

## Promising Practices: How cooperatives work for working women in Africa

In Africa, cooperatives<sup>1</sup> can and do work for working women.

Regardless of the sector they belong to or the types of cooperative they represent – whether marketing, financial, workers', or housing, for instance - cooperatives are powerful vehicles of social inclusion and political and economic empowerment of their members.

Due to the values, including equality and equity, solidarity, social responsibility, and caring for others, upon which they are based and principles that they embody - voluntary and open membership, democratic member control, member economic participation, member education, and concern for the community - their very mandate places cooperatives in a unique position to ensure and promote gender equality.



Passion fruit growers and members of Koyumluk Cooperative Society in Keiyo district (Kenya) tending to their fruits (PHOTO: KUSCCO)

Furthermore, as group-based enterprises, they bring to their members the benefits of joining forces with others. Apart from being able to access economies of scale as providers of services or products or as consumers, participating in a cooperative as a member, elected leader or manager also brings with it enhanced status and voice.

This leaflet explains how cooperatives can work for working women<sup>2</sup> in Africa by focusing on examples of areas where the cooperative advantage is being harnessed for the benefit of women and by highlighting promising practices from ILO-supported initiatives. It also looks at the role of cooperatives in mitigating the impact of the current financial crisis on women workers, as well as at what is being done to further enhance women's participation in the cooperative movement.

<sup>1</sup> A cooperative, as defined by ILO Recommendation No. 193 (2002) is “an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise”. In Africa, it is estimated that some 7% of the population is affiliated with the movement, and that this is on the increase (P.Develtere, I.Pollet and F.Wanyama, *Cooperating out of Poverty*, ILO COOPAfrica, 2008 )

<sup>2</sup> In this leaflet, the term "working women" is referred to in a broad sense, covering women who work as employers, employees, own account or contributing family workers in the cooperative sector or beyond, carrying out work that is either paid or unpaid, or formal or informal in nature. This use of "working women" is not intended as a proposal for a definition, but as a working term for the specific purposes of this leaflet.

### How do cooperatives work for women - voices from the cooperative movement:

“Cooperatives increase women's income through job creation and financing of income generating projects and provide an opportunity for women to be leaders through democratic member control.”  
**Elizabeth Lekoetje**, Department of Cooperatives, Lesotho

“Through cooperatives, millions of women have been able to change their lives - they have found through the cooperative enterprise a route towards self-empowerment and development that works for them.”  
**Stefania Marcone**, International Cooperative Alliance (ICA) Gender Equality Committee

“Cooperatives have contributed to improved livelihood for women and have served as an avenue in which women have exercised their right to participation.” **Ardelline Masinde**, Swedish Cooperative Centre, Kenya

“Cooperatives provide equal opportunities to participate in decision making at all levels, and equal access to and control of the benefits of development.” **Stephen Musinguzi**, Uganda Cooperative Alliance

“In Tanzania, both employed and self-employed women are well represented in SACCOS through which they can access funds for conducting income generating activities and hence support their families.”  
**Agnes Namuhisa**, Tanzania Federation of Cooperatives

### How do cooperatives work for women workers...

#### ... in the agriculture sector?

In Africa, women are known to produce up to 80% of the food. Yet, when it comes to agricultural inputs and services, the share going to women is meagre: they receive only 7% of agricultural extension services, less than 10% of the credit offered to small-scale farmers, and own only 1% of the land.<sup>1</sup> In this context, women are often found concentrated in subsistence agriculture and unpaid farm work, and excluded from more lucrative agricultural opportunities such as cash crop production.



The Nronga Women's Dairy Cooperative, Kilimanjaro (Tanzania)  
(PHOTO: ILO/COOPAFRICA)

The cooperative and self-help model can change this. By enabling women and men farmers, or women only, to come together for purposes of acquiring inputs, production services, and the marketing of their produce, among others, agricultural cooperatives enhance productive capacity and give access to markets to those - such as women small holders - who when operating individually would not be able to benefit from these opportunities due for instance to a low purchasing power, a lack of productive assets, or cultural barriers. While women's presence in agricultural cooperatives in Africa is limited (because of factors such as landownership patterns, the division of roles and

types of jobs in agriculture), women are becoming increasingly cooperatively organized in agriculture, and there is solid evidence that cooperative membership enhances productivity, incomes and the quality of life for both the members as well as the community at wide.

### **Promising Practices:**

#### **ILO Business Development Support to Nronga Women Dairy Cooperative, Tanzania**

Working on empowering local communities to enhance their economic position and address the challenges surrounding them, the ILO-SIDA and Coop<sup>AFRICA\*</sup> project on HIV/AIDS supported the Nronga Women Dairy Cooperative Society to train its members on entrepreneurship development and business management. Using the Start and Improve Your Business (SIYB) training programme, ILO enabled 400 women in Nronga village to change their ways of doing business to a more profit making focus. Discussions with the Cooperative Manager Ms. Ainea Usiri following the intervention have revealed that the volume of milk collected at their cooperative has increased, and women are keeping proper records on milk sold and used for the family consumption. Some of the members have started new businesses and they now have good knowledge of searching for markets and producing goods that respond to the needs of their clients. Women are no longer scared to take risks and start new business ventures.

#### **Women and Youth Employment through Improved Beekeepers' Cooperative-type Organization and Modern Beekeeping project, Tanzania**

The project initiated by Coop<sup>AFRICA</sup> in collaboration with the Small Industries Development Organization (SIDO) and funded by the Arab Gulf Programme for United Nations Development Organizations (AGFUND) aims at creating employment, generating decent incomes and contributing towards poverty reduction for a significant number of beekeeper communities in rural Tanzania, with a particular emphasis on women. Implemented by SIDO in 10 districts in Tanzania the project supports the formation of cooperatives and similar self-help, community-based associations in organizing services pertaining to production and post-harvest processing of honey. The capacity of the cooperatives formed in the communities is strengthened through leadership and management development for efficient services to members, technical training in modern methods of bee-keeping, honey processing, packaging, branding and marketing. Member education programmes underscore participation. The majority of beneficiaries of the project are women, and through special affirmative action programmes the project provides support to women entrepreneurs, thus contributing to gender equality.

### **... in the financial sector?**

Women's lack of access to finance, due to factors such as lack of collateral, complicated administrative procedures, unsuitable loan sizes or interest rates, is one of the major factors affecting – and limiting – the investment and productive capacity of women workers as well as their ability to finance other basic and strategic needs. In Kenya, for instance, only 3% of women have access to the formal financial sector, as opposed to approximately 44% of men.<sup>2</sup>

Many communities are responding to these constraints by setting up financial cooperatives composed of women, or developing the services of existing providers to cater specifically to women's needs. In Tanzania, women's Savings and Credit Cooperative (SACCO) membership has risen from 85,944 in 2005 to 271,733 in 2008, accounting for some 36% of total SACCO membership<sup>3</sup>, and in recent months, President Kikwete has encouraged the newly launched Women's Bank to work with SACCOs to ensure rural women are reached across the country<sup>4</sup>; in

Kenya, in particular in the context of the crisis, new loan products are being designed by cooperative financial institutions, from the Cooperative Bank to microfinance providers such as Universal Traders SACCO, providing a variety of loan products targeting women and suitable for large scale enterprises as well as smaller ventures with loan sizes ranging from 5000-500,000 KSH.<sup>5</sup>

Why do financial cooperatives and in particular SACCOs work for women? Among other factors, though SACCOs vary in nature, they tend to be more accessible than standard banks as they are often locality-based, culturally closer to the individual with less intimidating procedures than standard banks, and additionally in many cases have more suitable loan conditions (e.g. small loan sizes), enabling women to access saving and loan services for the benefit of their business, or for educational, health or social development purposes.

### ... in care work and the health sector?

Virtually everywhere, women are over-represented in care work, both paid and unpaid. In many cases, care work is undervalued and - remunerated, and those performing it have low levels

of collective organization, low bargaining power, inadequate working conditions, as well as low access to business inputs that are needed in the care sector like in any other.

### Promising Practices:

#### Uganda Private Midwives Association (UPMA) - Promoting a SACCO among Ugandan Private Midwives for improved service delivery

With Coop<sup>AFRICA</sup> support, the Uganda Private Midwives Association is changing the daily lives of their members and the wider community. The Uganda Private Midwives Association (UPMA) supplements government efforts to address maternal and infant care as well as reproductive health problems by providing a substantial number of essential services. However, Private Midwives (PMW) face many obstacles in financially sustaining their business practices: they lack fundamental business skills, their working capital is meagre and as a result, are unable to raise capital to grow or expand their business, leading to poor quality service provision and poverty. Through a Challenge Fund grant, UPMA is working toward improving the performance, governance and efficiency of PMWs. It is addressing the financial difficulties faced by PMWs at their workplace through the promotion of SACCO schemes and enabling them to raise the capital they need to purchase necessary equipment and hire or recruit additional staff. It is expected that empowering PMWs will support lobbying and advocacy for more favourable policies. At the community level, the improved, affordable and increased availability of a range of maternity and infant care as well as support services in the private midwives workplace will ultimately contribute to improved maternity care and reduce infant mortality.



Uganda private midwives in Kayuga district (Uganda) during the International Day for Midwives 2009 celebrations (PHOTO: UPMA)

At the same time, women have gender-specific health needs, and are major (potential) consumers of health and care services, such as maternal health and maternity protection, HIV/AIDS prevention and mitigation, or child or elderly care services. In many communities, access to quality services in these areas is far below the needs, with dire consequences for development.

In this area too, cooperatives are contributing to a change for the better for working women both as providers and recipients of services. In Africa, where cooperatively-organized care provision has in many cultural contexts been an intrinsic part of the social fabric, it is today gaining visibility, and increasing in the range of services provided and level of formality. The Soweto Home-Based Care Givers Co-operative set up in 2001 which provides nursing care, counseling, hospital transport and food parcel distribution to people living with HIV/AIDS (PLWA) is just one example of these new-generation cooperatives emerging in Africa.<sup>6</sup> Likewise, in other regions of the world examples of women working in the care sector having improved their working conditions and at the same time enhanced access to much-needed services for other working women through the cooperative approach abound, from the Self Employed Women's Association (SEWA) in India (with cooperatively-operated childcare centres and maternity benefits via an insurance cooperative as part of a holistic response to the needs of women)<sup>7</sup> to the numerous health cooperatives in Canada, Brazil, Japan, or Spain and the elderly care cooperatives now emerging in Europe and North America<sup>8</sup>.



A meeting at Wowoya SACCOS (Uganda), which supports former commercial sex workers and PLWA (PHOTO: WOWOYA)

### Promising Practices:

#### **WOWOYA Savings & Credit Cooperative Society Ltd - Empowerment of Persons Living With HIV/AIDS and Commercially Sexually Exploited Young Women through Local Poultry rearing**

Women and girls form the majority of commercial sex workers, and are also disproportionately affected by HIV/AIDS. In Uganda, with support of the Coop<sup>AFRICA</sup> Challenge Fund, Wowoya SACCO is supporting the transition from exploitative commercial sex work to alternative livelihoods and reaching out victims and potential victims of HIV/AIDS with prevention and mitigation services. As chicken production is one of the most lucrative business ventures in Idudi town, where the project is based, WOWOYA has introduced a revolving chicken loan scheme by giving 35 local chickens to each registered beneficiary. After six months they will be expected to repay the SACCO with either 35 birds, handed down to a new group, or in cash, with a 2 per cent interest. The beneficiaries will be trained and provided with start-up feeds, a poultry kit and chicken wire to help protect the birds from diseases and predators. In addition, HIV/AIDS prevention, care and treatment services will be integrated within this poverty alleviation initiative. It is expected that through the project, the status and welfare of 50 PLWAs and 50 Commercially Sexually exploited young people will be raised through alternative sustainable income generating activities and contribute to the reduction of the stigmatization of the PLWAs in the community.

### ...in crisis mitigation ?

While the full impacts of the current financial and economic crises are still to unfold, there is no doubt that both women and men are being severely affected. There is also no doubt that women and men will be affected differently. Previous crises show that women are likely to suffer in particular as a result of cuts in public (and private) spending on social services, leading to loss of paid work, increases in unpaid care work and lower access to services; they also show that 'distress employment' (e.g. commercial sex work or other forms of vulnerable work) is likely to increase as a result of a reduction in decent jobs especially in female-dominated and crisis-affected sectors and that the degradations in financial markets coupled with cutbacks on donor funding are likely to significantly reduce women's access to credit.<sup>9</sup>

Although African financial and agricultural cooperatives have been negatively impacted by the



Women mushroom and hen cooperative in the quarries of Mtongani (Tanzania), established as an alternative to stone breakage (PHOTO: ILO/M.CROZET)

crisis (as can be seen for instance through the slower loan growth in SACCOS across Africa in 2008 than previous years<sup>10</sup>), compared to other forms of enterprise, cooperatives worldwide are showing greater resilience.<sup>11</sup> This resilience can to a large extent be attributed to the nature of the cooperative model itself, namely its democratic governance, the importance of safeguarding core values as well as the fact that decisions are driven by member needs rather than profit, which, in times of crisis, becomes all the more important.

As such, cooperatives have a role to play in alleviating these shocks, and paving the way towards recovery that is socially and economically sound and sustainable. Where access to credit is becoming restricted, cooperatives can continue as providers of financial services. Where public service delivery is jeopardised as a result of crisis-induced cuts in funding and spending, cooperatives can play a bridging role as service providers (e.g. health cooperatives), while at the same time providing employment opportunities to women and men.

It is unsurprising, in this context, that cooperatives have been clearly identified as an innovative strategy to implement the Global Jobs Pact (GJP) in Africa<sup>12</sup>. In a similar vein, the Plan of Action<sup>13</sup> adopted at the Conference on "The Social Economy: Africa's response to the Global Crisis" (Johannesburg, 19-21 October 2009) specifically calls for improving and sustaining access to finance, business services, and social services for the most vulnerable population groups, including women, by promoting their participation in cooperatives, associations, mutual benefit organizations, foundations and other social enterprises.

## Promising Practices:

### Wamunyu FCS Ltd and Masii FCS Ltd Joint Milk Marketing Initiative

The Coop<sup>AFRICA</sup> -funded project in Kenya will support ten small and uneconomic dairy cooperatives and dairy farming focused self-help groups in the Machakos district to federate with a view to strengthening their position in the dairy value chain. Among other activities, the project will conduct value chain mapping, acquire milk processing and transport equipment, and facilitate group formation.

Key effects of the global economic crisis felt by members of the dairy cooperatives in Mwala district are the increase in costs of food, animal feeds and milk marketing. A key area of savings as a result of this project will be on fuel due to a reduction in the number of vehicles for milk collection as only one vehicle will be used to transport milk to the market instead of the current four. The savings will in turn increase the members' payment therefore lessening the effect of the global economic crisis.

Women's membership currently stands at 47% for Masii and 26% for Wamunyu. With improvements in the dairy sub sector, it is expected that more women are likely to join the cooperatives. The project will promote gender-responsive farming technologies such as zero grazing as it does not require a lot of land (to which women have limited access) and will support the opening of gender friendly milk collection points as well as the establishment of village savings and loans associations for women and youth.

## How can cooperatives work better for working women?

While the advantages of the cooperative approach are clear, challenges persist.

In cooperatives in the majority of African countries, women remain under-represented as both employees, members and in particular leaders. For instance, Coop<sup>AFRICA</sup> research<sup>14</sup> reveals that in Ethiopia, only 18% of cooperative members are women and ICA data<sup>15</sup> from Kenya show that women comprise 40% of employees in agricultural cooperatives, only 26% of members, and a mere 9% of management. Achieving active and equal participation of women - being able to influence decision-making and shape the cooperative's agenda as leaders, or being able to access benefits such as services or education as members, for instance - which is not shown by statistics, is an even greater challenge, although the democratic nature of the cooperative does mean women members, like men, can have a stronger voice in the cooperative's matters than in other types of enterprise.

The reasons for the persisting gender inequality are numerous and complex, but include, among others factors, basic structural and socio-cultural issues beyond the control of the cooperative movement – such as inequalities in access to resources, education and training, unequal division of labour and use of time between women and men as well as



Members of WISE Savings & Credit Cooperative, Addis Ababa (Ethiopia)  
(PHOTO: ILO/COOPAFRICA)

stereotyped conceptions on the roles of women and men – as well as legal constraints<sup>3</sup> stemming from cooperative law or, as is more of frequently the case, related legislation (property, land and inheritance rights) or cooperative by-laws.

Recognizing that ensuring gender equality is not just the right thing to do, in terms of respect of rights and following the cooperative principles, but also makes good business sense - as shown by the numerous studies which demonstrate that investing in women has high returns at both the level of the individual enterprise as well as at the macro level in terms of poverty reduction and development - , responses to address these challenges are being formulated within the movement at different levels to ensure that both women and men can contribute to and benefit from cooperative development.

### **Promising Practices:**

#### **Project level -Capacity Building for Women's Cooperative Entrepreneurship in the Kingdom of Swaziland**

The project, funded jointly by AGFUND & DFID-Coop<sup>AFRICA</sup> and implemented by the latter was launched in June 2008. In a country where 66% of the population live below the poverty line partly as a consequence of unemployment (40% of the labour force) and exacerbated by an extremely high prevalence of HIV and AIDS infection (38% of the adult population), and where women are more affected than men by all three problems, cooperatives can address all these dimensions in the fight against poverty by providing opportunity, empowerment and security. The project aims at creating viable and sustainable cooperative organizations capable of creating economic empowerment of women, job opportunities and a reduction of violence against women, especially in rural areas. In pursuit of this aim the project helps to build the capacity of cooperative trainers and field workers, develop systems and tools available in the local languages for cooperatives and women entrepreneurs and provide technical advice to cooperatives and group of entrepreneurs and establish cooperatives for women entrepreneurs.

At the international level, ILO Recommendation No. 193 (2002) on the Promotion of Cooperatives explicitly states that "special consideration should be given to increasing women's participation in the cooperative movement at all levels, particularly at management and leadership levels"<sup>4</sup> and that national policies should "promote gender equality in cooperatives and in their work"<sup>5</sup> ; at the regional level, the International Cooperative Alliance (ICA)- Africa is following up to the body's global gender equality policy through the formulation of a Gender Strategy Framework for Africa adopted by the ICA Africa Regional Assembly in 2008; and at the national level, a number of apex organizations as well as primary and secondary level cooperative organizations are designing and implementing policies to ensure gender-equitable participation in cooperatives.

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<sup>3</sup> Legal barriers to women's cooperative membership are mostly indirect, e.g. rules that only one member per family can be a member, or that members should own land. Nonetheless, in practice they hamper women's ability to join cooperatives. See ILO, *Legal Constraints to Women's Participation in Cooperatives*, ILO Cooperative Branch, Geneva, 2002.

<sup>4</sup> Paragraph 7(3)

<sup>5</sup> Paragraph 8(1c)

## Promising Practices:

### Regional Level - ICA Africa

The formulation of the ICA's **Strategy Framework for Equitable Gender Participation in Cooperatives in Africa** was kick started with the 2007 ICA Africa Co-operative Gender Forum (Maseru, Lesotho) in line with the ICA Gender Equality Committee's approach at the global level. Following finalization, it was adopted by the ICA Regional Assembly in Abuja, Nigeria in 2008. It aims to ensure that gender equity is systematically taken into account in all co-operatives' policies and programmes and to establish the requisite structures, process and timeframes for achieving this. Among other activities, it foresees education and training, lobbying and advocacy, setting up new generation co-ops that are innovative and appealing, developing women and youth's entrepreneurial skills, setting up employment quotas, legislative reforms and the development of data collection and analysis systems.

### National Level – Uganda Cooperative Alliance

In Uganda, the Uganda Cooperative Alliance (UCA) is aiming "to contribute to better livelihoods for both men and women through policies and programs that give due attention to gender issues (...)". In order to achieve this, it has, among other measures:

- Designed a Gender Policy which was approved by the board in 2005
- Provided training and ToT courses on gender equality to staff and designed a Gender Reference Manual
- Encouraged the involvement of both women and men in its activities, including through a requirement that a third of the participants in any training or any other capacity building activity must be women
- Encouraged women leadership among its members, including through the eligibility criterion that a third of the board members of participating primary co-operatives must be women

Eva Majurin, March 2010

\*The **Cooperative Facility for Africa** (COOP<sup>AFRICA</sup>), funded primarily by the UK Department for International Development (DfID), is a regional technical cooperation programme of the International Labour Organization (ILO) contributing to the achievement of the Millennium Development Goals and the promotion of decent work in Africa by promoting self-help initiatives, mutual assistance in communities and cross border exchanges through the cooperative approach.

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