

Kazakhstan Legal Framework Analysis: Key Highlights

This one-pager aims to provide a brief overview of the most notable features of Kazakhstan's national cooperative legal framework, based on the work of national legal expert and ICA member input. The Legal Framework established by the National Cooperative Law of Kazakhstan is found in the following legislations:

Cooperative Law	Subject Dealt with	Updates to the Law
1. Law of the Republic of Kazakhstan , dated October 5, 1995	On Production Cooperatives	Updated: 07.15.96; 06.19.97;07.12.01; 03.03.04; 05.05.06;07.07.08; 10.29.15; 02.27.17;)
2. Law of the Republic of Kazakhstan, dated May 8, 2001	On Consumer Cooperatives	Updated: 07/05/06; 05/15/07; 12/24/12; 03/07/14; 05/16/14
3. Law of the Republic of Kazakhstan, dated October 29, 2015	On Agricultural Cooperatives	No updates so far

The cooperative movement in Kazakhstan along with the above laws is guided in its activities by the provisions of constitution, civil code and other regulations of the country.

Cooperative Friendliness: In general the cooperative legislation in Kazakhstan can be termed as ‘*more cooperative unfriendly than friendly*’. Despite the existence of laws, the existing legal acts do not take into account the specific features of the cooperative functioning, do not create sufficient conditions to unify the agricultural producers, especially small business forms, for the joint cultivation of land, production, marketing, processing, storage etc. and supply them with material and technical resources and other types of service.

Key recommendations for improvement: The Law on Agricultural Cooperatives, presented by lawmakers as a single law on cooperation, is based on the abolition of all types of rural consumer cooperatives and agricultural partnerships in favour of the creation of a new form of legal entity called “agricultural cooperative”. In order to distribute profits among members of a cooperative, the creation of agricultural cooperatives in the organizational of a production cooperative is envisaged, in other words, commercial organization. This provision limits the members’ rights in choosing one or another form of cooperatives and does not stimulate the process of their unification. Despite the presence of state support in laws and various government programs adopted to support cooperatives, most of it is not followed through with real policy actions. Thus, the main recommendation is to continuously inform the state issued faced by cooperatives at the grassroots; to familiarize the government with examples of successful cooperatives in the country, to attract international cooperative experts to meet with policy-makers who influence the activities of cooperatives.

Conclusions: In general it was observed that there is a need for serious work ahead towards creating a favorable legal environment for the development of cooperatives. Cooperatives need multifaceted support from the state, educational and consulting activities, and the creation and development of cooperative infrastructure. International donors, bringing advanced cooperative experience, as well as supporting the financial and logistical development of cooperatives, could play an important role in their development.

