



Republic of Zambia
MINISTRY OF COMMERCE, TRADE AND
INDUSTRY

DEPARTMENT OF COOPERATIVES

GOVERNANCE OF CO-OPERATIVES



Cooperative Governance refers to the organization and administration of co-operatives. Co-operatives being businesses must be organized and administered in a way that delivers benefits to members.

The following are some important aspects in Cooperative governance:

1. The Co-operative Vision

A vision is a mental picture of the organization's ideal future, shared by the members. This shared vision will determine decisions, choices, and activities within the organization.

Why build a vision?

The starting point for identifying and developing shared goals and a shared entrepreneurial vision could be a participatory meeting where members, leaders and managers analyze the key issues the co-operative is facing.

Once the vision is developed, it can be printed and be displayed in a Co-operative office, Shop or where the co-operative conducts official business. This serves to remind the members, leaders and staff of their common goal and motivate them to work towards it.

2. Regulation of Co-operatives

Co-operatives need a framework of rules of behaviour. These rules ensure that the co-operative enterprise remains under the control of its members and these govern the relationship between members and other stakeholders.

The following are the three pieces of legislation that govern the cooperatives in Zambia:

- a) The Cooperative Societies Act No. 20 of 1998
- b) The statutory instrument No. 26 of 1999
- c) By-laws of cooperatives

a) The Cooperative Societies Act No. 20 of 1998

This is the enactment of the Parliament of Zambia. It brings out issues of formation, registration and regulation of cooperative societies in Zambia

b) The statutory instrument No. 26 of 1999

It is an instrument released by the Minister. It discusses the documents that are used in the amendment of by-laws, application for membership, registration and deregistration of cooperatives.

c) By-laws of cooperatives

By-laws are written documents developed in participatory manner, which set out visions, objectives, as well as rules and regulations to guide internal governance of co-operatives. By-laws are developed and approved by the general meeting of members and they should not be in conflict with other laws of the land.

3. Co-operative Society Structures

The Cooperative structures categorized as:

- i) Internal Structure
- ii) External Structure

Internal Structure

There are three organs in the internal structure of a Co-operative, these are: **general membership**, who are the owners and supreme decision making body of the cooperative, the **Board members** or leaders, elected by the members, and **staff** or management employed by the Board. These organs are so interdependent that if one is not functioning well, the service provision to members suffers. The structure is illustrated in form of a **Co-operative Triangle**.

External Structure

The external structure constitutes the tier system of the cooperative movement. The structure includes primary, secondary (Unions) and tertiary (federations) co-operatives. The tier system of the Co-operative Movement is supposed to be determined based on members' needs and financial capacity to sustain it.

4. Leadership in Co-operatives

Good leadership is important in co-operatives in order to guide and direct members to strive and work towards achievement of the set objectives. The quality of good leadership plays a key role in determining the success of any co-operative.

Leadership is guiding and directing others willingly and enthusiastically towards achievement of set goals. The group leadership must comprise of democratically elected members.

Qualities of a good leader

A good leader must: listen, be active, be decisive, transparent, competent, have a sense of duty and demonstrate intelligence.

5. Co-operative Society Meetings

Co-operative meetings are gatherings of members of the Cooperative society to discuss issues that affect the operations of the society. Participatory methods can help promote active involvement of members in the decision-making processes of co-operatives.

Types of Co-operatives Meetings

There are three types of meetings usually held by co-operatives, namely:

1. General Meetings
2. Board Meetings and
3. Staff Meetings

6. Co-operative Record Keeping and Reports

Record Keeping:

A record is written proof of something said, who said it, what happened, or something

anticipated to happen. Section 59 of the Cooperatives Act No. 20 Of 1998 compels cooperatives to keep books of accounts and other records.

Reporting:

A report is an account of what has happened or is to happen. Co-operatives reports must be prepared and disseminated to enable members know how the cooperative is performing.

Co-operative reports are mainly on resources (human, financial and material), co-operative activities (done and those to be done), co-operative progress (successes, challenges, opportunities and threats) and trends/developments in industry, market, domestic trade, foreign trade.

Reporting must be done periodically as the co-operative may decide. It can be daily, weekly fortnightly, monthly, bi-monthly or annually for internal purposes.

However, section 62, sub section (2) requires a cooperative to submit annual returns to the Registrar of Cooperatives on a prescribed form.

Good record keeping and reporting is necessity for effective management and administration of a co-operative. It helps to track the co-operative activities and events.



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