

Norway Legal Framework Analysis: Key Highlights

This one-pager aims to provide a brief overview of the most notable features of the national cooperative legal framework in Norway, based on the work of the national legal expert and the input of the contributing member organisation.

Cooperatives are not regulated in the Norwegian Constitution, but by the Cooperative Act, which was passed by the Norwegian Parliament on 29 June 2007. This was the first time that cooperatives were regulated in a general and specific cooperative law. The Act includes a definition of a cooperative and all the necessary requirements and obligations that cooperatives need to meet. In addition to the general Cooperative Act, there are separate laws for housing cooperatives that are not regulated by the general Cooperative Act.

The ICA Principles of Cooperative Identity are not mentioned explicitly in the Cooperative Act, although they formed the basis for drafting the Act.

Cooperative Friendliness: The national expert considers cooperative law in Norway to be cooperative friendly in the sense that it gives predictability and a clear framework for interpreting and understanding both the cooperative principles and how to practically run a cooperative. The Equality Principle is cited as important for the cooperative movement in Norway. This means, for example, that official registration of a new cooperative is as easy for cooperatives as any other type of enterprise. Furthermore, the national expert notes that the cooperative housing movement in Norway has had influence over legislation, ensuring updates are to the benefit of housing cooperatives and cooperative housing associations. As a recent example, in response to the Covid-19 pandemic, regulation of deadlines and alternatives for conducting board meetings and general meetings have been implemented quickly for housing cooperatives.

Key recommendations for improvement: The national expert recommend more frequent updates to the Cooperative Act to make sure it corresponds to changes in the legal framework for other types of enterprise. This can ensure that the cooperative business model will be attractive and relevant for start-ups, as well as to guarantee predictability for current cooperatives. More information about the cooperative model in the education system and among government officials is also proposed. Finally, the national expert recommends that government support programs could be better suited to the nature of cooperatives, with more emphasis on improved quality of products and services, economic predictability, and stability.

Conclusions: To summarise, the Cooperative Act was warmly welcomed when it was adopted, and it has contributed to a clearer understanding of the cooperative model and how it should be interpreted in a Norwegian context. However, it is evident that there is a constant need to review the legislation, to make sure it is both updated compared to other business models, but also relevant to the general developments of society, such as digitalisation.