

# Africa Policy Forum: Cooperative Resilience – What the Evidence Suggests

Co-hosted by ICA Africa & OCDC International Cooperative Research Group



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(TCAMCCO)**

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## Resilience of SACCOs in the Hospitality, Aviation, and Horticulture Sectors to COVID-19 Systemic Shock (The Resilience Project)

### Key Objectives:

To explore the potential for savings and credit cooperative organizations (SACCOs) to serve as pillars around which their members and communities can cope with effects of COVID-19 shocks, we investigated how SACCOs in the hospitality, aviation, and horticulture sectors responded. Specifically, we looked at how they remained afloat and supported members and the surrounding vulnerable communities to cope with the pandemic. We recommended potential policy options as well.

### Research Approach:

Our conceptual framework posits that, by instituting appropriate measures (e.g. those targeting economic performance and sustainability; addressing membership services and engagement; and creating an enabling environment (see Figure 1) to support members and the vulnerable to cope with crises, cooperatives increase their own and members' resilience. An enabling environment includes policies and regulatory frameworks as well as SACCO-level decisions that cushion members.

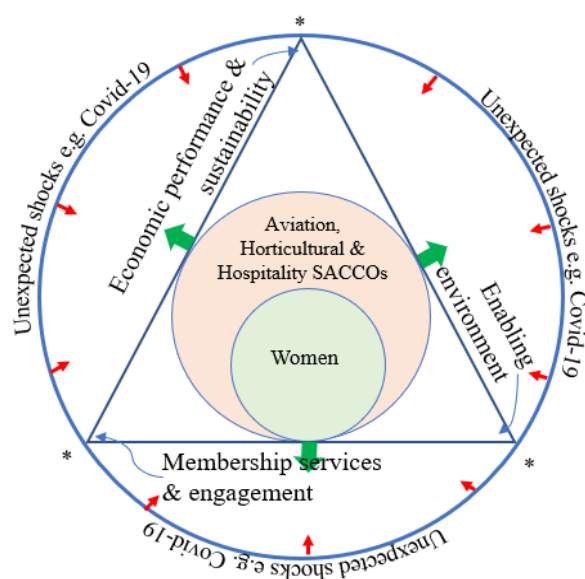


Figure 1: Conceptual framework

### Research Methods:

Quantitative data from 545 SACCO members and qualitative data from SACCO members and officials (i.e. CEOs and Chairs of Executive and Supervisory Committees) in 15 (12 non-deposit-taking and three deposit-taking) randomly sampled SACCOs were collected. Seven SACCOs were sampled from the horticulture sector, six from hospitality, and two from aviation.

### Key Findings:

COVID-19 negatively impacted SACCOs in the hospitality, horticulture, and aviation sectors. Although women were more affected than men and are underrepresented in SACCOs, they coped better than men. SACCOs paid minimal attention to the principle of concern for the community.

### Policy Recommendations:

1. Encourage SACCOs to open up the common bond to reduce membership concentration of risk.
2. Implement strategies to increase women's membership in cooperatives and representation in SACCOs' leadership.
3. Sensitize and encourage SACCOs to show more concern to help communities cope better during shocks.

# International Co-operative Alliance – Africa International Co-operative Alliance – Africa A Region of the International Co-operative Alliance

## Adoption of Climate-Smart Agricultural Practices that Contribute to the Resilience of Small-Scale Farmers: Incentives, Barriers, and Lessons Learned from Coffee Cooperatives in East Africa

### Key Objectives:

The research study seeks to identify climate-smart agricultural practices that contribute to the resilience of coffee cooperatives in East Africa by focusing on the following specific objectives:

1. Identify how climate change is likely to impact coffee production by cooperatives in East Africa
2. Identify climate-smart agricultural practices available to coffee cooperatives in East Africa
3. Identify incentives for the adoption of climate-smart practices by coffee cooperatives in East Africa
4. Identify barriers to the adoption of climate-smart practices by coffee cooperatives in East Africa
5. Recommend an enabling policy environment for coffee cooperatives to adopt climate-smart agriculture in East Africa

### Research Methods:

To satisfy the objectives of this research study, a mixed-methods approach was used. A survey of 30 primary coffee cooperatives from ICA-Africa members in Uganda, Kenya, Tanzania, Rwanda, and Ethiopia was administered. In addition, 30 key informant interviews were conducted to add additional insights to the quantitative results. For the purposes of this research, a semi-structured questionnaire and a key informant interview guide were used.

### Key Findings:

From the study, it was clear that climate change poses great risks to coffee farmers, the larger sector, and national economies in East Africa. In the research, five key impacts were explored: (i) rising temperatures; (ii) changing seasonality; (iii) changing rainfall; (iv) extreme weather events; and (v) pests and diseases. While coffee farmers are adopting climate-smart agriculture practices (CSAPs) at both the farm and processing levels, they face barriers to wide-scale adoption, such as volatility of prices, lack of technical know-how, lack of funds, sociocultural barriers, and limited external support.

### Policy Recommendations:

1. Implement policies that support and encourage the CSAP adoption, including policies that relate to the certification, pricing, and marketing of products.
2. Provide continuous capacity building and training to farmers and all relevant stakeholders, including union members, government representatives, and district council officials.
3. Subsidize or finance the cost of CSAPs through interventions by the government, donors, or other goodwill and financial institutions.
4. Promote regular and extensive research on CSAPs and their enabling environment to foster evidence-based recommendations.

# Kenya Union of Savings and Credit Co-operatives Ltd.



## Harnessing Youth Initiatives in the Growth of Kenyan SACCOs: A Case of Boda Bodas

### Introduction:

Most boda boda drivers lack basic training on driving laws and regulations, proper road etiquette, and financial management. A lack of financial literacy means that they do not often succeed in applying their earnings effectively to improve their economic status. Attempts by youth in the boda boda sector to organize themselves into SACCOs or associations have not been successful on the whole. The SACCOs struggle to attract regular and consistent savings from boda boda operators and also operate outside the normal SACCO model. SACCOs, popular across Kenya, have been found to improve the economic status of members and improve members' economic standing.

### Key Objectives:

The purpose of the research was to establish how the prevailing youth initiatives can be harnessed to assist the youth in improving their standard of living by involving them in collective actions. The intention of the research was to investigate youth initiatives and engagement mindsets contributing to youth attitudes toward SACCOs and to document effective youth engagement initiatives that youth associations or SACCOs can adopt to help youth view such associations or SACCOs as viable financial institutions.

### Research Methods:

A pilot study was conducted in Kiambu County. The target population included the boda boda SACCOs and associations; the individuals surveyed were the executive officials of the SACCOs/associations. The sample size for the study was 107, which corresponds to the number from the sampling frame (i.e. five officials from each SACCO in the 17 sub-counties and one association). Semi-structured questionnaires were administered to collect data and regression analyses were run on the results.

### Key Findings:

The joint multiple regression model revealed that youth empowerment initiatives, savings mobilizations, and the boda boda youth operating characteristics significantly influence the growth of boda boda SACCOs. It was also established that government interventions moderate the growth of SACCOs and significantly influence their operating characteristics. It can be concluded that the growth of boda boda SACCOs is impacted by the youth's relative level of empowerment, rate of savings mobilization, and the efficiency/transparency of cooperative operations.

### Policy Recommendations:

1. Streamline boda boda operations through appropriate policy guidelines/enforcement.
2. Encourage government to intervene by providing capacity building to youth groups and boda boda associations
3. Over the long term, promote collective entrepreneurship where SACCOs are domiciled.
4. Encourage government to take keen interest in the youth initiatives which are geared toward generating employment opportunities.

# National Cooperative Business Association CLUSA International



## CLARITY 2.0 Working Group Phase I: Foundational Research

### Introduction:

The relationship between law and vulnerability provides insight into the role of law in promoting resiliency. According to legal scholar Martha Fineman's vulnerability theory, "Resilience is produced within and through institutions and relationships that confer privilege and power. Those institutions and relationships, whether deemed public or private, are at least partially *defined and reinforced by law*" (Fineman, 2021). Cooperative legal frameworks provide the foundation of a country's cooperative ecosystem, which in addition to cooperatives, their apex organizations, and other stakeholders, includes government entities that coordinate promotion, supervision, registration, and, in some cases, policy. Enabling cooperative law and regulation supports the overall strength of the cooperative ecosystem to promote inclusive economies and better deal with shocks through shared resources, response coordination, and cooperation.

### Key Research Question:

What are (or what should be) the key areas of cooperative legal and regulatory reform addressed in the Cooperative Law and Regulation Initiative (CLARITY)?

### Research Methods:

To answer the research questions, a multipronged research methodology was developed and centered around a CLARITY 2.0 Working Group of 14 cooperative law experts from countries in Latin America, Asia, and Africa. A total of 10 two-hour seminars were organized over a 12-month period. The project used online surveys, working group assignments, discussions during seminars, polls, and case study presentations to answer the key research questions.

### Key Findings:

CLARITY is still pertinent and useful today. Of CLARITY's current 30 key reform issues for cooperative law and regulation analysis, 29 are still relevant. However, the Working Group identified 120 additional reform issues, indicating that there is great potential to improve CLARITY's analytic framework to achieve more comprehensive assessments of cooperative law and regulation.

### Policy Recommendations:

1. Reform efforts for cooperative law and regulation are ideally led by cooperative stakeholders, but in cases where government takes the lead, reform processes should be participatory and inclusive to ensure the cooperative sector's needs are heard and incorporated to create more enabling legal frameworks.
2. Cooperative law and regulation reform efforts should intentionally consider how to provide equitable opportunities for marginalized groups, such as women and youth.
3. Cooperative stakeholders and legislative bodies should consider using CLARITY tools and methodologies to support cooperative legal framework reform that promotes an enabling environment for the cooperative sector.

# Global Communities



## Ushirika Hub: A Study Evaluating the Opportunities and Outcomes for a Social Systems Network in the Kenyan Cooperative Sector

### Key Objectives:

This study builds upon a baseline Social Systems Network Analysis (SSNA) conducted in 2019. The study leverages data and lessons learned to understand the networking needs of Kenyan cooperatives and evaluate possible SSNA platforms and the requirements needed to make them effective.

### Key Research Questions:

1. What would increase the utility of a cooperative social network and make the network most beneficial to Kenyan cooperators?
2. What technology would increase the access and utility of the Ushirika Hub for users in a way that increases or incentivizes new users?
3. SSNA has documented benefits for non-governmental organization (NGO) users, but do SSNA platforms provide the intended benefit for cooperators?

### Research Methods:

Primary data was collected through 170 surveys with both existing and new users of Ushirika Hub map, developed as an SSNA mapping tool during the baseline study, key informant interviews, and meaning-making sessions that brought together participants from seven counties in Kenya (Nairobi, Kisumu, Kirinyaga, Nandi, Meru, Laikipia, and Kiambu). The qualitative and quantitative data collected in this study were triangulated with existing data and lessons learned from Ushirika Hub baseline.

### Key Findings:

The study established that cooperators adopt and use a variety of tools and platforms to connect with various stakeholders and access services in the wider cooperative ecosystems. However, only 33% of survey participants indicated they use social media networks to connect and build their business networks. Study participants were not actively using or benefiting from Ushirika Hub in its current iteration; however, 70% found the network - including both the in-person activities and online map - beneficial for learning new information, and 58% made a new resource contact.

### Policy Recommendations:

1. Leverage partnerships to develop a platform to accommodate cooperative business operations online. This platform would form a one-stop hub for all cooperative businesses in the country or region.
2. Explore the possibility of building on one of the preexisting social media platforms (such as Facebook or LinkedIn), which have the potential to host a Ushirika Hub-style network and incorporate more applications, including product sales and direct co-op to co-op communications.
3. Any new or existing platform should be developed and promoted in collaboration with government and cooperative apex bodies so that it is sustainable and responsive to the needs of the cooperative sector.