



Finding the co-operative spirit in Croatian co-operatives

CARDS 2001

Country
Croatia

Implementation period
2002-2003

Funding (€)
€200,000

Results

A strategy for reforming Croatia's co-operative sector, workshops, production of a handbook, study tours to the EU

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Strategy and capacity building for the co-operative sector

Strengthening the Croatian economy over the next decade is dependent to an extent upon how much progress the country can make in revamping and developing further its outdated co-operative movement. Particularly in rural, marginalised and post-conflict communities, the co-operative sector could play a far more important role in Croatia in reconciling community development objectives with the need to raise productivity.

Yet developing a genuine co-operative sector in Croatia means securing the 'co-operation' of different community groups and overcoming resistance from many quarters, and the Croatian Co-operatives Federation (CCF) faces an uphill battle to promote the sector along EU and International Co-operative Alliance (ICA) 'best practice' guidelines.

To support the CCF a team of consultants and other specialists worked, within a €200,000 CARDS-funded project, to build understanding, institutional capacity and forge a lasting set of strategic priorities to guide the development of Croatia's co-operative sector. The one-year project set out to help reverse a near decade-long decline in the co-operative sector and was set up to support the Croatian Ministry of Small and Medium-Sized Enterprises and other government bodies. The work of the team laid the groundwork for the sustainable expansion of the co-operative sector as a whole with particular emphasis on agricultural, marketing, worker/employee, social, financial and consumer co-operatives.

Asset grab

Early attempts at privatisation in Croatia led to an 'asset grab' with the ownership of the long-established agricultural co-operative sector falling into the hands of senior managers, many of whom had only recently joined the co-operative. At the end of 2003, there were 900



registered co-ops, overwhelmingly in the agricultural sector, 700 of which were classified as ‘active’ and paying tax. However, many of these ‘active’ co-operatives are not regarded as ‘true’ co-operatives, dedicated to the interests of the co-operative rather than that of individual managers.

How did the project fare?

By the project’s end in 2003 the team had successfully drafted a National Co-operative Development Strategy for Croatia. Based upon EU and ICA ‘best practice’, and recognising the specifics of the Croatian situation, the Strategy outlined the key basic institutional, policy and legal interventions necessary for Croatia to begin to develop a healthy and vibrant co-operative sector. The sensitive topic of restructuring the existing and soon-to-be privatised agricultural co-operatives was also addressed.

The project successfully organised ten regional workshops. These helped to sensitise officials to the benefits of co-operative development, and to explore some simple support methods. A large number of individual requests to the project team for more specific project information and technical support followed the workshops.

A major component of the project was a study tour for Ministers and officials to Italy to see for themselves EU best practice in the field. The co-operative sector in northern Italy played a major role in the economic development of the region and could serve as a model for post-war reconstruction in the Balkans.

Finally, a set of simple Guidelines on promoting co-operatives were produced for use by municipality and county economic development officials.

Future challenges

Overall, the project succeeded in raising the profile of the co-operative sector in the country and stimulated a number of new co-operative development projects, and provided an appropriate institutional, legal and policy support background against which existing co-operative development activity can move forward. And as Croatia moves towards EU membership, its co-operative sector should now begin to emulate the success of other EU regions in promoting economic development.