

PROMOTING COOPERATIVE DEVELOPMENT FOR THE AFRICA WE WANT

[Cooperation Africa](#), a civil society movement to support cooperative formation and development across the continent, was [launched online](#) on 18 January 2023. Over 170 individuals and organisations from Africa, the Caribbean, North America and Europe participated in the meeting. It has since begun a series of webinars on all aspects of cooperative principles and practice in different countries and continents, enabling members to learn together how to turn into reality the vision of a network of cooperative enterprises growing across Africa. The first was held on 15 March 2023 and gave an overview of the different types of cooperatives. The second – on April 29 – is an introduction to cooperatives in Africa and the Caribbean.

At the 18 January 2023 launch, **Mohamed ibn Chambas** declared that Cooperation Africa is working towards a network of financing institutions that “will encourage women and young people especially, to build cooperative businesses and provide themselves with secure livelihoods, thereby ending systemic underemployment and unemployment”. He is co-patron of the organization and former Special Representative of the United Nations Secretary-General for West Africa and the Sahel. While African coops have mainly been small-scale agricultural enterprises, he was sure of strong growth of coops in future, especially in manufacturing, entertainment, financial services and technology, towards more dynamic, African-owned and inclusive development. He expected Cooperation Africa to grow in membership and strength and help to “create a cooperative Africa for the Africa we want.”

By 2050, Africans will form one quarter of the world’s population and half of its 2.3 billion people will be under 25 years old. But instead of representing a major source of creative energy producing goods and services for Africa and the world, this youthful population is unlikely to do so, said **Adotey Bing-Pappoe** (University of Greenwich Business School and Co-Chair, Cooperation Africa). Around 60 percent of school-age African children will not be in school by 2050, while about 60 percent of the youth will be unemployed. As adults, most will be under- or unemployed, and most will be female. Although Africa will continue having some of the fastest-growing economies in the world, the disappointing educational outcomes and prevailing policies are likely to worsen already-high levels of inequality and dependent development.

He observed that producer cooperatives simultaneously create jobs for members’ income and livelihoods and produce goods and services. The benefits include greater local production of what people eat, drink, wear, live in, listen to and watch, leading to a stronger and more sustainable culture and economy with a healthier currency and balance of payments. Significant numbers of strong producer cooperatives would help African economies to overcome the distortions of history through industrialisation based on the rapid development of science and technology from within, supplemented by knowledge from outside.

However, the widespread ignorance in Africa of the producer cooperative model makes it hard for most people to conceive of pooling their resources and working together in a business owned by them all. He restated [Cooperation Africa's objective](#) of encouraging and supporting cooperatives in Africa and its diaspora. Founded by businesspeople, bankers, academics and activists, Cooperation Africa aims to build a vast network of cooperative enterprises providing Africans with secure livelihoods and high standards of living and wellbeing. It plans first to grow as a membership organization that encourages members to join or set up cooperative financial bodies in which they can invest. These cooperative financial institutions will then support cooperative formation and development, ensuring their self-sustainability. He encouraged participants to join Cooperation Africa in forming and investing in cooperative businesses throughout Africa and its diaspora.

Africa is “spoiled for wealth but has some of the poorest populations”, said **Brian Kagoro** (Director of Justice and Intersectionality at the Open Society Foundation). He argued that cooperatives can connect Africans to that wealth, overcoming current problems of leadership, jobless growth, low educational and skills attainment and the feminisation of poverty. Demonstrable values of cooperatives include improving household income and savings, stimulating innovation and growth. Cooperatives have benefitted women in particular, helping them gain access to resources and opportunities to strengthen their economic and social power. Cooperatives in Africa have moved from state control to relative freedom in a neo-liberal free-market that tended to shifted ownership from cooperative producers to middlemen and predatory elites. Structural adjustment programmes had led to disinvestment in rural microenterprise development and erosion of household incomes. With reduced access to markets and credit, membership eroded, self-governance weakened and many cooperatives collapsed. He said the imperative after the COVID-19 pandemic is not to “build back better” but to transform African economies, with coops as key enablers of improved welfare and sustainable development. Coops will take greater advantage of new opportunities in electronic marketing and payments the sooner discriminatory regulations and policy impediments are removed.

Coumba Touré (Chair of Trust Africa, Africans Rising Ambassador, a founding member of Cooperation Africa, and moderator of the webinar) invited a first round of questions at this point. **Amara Enyia** asked how, through policy and advocacy, to connect cooperative development from local to national and regional development in the context of the African Continental Free Trade Area. **Juliet Kego** asked whether CA would select a few cooperatives in Africa and the diaspora to serve as successes in contrast to the extractive capitalist models. **Adotey Bing-Pappoe** responded that Cooperation Africa would do problem-solving research to help improve the legal environment and it would provide support and training for people to set up local financial institutions as the basis for developing successful cooperatives over time.

Progress for African Americans from survival and resistance to prosperity required durable economic cooperation, said **Jessica Gordon Nembhard** (Professor of Community Justice and Social Economic Development; Political Economist at City University of New York). Drawing on

her recent book, *Collective Courage: A History of African American Cooperative Economic Thought and Practice* since the late 19th century, she found that about 90 percent of African American cooperatives had begun as people coming together for informal learning and training. They pooled their own resources, gained access to non-exploitative resources, got their communities involved in democratic decision making and encouraged women's leadership and the youth participation that is vital for sustainability and continuity of coops.

Collective work, mutual aid and responsibility were found "in all populations, in every era, on every continent", and African Americans had maintained throughout slavery and its aftermath cooperative practices handed down from their ancestors. There had been strong cooperative development among African Americans since the Colored Farmers' National Alliance and Cooperative Union grew in the late 1880s as a labour union and populist political party building cooperatives throughout the southern United States. Major cooperative development among African Americans coincided with periods of struggle for physical and economic survival spurring political activism for civil rights and economic liberation in the 1880s, 1930s and 1960s-70s. She said this current decade is potentially another prolific period of activism, stressing that coop development relies on community education, experience sharing, training and mutual support.

Great examples are the rotating savings and credit associations (ROSCAs), said **Caroline Shenaz Hossein** (Associate Professor of Global Development at University of Toronto Scarborough). These banking and mutual support systems are known across Africa and the world by names such as *tontines*, *esusu*, *juntas* and *caixihna*. In Africa and its diaspora, they are an important part of the social economy, enabling people to manage their livelihood outside formal systems. The ROSCAs are genuine cooperatives highly valued by participants as their most important financial system, working on the basis of trust and reciprocity. Some commercial banks in the Caribbean were even copying ROSCA systems to attract new clientele. She pointed out the fixation on formal structures and the relative neglect of the informality that is at the root of cooperativism. In Canada, a "Banker Ladies' Council" is being grown with the aim of forming a federation of ROSCAs, driven mainly by women, notably from Sierra Leone, Somalia and Trinidad.

Cooperativism also has political implications, with ROSCAs supporting second- and third-generation immigrant women in Canada running for political office to have a voice in sometimes hostile social and economic conditions. She called for a focus on and investment in women cooperators who put in practice the principles of trust and reciprocity. The Banker Ladies' Council had a lot to learn about how to build equity and inclusion into business systems and would be learning from the rich history of cooperativism in the global south, from Kerala State in India and Ghana's *susu* systems to the National Stokvels Association of South Africa.

Virginie Pérotin, Professor Emerita of Economics at University of Leeds, said cooperatives in general and workers' coops in particular can make valuable contributions to developing economies. This is indicated by the remarkably consistent data from studies on thousands of workers cooperatives and tens of thousands of conventional firms. One study in 2016 estimated 250,000 worker-owned and -managed businesses around the world with 11.3 million members

and providing over 12.5 million jobs. In Africa, there were about 5,300 worker-run businesses with about 2.3 million members and providing 2.5 million jobs. Workers' coops are found in most industries and despite variations in their set-up, they share basic features such as most members owning the business, sharing profits, electing management and taking decisions on one-person-one-vote basis. Studies found that more democracy never decreases but rather tends to increase productivity, as does more profit sharing. And although coops organize production differently, they are as productive as other firms in the same industry.

Answering concerns that workers would pay themselves too much, studies in Italy, France and Spain found that they keep more profit in their firms than normal business. In France, for example, where the law requires workers' coops to retain 15 percent of profits, the average in practice was 45 percent, benefitting not only the firms but also the community. Profit retention is for insurance and investment, and of course redistribution. Workers' coops have much narrower pay differentials than conventional businesses – in northern Europe averaging 1:3 compared with at least 1:150 (reaching 1:1,500 in some cases) – with the pay relatively higher at the bottom and lower at the top. They have fewer managers and supervisors for equivalent numbers of workers, and provide more training. Workers' coops also tend to provide more job stability, cutting pay before jobs when there is a fall in demand, and when needed, cutting fewer jobs later than conventional firms. This stability protects incomes, keeps skills in the community and limits the health and social issues associated with unemployment. In equal conditions, workers' coops are able to survive at least as well as conventional firms if not better. She reiterated the potential benefits of workers' coops at local and national level in developing countries in terms of productivity, investment, profit sharing and stability of livelihoods.

Such stability was encouraging women of colour (especially Latinx and African immigrants) to constitute the fastest growing subsector of workers' cooperative formation in the US, **Jessica Gordon Nembhard** said in the round of concluding comments. Awaiting more data, anecdotal evidence showed workers' coops formed or led by women of colour were able to get around patriarchal capitalist pressures and improved community livelihoods. She supported the call for more careful consideration of how to maintain the benefits of "banker ladies" and other informal cooperative enterprises while gaining protections and visibility from formalization, yet avoiding getting submerged by racist and gendered capitalism.

Brian Kagoro called for a reimagination of Pan-African regional development centred on cooperative enterprise and led by African feminists, primary producers, smallholders, creatives and progressives. The African Union and African Development Bank should be coaxed and coerced into becoming strong supporters of cooperative development across different sectors. In addition, African states and international institutions (IMF, World Bank, etc.) should adopt progressive and transformative taxation and financing that supports coops as critical private sector actors. Cooperative development at local, national and regional level should find a clear place in Agenda 2063 and the African Continental Free Trade Area.

In closing the launch event, **Adotey Bing-Pappoe** highlighted the need for African governments to institute regulatory frameworks that at minimum do not inhibit cooperative formation and development, as many currently do. Universities and business schools should teach different business forms instead of the dominant investor-led, public limited company models. Most critically, the impetus for cooperative enterprise must come from progressive people in civil society – if we say we want it, we must do it, for ourselves.

Full videos of the launch and subsequent webinars can be found at:

Cooperation Africa website – <https://cooperationafrica.org>

Cooperation Africa YouTube channel – <https://www.youtube.com/@cooperationafrica>

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