

GLOBAL COOPERATIVE CONFERENCE

Kigali, Rwanda.

14-17 October, 2019

Theme: Cooperatives for Development

Opening Remarks: Mr. Japheth Magomere, President - International Cooperative Alliance Africa (ICA Africa)

14 October 2019

- Chief Guest
 - ICA President
 - Representative of EU Delegation
 - Representatives from the Government of Rwanda
 - Cooperative dignitaries, distinguished guests and fellow co-operators here present
- All protocol observed.

Your Excellencies, Ladies and Gentlemen,

- Let me first and foremost thank you all for attending this year's Global Conference.
- Very special greetings and a big welcome to Africa; specifically, Kigali, Rwanda.
- As you may already know, our main theme for this year is cooperatives for development.

Ladies and Gentlemen:

- Cooperatives continue to play a vital role in development and is one of the main forms of economic and social organization for poverty alleviation.
- In the 2030 Agenda for sustainable development, Member States recognized the important role of cooperatives, stating that¹: “we acknowledge the role of the diverse private sector, ranging from micro-enterprises to *cooperatives* in the implementation of the new Agenda.” The United Nations has also consistently called for the promotion and development of cooperatives as inclusive and socially responsible enterprises with a huge potential for growth.
- Cooperatives are oriented towards wealth creation and social protection of members and the community at large.
- **Ladies and Gentlemen:**

¹ <https://www.un.org/development/desa/cooperatives/2019/03/12/power-of-cooperatives/>

- In Africa, the cooperative movement continues to grow and represents a significant part of the private sector in many African countries.
- According to one of the ILO studies², approximately seven per cent of the African population reportedly belongs to a cooperative, though some countries like Egypt, Senegal, Ghana, Kenya and Rwanda report a higher penetration rate of over ten per cent.
- The study further states that out of one hundred African households, seven belong to a cooperative type organization.
- The increased number of cooperatives was notably enhanced by the liberalization of the cooperative sector. This era of “cooperative freedom” has also witnessed a renewal in the integration of the sector as the previously state-imposed and non-viable federations as well as apex bodies have been rendered redundant and alternative voluntary, autonomous, strategic and more viable consensual cooperative networks based on members’ needs in the unfolding new socio-economic environment are being formed.
- Cooperative ventures in Africa are increasingly becoming market-driven and responsive to changing circumstances. With a few exceptions resulting from the poor or inadequate preparation of cooperatives for the competitive market, liberalization has served well the interests of cooperative development.
- **Ladies and Gentlemen:**
- Cooperative development should no longer be considered only an instrument for realizing national economic and social objectives, but also as a tool for poverty alleviation and fulfilling the basic needs of the community.
- Participation is a key ingredient of many cooperative projects and programmes. This participation has to be “spontaneous” and has to take place outside the confines of rigid bureaucratic structures.
- Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.
- Cooperatives in Africa continue to enjoy some structured collaboration and partnership with external actors and the global cooperative movement.
- Such partners have collaborated with cooperatives in the provision of low-interest credit for capital-intensive investments; marketing of cooperative produce,

² Cooperating out of poverty: The renaissance of the African cooperative movement. Patrick Develtere, Ignace Pollet & Fredrick Wanyama (eds)

particularly through fair trade arrangements; facilitating the creation of suitable legal and policy environment for cooperative enterprises; and facilitating educational and training programmes in cooperatives, among others.

- **Distinguished guests:**

- Over the years, we have seen many examples of successful, genuine and economically viable African cooperatives which create economic opportunities, provide a basic level of social protection and security, and provide their members with voice and representation.
- Cooperatives continue to be a major stakeholder in employment creation and income support. They also often work quite exclusively in poverty-ridden areas and count a majority of poor people amongst their members.
- The income gained from cooperatives is valued by cooperators for its contribution to items including paying school fees, building improved shelter, domestic expenses, medical expenses, investing in small-scale enterprises and farming amongst other things.
- The combination of business enterprises and the concern for communal welfare has seen many cooperatives help poor people out of poverty and create wealth in their communities.
- In addition, the spillover effect of cooperative ventures has afforded many local people who are not members of cooperatives income opportunities.
- All these have seen cooperatives regarded as significant contributors to development and poverty reduction, though there remains enormous potential that can be explored.

Ladies and Gentlemen:

- Some of the key challenges cooperatives should address in order to achieve the full potential are managerial issues, improving the data efficiency of the movement, increased collaboration and establishment of innovative policies and procedures adopted by different governments.
- Innovation is needed to break current development and business models and build new ones; old growth drivers are being replaced by new ones.
- The strong link between cooperatives and society enables cooperatives to be key actors in innovation since they have the opportunity to get first-hand information on people's expectations and needs.
- Therefore, I urge the governments and policy makers to provide an enabling environment for cooperatives.

In Conclusion Ladies and Gentlemen

- I will like to congratulate the organizing team and the host government of The Republic of Rwanda.
- Thank you for all the hard work and hospitality.
- **Distinguished participants** I wish you a successful and rewarding participation in the Conference and as you take part in the other planned activities.
- Long Live ICA, Long live the Cooperative movement.
- Thank you very much,

Mr. Japheth A. Magomere
ICA Africa - President