

Street Talk

ARE COOPERATIVE UNIONS STILL RELEVANT IN UGANDA TODAY?

The government is engaged in a drive to revive cooperatives and has taken various measures to that effect, including rebranding the Ministry of Trade, Tourism and Industry as the Ministry of Trade, Industries and Cooperatives. We spoke to several persons on whether or not cooperatives are still relevant in Uganda today.



**Morrison Rwakakamba, CEO,
Agency for Transformation**

With over 24 million citizens connected to mobile phones, over 17 million browsing the internet daily and millions tuning in to more than 300 FM radio stations broadcasting in local languages, I don't think we still need the kind of cooperatives that operated in 1970s and 1980s to connect farmers and small businesses to markets. Today, small-scale farmers have institutionalised informal collective marketing arrangements to increase their profits. In places like Kasanda, for example, when crops are ready for harvest, farmers call relatives in urban centres on their mobile phones, to check market prices. Trusted community informants circulate the information and survey households' expected harvest. The farmers bring their matooke to collection centres on designated days, where community representatives finalise negotiations and collect and distribute payments. This informal way of connecting means farmers in Kasanda do not have to pay bulking and marketing fees to the cooperative. Cooperatives that want to survive must understand such new realities. We should support old cooperatives if they are willing to re-invent themselves to align with new realities or rather support emerging new ways of organising.



**Agnes Kyotalengerire, Senior Writer,
New Vision**

Cooperatives are potential game changers in Uganda's aspiration to transform itself from a peasant to a modern middle-income country by 2040. In line with the Sustainable Development Goals' theme of "leaving no one behind", cooperatives provide a vehicle through which the predominantly rural workforce and the dynamic urban sector can be integrated into Uganda's transformation agenda. Cooperatives play an important role in socioeconomic development through the creation of jobs, improvement of member income, enhancement of agricultural production and productivity, and the promotion of value addition and social stability. Therefore, development discourse on cooperatives should cease confining itself to the agricultural sector and include all other sectors. However, for the game-changing potential of cooperatives to be fully harnessed, the government ought to deliberately coordinate and nurture them within the realm of liberalisation. Research shows that there is urgent need to bolster the productivity and competitiveness of cooperative enterprises. This could be achieved by supporting them to improve production, post-harvest handling and quality control, bulking and marketing, corporate governance and overall business management.

**Francis Gonahasa, MP,
Kibweri County**

We need to go back to cooperatives so as to organise better the growing, marketing and payment for produce. Cooperatives provide a better way of organising production, markets and prices of agricultural products. When we were children, there were very many vibrant cooperative societies such as Busoga Growers' Co-operative Union, Banyankore Kweterana and Masaka Cooperative Union, among others. These unions were so organised that at one time, Busoga Growers lent money to the British government. They had so much money that they were able to lend to a government! That time, both markets and payments were certain and this is what we need now. We have just seen the price of maize at its lowest. Cooperatives play a huge role in marketing of and payment for produce.





**Prisca Baike,
Businesswoman**

Cooperatives are still relevant, for Uganda is majorly an agricultural country and though agriculture contributes less to the GDP, it employs the majority of the people.

There is also a deliberate effort by the government to make agriculture a profitable source of livelihood, to make sure that people increase output and maximise revenue from farming. This can only be achieved through assuring farmers that there is a market and good prices for their produce. Only cooperatives have the potential to do that. President Museveni recently launched the Sukulu Phosphates Plant in Tororo, whose major product will be fertilisers, but the plant will be of no use if there are no unions to bring farmers together to share best farming practices like the use of fertilisers and post-harvest handling, among others. It is through cooperatives that agriculture can reclaim its lost glory.

**Dr Fred Muhumuza,
Economist**

Development is anchored in institutions. People do not trust people but institutions. For the government to re-organise agriculture and improve on the quality of smallholder farmers, it has to revisit our institutions and one of these is the cooperatives. There is a narrative that smallholder farmers are not commercial, but can you say the same about the matooke and milk producers in Western Uganda? It is people who want to grab other people's land who say people must leave the land so that we commercialise. You can still commercialise under smallholder farming models, but this is possible through cooperatives. In Uganda, because of the land tenure system, we have no space for commercial farmers, like in South Africa. We only have individual farmers who, when brought together, can make a pool for mass production. Cooperatives are still relevant therefore, but to make them effective, the government must ensure that they are competitive through stringent regulation and accountability. Also, it is worth noting that cooperatives should not only be agriculture-based but diverse in the form of health, finance, transport and ITC, among others.





**Katusiime Annet, cocoa farmer,
Bundibugyo**

Oh yes, cooperative societies are very very relevant. They ensure that farmers are organised and do business together. When you are organised as farmers, you get good prices, which you cannot do when you are an individual farmer. As an individual farmer, you are not able to negotiate good prices for your produce. Cooperatives also come with security for farmers over their produce because you know each other and operate together. In our area, cooperatives assist farmers in borrowing money to pay school fees for their children. The rate at which we access these loans is really low. We benefit from this kind of arrangement because we are part of a cooperative society.

**Fred Kwebiya, cocoa farmer,
Bundibugyo**

Cooperatives are relevant because they give farmers market information for their produce. There is also combined bargaining power among farmers who are organised into cooperatives. There is also building of friendships among members, which is a good thing. They are also a source of employment to many people in the area. The only challenge I see is that most cooperatives deal in one crop, which leaves out other crops that a farmer may have. We also lack storage facilities for our produce.





**Cecilia Ogwal, Woman MP,
Dokolo district**

In the early days of cooperatives in Uganda, cooperatives improved people's welfare and brought about decent housing. Most of the people who had good houses built them because they could sell their products through the cooperatives. During that time of vigilant cooperatives, the quality of Ugandan coffee was very good, because there were quality control measures. The buying and selling points would accept only ready and dry coffee beans, unlike today where coffee is sold before harvest. The current system is based on survival for the fittest, which means whoever comes first, takes it in whatever condition, at the expense of Uganda's image on coffee production. Ugandans are now taken as producers of poor-quality coffee. There is, therefore, need for cooperatives to bring things back to order.

**Arthur Larok,
Federation Development Director at
ActionAid International**

We have had extensive research on cooperatives, and some of it has even been published, and the findings challenge the common notion that cooperatives are a thing of the past. Cooperatives have the potential of increasing production, productivity, and value addition and are hence critical for Uganda's transformation towards an inclusive middle-income country. For sustainability and survival in a liberalised market, though, cooperatives should be market-driven. They must compete in the market by offering better incentives, products and services than what middlemen can do. In this regard, cooperatives must provide farm-gate prices plus a mark-up accrued from the entire value chain. For this to happen, cooperatives should be in charge of the entire value chain, right from production to marketing.

