

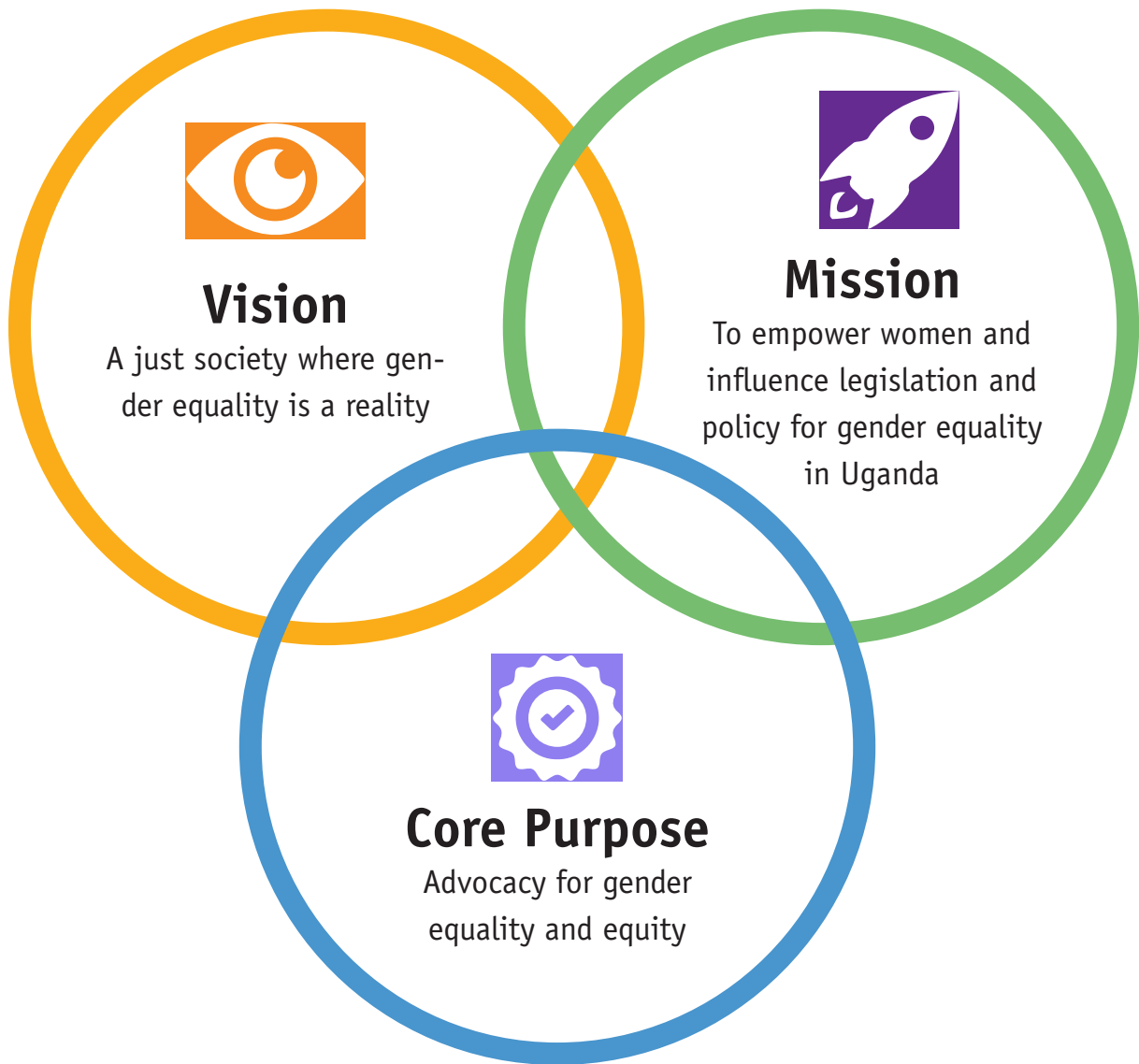
Arise

A Women's Development Magazine
Published by ACFODE



COOPERATIVES AS A VEHICLE TO GENDER EQUALITY & WOMEN'S RIGHTS IN UGANDA





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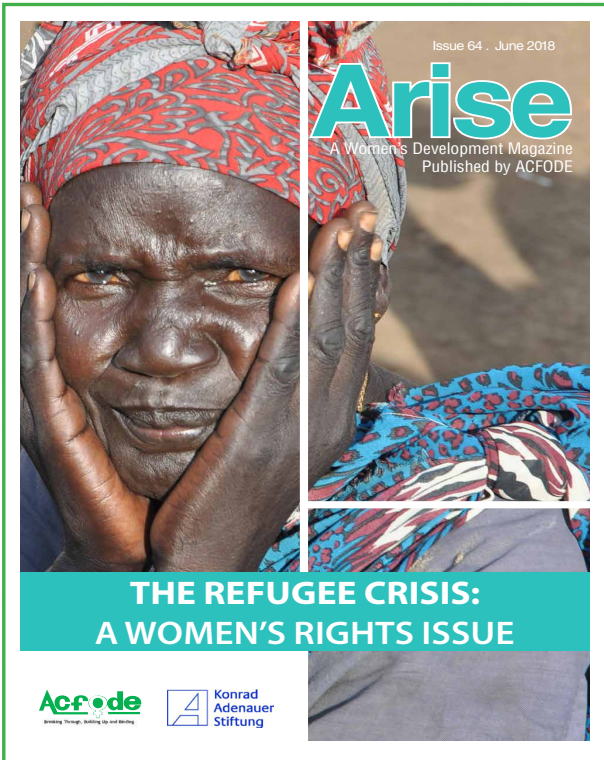




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LETTERS TO THE EDITOR



Dear Editor,

Dear Editor

I cannot bring myself to thanking you enough for the distinctive presentation on women's rights with in the refugee setting. For so long, we have waited for a women's rights NGO in Uganda to bring the issues addressed in this Edition to the limelight. I appreciate ACFODE for talking the lead, and hope that the different stakeholders will take them up for the betterment of refugee women and girls in Uganda.

Nabwire Dinnah

Transcultural Psychosocial Organisation (TPO) Uganda

Dear Editor,

I enjoyed this issue very much for one specific reason: when it comes to Gender Based Violence Response and Prevention, the propositions made are tailored specifically for refugee women because their experiences are unique and different from the everyday word. Bravo ACFODE for the job well done.

Richard Makumbi

Development Consultant on GBV Response and Prevention

Dear Editor,

Thank you for sharing copies of the Magazine with our office. Being the coordinating entity for refugee issues in this country, this Edition has brought to our attention so many concerns that are going to be amongst our top priorities moving forward.

Ndahiriwe Innocent

Office of the Prime Minister



Sandra Nassali

Editor In Chief

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FROM THE EDITOR

How did cooperatives start in Uganda? In 1913, a number of native Ugandan farmers came together under an association with the aim of wresting control of the processing and marketing of the crops grown in Uganda from the Europeans and Indians. This association became the nucleus of the cooperative movement, which would be formalised only in 1936. During the first decades of its existence, the cooperative movement thrived. However, later, because of political meddling, it started facing serious challenges. Finally, the 1990s economic liberalisation and privatisation, which also saw the closure of the Uganda Cooperative Bank (UCB), sounded the death knell for the cooperatives as they were known then. However, they didn't die; they simply evolved into new forms. This then raises the question whether or not cooperatives are still relevant today. The obvious answer is yes – they are alive, well and relevant. We have many types in Uganda, the most common of which are the Savings and Credit Cooperative Organisations (SACCOs). In addition, there are multipurpose cooperatives, housing cooperatives and funeral cooperatives (burial societies/associations), among others.

Cooperatives carry the seeds of the attainment of many of women's rights. Much as in the past they were the preserve of men, the situation has changed a great deal, with the emergence of all-women cooperatives, mostly SACCOs, and with women reaching for, and frequently securing, slots in the top echelons of the various cooperative organisations. In the process of achieving this level of success, women have had to grapple with a number of cultural obstacles, some of which are still very much alive. Yet it is important that women are strongly represented at the top management levels of the cooperatives since this would be of great benefit to everyone.

Should there be hope that the Cooperative Bank will sooner or later rise from the ashes? There have been strong hints from the Ugandan Government regarding its intention to revive the bank. It is hoped that, sooner rather than later, the public hope for this revival will translate into reality.

These, and more, are the matters that Arise 65 brings to the fore.

Enjoy the read!



THE COOPERATIVE MOVEMENT IN UGANDA IS ALIVE: HERE IS WHY

Arise Contributor

Perhaps, it is in the anti-establishment spirit that cooperatives in Uganda have been able to thrive. Historical records show that Uganda's first cooperative was a subversive farmers' union in Buganda formed to undermine the exploitative prices offered by the colonial regime. The 1913 Kinakulya Growers Cooperative in Mubende shaped the later occurrences by inspiring sustained pressure on the colonial administration to grant autonomy to the Ugandan farmers. The 1920

Buganda Growers Cooperative was a brainchild of such a development. Despite being faced with two opponents – the Asian merchants and the British administrators – the Ugandan farmers persisted. As a result, between 1946 and 1962, the regime embarked on a process of legislating on and formalising the operations of cooperatives in Uganda. The move eroded the foreign monopoly on the market, and improved the terms of trade for the Ugandan farmers



whose signature cash crop then was coffee.

With the coming of independence, cooperatives gained even greater agency. In a country whose backbone was agriculture, cooperatives became the main driver of increased agricultural productivity. The socio-political status of farmers was also raised. Farmers started influencing the decisions of the post-colonial state. However, the post-colonial leadership read the development as a threat to the establishment. Consecutive government regulations, starting in 1970, were instituted to reduce the independence of the cooperatives. Soon, cooperatives would become a political machine, funding political projects at the expense of socio-economic empowerment. Mainstream politics started to also infiltrate the functioning of the cooperatives, with socio-political strife continuously obfuscating their operating environment. Not surprisingly, it didn't take more than a decade after the 1991 Cooperative Societies Statute for the government, through the Bank of Uganda, to close the Cooperative Bank – the spine that had firmly held together the cooperative movement in Uganda.

In 1999, Uganda's airwaves were jammed with news of the closure of the Uganda Cooperative Bank. Fear and frustration filled the farmers, who were the major stakeholders of the bank. The closure

hit the many cooperatives that depended on the Cooperative Bank for capital like a tsunami. The Cooperative Bank closure seemed to have been the last straw that broke the camel's back. Furthermore, the in roads by the multinationals seemed unstoppable. They hijacked trade (both import and export trade, for example) leaving the possibilities for the resurgence of cooperatives in doubt.

But tracing the story of Uganda's cooperative movement to the post-1999 closure is as thrilling and the findings are unbelievable. Can you believe that there are over 18,000 cooperatives in Uganda, excluding the over 8000 SACCOs? Yes, the requirement for collateral by commercial banks before advancing financial assistance to individuals necessitated alternative measures for, especially, the farmers. Falling back on the cooperative model, despite the limited financing, made more sense for thousands of citizens, especially the farmers.

**CAN YOU BELIEVE
THAT THERE ARE
OVER 18,000
COOPERATIVES
IN UGANDA,
EXCLUDING THE
OVER 8000
SACCOS?**

Every little town in Uganda is home to at least three cooperatives, most of which are SACCOs. Popularised in the wake of the closure of the Cooperative Bank, SACCOs have replaced commercial banks in many areas. Even those who have accounts in commercial banks still subscribe to the SACCOs and different other cooperatives. If it was mostly farmers that subscribed to the cooperatives then, businessmen and women have since taken over the lead. It is undeniable that cooperatives are playing a tremendous role to change the lives of many Ugandans. Many years after the closure of the Cooperative Bank, it can be said that cooperatives are still alive and kicking.



REMINISCING ABOUT THE COOPERATIVE MOVEMENT: **EXPERIENCES TO REFLECT UPON**

Janet Namayengo



but informally until 1946, when the first Cooperative Ordinances were enacted. According to CoopAFRICA Working Paper No.15 entitled “Cooperatives: The Sleeping Economic and Social Giants in Uganda” by Lawrence Musiitwa Kyazze (PhD), a lecturer at Makerere University Business School, the Cooperative Ordinance of 1946 and the Cooperative Societies Act of 1962 only served to formalise the already organised cooperatives.

CoopAFRICA is a regional technical cooperation programme at the Job Creation and Enterprise Development Department of the International Labour Organisation Country Office of the Republic of Tanzania. Among others, the programme contributes to improving governance, efficiency and performance of primary cooperatives, other social economy organisations and their higher-level structures in order to strengthen their capacity to access markets, create jobs, generate income, reduce poverty, provide social protection and give their members a voice and representation in society.

Kyazze writes that by the end of 1946 there were 75 organisations of a cooperative nature. Fifty of these were agriculture marketing societies, eight were shopkeepers’ or supply societies, six were consumer stores and the remainder were miscellaneous societies such as fishermen’s societies (mainly for the supply of nets), cattle and dairy societies and one thrift society.

The period 1946 to 1970 saw a significant growth of the cooperative movement, especially

From 1913, with the formation of the first farmers’ association, Ugandans started organising into cooperatives but informally. This was in response to the exploitative marketing systems that disadvantaged the native farmers, noted J. Mukasa in his unpublished dissertation on the performance of cooperatives union in Uganda. “The colonial arrangement was that the native farmers would be engaged in the production of cash crops, such as coffee and cotton,

while the Europeans and their Indian allies would concentrate on the processing and marketing of such produce,” Mukasa wrote. “The racial division gave Europeans and Indians a chance to gain from the production of these crops to the detriment of the Africans. They then realised that forming cooperatives would give them a common voice, purpose and strong bargaining power.”

So, cooperatives operated in Uganda



in the cotton and coffee sectors. In 1951, cooperatives handled 14,300 tons of cotton and coffee. Following the acquisition of two coffee curing works and 10 ginneries in 1956, the total tonnage rose to 89,308 by 1960.

In 1965, out of 437,923 bales of cotton produced in the country, cooperatives handled 267,420 bales (61%) in addition to 40% of Robusta coffee, valued at US\$ 60 million, and 90% of Arabica coffee, valued at US\$ 30 million. This value is much higher today, given the inflation of the Uganda shilling over time.

“We earned a lot of money during that time,” says Musa Otim, a retired teacher. “We did not worry about better salaries from the government. We had our plantations to supplement our salaries.”

The performance of cooperatives in the immediate post-colonial period, Kyazze writes, was impressive, with the government offering them a monopoly status in agricultural marketing. All the coffee that was produced was marketed through cooperatives, and when the Coffee Marketing Board was formed, through the board. If it was cotton, it was through the Lint Marketing Board, which greatly benefitted the farmers.

However, this good performance was short-lived, as political interference and insecurity started to take hold in the 1970s. This was the regime of former president Idi Amin Dada. Cooperatives were greatly mismanaged,

interfered with, and alienated from membership. The cooperative movement was misunderstood and its economic and social impact greatly underrated by both the membership and the public.

As a result of political control from outside the movement, members’ involvement in the management of cooperatives was eroded. Primary cooperatives and unions increasingly became indebted and they could not effectively provide services to members. This marked the beginning of a steady decline in the performance of cooperatives.

The period 1992 through 2006 exhibited continuous decline of cooperative commodity marketing. For instance, of the total coffee exports (130,068 tons) in 1992/93, cooperatives accounted for only 22% (28,585 tons). This dropped to only 2% (3,868 tons) out of the total of 180,164 tons in 2001/02 and further to a meagre 1% (2,104 tons) out of 162,254 tons in 2006/2007.

The early 1990s liberalisation policy by the government is blamed for greatly contributing to the collapse of cooperatives. After liberalisation, anybody could now buy, process and market coffee. Liberation, says Jovenal Kule, General Manager, Mt Rwenzori Coffee Farmers’ Cooperative Union, came with changes. “Cooperatives were no longer supported by government. If one was a farmer, they had to organise themselves and mobilise capital from

wherever they could. This was very difficult since cooperators were used to handouts so when such was stopped, almost all of them collapsed because they could not handle competition.

He then continues, “besides, people lost interest in cooperatives because most of the cooperatives collapsed with people’s produce before they paid their members. Farmers thought cooperatives were composed of thieving people. Many people today still remember that, especially those who really experienced it.”

“Nonetheless,” Kyazze concludes, “the cooperative movement remains, with its spidery network consisting of active, semi-active, dormant and extinct cooperatives that total over 10,000 primary cooperatives and 40 cooperative unions that fall under one apex cooperative organisation – the Uganda Cooperative Alliance. With poor service provision to the members, other cooperative-like organisations that included labour unions and community based-organisations sprang up to fill the lacuna that had been left by agricultural cooperatives. Nevertheless, the presence of over 3,000 Savings and Credit Cooperatives (SACCOs) has rekindled the hope of reviving cooperatives in Uganda.”



CULTURE:

A DETRIMENT TO WOMEN'S PARTICIPATION IN COOPERATIVES

Tobbias Jolly Owiny

The elderly women are dressed in colourful light-green T-shirts as they showcase their cosmetics during the World Environment Day at Patongo sub-county yard in Agago district.

Gathered in one of the tents erected for exhibitors of products made from wild plants, the women, who are members of Onenanyim Cooperative Society in Agago district, are exhibiting cosmetics and food products the society members make from shea butter.

The ripe fruits of the shea tree are harvested between April and August each year. During this period, the members often go to the forests to harvest shea fruits. They roast or crush them while still raw to get to extract the precious butter, which is boiled, sorted, packaged and sold at the local markets or exported.

Reviving cooperatives

Cooperative unions have registered growth in number since 1913 when the first farmers' association was founded by African farmers. When the cooperative movement marked 100

years in Uganda in 2013, 14,060 cooperatives, with a membership of about 4 million people, were confirmed to be registered with the Ministry of Trade, Industry and Cooperatives.

The government, through the Ministry of Trade, Industry and Cooperatives, is currently planning to revive and promote the formation of cooperatives across the country owing to the fact that they can be an effective means through which the poor can achieve economic security and an improved quality of life. Onenanyim Cooperative Society is one of the cooperatives in the country whose activities are being revived.

However, although females form the majority of cooperative members as, indeed, they constitute the bulk of those involved in the agriculture sector, and therefore perform the bulk of the tasks in producing the crops that cooperatives deal in, culture continues to influence or, rather, hinder the participation of women in the activities of cooperative societies.

Cultural obstacles

West Acholi Cooperative Union in northern Uganda is a case that shows

that women are yet to be fully engaged in cooperatives owing to gender inequalities perpetuated by cultural norms and practices. The union serves Gulu, Nwoya, Amuru and Omoro districts and has 96 affiliated cooperative societies.

Bob Alberto Ogen, the union's manager, said that a major challenge to the society that mainly engages in cotton production, processing and marketing, was the societal attitude that cotton is a male crop that women have nothing to do with. The women may be involved in the production of cash crops, but culture bars them from active involvement in the selling of the cash crops.

This resulted in unintended consequences, because women did the donkey work and men would only surface during the harvest and sale of cotton, women ignored the society's activities and cotton growing in general.

According to Ogen, women are culturally believed to be suited



HOWEVER, ALTHOUGH FEMALES FORM THE MAJORITY OF COOPERATIVE MEMBERS AS, INDEED, THEY CONSTITUTE THE BULK OF THOSE INVOLVED IN THE AGRICULTURE SECTOR, AND THEREFORE PERFORM THE BULK OF THE TASKS IN PRODUCING THE CROPS THAT COOPERATIVES DEAL IN, CULTURE CONTINUES TO INFLUENCE OR, RATHER, HINDER THEIR PARTICIPATION IN THE ACTIVITIES OF COOPERATIVE SOCIETIES.

solely to caretaking in households. To that effect, men often question the women's suitability for leadership. Men, Ogen observed, think women do not have the time to deal with leadership responsibilities of managing cooperatives because most times they are engaged in domestic work, as culture dictates.

Gender equality and women's empowerment are challenges both within co-operatives and in the environment in which co-operatives operate. The marginalisation of women in the public sphere and the structural exclusion of women from financial mechanisms have hindered them from reaping the sweet fruits of the cooperative movement in Uganda.

He also noted that, much as Uganda's education sector and stakeholders are emphasising girl-child education, skills development and education for girls and young women are still inadequate. This paints them as inferior to men as far as the distribution of roles and responsibilities in cooperatives is concerned.

Skills gaps among many women means that they lack the level of education or technical capacity to, among others, undertake the negotiations or advocacy required in cooperatives. Such cultural challenges faced by women extend beyond the social sphere to include legal restrictions that institutionalise women's marginality, for example in land acquisition and management which are key for production as it were.

Countering cultural impediments

To counter the cultural impediments, diversification is considered the appropriate remedy. West Acholi Cooperative Union introduced sorghum and soybeans as alternatives to its members and, according to Ogen, the



women did not only return to the union but their numbers have since doubled.

Voluntary Savings and Loan Associations (VSLAs) have also been introduced where members, comprised mainly of women, save on a weekly basis and pool finances from which they can borrow for business and livelihood needs.

Started in 2001, Onenanyim Cooperative Society was set up by the women to counter the male-dominated cooperative society, according to the society's secretary, Kevin Adong.

"We came together as a group in 2001 wanting to deal in cotton as a women-only group because we hardly benefitted from the crop that we produced in our households," Adong stated.

Like many women in the countryside, Adong has the responsibility to fend for her family. Yet, she says, her husband kept her away from making any decisions over how to use the money got from sale of farm produce.

"Today the decisions over what to do with proceeds from our shea butter business purely rests with us. Previously, however, I and the children did all the garden work and the men only appeared at harvest and sale time to dictate how the money was to be used," she noted.

Ogen said they had challenges in bringing women and youth on board in their cooperative because cooperatives were seen as projects for males and adults. Women have a significant role in carrying out economic activities yet their contribution is seldom recognised.

Kweyo and Pabo Rice Cooperative societies in Amuru district are working to fight gender inequalities. Esther Arac, a member of Pabo Rice Cooperative Society, says it is a condition that members should come with their spouses for meetings and while receiving payments for their produce sold through the society.

"This is one way of engaging women because, in any case, it is the women who do the garden work. They should, therefore, see the proceeds from their labour," Arac said. In Kweyo Cooperative Society's VSLA group, 80% of the members are women.

Ms Kevin Adong, a member of the group, says the society has empowered her to learn modern methods of farming, which is improving her livelihood. "I have gained skills and knowledge in agribusiness and other economic activities. I can access business financing and market through the cooperatives," Adong said.



**THE REINVENTION OF
COOPERATIVES: A
SUSTAINABLE DRIVE TO
GENDER EQUALITY**

The close of the second millennium in Uganda announced itself in a shocking manner. Charles Kikonyongo, the then Bank of Uganda Governor, released a statement that the Uganda Cooperative Bank had become insolvent. On 19 May 1999, the bank was closed. That single statutory action had instantly crippled the hopes and aspirations of many farmers' cooperatives. Over a long period of time, the general consensus has been that the cooperatives were dead and buried. Yet reading the demographics seems to suggest something different. Over the last 20 years, the number of cooperatives has increased.

Conversations with Dennis Ashaba of Uganda Central Cooperative Financial Services Ltd (UCCFS), Dorothy Baziwe of Shelter and Settlement Alternatives (SSA), Kiyingi Edward of Uganda Housing Cooperative Union (UHOCU) and several other stakeholders in the cooperative movement in Uganda have been quite illuminating on the resilience of cooperatives. However, they have evolved into a new form.

UCCFS was formed to act as a central financial authority for cooperatives after the collapse of Uganda Cooperative Bank. The aim was to provide meaningful loans, competitive interest rates and secure savings accounts to all its members.

With over 25 years of experience in cooperative societies, Ashaba, in his conversation with , starts off by offering us an insight into the status of the modern cooperative.

Are Cooperatives really still alive?

It is a misconception that cooperatives are dead and dormant. They are actually up and running. However, the modus operandi of the traditional cooperatives is different from the

operation of the most recent model of cooperatives. When the traditional cooperatives got challenges, they were a result of financial mismanagement and governance issues. But the most recent cooperatives are in the form of SACCOs. Some SACCOs are community-based, operating especially upcountry, while some are non-community-based. The community-based SACCOs have, in fact, displaced the commercial banks in some areas. People don't normally clearly differentiate SACCOs from cooperatives. Yet, SACCOs are one form of cooperatives. They are, though, only financial cooperatives which mainly came into existence after the 1999 closure of the Cooperative Bank, courtesy of the Uganda Cooperative Alliance.

So how are you striking a balanced working relationship with the different cooperatives?

We are promoting an integrated approach within cooperatives by, for example, creating a link between the financial cooperatives and non-financial cooperatives. The producer cooperatives will, for example, not

improve without the financial cooperatives. The process of value addition needs finances. It is often through SACCOs that this demand can be fulfilled.

What is the strength of the new cooperative unions? What guarantees their sustainability?

We cannot fully grasp the reasons for the collapse of the Cooperative Bank, given that we didn't receive a liquidation report from the government. We are mitigating the unforeseen challenges by building internal reserves. Internal capital through shareholding by members enables the SACCOs to survive in case of any discontinuation of subscription by any given member. The new SACCOs cannot be entirely affected by, for example, withdrawal of external funding.

What are you doing differently from the Cooperative Bank?

Digital financing is our target presently. It is an attempt to modernise the operations of SACCOs. We have a programme where we are supporting SACCOs to put up the infrastructure required to promote mobile banking. We are giving the SACCOs computers, solar systems, internet connectivity and printers as part of the logistical kit to facilitate mobile banking. Eighty cooperatives in Uganda are now using the M-SACCO technology.

We are also promoting insurance services – with life insurance and general insurance policies. Each loan, too, from SACCOs, should be insured so that no one incurs losses in case of unprecedented failure to pay back.

We are also, however, targeting rural producer organisations

**THE STANDARD
BYLAW
GOVERNING
COOPERATIVES
IS THAT A THIRD
OF THE LEADERS
SHOULD BE
WOMEN**



(RPOs), area cooperative enterprises and some cooperatives in northern and eastern Uganda.

How are you incorporating the participation of women into all these programmes?

We are developing and implementing products and programmes that are specifically suited to the women and youths. Sheema Girls School can attest to the success of these initiatives, through their savings club. We are also working with several schools in eastern and central Uganda. Parents are also being engaged to participate and they are appreciative. Women are also being organised into saving groups, such as Niginas and Obubox.

But why then do we continue to see more success stories from men than from the women?

The problem comes from our past history that for long denied women

education. Illiteracy levels are more pronounced among the women than the men. Financial illiteracy among the women is thus more prominent than among men.

Akampurira Doreen, the Manager of Kanungu Teacher's SACCO, she offered me a different but related insight: Many female teachers don't have individual rights to property. This affects their ability to process loans from us because, even though we would like to help, the property is always registered in the name of the man, and if not, in the names of both partners. This, then, requires the man to be present if we are to take a land title as a mortgage.

But how are UCCFS' structures themselves being utilised to cater for gender equality?

The standard bylaw governing cooperatives is that a third of the

leaders should be women. We are using this model within our structures to lobby for more like-minded organisations to implement this gender guideline. Within our structures, women in management have also been beneficiaries of exchange visits to other countries like Canada and within Africa where they learn from other cooperatives. In addition, apart from capacity-building, we are starting financial literacy programmes, which will enable the sensitised women to start up profit-making activities for themselves.

We are providing on-site and off-site technical support to cooperatives. They send us their monthly returns and we analyse the reports and give them feedback on areas where they are doing well and those they need to improve in. Several times we do field visits

and train leaders and management, and engage the members themselves so as to enable them to acquire the necessary information.

How do you think you can be supported to promote this gender equality initiative?

We are working on several gender-policy prototypes to be used by our different cooperatives. We want to ensure that every policy in any cooperative has a gender element embedded in it. Perhaps ACFODE will help to do this.

Later, I have a conversation with Uganda Housing Cooperative's Edward Kiyingi, who holds out the same hopes:

A lot needs to come from organisations like ACFODE to create the link between gender and housing. For cooperatives to appreciate the gender concerns, all those advocating for gender equality need to get deeper into the communities. In Housing Cooperatives, women are able to own property and defeat all cultural prejudices that deny them the right to own property. Coming together of women in cooperatives has also strengthened the fight against gender inequality.

More insights from Mr Ashaba Dennis:

What is the UCCFS's relationship with the commercial banks?

We enjoy a very healthy working relationship with the commercial banks. When we started, we never wanted to create parallel financial structures. Even when we are giving money to cooperatives, we channel the money through the banks. Our loans are also paid through the banks. Not only do we have accounts with the commercial banks, but we also run link accounts with them.

Well, it is hoped, that soon the government will revive the Cooperative Bank.

How is the government supporting you in this drive?

The government, through ministers and area MPs, has been very supportive. We have been pushing of legislation for cooperatives and we now have the Microfinance Institutions and Money Lenders Act 2016. We have seen the introduction of the Microfinance Regulatory Authority and all this is aimed at creating discipline within the cooperatives. The Ministry of Trade, Industry and Cooperatives has been very influential and supportive. The SACCOs' financial discipline is being enforced by the government.

Recently, the government gave cooperatives a tax exemption. How is this being used to support the women?

The ten-year tax exemption was not given freely. We lobbied for it. The government first bowed to the pressure we had exerted by offering tax exemption to only agriculture-related businesses. But we kept on pressuring government till we secured the ten-year exemption. We shall continue to lobby for a permanent tax exemption on cooperatives and this will benefit all members.

“ WE ARE WORKING ON SEVERAL GENDER-POLICY PROTOTYPES TO BE USED BY OUR DIFFERENT COOPERATIVES. WE WANT TO ENSURE THAT EVERY POLICY IN ANY COOPERATIVE HAS A GENDER ELEMENT EMBEDDED IN IT.”
DENNIS ASHABA, UGANDA CENTRAL COOPERATIVE FINANCIAL SERVICES LTD (UCCFS).

THE ROLE OF COOPERATIVES IN PROMOTING SOCIO-ECONOMIC EMPOWERMENT OF WOMEN: EVIDENCE FROM MULTIPURPOSE COOPERATIVE SOCIETIES IN UGANDA

Brian Mutebi

Semuliki Cooperative Union Limited

Semuliki Cooperative Union Limited started in 2010 as Bundibugyo Cocoa Association. It was a smallholder cocoa producer organisation operating in Bundibugyo district. It was established to respond to the challenges faced by the small-scale cocoa producers in the district. The union now has 80 collective market centres in 14 sub-counties, with a total of 1,837 members – 962 men and 875 women. The union's core business portfolios include facilitating collective marketing of members' cocoa; training of member farmers; resource mobilization through shares, commissions and subscriptions; research, lobbying and advocacy support; provision of agricultural information; value addition, innovative linkages to other service providers such as buyers, input dealers and financial institutions, such as banks; and encouraging a saving culture among members.

The union is also empowering women through a number of activities, including the Women in Business (WIB) scheme, where women are advanced loans at an interest rate of 1% to boost their production, ensuring that members have equal rights such as freedom of speech, rights to property and

access to goods and services, and promoting women in leadership through training in cooperative governance. SEMCU also conducts radio talk shows on gender equality.

Mt Rwenzori Coffee Farmers' Cooperative Union

Mt Rwenzori Coffee Farmers' Cooperative Union was established in 2014. The union was started with 25 farmers, among whom were four women, who mobilized the existing small primary coffee farmers' groups. Today, however, 40% of the members are women.

A five-year project supported by WE Effect and a \$250,000 grant from the United States Agricultural Development Fund (USADF) is helping the union purchase equipment and set up facilities such as the store for the post-harvest storage of coffee.

The union ensures that women have access to land so they can plant their own coffee. Farmers and the general community are also trained. Communities are sensitised to women's rights to land, including inheriting land. Increasingly women are inheriting land from their parents.



HOUSING DEVELOPMENT AND WOMEN'S RIGHT TO LAND AND PROPERTY:

A REVIEW OF SHELTER COOPERATIVES IN UGANDA

Mwine Kyarimpa

Shelter remains one of the most challenging basic needs in Uganda. Walking down the streets, or rather alleyways, of Katanga and Bwaise in Kampala or Katete and Kajogo in Mbarara, one is hit by the horror of poor housing facilities. The intensity of the horror is amplified by the living conditions of the slum dwellers who inhabit them. Biblical saying in Proverbs 14:1 that every wise woman builds her home is rendered irrelevant here. Just like some forces challenge the gravitational pull, the housing situation in these areas defeats any individual effort to build any decent homes. Over and above the seediness, most of these homes are also characterised by absentee fathers and sickly children. In spite of such challenges, with combined efforts, and member-based initiatives, some cooperatives have sought to grapple with the poor housing demographics in Uganda.

The formation of the Uganda Housing Cooperative Union (UHOC) has its roots in related history – a united attempt to provide adequate housing for the low-income earners or the socio-economically disadvantaged communities, the majority of whom are struggling mothers. The epitome of these are the hundreds with babies

fastened to their backs who stroll around the countryside in search of a place they can call home. Formation of UHOC in 2013 was a bold move to confront the housing challenge in Uganda, by the coming together of 10 housing cooperatives with the hope of improving the depressingly poor housing standards. With a number of female-based cooperatives, the union has been able to defuse the chauvinistic mentality that it is men who should construct houses. Though the demographics of the female-based cooperatives still signify a union of stigmatised women – the widowed, the HIV-positive and victims of gender-based violence in homes, UHOC is empowering more women to get engaged. Tapping into the religious movements that have recently organized most of the women has been even more constructive. The youths, too, though unemployed, have since got interested in the housing initiative. The fight has been extended to negotiating for property rights for different groups of women and enabled the women to assert themselves, take up the mantle and spearhead the construction of desirable homes. Women are not only saving and financially contributing to the construction of houses through buying shares, but they also now sit on the construction committees of several

housing cooperatives where house-dreaming and designing are done.

Shelter and Settlements Alternatives (SSA), one of the cooperatives under UHOC, attests strongly to woman's engagement in housing cooperatives. Not only has the dream for adequate housing become a reality, but from this have accrued the dividends of decent, affordable and sustainable human settlements. One can't fail but get inspired by the amazing Wakiso-Bujukko housing demonstration set up by women and the urban poor. SSA has joined the campaign to deconstruct the stereotypical narratives that relegate women's rights to land and property and foreground the role of women in determining the kind of settlements they wish to reside in. However, being careful enough not to assert another hegemonic social trajectory, cooperatives have taken a gendered approach to building a new Uganda through engaging men in these empowering initiatives. For many families, the house designs have been a handiwork of both husbands and wives.

This development relieving the distress that grips those young males wishing to join the institution

of marriage who fail for fear of having to carry the burden of building the house? Both women and men should determine how a home should look. Moreover, though the onus for a definite home most times rests on the man, a decent home is always a woman's mantle.

Dorothy Baziwe and UHOC's Edward Kiyingi revealed more about housing cooperatives.

In putting the formation of the Uganda Housing Cooperative in context, Kiyingi said that since housing is a fundamental basic need, they sought to enable members with low incomes to access adequate housing in Uganda.

WOMEN ARE NOT ONLY SAVING AND FINANCIALLY CONTRIBUTING TO THE CONSTRUCTION OF HOUSES THROUGH BUYING SHARES, BUT THEY ALSO NOW SIT ON THE CONSTRUCTION COMMITTEES OF SEVERAL HOUSING COOPERATIVES WHERE HOUSE DREAMING AND DESIGNING ARE DONE.

When I asked Dorothy Baziwe what the inspiration for SSA was, she said that SSA started as an NGO working in communities in an effort to improve their living conditions. Since poor solid management and crowding in informal settlements, such as slums, were rampant, SSA was an approach to enable the grass-roots person to change their housing situation and access decent and affordable housing.

Members were drawn from the northern, central and eastern regions. The

initiative is member-based and therefore relies on members that are normally given technical support whenever the need arises. SSA also has an advocacy arm whose mandate is to advocate and lobby to the central government as well as regional and international bodies for the right to adequate housing.

SSA is a sort of conduit. Relying on the findings it comes up with in communities, it lobbies and advocates certain rights. Membership of SSA is open to people who are interested in a cooperative approach to housing. They pay a membership fee and an annual subscription.

SSA has influenced a number of policies, such as the National Land Policy. Before the formation of UHOC there was a gap in sensitising communities to the functionality of the housing cooperative model. However, the groups that SSA recommended have become successful housing cooperatives. SSA has also worked with women and the urban poor on their rights to property and land.

Kiyingi agreed with the above testimony and added that UHOC has a lot of land scattered within the cooperatives, many of which are, in fact, through with their housing prototypes. They have also come up with a rural model and, with the involvement of SSA, UHOC has an already established a housing demonstration.

Ms Baziwe added that they had been working with a group from Kisenyi





that was under threat of eviction. The cooperative was registered in 2014. Housing units were conceptualised and designed with the involvement of the members. Each housing unit comprises two bedrooms, a toilet, a sitting and a kitchen area and cost US\$ 26 million. To occupy a house, one has to pay a commitment fee of one million shillings. The monthly payment for each household is US\$ 75,000/=. Since it is a cooperative, families only hold the right to occupy after payment of the US\$ 26 million.

Ms Baziwe asserted that since the agricultural cooperatives – the most numerous – have been dominated by men, this trend has crept into the housing cooperatives. However, women have been empowered to understand their rights and to carefully select which people to partner with. Nevertheless, women still feel intimidated; they still find it difficult to respond when challenged in such cooperative meetings and they shy away from taking up leadership positions.

Regarding recruitment of staff, Ms

Baziwe revealed that SSA's staff are drawn from university students who are training in areas such as architecture, engineering and sociology. SSA tries to ensure gender balance in recruitment. In UHOC, on the other hand, according to Kiyingi, it is the number of shares one holds that determines one's eligibility, irrespective of gender. However, everyone is given an equal opportunity to attend training organised by UHOC. On her part, Ms Baziwe said that navigating the political currents related to housing has not been easy but SSA has chosen not to be side-tracked. Kiyingi's experience has, however, been different. He said that since cooperatives are autonomous, UHOC works with each of them independently. This is because their dreams are always different.

Ms Baziwe observed that the future is very bright. Men are starting to want to talk openly with their women over several socio-economic issues in greater and greater numbers. Furthermore, more people, including women, are beginning to take up the initiatives to reconstruct society themselves. SSA has a gender

policy, for both an internal and external purposes which guides how SSA functions and interacts and engages with its constituencies.

In connection with the organizational structures, Mr Kiyingi remarked that there is need to streamline them more. This is because the top structures are affected by the lower ones. UHOC emphasises the inclusion of women on their committees, so that they, too, can have the opportunity to rise to the top.

Ms Baziwe also revealed that SSA has cooperatives that are female-based and others with both male and female members. These are found in both urban and rural areas.

Kiyingi asserted that government support is unreliable because of the politicised divide that characterises housing. However, cooperatives cannot sit and lament but have to continue to push for decent housing. They have, in fact, come up with different types of interventions to achieve this.



WAYS IN WHICH WOMEN CAN LEAD AND SUCCEED IN COOPERATIVES

Tobbias Jolly Owiny

The question of gender diversity is encouragingly on course in the cooperative movement and agricultural industry in Uganda. This is largely because women continue to provide a large proportion of the labour in the agriculture sector.

Yet, much as cooperatives in the agriculture sector potentially empower women economically to enhance their incomes as well as boost their

collective bargaining power, women represent only one (1) in five (5) positions of the leadership in the cooperative movement. This is based on a 2015 report by the Ministry of Trade, Industry and Cooperatives.

Unexploited potential

The Ministry stated that the potential of the cooperative enterprises in fostering development is yet to be harnessed owing to internal problems related

to governance and leadership, poor capitalisation, inadequate knowledge, and management.

More female farmers are marginalised with respect to participating in and benefiting from cooperative groups compared to men. Women represent only 35% of cooperative membership and even fewer are found in management positions, although there is a growing interest by government and stakeholders in supporting women in cooperatives dealing in agriculture and cooperative union development.

Cooperative societies provide an institutional framework through which basic human needs can be met besides their significant contribution to poverty eradication and employment, thus ensuring environmental sustainability and mainstreaming gender.

The empowerment of women in leadership in cooperatives is crucial for the realisation of the benefits that accrue from cooperatives. The inclusion of women is, thus, key to creating well-targeted policies that will help farmers and the cooperatives increase not only their relevance but also their productivity for greater benefits.

In Uganda, women form the backbone of most cooperative societies because they provide most of the agricultural labour. At Bugisu Cooperative Union, the biggest cooperative that deals in coffee in the country, women are taking up leadership roles. For example, women have taken up positions at the union and affiliated societies to work as accountants, administrators, as well as section

and zonal heads. Nandala Mafabi, the Union's Chairperson, said that since the union's policies were revised eight years ago to realise gender parity, the number of women has almost doubled from 23% to 43% and women shareholding has increased from 10% in 2010 to 20% in 2018.

Women make up 35% of staffing at Bugisu Cooperative Union, which has 278 societies with an average of 600,000 members. Of the four zones that the union has, 50% of the 80 delegates representing the zones at the union's council are women.

Promoting women's leadership

"Women are more development-oriented, and at Bugisu Cooperative Union, we have encouraged many of them into leadership. Today some organisations demand to buy from us, specifically coffee from women farmers, as a way of directly boosting them," Nandala said.

Ms Anja Defejijter, a Dutch agronomist and director of House of Seeds Uganda, says that for sustainable agricultural development through cooperatives to be translated into food and nutrition security, active engagement of women in the policy-making processes is required so that "their varying needs and priorities are appropriately targeted."

She emphasizes the need to recognise the role of women in cooperatives and get them to move beyond production for subsistence to leadership and higher-value market-oriented production.

The activities of women in cooperatives should be reviewed to examine women's involvement and participation in order to indicate the extent to which women are integrated into or bypassed by government interventions, she said.

Women should be treated as resourceful persons and equal partners with men in development. Policies that regulate the sector should provide women members in cooperatives with the opportunity to participate in decision-making. Women's participation will directly ensure women's voice besides challenging the status quo.

At the same time, interventions and policies that are already in place should be enforced to address constraints to women's participation in cooperatives. The constraints are socio-cultural, economic and political restrictions.

Government and financial institutions should guarantee women's access to and control over resources such as credit, education, training, production inputs and marketing. There is need for tangible support and commitment by the state and cooperatives to support organisations to integrate engendered, policies, regulations, practices and services.

Renewed approaches

To catalyse the creation of a definitive fact base on women's advancement in leadership roles within cooperatives, there is need for a collaborative initiative that examines the gender gap in cooperatives and looks at what can be done to close it.

According to the Ministry of Trade, and Cooperatives, deliberate gender-sensitive policies have been developed in all types of cooperatives. For example, there has to be a woman and a youth on the governing committees.

These new policies adopted by cooperatives are enabling women to access products and services, and also to improve on their businesses and entrepreneurial skills and knowledge.

Recently in a statement, Ms Amelia Kyambadde, the Trade, Industry and Cooperatives Minister, observed that cooperatives are an ideal instrument in a new approach to poverty reduction through the participation and inclusion of women. "Through women inclusion into the local development initiatives, cooperative members learn from one another, innovate together and, by increasing control over livelihoods, build up the sense of dignity, self-esteem and freedom from servitude," she said.

Kyambadde acknowledged that the challenges of globalisation require strong local communities, strong local leadership and strong local solutions, and cooperatives have key organisational frameworks for building new business models to combat social exclusion and poverty. The government emphasizes a rights-based approach to the development of the cooperative movement in Uganda, including gender equity.

**WOMEN SHOULD
BE TREATED AS
RESOURCEFUL
PERSONS AND
EQUAL PARTNERS
WITH MEN IN
COOPERATIVES.**

2 DECADES LATER, FARMERS' HOPES FOR THE REVIVAL OF THE COOPERATIVE BANK ARE STILL ALIVE

Arise Contributor



Irony is when both the bride and the groom rely on each other to procure the wedding ring and, on the morning of the wedding, they wake up to the shock of their lifetime – neither actually acquired the ring. Such is the surprise that recently waylaid Ugandans that had been hopeful for the government revival of the Cooperative Bank. The Finance Minister, Matia Kasaija, told them that the government, too, had actually been waiting for the people's

own initiative to revive the bank. He said, "I am waiting for you to put in place whatever is necessary to revive the bank." This must have sent a worrying signal to all those who have been looking forward to a time when the media shall be awash with the news of the Cooperative Bank's resurrection. Promises of the bank's revival had been popularised by the state through some of its ministers. However, Kasaija's remark dashed the hope that had been instilled in

scores of Ugandans by Ms Amelia Kyambadde, the Minister of Trade, Industry and Cooperatives, in 2016. Recently, the minister had also decried Bank of Uganda's delay in releasing audit and liquidation reports about the closure of Uganda Cooperative Bank.

The setting of the sun, sometime in May 1999, coincided with the closure of the 35-year-old

Cooperative Bank. The bank that had come to be mainly associated with farmers came tumbling down under a Bank of Uganda decree. Both administrative and financial mishaps were at the centre of the closure. The move, however, curtailed the growing socio-political and economic autonomy that farmers had started to amass. The fair agricultural loans that had been easy to acquire became as hard to access as it was for a donkey to pass through the eye of a needle. The interest and repayment terms set by commercial banks became a thorn in the flesh of the cooperative union members, in view of their meagre resources. Since then, farmers and the other cooperative movement advocates have sought to rely on the government for both financial and technical support. The government, in a bid to provide support, has, however, often responded with firefighting approaches that only postpone a problem by reducing its urgency. Some programmes aimed at agricultural or commodity financing, for example, are unsustainable and unguaranteed.

Unfortunately, it seems, for the Uganda Cooperative Bank to be revived, the state has to first compensate claimants who lost their finances with the bank's closure. The compensation has to, however, rely on Bank of Uganda's report. Is the report ever going to come out? Is the government willing to compensate all claimants? The popular narrative that emerged in the aftermath of the closure was that the bank had become insolvent. The farmers who were the main stakeholders in the cooperatives, however, dispute this narrative. They claim that the state feared the threat which their financial independence was beginning to cause on the socio-political trajectory of

the country. If the latter assertion has any grain of truth, then the hope is there for the revival of the Uganda Cooperative Bank is just but a mirage.

Nonetheless, if the government has been waiting for the interested citizens to spearhead the revival of the Cooperative Bank, then the bank should have been operational like yesterday. The multiple cooperatives strewn across the country define the most recent developments in the different sectors of the society. With over 25,000 existing cooperatives, the revival of the Uganda Cooperative Bank would not only raise the living standards of the members but also improve the state of different sectors, such as housing, farming and trade.

The process of reinstating the Cooperative Bank seems underway but what is the best option to undertake? Should it be a reinforcement of the existing structures such as the Uganda Cooperative Alliance (UCA) and Uganda Central Cooperative Financial Services Limited (UCCFS) or should the reinstatement be an entire process of setting up new structures and operational modules? Whatever idea the government and the people agree on, a section of Ugandans will surely be the happiest – the Ugandan farmer. Embedded in the revival of the Cooperative Bank are dreams of extensive modernised agriculture, value addition and sustainable export trade. The revival of the bank would also be the dawn of a new era for the thousands of struggling cooperatives, many of which are financial.

UNFORTUNATELY, IT SEEMS, FOR THE UGANDA COOPERATIVE BANK TO BE REVIVED, THE STATE HAS TO FIRST COMPENSATE CLAIMANTS WHO LOST THEIR FINANCES WITH THE BANK'S CLOSURE. THE COMPENSATION HAS TO, HOWEVER, RELY ON BANK OF UGANDA'S SUPPORT.

MUST READS ON

COOPERATIVES, WOMEN'S RIGHTS & GENDER EQUALITY

ADVANCING GENDER EQUALITY: THE CO-OPERATIVE WAY

Author: International Labour Organization

The adoption of the Beijing Declaration and Platform for Action at the Fourth World Conference on Women in 1995 laid the foundation for action towards gender equality in all aspects of economic, social, cultural and political life. Twenty years later, the International Labour Organization (ILO) and the International Co-operative Alliance (Alliance) have come together to assess how one particular sector—the co-operative movement—is impacting (and is impacted by) progress towards women's empowerment and gender equality.

Great strides have been made towards gender equality over the last two decades. Nevertheless, deep gender disparities persist across the globe, surfacing in labour markets, as well as other realms. Compared to men, women continue to earn less, are more likely to partake in unpaid labour, and are more apt to be excluded from decent work and opportunities for advancement. As gender equity is increasingly seen as a pillar for sustainable economic development and broad social well-being, alternative

models to development which incorporate women's equality in work are needed. Rooted in values of self-help, equality, and equity, as well as economic growth through cooperation and democratic processes, co-operative enterprises are well-positioned to answer this call.

The Blueprint for a Co-operative Decade, adopted by the General Assembly of Alliance in 2012, set forth key ambitions for the co-operative movement. According to the Blueprint, one critical area for co-operative development is creating economic opportunities for marginalized populations—especially women. Another key area is to, “elevate participation within membership and governance to a new level”, which entails expanding membership to include more women and further engaging women members in cooperative democratic processes. Despite a push for gender equity in co-operative policy and practice, little evidence has documented whether and in what ways co-operatives affect women's empowerment and gender equity. The present report aims to address

this knowledge gap.

Drawing on surveys and interviews with experts and practitioners from the co-operative, labour and women's movements, this report sets forth a preliminary review of the interface between the co-operative movement, women's empowerment and gender equality. The findings suggest that various manifestations of gender equity have been achieved across the co-operative movement, and that the co-operative model is particularly adept at addressing women's empowerment and gender equality concerns. However, the findings also identify various obstacles to women's empowerment and gaps in gender equality that persist within the co-operative movement. In responding to these obstacles and gaps, the report sets forth recommendations for policy and practice. It also indicates areas that warrant further research.

MUST READS ON

COOPERATIVES, WOMEN'S RIGHTS & GENDER EQUALITY

THE MATRIARCHS OF ENGLAND'S COOPERATIVE MOVEMENT

Author: Barbara J. Blaszak

Current thinking considers the Women's Cooperative Guild within the English Cooperative Movement to have been an independent and democratically run organization whose leaders built sisterhood across class lines and achieved many benefits for married working-class women. This study of the dynamics of gender within the movement between 1883 and 1921 arrives at different conclusions. Blaszak examines what freedoms of speech and activity women were permitted within the movement, as well as what resources they were given to accomplish their tasks. Ultimately, the parameters set by the men would determine the type of female leadership that emerged and whether it was able to realize its feminist and utopian agendas.

Setting the organization's activities within the context of gender relations in the Cooperative Movement, Blaszak finds that the Guild was much more dependent and much less democratically directed than has usually been supposed. Restrictions established by male cooperators and enhanced

by the realities of working-class life turned the Guild into a clique dominated by a few. Even the Guild's most revered leader, Margaret Llewelyn Davies, found it impossible to escape the gendered socio-economic circumstances in which she labored at her ministry to improve the lives of working-class women. Consequently, her leadership inadvertently assisted male cooperators in their attempts to limit possibilities for women.

As Blaszak recounts the story of the Women's Cooperative Guild, she does so more broadly in the context of the gendered politics of the cooperative movement as a whole. She argues convincingly that men established the boundaries in which women operated, that they feared the feminization of cooperation, and that, consequently, much of the previous work on the Guild has tended to overestimate the achievements of female cooperation. The book makes an important contribution to our understanding of the gendered politics of cooperation in modern society.

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.





A photograph of a person in a red shirt standing next to a brick wall under construction. The person is partially visible, standing on a dirt ground. The wall is made of red bricks and is in the process of being built. The background shows more of the wall and some wooden scaffolding.

ON THE SIMPLE DIFFERENCE BETWEEN COOPERATIVES AND SACCOS

Arise Contributor

“Eh! Mama Tendo has really fought a good battle. Tendo is now at Makerere.” This is an instance of the conversations you eavesdrop on walking down the village paths, before you realise that actually Tendo is not at Makerere but at some other university. Makerere, which is the oldest and most popular public university in the country, has thus come to symbolize institutions of higher education and overshadowed all the other universities in the minds of many Ugandans. In a similar manner, SACCOs have come to symbolise all cooperatives. You will hear someone belonging to a certain housing cooperative telling stories of how his SACCO has built him or her a state-of-the-art residence; or a local belonging to a village funeral cooperative (burial society) talking of how her SACCO greatly aided in the burial arrangements for a deceased family member. Whereas the mix-up is understandable, a clarification is paramount. Just as Makerere is also a university, SACCOs are also a form of cooperative. If you did some basic mathematics, you remember sets and subsets. We can thus call SACCOs a subset of cooperatives. To further explain the difference, cooperatives are general and SACCOs are specific.

In simple terms, the coming together of people with similar socio-economic interests to set up a joint self-help

venture is what constructs a cooperative. But the decision to save and loan to one another is what defines the cooperative as a SACCO – a Savings and Credit Cooperative. SACCOs fall under the financial cooperatives that include, among others, cooperative (village) banks and cooperative insurance societies. All these provide financial services to members. Different paths can, however, be taken in setting up cooperatives, depending on members’ interests and circumstances. Against this background, the cooperative derives its signature name as one-solution-to-numerous-problems.

When a group chooses to sell all their agricultural produce (such as coffee, tea and sugarcane) through a joint initiative, they will have decided to belong to a marketing cooperative. These help to market farmers’ produce and also enable them to get better prices. The first such cooperative in Uganda was the subversive Buganda Growers Association formed in 1920 to counter the miserable prices offered by the colonial regime and the Asian entrepreneurs. It inspired many that were suppressed by the regime, though they continued to operate underground. Interestingly, there are also consumer cooperatives that



THE COOPERATIVE IS, THUS, AN OPEN-ENDED CONCEPT, WHILE THE SACCO IS CLOSE-ENDED, LIMITED TO HOLDING SAVINGS AND PROVIDING CREDIT TO MEMBERS.

aim at protecting consumers from unfair prices and lobbying for better services. When members choose to attain better housing, health care and other social amenities, they will have accepted to belong to a service cooperative. Common among these are the housing cooperatives and the funeral cooperatives (Muno Mukabi, Sikyomu, Tweziky), which are more widespread in rural areas. Recently, workers' cooperatives formed by people working at the same organisation(s) are becoming more popular. I remember my secondary school teachers teaming up to buy for each other a DSTV set. I want to surely believe this initiative was a form of workers' cooperative.

The cooperative is, thus, an open-ended concept, while the SACCO is close-ended, limited to holding savings and providing credit to members. SACCOs do not build houses for members; housing cooperatives do. SACCOs do not bury people; Tweziky and Sikyomu do. These are not their mandates. Undeniably, SACCOs are the more pronounced forms of cooperatives in Uganda. Even the workers' cooperatives are now taking on the SACCO approach. In

Kanungu town is located a cooperative under the identity of Kanungu Teacher's SACCO. It admits only teachers (both working and retired) as members. It offers loans to teachers at a lower interest rate than other SACCOs and commercial banks.

Something notable about the current cooperative society, however, is that most members of such SACCOs also subscribe to many other self-help cooperative initiatives. Sometimes it is difficult to establish at what point a member is participating in an activity as a member of the SACCO or the other cooperative society. The activities often get intertwined, but this is healthy. Imagine a member of a farmers' cooperative has lost all his produce or proceeds in a highway robbery, wouldn't it be kind of a SACCO to which he belongs to prioritise his loan request as the insurance cooperative processes a compensation? It also pays members dividends earned from the interest on loans, and encourages members to actively buy shares on a continued basis.

GOVERNMENT'S MOVE TO REVIVE COOPERATIVES: A GLIMPSE OF HOPE OR THE SAME OLD POLITICAL GAMES?

Owen Wagabaza

With the formation of the first farmers' association in Uganda in 1913, the co-operative movement in Uganda awoke to counter the exploitation of local farmers by European and Asian companies that monopolised the domestic and export markets for cotton and coffee. Being major cash cows, the crops later formed the backbone of co-operatives, attracting the interest of colonial and post-independence governments.

At the time, though, the colonial regime considered the emergence of co-operatives as premature and subversive. It, thus, denied them legal backing to access credit and other services from lending institutions.

For example, a bill introduced in Parliament in the late 1930s met strong resistance from powerful private interests and was withdrawn, forcing co-operatives to operate underground till the enactment of the 1946 Co-operative Societies Ordinance.

Growth of cooperatives

According to Moses Opobo, a lecturer in rural development at Makerere University, the co-operative movement expanded immensely and

by 1961, Uganda had 21 registered co-operative unions, including the Uganda Co-operative Alliance and 1,662 primary co-operative societies, with a membership of 252,378.

By 1960, cooperatives handled 89,308 tonnes of produce, a rise from 14,300 tonnes in 1951, with a turnover of over £9 million annually. Co-operative unions handled over 61% of the cotton in the country, 40% of the Robusta coffee and 90% of the arabica coffee. "By 1971, there were over 2,500 primary co-operative societies, with over 750,000 members and 36 unions owning 53 cotton ginneries and 31 coffee factories. The co-operative movement had assets valued at US\$ 500 million," Opobo says.

The collapse of cooperatives

Nana Afranaa Kwapong and Patrick Lubega Korugyendo, in their project paper entitled "Revival of Agricultural Cooperatives in Uganda", explain that the death of cooperatives started in 1971, when Idi Amin assumed the country's presidency through a coup, overthrowing Milton Obote. He declared 'the economic war', expelling Asians from Uganda in 1972.

"The departure of other expatriates that followed, coupled with the

fleeing into exile of capable leaders and managers, worsened the situation. Increasingly, pressures of economic and political self-interests, to which those in charge succumbed, invaded co-operatives, leading to mismanagement, corruption and embezzlement," reads part of the research paper.

According to Kwapong and Lubega, this marked the beginning of the collapse of the economy, as prices of controlled crops like cotton and coffee were very low, with farmers abandoning them in favour of maize, beans and groundnuts. Cotton production fell from 466,775 bales in 1970 to 32,160 bales in 1980.

"Due to smuggling and mushrooming of many coffee factories, the co-operative market share dropped from the near 100% to about 37% by the time Amin was deposed in 1979," the research paper says.

The last straw

Liberalisation of the economy in the early 1990s became the last straw that broke cooperatives' back. Economic liberalisation



and privatisation saw the closing of the Ministry of Cooperatives, the divesting of the Cooperative Bank and the privatisation of agricultural produce marketing.

The loss of their assets, including social assets, and the overnight loss of their historical monopoly over marketing and exportation, without a transition period to the new competitive environment, disabled them. It became nearly impossible for co-operatives to seize opportunities that the liberalisation policies potentially offered, losing to skilled multinationals and shrewd private business people.

Reviving cooperatives

According to Ms Amelia Kyambadde, the minister of Trade, Industries and Cooperatives, the government is prioritising the revival of cooperatives. "We are well aware of the role of co-operatives in socioeconomic development such as the creation of jobs, improvement of member income, enhancement of agricultural production and productivity and the promotion of value addition and social stability and, as such, the government is prioritising the revitalisation and development of co-operatives," says Kyambadde.

According to Kyambadde, currently more than 16,408 co-operative societies are registered in the country, with the majority of these being savings and credit cooperative societies and agricultural marketing cooperatives. Other cooperatives are in the energy, health and transport sectors, while over 105 cooperatives are market-based cooperatives.

Is the move sustainable?

Learning from the past successes and failures of cooperatives in Uganda and the experiences of



other cooperatives in Africa, the government has pursued a number of strategies to promote the development and ensure the sustainability of the cooperative sector. Among these is the continued creation of an enabling environment for cooperatives to thrive by strengthening the policy and legal environment.

According to Ms Khadija Nakakande, the Public Relations Officer, Ministry of Trade, Industries and Cooperatives, the government passed the first comprehensive National Cooperative Policy in 2011 and this has since informed its interventions in the

sector. "This policy seeks to strengthen the cooperative movement, create a conducive regulatory regime and promote compliance, ensure quality assurance standards and enhance competitiveness, and expand the scope of cooperative enterprises," Nakakande says.

In order to further improve the regulatory environment, cabinet passed the Cooperative Societies Act (Amendment Bill 2015). The amendments aim at strengthening the regulation and improving the management and operation of cooperatives in the country.

The Uganda Cooperative Alliance, the umbrella organisation for all cooperatives in Uganda, has also come up with a number of strategies. These include supporting cooperatives as independent business units; building autonomous democratic institutions; providing technical education to improve the productivity and profitability of member farmers and training members in best practices in the operations of agricultural cooperatives; and promoting clear policy guidelines for the operations of the cooperatives.

Mr Jovenal Kule, General Manager, Mt Rwenzori Coffee Farmers' Cooperative Union, is not yet excited about the government's move to revive cooperatives. "I hope it works," he remarks. "It is not clear as yet because while the government is encouraging people to join cooperatives, there is very limited practical support to that effect. Yes, cooperatives should make profits to help them run their business but it is important to note that cooperatives are more benefit-maximising to members than profit-maximising so cooperatives need to be supported to realise this cardinal

objective. It is hard, for example, to compete with one whose major drive is to maximise profits. You can't compete favourably when subjected to the same tax, for example."

Kule advises that government programmes such as Operation Wealth Creation should be channeled through cooperatives to support farmers better, something that will enhance the relevance of cooperatives to farmers.

Stephen Ssembogga, a development economist and lecturer in economics at Makerere University Business School, however, argues that the government's initiative to revive cooperatives is a good idea but more needs to be done to ensure effective competitiveness of cooperatives, for example by reviving the Cooperative Bank, which will offer credit to cooperatives at lower interest rates.

"The government has been talking about reviving the cooperative bank but nothing has come to fruition. Cooperatives need loans at low interest rates and the entry of a bank that gives low interest loans, especially to farmers, will be a game changer. It will force commercial banks to lower interest rates and also fund non-traditional sectors like agriculture," Ssembogga says.

Ssembogga advises cooperatives that, to compete favourably in the liberalised market, they should promote good governance by prioritising members' interests and deliberately linking production, processing and marketing.



'Leadership is based on inspiration, not domination, on COOPERATION not intimidation,' William Arthur Wood





Breaking Through, Building Up and Binding

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