



LEGAL COOPERATIVE FRAMEWORK ANALYSIS

Within the ICA-EU Convention

NATIONAL REPORT FOR ECUADOR

I. Introduction

This report was produced from the research in the Analysis of Cooperative Legal Frameworks initiated by the International Cooperative Alliance (ICA) and its regional offices. The research is carried out within the framework of a signed partnership between the European Union and the ICA for the 2016-2020 period, which aims to strengthen the cooperative movement and its capacity to promote international development.

The analysis of the legal framework seeks to improve the knowledge and evaluation of the cooperative legislation, with the objective of ensuring that legal regulations acknowledge the specificities of the cooperative model and ensure a level playing field compared to other forms of association. This analysis will also serve ICA members as inputs for their defense and recommendations on the creation or improvement of legal frameworks, to document the implementation of cooperation laws and policies, and to monitor their evolution.

In accordance with the objectives set out in the ICA-EU Project, this report aims to provide a general understanding of Ecuadorian cooperative legislation and an assessment of the degree of its ability to promote the development of cooperatives. Recommendations are also made for the improvement of legislation in order to overcome some difficulties currently faced by cooperatives.

The document has been prepared by the lawyer Arturo David Mosquera Alemida, Ecuadorian jurist, advisor and speaker on cooperative issues at a national and international level. In order to create this document, consideration has been given to the contributions made by national cooperative organizations affiliated to Cooperatives of the Americas.

Contributions from the expert and Ecuadorian organizations members of Cooperatives of the Americas were collected through a questionnaire prepared by the International Cooperative Alliance and its regional offices. The questionnaire was sent in its entirety to all members in Ecuador and completing it was voluntary.





II. National Cooperative Legislation of Ecuador

i. General Context

In Ecuador, the regulations that govern cooperatives, are contained in several legal entities, the main one being the Organic Law on Popular and Solidarity Economy – LOEPS (for its acronym in Spanish), issued through publication in the Official Register number 444 of May 10, 2011 and last reformed on October 23, 2018.

In order to implement this law and to regulate the procedures contained therein, by Supplement to the Official Register number 648, dated February 27, 2012, the Regulation was issued to the Organic Law on Popular and Solidarity Economy, its last reform being March 22, 2018.

In Ecuador there is also special treatment for savings and credit cooperatives, which are part of the National Financial System; therefore, it has been contemplated that several regulations for such organizations are controlled under the Organic Monetary and Financial Code, issued in the Second Supplement of the Official Register No. 332, of September 12, 2014 and of which the last reform that took place was August 21, 2018.

It is also worth mentioning that there are bodies authorized to issue additional norms to these laws, such as the Superintendence of Popular and Solidarity Economy and the Monetary and Financial Policy and Regulation Board.

All the laws mentioned regulate the popular and solidarity economy of the country, in which the cooperative sector is included, among other sectors of social economy; by such virtue, there is no legal entity that regulates the activity of cooperatives.

It is important to point out that the National Constitution, mentions in Article 319 that: "The service initiatives of the popular and solidarity financial sector, and of the micro, small and medium-sized productive units, will receive differentiated and preferential treatment from the State, in accordance with the extent to which they propel the development of popular and solidarity economy." Because of this constitutional precept, cooperatives, as part of the sector of the popular and solidarity economy, must receive preferential treatment compared to other organizations, which has helped cooperatives to seek their growth and development.

ii. Specific Elements of the Cooperative Law

a) Cooperative Definition and Objectives

Article 21 of the Organic Law on Popular and Solidarity Economy refers to the cooperative sector; and it is defined as "the group of cooperatives considered associations of people who



have voluntarily come together to meet their common economic, social and cultural needs, through a jointly owned and democratically managed company, with a legal status of private law and social interest."; in addition that same article determines that cooperatives, in their activity and relationships, are subject to the principles established in this law and to the universal values and principles of the cooperative movement and the practices of Good Corporate Governance.

Article 22 of the same legal body states that the main social purpose of cooperatives will be concrete and determined in their social statute and, it shall refer to a single economic activity, and may include complementary activities either of a different group, sector or class, as long as they are directly related to that social objective.

With regard to its principles, the Organic Law on Popular and Solidarity Economy determines that this will apply for all organizations regulated by the norm, including cooperatives, thus in Article 4, they are listed as follows: a) the search of good living and common good; b) the priority of work over capital and of collective interests over individual interests; c) fair trade and ethical and responsible consumption; (d) gender equality; (e) respect for cultural identity; f) self-management; g) social and environmental responsibility, solidarity and accountability; and, h) equitable and solidary distribution of surpluses.

With regard to the cooperative principles established by ICA, although the law and its regulation does not state them in the same way, it maintains several of their aspects; so, it is prudent to analyze them one by one:

1st principle: Voluntary and open adhesion. The defense of gender equality is mentioned, however adherence without discrimination of social, racial, political or religious status is not taken into account. The law determines that persons who comply with the common bond and the requirements set out in the regulations of the law and in the social statute of the organization may be members of a cooperative.

2nd principle: Democratic control of members. The law in Article 33 fully adheres to this principle and stipulates that all members shall be entitled to a single vote, without taking into account the amount of their contributions and that said vote may be used directly or be delegated to another member.

3rd Principle: Economic Participation of Members. The law, in the matter of equitable contribution from members to the constitution of capital of their cooperative and managing it democratically, determines in Article 49, that the share capital will consist of the contributions paid by its member. The contributions will be represented by contribution certificates and each member may have contributions equivalent of up to five per cent (5%) capital in savings and credit cooperatives and up to ten per cent (10%) in other cooperatives.



With regard to the distribution of surpluses, savings and credit cooperatives must allocate them in accordance with the law and resolutions of the Monetary and Financial Policy and Regulation Board, while other cooperatives, subject to compliance with the Superintendence, may make the decision in this regard by resolution of their General Assembly or Representatives.

It should be noted that the law does not recognize the interest toward the contributions made by the partners, nor the return on operations.

4th Principle: Autonomy and Independence. The law does not mention absolutely anything in this regard, on the contrary, the determination of the norm has encouraged excessive control and interference by the Superintendence, going against the principle of autonomy and independence, many times without even respecting the private rights of the cooperative.

5th Principle: Education, training and information. The law states in Article 34, paragraph 18 in regard to this principle, that the Board of Directors shall be responsible for approving education, training and social welfare programs; in addition, Article 46 states that all cooperatives shall have an education commission. It is worth mentioning that after issuing the Organic Law on Popular and Solidarity Economy, cooperatives were forced to establish their social statute, based on a model that the Superintendence determined; there, one of the central axes has been education, training and information for members.

6th Principle: Cooperation among cooperatives. The law, under Title IV recognizes this principle through the existence of Integration Agencies and Supporting Entities.

7th Principle: Interest in the community. There are no provisions in the law regarding this principle; however, common well-being is understood to be the *raison d'etre* of the popular and solidarity economy.

It can be evidenced that the law makes a differentiation between savings and credit cooperatives from other cooperatives; in addition, it differentiates the organizations from the popular and solidarity economies of capital companies, which have their own norm (Law of Companies) and their own control and regulation body (Superintendence of Companies).

In Ecuador, the law includes cooperatives related to the following activities: a) production, b) consumption, c) housing, d) savings and credit; e) services; and, f) transport. The norm states that these cooperatives may only carry out activities according to the sector to which they belong and the services they provide, under the authorization and registration of the Superintendence of Popular and Solidarity Economy.

It is important to mention that production cooperatives, are those in which their members are engaged in agricultural activities, family orchards, fishing, artisanal craft, industrial and



textiles; while service cooperatives are the ones organized to meet a variety of common needs of members who in turn function as workers, such as: associated work, transportation, autonomous vendors, education and health.

b) Establishment, Cooperative Membership and Government

The Regulation of the Organic Law on Popular and Solidarity Economy, determines that in order to form a cooperative, a constituent assembly will be held with the interested parties, who expressly manifest their desire to form the organization and they will elect their Directors. The designated legal representative will be responsible for managing the approval of the social statute and obtaining legal personality before the Superintendency.

The requirements to constitute a cooperative shall be as follows: 1. Reservation of cooperative name; 2. Constitutive Act signed by the founding associates; 3. Identification documents of managers; 4. Social Statute; 5. Certificate of deposit of the contribution to the initial share capital. 6. Technical, economic and financial study demonstrating the feasibility of establishing the cooperative and a work plan in the case of savings and credit cooperatives; and, 7. Favorable report from competent authority, when necessary, according to the social purpose. For the establishment of savings and credit unions, in addition to the requirements set out in this regulation, a minimum of 20 members and the initial share capital determined by the Monetary and Financial Policy and Regulation Board will be required.

The remaining kinds of cooperatives shall be constituted with the minimum number of members and the amount of the initial share capital contribution determined by the Ministry responsible for the economic and social inclusion, with the exception of the minimum number of members for transport cooperatives which is pointed out by the competent authority.

With regard to integration bodies, these are legally constituted as follows:

Unions and networks.- will be integrated with popular economic units, community organizations, savings accounts, communal banks, associations or cooperatives with the same social purpose, at a cantonal, provincial or regional level, which channel, within their geographic scope, services of the federations and represent their affiliates before them and will be constituted with at least twenty-five per cent of popular economic units, community organizations, associations or cooperatives in the canton, province or region in its residence.

These organizations may be of representative integration looking to defend the interests of its affiliates and economic integration in order to complement the operations and activities of its affiliates through joint business management.



Federations- are represented at a national and international level of popular economic units, community organizations, associations and cooperatives. They are constituted with a minimum of fifty cooperatives of at least thirteen different provinces or ten provincial unions of the same type.

Confederations- are the highest bodies of representative integration of popular economic units, community organizations, associations and cooperatives, these are constituted with the national federations.

The regulation of the law, in article 55 numeral 1, determines that the Superintendence may on its own account, or upon the request of a party, in a reasoned manner, decide on the dissolution and consequent liquidation of a cooperative, "by the reduction of the number of members to less than the legal minimum, provided that no new partners are incorporated or resolve their merger within three months."

One noteworthy aspect is that the law allows free association by allowing cooperatives to admit new members, establishing for this purpose that people who meet the common link and the requirements set out in the regulation of the law and the social statute of the organization can be members. The regulation to the law, the norm of the Board of Directors of the cooperative or the integration body, shall accept or reject, within thirty days, applications to receive new members; the Superintendence must carry out the registry, verifying compliance with regulatory and statutory requirements.

The norm further states that the membership status of a cooperative may be lost by a) voluntary retirement; b) exclusion; c) death; or, d) loss of legal personality. Members who no longer are in that capacity, for any reason and their heirs, are entitled to reimbursement of their assets, upon liquidation thereof.

In cooperatives all associates have a single vote in the assemblies, without regard to the amount of their contributions which may be exercised directly or by delegation to another partner. In the case of integration bodies such as networks and unions, the statute may establish that the vote shall be proportionate to the number of associates each member has.

According to article 32 of the Organic Law on Popular and Solidarity Economy, the structure of cooperatives is composed of a General Assembly of partners or representatives, a Board of Directors, a Supervisory Board and Management, the authorities and duties, in addition to those detailed in the law, are contained in its regulation, in the social statute and the cooperatives' other regulations.

With regard to the internal structure of cooperatives, the law defines each body as follows:



General Assembly of Members- The general assembly is the highest governing body in the cooperative and is composed of all the members, who are entitled to a single vote, without taking into account the amount of their contributions. Said vote may be exercised directly or by delegation to another member. Its decisions and resolutions bind all members and bodies of the cooperative.

Cooperatives with more than two hundred members will hold the general assembly through representatives, elected in a number not less than thirty, nor greater than one hundred.

Ordinary general assemblies shall meet at least twice a year. The first annual meeting, which will convene within the first three months of the year, will provide, approve or reject the economic and management reports from the Manager and Directors, financial statements; advisers shall be elected, where appropriate by statute, and any other matter on the agenda determined shall be dealt with. The law does not determine which points should be dealt with in the second ordinary assembly, however, the agenda must comply to the attributions held, based on the norm.

Ordinary general assemblies in savings and credit cooperatives may be held annually. Extraordinary general assemblies shall meet when convened to discuss the matters determined when convened.

Board of Directors- It is the governing and policy-setting body of the cooperative, it is composed of a minimum of three and maximum nine principal members and their corresponding alternates, elected in General Assembly under secret ballot, according to that established in the regulation under the law. The chairpersons can remain in their roles for the time determined in the social statutes, which shall not exceed four years and may be re-elected only a single time.

Supervisory Board- It is the internal control body for economic activities that, functions without interference and independent from the administration, answers to the General Assembly; it consists of a minimum of three and maximum five chairpersons and their respective alternates, elected in the General Assembly in secret ballot, as set out in the regulation by law. The chairpersons may remain in their roles during the time fixed in the social statute, which shall not exceed four years and may be re-elected for a single time.

As a common norm for representatives to the Assembly and the chairpersons of The Directors and Surveillance Boards, they are elected for the period indicated in the social statute, and may be re-elected only for a single consecutive time and when they end their second term, they may not be elected to any managerial position until after a term.

During elections of chairperson, representation shall be proportional to the number of



members that integrate each group, sector or district in which the cooperative has been founded, in accordance with its election regulations.

Manager- The manager is the legal, judicial and extrajudicial representative of the cooperative, being freely appointed and removed by the Board of Directors and is responsible for the management and its integral administration, in accordance with the law, its regulation and the social statute of the cooperative. In the event of temporary absence, they will be substituted by the person designated by the Board of Directors. The subrogate must meet all the same requirements as the previous person.

c) Cooperative Financial Structure and Taxes

The Organic Law on Popular and Solidarity Economy does not determine a minimum capital for cooperatives in general except for savings and credit cooperatives, which perform financial intermediation, where the norm determines the following:

In cantonal capitals or parishes, with a population of up to 50,000 (fifty thousand) inhabitants, at least 20 (twenty) members are required and a minimum amount equivalent to four (4) unified basic wages (one thousand five hundred seventy-six dollars) of initial share capital.

In cantonal capitals with a population of more than 50,000 (fifty thousand) to 100,000 (one hundred thousand) inhabitants, at least 50 (fifty) members and a minimum amount equivalent to forty (40) unified basic wages (fifteen thousand seven hundred and sixty dollars) of initial share capital will be required.

In cantonal capitals with a population of more than 100,000 (one hundred thousand) inhabitants, at least 100 (hundred) members and a minimum amount equivalent to eighty (80) unified basic wages (thirty-one thousand five hundred twenty dollars) of initial share capital will be required.

The share capital of the cooperatives shall be variable and unlimited, consisting of the contributions of the members, in cash, goods or work duly assessed by the Board of Directors.

The contributions of the members are represented by contribution certificates, nominative and transferable between member or in favor of the cooperative.

Each member can have contributions of up to five per cent (5%) in share capital in savings and credit cooperatives and up to ten per cent (10%) in the other groups.

In the event of loss of member status, for any reason, the value corresponding to the contribution certificates and the settlement of assets is made within thirty days after the approval of the annual balance sheets by the general assembly or representatives, always



taking into account the 5% redemption limit determined by law.

In the event of dissolution or liquidation of the cooperative, during the settlement of assets, the amount of the member's contribution certificates, savings and deposits of any kind, with the exception of contributions for administration expenses, shall be considered; and those which, due to their nature or regulation, are non-refundable.

Certificates of contribution in addition to capital contributions include fees destined toward the acquisition and construction or remodeling of real estate.

In regard to profits and surpluses, the law determines that if generated, they will be distributed as follows:

At least fifty percent (50%) will be used to increase the non-distributable legal reserve fund.

Up to five percent (5%) as a contribution to the Superintendency, according to the established segmentation; and

The balance shall be allocated by the General Assembly; in this case only cooperatives that have met 100% of the required provisions may do so and with prior authorization of the Superintendence of Popular and Solidarity Economy.

The provisions set out in the catalogue of accounts for which compliance is required are: debtors through acceptance within the term, debtors through acceptance after the term, interest receivables from inter-financial transactions, interest receivables from investments, other interests receivables, overdue investments, payments by members, restructured interest receivables, accounts receivables by portfolio, miscellaneous accounts receivables, goods awarded for payment, loan portfolio, acceptance debtors, value-added tax, other taxes, security deposits and cash shortages.

With regard to investing members, the law does not address this issue, thus there is no prohibition; however, for savings and credit cooperatives, all investments answer to the regulations and policies determined by the Board of Monetary and Financial Policy and Regulation and the Central Bank of Ecuador.

Savings and credit cooperatives, with the exception of the others, may make investments in economic integration institutions for up to 10% of their technical assets and in legally authorized non-financial services, for up to 10% of their technical assets.

In regards to the transformation, the Superintendence may determine the transformation of associative or solidarity entities, cash and communal banks and savings banks, into savings and credit cooperatives, when due to their growth in asset amount, members, volume of operations and geographic coverage, exceed the limits set by the controlling body for these



organizations. The organizations covered by the law may be transformed into another of the forms provided for therein, by the approval of at least two-thirds of the highest governing body (General Assembly), in a session convened specifically for this purpose.

It is worth mentioning that there is a previous record of several Savings and Credit Cooperatives, that due to their volume of assets and needs with their associates, have been transformed into banking institutions and are no longer cooperatives.

The Organic Law on the Internal Taxation, in Article 9, numeral 19, determines that for the determination and settlement of income tax, the income received by the organizations determined in the Organic Law on Popular and Solidarity Economy is exempt, provided that the utility obtained is reinvested in the organization itself; for this purpose, the utility and surpluses taken into account are the ones gained in the fiscal year. Savings and Credit Cooperatives are excluded from this exemption, who must settle and pay income tax in accordance with the current corporate tax regulations.

The VAT (Value Added Tax), by its objective nature, makes no distinction for cooperatives; that is to say, that they must pay tax like other taxpayers, according to the activity they carry out. In this regard, it is important to take into account the services authorized by the Monetary and Financial Policy and Regulation Board that implement this tax.

In addition to the aforementioned taxes, each Municipal Decentralized Autonomous Government in Ecuador, based on the determination of the Organic Code of Territorial Organization, Autonomy and Decentralization – COOTAD (for its acronym in Spanish), has the authority to create, modify, exonerate or eliminate, through ordinances, rates, fees and special contributions of general or specific improvements, by the establishment or expansion of public services that are their responsibility, the use of goods or public spaces and by the works executed within the scope of their competences and constituency, thus for this reason, cooperatives are obligated to pay these municipal taxes.

d) Other Specific Characteristics

Control is the power assigned to the Superintendence of Popular and Solidarity Economy, to monitor compliance with the law, the general regulations and other regulations, in the practice of economic and social activities of cooperatives. The control of the Popular and Solidarity Economy and the Popular and Solidarity Financial Sector is carried out by the Superintendency, created in 2012 as a technical body, with national jurisdiction, legal personality of public law, its capital and administrative and financial autonomy; and, with coercive jurisdiction. The Superintendency has the power to issue general norms in the matters within its competence, without being able to alter or innovate legal provisions. The



main attributions of the Superintendence include:

- Control over economic activities of persons and organizations subject to the Law;
- Ensuring the stability, soundness and proper functioning of the institutions subject to their control;
- Grant legal personality to organizations subject to the law and arrange their registration;
- Setting tariffs for services provided by entities in the popular and solidarity financial sector;
- Authorize the financial activities of the organizations from the popular and solidarity financial sector;
- Determine statistics of the activities carried out by organizations subject to the law;
- Enforce sanctions;
- Comply with and enforce regulations dictated by regulations entities;
- Know and approve the reforms to the statutes of organizations whose legal personality has been granted by the Superintendence and those incorporated, as a product of the application of the law;
- Keep record of the designation of directors and legal representatives of the organizations under their control;
- Keep record of the acquisition or loss of membership of the organizations subject to their control;
- Propose regulations for the popular and solidary economies and the popular and solidary sector;
- Set the levels and requirements by which non-financial sector organizations under their control shall have internal or external auditors; and
- Review audit reports for acceptance or to formulate observations;

The Organic Law on Popular and Solidarity Economy, determines that the Supervisory Council is the internal control entity for the economic activities of cooperatives; it also states that the organizations subject to the law, will establish their own internal control mechanisms. The regulation provides that the internal control of the cooperatives, in addition to that carried



out by its own control entity, will be carried out by the internal audit proceeding in accordance to that determined within the law and regulation.

It should be mentioned that the law in accordance with the Special Regulations for the Qualification of Internal and External Auditors of Organizations under the control of the Superintendency of Popular and Solidarity Economy, determines that all cooperatives who have more than 200 members or more than \$500,000.00 (five hundred thousand dollars) in assets must hire an external auditor, all savings and credit cooperatives and representative integration agencies with more than \$200,000.00 (two hundred thousand dollars) in assets.

Both the internal and external auditors must be qualified and registered by the Superintendency of Popular and Solidarity Economy.

On the topic of cooperation between cooperatives, the regulation of the law determines that representative integration of organizations, will be carried out among popular economic units, community organizations, associations and cooperatives that have the same social purpose, in accordance with the following structure: 1. Unions and networks, consisting of popular economic units, community organizations, associations or cooperatives; 2. National federations, consisting of cooperatives; associations, unions and networks; and, 3. National confederations, made up of national federations.

The law grants the following powers to integration bodies:

- Undertake the institutional representation of its affiliated entities;
- Manage technical or financial support to strengthen the union and its affiliates;
- Offer services for the provision and supply of raw materials, tools, supplies, replacement parts, education and training, and others related to their economic activity;
- Receive administrative financial and social information on a regular basis from its affiliates, consolidate it and make it public (in savings and credit cooperatives it is limited to what is determined by bank confidentiality);
- Defend the institutional interests of its affiliates and contribute to the resolution of their conflicts;
- Act as friendly composers for the resolution of conflicts within the forms of organization they group;
- Collaborate with the Superintendency in activities of interest in the sector that they represent; and



- Others established by the regulation and social statute; in this case the social statute must adhere to the guidelines, criteria and interests of the Superintendency.

The operation, internal organization, parliamentary regime, supervision and internal control of integration bodies in Ecuador, is similar to that of Cooperatives, so much so that the same Law reads: "As for that which is not foreseen in Title IV and in the regulation of the Law, the rules governing the cooperative sector will be observed, in whatever is applicable to them."

While the law regulates the existence of integration and support organizations, it does not require cooperatives to belong to said organizations.

III. Degree of Ease of National Legislation for Cooperatives

To analyze the ease of national legislation for cooperatives, the reality of the sector and its development in recent years has been taken into account, especially from the issuance of the previously listed laws.

The first aspect highlighted is that the initiatives of the cooperatives that are part of the popular and solidarity economy, according to the National Constitution, must receive differentiated and preferential treatment from the State; however this has been partly fulfilled, as state support has been minimal for cooperative organizations.

There are also several contradictions within the Organic Law on Popular and Solidarity Economy and its regulation, and the Organic Monetary and Financial Code, the Resolutions and provisions of the Superintendence of Popular and Solidarity Economy and the Monetary and Financial Policy Board and other general norms, which considerably affect the cooperative sector.

While in some sense the creation of the Organic Law on Popular and Solidarity Economy and a Superintendence for the sector has served to standardize activities and have a control of cooperative institutions, the issuance of the norm has encouraged an excessive control and interference by the controlling entity, going against the principle of autonomy and independence, and often without respecting the private right of the cooperatives.

On the subject of cooperation between cooperatives, as a general appreciation of the sector, what is determined in the norm has not generated benefit towards the fulfilment of this cooperative principle, on the contrary, it has caused limitations, which prevents the development of a better cooperation between cooperatives.



IV. Recommendations for the Improvement of the National Legal Framework

Several cooperatives and integration organisms have been working to improve the cooperative legal framework, especially in this latest year 2019, so that current limits in the norms are corrected and harmonized with the reality of the sector; the most important proposals obtained from the workshops and forums carried out in the country are the following:

- Work so that cooperatives have their own law, separating them from other social organizations that do not adhere to cooperative principles.
- Carry out a comprehensive reform to the Organic Law on Popular and Solidarity Economy and its regulation
- Achieve a different level of supervision for the savings and credit cooperatives in virtue of the nature of its business
- Establish under the law that cooperatives are businesses subject to private law, so that the State respects the decisions of its governing bodies, without threatening the current norms
- Ensure that universal cooperative principles are established and respected in the norm and promote their application in organizations.
- Harmonize the reality of cooperatives, other general norms such as the Organic Law on Tax Regime, General Organic Code of Processes, Organic Monetary and Financial Code, among others.
- Reform the sanctions determined for cooperatives, especially those for savings and credit cooperatives, so that they may be in line with the reality of the institution and not on par with large banking institutions in the country.

V. Conclusions

It should be noted that cooperatives in Ecuador, based on regulation and subsequent supervision, have had a remarkable development; however, in recent years, this progress has been slowed down by instability and constant changes in the control entity and its authorities.

It is the duty of the state to ensure the motivation and respect of the constitutional precept of giving preference to the cooperative sector over other sectors that currently have more opportunities and support than the social economy itself.

The analysis of the cooperative norm in Ecuador, while showing many positive aspects, also



shows weaknesses that need to be studied in depth, in order to be corrected and harmonized with the reality of the organizations within the country and the region.

Quito, Ecuador. August, 2019.

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