



LEGAL COOPERATIVE FRAMEWORK ANALYSIS

Within the ICA-EU Alliance

KEY HIGHLIGHTS FOR BRAZIL

This one-pager aims to provide a brief overview of the most notable features of Brazil's national cooperative legal framework, based on the work of the national legal expert.

In Brazil there is a specific legislation for national cooperative societies, which regulate cooperativism throughout the Brazilian territory. The Federal Constitution, of October 10, 1988, in its article 5, item XVIII, assures “the creation of associations and, in the form of the law, of cooperatives, which are independent of authorization, being prohibited state interference in their operation”.

Cooperative Friendliness: The current Brazilian legislation in general, for cooperatives can be summarized stating that it has a "limited friendship with cooperatives". The need for updating is latent, due to the growth of cooperatives in the country, operating in public and private markets, in various segments of economic and social activities. In addition, the current legislation, as demonstrated in this study, brings concepts and rights, which for effective application without harming cooperatives, need regulation.

Key Recommendations for Improvement: In line with the current and proposed difficulties of bills underway in the National Congress, the pertinent legislation to cooperatives needs modernization, updating and regulation for various segments of cooperativism, therefore, needs the following improvements: a) Approval of Bill no. 519/2015, new General Law of Cooperatives, which democratizes and modernizes Brazilian cooperatives; b) Regulation or reformulation of the Work Cooperative Law; c) Regulation or reformulation of the Law of Social Cooperatives; d) Facilitate and foster the creation of credit unions.

Conclusions: It is appropriate to say that cooperativism in Brazil still has a vast field for growth, with the improvement of legislation and effective implementation of cooperative education in the education system, various segments and market niches can be accessed or supplied by cooperatives.

