

I.K. MUSAZI MEMORIAL LECTURE: TRACING COOPERATIVE STEPS IN THE STRUGGLE FOR UGANDA'S ECONOMIC DEVELOPMENT

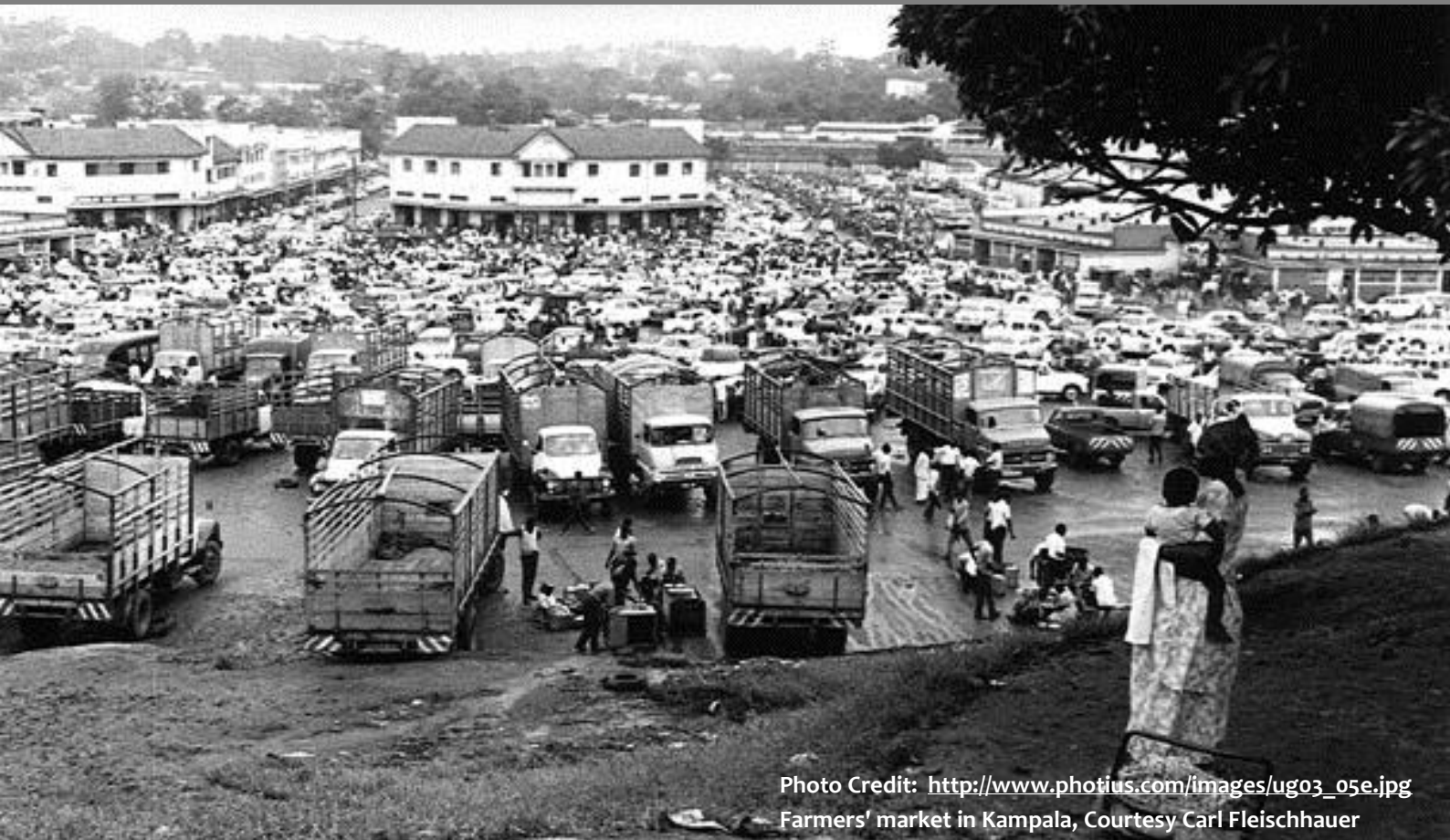


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Farmers' market in Kampala, Courtesy Carl Fleischhauer

ARE TODAY'S COOPERATIVES LIVING UP TO THE ASPIRATIONS OF IGNATIUS K. MUSAZI?

By Charles Kabuga

Head, Uganda Cooperative's Clan

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charlesgkabuga@gmail.com

Kinakulya Growers Cooperative Association

In order to assess whether or not today's cooperators are living up to his aspirations, a historical perspective of the fight he was involved in is necessary. After the British colonial administration introduced cotton and, later, coffee as commercial crops in Uganda, the buying, ginning, and export activities were entirely in the hands of organized middlemen representing powerful alien interests. The African farmers were mere producers of these crops from which they gained very little since the buyer substantially controlled the market. To respond to this challenge, a group of farmers from Ssingu County in Mubende (central region) founded the first cooperative association in 1913 known as 'Kinakulya Growers' to market their crop cooperatively so they could have some bargaining power.

The Uganda Growers Cooperative Union

In 1920, five groups of farmers in Mengo had formed "The Buganda Growers Association" to voice the opinions of the growers to the British colonial government. In 1933 the association

graduated from being a mere voice to a marketing association that was later re-constituted into “The Uganda Growers Cooperative Society” which in turn became “The Uganda Growers Cooperative Union (UGCU)”. The efforts of these farmers were slow in delivering the desired results because of the limited background experience and organizational methods and techniques. At the back of its mind, the reluctance of the colonial administration to heed to the farmers’ concerns, was the fear that that if cooperatives fell into the hands of politicians, they would agitate for political independence.

Musazi: The Spark that Lit the Cooperative Fire

He strongly believed in the cooperative business model as a vehicle for delivering a more *equitable, just* and a *humane* future for Ugandans. In 1945, there were riots of farmers and traders in Buganda. The rioters were protesting against low prices of cotton and coffee paid to African farmers by the Indians and wanted Ugandans to stop buying commodities from them. Some lives and properties were lost. Musazi was viewed by the colonial administration as being the one behind the riots. He was imprisoned for two years and unnecessary restrictions were imposed on cooperative activities forcing them to operate underground.

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Musazi refuses to be cowed by the Colonial Law

In order to avert the looming danger, the administration enacted the 1946 Cooperative Ordinance that became law in September of the same year. It established a Department for Cooperative Development that was headed by the Registrar /Commissioner for Cooperatives. He/she would, *inter alia*, legalize and control the operations of the numerous “cooperative groups” that had come into existence. The Uganda Growers’ Cooperative Union (UGCU) that had about 5,000 members at the time, registered under the Ordinance. It received favors from the colonial administration.

Musazi felt that registering under the Ordinance would take wind out of their sails. Groups like UGCU which registered were considered as stooge organizations. Instead, Musazi formed Uganda African Farmers Union (UAFU) in 1947. UAFU was joined by many other groups. Its impact became considerable, not only in Buganda, but also in Busoga, Bugisu, Teso and Lango. Musazi allied with capable Ugandans across the country such as Otema Alimadi (Gulu), Cuthbert Obwangor (Teso), George Magezi (Bunyoro) and others in Eastern Uganda. The African farmers demanded *full participation in the ginning and marketing of their cotton without middlemen*. The 1949 riots in Buganda in pursuit of these demands with Musazi as one of the top leaders, led to the banning of UAFU activities.

Musazi’s Refusal to be Defeated

Musazi refused to be outdone. He formed the Federation of Partnerships of Uganda African Farmers Union (FPUAFU). He urged the cooperators to put aside their tribal differences and come together to market their crops, cotton and coffee, in the true cooperative manner through FPUAFU. He was keen to attract young people into careers of service in the cooperative movement. For example, he interested brilliant students such as Abubaker K. Mayanja and Henry Lwanga from Makerere University College in the affairs of the Federation. During their

vacation they would serve as administrative assistants and trouble shooters. The Federation aspired to close the gap between the educated elite and the peasantry.

Musazi gave up his teaching job at the then Department of Education at what was called Makerere University College to help African farmers oppose the prevailing unfairness in trade, especially for cotton on a full time basis. In 1950, he went to London to lobby the British Parliament for support to the Federation and its aspirations. He solicited similar support from the intellectuals at the London School of Economics (LSE) where he met and invited George Shepherd to provide technical help to the Federation. The two years Shepherd spent at the Federation were the turning point for the cooperative movement in Uganda. Indeed the cooperative movement turned.

Governor Cohen's intervention

One of Shepherd's most significant contributions to the cooperative movement in Uganda was to get the ear of Sir Andrew Cohen, Uganda's colonial Governor designate. He told him the story of the woes of Ugandan farmers and what FPUAFU was trying to do to have those problems addressed. When Sir Andrew Cohen arrived in Uganda in 1952, he quickly appointed a Commission of Inquiry into the grievances of the African farmers. The report from the inquiry was good. It accepted the Federation's basic contention that the African cooperatives must be helped to enter into the cotton industry. Several ginneries were to be scrapped and twenty would be given to African cooperatives that had registered.

Regarding coffee, the dual marketing system that discriminated against Africans was to be abolished. All the coffee growers regardless of race were to have one marketing board that would set a common price for the different grades of coffee. Any excess funds realized from the sale of Ugandan coffee above the control price would go into a Development Fund from which revenue for Uganda's industrialization programme would be sourced.

Concerning the cooperative laws, the commission accepted practically every one of the suggested changes. The Cooperative Societies Ordinance of 1946 was amended and replaced by the 1952 Ordinance. The new Ordinance stripped the office of the Registrar of Cooperatives of all its authoritarian powers over the board of directors and the financial affairs of cooperative societies. A Cooperative Development Council on which representatives from various cooperative organizations in Uganda would sit was established. It would be the final arbiter on important cooperative matters.



The Impact of Cohen's Interventions

The changes in the cooperative law were more accommodating and provided enough autonomy to make registration acceptable to the cooperative groups, including FPUAFU that had refused to register under the 1946 Cooperative Societies Ordinance. The outcome of the changes was remarkable. Between 1952 and 1962, cooperative membership increased eight-fold, and the tonnage of crops handled increased six-fold. The district cooperative unions acquired considerable importance. By 1962, there were 14 ginneries and seven coffee curing works in the hands of cooperative unions. Many people were employed and the cooperative unions became the most conspicuous institutions in the districts. Musazi's dream was realized. What a cooperative hero he was!

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Musazi deploys the Cooperative tool in the Political Arena

Musazi's FPAUFU demonstrated beyond doubt that the cooperative concept, if properly leveraged, could play a similar role in liberating Uganda politically. Ignatius Musazi and Abubaker Mayanja decided to start the Uganda National Congress (UNC). The concept did not disappoint. With it, they found it much easier to get recruits and leadership for the new political party. The contribution of UNC in championing Uganda's political independence that was attained in 1962 is well known and is what makes Musazi a national political hero as well.

Cooperatives after Uganda's Political Independence

The post-independence government chose the cooperative movement as a vehicle for rural development and transformation. The choice was dictated by the fact that there were not many other farm-related organizations worth government attention. The somewhat continued success of the cooperative movement after independence was on account of many factors. Some of these included the monopoly granted by government in the marketing of cotton and coffee, the strengthening of the Cooperative Department with District Cooperative Officers all over the country. They helped mobilise farmers and teach them skills needed to run cooperatives. Equally important was the fact that government provided crop and marketing finance to cooperative unions through the marketing boards.

Cooperatives in troubled waters

The above rosy picture notwithstanding, the cooperative movement was facing many challenges. The departure of expatriate staff following the Ugandanization policies deprived the movement of the technical capability. Also, capable cooperative district managers such as Mathias Ngobi in Busoga, Felix Onama in West Nile, George Magezi in Bunyoro-Kitara and Abubaker Mayanja, who cooperatives had made prominent, joined the politics of independence. They all became cabinet ministers in the post-independence government. Their departure created a cooperative leadership vacuum. The vacuum was often filled by people whose motives were largely to promote personal rather than the interests of cooperative members.

Accordingly, mismanagement, nepotism and corruption crept into the cooperative movement giving rise to rural discontent. Consequently, several commissions of inquiry into the operations of the cooperative movement were conducted. The recommendations made led to the scrapping of the liberal 1952 Ordinance. It was replaced with the Cooperative Societies Act and Rules of 1963 which in turn was replaced by the 1970 Cooperatives Societies Act. That Act took away all the autonomy from the cooperative movement. All the powers to directly control cooperatives were vested in the Minister. By the time the National Resistance Movement (NRM) captured power in 1986, members had lost their cooperatives to managers, politicians and government officers.

Cooperatives' Short-lived Ray of Hope

Musazi must have been thrilled by the NRM's Ten Point Programme that espoused 'a mixed economic strategy' in the management of Uganda's economy that would encompass "...use of state power and private sector as well as cooperatives with all round efficiency being the main criterion". Following in the footsteps of Musazi, the new leadership and management at the Uganda Cooperative Alliance geared themselves up to developing the "cooperative part" of the development equation. The prospects were very promising starting. For example, the draconian 1970 Cooperative Societies Act was repealed and replaced with the 1991 Cooperative Statute. The 1991 Cooperative Statute restored considerable autonomy to the cooperative movement. It ought to be remembered that 'autonomy' was what Musazi had made a condition for registering FPUAFU and other cooperative groups. However, in the wake of liberalization and privatization of Uganda's economy in the early 1990s, the "cooperative part" of the equation became sidelined and marginalized.

The Emergence of New and Vicious Exploiters

Unfortunately the ills, such as poverty, that the World Bank Structural Adjustment Policies (SAPs) were supposed to cure, continued, and still continue, to rear their ugly heads with the rich getting richer and the poor poorer. Musazi, who strongly believed that a society's real prosperity depends on the general well-being of all its citizens and not on the wealth of a few, would have started the fight all over again.

The exploitation that the Indians and other alien interests were known for has been replaced by new and more vicious exploiters – the multinational corporations that wield enormous corporate power. Given the demonstrated efficacy of the cooperative business model in addressing the problems of injustice and inequality, there is no better model than the cooperative model that will confer corporate clout to mitigate exploitation of individual citizens. In this regard, governments ought to see and support cooperatives as an ally in taming multinational corporations whose interests are also to control governments in pursuit of their own selfish interests.

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Are we living up to Musazi's Aspirations?

- *Visionary and committed to a cause*

First, leaders must know where they are going if they expect others to willingly join them on the journey – call it vision, dream, calling, goal etc. Musazi knew where he was going. He was driven by his total commitment to a more equitable, just and humane future for the Ugandan peasants. This was a cause for which he was prepared to die. He was inspired by the three core cooperative principles of *user-owner*, *user-control* and *user-benefit*. It disturbed him to see that the wealth (cotton and coffee) produced by peasant farmers was literally *owned*, *controlled* and *used* to benefit the alien interests. He wanted such a state of affairs reversed. It remains to be seen whether we have cooperators that have outgrown their selfish interests and are driven by the conviction to liberate the less privileged by pushing the cooperative agenda forward.

In today's society where honesty and integrity are rare commodities, it remains an uphill task to get a critical mass of leaders and managers capable of living up to the aspirations of Musazi.

- *Honesty and integrity*

Honesty and integrity, especially of leaders and managers, are fundamental values for the success of any cooperative business. This is particularly so in a society where the majority of the people, whose business, we run are illiterate. It remains a fact that before people follow a leader anywhere, they want to be sure that the person is worthy of their trust. Musazi 'was scrupulously honest and in all his dealings and desperately wanted his fellow African leaders to follow similar standards'. He was worthy of trust. In today's society where honesty and integrity are rare commodities, it remains an uphill task to get a critical mass of leaders and managers capable of living up to the aspirations of Musazi.

- *Bridging the gap between the elite and peasants*

Musazi aspired to bridge the gap between the educated elite and the peasantry. As pointed out earlier, he was keen to attract young people like Abubaker Mayanja and Henry Lwanga to develop cooperative careers so as to serve their fellow people in the cooperative movement. Cooperators can only live up to the aspirations of Musazi by addressing the challenge of reaching out to the youth, especially young producers, and improving on their understanding of the cooperative business model. Today, cooperatives are dominated by the less educated and elderly people making it difficult to see who would keep the cooperative fire burning when the elderly have exited.

- *Forging partnerships with parliaments, universities etc.*

Musazi forged partnerships with parliaments, universities and research institutions to ensure the entry of intellectuals into the cooperative movement. The cooperative business model needs to be defended at the highest intellectual level possible. The need for research and creation of models of how the cooperative concept can be leveraged to tackle other challenges of basic nature like housing, health etc outside agriculture can only come from Universities and research institutions. Universities ought to be interested in the generation of cooperative literature for use in schools and other training institutions. It needs to be emphasized that inadequate or superficial understanding of the cooperative philosophy among the youth, members, leaders and managers

continues to be responsible for the unsatisfactory governance and performance of cooperatives. Just as important is the need for universities to be interested in this important cooperative constituency that would create jobs for their graduates that continue to swell the ranks of the unemployed.

- ***Valued talent***

Allied with forging partnerships, Musazi valued talent. For his advocacy, he needed impeccable facts and figures that only brilliant people could provide. His recruitment centers were therefore universities where such talents reside. The contributions of such talent ranged from drawing up policies to address the unfair agricultural policies, keeping proper books of accounts, preparing of by-laws, mobilizing, encouraging and empowering farmers and, above all, to the meticulous articulation of issues for the various commissions of inquiry that none would punch holes in them. To live up to the aspirations of Musazi, cooperators have yet to attract professionals in the leadership and management of the cooperative movement.

The story of Musazi is a testimony about what can be achieved when the masses of people are mobilized and properly led for a cause.

- ***Extraordinary courage***

We are yet to have leaders in the cooperative movement of Musazi's extraordinary courage and willingness to make personal sacrifices, such as quitting a job, like he did. Being imprisoned (37 times) did not diminish his resolve to champion the cause he strongly believed in. Musazi never feared to knock at any door of any one that mattered in order to present the concerns of the farmers he so passionately defended. We have yet to see courageous people who can champion the cooperative cause especially in light of the new and more vicious exploiters visited on us by globalization and SAPs referred to above.

The story of Musazi is a testimony about what can be achieved when the masses of people are mobilized and properly led for a cause. For politicians, this is a double edged sword. It can catapult them into power just as it can bring them down. Many times governments loathe organizations that can wield such power, and suppress them like the British colonial administration suppressed the emergence of cooperatives in Uganda. However, when cooperators make demands on government, political leaders ought to take comfort in the innocence of cooperatives that George J. Holyoake, a French cooperative philosopher, expressed in the following words:

'... cooperation supplements political economy by organizing the distribution of wealth...It seeks no plunder, it causes no disturbance in society, it gives no trouble to statesmen, it contemplates no violence, it subverts no order, it envies no dignity, it seeks no favours, it keeps no terms with the idle and it will break no faith with the industrious. It means self-help, self-dependence...'

Charles Kabuga is also a Managing Consultant at Legacy Group Consulting Ltd.