

## Empower rural women - end poverty and hunger: the potential of African cooperatives

*This leaflet provides an overview of how cooperatives can help to bridge gender gaps for positive development and poverty-reduction outcomes, and of possible action points for unleashing the potential of cooperatives based on examples from initiatives in Eastern and Southern Africa.*

### Women, poverty reduction and food security

In Africa, as elsewhere, inequalities persist between women and men in terms of access to and control over social, political and economic resources and opportunities for participation. In employment, women are found more often than men in informal and precarious work, with particularly pronounced imbalances in some sectors. With regard to agriculture, women are estimated to produce up to 80% of the food in Africa. 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 critical importance of closing such gender gaps - which are not only contrary to the full realization of



women's human rights, but also a fundamental obstacle to poverty reduction - is widely recognized. The latest report on the State of Food and Agriculture of the Food and Agriculture Organization of the United Nations (FAO) shows, for instance, that if women had the same access to productive resources as men, they could increase yields on their farms by 20–30%, raising total agricultural output in developing countries by 2.5 to 4%, which could in turn reduce the number of hungry people in the world by 12–17%.<sup>2</sup>

### Economic empowerment, social capital and representation: the 'cooperative advantage'

A cooperative, as defined by ILO Recommendation No. 193 on the Promotion of Cooperatives (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”.

Regardless of the sector they belong to or the types of cooperative they represent – whether agricultural, consumer, financial, social or worker among others - cooperatives are generally considered powerful vehicles of social inclusion and political and economic empowerment of their members.

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

Moreover, as cooperatives are group-based ventures, members benefit by 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, social capital and voice.

In agriculture, 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, 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 (due among others to land ownership patterns, the division of roles and types of jobs in agriculture), women are increasingly choosing to organize cooperatively 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.

#### **Benefits & impact of cooperative membership for women: Results of COOP<sup>AFRICA</sup> agricultural member survey**

In terms of economic impacts brought about by cooperative membership, an ILO-COOP<sup>AFRICA</sup> survey covering women agricultural cooperative members in Kenya, Tanzania and Uganda found the following:

- *New activities:* Out of a sample of 101 cooperative members, 59% had started new productive activities after they joined the cooperative.
- *Productivity:* In a sample of 76 cooperative members, 84% found that their volume of agricultural production had increased, with an average percentage change of 186%.
- *Income:* The income of an 88-respondent sample comprising members from the three countries increased by 186% as compared to pre-cooperative membership income.

As concerns the social benefits, the survey found that economic changes were accompanied by social impacts:

- *Community participation:* A sample of 101 cooperative members showed that 64% of members felt the level of their participation in community affairs had increased.
- *Workload:* In terms of family-level activity patterns, in a sample of 43 married respondents, a 9 percentage point drop was found in the incidence of the wife being primarily responsible for child care following cooperative membership.
- *Decision making:* In the same sample, the number of cases of decisions being made equally between spouses in the area of economic activities increased from 45% to 80%, and in the area of children's education, from 57 to 78%.

*Source: How women fare in East African cooperatives: the case of Kenya, Tanzania and Uganda (ILO COOP<sup>AFRICA</sup>, 2012)*

In terms of rural finance, women's access to formal financial institutions is often lower than men's, and financial cooperatives thus offer a much-needed response to their financial needs. 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. Why do financial cooperatives and in particular SACCOs work for women? Among other reasons, though SACCOs vary in nature, they are by definition controlled by the (women) members who are the owners of the SACCO. They also tend to be more accessible than other financial institutions as they are usually locality-based, have less intimidating procedures than other financial institutions, and often offer more suitable loan conditions, enabling women to access saving and loan services for the benefit of their business, or for educational, health or social development purposes.

#### **Member testimonies on the impacts of cooperative membership**

"People in town need house girls. Before, when we could not afford school fees for all the children, and needed extra money to get by, some girls would be sent to towns to work. Now, since we are able to pay school fees, they go to school instead"

"My husband was unemployed. I took a loan of 2.5 million Shillings, and helped him to buy a motorbike, and he now has a boda-boda business. He gives me money from the profit to be able to pay back the loan. I feel empowered, because I realize that whatever men can do, women can also do. My husband is more respectful towards me, because I was able to help him with his business, rather than me being dependent on him"

"Many members have become involved in local politics and in the management of community affairs. You need income and status to get elected. Because people now know we have both, we can contest for positions – and we get elected, because people know we're cooperative members"

"Before, in public meetings, women would arrive, and though they'd see chairs lined up, they'd choose to sit on the floor, leaving the chairs for the men. It was those on the chairs, and not those on the floor, who would take part in the discussions. With the cooperative, this is changing – women are gradually starting to speak out – even in meetings outside of the cooperative"

*Compiled from Focus Group Discussions and Interviews with members & managers of MACE, MARUSACCO and BUSEDE Cooperatives, Uganda and Nest SACCO and South Imenti Tea Growers SACCO, Kenya.*

As concerns social protection, in addition to financial cooperatives helping members to protect themselves against adversity and enabling them to invest in social needs, the growth of various types of social service cooperatives – such as for instance elderly or childcare cooperatives - is a promising development for women as providers and recipients of these much-needed services. These cooperatives enable them to shift, in what is largely a female-dominated sector, from carrying out vulnerable work to decent jobs, and freeing them of care burdens.

In terms of representation and voice, cooperatives – regardless of their type or sector of work - are uniquely positioned to strengthen participation by virtue of their values and principles. Cooperative membership brings with it not only economic benefits, but also voice. Women are being supported via member education to acquire confidence and skills for meaningful participation and, thanks to the democratic governance principle, are able to influence the cooperative's affairs.

## Women cooperating for better development outcomes: COOP<sup>AFRICA</sup> Challenge Fund experiences

### **Organization for Rural Development (ORUDE) - Enhancing rural savings and credit associations through the sub-country savings and lending cooperative model (SUSALECO), Uganda**

Women in rural Uganda face particular challenges in accessing microfinance to expand their income generating activities and meet their household expenditures. Government-supported SACCOs are dominated by men and traditional microfinance institutions view women as credit risks. With COOPAfrica support, the Organization for Rural Development (ORUDE) helped approximately 500 members to form 20 groups, which in turn established and developed the Sub-County Savings and Lending Cooperatives (SUSALECOs), cooperatives based on a group model that leads to the formation of accumulated savings and credit associations. Apart from technical support to set up the associations and the provision of related training, the project also carried out sensitization sessions within the communities on gender equality. It further introduced a requirement that all key positions (such as chairperson, vice chairperson, treasurer) be held by women, and designated 7 out of 9 SUSALECO management committee places for women.

Today, following the project, 70% of total share capital and 73% of total loan portfolio of the SUSALECOs are owned by women, and the income of women who accessed credit has increased by 50%.

### **Manyakabi Area Cooperative Enterprise (MACE) - Processing and Marketing of Produce (maize and Bean) by primary cooperatives for improved household incomes, Uganda**

Established by women in 2002, Manyakabi Area Cooperative Enterprise (ACE), Mbarara, has a current membership of over 3,657 women and 115 men organized in 28 economic groups. Through a grant from the Cooperative Africa Challenge Fund, Manyakabi ACE implemented a project to enable farmers to acquire skills and adapt modern farming methods, and to enhance the cooperatives' bulking, value addition and marketing operations. Among the activities carried out by the project were: conducting pre-season production and marketing planning meetings, procurement of improved seeds and other farm inputs as well as of processing equipment (e.g. grading and milling machines), construction of additional storage facilities, and training in book-keeping and business plan development at the ACE, group and individual farmer level.

The independent evaluation of the project found that the production of maize of 89% of the farmers had increased by more than 50%, while the incomes of 62% of the farmers had increased by 51-75%. It also found that the acreage of maize and/or beans had increased for 94% of the farmers.

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

Women and girls form the majority of commercial sex workers, and are also disproportionately affected by HIV/AIDS. With support of the Coop<sup>AFRICA</sup> Challenge Fund, Wowoya SACCO supported the transition from exploitative commercial sex work to alternative livelihoods and reached out to victims and potential victims of HIV/AIDS with prevention and mitigation services. As a core part of the project, WOWOYA introduced a revolving chicken loan scheme by giving 35 local chickens to each registered beneficiary, who were to repay the SACCO with either 35 birds, handed down to a new group, or in cash. The beneficiaries were also trained and provided with start-up feeds, a poultry kit and chicken wire to help protect the birds. In addition, HIV/AIDS prevention, care and treatment services were integrated within this poverty alleviation initiative.

Through the project, the membership of the SACCO increased from 500 to 648, and its turnover from USD 3,465 to USD 16,690. According to the independent evaluation of the project, the project also improved the health status of the beneficiaries, created 54 new jobs, and resulted in an increase in the members' income: a rise from USD 14 to USD 18 per month was recorded, giving viable livelihoods options to women at risk of or already engaged in indecent forms of work including exploitative sex work.

Source: COOP<sup>AFRICA</sup> Challenge Fund Project Independent Evaluations

## Unleashing the cooperative potential for women empowerment and poverty reduction

Despite the advantages of the model, in the majority of African countries, women remain under-represented as both employees, members and in particular leaders of cooperatives. For instance, COOP<sup>AFRICA</sup> research<sup>3</sup> reveals that in Ethiopia, only 18% of cooperative members are women and, and in Uganda, a 55-cooperative survey covering Area Cooperative Enterprises (ACEs) showed that women constitute 33% of board members, 13% of chairpersons, and 12% of managers.<sup>4</sup> Achieving active and equal participation of women – for instance, being able to access benefits such as technical services or education as members, or being able to influence decision-making and shape the cooperative’s agenda as leaders – which is not revealed by statistics, is an even greater challenge.

The reasons for the persisting gender inequality are numerous and complex, and include, among others factors, basic structural and socio-cultural issues. These include inequalities in access to resources, education and training, unequal division of labour between women and men as well as stereotyped conceptions on their respective roles – many of which are beyond the control of the cooperative movement and which also affect women’s work in other sectors. Legal constraints<sup>5</sup> stemming from cooperative law or, as is more of frequently the case, related legislation (property, land and inheritance rights) or cooperative by-laws also have a hindering effect on women’s ability to join and actively take part in cooperatives.

The cooperative movement has recognized that ensuring gender equality is not just the right thing to do, in terms of respecting rights and the cooperative principles, but also makes good business sense given 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. Accordingly 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.



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>6</sup> At the regional level, the in line with the International Cooperative Alliance (ICA) global gender equality policy, ICA Africa formulated a Gender Strategy Framework which was adopted by the ICA Africa Regional Assembly in 2008. Likewise, at the national level, a number of apex organizations as well secondary level cooperative organizations are designing and implementing policies to ensure gender-equitable participation in cooperatives, both through measures to achieve a more balanced representation in mixed-sex cooperatives as well as through assistance to women’s cooperative ventures.

### **Example of action by support agencies: Uganda Cooperative Alliance**

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

At the primary cooperative level, examples of cooperatives having taken pro-active measures to enhance women’s participation abound, and should be further nurtured for the benefit of women, for the enhanced performance of the cooperative sector, and for improved development outcomes at the wider community level.

### **Examples of measures taken at the cooperative level**

- Subsidy schemes or gradual payment mechanisms to enable women to join cooperatives despite financial constraints
- In agricultural cooperatives, the introduction of land-hire systems as well as agricultural methods, technologies and related support services that work for women; for instance, transport services or storage or cooling facilities that enable women to deal better with the mobility and time restrictions they often face
- In financial cooperatives, the introduction of financial products that are of particular interest to women (e.g. in-kind loans) and of products that are tailored to the needs of women in terms of size, interest, and repayment modalities, among other factors
- Sensitization of potential women members as well as families on the advantages of women’s cooperative membership
- Training of women in technical, entrepreneurship and managerial skills
- Establishment of gender committees in cooperatives to identify key gender issues in the cooperative and to advocate for and support their inclusion in the cooperative’s planning processes
- Development of gender strategies and action plans, which need to be resourced and monitored in order to be effective
- Introduction of (temporary) quota systems on cooperative boards or of other affirmative action measures within bylaws as a means of increasing women’s participation in cooperative management.

## Cooperatives taking action to enhance women's participation: COOP<sup>AFRICA</sup> Challenge Fund experiences

### **United Peasants of Tanzania (UPT) - Supporting agricultural marketing cooperative societies to improve governance systems and mobilise new members, Tanzania**

Through funding from the ILO COOP<sup>AFRICA</sup> - UN Joint Programme Challenge Fund, United Peasants of Tanzania (UPT) embarked on a project to strengthen an agricultural cooperative, Muungano AMCOS, in Southern Tanzania by improving its governance system and attracting new members, especially poor women. The project focused on training the leadership on cooperative management; awareness raising on gender equality and on the benefits of joining a cooperative; and the subsidization of the fees and shares of interested potential women members. The members, who engage in cashew nut farming and processing, were also trained in good agricultural practices and provided with agricultural inputs, such as spray pumps, to improve their productivity.

According to the independent evaluation of the project, it resulted in a 46% increase in women's membership, bringing women's share in the cooperative from 8% to 24%. A change of mind set among men was also recorded, with men showing a greater willingness to encourage and support women to join cooperatives. In terms of productivity, the cooperative experienced an increase in the collection of crops from 434,300 kgs to 768,872 kgs. The price of cashew nuts also rose from 1,405 TSH per kg to 2,160 THS per kg, with a positive income impact for members.

### **Monze District Farmers Cooperative Society (MDFCS) -Dairy Animal Restocking Programme, Zambia**

Monze District Farmers Cooperative Society (MDFCS) is a primary cooperative society of small-scale dairy farmers. MDFCS and its members have in the past faced many challenges that include the loss of livestock and poor animal husbandry and management skills. Women in Monze have low access to income generating opportunities, and there is a high incidence of commercial sex work. To alleviate poverty and improve food security amongst rural households, MDFCS implemented a COOP<sup>AFRICA</sup>-funded project which comprised livestock restocking; training in livestock disease prevention and the provision of materials for setting up dairy units; as well as capacity building measures for women and a minimum quota of 60% of women beneficiaries.

Among the key results of the project were an increase in the milk production of the cooperative from 887,000 litres to over 1 million litres per year, as well as a 32% increase in membership. Women represented 60% of project beneficiaries, and in the course of the project, women's membership in the cooperative increased from 23 to 43.

### **Kenya Union of Savings and Credit Cooperative Societies (KUSCCO) - Markets and financial services access for rural small-holder fruit producers, Kenya**

In Kenya passion fruit and papaya are key horticultural crops both for export and domestic consumption, and the subsectors involve a relatively high share of women and youth. In response to the major constraints of limited access to markets and financial services faced by growers in Keiyo & Uasin Gishu Districts, under an ILO-COOP<sup>AFRICA</sup> funded project, the Kenya Union of Savings and Credit Cooperative Societies Ltd. (KUSCCO) provided practical support to local cooperatives to address these challenges. KUSCCO worked on the one hand with a local SACCO (MEFAT), enhancing its capacity to have wider outreach, among others through SACCO board training and the development of loan and savings products, with special packages for youth and women, and on the other with Koyumluk and Soin marketing societies to strengthen their capacity to influence markets by implementing a gender-sensitive organizational development programme, by carrying out market research and linking target groups to buyers.

Among the results of the project, which directly supported 814 cooperative members (420 women), were an increase in women's share of membership from 15 to 19% for Koyumluk society and from 45 to 54% for MEFAT SACCO; the consolidation of employment opportunities among 300 farm labourers (180 women); and an increase of 30% in member income among Koyumluk society (from 3000 to 4000 KSH).

Source: COOP<sup>AFRICA</sup> Challenge Fund Project Independent Evaluations



The Cooperative Facility for Africa (COOP<sup>AFRICA</sup>) 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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<sup>1</sup> ILO, *Global Employment Trends for Women 2009*, Geneva, 2009.

<sup>2</sup> FAO, *The State of Food and Agriculture 2010-11*, Rome, 2011.

<sup>3</sup> Bezabih Emama, *Current Status of Cooperatives in Ethiopia*, COOP<sup>AFRICA</sup>, October 2008.

<sup>4</sup> UCA ACE Database, April 2011.

<sup>5</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>6</sup> Paragraph 7(3).