation and province on matters relating to the operation of banks, financial institutions and cooperative institutions. Contracts, cooperatives, partnerships and agency-related issues are provided in the List of Concurrent Powers of Federation and Province under various articles of Schedule 7. Schedule 8 lists local-level powers and specifically mentions cooperative institutions, agriculture and animal husbandry, agro-products management, and animal health. Schedule 9 contains a list of Concurrent Powers of the Federation, Province and Local Level, and the Cooperative sector, which is included in this schedule along with agriculture, health, education, services, etc.

Provisions in the Nepal Cooperatives Act, 2017 for the Engagement of the Government with the Cooperatives

The Cooperatives Act 2017 was announced after the proclamation of the Constitution of Nepal in 2015 by consolidating the existing cooperative laws to prepare cooperatives as one of the three pillars in the development process, the other two being the government and the private sector. According to the preamble of the Act, the consolidation is needed “ to make economic, social and cultural upliftment of members of cooperative through the integration of capital, technology and talents scattered amongst farmers, craftspeople, labourers, low-income groups and marginalized communities or general consumers in accordance with norms, values and principles of cooperatives; to promote the regulation of cooperative organisation as community-based, member-centric, democratic, autonomous, corporate entity; and to develop

self-reliant, sustainable and socialism-oriented national economy by way of cooperative farming, industries, goods and services enterprises”.

Such an ambitious role for cooperatives cannot be achieved without the involvement of the government and the private sector. Therefore, the Act made provisions for the participation of the other two institutions in promoting cooperatives. Since the government of Nepal identified cooperation as one of the pillars, government engagement is mainly state-induced and promoted. Several opportunities are created in the Cooperatives Act of 2017 for the government's engagement with the cooperative, but the specifics of the engagement are not spelt out. However, this gives the government and cooperatives more freedom to evolve different types of engagement/partnerships given the changing local and global business scenario. Opportunities for partnerships provided in the Act 2017 are discussed below.

Opportunities for Partnerships

The Act provides a significant role for the government in developing cooperatives in Nepal by contributing to human resource development, involving cooperatives in poverty alleviation programmes, etc. However, the Act provides an opportunity for cooperative-to-cooperative (C2C) partnerships. As per the Act 2017 (21- 5), “Two or more Organizations and Associations may, subject to this Act, carry on transaction, business, industries, or project for marketing of their product or service jointly or in partnership”. The Act also promotes inter-governmental transactions.

Involvement in Human Resource Development

The Act made provisions for the government's involvement with the cooperative sector to promote human resource development. The involvement could be in the form of sharing monetary and non-monetary resources. Under the title of cooperative education, the Act details the ways of involvement. “ (1) The Government of Nepal may submit basic knowledge of cooperatives in the school level curriculum and render assistance to establish co-operative schools or faculty or college (school of cooperatives) under universities. (2) Other provisions as to cooperative education, including accreditation of cooperative institutions running academic programs of cooperatives, shall be as prescribed”.

The government partners with the cooperative sector through The National Cooperative Federation of Nepal (NCFN). It is Nepal's apex body of cooperatives of all types and levels. The Federation offers several training programmes on different aspects of cooperative

management. It also brings in other institutions to promote cooperative education. The NCF and the Central Department of Management, Tribhuvan University, recently signed an MoU for Curriculum Development and Semester Commencement. Tribhuvan University will start an MBA course in 'Cooperative and Entrepreneurship Development' for the first time in Nepal.

Cooperative federations have also conducted cooperative education and training programs for the cooperative organisations. In coordination with the Curriculum Development Centre, the Nepal Federation of Savings and Credit Cooperative Unions Ltd. (NEFSCUN) has conducted undergraduate cooperative education and training programs.

The Act made provisions for establishing a Cooperative Bank with the freedom to enter into agreements with the Association or the agencies of Organization or Government of Nepal or Provincial government agencies or local level being concentrated to members for the development and promotion of cooperatives and to make joint financing.

Financial Contribution

The government of Nepal directly or indirectly engages with the local cooperatives through other financial instruments. As per the Act, a Cooperative Organisation may sell shares to an organisation or agency under the total or partial ownership or control of the Government of Nepal in addition to its share members.

The government indirectly contributes to financial resources by offering security to the government of Nepal. According to the Cooperative Act, 2017, section 65, the Security of the Government of Nepal may be obtained in case a Cooperative Organization requires security against a loan to be borrowed from a foreign bank or agency; it may, for that purpose, request the Ministry of Finance through the Ministry.

The Act provides for the government's contribution to cooperatives through grants. According to the Act, the fund of a Cooperative Organization consists of a) the Amount received from the sale of shares, b) the Amount received as savings, c) the Amount received as a loan, d) the Amount of grant received from Government of Nepal; e) Grant or assistance received from a foreign government or an international organisation; f) Amount accrued from commercial activities; g) Membership entry fee.

- Cooperative organisations can carry out inter-cooperative transactions, and procedures for this will be prescribed.

- According to the Cooperative Act, 2017 section 66, A cooperative organisation can obtain the security of the Nepal Government on the collateral borrowed from a foreign bank or agency; it can request the Ministry of Finance through the Ministry.

Exemptions and Facilities for Creating an Enabling Environment

Cooperative organisations are entitled to exemptions, facilities, and discounts. Section 78 of the Cooperative Act of Nepal contains these exemptions, facilities, and discounts. For example, cooperatives are not required to register any deed other than the one for immovable assets. Government bonds and treasury bills can be bought or sold by cooperative organisations. The Act exempts income stamp ticket fees or registration fees while procuring necessary land or other immovable assets for an office building or service centre construction. The government may provide whole or partial exemption of excise duty or value-added tax to large-scale commercial projects of cooperative industrial villages, marketplace development, etc. The Cooperative organisations operating financial services within Municipal Corporation areas, Sub-Municipal Corporation areas, and Municipal areas shall be subjected to 10%, 7%, and 5% tax, respectively. Additionally, no tax is levied on cooperative organisations operating financial services in the Rural Municipality.

Provision for Stabilization Fund: Savings and Credits Sectoral organizations may initiate a stabilisation fund together to protect themselves from the probable risks of their operational losses. The fund referred to in sub-Section (1) may have the contribution of desirous Cooperative Organizations, Cooperative Organizations which are members of Savings and Credits Sectoral Central Organization, National Cooperatives Federation, National Cooperatives Bank, National Cooperatives Development Board, Nepal Rastra Bank, Ministry, other agencies of Government of Nepal and international cooperative associations. This Fund shall be located at the Savings and Credits Sectoral Central Organization.

Government Engagement during the Crisis

As per the Act, the government can engage with cooperatives in trouble. In case any Organization or Association has been declared problematic under this Act, the Government of Nepal may form a Management Committee with a chairperson, four members, and one member secretary to manage its assets and pay its liabilities.

In case labourers desire to bring into cooperative any sick public or private industry and to operate it again on their ownership, the Government of Nepal may, considering the nature of the sector, provide a grant for seed capital, loan or transfer of the ownership with a discounted loan or provide

tax exemption in the transfer of private ownership, or provide guarantee or other appropriate assistance.

Restrictions/Constraints

A Cooperative Organization shall not use the savings amount to purchase immovable assets, construct infrastructure, invest in transactions, invest in firms or companies or shares of any bank (other than Cooperative Bank), or for any other purpose except credit investment among members, in bonds issued by the Government of Nepal, or in Treasury Bills issued by the Nepal Rastra Bank.

Conclusions

The government of Nepal actively engages with cooperatives by sharing financial resources and contributing to their human resource development.

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PHILIPPINES

Cooperatives play an important role in the Philippines, with 18,065 cooperatives contributing 580,800 direct and 1.9 million indirect employment. As of 2018, 10.7 million members, constituting 10% of the population, are members of cooperatives. Twenty-one types of cooperatives cater to the needs of different sections of the population. Of 18,065 cooperatives, 9541 were multipurpose cooperatives, and 2,624 were credit and banking cooperatives.

Constitutional Provisions for Cooperatives

The 1987 constitution of the Republic of the Philippines recognises cooperatives as a model for improving the economy.

Article 12 of the Constitution provides cooperatives with constitutional status. Section 1 (National Economy and Patrimony) envisages that in pursuit of attaining the national goals, all sectors of the economy and all regions of the country shall be given optimum opportunity. Private enterprises, including corporations, cooperatives, and similar collective organizations, shall be encouraged to broaden their ownership base.

Section 6 defines the rights of the institutions, including cooperatives. The article states, “The use of property bears a social function, and all economic agents shall contribute to the common good. Individuals and private groups, including corporations, cooperatives, and similar collective organizations, shall have the right to own, establish, and operate economic enterprises, subject to the State's duty to promote distributive justice and intervene when the common good demands.”

SECTION 15 defines the role of the state in promoting the cooperatives. Congress is given the power to create an agency to promote the viability and growth of cooperatives as instruments for social justice and economic development.

Section 5, ARTICLE 13 deals with the Agrarian and Natural Resources Reform. The constitution says, “The State shall recognize the right of farmers, farmworkers, and landowners, as well as cooperatives, and other independent farmers’ organizations to participate in the planning, organization, and management of the program, and shall provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing, and other support services.”

The constitution of the Philippines went ahead of any other constitution in the Asia Pacific region in granting ownership and management of mass media to cooperatives along with the citizens of the Philippines or to corporations, cooperatives or associations wholly owned and managed by such citizens.

The constitution provides for the political representation of cooperative-backed parties in the House of Representatives. As per the constitution, the party-list representatives shall constitute 20% of the total representatives. The Cooperative NATCCO party (Coop-NATCCO) is a party-list in the Philippines that has represented the cooperative sector in the Philippine Congress since 1998.

Historical Perspectives on the Legal Provisions

The Corporation Law of 1906 provided the legal framework for all private organizations, including cooperatives. Subsequently, the Rural Credit Cooperative Association Act was passed on February 15, 1915, exclusively for the cooperative sector. This is considered the first cooperative law. The second cooperative law was the Cooperative Marketing Act 3425, passed on December 9, 1927.

The third law influencing cooperatives' growth was Commonwealth Act No. 565, passed on June 7, 1940. This law created the National Trading Corporation (NTC) to supervise cooperatives and grant them a five-year tax holiday. The government made the National Cooperative Administration (NCA) in 1942, which was mandated to assume the NTC's functions.

During World War II, the Japanese army collaborated with the government to organize around 5,000 consumer and producer cooperatives between 1941 and 1945. However, all these Japanese-initiated cooperatives were dissolved after the war.

Immediately after the war, the government assisted in the reorganization of cooperatives as part of the rehabilitation period. Commonwealth Act No. 713 of November 1, 1945, was also amended. The Cooperative Administration Office (CAO) was created on November 30, 1950, under the Department of Commerce and Industry. The government created the Small Farmers Cooperative Loan Fund or Republic Act No. 583 of 1950.

As mentioned earlier, the legislation during and immediately after the war was designed mainly to support cooperatives, using them as channels of relief operations, credit conduits, and implementers of government programmes. CAO served as registrar and regulator for non-

agricultural cooperatives such as credit unions and housing cooperatives. However, many cooperatives established during this period were unsuccessful because they were promoted mainly to meet the requirements of a war-hit economy.

1952, the Agricultural Credit and Cooperative Financing Administration (ACCFA), or Republic Act 821, was established. The state organized Farmers' Cooperative Marketing Associations (FACOMAs) and Producers Marketing Associations (PROCOMAs) by providing collateral-free loans funded by the United States Agency for International Development (USAID). The state-initiated FACOMAs failed miserably due to corruption and incompetent management.

NGO-Initiated Cooperatives

NGO-supported cooperatives are a particular category of cooperatives in the Philippines. Along with government initiatives, The Roman Catholic Church passed a resolution in 1957 calling for credit cooperatives to be organized in parishes nationwide as part of their social action programs. In addition to the Catholics, Protestants and Aglipayans continued actively organizing cooperatives. Many successful credit cooperatives known today were parish-based urban and rural cooperatives established in the 1960s.

Martial Law Period

The state-initiated cooperative development reached its height with the declaration of martial law through the issuance of Presidential Decree 175, which aimed to re-invent cooperatives as a means to support the government's agrarian reform program.

The government organized Samahang Nasyon at the village level, the primary cooperatives (Kilusang Bayan) at the municipal level, and the cooperative unions at the provincial, regional, and national levels.

State-initiated cooperatives were all stories of failure before and during martial law. Thousands of Samahang Nasyon (village coops) were set up, but only a few remained and were transformed into multipurpose cooperatives.

Post Martial Law Period

Under the Cory Aquino administration, a new constitution was crafted. Avoiding the past mistake of organizing state-initiated cooperatives for political and anti-insurgency purposes,

the 1987 Constitution provided for the promotion of cooperatives as instruments of equity, social justice, and economic development under the principles of subsidiarity and self-help.

Cooperative Development Authority (CDA)

To promote the viability and growth of cooperatives as instruments of equity, social justice and economic development, the Cooperative Development Authority was established under Republic Act No. 6939. It was known as the Cooperative Development Authority Act. CDA's charter was repealed and replaced in August 2019 with Republic Act No. 11364, known as the "Cooperative Development Authority Charter of 2019.

Cooperative Development Authority Charter of 2019 and Partnerships

The new law, Republic Act 11364, reorganized and strengthened CDA. Consequently, the Implementing Rules and Regulations (IRR) were promulgated to operationalize the CDA's new mandate.

The rules of IRR mentioned partnerships. Rule IV of the IRR entitled, "Partnership and Complementation," contains a provision to "establish a consultative mechanism consistent with Section 18 of this Act to provide the cooperative sector a system to ensure participation on matters concerning government plans, programs, and policies affecting cooperatives."

According to Section 2 of Rule IV of Implementing Rules and Regulation of RA 11364, CDA is the lead agency in cooperative development. It shall lead the efforts to promote and develop cooperatives and synchronize the efforts of other relevant government institutions towards the common goal of empowering cooperatives to achieve their growth as instruments of equity, social justice and economic development.

Section 3 of Rule IV of IRR of RA 11364 is about the National Coordinating Committee. All the government branches, instrumentalities, subdivisions and agencies with programs and projects concerning cooperatives shall coordinate such programs and projects with the Authority. A National Coordinating Committee, chaired by the Authority, was proposed to provide cooperatives with a comprehensive technical and financial program. The Committee shall comprise representatives from said government branches, instrumentalities, subdivisions and agencies whose ranks should not be lower than the Director level in charge of cooperative programs.

Section 2, Rule X of the Implementing Rules and Regulations (IRR) of RA 11364 proposes the Cooperative Development Councils. The CDC is a multi-sectoral body created to provide a system regarding policy consultation and coordination of cooperative programs and projects

to be established at the national, regional, provincial, city, and municipal levels under the supervision of the Authority.

To promote and develop cooperatives, the Cooperative Development Authority aims to establish partnerships with various stakeholders, including the cooperative sector, academe, government agencies, local government units, international cooperative industry, and the private sector. The partnerships involve collaboration in formulating and implementing national plans, programs, and policies on cooperative development, as well as providing technical, professional, and marketing assistance to ensure cooperatives' viability, growth, competitiveness, and innovativeness. The Authority also recognizes the importance of consultation with stakeholders in formulating policies, rules, regulations, plans, and programs affecting cooperatives. According to the Act, "strong partnership between the Authority, cooperative sector, and academe will be established to ensure maximum participation of the cooperative sector on matters of government plans, projects, and policies affecting cooperatives."

The Cooperative Development Authority is responsible for cooperatives' institutional development and regulation through partnership with the cooperative sector and the academe. The Board of Directors, consisting of representatives from different clusters of cooperatives and ex-officio members from government agencies, can approve cooperative development plans and provide overall direction to the Authority. The Authority can also conduct regular inspections and examinations of cooperatives to protect the interests and welfare of members and the public.

The State recognizes cooperatives' right to initiate and foster their own promotion, organization, training, and support services with government assistance where necessary. The government and its agencies shall provide technical guidance, financial assistance, and other services to enable cooperatives to develop into viable economic enterprises while maintaining a policy of non-interference in their management and operations.

The Cooperative Development Authority (CDA) has a wide range of regulatory, promotional, and developmental responsibilities related to cooperatives.

Government Involvement with CDA

The government has a more significant stake in the CDA. The Cooperative Development Authority has a Board of Directors that makes policies for the Authority. The Board of Directors includes representatives from different clusters of cooperatives and ex-officio

members from the Department of Trade and Industry and the Department of Interior and Local Government.

The Board of Directors approves cooperative development plans and provides overall direction to the Authority. The Authority can inspect and investigate cooperatives to protect the interests of members and the public. They also conduct regular policy consultations with stakeholders. The Rule on Inspection, Examination, and Investigation allows the Authority to conduct regular inspections and investigations to protect the interests of cooperative members and the public. Cooperative federations, unions, Local Government Units (LGUs) and Cooperative Development Offices (CDOs) may assist in inspections and examinations. The State recognizes cooperatives as associations for economic and social betterment and the Cooperative Development Authority as responsible for institutional development and regulation.

The Consultation, Collaboration, and Coordination Framework of the Cooperative Development Authority (CDA) with the National Alliance of Cooperatives (NAC), Cooperative Development Councils (CDCs), and the National Coordinating Committee for Cooperative Development (NCC-CD) issued by the CDA on 20th March 2023.

The framework was proposed to develop coordination among the different institutions to promote cooperatives.

Section 4 (b) of RA 11364 says, “Formulate, adopt and implement integrated and comprehensive plans and programs on cooperative development consistent with the national policy on cooperatives and establish an integrated framework on cooperative development for all government agencies”.

Section 7 is about the Objectives of Coordination/Consultation.

This framework, as envisioned, provides a system for policy consultation, program coordination, and the promotion of workable and sustainable collaboration between and among government agencies (both national and local), cooperatives, and civil society to ensure the viability and growth of cooperatives as instruments of equity, social justice, and economic development.

Section 8 details the Areas/Entry Points for Consultation/Coordination for Cooperative Development. The framework identifies the following areas or entry points for coordination and/or consultation.

National Alliance of Cooperatives (NAC)

- a) Consultation on regulations, standards, rules, orders, guidelines and/or circulars to implement cooperative laws to ensure the effective and sound operation of cooperatives;
- b) Coordination of institutionalized cooperative activities such as the Cooperative Month, International Day of Cooperatives, and other similar activities; and
- c) Consultation on other measures or initiatives concerning cooperatives at the discretion of the Authority

Cooperative Development Councils (CDCs)

- 1) Consultation on policies proposed by other agencies or jointly proposed by the Authority and partner agencies for cooperatives;
- 2) Consultation on the crafting of the Philippine Cooperative Development Plan;
- 3) Monitoring of the implementation of the Philippine Cooperative Development Plan;
- 4) Coordination on the formulation and implementation of programs, projects, and activities with the CDA with the view to providing comprehensive technical and financial programs for cooperatives and
- 5) Consultation on other measures or initiatives concerning cooperatives at the discretion of the Authority.

National Coordinating Committee for Cooperative Development (NCC-CD)

Coordination on formulating and implementing programs, projects, and activities with the CDA to provide cooperatives with comprehensive technical and financial programs. Section 9 of the framework deals with the process of consultations. The consultations could be informal or formal. The guidelines are as follows.

Informal Consultation

Informal consultation includes all forms of discretionary, ad hoc, and unstandardized contact between regulators and interest groups. It takes many forms, from phone calls to letters to informal meetings, and occurs at all stages of the regulatory process. The essential purpose is to collect information from interested parties.

Circulation of Policy Proposals for Public Comment

The circulation process is generally more systematic and structured, follows a routine, and may have some basis in law, policy statements, or instructions. It can be used at all stages of the regulatory process but is usually used to present concrete policy proposals for consultation. Responses are generally in written form. The proposed policy may be posted on a dedicated portion of the CDA website and other authority social media platforms.

Public Consultations

These are public meetings on a particular policy/regulatory proposal in which interested groups or stakeholders are invited to comment in person. The policy proponent may ask the interested parties or stakeholders to submit written information or data during the meeting.

Revised Rules and Regulations Implementing Certain and Special Provisions of The Philippine Cooperative Code Of 2008 - Joint Monitoring and Evaluation Committee

Section 13 under Special Provisions covering the Rule on Housing Cooperatives created a Joint Monitoring and Evaluation Committee, composed of CDA, as the lead agency, NHA, HLURB, HDMF, HUDCC, SSS, LBP, DBP, SHFC, HGC, DILG, DENR, concerned cooperative sector and other appropriate government agencies and financial institutions.

The Committee shall have the following functions:

1. To formulate joint standards for the proper implementation, monitoring, organization, management, and development of cooperative housing projects and all related matters.
2. To assist in settling inter/intra cooperative disputes.
3. To submit annual accomplishment reports to the Authority.
4. To recommend changes to this IRR from time to time as it may deem necessary.

Conclusions

The Philippines is the only country where partnerships are mentioned in the policy and the implementation rules. The IRR contains rules for partnership and complementation and provides the mechanisms to establish partnerships and consultation. Rule IV of the IRR entitled, "Partnership and Complementation," includes a provision to "establish a consultative mechanism consistent with Section 18 of this Act to provide the cooperative sector with a system to ensure participation on matters concerning government plans, programs, and

policies affecting cooperatives. The policymakers believe that strong partnerships between the Cooperative Development Authority, cooperative sector, and academe ensure maximum participation of the cooperative industry on matters of government plans, projects, and policies affecting cooperatives. The report on the Cooperatives and Local Governance Project documented several successful partnerships between cooperatives and local government.

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THE REPUBLIC OF FIJI

The Republic of Fiji is an island in the Oceania region. The cooperative movement in Fiji has its origins in the British colonial era, with the first laws promoting cooperative development enacted in 1947. During Fiji's struggle for independence, cooperatives became a symbol of resistance wherein Fijians resisted colonial control over certain goods. (coops4dev.coop). Initially, Fijians formed agricultural and dairy associations to pool resources for purchasing seeds and equipment. The colonial government recognized the potential of cooperatives and established a committee to study their development in 1931. The Registrar of Cooperatives position was created. Naluna Cooperative Society, a consumer cooperative, became the first registered cooperative in 1948. However, over the years, the focus has shifted from promoting predominantly agricultural cooperatives to an increasing number of consumer cooperatives that are mostly located in rural and maritime areas. While the number of cooperatives grew during this period, they faced challenges due to a lack of training and effective management.

Historical Background of the Cooperative Sector

The 1960s marked a significant period for Fiji's cooperative movement. The establishment of the Cooperative Training Center (later renamed as Cooperative College) in 1960 provided essential training and development. By 1969, there were 716 cooperatives with over 14,000 members. The sectors were predominantly consumer, marketing, and land purchase cooperatives.

The 1970s and 1980s witnessed a decline in cooperative growth due to increasing social and political tensions. By 1996, the cooperative landscape improved, and it included a diverse range of cooperatives, with agriculture, consumer, savings, and credit sectors being the most prominent. The Coconut Industry Development Authority was established in 1998 to support copra cooperatives.

Status of Co-operatives in Fiji

The total number of cooperatives registered stood at 1161. However, only 633 cooperatives constituting 54.52 % are operating at this stage. These co-operatives are classified into 15 different sectors namely Agriculture & Food, Industry, Wholesale & Retail, Utilities, Transport, Accommodation and Food Services, Banking and Financial Services, Real Estate, Administrative and Support Services, Human Health & Social Work, Multipurpose, Logging, Investment, Tourism and Construction. The top four performing sectors are Banking and

Financial Services, Administrative and Support Service Activities, Real Estate Activities, and Wholesale & Retail.

As of 2023, Co-operatives Sectors' equity value was FJ\$116 million, with accumulated revenue reaching FJ\$26 million. The cooperatives collectively had Assets worth FJ\$151 million. The top 4 performing sectors are Banking and Finance sector (FJ\$6.9m), Administrative and Supply Services (FJ\$6.7m), Real Estate Activities (FJ\$6.4m), and Wholesale and Retail (FJ\$3.7m). The Cooperative registration numbers have had a significant growth in recent years. It is observed that every month at least 40 co-operatives have been registered since the beginning of the year 2024.

Challenges in the Development of Cooperatives

The early 21st century brought new challenges to Fiji's cooperative sector. Land reforms and economic changes impacted membership in thrift and credit cooperatives. The government responded by restructuring the Cooperative Department in 2010 and developing a National Cooperative Policy. However, this also harmed the cooperative movement. The staff numbers within the Department were significantly reduced. At least 7 offices were closed. This resulted in cooperators having a lack of continuous supervision and advisory services. The Department of Co-operatives' withdrawal of financial reporting and auditing services significantly impacted rural cooperatives' capacity to fulfil their statutory obligations. Many cooperatives were unable to prepare financial statements or convene Annual General Meetings, resulting in widespread non-compliance with the Cooperative Act. However, after a period of slow growth, the sector rebounded and it prompted the Department to launch the "Target 100" program to restore full regulatory adherence.

Engagement of Government with Cooperatives

The government of Fiji is extensively involved in overseeing and regulating cooperatives. This involvement includes appointing key officials like the Registrar and Co-operative Officers, establishing regulatory bodies such as the Co-operative Advisory Board and Co-operative Tribunal, setting criteria for formation and registration, outlining rights and duties of cooperatives, establishing the National Co-operative Federation, and enforcing regulations through the power to make rules and enforce orders. The government's involvement covers various aspects from registration to dissolution, including overseeing operations, dispute resolution, financial transparency, and proper governance to promote the development and sustainability of cooperatives in Fiji.

Legal Provisions and Institutions to Facilitate Government Engagement

Cooperatives in the Republic of Fiji are guided by the Cooperative Act 1996 and the Cooperative Regulation 1999, which are currently under revision. Consultative meetings were held with the relevant stakeholders to evolve a legal framework suitable to the changing environment.

The Cooperative Act 1996

The Co-operatives Act of 1996 in Fiji explicitly considers the maintenance of cooperative freedom and identity. It emphasizes voluntary membership, equal voting rights, fair distribution of surplus, education and training for members, democratic governance, and the unique identity of cooperatives. The Act outlines members' rights and duties, allows for the formation of secondary cooperatives and apex organizations, promotes cooperative principles, and practices, and ensures cooperatives operate in accordance with their own by-laws and regulations, safeguarding their autonomy and values.

Provisions for government involvement with the cooperatives

The provisions for government engagement with cooperatives in Fiji, as outlined in the Co-operatives Act of 1996, include:

- Appointment of Registrar and Co-operative Officers to assist in implementing the Act and regulations.
- Delegation of Powers allowing the Registrar to delegate powers if unable to perform duties.
- Functions of the Registrar such as registering cooperatives, settling disputes, and administering provisions conducive to cooperative development.
- Formation Committee assistance for those forming a cooperative.
- Founders' Meeting to decide on cooperative formation, elect officers, and approve by-laws.
- Application for Registration within two months of the Founders' Meeting.
- Registration of Cooperatives if they comply with the Act and regulations.
- Provisional Registration if conditions for full registration are not initially met.
- Effect of Registration making a cooperative a body corporate with legal rights.

- Evidence of Registration through a certificate signed by the Registrar.
- Regulatory Bodies like the Co-operative Advisory Board and Co-operative Tribunal for oversight and guidance.
- Setting Criteria for Registration to ensure compliance with legal requirements.
- Enforcement of Regulations through the Registrar.
- Dispute Resolution mechanisms within cooperatives.
- Financial Transparency requirements for cooperatives.
- Promotion of Cooperative Principles emphasizing democratic governance and member education.
- Support for Development by providing guidelines for operations and governance.
- Exemption from Companies Act highlighting the unique nature of cooperatives in Fiji.
- National Co-operative Federation establishment for coordinating cooperative activities.
- Financial Oversight through audit provisions and inquiry mechanisms.
- Control of Liquidation process by the Registrar.
- Minister's authority to make regulations, seek advice, and approve amendments related to cooperatives.
- Co-operative Advisory Board providing guidance, advice, and policy recommendations to the Minister.

Ministry of Trade, Co-operatives and Small and Medium Enterprises and Communications

The Ministry is responsible for formulating and implementing policies and strategies that create and facilitate growth in industry, investment, trade, tourism, transport, co-operative businesses, micro and small enterprises and enhance metrology, standards and consumer protection.

The Department of Cooperative Business (DCB)

The Department of Cooperative Business (DCB) under the Ministry of Trade, Co-operatives and Small and Medium Enterprises and Communications is responsible for all the aspects relating to the development of cooperatives. DCB became a member of ICA in 2019. The

department is responsible for formulating and implementing policies and strategies to facilitate the promotion, establishment and monitoring of cooperative businesses in Fiji.. These responsibilities have stayed consistent over time, and due to the lack of an active Apex Body to offer guidance to Cooperative Entities, the Department has been responsible for nurturing and developing the Cooperative Sector.

Its other key role is to provide trainings and capacity-building to cooperative members and officials. The Department creates awareness around cooperatives, registers and supervises them, and monitors them to ensure their smooth operation. The awareness drives focus on cooperatives at the global scale, cooperatives in Fiji, features of cooperatives, membership/rights and responsibilities of members in cooperatives, auditing/other provisions, and the registration process for cooperatives.

The cooperative entities are heavily dependent on the government to such an extent that a departmental reform resulted in staff reductions, impacting the monitoring of cooperatives and resulting in the collapse of some cooperatives in remote areas. Furthermore, the growth and decline of this sector are contingent on the current government and its recognition of the sector's value.

Partnership Between the Government and the Cooperatives

The Government of Fiji and cooperatives have a mutually beneficial partnership. The government of Fiji actively engages with the cooperatives through the Department of Cooperatives. It engages with the cooperatives by partnering with financial and non-financial resources. The partnership between government and cooperative entities, initiates during the early stages and continues until the cooperative is fully developed and capable of operating independently. This involves offering guidance on compliance, ensuring alignment with the Cooperatives Act, and providing capacity building through business training.

The department supports cooperatives in their registration process and provides grants, business training, and legal services. Commencing with initial concept development by a group of ten or more individuals, the Department offers guidance on cooperative registration, including awareness sessions and assistance with business plan formulation and by-law creation. To facilitate a smooth transition, the Department also convenes the inaugural general meeting. All these services are provided at no cost to the prospective cooperative, except for the mandatory registration fee. The Government has Department of Cooperative offices in all 4 Divisions with adequate resources and staff to continue to support the cooperative movement.

With government support, cooperatives improve the lives of their members, particularly in rural areas. In return, cooperatives help the government achieve its goals of poverty reduction, economic development, and rural transformation.

However, in the process of engaging with the cooperatives, the government ensures that its partnerships do not compromise the principles of autonomy and independence. This is achieved by ensuring that government assistance does not encroach on cooperatives' ability to make independent decisions regarding their collaborations.

Engagement through Different Ministries

Several Government Ministries support cooperatives through funds, as once registered, a cooperative becomes a legal entity, and the Government Ministries find it easy and comfortable working with the cooperatives. With support from the Ministry of Agriculture, rice farmers were able to procure harvesters using these funds. Farmers contributed one-third of the cost of the harvester while the Ministry of Agriculture provided Two-Thirds of the cost. Consequently, 21 cooperatives for rice farmers were established with this assistance. The Ministry of Agriculture also provides support to cooperatives in acquiring other farming machinery including farm tractors. Under the Ministry's Animal Health & Production Division, the Ministry has assisted many Grazing and Marketing Cooperatives with veterinary advice and by providing livestock farming fencing materials.

Ministry of Trade, Cooperatives, Small and Medium Enterprise and Communications (MTCSMEC) also supports cooperatives through its Integrated Human Resource Development Programme (IHRDP). The ministry supported 36 cooperatives in funding their capital investments. The funding was utilised in a manner where the cooperatives contributed one-third of the investment costs, while IHRDP supplied the remaining two-thirds of the funds. The ceiling for the grant support is FJ\$150,000 per project. The IHRDP supports investments such as Poultry materials, Bakery Equipment, Freezers, Fiber Boats & Engine, Generators, Hiab Truck, Solar Panels, Farming Implements, 4WD Tractors, Mechanical Harvesters, Solar Drier Accessories, Water Pumps Bee Hives, Layer Bird, and Meat Birds.

There has never been a separate fund allocated in the Government's Annual Budget to directly support the cooperatives in their income-generating projects. The Government in its 2024/2025 budget to MTCSMEC has provided a Cooperative Development Fund of FJ\$400,000 to assist the new and existing cooperatives. This will not only be an opportunity for cooperatives to access funds but also to be compliant with the law (Cooperative Act) so that the cooperatives

can qualify. This initiative is also on a third – two-third basis. A cooperative can access a maximum amount of FJ\$100,000.

Facilitating Role of the Government in Promoting Partnerships

The government of Fiji facilitates partnerships with various national and international organizations either through trade deals or direct involvement. The following are some of the facilitations.

Facilitating Partnerships through trade deals

The Government of Fiji also helps raise funds to support cooperatives through its trade deals with the European Union. The Government could secure funding to help cane farmers cooperatives to purchase mechanical harvesters. This assistance came at a crucial time, as many cane farmers were facing labor shortages during harvesting, and the mechanical harvesters provided a solution to this issue. As a result, there was a rise in the number of registered Cane Cooperatives, bringing the total to 32 cooperatives. The Government offered a FJ\$90,000 grant towards the purchase of cane harvesters under the program. To be eligible, cane farmers were incentivised to establish cooperatives, invest in shares, and collaborate with the Ministry of Sugar Industry. Cooperatives could further leverage this initiative by securing loans from the Fiji Development Bank to cover the full cost of the harvester. This support reduced the huge burden of labor shortages and high demand from laborers working on the cane farm.

Facilitating to Access Funding from International Agencies

The Government of Fiji engages with international development partners like the Food and Agriculture Organisation (FAO) and Japan International Cooperation Agency (JICA) to access funding support to implement projects with the cooperatives. The support from the development partners has been a lifeline for some struggling cooperatives. FAO funded 2 Cooperatives with the supply of equipment and funding for capacity building. This has been in the value addition area. MTCSMEC and the UNFAO, signed a Letter of Agreement on 29 March 2023, reaffirming the shared commitment towards up-skilling and developing twelve (12) fisher co-operatives and associations across the country. The partnership remains active, and the partners are committed to monitoring the performance of the cooperatives involved to ensure that the assistance provided is effective and beneficial.

In 2004 JICA was instrumental in assisting the fisheries cooperatives in Vanua Levu. It had installed an Ice Plant with the Ministry of Fisheries at Wainikoro, Labasa. This was established

to assist fishermen in remote areas of Wainikoro, Nadogo, and Namuka in Vanua Levu. Some 14 cooperatives were supported under the programme.

Facilitating Engagement with the NGOs

Live and Learn, a non-governmental organisation, through its climate resilience program, facilitated the engagement of two cooperatives in carbon trading. Additionally, they introduced income-generating projects to the community, preserving their forest for carbon trading purposes.

Facilitating Engagement with the Corporate Sector

Business Assistance Fiji (BAF), a company limited by guarantee and funded by the Government of Fiji, offered affordable auditing services to cooperatives and extended financial support to cooperatives that are promoting climate resilience and green energy initiatives. The grant funds provided to BAF by the Government support cooperatives that have been lagging in preparing their financial reports. This was mainly due to the 2010 Department of Cooperative restructuring. BAF links cooperatives with Business Advisory Service Providers who assist cooperatives in complying with the provisions of the Cooperative Act. BAF subsidizes the service fee. The agreement between the MTCSMEC and BAF also provided the added advantage to the Cooperatives to access the Business Link Pacific (BLP) Business Support Grant.

Recent Initiatives

Recent policy changes in Fiji aim to strengthen cooperative governance and operational effectiveness. These changes respond to global trends advocating for greater support to cooperative enterprises, as recommended by international bodies like the ILO and UN. The Department of Cooperatives is revising the Cooperatives Act with the assistance of the International Cooperative Alliance to make the law relevant to the evolving landscape. MTCSMEC is also working on the Capital Bill, which will allow cooperatives to raise capital from sources other than the member's shares.

Under the changing business landscape technology has taken over with more online connections. To address the issue of connectivity particularly for rural communities which includes cooperatives, the Government has linked up to Starlink for better network connectivity.

The current Government has recognized the cooperative movement as an agent of change and is trying to elevate it to a higher level. The native people's concept of “*solesolevaki*,” which means coming together for the greater good, works well for cooperatives.

The Government of Fiji's multifaceted support, coupled with strategic partnerships, has fostered a robust environment for cooperative development, empowering rural communities and driving sustainable economic growth. The collaborative efforts between the government, development partners, and NGOs contribute to a supportive ecosystem for cooperative development in Fiji.

One of the government's main goals is to improve access to finance for cooperatives. The government is also working to create an enabling environment for cooperatives and improve their access to markets. The government hopes that cooperatives will start exporting their products and develop more technical and professional capacity. Overall, the government and cooperatives in Fiji have a strong partnership that is beneficial to both parties. There is potential for this partnership to be even more successful in the future.

Challenges in Partnerships

While engaging with cooperatives to support their progress is mutually beneficial, several challenges arise due to differences in the priorities and capabilities of the institutions involved. These challenges are common in any partnership when one partner considers the other partner a recipient of aid rather than a partner to share resources and enhance outcomes. The same is observed in the case of the Republic of Fiji. The partners overlook crucial aspects that should be included in the agreement.

When the partner plans to provide equipment for producing consumable items as an Income Generating Project (IGP), it is essential to involve other relevant authorities that the cooperative will collaborate with closely. This is to ensure that the products meet acceptable standards and are properly maintained. Engaging relevant authorities from the outset is vital to ensure the sustainability of the project. A classic example was the sharing of equipment with the cooperatives in the form of machines that operated with a 3-phase Power Supply. But, after the machine was installed, it was realized that the Cooperative did not have the 3-phase electricity to run the machine and this added an unexpected extra cost to the cooperative.

Another common challenge is the partnership between NGOs and cooperatives without the government's involvement. The NGO considers the partnership a project without giving importance to improving the cooperative's capabilities to sustain the positive effects of

partnerships. This scenario is most common in projects that are entirely funded by NGOs. These projects involve NGOs initiating the transformation into cooperatives, providing the necessary funds, and assisting in launching the project. The cooperatives frequently struggle to sustain their operations once the NGO exits the program. This indicates that the handholding process is not effectively structured, as the cooperative lacks the confidence to proceed independently after the NGO's assistance is withdrawn. The Wainikoro Fisheries Project is a classic example.

The partnership between the cooperatives and the international development agencies is also not on an equal sharing basis as it is dictated by the funding organization. It is often a top-down approach, limiting the extent to which cooperative members can directly influence project design based on their identified needs. When a cooperative receives 100% assistance without any financial or non-financial commitment from its end, it becomes uni-directional, and the cooperative does not show any interest in engaging and sustaining the partnership. This leads to a lack of motivation and initiative to address challenges or make necessary improvements. Additionally, without financial investment, cooperative members do not fully understand the value of the project or the importance of utilizing resources efficiently—this lack of ownership results in a decreased sense of accountability and a greater likelihood of failure of the engagement. Furthermore, without any financial contribution from the cooperative, there is a diminished sense of pride and ownership among its members. Additionally, when there is no financial stake from the cooperative, it becomes challenging to gather support and participation from its members, thereby affecting the overall success and sustainability of the engagement with the supporting organization.

Financial commitment from the cooperative is essential for partnership gains to the cooperative as it can drive members to take ownership of the project, leading to increased engagement, dedication, and motivation to achieve project goals. Additionally, by financially participating in the project, cooperatives can gain valuable experience in budgeting, financial planning, and resource management, enhancing their overall capacity for sustainable operations. Ultimately, the active involvement of cooperatives through financial contributions can result in stronger community partnerships, improved project sustainability, and enhanced social and economic impact.

The other partnership challenges are bureaucratic hurdles and delays in decision-making, frictions due to divergence in the goals, differences in the capabilities of cooperatives, government restrictions, etc. However, uneven power balance and capabilities are common

in any cross-sector partnerships. But as the benefits from partnering are more, it is important to carefully plan the partnership with the involvement of all the relevant stakeholders to sustain the partnerships.

According to the cooperative practitioners in Fiji, successful collaborations in Fiji include initiatives promoting agricultural development and women's empowerment through cooperative enterprises. These partnerships succeed due to clear communication, mutual trust, and alignment of goals between government agencies and cooperatives. They leverage local expertise and community engagement to achieve sustainable development objectives.

Potential for the Engagement of Government with Cooperatives

There are several other areas where the government can facilitate partnerships. The government can provide cooperatives with better access to information, resources, and training programs. The government can also facilitate mentorship programs between larger and smaller cooperatives to promote cooperation among cooperatives.

The government could develop a mentorship program, revamp the cooperative training college curriculum, and introduce programs to help cooperatives export their products. The government is also reviewing the Cooperative Act to modernize it and align it with international best practices.

Recommendations for strengthening partnerships

- Reversing staff reductions and investing in human resource development.
- Reviving and Strengthening the National Cooperative Federation (NCF) through capacity building and financial support.
- Prioritizing training and capacity building for co-operative members.
- Maintaining a strong presence in rural areas to support cooperative development.
- Conducting a thorough review of the restructuring, involving stakeholders, and considering the department's role in the broader economic context.
- Restructuring and strengthening the Co-operative Department's capacity to support co-operative development, particularly in rural areas, while ensuring the NCF's sustainability and co-operative members' well-being.

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THE REPUBLIC OF KOREA (ROK)

There are several ways for a government to partner with cooperatives. Three necessary means are constitutional provisions, legal provisions, and policies. The partnership could be limited to directly contributing to the cooperative's financial resources or creating an enabling environment in which the government participates through the programmes it implements. In Korea, the second model is adopted. In Korea, the government shares finances and business opportunities with the cooperatives.

Constitutional Provisions

The Republic of Korea's constitution does not explicitly mention the term 'cooperative.' However, Chapter IX, which details the economy, mentions fostering organisations founded on the spirit of self-help.

According to Article 123, "The State shall foster organizations founded on the spirit of self-help among farmers, fishermen and businessmen engaged in small and medium industry and shall guarantee their independent activities and development".

Legal Scenario

Korea has two different legal frameworks for cooperatives.

1. The Special Cooperative Acts
2. The Framework Act on Cooperatives.

The Special Cooperative Acts are sector-specific and applicable to a particular sector.

The Government of Korea enacted the following eight Acts, which share the common goal of promoting enterprises and contributing to economic value.

The Agricultural Cooperatives Act: It was the first Special Cooperative Act passed as the Agricultural Cooperatives Act (1957) and the Agricultural Bank Act (1957). It is dedicated to promoting agricultural cooperatives and is supervised by the Ministry of Agriculture, Food and Rural Affairs.

Small and Medium Enterprise Cooperatives Act: This act was enacted in 1961 under the Ministry of SMEs and Startups and is dedicated to Small and Medium Enterprise Cooperatives. It is under the supervision of the Ministry of SMEs and Start-ups.

Fisheries Cooperatives Act: This was enacted in 1962 and dedicated to Fisheries Cooperatives and is under the supervision of the Ministry of Oceans and Fisheries

Tobacco Producers Cooperatives Act: Enacted in 1963, this Act is dedicated to Tobacco Producers Cooperatives and is supervised by the Ministry of Strategy and Finance.

The Credit Unions Act: This was enacted in 1972 to guide the Credit Unions and is under the supervision of the Financial Services Commission

Forestry Cooperatives Act: Enacted in 1980, the Forestry Cooperatives Act guides cooperatives engaged in forestry-related activities. The Korea Forestry Service supervises the Forestry Cooperatives Act.

Community Credit Cooperatives Act: This Act, devoted to Community Credit Cooperatives, was formulated in 1980 and is supervised by the Ministry of the Interior and Safety.

Consumer Cooperatives Act – To promote the consumer cooperative, this Act, dedicated to Consumer Cooperatives, was enacted in 1999 and is under the supervision of the Fair-Trade Commission.

Framework Act on Cooperatives (FAC) - The FAC came into existence in 2012 to provide guidelines to the General and Social Cooperatives. It is under the supervision of the Ministry of Economy and Finance. According to Article 1 of the Act, the purpose is “to facilitate independent, self-supportive, and autonomous activities of cooperatives, thereby contributing to social integration and balanced development of the national economy by providing for basic matters regarding the establishment and operation of cooperatives”.

The Framework Act on Cooperatives encourages the formation of cooperatives in all economic sectors except banking and insurance. Another essential feature of this Act is that it recognises social cooperatives as different from cooperatives and provides legal recognition to self-help organizations excluded from the jurisdiction of the existing eight special cooperative Acts.

While the social cooperatives are classified as non-profit, the common cooperatives are for-profit. The Act provides guidelines for both types of cooperatives.

All the special cooperative Acts have been amended over the years, adjusting to changes in Korea's socioeconomic situation and increased industrial structure. The FAC has been amended four times, the latest in 2017.

Engagement through Legal Provisions

The Agricultural Cooperative Act was amended several times. In 2016, the then government announced the reform of Agricultural Cooperatives to improve the rural economy. The government integrated the Agricultural Cooperative and Agricultural Bank, established in 1958, to specialise in economic and banking businesses. These two institutions were merged into a multipurpose agricultural cooperative in 1961, and a new Agricultural Cooperative Act was promulgated.

The Agricultural Cooperative Act of Korea specifies that it is the obligation of the government to protect and support the Agricultural Cooperatives. Article 11 of the Agricultural Cooperative Act enacted in 1961 stipulates that “Ministers of each ministry in the government should cooperate with the Cooperatives and the NACF for their business. The government and public organizations should support the Cooperatives and the NACF”. It was specified that the government could support expenses required for the business of the Cooperatives and the NACF within the limit of budgets and that the chairman of NACF could present his/her opinion to the government on the development of the Cooperatives and the NACF (Park et al., 2012)

Solidarity between consumer cooperatives and SEEs Consumer cooperatives, most of which have been established to bring healthy and eco-friendly food and other products to consumers, are presenting new opportunities for SEEs. iCoop, Hansalim, Dure, universities and other leading consumer cooperatives whose members number in the hundreds of thousands continue to strengthen solidarity with SEEs by helping the latter with starting, finding distribution channels, and developing products.

Partnering through Credit Support to Agricultural Cooperatives

The government of Korea partners with the Agricultural Cooperatives to distribute credit. For example, agricultural cooperatives are the only financial institutions dealing with the government's policy finances. Most of the funds to support agriculture and rural districts are delivered through cooperatives. In this sense, the government is partnering with the Agriculture Cooperative to reach needy people.

The introduction of mutual credits significantly influenced stabilizing the cooperatives (Park et al.,2012). While this helped the Primary Agricultural Cooperatives stabilize their activities, it helped the Government of Korea cater to the cooperative members' financial needs.

Enabling Policy Environment

The government of Korea created an environment that enabled cooperatives to increase their business operations. Cooperative policies were complementary to the country's overall economic objectives.

Introduction of Framework Act on Co-operatives (FAC)

The Framework Act on Co-operatives (FAC), 2012, is a landmark in Korea's cooperative sector development. It enabled the launching of cooperatives in every industry by drastically reducing the requirements to form a cooperative. The FAC reduced the minimum required number of people to five. It established a simple process to apply for cooperative status, which only requires residents to submit articles of association to their home city or a related jurisdiction. Cooperatives could now be established in almost any sector.

FAC legalized workers' cooperatives. With the reduced stipulations, new workers' cooperatives have emerged. One example is the formation of the Alternate Drivers' Cooperative, which is registered as a worker cooperative. The new FAC provided an enabling environment for these drivers to come together to improve their working conditions. This is an example of how the enabling policy makes a difference in the lives of the marginalised in Korea.

Under these liberalized rules for forming independent cooperatives, 8,289 new cooperatives were registered in just the first five years (Jang, 2017), and the total number grew to 22,610 cooperatives as of February 2023. It also enabled the setting up of social cooperatives for the social inclusion of disadvantaged people. While traditional cooperatives aim to generate economic benefits, social cooperatives focus on social improvement. Social co-operatives must register as non-profit organizations with a goal of at least 40% of all income being dedicated to public benefits and no allowance for distributing dividends to individuals. According to SEPA, there were 3,215 registered social cooperatives in 2021 and 3,660 social cooperatives by the end of 2022(Minsun Ji, 2023).

Partnering through the Preferential Procurement System

The government introduced one key national support strategy to encourage government agencies at all levels to purchase products or services from the social-economy sector, which includes cooperatives.

The Municipal Ordinances on Public Purchase and Marketing Support for the Products of SEEs (effective as of 30 April 2014) and on Public Procurement for Realization of Social Values

(effective as of 14 May 2014) were introduced to create a favourable policy system favouring SEEs as partners of public procurement. These ordinances direct the public agencies to procure the products and services of self-reliant and social enterprises, village communities, and cooperatives.

The preferential procurement rules cover all the city departments, including libraries, public hospitals and safety offices, and special-purpose public organisations, like tourism promotion agencies. It requires the mayor to establish and implement metropolitan policy measures promoting the purchase of products and services from SEEs. The mayor also develops and announces plans for purchasing SEE's products and services in 90 days following the finalization of the city's central budget. Subsequently, it published reports on the preceding year's SEE product and service purchases. Heads of each public organisation are also required to spend five per cent of their total procurement budget on purchasing goods and services from SEEs. In this kind of partnership, the government is partnering in buying the commodities produced by SEEs, including cooperatives, and the cooperative is gaining in the form of an assured market.

The city also established an online e-commerce mall operated by the KoSEA, which helps match public organizations with the products and services of social-economy enterprises. Soon after its creation, the online portal had 7,000–8,000 average monthly visitors. In 2018, the portal facilitated the first attempt in Korea to analyze a municipal budget to proactively identify social-economy products that public organizations might purchase (Yoon & Lee, 2020). Strategies for developing the social economy in the SMG have evolved from direct financing for individual SEEs (1997~2011) to indirect support via fostering ecosystems for the social economy(2012~2018).

Introduction of Master Plans

The Republic of Korea introduced successive master plans for the development of cooperatives after the enactment of the Framework Act on Cooperatives in 2012 under the coordination of the Minister of Strategy and Finance. Articles 11 and 11-2, which are newly inserted by Act No. 12272, Jan. 21, 2014, as amendments to the FAC, describe the policies for promoting cooperatives.

According to the Article 11

1. The Minister of Strategy and Finance shall preside over policies on cooperatives and formulate a master plan for promoting autonomous activities of cooperatives (hereafter referred to as "master plan") every three years.
2. A master plan shall include the following matters:
 - Basic direction for revitalization of cooperatives, etc. and social cooperatives
 - Improvement of related statutes and systems for revitalization of cooperatives, social cooperatives, etc
 - Matters concerning strategies for the development of cooperatives, social cooperatives, etc. and the creation of infrastructure, therefore
 - Matters concerning mutual cooperation among cooperation of cooperatives, social cooperatives, etc. and cooperation among the agencies related to policies on cooperatives;

The Minister of Strategy and Finance may consult and coordinate with Mayors and Do Governors about matters concerning policies on cooperatives and autonomous activities of cooperatives, as prescribed by Presidential Decree.

Article 11-2 suggested the formation of the Council for Cooperative Policy Deliberation.

“The Council for Cooperative Policy Deliberation (from now on referred to as the "Council") shall be established under the jurisdiction of the Minister of Strategy and Finance to deliberate on principal matters concerning policies on cooperatives.”

Successive Master Plans Introduced by the Government

The First Master Plan for Cooperatives (2014-16) aimed to create a favourable environment for cooperative development. The government actively participated in fostering strategic sectors.

In 2017, the Second Master Plan for Cooperatives was enacted to strengthen cooperatives' autonomy, improve cooperatives' awareness, create jobs through cooperatives, and strengthen the overall cooperative market. The new plan sought to improve the access of co-ops to policy funds as well as help them design their self-financing plans. The government wanted to promote cooperative businesses and provide systematic support to young entrepreneurs wishing to set up co-ops. The vision of the second plan is “to achieve growth through job creation and efficient welfare delivery.” The ministry also highlighted the cooperative

movement's progress in terms of stable job creation, democratic operation, and contribution to local communities.

The Fourth Social Enterprise Promotion Master Plan 2023-2027 was announced in September 2023. Seoul Metropolitan City has a Framework Ordinance on Social Economy (2014).

Unlike other types of SSE organisations managed with government certifications, cooperatives receive no direct government support through subsidies.

Korea Social Enterprise Promotion Agency (KSEPA) is a public organization affiliated with the Ministry of Employment and Labor. It was established in December 2010 based on Article 20 of the Social Enterprise Promotion Act.

KAEPA engages with cooperatives through several teams: the Cooperatives Division and Cooperatives Policy Support Team, Establishment Support Team and Cooperative Management Support Team (2020 Annual Report The Reassuring Partner of the Social Economy, Korea Social Enterprise Promotion Agency 2021).

It partners with cooperatives by sharing skills and promoting their human resource base. It also shares financial resources in the form of support for the business costs needed for the newly formed cooperatives.

KoSEA developed tripartite partnerships with social cooperatives and public institutions to encourage public institutions to purchase more than a certain percentage of goods and services produced by social enterprises and social cooperatives among the preferential purchase items of public institutions.

The government of the Republic of Korea plays an active role in supporting SSE organisations. It has systematically fostered their growth in cooperation with intermediate support organisations (ISOs) based on a legal framework. The central government has developed legislation for the growth of SSE organisations, fostered public agencies and ISOs to support them professionally, and implemented support policies based on subsidies and consulting through these agency institutions (Choi et al., 2017).

Major policy programs that apply to different cooperatives as institutions of the social economy in Korea

| Sl No | Ministry | Programme Objectives |
|-------|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Ministry of SMEs and Startups (MSS) | Fostering collaboration among small businesses, fostering SME cooperatives, fostering social startups, managing the Social Impact Fund, providing policy finance for SEEs, providing finance exclusively for small SEEs, and providing special-case loan guarantees for SEEs. |
| 2 | Ministry of Culture, Sports and Tourism (MCST) | Fostering social economy in culture and the arts; running Saturday Culture Schools; subsidizing the construction of small theatres; subsidizing construction and operation of small museums; running reading and culture programs at small libraries; fostering sports clubs; fostering tourism cooperatives. |
| | Ministry of Education (MOE) | Fostering school cooperatives; supporting humanities and social science research centres; developing entrepreneurial education programs at universities; fostering local lifelong education |
| | Ministry of Land, Infrastructure and Transport (MOLIT) | Supporting urban renewal projects; fostering communities as part of urban renewal (community management cooperatives); providing social housing |
| | Ministry of Economy and Finance (MOEF), etc | Fostering cooperatives; incubating cooperatives of scientists and engineers; fostering the social economy for the environment; managing innovative technology programs; managing New Deal 300 for Fishing Villages. |

Source: Korea Social Economy, https://base.socioeco.org/docs/korea_social_economy.pdf

Intermediate Supporting Organizations that Facilitate the Partnerships

Intermediate support organizations play an important role in government engagement with the cooperatives in Korea. The important ISOs are

1. Credit guarantees from the Korea Credit Guarantee Fund (KODIT). It provides credits for social enterprises, cooperatives, village companies and self-sufficiency enterprises.
2. The National Association of Cooperatives (NAC), officially recognized under the FAC, was established in April 2019.
3. Korea Cooperative Council (KCC) Established in 2009, the KCC coordinates discussion and cooperation among leading cooperative organizations, including the CU, the National Federation of Agricultural Cooperatives, the National Federation of Fishery Cooperatives, the Korean Federation of Credit Cooperatives, the National

Federation of Forestry Cooperatives, and iCoop. The Council promotes the growth of Korean cooperatives and their values, strengthens solidarity between the member organizations, organizes joint measures on policy support for cooperatives, and co-organizes international events, including the ICA congresses

4. The National Council of Intermediary Support Organizations for Social Enterprises and Cooperatives is a national organization of the regional intermediary agencies of the Korean government that provides support for social enterprises and cooperatives. The main objectives include strengthening policy partnerships with the government, fostering local ecosystems to grow local social economies, and establishing systems of local and national exchange and cooperation among the member agencies toward fostering inter-sector partnerships.

The South Korean government encourages cooperation with cooperatives and social cooperatives and may provide subsidies as necessary. It also values the opinions of these organisations and strives to reflect them in decision-making. The government promotes international exchange and cooperation with cooperatives.

Opportunities

According to the Act, cooperatives are not allowed to merge with or split off into any legal entity, organization, or cooperative that is not under the same Act. However, with approval from the Minister of Strategy and Finance, a cooperative may merge with certain corporations, including stock companies, limited companies, and limited liability companies incorporated under the Commercial Act. Criteria and procedures for approval of such mergers are to be prescribed by Presidential Decree. A corporation incorporated under the Commercial Act or other Acts may change its organizational structure to become a cooperative under this Act, with the unanimous consent of all constituent members. In such cases, the existing corporation and the new cooperative are considered the same entity regarding rights and obligations.

Involvement of Government

The government of South Korea has policies in place to promote and revitalize cooperatives and social cooperatives. The Minister of Strategy and Finance is responsible for formulating a master plan every three years, including development strategies, mutual cooperation, and fact-finding surveys. The Minister may consult with Mayors and Do Governors and conduct fact-finding surveys every two years. The Council for Cooperative Policy Deliberation is established to deliberate on principal matters concerning policies on cooperatives, including

the formulation or amendment of a master plan, establishment, merger, or division of cooperatives, supervision or management of cooperatives, and consultation with related administrative agencies. The Vice Minister of Strategy and Finance serves as the chairperson, and members include public officials and persons commissioned by the Minister. The Minister may require social cooperatives to report matters regarding their business and property or assign public officials to inspect their current status. If a social cooperative violates the law or its articles of association, the Minister may order corrective measures. The Minister may also demand related central administrative agencies to investigate, inspect, or examine social cooperatives and require them to submit data or take necessary corrective measures.

The government may provide support in the form of expert consultation and training for the establishment and operation of cooperatives and social cooperatives. Cooperatives of a specific size must publicly announce their management on the Internet, including their articles of association, annual reports, and activities. The Minister of Strategy and Finance may standardize and consolidate these matters and request data from cooperatives to make a consolidated public announcement. Additional matters are necessary for the public announcement of management, and the Presidential Decree will prescribe procedures for the consolidated public announcement.

Sharing of Financial Resources by the Government

The cooperatives in Korea heavily depend on the government for financial and non-financial resources. The government shares the resources. A recent survey revealed that it is difficult for enterprises to survive without government support. In the survey, 38.9 per cent of enterprises reported that it would be challenging to be self-reliant without government support (Kim et al., 2018). However, in the recent paradigm, the efforts are more towards developing an ecosystem and promoting the capabilities of the cooperatives rather than directly transferring the monetary resources.

Consultation of Cooperatives by the Government

The cooperative policies in Korea provided opportunities for interaction between the government and cooperatives. The Ministry of Economy and Finance (MOEF) consults cooperatives in preparing the master plan for cooperatives.

Conclusions

The cooperative legislation of the Republic of Korea was found to be significantly friendly to cooperatives. The Framework Act on Cooperatives, established in 2012, complements the existing eight special cooperative acts and contains many provisions that support cooperatives while respecting their autonomy. (ICA AP, 2019)

Korea is an example of the importance of policy changes in developing the cooperative sector and its contribution to the national economy. Liberal policy in the form of the Framework Act on Cooperatives resulted in cooperatives reaching marginalized sections of society. Secondly, the policy initiatives have effectively helped develop partnerships between the government and the cooperatives. Preferential procurement is one such partnership in which the cooperative shares its goods and services, and the government shares the market space for them. The partnership gains to the cooperative are increased business and higher dividends to the members, and the gains to the government are procurement of products and services at lesser costs and attaining the objective of social justice.

Based on the existing policy scenario, it can be concluded that there are enough. There are opportunities for the government to partner with the cooperatives, but much depends on the implementation and governance structures.

Identifying specific partnership opportunities in different types of cooperatives is essential based on detailed, in-depth research studies and evolving appropriate governance structures that do not compromise cooperative principles.

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Annexure 2: Case Studies

INDIA

Engagement of Government with Cooperatives in the Provision of Health care services in Karnataka: A case Study of Yeshasvini Health Scheme

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Access to quality healthcare is a significant issue in India, especially for rural populations located in remote areas. This is due to the non-availability of healthcare facilities and non-affordability of low-income people. Health insurance is not very popular, and as per the latest estimates (Statista), approximately 514 million people across India are covered under health insurance schemes in 2021. It is merely 37% of the people in the country. The rest, 63% of the population, lack any health insurance. This causes a significant health burden as people with low incomes must pay for their resources. The recent NFHS Survey – 5 for 2019-21 reveals that only 32% of the households in Karnataka and 17% in Bihar have at least one person covered by health insurance. A Report from Brookings India based on National Sample Survey (NSS) organization surveys claims that around 7 per cent of India's population is pushed into poverty every year due to healthcare expenses.

The NITI Ayog 2022 report on Health Insurance for India's Missing Middle claims that 30 per cent

of the population lacks financial health protection. This segment is termed the “missing middle” because they are not poor enough to be covered by government-subsidized schemes but not rich enough to avail of private health insurance. Under this situation, the Yeshasvini Health Scheme was introduced in Karnataka to prevent health expenditures from reaching a catastrophic level in the case of poor cooperatives. It is the first cooperative medical insurance scheme the Government of Karnataka introduced. It aims to provide quality healthcare and medical treatment to Karnataka cooperative members with low or middle-class incomes. The scheme was first launched in 2003 to impact the state's resource-poor healthcare facilities and economic well-being. The primary purpose of this scheme lies in providing low-cost medical services and maximising healthcare utilisation in Karnataka.

The scheme is considered a case study as this model showcases how the government can partner with cooperatives to provide poor people access to healthcare facilities. Making

cooperative membership a precondition for availing of the benefits from this scheme increased cooperatives' visibility and helped improve their membership base.

Karnataka has a vibrant cooperative sector. With the government's support, the sector has grown. It is also one of the few states where cooperatives are provided an option to register under the state act or Souhard Sahakari Act. The Yeshasvini Health Scheme is the first cooperative medical insurance scheme the Government of Karnataka introduced. It aims to provide quality healthcare and medical treatment to Karnataka cooperative members with low or middle-class incomes. The scheme was launched in 2003 to impact the state's resource-poor healthcare facilities and economic well-being.

The primary purpose of this scheme is to provide low-cost medical services and maximise healthcare utilisation in Karnataka. The Yeshasvini scheme also extends healthcare facilities to cooperative weavers, fishermen, Beedi workers, and Stree Shakti groups.

This case study assesses the services provided by Yeshasvini Trust, which collaborated with the Government of Karnataka and used cooperatives to deliver health care services for the poor residing in urban and rural areas.

Genesis

The State Government introduced the "Yeshasvini Cooperative Farmers Health Care Scheme" (Yeshasvini Scheme) to the Co-operative farmers of Karnataka. The concept of "rural health care scheme" was initiated by Dr. Devi Prasad Shetty of Narayana Hrudayalaya, a private hospital in Bangalore. With suitable modifications, the scheme was launched with the participation of the Principal Secretary to the Government of Karnataka, the Cooperation Department, and financial assistance from the Government of Karnataka. Yeshasvini Health Care Scheme was implemented through network hospitals to provide cost-effective quality healthcare facilities to the Cooperative farmers spread across Karnataka. This is a groundbreaking initiative aimed at providing accessible and affordable healthcare facilities to cooperative farmers and the rural poor who often had to depend on money lenders or sacrifice their assets to cover the expenses of major illnesses and surgeries.

Historical Developments

"Yeshasvini Cooperative Farmers Health Care Scheme" (Yeshasvini Scheme) has been operationalised with effect from 1st June 2003 by the Government of Karnataka. It was the first of its kind health scheme in the country based on the public-private partnership (PPP) model

targeting the members of the cooperative societies in the rural areas by the Department of Cooperation. Karnataka has become a role model State by introducing the 'Yeshasvini Self Funded Health Care Scheme'. The Yeshasvini Cooperative Farmers Health Care Trust was registered under the Indian Trust Act 1882. The Government of Karnataka provides matching contributions to the Trust to implement the scheme. The scheme was effectively implemented between 2003-04 and 2016-17. However, it was discontinued on 31.05.2018 and merged with Aarogya Karnataka Yojana. As the scheme was very popular among the poor, there was resistance from Co-operators and farmers across the State. Hence, the Government has decided to re-introduce the revised Yeshasvini scheme from the 2022-23 budget.

Yeshswini Model

The Yeshwini Trust, which is responsible for the implementation of the scheme, is headed by the Minister for Co-operation as the Patron of the Trust. The Principal Secretary to the Government, the Co-operation Department, is the Chairman of the Trust. The other members of the Trust include the Registrar of Co-operative Societies, Commissioner of the Health and Family Welfare Department, Senior Officers of the Co-operative Department, eminent Doctors from different medical specialities, and two Senior Co-operators, one each from South Karnataka and North Karnataka regions.

Creation of Awareness

To create awareness about the guidelines of the Yashasvini scheme, the Joint Regulators of the respective Provinces have been instructed to conduct a meeting of the Chief Executive Officers of their jurisdictions, District Cooperative Banks, Federations of Milk Producers Associations and other important Cooperative Societies/organizations at the provincial level. Then, a meeting of the Deputy Registrars of all District Co-operative Societies, Presidents of Co-operative Societies in their districts, Chief Executive Officers and concerned departmental officers was called. A workshop was organized to inform about the guidelines, rules, limitations and details of the facilities under the scheme and to submit a report on the action taken to the Regulators and the Government.

The Role of Cooperatives in the Scheme

This partnership model clearly defines the roles and responsibilities of the government and cooperatives. Cooperatives enrol the beneficiaries in this scheme. Members of any co-operative society or co-operative society/co-operative banks (including Karnataka State Co-operative

Societies Act, Multi-State Act, Rural and Urban Co-operative Societies) registered under the Karnataka Co-operative Societies Act 1959 or the Karnataka Co-operative Societies Act 1997 or the Multi-State Co-operative Societies Act 2002, co-operatives, the members of organized self-help groups, on completion of three months as members of the concerned associations, such members and their eligible family members are eligible to avail membership facility under Yashasvini Yojana without any age limit by paying the prescribed annual contribution.

Under the new guidelines for the year 2023-24, the employees and their eligible family members who have completed at least three years of service in active cooperative societies/banks and are getting a monthly gross salary of Rs.30,000/- and less, as well as their eligible family members, have been allowed to become members and get benefits under the Yashasvini Yojana under the Karnataka Cooperative Societies Act, 1959. (Minimum three years of service and gross salary of Rs.30,000/- and less should be attached with the confirmation letter from the Governing Body of the Co-operative Society). The Scheme does not apply to members of Co-operative Societies and Employees' Co-operative Societies, which are dissolved and defunct.

A successful member is a member of a joint family and has a ration card for all the members of the joint family, on the production of which all the members of the joint family (including unmarried husbands/women) whose names are entered in such ration card have paid the annual allowance to such family members to get scheme facility 2023-24. The Joint family members are not allowed to register if they do not have the same ration card. A newborn baby can get benefits under this scheme based on a Yashasvini card bearing the mother's name till next year's registration, after which the child's name can be registered and get the scheme benefit.

A target of enrolment of members fixed by the Government for 2022-23 is 30 lakhs. As against this target, 48.20 lakh members were registered during 2022-23. A target of enrolment of members fixed by the Government for 2023-24 is 50 lakhs. As against this target, 34 lakh members were registered as of 31.03.2024

Annual Membership Contribution

Annual membership contributions under this scheme for 2023-24 are as follows.

(a) Rural Co-operative Societies/Self-Help Groups shall pay an annual contribution of Rs.500/—per family with a maximum of four members and Rs.100/—for each additional family member with more than four members.

(b) An annual contribution of Rs.1000/per family of a maximum of four members of urban co-operative societies and Rs.200/for each additional family member with more than four members.

(c) The Government shall bear the annual membership fee for the members of the Scheduled Castes/Scheduled Tribes by helping under the Special Unit Scheme and the Sub-Scheduled Tribes Scheme. As the Scheduled Caste/Scheduled Tribe details are compulsorily submitted to the government, the RD number in the Caste Certificate must be mentioned compulsorily concerning these communities. Otherwise, the government will not have the grant facility.

(d) Members of Scheduled Castes/Scheduled Tribes will be registered for a one-time period of three years as no levy will be paid, and cards will be issued accordingly for three years. Any amendments/changes in the said cards and additions/removals of new members will be made annually. Every year, the government claims the contribution of the members of that community.

Sharing of Financial Resources between the Cooperative and the State

Out of the fee collected from the members (no additional amount shall be collected for this from the members), Rs.25/- per card shall be kept by the Co-operative Societies as incentive money. The remaining amount shall be deposited in the account held in trust in the concerned district cooperative banks within seven (7) days of membership registration. The District Co-operative Banks shall deposit/transfer the newly opened Yashasvini Trust Savings Account at the Apex Bank Head Office within seven (7) days of receipt of the deposit amount.

In case of delay, the Co-operative Societies/Institutions keeping the funds shall be liable to pay interest as per banking regulations. Co-operative Societies/Banks where the members are registered should pay the levy collected from the members through the DCC Bank of that district. No payment shall be made directly to the trust account in Apex Bank for any reason.

Issue of ID Card

A private seller is roped in to prepare a member's identity in plastic with a unique ID number for all the members under the name Yashasvini Yojana. Beneficiaries can avail of cashless treatments by presenting the said card. Beneficiaries must present their identity card compulsorily when visiting the network hospitals for treatment. Otherwise, the hospitals will refuse treatment under the Yashavani scheme. The Trust is not responsible for this. After fifteen (15) days of receiving the ID card, the cardholders will be eligible for treatment at network hospitals. Yashavani Trust shall not be liable for treatment not covered under the scheme and

treatment received at hospitals the Trust disapproves. The treatment expenses shall not be paid to the hospitals or the beneficiaries for any reason.

Since 2022-23 was the scheme's initial year, Yashasvini's treatment period was fixed from January 2023 to December 2023 in the calendar year. However, it has encountered technical problems related to financial issues like account maintenance, audit management, and bank business, so the treatment period has been extended to March 2024 instead of December 2023. For 2023-24, the treatment period is scheduled from April 2024 to March 2025.

Budget Allocation by the Government of Karnataka

For 2022-23, the Government of Karnataka has allotted a budget of Rs. 100 crore, and for 2023-24, it has allotted a budget of Rs. 150 crore. For 2024-25, it has released a grant of Rs—50 crore. A maximum of Rs.200/- (for three months) for outpatient treatment (OPD) for Yeshasvini members in-network hospitals has been fixed. Of this, Rs.100/- will be paid by the Yeshasvini trust.

Enrolment of Members

Yeshasvini members are eligible to take treatment facilities in the General Ward only. If the patient voluntarily opts for a higher ward, sharing 2 or 3 beds - 15% extra in the treatment cost, and in the case of a private room or single bed, 25% extra in the treatment cost is to be paid by the patient to get a higher ward facility. The additional amount has to be paid by the patients only. The treatment facility provided in the network hospital under the Yeshasvini scheme includes medicine costs, hospital expenses, surgery costs, operation theatre rent, anaesthetist fees, surgeon fees, consultant fees, bed charges, nurse fees, etc. The Yeshasvini scheme includes the cost of implants required in the package (E.g., knee replacement, lens in cataract surgery). Suppose the beneficiary voluntarily agrees to receive higher implants or lenses. In that case, the additional difference for higher implants and lenses shall be paid by such beneficiary, and treatment will be received. The cashless medical scheme for members of cooperative societies is up to ₹5 lakh per family per annum. There is no age cap for becoming a beneficiary.

Utilization of the Scheme

Since its re-launch in 1.1.2023, the scheme has been availed by 65,000 beneficiaries, incurring an expenditure of Rs. 104.00 crores, and it has been distributed through the Yeshasvini network hospitals. As of 31.03.2024, there are 654 network hospitals have been registered across the

State under Yeshasvini Yojana, out of which 37 are Government hospitals (17 district hospitals, four medical college hospitals, 14 speciality hospitals and two taluk hospitals and 617 private hospitals. The scheme converges with the Ayushman Bharat Arogya Karnataka Yojana in its new model. Under the current Yashasvini Yojana, 2128 treatments, including 1650 treatments and 478 ICU treatments identified by Yashasvini Trust, have been adopted for Ayushman Bharat Arogya Karnataka Yojana.

Conclusions

The partnership between the government and cooperatives envisaged under the Yeseshwini scheme is not smooth sailing due to several operational problems and a lack of equal cost sharing. Enrolling more members and achieving the target fixed by the Government is a great challenge. Last year, the dairy cooperative and milk federation showed much interest in promoting the Yeshasvini scheme by admitting more members. During the current period, it is not showing much interest in promoting the Yeshasvini scheme. Further, many leading private hospitals are not interested in enrolling them as network hospitals, stating that the rate offered by the trust is less and has not been revised at periodic intervals. Some milk producers' unions, DCC banks, and cooperative societies/institutions in the state pay a portion of the annual profit of their members from their capital to promote the scheme. All cooperative societies in the state should also be encouraged to follow this practice.

Though the scheme has few limitations, it has been well received by the cooperatives' members. Hence, considering the end use, the government should earmark more funds to provide health for all. This would enable the country to achieve the sustainable development goal of extending healthcare facilities to the poor and underserved sections of society.

JORDAN
Partnership Between State and Cooperatives
A Case Study

The real partnership between the Jordanian Government and Cooperative
The Multi-Purpose Cooperative Association of Northern Ajloun

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Introduction

Partnerships between the state (government) and cooperatives foster economic and social development within local communities. This case study explores a successful example of such collaboration in Jordan.

The Multi-Purpose Cooperative of Northern Ajloun

The Multipurpose Cooperative Society for North Ajloun, located in Ajloun Governorate, 60 km north of Amman, the capital of Jordan, embodies effective government intervention in community development. Here are the main aspects of this cooperative:

1. Need and Motivation for Establishment

This association was established to address the marketing bottlenecks and surplus production of farmers for their products (grapes, pomegranates, pears and apples) because these crops are concentrated in this region where:

- Established in 2002 through a royal initiative through the Jordan River Foundation
- Inspired by Her Majesty Queen Rania Al Abdullah's visits to Ajloun, known for its agricultural and tourist attractions.
- Specializes in fruit tree cultivation (grapes, apples, pears, and pomegranates).
- Addressed challenges local farmers face, including low crop prices and marketing difficulties.

2. Cooperative Establishment and Funding

- Initially established with 474 members.
- Received funding (approximately 1,182,000 Jordanian dinars) from the Ministry of Planning and International Cooperation.
- Set up an integrated agricultural complex on a leased piece of land (5,000 square meters).

- Complex includes a two-story building (1,000 square meters) with nine agricultural refrigerators (total storage capacity of 600 tons), warehouses, offices, and a training hall.
- Established a nursery for fruit seedlings.

3. Diversification of Services

- Allocated part of the building for a processing plant to manufacture pickles and natural vinegar from apples, grape must, and pomegranates.
- Democratically elected management committee adheres to public budgeting, internal regulations, and cooperative laws.
- Internal audit committee provides oversight.

4. Impact and Achievements

- Pioneer in Ajloun Governorate, serving approximately 200,000 residents.
- Currently has 692 members with shares valued at 190,894 Jordanian dinars.
- Created permanent job opportunities (nine positions) and seasonal employment (up to 30 positions) for residents.
- Enhanced capacities of local residents through training workshops and collaboration with government institutions and other cooperative associations.
- Installed a solar power system generating 145 kilowatts for 58,240 Jordanian dinars.
- Expanded storage capacity to over 1,000 tons with new refrigerators, benefiting residents of Ajloun and neighbouring governorates.
- Received attention and support from government institutions and supporting organizations.

5. Success Story for Collaborative Development

- The community itself manages it through the Management Committee, which is the executive body of the association through which decisions are made that are in the interest of the association and its members, with government supervision, control and support by supporting partnerships with the local community through:
 - Benefit from the services provided by the association, such as storage (potato seeds, apples and pears),
 - and the provision of seedlings to farmers at preferential prices,
 - Training for the local community and building their capacity through holding some courses for school students,

- Converting some fruits into other products such as (apples are converted to natural apple cider vinegar, pomegranate is converted to pomegranate molasses)
- The revenue provision has led to the sustainability of the association's work so far, illustrating the effectiveness of genuine partnerships with the local community. These partnerships helped create sustainable collective development projects.
- The Ministry of Agriculture provided an in-kind grant of 90,000 Jordanian dinars to help the association improve the services it provides to members and the local community, represented by providing sensitive electronic devices for refrigerators to improve their performance, as well as providing a device for packaging and packaging for converted products in a smart electronic way.

Challenges Facing the Association Under Study

The challenges for this case under study are due to:

- The tribal status of the community, where community members sometimes want to elect a management committee not based on competence but on family name and kinship.
- The life of the management committee is only one year, and this period is not enough to implement the visions and plans built for the management committee
- The number of members is significant, exceeding 692 members, which poses a difficulty when the quorum (51%) is reached for the meetings of the General Assembly for decision-making.
- Electric power is a challenge, especially in the winter period, as the association is located in a relatively cold area, which increases the electricity bill despite the presence of solar panels.
- The existence of decisions related to the Jordanian Energy Regulatory Commission, where the kilowatt price was raised to double, as the association was considered a commercial subscription and not industrial, negatively affecting their revenues by the end of 9-2023.

To help and mitigate these challenges above, the cooperative institution:

- Holding training sessions to urge the local community to elect those who are capable regardless of the clan
- Amending the legislation related to the election of the Management Committee through the meeting of the General Assembly in an ordinary meeting and not an emergency, which leads to the election and exercise of the General Assembly

its democratic right to elect the Management Committee and not the appointment through the cooperative institution, where the meetings are attended and not with the completion of the legal quorum

- The institution has tried and is trying until today to visit the Irbid electricity company to amend the smuggled tariff of the association and consider the subscription industrial and not commercial

Conclusions

The partnership between the state and cooperatives in Jordan shows how cooperative efforts can lead to positive social and economic outcomes. By providing an enabling environment, the cooperative has become a beacon of success, benefiting both its members and the local community.

This case study highlights the importance of collaborative partnerships between the states and provides valuable insights for policymakers and stakeholders seeking to explore similar options in the future.

Ultimately ,we find that this association is an example that should be replicated. It represents a successful partnership model between the government and the local community through cooperatives and by the local community's needs.

Resources:

- Ministry of Agriculture - Jordan
- Jordan Cooperative Cooperation
- The Multi-Purpose Cooperative of Northern Ajloun chairman and their members

KYRGYZSTAN

Cooperation between the Cooperative and the State: A Case Study

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Context

As part of the joint technical cooperation project of the Japan International Cooperation Agency (JICA) and the Ministry of Agriculture, Food Industry and Land Reclamation of the Kyrgyz Republic (MAFIL KR) “Promoting the production of export-oriented vegetable seeds in the Kyrgyz Republic” in order to increase the production of high-quality seeds, strengthen the capacity of seed producers, By conducting technical training on the production of vegetable seeds, the agricultural cooperative “Kyrgyz Vegetable Seeds” (KVS) was created from farmers who produce seeds, the head of the cooperative is Amantur Sagymbayev.

Nature of partnership

In order to ensure the activities of this cooperative, the Ministry of Agriculture, with the participation of the cooperative, has created a Seed Cleaning Center, and the management of this centre is carried out by the cooperative and the Ministry of Agriculture. The centre was created to sort and clean seeds at a high level; its products are intended mainly for export and supply to the domestic market of high-quality seeds of fruit and vegetable crops. Notably, this centre has a line of seven modern seed cleaning machines made in Japan, costing 53,435,000 yen (about 500 thousand US dollars). The basis for the creation of this cooperative within the project and the joint management of the seed cleaning centre is mutually beneficial cooperation for both parties since the members of the cooperative were trained in advanced techniques for hybrid vegetable seed production and seed cultivation and the use of seed cleaning equipment by Japanese experts. By using this practical knowledge, farmers can improve their livelihoods.

History and present position

The cooperative was created in 2015 and has been working with the Ministry of Agriculture on a complimentary basis, except for payment of utilities, using equipment transferred to JICA and a workshop on a land plot owned by the Ministry of Agriculture.

Performance

KVS cooperative members produce high-quality vegetable seeds and train interested farmers. In 2017-2018, The KVS cooperative implemented 14 contracts, and this year, there are already 17 trial contracts with foreign companies for the production of seeds of nine types of vegetable

crops, such as lagenaria, cucumber, lettuce, watermelon, zucchini, tomato, pumpkin, daikon and onion. The line of seed cleaning machines will allow vegetable seed producers to effectively clean seeds to enter the global market as a country exporting high-quality vegetable seeds. KVS exports its products mainly to Japan, Taiwan, Korea, and Russia. On the part of the state, agricultural producers are exempt from paying customs duties when exporting. The state provides preferential loans of 6 to 8 per cent per annum, but access to this loan is often limited.

Evaluation

The specified model of creating a cooperative and public-private partnership was a mutually beneficial partnership model. To develop this partnership, the state must create the necessary conditions and consolidate cooperation at the legislative level. The state may purchase cooperative products for schools, kindergartens, hospitals, etc.

The situation with the creation of agricultural cooperatives in the Kyrgyz Republic is at the initial stage, despite the vital role of cooperation in strengthening the economy, competitiveness, improving business conditions and creating incentives for the growth of marketable products and the well-being of the country's rural population. The analysis shows that in this sector of the economy, it was not possible to ensure the creation of the necessary conditions since there is no stimulation and priority support for the cooperative movement, especially in the agricultural sector. The Law of the Kyrgyz Republic, “On Cooperatives”, has made it possible to eliminate the main barriers to the development of cooperation. However, today, it is being implemented slowly in practice. However, cooperation between the state and the cooperative in the form of public-private partnership in the form of provision of infrastructure (land, premises, equipment) to the cooperatives will lead to mutually beneficial cooperation.

Key takeaways

The use of knowledge, farmers' potential, and state support in their association with cooperatives will positively impact the country's socioeconomic situation and ensure food security.

Mutually beneficial cooperation between cooperatives and the state can be realized through public-private partnerships, the provision of financial and material benefits, the exchange of knowledge, and the provision of services.

MOROCCO

Successful Partnership between Cooperatives and the Government: A Case of Solidarity Market in Casablanca, Morocco

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The Solidarity Market in Casablanca city, inaugurated on March 15, 2017, by His Majesty King Mohammed VI, may God assist Him, is a new fair trade space dedicated entirely to the sale of more than 10,000 products from more than 400 Moroccan women's cooperatives. It brings together, in a unique and permanent location, local products and handicrafts articles.

The choice of Casablanca as the location is no coincidence. The city offers extensive access to final consumers, economic players, and decision-makers. Ultimately, this aims to align the solidarity economy with the dynamics of the traditional economy.

The objectives of Solidarity Market

The solidarity market was established to create a demand for the products produced by several women's cooperatives in Morocco. The important objectives are to

- Create a permanent market for the fair trade commercialization of products from cooperatives and their groups;
- Create a space for exchange, training, and information for cooperatives;
- Enhance the brand image and quality of local and artisanal products in the market;
- Support and strengthen the technical and managerial capacities of cooperatives;
- Promote reliable and sustainable local development in remote areas by giving them access to markets;
- Contribute to the improvement of socio-economic infrastructure and correct the inequalities in the opportunities to sell local and artisanal products in the market;
- Promote partnerships and networking in favour of cooperatives;
- Make the market a national showcase for local and artisanal products, serving as a model for other regions of the Kingdom.

The functioning

The solidarity market selects products from the cooperatives based on consumer needs, representing all regions of the Kingdom and those possessing the National Office for Food Safety authorizations for local products. With more than 10,000 products, the assortment structure of the Solidarity Market is extensive, with several consumer products such as handicraft articles, Local products, cosmetics, etc.

It also provides some services such as validating packaging (durability, attractiveness, ingredient listing), validating the selling price according to content and competition, labelling, and issuing the purchase order. It deposits proceeds into the bank and transfers them minus commissions to cooperatives on the 1st and 16th of each month.

Partnership between the Government and the Solidarity Market

To ensure the successful operation and sustainability of the Solidarity Market, the Government introduced several measures.

- The government, represented by the Mohammed V Foundation for Solidarity, provided the necessary infrastructure, including the premises and equipment, to establish a conducive environment for the cooperatives to operate.
- The management of the solidarity market was mandated to an association that holds a board of directors yearly. The association should ensure that the market functions smoothly and that the interests of the cooperatives are represented.
- Cooperatives participating in the Solidarity Market pay a commission that scales with their revenue. This progressive commission structure ensures that smaller cooperatives with lower revenues are not overburdened, while more successful cooperatives contribute proportionately to the maintenance and development of the market.
- The management organizes training and capacity-building programmes for cooperatives to improve their production processes, enhance product quality, and increase market competitiveness.
- The Solidarity Market operates on fair trade principles, ensuring that cooperatives receive fair compensation for their products. This approach helps in promoting equitable economic development and reducing poverty among cooperative members;
- Many stakeholders are members of the board of directors, notably the Office of Cooperation Development, the National Office of Food Safety, the Agriculture Development Agency, the Ministry of Tourism, Handicraft and Social and Solidarity

Economy, the Moroccan Post, the National Transport and Logistics Company, and the National Agency for the Promotion of Small and Medium Enterprises.

By implementing these measures, the government, the Mohammed V Foundation for Solidarity and stakeholders aim to create a robust and sustainable ecosystem for cooperatives, fostering economic growth and social development across various regions.

PHILIPPINES

Harnessing Cross-Sector Partnership For Advantage

A Case Study of Government-Cooperative Partnership

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Introduction

From the enactment of 1915 of the Rural Credit Cooperative Association Act, the first cooperative law in the Philippines, to the Philippine Cooperative Code of 2008, the current law governing cooperatives, the government actively promoted agricultural cooperatives. This was expressly “to protect and develop the agricultural interest of the country,” in the words of the original authors of the 1915 law. Besides organizing, the government provided direct financial, technical and management assistance to agricultural cooperatives, including creating support structures specializing in financing, production, marketing, distribution, insurance, and technical services at the provincial, regional and national levels.

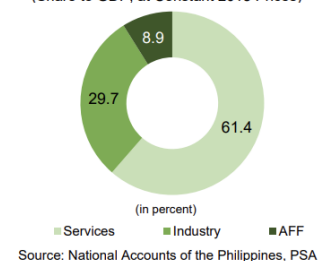
This government overreach, however, led to successive organizational failures and stunted the overall development and growth of agricultural cooperatives in the country.

This case study will show that agricultural cooperatives can be developed and succeed in the country with the right approach and with the government creating space for farmers to self-actualize rather than playing a dominant or preponderant role.

Context

Agriculture is a significant sector of the Philippine economy but, with its share of GDP at 8.9%, lags behind the services (61.4%) and industry (29.9%) sectors, according to the latest data of the Philippine Statistics Authority (PSA).¹ This is not how it used to be: In the 1960s and 1970s, agriculture’s average growth was close to the average growth of GDP. In the 1980s and 1990s, however, the growth of agriculture started to decline, falling further to 1.9% average growth in the 2010s. (*Briones, 2021*)

Figure 1. GDP by Industry, Philippines, 2022
(Share to GDP, at Constant 2018 Prices)



¹ Philippine Statistics Authority, Agricultural Indicators System, 2018-2022

Notes Briones: “Agriculture was the biggest employer of the economy in the mid-1990s but has since given way to services. Its share in employment had been consistently declining until 2019... As of July 2020, about a quarter of workers in the country were in agriculture. However, the sector as a whole produced only about 9 percent of the country’s gross domestic product; hence, output per worker remains low compared with industry and services.”²

The 2021 data released by PSA showed farmers and fisherfolks among the poorest of the poor, with poverty incidence among farmers at 30% or almost double the national poverty incidence of 18.1%. Farmers mainly belong to the country's bottom 50% of earners and only share 14% of the national income. According to PhilSEED, the top 5 challenges Filipino farmers face today are lack of capital and postharvest facilities, climate change, market access, and innovation.³

Despite its mistakes, the government was right to prioritize the organization of cooperatives among farmers in the beginning. For it is in agriculture that cooperatives can make a big difference.

From Direct Involvement to Partnership

Nowadays, government agencies and instrumentalities that reach out to farmers deal with existing cooperatives and are involved only in financing and technical support. These agencies include two government banks, the Department of Agriculture, and specialized agencies mandated to assist the agricultural sector. The cooperatives involved are mostly multipurpose types that have farmers among their members. Partnership is generally the prevailing mode that defines the relationship between the government and established cooperatives.

The Department of Agrarian Reform (DAR) is one government agency that has seen the value of cooperatives in capacitating farmers and has used partnerships to harness the competencies of other institutions to this end. DAR is mandated to implement a “comprehensive and genuine agrarian reform which actualizes equitable land distribution, ownership, agricultural productivity, and tenurial security for, of and with the tillers of the land towards the improvement of their quality of life.”⁴ Coming from a long history of an agrarian system that favoured the landed and deprived farmers of ownership of the land they tilled, the enormous

² Roehlano M. Briones, Philippine agriculture: Current state, challenges, and ways forward. PIDS Policy Notes. December 2021.

³ PhilSEED, Top 5 challenges faced by Filipino farmers today. September 2023.

⁴ Mission statement of Department of Agrarian Reform.

task of DAR is to enable landless farmers to own, control, secure, cultivate and enhance their agricultural lands.

Besides distributing land to these farmers whom DAR officially recognizes as agrarian reform beneficiaries (ARB), it facilitates the delivery of support services to the ARBs. These include credit support for crop production, extension services, irrigation facilities, roads and bridges, marketing facilities, training, and technical support services. To augment its resources, capacity, and capability in undertaking this tremendous task, it has adopted a strategy of active and proactive partnership with various stakeholders, including the country's cooperative sector.

This strategy has allowed DAR to achieve modest success in fulfilling its mandate, but even more importantly, it has created opportunities for the cooperatives it has nurtured to self-actualize and sustain themselves, an outcome that has eluded most government-initiated programs for farmers.

Increasing Capacity through Partnerships

After enacting the Comprehensive Agrarian Reform Law (CARL) in 1988, DAR sought to capacitate its staff, especially those in the field, to provide technical support to the farmers' organizations (FOs) it organized among the ARBs. It tapped MASS SPECC Cooperative Development Center (MASS SPECC), the federation of cooperatives in Mindanao, to provide technical training. One such training was on "accounting for non-accountants" to equip fieldworkers with skills to assist the FOs in maintaining simple books of accounts.

From 2008 to 2015, DAR partnered with the National Confederation of Cooperatives (NATCCO) in capacitating the FOs and ensuring they become full-fledged cooperatives in a program called Microfinance Innovation in Cooperatives (MICOOP). Under a build-operate-and-transfer arrangement, NATCCO provided a loan fund of up to 10 million pesos per cooperative and a full-time manager to set up operational systems while building management capacity from within, for which the cooperative paid NATCCO a management fee. After paying back the loan and with its own management team developed, the cooperative operated on its own. A total of 49 cooperatives that were former FOs were established and strengthened this way, some of which have become multi-million enterprises to this day.⁵

In 2011, DAR partnered with the Catholic Relief Services (CRS) to implement the Project on Linking Agrarian Reform Beneficiaries to Corporate Supply Chains that adopted the Clustering

⁵ According to NATCCO's report on MICOOP in 2024, while 9 of the coops under the program are not yet viable, majority of them experienced significant improvement. They not only strengthened their savings and credit operations but also expanded into other agricultural ventures.

Approach to Agroenterprise Development for Small Farmers. Developed from the field experience of CRS practitioners working with farmers worldwide, the clustering approach exemplifies market-driven strategies and processes for linking small farmers to markets. Agroenterprise Development (AED) is key to transforming small farmers whereby the latter become business-like in their farming activities, actively engage with the market and capture more value as they move up the market chain, thus making farming a profitable enterprise and farmers earning more. Forming clusters of 10 to 15 farmers, they become production supply units and engage in group marketing through their association or cooperative, ensuring that they satisfy the identified market's demand for quality and quantity.

Clustering is a systematic approach involving eight (8) sequential steps. Farmers are key actors and trained DAR fieldworkers to act as AED facilitators in the development process. Six steps involve farm production and market preparation, while two involve market engagement.⁶

Step 1 - Partnership building, site selection and cluster formation: Local partner institutions willing to provide the base of support to farmers are identified. Farmers organize themselves into clusters. Cluster leaders become part of the site working group (SWG) formed with local partner institutions to build a local network of stakeholders and leverage existing local resources.

Step 2 - Product selection and supply assessment: This process gathers information on farmers' production and marketing conditions to determine the cluster's capacity to supply selected products for the market. Information gathering includes farming practices, production costs and returns, financiers and financing practices, and buyers and buying practices. Cluster members agree on a *production module* for each selected product and an accompanying *cluster supply plan*.

Step 3 - Market chain study: This is a process to gather information on market actors, their marketing activities, costs and margins, constraints, and opportunities related to the movement of the selected product. The information helps farmers understand their market choices and decide which market(s) to enter, the kind of marketing relationships to establish, and the value-addition activities to earn more income.

Step 4 - Cluster commitment setting: Having clarified their product supply (step 2) and market options (step 3), cluster members agree to consolidate their products for collective marketing.

⁶ The description of the clustering approach here is sourced from **Moving Together to the Market, the Clustering Approach to Agroenterprise Development for Small Farmers**. A Guidebook for Facilitators. USDA and CRS. 2007.

Each member signs the agreed-upon cluster supply plan, and the cluster formulates its policies, systems, and procedures. This commitment transforms the clusters into functional business groups.

Step 5 - Agroenterprise planning and mobilization: The agro enterprise plan combines farmers' decisions on what product they will sell, how the product will be marketed, where the supply will come from, the management set-up, the financial requirements, the expected income performance, and the allocation of the income. The plan is supported by a *business action schedule*, which is the list of implementation activities needed to get the clusters from this point to marketing their product.

Step 6 - Product supply organizing: This step involves coordinating the planting and harvesting activities of cluster members based on the cluster supply plan, undertaking cluster field monitoring to check on the status of the crops and determine possible effects on supply when problems arise, and making a *product supply forecast* based on the updated product supply status for market negotiations and deliveries. By consolidating products and managing costs through collective marketing, individual farmers can sell larger quantities at competitive prices. Additionally, if organized farmers can undertake activities like sorting, grading, repacking, and transporting to buyers, they can capture additional value by operating with economies of scale.

Step 7 - Test marketing: This step is a hands-on learning experience through actual marketing. Test marketing involves a real sale to the agreed buyer as specified in the agro enterprise plan; this requires at least three initial sales, with each sale assessed for corrective action and adjustment in the agro enterprise plan. This gives clusters valuable business lessons and builds the confidence of both the clusters and the buyers.

Step 8 - Sustained enterprises: Having conducted several test marketing campaigns and experienced observable successes that make the clusters comfortable taking on more significant risks and planning longer-term, *sustained enterprises* is the stage when clusters decide to continue and scale up their agro enterprise. The objective is to build stable market relationships and horizontal linkages involving more farmers to develop more value chains.

The clustering approach resulted in early successes in group formation among farmers. From 2011 to 2014, the partnership between DAR and CRS under the program entitled Linking ARBs to Corporate Supply Chains piloted the clustering approach in different parts of the country. 936 ARBs were organized into 78 marketing clusters and linked to 11 institutional buyers. The

clusters generated gross sales of 7.18 million pesos in June 2014, resulting in a 50% increase in income for more than 60% of the farmers involved.⁷

Linking Smallholder Farmers to Markets with Microfinance (LinkSFarMM)

From 2015 to 2017, the pilot was implemented in 49 sites in 10 regions throughout the country, with the program dubbed as Linking Smallholder Farmers to Markets (LinkSFarM). A total of 8,778 farmers were organized into clusters, and their collective marketing generated combined gross sales of 37,791,853 pesos. The farmers, including about 625 women cluster leaders, were capacitated on new technologies in production, post-harvest, value addition, and financial literacy.

From 2018 to 2023, the program was renamed Linking Smallholder Farmers to Markets with Microfinance (LinkSFarMM) and was extended to 15 regions with an additional 94 sites. At the end of 2023, DAR reported a total of 4,099 clusters formed with 50,856 cluster members acting as supply production units of various crops like rice, corn, coconut, cacao, banana, chilli, vegetables, cassava, coffee, abaca fibre, copra and other high-value crops. They negotiated and sustained marketing agreements with as many as 66 companies and institutional buyers in different parts of the country, including international companies like Franklin Baker, Kennermer Foods International, and Nestle. The combined annual gross sales of the clustered farmers yielded a total income of 383.4 million pesos in 2023.

It is important to note here that in the 150 sites where DAR is implementing AED, it has partnered with 127 cooperatives formed by clustered farmers and with 33 farmer associations that are expected to be transformed into cooperatives. Outside of these partner organizations, 123 cooperatives and 198 farmer associations have adopted the clustering approach and are participating in or acting as production supply units.

DAR is confident that the clustering approach is its winning strategy in transforming farmers' lives and sustaining this through cooperatives owned and managed by farmers themselves. It is hardly acknowledged now, but with DAR, a partnership between the government and cooperatives has the potential for growing real agricultural cooperatives and securing the rightful place of smallholder farmers in developing agriculture in the country.

⁷ All information and data here on LinkSFarMM are drawn from the latest report provided by the Livelihood and Enterprise Development Division of the Department of Agrarian Reform.

Some Lessons in Partnership

While DAR has yet to conduct an overall assessment of the sites' performance, positive results have already become apparent from the perspective of cross-sector partnerships.

1. A government agency with an enormous task of transforming hitherto disadvantaged farmers into self-reliant and productive members of society can augment its resources through effective partnerships with other stakeholders. More than financial resources, the value these stakeholders add to the overall development effort is essential in such a partnership.
2. Adopting a good strategy is essential, especially in pursuing a complex development agenda like transforming farmers' lives. It is not a matter of transferring resources to them, as most development efforts have done but failed. Instead, it is a matter of empowering farmers and nurturing their capacity to transform themselves. In the clustering approach, DAR has chosen a winning strategy that is now proving effective in similar endeavours.
3. Overall, a development program involving farmers must stop treating them as program beneficiaries and recognize them as real actors in their own development.
4. Ultimately, the true measure of success of such a development program involving farmers is when they self-actualize and sustain themselves even without external support.

THE REPUBLIC OF FIJI

Wailailai Flats Cane-Producer Cooperative Ltd (Wfcpcl) - Fiji

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Background

The Wailailai Flats Cane-Producer Cooperative Ltd (WFCPCL) was established in 2013 with a founding membership of 36 individuals committed to collaborative farming practices. Since its inception, the WFCPCL has experienced steady growth, reflecting its dedication to this collaborative approach. This growth is evident not only in its expanding membership, which currently stands at 47 but also in its strategic investments aimed at enhancing operational efficiency and production capacity.

The WFCPCL is situated on King's Road, approximately 3 kilometers from Ba Town on the island of Viti Levu in Fiji. The cooperative's core membership consists of individuals residing within the same settlement and engaged in sugarcane farming, with a few members additionally involved in commercial agriculture activities. The land cultivated by the WFCPCL is leased from the state and designated as Crown Schedule C.

The sugar industry in Fiji has been experiencing a steady decline due to several reasons. These included soil fertility, expiry of land leases, rural-urban drift, labour shortage, high demand from manual cane harvesters (labourers), the decline in cane prices, and an increase in fertilizer prices. Those who continued farming, particularly on the Crown flat land, started to face labour shortages.

The Former Prime Minister (Josaia V. Bainimarama) in his statement at the 56th session of the ISO council in 2019 highlighted that “to combat labour shortages, we plan to mechanize over 70 percent of cane farms in Fiji. We’ve poured new investment into a “Co-op” system whereby groups of farmers can pool together to procure large machines, such as mechanical harvesters. We have nearly closed the existing labour gap in flat-land areas, it’s only the hillier cane farms left to worry about. We’re currently modifying our mechanical harvesters to suit those rougher regions.”

Hence to address the significant labour shortage and the associated challenges in harvesting yields, the WFCPCL strategically resolved to acquire a mechanical cane harvester. This

investment aimed to mitigate the difficulties brought on by the scarcity of labour and the high demands associated with manual harvesting.

WFCPCL was the first of its type to be registered in Fiji and this has led to the origin of similar types of co-operatives in sugarcane belt areas in Fiji. A case brand harvester was first purchased amounting to nearly half a million Fijian dollars. The cooperative also purchased trucks to cart harvested cane to the sugar mill. This is additional for the cooperatives besides the cane harvester fee.

Government Support/ Partnership

Fiji's declining and devastated sugar industry needed a new life. Hence, in 2014, the Government of Fiji introduced incentives to encourage cane farmers to improve and rebuild the sector, which was once the country's economic backbone.

Among many budgetary support and assistance to the Fiji Sugar Corporation and cane farmers, one such incentive was for farmers to use mechanical harvesters. In 2014, the Government announced support for Cane Farmers in the form of subsidies towards the purchase of Cane Harvesters. This initiative was for cane farmers to overcome the persistent labour shortage and the ever-increasing demand from labourers.

The Government announced that it would support cane farmers who form Cooperatives to purchase Cane Harvesters. The Government allocated Ninety Thousand Fiji Dollars (\$FJD 90,000) toward the purchase of the harvester.

Government promoted the formation of cane cooperatives and partnered financial resources to purchase harvesters

37 Cane farmers within the vicinity of Wailailai contributed shares of up to Two Thousand Fijian Dollars (\$2000) each towards the purchase of the cane harvester which was used as a deposit towards the loan. The total price for the "Case Brand" harvester was around Four Hundred Seventy Thousand Fiji Dollars. (\$FJ 470,000). The Co-operative had arranged to take a loan of sum Three Hundred Thousand Fiji Dollars (\$FJ300,000) while the grant provided to the Cooperative was Ninety Thousand Dollars.

Fiji Development Bank provided loan support to the Cooperatives purchasing the Cane Harvesters using the Government Grant. Thus, WFCPCL was able to secure the loan.

The government's initiative gave a new life to the cane farmers and encouraged them to continue with cane farming. The Cane Harvester not only resolved the labour issue but became an income-generating activity for the members of WFCPCL.

Furthermore, after successfully paying off the first loan for the harvester, the cooperative saw an opportunity to invest in another Harvester as the demand had significantly grown.

It is an example to showcase how timely financial support helped in promoting cooperative spirit among the cane growers and helped them to face the labour problems.

WFCPCL then approached the Ministry of Trade, Co-operatives, Small and Medium Enterprise and Communications (MTCSMEC) under its Integrated Human Resource Development programme for grant support. The cooperative was further assisted by the Government with a grant of One Hundred Fifty Thousand Fiji Dollars (\$FJ150,000). WFCPCL used the grant funds to purchase a Case IH Axial Flow harvester and a truck. The balance was the Fiji Development Bank loan which the cooperative is currently paying.

The Government, through the Department of Cooperatives, has continued to provide advisory support to cooperatives. The cooperative officer regularly visits and conducts meetings and training.

In the case of Fiji, it is observed that the Government and the Cooperatives share healthy partnerships through the provision of financial resources when they are most needed. The partnership helps sustain the cooperative without compromising on its principles.

Achievements

WFCPCL has been very successful since its inception. The interest from members has grown and this saw an increase in the membership from 36 to 47. The cooperative had to control the rise in membership as it focused on cane farmers who lived nearby.

The cooperative's income grew by 28% in the financial year 2023. The Net Worth of the cooperative stood at FJ\$425,982 while the surplus of the cooperative has been steady, and the members have been receiving dividends.

WFCPCL has continued to build its Fixed Assets. From having one Harvester, it has managed to purchase another one. This demonstrates sound financial management and an understanding

of the importance of mechanization in sugarcane production. The cooperative has also added a new truck to its fleet together with a twin cab vehicle.

The Cooperative has successfully generated new employment opportunities within the community. To optimize the efficiency of our fully electronic harvester, a skilled machine operator was recruited from India. Additionally, the Cooperative has expanded its workforce to include four truck drivers, a loading boy, and a handyman, contributing to a total of eight new jobs.

Co-operatives Contribution to Climate Change and Improved Efficiency

The Wailailai Flats Cane-Producer Co-operative Ltd (WFCPCL) is proud to announce the acquisition of a new, environmentally friendly sugarcane harvester. This innovative machine, a Case IH Axial Flow harvester, boasts several advantages that not only benefit the cooperative's operations but also contribute to a greener future.

1. **Reduced Emissions and Environmental Impact -Lower Smoke Output:** The new harvester's cleaner-burning engine translates to less smoke production. This translates to reduced particulate matter (PM) emissions, which can irritate the lungs and contribute to respiratory problems.
2. The harvester utilizes advanced engine technology, likely incorporating features like Selective Catalytic Reduction (SCR) or Exhaust Gas Recirculation (EGR). These systems significantly reduce emissions, contributing to a cleaner environment and combating climate change. The harvester's cleaner-burning engine also translates to less smoke production, improving air quality.
3. **Increased Efficiency:** Case IH Axial Flow harvesters are renowned for their speed and efficiency. This translates to faster harvesting times, potentially allowing WFCPCL to cultivate more land or complete harvesting tasks with a smaller crew.
4. **Cost Savings:** Reduced fuel consumption due to a cleaner-burning engine leads to lower operational costs for WFCPCL in the long run.
5. **Improved Sugar Production:** The Case IH Axial Flow harvester delivers demonstrably superior harvesting performance:
 - **Reduced Mill Extenders Matter:** The harvester's precise cutting method minimizes extraneous material in the sugarcane. This reduces mill extender matter from 13% to

8%, a significant improvement. Less foreign matter translates to faster processing times at the mill.

- **Enhanced Sugar Quality:** By cleanly harvesting sugarcane without unnecessary leaves, the harvester delivers a purer product to the mill. This cleaner sugarcane juice requires less processing, potentially resulting in a 0.3 increase in good-quality sugar production.

Challenges

The cooperative has faced and continues to face challenges in its business operations. Some of the issues are:

- **Lack of Qualified Board Members:** The case study identifies the lack of qualified board members as a hurdle for WFCPCL. The members are mostly cane farmers who have limited knowledge of business innovation and business management. While there are some 47 members, a handful are only educated to run the cooperative business.
- **Reduced Production:** Unfavourable weather conditions and a lack of interest among younger generations are cited as factors contributing to reduced sugarcane production. Addressing these challenges requires a multi-pronged approach, including exploring weather-resistant sugarcane varieties and engaging in outreach programs to attract younger farmers. The Ministry of Sugar Industry has been working hard on addressing these challenges.
- **Maintenance Costs:** The upkeep of harvesting equipment and trucks is an ongoing expense for WFCPCL. Exploring cost-effective maintenance strategies and securing funding for repairs is crucial for the cooperative's long-term sustainability.

Conclusions

The case of the Wailailai Cane Farmers Co-operative Limited (WFCPCL) stands as a testament to the effectiveness of a collaborative approach between the government and a community-based organisation. By providing strategic financial incentives and sustained advisory support, the Fiji Government has played a pivotal role in revitalising the sugar industry and empowering rural communities.

The government's initiative to subsidize cane harvesters proved to be a catalyst for transformation. It not only addressed the critical labour shortage but also opened new income-generating opportunities for cooperative members. The subsequent grant support for the

purchase of additional equipment demonstrates a continued commitment to the cooperative's growth and sustainability.

This case study emphasises the potential of public-private partnerships in driving economic development and improving the livelihoods of rural communities. By working together, the government and WFCPCL have created a model of success that can be replicated in other sectors and regions. Such collaborations are essential for addressing the challenges faced by developing nations and building resilient communities.

The success of WFCPCL serves as an inspiration for other cooperatives in Fiji and beyond, showcasing the power of collective action and government support in achieving shared goals.

Key takeaways from this partnership include:

- The importance of government incentives in stimulating economic activity and innovation
- The role of cooperatives in empowering rural communities and promoting inclusive growth
- The significance of sustained advisory support in building cooperative capacity
- The potential for cooperatives to become sustainable and profitable enterprises.

This case study offers valuable insights for policymakers, development practitioners, and cooperative leaders seeking to replicate this success story and contribute to the overall development of the Fijian economy.

Resources:

1. Wailailai Flats Cane-Producer Cooperative Ltd
2. Department of Cooperatives – Lautoka Office

Disclaimer: *This document has been co-funded by the European Union. The contents of this document are the sole responsibility of the International Cooperative Alliance Asia and Pacific (ICA-AP) and can in no way be taken to reflect the views of the European Union.*



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