



ACCOSCA

- **8TH SACCO LEADERS FORUM
ACCRA -GHANA
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TOPIC

- **BUILDING AN INCLUSIVE CO-OPERATIVE BUSINESS MODEL; WHERE DO WE GO FROM HERE**



INTRODUCTION

- The African from time immemorial have been living co-operatively. Every village has an organize groups either by occupation, profession or by ethnics and as such make the organization of co-operatives among them to be much easier.



INTRODUCTION

- Even in the remote areas of the country, you will still find something like tomato growers association, cocoa farmers association, market women association, yam growers association, etc. working to promote the interest of their members.



INTRODUCTION

- Although these associations and groupings were meant to promote the businesses of their members, there were no plans put in place to ensure that such associations were sustainable in the long-term.



INTRODUCTION

- Most of these entities were converted into co-operatives by the various Governments and some development partners based on particular economic activities that they were engaged in. Some of them were used as conduits for the distribution of Government inputs and other suppliers to the rural poor.



INTRODUCTION

- Others were used for political purposes to secure votes for particular governments in power and as such became enemy organization anytime there was a change of power.



INTRODUCTION

- Today, the name “ co-operative” is received by NGO’s, Donor Agencies and other development partners with mixed feelings.
- People organized co-operative purposely to received benefits promised by the Government without perceiving it as a business entity.



INTRODUCTION

- Some of the problems faced by the early co-operatives were as follows:
- Poor orientation for members on cooperatives as private business entities
- Governments interference
- Lack of business orientation
- The Dependency Syndrome



INTRODUCTION

- The lack of sustainability of most of various co-operative institutions have created dependency syndrome that in actual fact has threatened their future existence. We cannot depend on Government or donor funds forever or we shall be starters all the time.



SACCO AND NATIONAL DEVELOPMENT

- **AGRICULTURE:**
- Agriculture is the back bone of the Africa economy. Over 60% of the population are farmers who depend on agriculture for their livelihood. Agriculture production is constrained with problems such as bad weather, lack of insecticides, improved seeds, or lack of the application of modern farming methods.



SACCO AND NATIONAL DEVELOPMENT

- Sometimes some of the peasant farmers may like to expand their farms and apply modern methods but again, lack of credit facilities has hindered their initiatives reducing their production capacity to a mere subsistence level.





SACCO AND NATIONAL DEVELOPMENT

- By providing loans through SACCOs, farmers are able to expand their farms, apply modern methods in order to increase output above subsistence level and increase their income as well.



SACCO AND NATIONAL DEVELOPMENT

- **SMALL SCALE BUSINESS ENTERPRISES**
- Apart from farming is the development of small and medium scale business enterprises. Some of the citizens both men and women are trying to engage themselves in petty trading (buying and selling) in both rural and urban centres, however, their capital is inadequate.



SACCO AND NATIONAL DEVELOPMENT

- They do not have access to credit for future expansion or be able to meet the temporary cash flow needs of their businesses. Therefore, most of them are working for their survival with no hope of generating income above subsistence level.



SACCO AND NATIONAL DEVELOPMENT

- With the assistance of credit unions, productive loans are made to such members to increase their capital and also to meet temporal liquidity needs of their business. This assists them to increase their income capacity, the amount of savings and also raise their standard of living.



SACCO AND NATIONAL DEVELOPMENT

- **THE SITUATION OF WORKERS (EMPLOYEES)**
- Most employees in various institutions are not certain of their future due to lack of financial security. With the low level of income against a high cost of living and the complicated extended family obligations, they are compelled to manage for survival rather than the improvement of their living standards.



SACCO AND NATIONAL DEVELOPMENT

- With the credit union, loans are provided to pay for their children school fees, furnish their homes, build low cost houses, etc. Financial security is assured resulting in increase in output for their employers and the country in general.



SACCO AND NATIONAL DEVELOPMENT

- **EMPLOYMENT**
- It is not likely for the Government to employ every citizen. Credit Unions also assist the employment sectors by maintaining the services of managers, book-keepers, cashiers etc. to manage the day to day affairs of the society.



SACCO AND NATIONAL DEVELOPMENT

- Also by providing loans to members for productive purposes means creating employment opportunities for them and their families. The number of members putting up small and medium houses means creating employment for carpenters, masons, electricians and other artisans



SACCO AND NATIONAL DEVELOPMENT

- **Social Obligations**
- The objectives of most of the credit schemes and its role in development has often neglected the social duties the poor or low income groups have to perform.



SACCO AND NATIONAL DEVELOPMENT

- In credit unions, loans are not only made for productive purposes but are also made to bury the dead, educate the children, to receive good medication, improve housing and to fulfil some other social obligations.



WHERE DO WE GO FROM HERE?

WHAT CHANGES CAN WE MAKE?

- Registration requirements that ensures that the Co-operative will be sustainable in the long term
- Institutionalizing Co-operative education
- Cooperative Leaders adopting business based approach



WHERE DO WE GO FROM HERE?

WHAT CHANGES CAN WE MAKE?

- Marketing the Co-operative Model
- Continuous membership education
- Adopting self sufficiency strategies and reducing dependency on Government and external partners



CONCLUSION

- This is what the SACCO movement believes. It assists people to realise their own potentials, or capacities and by supplementing their efforts by making technical and material assistance available, they do not only develop themselves, but also contribute to the solution of larger national problems of production, education, health and welfare.



THE END

- **THANK YOU**