

COOPERATIVES FOR AFRICAN DEVELOPMENT: LESSONS FROM EXPERIENCE

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INTRODUCTION

The recognition of cooperatives as crucial means for poverty alleviation and, therefore, African development has been widely acknowledged. It is for this reason that cooperatives have been promoted in virtually all African countries since the colonial period. This has witnessed a significant growth of the cooperative movement. Recent statistics show that out of 100 Africans, including children and the elderly, at least seven people are members of a cooperative and the total number of cooperatives in most countries has continued to grow (Develtere, Pollet and Wanyama, 2008). Despite the growth of the cooperative movement, the problems of African development have persisted. The question that arises is how can cooperatives improve their contribution to African development? The purpose of this contribution is to assess the challenges to working with cooperatives in Africa as a starting point to strengthening the cooperative movement to effectively contribute to development on the continent. It is important that this assessment begins with a brief history of cooperative development on the continent in order to put the discussion in its proper context.

A HISTORICAL OVERVIEW OF COOPERATIVE DEVELOPMENT IN AFRICA

The promotion of these organizations to champion development has seen the history of cooperative development in independent Africa generally phased into two eras: the first era running from the immediate post-colonial period in the 1960's to the mid 1990s and the second era occurring during the global economic reforms from the mid 1990's to the present, which has been characterized liberalization of the economy (Wanyama, Develtere and Pollet, 2009). Whereas the first era was characterized by stringent government control over cooperative development through enactment of policies, legislation and programmes that promoted cooperatives as vehicles for accelerating national economic development, the second era has been the sphere of freeing cooperatives from the state to enjoy autonomy and operate like business ventures responding to market demands.

State-controlled Cooperative Development

After independence, cooperative policies and legal frameworks gave African governments powers to direct and manage the affairs of cooperatives. In most cases, the role of promotion, control and guidance of the movement was vested in special cooperative development departments or ministries that gave these organizations monopolistic positions in the economy (Develtere, 2008). For instance, in agricultural marketing, cooperatives were made the sole agents of State Marketing Boards responsible for processing and marketing export crops like coffee, cotton and pyrethrum. These organizations were mandated by the Boards to buy the produce from the farmers and process it for export. Though cooperatives received little from the Boards for their services, such a monopolistic position ensured their survival; for it became the responsibility of the farmers to join the cooperatives if they were to sell their produce. Moreover, state-sponsored agricultural credit schemes were also administered through these cooperatives, which provided another incentive for farmers to join cooperatives. Subsequently, the state quickly brought cooperatives under its control, not just to promote economic development, but also to create jobs for political supporters and use them for other political ends (Muenkner and Shah 1993: 16). Cooperatives were subsequently engulfed into state politics, thereby losing their voluntary character that is in tandem with the principle of democratic member control.

State control over cooperatives was enhanced by the preference of international donors to support the cooperative movement through the government. Donors like the Nordic cooperative movements, as well as the American and Canadian credit union movements funded African cooperatives through the governments of respective countries, thereby enhancing the resource influence of the state over the cooperative movement. Thus, whereas cooperatives served donor organizations as instruments for channeling grants to recipients, they also served governments by acting as collecting agents for agricultural produce on behalf of state marketing boards, as well as providing distribution channels for agricultural inputs (Braverman et al, 1991).

By the close of the 1980s, it was apparent that the movement had lost its voluntary and bottom-up character that would have strengthened people's solidarity and put the members in charge of their organizations. In their monopolistic position, cooperatives ceased to reach out to the members, as it was up to the members to join the organizations. In return, members' morale to participate in the management of cooperatives declined, with some considering cooperatives not to be their organizations, but part of the government. Similarly, their financial base had been severely eroded. As government agents, cooperatives were subjected to price controls for agricultural produce, which could not enable them to realize sufficient returns or profits from their operations. Their share capital or membership fee payments were minimal or completely nonexistent. This led to undercapitalization of the cooperatives, with a severe dependence on external funding. The politics of state patronage had also contributed to increased cases of corruption; mismanagement; inefficiency; and embezzlement of funds.

Liberalization and Cooperative Development

The focus of the second era of cooperative development was liberalization, which sought to free the cooperative movement from such state control in order to remain in tandem with the neo-liberal wave that swept across Africa. The liberalization of the economy that resulted from the said wave necessitated several changes in cooperative development in Africa.

Firstly, the state had to withdraw its traditional supportive role to cooperatives in order to remain in tandem with the spirit of liberalization. In many countries support services like audit, supervision and management training were the first to be withdrawn by the state. However, there was no contingency plan to replace these support services with an alternative institution that could perform the functions. It was assumed that the free market would automatically respond to demand for these services by cooperatives. These measures were followed by reducing the size of the government cooperative development departments, which previously provided the withdrawn services (ICA, 1996). The expectation was that cooperatives would henceforth organize themselves for the provision of these services or seek the same from the market.

Secondly, in many countries, the state restructured the legal framework of cooperatives to give the movement complete autonomy, in order to allow them to fit in with the emerging competitive market economy. This could only be done through legal reforms that promoted the development of cooperatives in tandem with the International Cooperative Alliance (ICA) co-operative principles of voluntary and open membership; democratic member control; member-economic participation; autonomy and independence; education, training and information; co-operation among co-operatives; and concern for community. It was envisaged that this would make the management of cooperatives democratic and professional, and thereby transform them from dependent organizations to self-controlled and self-reliant business associations capable of competing with other private enterprises in the market.

Thirdly, the liberalization of the market attracted new actors in economic sectors that cooperatives had previously enjoyed monopoly status. The market now comprised of many sellers and buyers, who were guided, not by ownership, but by efficiency, competitive pricing and transparency. For instance, in the agricultural sector, the marketing transaction process radically changed. Previously, the ownership of the produce rested with the state marketing board, which then temporarily delegated the same to cooperatives during the processing and marketing of the produce. Thus, cooperatives could claim ownership of the produce until the point of export when ownership reverted back to the marketing board. But in the liberalized market system, the ownership of produce became rather disjointed. An individual farmer owned it up to the point he/she sold it to the next owner, who could be a private buyer or a cooperative society (ICA, 1996: 10). Cooperatives had, therefore, to compete with other players to buy and sell agricultural produce if they were to remain in business.

This new transaction process had far reaching implications for the cooperatives. For instance, since membership in agricultural cooperatives was previously motivated by the desire to get access to the only marketing channel for sale of produce, the availability of several market channels in the new era could significantly reduce cooperative membership as some members could opt to sell their produce to alternative buyers. Similarly, cooperative societies previously found it necessary to join cooperative unions in order to find a channel for primary processing and marketing of members' produce. With private buyers playing this role, societies could easily find no reason to belong to a cooperative union, especially a mismanaged and malfunctioning one. The ultimate end of such possibilities could go either way for cooperatives: failure to survive the competition or successful business organizations.

The immediate impact of liberalization on the cooperative movement was the collapse of many cooperatives, partly due to the inability to manage the new-found independence from the state. With the end of strict state supervision, cooperatives were left without a regulatory mechanism to play the role that the government had previously played. The newly acquired freedom was dangerously abused by elected leaders to the detriment of many cooperative societies. Cases of corruption; gross mismanagement by officials; theft of cooperative resources; split of viable cooperatives into small uneconomic units; failure to surrender members' deposits to cooperatives (particularly in SACCOs) by employers; failure to hold elections in cooperatives; favouritism in hiring and dismissal of staff; refusal by management committee members to vacate office after being duly voted out by members; conflict of interest among cooperative officials; endless litigations; unauthorized cooperative investments; and illegal payments to the management committees were increasingly reported in many cooperatives across the continent. Such problems were more demoralizing than building the solidarity of the members to operate their enterprises. Furthermore, the lack of financial resources to provide services to their members meant that some members would naturally seek similar services from other providers that had now been permitted to trade. Consequently, many cooperatives, especially in those countries where the state did not take urgent corrective measures, closed down.

The immediate collapse of cooperatives and increased malfunctioning of others triggered a corrective response from both the state and the cooperative movement itself. In most countries, state response tended to be reactionary in nature and it consisted of either reintroducing strict control or revision of cooperative legislation to streamline the regulatory framework for the cooperative movement. Kenya perhaps provides the best example with regard to streamlining the regulatory framework. In response to the cooperative leaders' abuse of office that resulted from the end of strict state supervision, the Government amended the 1997 Cooperative Societies (Amendment) Act in 2004. The main content of the 2004 Cooperative Societies (Amendment) Act was to re-enforce state regulation of the cooperative movement through the office of the Commissioner for Cooperative Development. The legislation stipulated the role of the government as creating policy and legal framework for the development of cooperatives;

improving the growth and development of cooperatives by providing the requisite services for their organization, registration, operation, advancement and dissolution; and developing partnership in the cooperative sector through consultation with co-operators on policies, legislation and regulation (Wanyama, 2009).

Whereas the state was responding to the collapse of cooperatives in this manner, the cooperatives themselves responded by reasserting their solidarity to find lasting solutions to the crisis. Many of them seized the opportunity offered by liberalization to reinvent their business wheel. For the first time, cooperatives got the freedom to reexamine their organizational structure, with a view to meeting their own needs and interests, rather than the interest of the state. The individualistic tendencies of neo-liberalism and their adverse consequences especially for the poor also led people to regroup and regenerate solidarity to help each other survive the market forces. This new-found solidarity led to the replacement of the ineffective and inefficient cooperative unions and federations or the creation of new cooperative unions and federations altogether, resulting into the structural reorganization of the cooperative movement.

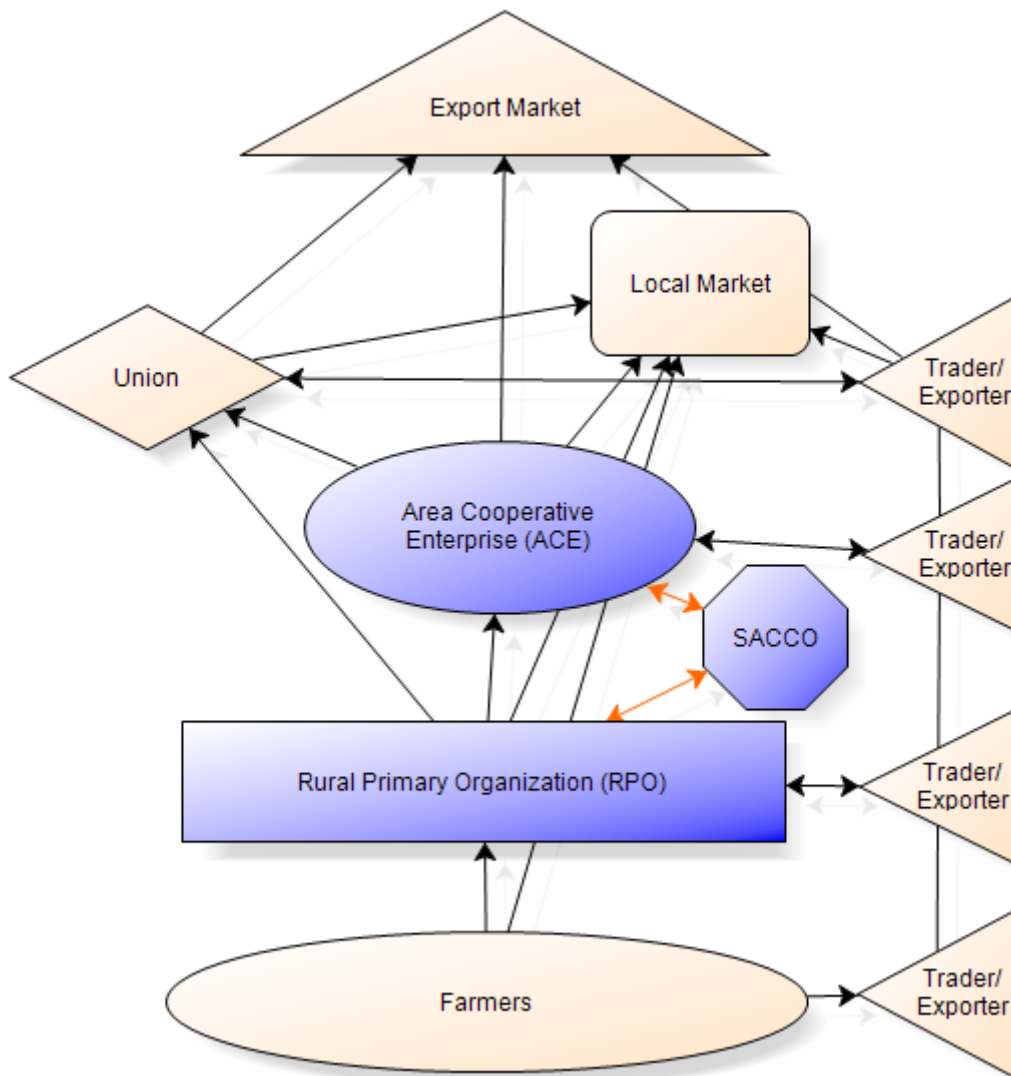
For instance, in Kenya, the Kenya National Federation of Cooperatives (KNFC), the apex cooperative organization had failed over the years to make the presence of the cooperative movement visible. Though KNFC was formed in 1964 to promote cooperative development by serving as the spokesman of the movement on all matters of policy and legislation, poor management over the years had seen it deviate from its core business into other activities like auditing, education and training as well as research and consultancy that were already being performed by some of its members. The liberalization of the cooperative movement worsened matters for the falling giant as corruption and ethnicity became the main driving forces in the election of the board of directors and appointment of chief executives. With a high turnover of staff partly due to these vices, many cooperatives disengaged from KNFC. By 2005, its membership had shrunk from over 8,000 to just over 600 and the institution had become bankrupt that it could not pay its workers (Wanyama, 2009: 9-10). Between 2005 and 2010, the new spirit of solidarity in the cooperative movement generated a major drive to revive KNFC. Several consultative meetings among national cooperative organizations, cooperative unions and some cooperative societies were held to deliberate on how to revive the apex organization. When it became apparent that the debts of KNFC were overwhelming and they were dragging back cooperative development, the movement opted to liquidate KNFC and form a new apex cooperative federation called the Cooperative Alliance of Kenya (CAK) in 2010. Thus, in Kenya, a malfunctioning and ineffective federation was abandoned and in its place, a new more efficient one formed to drive on the revival of the cooperative movement; thanks to the new spirit of solidarity in the face of neo-liberalism.

Nevertheless, the most radical transformation of the cooperative structure is exemplified by Uganda's agricultural marketing cooperatives. Before the liberalization of the cooperative movement in the 1990s, agricultural cooperatives in Uganda were organized in a vertical and

hierarchical structure, with farmers at the lowest level selling their produce to the primary societies and then the primary societies selling it to the unions. The unions sold the produce to the marketing boards, which had the responsibility to find export markets for it. Following the adverse impact of liberalization on cooperative unions, grassroots community-based organizations, parish farmers associations and other smaller farmer groups regenerated their solidarity and organized themselves into cooperative societies at the village or parish level christened Rural Primary Organizations (RPOs). RPOs collected produce from individual members and bulked it for collective marketing.

In order for PROs to marshal bargaining power in the pricing of produce, a number of RPOs in a sub-county merged to form an Area Cooperative Enterprise (ACE) that served as smaller cooperative unions for the RPOs. The role of ACE was to look for better markets for members' produce and bargains for higher prices and it had the option of marketing produce to any of the many buyers on the market, including individual traders, cooperative unions and international organizations, provided that it obtained competitive prices for farmers' produce. An additional component of this restructured marketing arrangement was the linkage between RPOs, ACEs and Savings and Credit Cooperatives (SACCOs), which provided credit facilities to improve productivity. In this new structure, the RPOs, consisting of individual producers, supply produce to the ACE; which looks for markets for the produce. The SACCOs provide financial assistance to the farmers, who are registered members of the SACCO, and to the ACE. Members can access loans from the SACCO using the produce that they supply to the ACE as security. Payments after sales of produce are made to the individual SACCO accounts of farmers. This system works like a micro-warehouse receipt system. Figure 1 below represents the resultant new agricultural marketing cooperative structure in Uganda.

Figure 1: The New Agricultural Marketing Cooperative Structure in Uganda



Source: Kwapong and Korugyendo, 2010: 2.

Besides this structural reorganization of the cooperative movement, liberalization has also triggered the diversification of cooperative ventures to enable them survive market forces and offer competitive services to the members. The loss of monopoly status, coupled with the business-oriented demands of the market, is increasingly seeing cooperatives redesign their activities competitively. For instance, though the agricultural sector remains dominant in the cooperative ventures of most countries, agricultural activities that are no longer profitable (such as cotton and pyrethrum in Kenya) are increasingly being abandoned by smallholder farmers in

favour of those that are viable within a competitive market (such as dairy and savings and credit). Cooperatives that previously monopolized the marketing of the current unprofitable crops are responding to such actions by embracing provision of alternative services that farmers may still require in their new ventures. This partly explains why agricultural cooperatives are increasingly adding savings and credit activities to their portfolios, as is the case in Uganda, Ghana, Egypt and Kenya.

This move towards the diversification of ventures partly explains why the continent is witnessing substantial growth of cooperatives in the financial sector. In many countries (Kenya, Nigeria, Niger, Rwanda, Cape Verde) saving and credit cooperatives (SACCOs) are becoming the largest cooperative sector, while in some countries they are financially the strongest. For example, in Kenya, SACCOs currently stand out as the most vibrant rather than the agricultural marketing cooperatives that were dominant up to the end of the 1980s. The declining performance of agricultural cooperatives has seen the income of crop farmers dwindle over the years, a situation that has triggered some of the cooperators to come up with innovative cooperative ventures in this sector. For instance, about 20 dairy cooperatives in Kenya have set up their own milk cooling and/or processing plants to add value to farmers' produce and earn higher income rather than just marketing raw fresh milk (Wanyama, 2009: 21-22). Furthermore, cooperatives are also increasingly venturing into other "non-traditional" sectors including housing, consumer, cottage industry and distilleries.

It is also significant to note that cooperatives are increasingly looking beyond their national borders to find markets for their products, which was not possible in the era of state controlled cooperative development. In this regard, cooperatives are embracing fair-trade practices to market their products at competitive prices as exemplified by Kuapa Kokoo Limited in Ghana and Heiveld cooperative society, a small organic rooibos tea marketing cooperative, in South Africa. Other cooperatives are using the organic produce label to find niches on the international market for their produce. Some cooperatives, like Oromia Coffee Farmers' Cooperative Union in Ethiopia, have obtained both Fair-trade and Organic Certifications to enable them penetrate the international market with ease. As a result, Oromia is now exporting Organic certified coffee, Fair-trade certified coffee, Double (organic and fair-trade) certified coffee and conventional coffee at higher returns (Oromia Coffee Farmers' Cooperative Union, 2011). To this end, cooperative ventures in Africa are increasingly becoming market-driven and responsive to changing circumstances that are beyond national boundaries.

On the whole, the list of examples of successful cooperatives in the neo-liberal era in Africa can be long, just as the list of unsuccessful ones may as well be. What is certainly emerging from the field is that the liberalization of the economy and cooperatives is steadily offering many cooperatives the opportunity to reinvent their solidarity and rally business ideals among their members. The available data suggests that such opportunities are increasingly being utilized by cooperatives to tap economies of scale to improve the productivity of their members. Such

cooperatives are operating as demand-driven and market-oriented business organizations. The result is the increasing improved performance of such cooperatives as evidenced by higher turnover of the cooperatives; improved income to the participating members; and improved provision of socio-economic services to the members and sometimes the wider community.

LESSONS OF EXPERIENCE

The history of cooperative development in Africa presents lessons on the opportunities and challenges to harnessing the cooperative advantage for African development. We now attempt to highlight some of them, incorporating both the challenges to cooperative development on the continent and avenues for utilizing the cooperative model to spearhead African development.

State Regulation of Cooperatives

The foregoing historical overview has shown that state-controlled cooperative development resulted into negative consequences for the cooperative movement. Cooperative policy and legislation that gave the state power to strictly supervise these organizations led to state interference in the governance and management of these institutions, with the result that cooperatives ended up being politicized; corruption and mismanagement became prevalent; cooperatives' monopolistic position in the economy never helped them to realized adequate returns on their businesses, thereby weakening their financial base; cooperatives were unable to provide services to members; and members lost morale to participate in the governance of their organizations, with some of them regarding them to be extensions of the government. The implication is that state control over the cooperative movement is not conducive for cooperative development in Africa.

Conversely, when the cooperative movement was liberalized, resulting into the downscaling of governmental cooperative departments, the abolition of marketing and supply monopolies for cooperatives, the withdrawal of subsidies and in more general terms, the divorce between cooperatives and the State, many cooperatives collapsed. Unscrupulous individuals took over the leadership of cooperatives with the intension of serving their personal interests rather than those of the other members and the community. This contrasting turn of events has led some observers to argue that there is need for state regulation of the cooperative movement, but how much regulation is appropriate for cooperative development in Africa?

While we ponder about the form of state regulation and the ultimate nature of the relationship between the state and cooperatives, it should be recalled that liberalization also triggered the rejuvenation of the cooperative movement by regenerating the solidarity of people from the grassroots to form and participate in some of the most successful cooperative organizations on the continent. This has led some observers to argue that it is the pseudo-cooperatives that collapsed when the state withdrew its support to the cooperative movement, leaving the genuine cooperatives to thrive in a freer environment. Indeed, the little evidence that is available suggests

that the withdrawal of the state from direct interference in the affairs of cooperatives has been a boon for cooperative development on the continent.

Perhaps the lesson that we can pick from this scenario is that overt government control over the cooperative movement is counter-productive, but there is still need for some governmental regulation of cooperatives to ensure that unscrupulous leaders do not exploit other members. Such regulation should also guarantee a conducive environment for cooperatives to transact their businesses. The challenge is to strike a balance between the freedom for cooperatives to organize and state power to effectively regulate the cooperative movement. In this regard, the legal framework should emphasize facilitation of the freedom to organize and do business rather than supervision and control of cooperatives.

Donor Support to Cooperatives

The available evidence suggests that during the era of state control over cooperative development, donor support though the state seemed to reinforce state control to the detriment of cooperatives. Whereas cooperatives served donor organizations as instruments for channeling grants to recipients, they served governments as mechanisms for realizing national development and exercising political control. Clearly, the interests of cooperatives were missing from the purpose of donor support. In the circumstances, donor support to cooperatives was easily turned into patronage resources for aligning cooperatives to the state.

Whereas this may suggest that donor support, if not properly channeled, is antithetical to cooperative development in Africa, the evidence from successful cooperatives shows that they received some form of donor support either in the form of professional advice or finance. For instance, the success of Kuapa Kokoo, Heiveld and Oromia cooperatives was partly a result of their partnership with Fair-trade. However, it should be noted that in most cases, it is the recipients who requested the form of support that they required from the partners or donors.

This suggests that the success of cooperatives in Africa requires support or partnership with donors, but such support should be channeled directly to the cooperatives and it should be based on the interests and needs of recipient cooperatives. This is because each cooperative operates in a specific environment and under peculiar circumstances, which necessitates equally unique support services that are in tandem with the business needs of the cooperative.

Effective Membership Participation

The story of the origin of modern cooperatives in Africa shows that these organizations were founded without people's solidarity. This is because the initial cooperatives were meant to serve the interests of the colonial state rather than the African people. The independent governments took over the promotion of cooperatives after independence, once again without regard to ordinary members' interests. The result was that cooperatives were regarded to be extensions of

the government rather than membership organizations. The inefficiencies that visited cooperatives following the politicization of cooperatives saw “members” withdraw their effective participation.

However, the economic hardships that resulted from liberalization of the economy saw people fall back on their solidarity to rejoin or form new cooperatives to solve their socio-economic problems. The result was the emergence of vibrant cooperatives with effective membership participation that provided the much-needed oversight in the management of cooperatives. The success behind such cooperatives is partly due to effective membership participation.

The lesson from this changing form of membership participation is that effective membership in cooperatives is a function of their alignment with people’s interests and provision of services that are required by members. Also, effective participation is a major determinant of the success of cooperatives. Consequently, the success of cooperatives in Africa will depend on whether they are founded on the people’s interests and provide relevant services to the people’s needs to attract active and effective membership participation.

The Political Culture

By their very nature, cooperatives are voluntary and open membership organizations that are governed on the principle of democratic member control. Cooperatives also emphasize member participation in their activities. The implication is that cooperatives are inclined more towards democratic political environments than authoritarian political cultures.

Unfortunately, authoritarianism has been the norm in Africa from the colonial period up to the early 1990s. In independent Africa, where there were no military regimes, there existed one-party political systems that thrived on political patronage. It is instructive that during this period of authoritarian politics that ran from the 1960s to the early 1990s, cooperative development was negatively affected. The fortunes of cooperatives only started to improve from the mid-1990s following the liberalization of politics and the economy. Though the political environment may not be described as fully democratic, it is relatively freer than ever before. Citizens in many countries now enjoy the freedom to organize and express themselves, which could be giving them the impetus to regenerate their solidarity to organize themselves into cooperatives to serve their interests. Perhaps this explains the resurgence of more vibrant and successful cooperatives from the late 1990s.

We are, therefore, tempted to link the nature of the political culture to cooperative development in Africa. Whereas an authoritarian political culture has tended to undermine cooperative development, a more liberal political culture has rejuvenated the development of cooperatives that are instrumental in addressing the development needs of the people. The lesson we pick from here is that democracy may contribute positively to cooperative development and the

challenge for Africa, therefore, is to nurture the democratization reforms that are going on in many countries.

The Social Culture

As envisaged in their principles and statement of identity, cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, mutuality and caring for others. These values are not new to the African culture.

Traditional systems of cooperation, mutuality, reciprocity and solidarity exist in all African societies and have remained to the present, especially in rural areas and in the informal economy. Typical examples include the rotating savings and credit associations (also known as “tontines” or “esusu” in West Africa) that include an element of mutual social assistance in addition to the savings and credit aspect; burial societies, which can be considered as a form of micro-insurance; and mutual work-sharing schemes for large, labour-intensive ventures such as house construction, land clearing or crop harvesting. These ancient traditions have adapted to modern times and have been used to form mutual self-help groups that are often locally rooted, confined to a village or a neighbourhood. The groups and associations are usually (though not always) small in membership, and such membership is based on a common bond derived from ethnic origin, social class, professional background, or a combination of those. Social capital and social control are of paramount importance since these groups may handle large amounts of cash without any collateral or security. The groups are often temporary or periodic in nature and emerge when need arises; moreover, they seldom build secondary bodies such as unions and federations (Schettmann, 2012).

These traditional African self-help groups share many of the values and principles of modern cooperatives. The implication is that there already exists a social base that is conducive to the development of cooperatives in Africa. The challenge is to nurture this social culture in the wake of the neo-liberal wave that has individualistic tendencies.

CONCLUSION

This discussion has attempted to find ways of improving the contribution of cooperatives to African development by assessing the challenges to working with cooperatives in Africa as a means to charting the way forward for cooperative development on the continent. A review of the history of cooperative development in Africa has shown that some of the key challenges to cooperative development have been excessive state control over cooperative development; the sudden withdrawal of state regulation of cooperatives without an alternative regulatory mechanism; the lack of effective membership participation in cooperatives; the sucking of cooperatives into the authoritarian political culture that thrived on political patronage; and the

poor financial base of cooperatives, in spite of the state-directed donor support to cooperatives; inability of cooperatives to provide services to members.

Noting that the social environment in Africa is supportive of cooperative development, the way forward is to find solutions to the existing challenges to cooperative development. Considering that overt government control over the cooperative movement is counter-productive, the way out is to strike a balance between the freedom for cooperatives to organize and state power to effectively regulate the cooperative movement. In this regard, the legal framework should emphasize facilitation of the freedom to organize and do business rather than supervision and control of cooperatives. With regard to donor support, it is suggested that assistance be channeled directly to the cooperatives and it should be based on the interests and needs of recipient cooperatives. This is because each cooperative operates in a specific environment and under peculiar circumstances, which necessitates equally unique support services that are in tandem with the business needs of the cooperative.

Membership participation is also a significant determinant of successful cooperatives, yet effective membership in cooperatives is a function of their alignment with people's interests and provision of services that are required by members. Consequently, the success of cooperatives in Africa will depend on whether they are founded on the people's interests and provide relevant services to the people's needs to attract active and effective membership participation. To ensure this, cooperative development should naturally evolve from the grassroots rather than directing it from above. This will particularly be possible with the transformation of the political culture on the continent to embrace democratic politics. To this end, democratic reforms that are going on in many countries ought to be nurtured to facilitate a better political environment for cooperative development.

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