Annex H. Administrative organisation and legal traditions

Administrative organisation

- **Unitary countries** (e.g. France, Korea, Portugal and Slovakia) are governed as a single power in which the central government has complete sovereignty. This situation does not prevent the existence of subnational governments that might have some political and administrative autonomy.
- **Federal countries** (e.g. Brazil, Canada, India, the United States) divide legislative powers among the federal level and the subnational level. Sovereignty is shared between the federal government and self-governing regional entities, which have their own constitution (in most cases), a parliament and a government (and thus a legislative capacity). At the subnational level, the development of legal frameworks for the social and solidarity economy largely depends on the legislative capacity of subnational authorities as well as the strategic priority given to the field (OECD, 2020[1]):
- **Quasi-federal countries** (e.g. Spain) share several characteristics with federal countries, such as a large autonomy devolved to subnational level, while being formally unitary countries according to their constitution.

Legal traditions – civil law and common law

- **The civil law tradition** refers to legislation developed in continental Europe in the Middle Ages. It originates in Roman law and uses statutes and comprehensive codes as primary source of regulation. Countries with civil law systems such as Brazil, most EU countries, Korea and Mexico have comprehensive legal codes that are developed and continuously updated (O'Connor, 2012[2]). This trend is also prevalent in their regulations for the SSE. These countries developed legal definitions as well as overarching and specific legal frameworks for the SSE either at national or subnational level (e.g. Brazil, Mexico) or both (e.g. Korea, Spain).
- **The common law tradition** emerged in England in the Middle Ages. Contrary to the civil law tradition, common law is based on case law established by judges. As such, it is generally uncodified and does not lead to creating comprehensive compilation of regulation and statutes (O'Connor, 2012[2]). This also is reflected in regulation for the SSE in common law countries such as Canada (except the province of Québec), India, the United Kingdom and the United States. These countries didn't develop codified legal definitions for the SSE or extensive specific regulation for its organisations (except in some cases for cooperatives, charities/trusts and non-profit organisations). For example, in the United Kingdom, SSE organisations such as cooperatives are registered under a variety of legislation: Industrial and Provident Societies Act or Companies Act (Spear, 2014[3]). For context, an Industrial and Provident Society is an organisation that conducts a business or trade, either as a co-operative or for the benefit of the community. The Industrial and Provident Societies Act (1965) was repealed and replaced by the consolidating Co-operative and Community Benefit Societies Act adopted in 2014.

References

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