



2019/004

LAW N° \_\_\_\_\_ OF \_\_\_\_\_ 25 AVR 2019

FRAMEWORK BILL GOVERNING SOCIAL ECONOMY IN  
CAMEROON

*The Parliament deliberated and adopted,  
the President of the Republic hereby  
enacts the law set out below:*

## CHAPTER I GENERAL PROVISIONS



**SECTION 1:** This framework law governs social economy in Cameroon.

As such, it sets out the general guidelines applicable to social economy activities.

**SECTION 2:** For the purposes of this law and the implementing instruments thereof, the following definitions shall apply:

**Association:** Legal person resulting from an agreement whereby natural or legal persons pool their knowledge or activities for a purpose other than sharing profits.

**Collective entrepreneurship:** Any form of business comprising several persons, based on the principles of solidarity, participatory democracy, pooling of means of production and equitable sharing of income and whose approach to economic activity combines profitability and social change.

**Cooperative society:** Autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned democratically-controlled enterprise in accordance with cooperative principles.

**Corporate social responsibility:** Obligation of an enterprise to meet the requirements of developing and improving the quality of life of its members, employees or neighbouring communities.

**Enterprise:** Smallest combination of legal units constituting an organizational unit producing goods and services and enjoying some decision-making autonomy, notably regarding the allocation of its current resources.

**Fair trade:** Commercial practice whereby consumers and producers are put in close contact. The former ensure maintenance of the latter's holdings and decency of their incomes by guaranteeing outlets and providing funding, while the latter undertake to supply their products to the former at a fair price.

**Financial education:** Process whereby consumers and/or investors improve their knowledge of financial products, concepts and risks and, through objective information, education and/or advice, acquire the requisite skills and confidence to become more receptive.

**Foundation:** Non-profit legal entity governed by private law, established by one or several donors. The latter may be natural or legal persons seeking to accomplish a task of general interest.

**Horizontal networking:** Networking of social economy units of the same economic area, in the same sectors or types of activities, in accordance with the rules governing either the sectors or the activities concerned.

**Labelling:** Act of granting to a social economy unit or network of units, through registration, a legal status attesting to its conformity with social economy principles.

**Mutual solidarity grouping:** Non-profit entity governed by private law which, using contributions paid by its members and in the interests of the latter or their rightful claimants, carries out insurance and solidarity actions pursuant to the articles of association, in order to contribute to their cultural, moral, intellectual and physical development and the improvement of their living conditions.

**Networking:** Process of constituting a network of social economy units by sector, activity and type to defend their collective interests, disseminate information, consult, rally around common issues, exchange know-how and experience, transfer knowledge and pool production and training tools.

**Share capital:** Value of all contributions in cash, in kind or in industry related to the adherence of members of a social economy organization or enterprise.

**Social economy business incubator:** Support structure for entrepreneurs of social economy enterprise projects in the maturation, launching and development of social innovation projects.

**Social economy enterprise:** Very small, small or medium-sized enterprise whose ownership is collective and which undertakes, on a continuous basis, an activity of production or distribution of goods and services in accordance with the principles governing social economy.

**Social economy network:** Set of social economy organizations and enterprises of diverse origins united by common links.

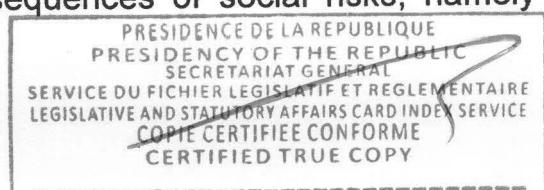
**Social economy organization:** Structure other than the enterprise that continuously produces goods or services while pursuing both economic and social ends.

**Social economy unit:** Social economy actor that can be either organizations or social economy enterprises, to which the State grants such status.

**Social economy:** Set of economic activities undertaken by organizations and enterprises, based on the principles of solidarity and participation and seeking the collective interest of their members and/or the economic and social interest of the community.

**Social innovation:** All original initiatives undertaken on a territory in collaboration with the local actors, seeking to provide novel solutions to the basic emerging or insufficiently satisfied needs of communities, in the fields of education, social action, health, culture and employment.

**Social protection:** All collective insurance systems enabling individuals or households to financially cope with the consequences of social risks, namely



situations that may lead to a decline in resources or an increase in expenditure (notably old age, illness, disability, unemployment and family expenses).

**Vertical networking:** Grouping of social economy units with different activities into representative structures at local, regional and national levels.

## **CHAPTER II** **IDENTIFICATION OF SOCIAL ECONOMY UNITS**

**SECTION 3:** (1) Organizations and enterprises, irrespective of their legal forms, which fulfil the following criteria, shall be eligible for the status of social economy unit:

- primacy of the individual and the social objective over capital;
- freedom of membership;
- transparent, democratic and participatory governance;
- collective or social utility of the project;
- search for collective interest and fair distribution of surpluses;
- pooling of member's resources;
- compliance with the original legal status.

(2) The status of social economy units shall be established by a regulatory instrument of the Minister in charge of social economy.

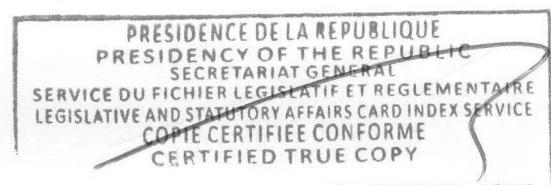
**SECTION 4:** Social economy units shall support public policies, including socioeconomic development, market plurality, poverty reduction, participatory management and sustainable development.

## **CHAPTER III** **REGISTRATION AND MONITORING OF SOCIAL ECONOMY UNITS**

**SECTION 5:** Social economy units shall be subject to the registration system, the terms of which shall be laid down by regulation.

**SECTION 6:** Social economy organizations and enterprises that have been granted the status of social economy unit shall be registered in the General Register of Social Economy Units kept in the Ministry in charge of social economy.

**SECTION 7:** (1) A National Social Economy Board, set up by the President of the Republic, shall be responsible for formulating proposals to the Government for the promotion and development of social economy. It shall also be responsible for the monitoring and evaluation of social economy units.



(2) The organization and functioning of the National Social Economy Board shall be laid down by decree of the President of the Republic.

## **CHAPTER IV** **PROMOTING SOCIAL ECONOMY**

### **I – ROLE OF THE STATE, LOCAL AND REGIONAL AUTHORITIES**

PRESIDENCE DE LA REPUBLIQUE  
PRESIDENCY OF THE REPUBLIC  
SECRETARIAT GENERAL  
SERVICE DU FICHIER LEGISLATIF ET REGLEMENTAIRE  
LEGISLATIVE AND STATUTORY AFFAIRS CARD INDEX SERVICE  
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#### **SECTION 8:** The State shall promote social economy as follows:

- creation of an enabling environment for the development of economic and social initiatives in the context of social economy;
- creation of operational units capable of contributing towards the formation of collective entrepreneurship, as well as monitoring and supporting social economy unit organizations and enterprises;
- creation of national platforms for coordination, defence and dialogue between public authorities and all social economy promotion stakeholders;
- promoting the principles and values of social economy;
- facilitating the access of social economy entrepreneurs to technological and organizational innovation processes;
- improving access of social economy units to financial and social services;
- encouraging the participation of vulnerable people in social economy units;
- promotion of financial education.

#### **SECTION 9:** (1) In the framework of social innovation support, the State shall facilitate the creation of public and private social economy unit incubators.

(2) Such structures shall perform their functions under conditions laid down by regulation.

#### **SECTION 10:** In the framework of fair trade promotion, the State shall facilitate the labelling of social economy organizations and products. As such, it shall ensure:

- popularization of the relevant specifications and certification procedures;
- ownership of fair trade standards and labels through awareness-raising and training of units;
- monitoring and support of the labelled social economy units.

**SECTION 11:** (1) The State shall ensure implementation of corporate social responsibility and promote measures to adopt a Social Responsibility Charter by commercial sector enterprises through:

- facilitation, consultation between social economy units and commercial sector enterprises; and
- establishment of a corporate social responsibility label.

(2) The State shall ensure compliance of social economy units with the environmental and sustainable development laws and regulations in force.

**SECTION 12:** Without prejudice to the prerogatives of the State, local and regional authorities shall promote social economy through:

- development or creation of public utility services;
- development of local tourism;
- promotion of alternative solutions in the fields of ecology, energy, employment, housing, trade and social security;
- local initiatives for the creation of social economy units, to participate in the economic leadership of employment pools and develop initiatives for the creation of local productive systems;
- consolidation of initiatives, experience sharing, counselling and training;
- networking of social economy units at the local level.

## **II – NETWORKING OF SOCIAL ECONOMY UNITS**

**SECTION 13:** (1) Social economy units may group together to represent and defend their interests, in accordance with the laws and regulations in force.

(2) Networking of such groupings shall be horizontal and/or vertical.

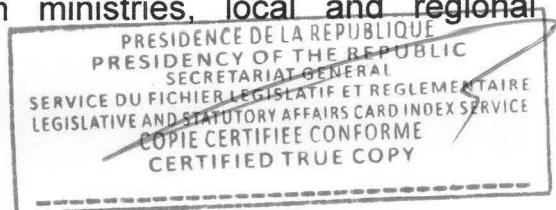
**SECTION 14:** (1) Sector and inter-sector networks, federations and confederations shall represent the social economy units in all spheres of local, national or international representation.

(2) The operating principles of these networks and their representations in the bodies of institutional participation shall be laid down by regulation.

## **III – BENEFITS AND RESPONSIBILITIES OF SOCIAL ECONOMY UNITS**

**SECTION 15:** Social economy units may receive:

- direct and indirect subsidies from ministries, local and regional authorities;



- gifts and legacies;
- funds derived from public donation appeals in accordance with the regulations in force.

**SECTION 16:** (1) Ministries, local and regional authorities which grant multifaceted support to social economy units must ascertain that the latter are duly registered.

(2) The aforementioned support, which facilitates the development of social economy organizations and enterprises, may be bolstered through special supervision programmes jointly prepared by the State or its agents and development partners.

**SECTION 17:** Social economy units shall ensure social protection for their members. Such protection may be covered by public, semi-public or private entities.

## CHAPTER V LOSS, REHABILITATION AND MODIFICATION OF THE LEGAL STATUS OF SOCIAL ECONOMY UNITS

**SECTION 18:** (1) Any social economy unit which shall cease to function in accordance with Section 3 of this law shall lose its status of social economy organization or enterprise by decision of the Minister in charge of social economy.

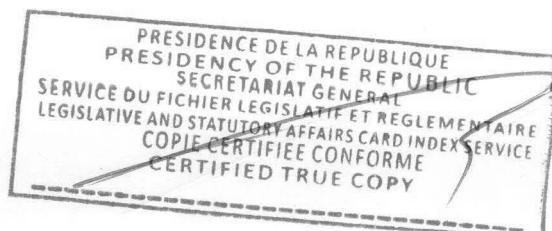
(2) Accordingly, it shall be removed from the General Register of Social Economy Units and thus lose all the benefits relating to such status, without prejudice to legal proceedings, as appropriate.

**SECTION 19:** The enterprise or organization struck off in accordance with the provisions of Section 18 above may reapply, provided it fulfils the conditions laid down in this law.

**SECTION 20:** Any enterprise set up through a merger or split must be entered in the register referred to in Section 6 above, in accordance with the regulations in force.

## CHAPTER VI FINAL PROVISIONS

**SECTION 21:** Regulatory instruments shall, as and when necessary, specify the conditions of implementation of this law.



**SECTION 22:** This law shall be registered, published according to the procedure of urgency, and inserted in the Official Gazette in English and French./-

YAOUNDE, 25 AVR 2019

