



# FOSTERING SUSTAINABILITY AND STRENGTHENING THE GOVERNANCE FRAMEWORK OF PDM COOPS

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# UNDERSTANDING THE POLITICAL ECONOMY OF COOPERATIVES AND DEVELOPMENT; A MINDSET CHANGE IMPERATIVE FOR UGANDA:

- Is Africa and or Uganda really is poor?
- What are the political economy issues that have influenced the development of cooperatives in Uganda?
- What is motivating the GoU to invest in cooperatives?
- What must we do to deliver sustainable PDM Cooperatives?

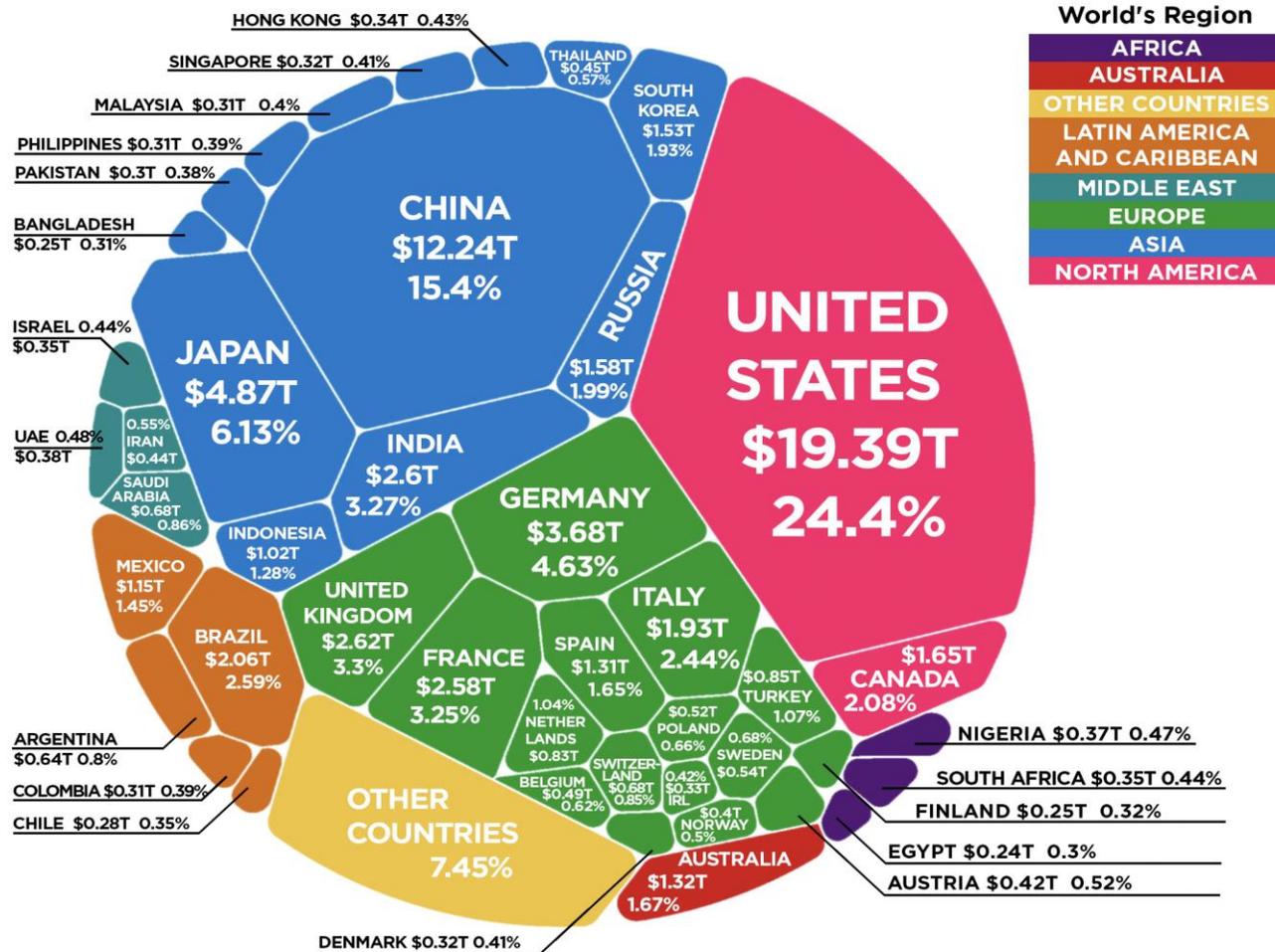
# The True Size of Africa



# AFRICA'S MINERAL WEALTH



# ONLY 3 AFRICAN COUNTRIES IN THE TOP 50 WORLD-ECONOMY



Article and Sources:  
<https://howmuch.net/articles/the-world-economy-2017>  
<http://databank.worldbank.org/data/download/GDP.pdf>

howmuch



# NO AFRICAN AMONGST THE TOP10 RICHEST MEN ON EARTH

Name & Rank	Net Worth (in \$ Billions)	Source of Wealth	Country
#1 Elon Musk	\$225.3 B	Tesla, SpaceX	United States
#2 Bernard Arnault & family	\$221.4 B	LVMH	France
#3 Jeff Bezos	\$161.0 B	Amazon	United States
#4 Larry Ellison	\$141.9 B	Oracle	United States
#5 Warren Buffett	\$119.5 B	Berkshire Hathaway	United States
#6 Bill Gates	\$117.1 B	Microsoft	United States
#7 Larry Page	\$109.6 B	Google	United States
#8 Mark Zuckerberg	\$106.9 B	Facebook	United States
#9 Sergey Brin	\$104.1 B	Google	United States
#10 Steve Ballmer	\$99.6 B	Microsoft	United States

## UGANDA GIFTED BY NATURE

**Youngest  
population  
in the world**

**Largest  
tourism  
potential in  
East Africa**

**60% of all  
fresh water in  
East Africa**

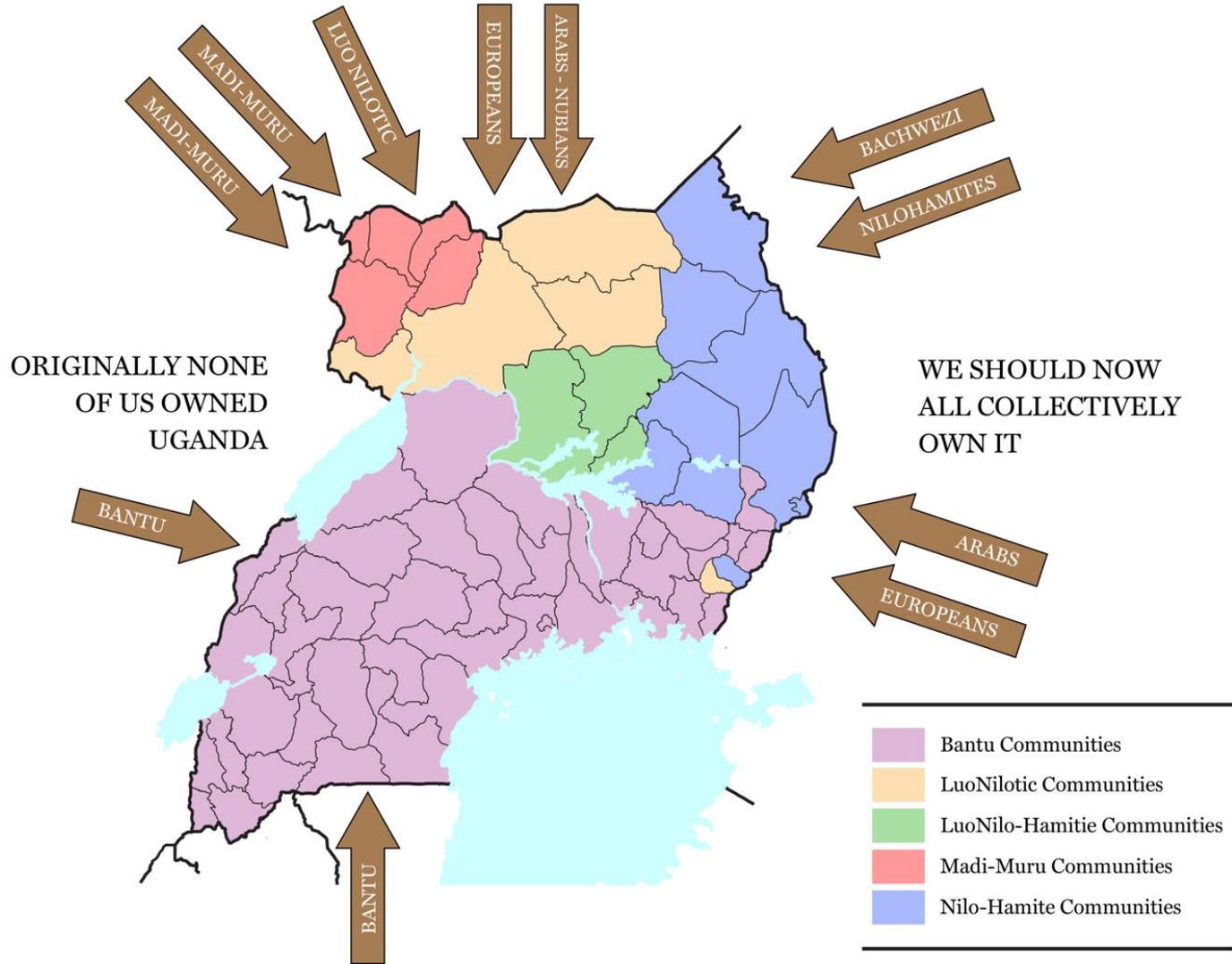


**48% of  
Beautiful  
Farmland of  
East Africa**

**Largest Mineral  
Endowment in  
East Africa  
including  
Petroleum**

**One of the  
Most  
Enterprising  
Country in the  
World**

# UGANDA THE LAND OF IMMIGRANTS



## STIMULANTS FOR COOPERATIVE DEVELOPMENT

- Fullfilling personal and community need.
- Hernassing economic opportunities.
- Responding to environmental challenges.
- Addressing unfriendly government policies.
- Strategic government intervention to a specific policy objective.

# IMPACT OF THE INDUSTRIAL REVOLUTION IN



# THE IMPACT OF COLONIAL POLITICAL ECONOMY

- ❑ Industrialist sponsored Catholic and Anglican religion
- ❑ Religious Wars Weakened Buganda Kingdom
- ❑ The Military Conquest of the Battle of Mengo 1892
- ❑ The 1900 Agreement and the Mighty Land Grab
- ❑ Foreign Cash Crop Economy – Cotton & Coffee
- ❑ Forced Labour Policy, and Colonial Military Service
- ❑ Exploitative Colonial Tax ( Hut Tax, Poll Tax)
- ❑ Racial discrimination in Trade and Social Services

# KINAKULYA COOPERATIVE PIONEERS RESPONSE TO UNFAIR COLONIAL CASH CROP TRADE POLICY 1913

## THE KINAKULYA COOPERATIVE PIONEERS (1913)

<i>Yosia Bweayo - President</i>	<i>Yafesi Luwanga</i>
<i>Yosia Lubuto - Treasurer</i>	<i>Silveri Lule</i>
<i>Minsera Sebunya</i>	<i>Erifazi Mukasa</i>
<i>Aberinego Kimuli</i>	<i>Asanasio Ddaki</i>
<i>Erika Mukasa</i>	<i>Nightingale Nakanyike (Mrs)</i>
<i>Misaki Lubwama</i>	<i>Samueri Balirwana</i>
<i>Yafesi Lwanga</i>	<i>Rulenti Musoke</i>
<i>Yosia Bewayo II</i>	<i>Lezekia Musoke</i>
<i>Erika Musajjalumbwa</i>	<i>Susan Zirindekawo</i>



# COOPERATIVES AND THE ANTI-COLONIAL STRUGGLE

- ❑ Kinakulya Farmers Cooperative Society 1913
- ❑ 1933-37 attempts to pass an ordinance on registration of cooperatives was frustrated by Asian & European businesses.
- ❑ 1947 Ordinance allowed registration –cooperatives adopted passive resistance & going underground to avoid registration
- ❑ 1948 the Bataka Movement Land Riots protested crop prices , demanded dissolving Mengo cabinet, election of chiefs, right to gin and market cotton.
- ❑ 1952 consequently Governor Cohen opened up cash crop processing & marketing to African farmers who were in cooperatives.
- ❑ Independence struggles – I K Musazi & UNC

## CONSOLIDATING COOPERATIVE MOVEMENT 1962-1971

- ❑ The Developmental State policy context - (1960s)
- ❑ Cooperatives Societies Act (1963)
- ❑ Cropfinance to marketing cooperative unions
- ❑ Uganda Development Corporation (UDC)
- ❑ Marketing Boards (e.g. Coffee, Lint, Produce)
- ❑ Shafiq Arien Commission of Inquiry Report (1969)
- ❑ Cooperative Societies Act (1970) - Minister's authority
- ❑ Loss of autonomy and innovativeness
- ❑ Cooperatives Societies Act Cap 112 (1991)

## SURVIVAL UNDER THE ECONOMIC WAR OF 1971-1979

- ❑ Expulsion of non-citizen Asians (90 days + 90 kilos)
- ❑ Departed Asians Property Custodian Board
- ❑ Asian enterprises to Ugandan entrepreneurs
- ❑ Military managers to government parastatals
- ❑ International Trade Embargo
- ❑ Scarcity of essential goods and services
- ❑ Rise in smuggling (Magendo, Kase-Coffee, etc)
- ❑ Cooperatives became the survival necessity.
- ❑ Birth of UCSCU 1972

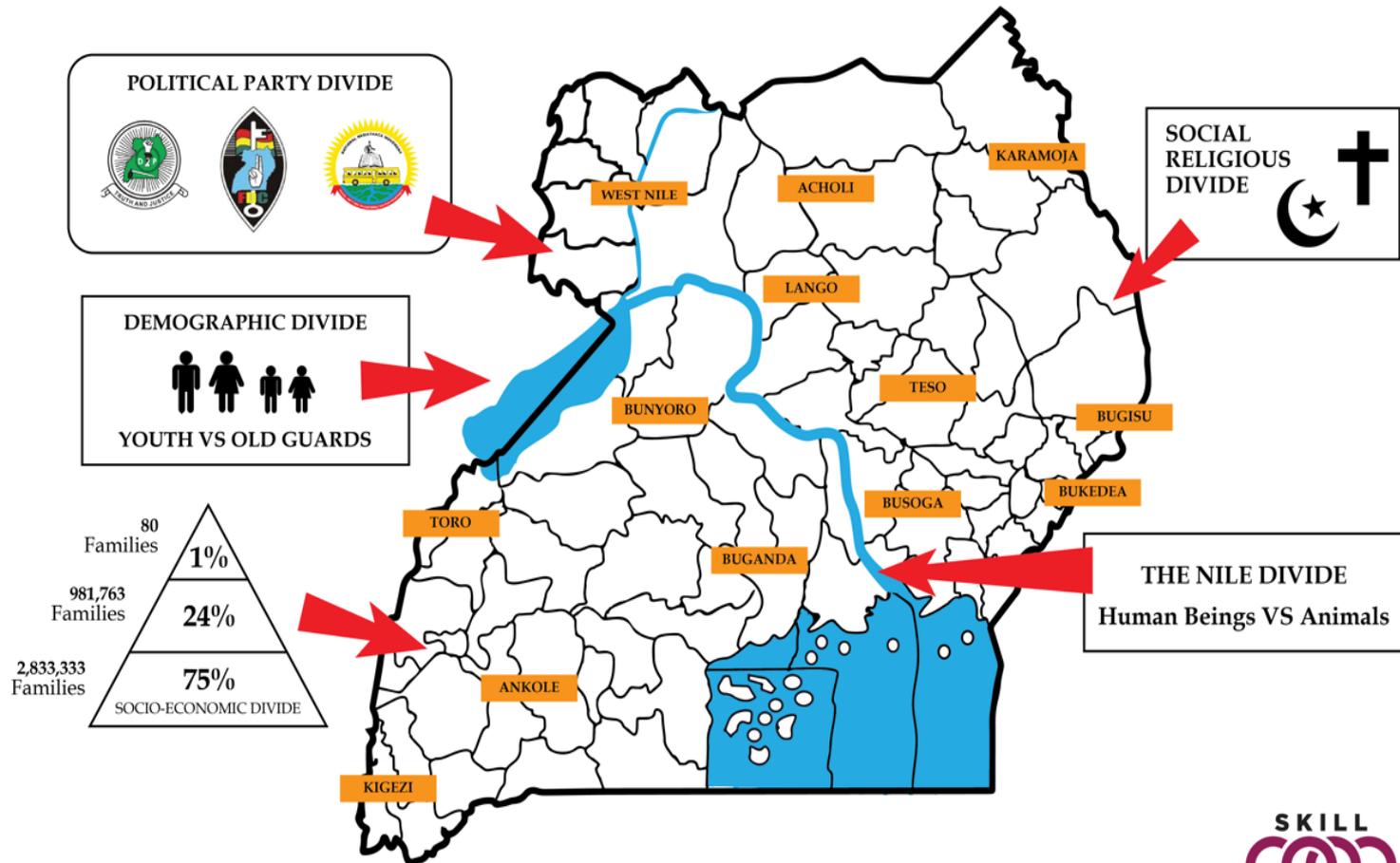
## IMPACT OF 45 YEARS OF CONFLICT & WARS

- ❑ The Anti-Idi Amin guerilla struggles – 8years
- ❑ The 1979 Liberation War- 2 years
- ❑ The Luwero Triangle Liberation War- 5 years
- ❑ The Northern and Eastern Insurgencies - 20 years
- ❑ Loss of capital, money in bank, cash and records
- ❑ Loss of human resources to wars and conflict
- ❑ No “war reparation policy or strategy

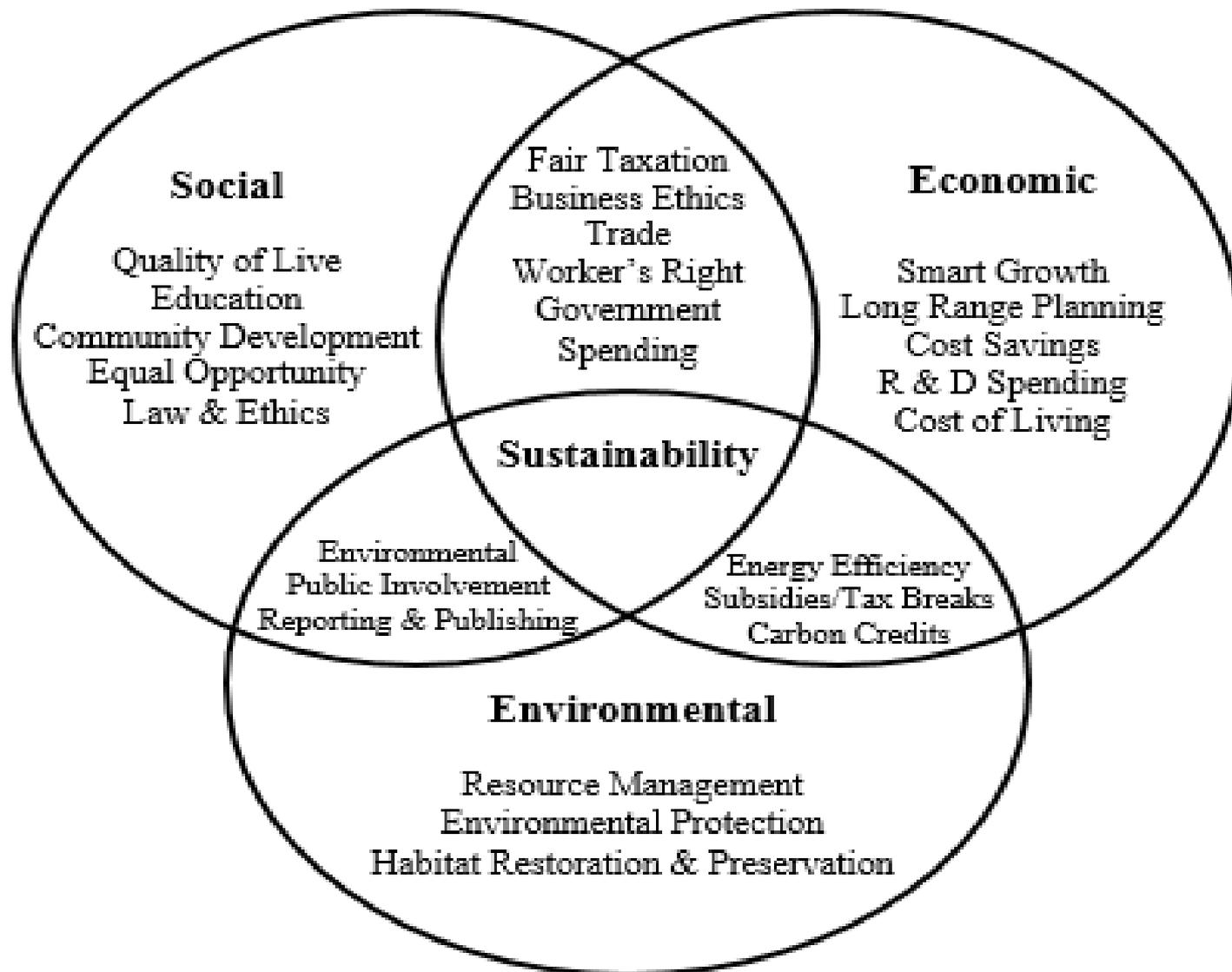
## IMPACT OF ECONOMIC LIBERALISATION POLICIES - 1990s

- ❑ Currency Reform - *66% devaluation + 30% reform tax*
- ❑ Economic Deregulation- *supply and demand driven*
- ❑ Trade Liberalization- *free market competition*
- ❑ Privatization of State Enterprises – *private sector driven*
- ❑ Tax Policy Reform–*formation of URA for efficiency*
- ❑ Projectisation of development through foreign aid
- ❑ Attracting Foreign Direct Investments
- ❑ Weakening Local Cooperative Businesses
- ❑ Legal Confusion for Cooperatives today

# FAULTLINES IN UGANDA'S SOCIO-ECONOMIC & POLITICAL SPACE



# THREE PILLARS OF SUSTAINABILITY



Source: ResearchGate

# THREE PILLARS OF SUSTAINABILITY

## Definition of Cooperatives

- A **cooperative** is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.
- Cooperatives are member-owned, member-controlled, and member utilised, value-based organisations.
- Cooperatives is a People Centered Business Model that flourishes on active patronage by members

# THREE PILLARS OF SUSTAINABILITY

## COOPERATIVE IDENTITY

### Core Values

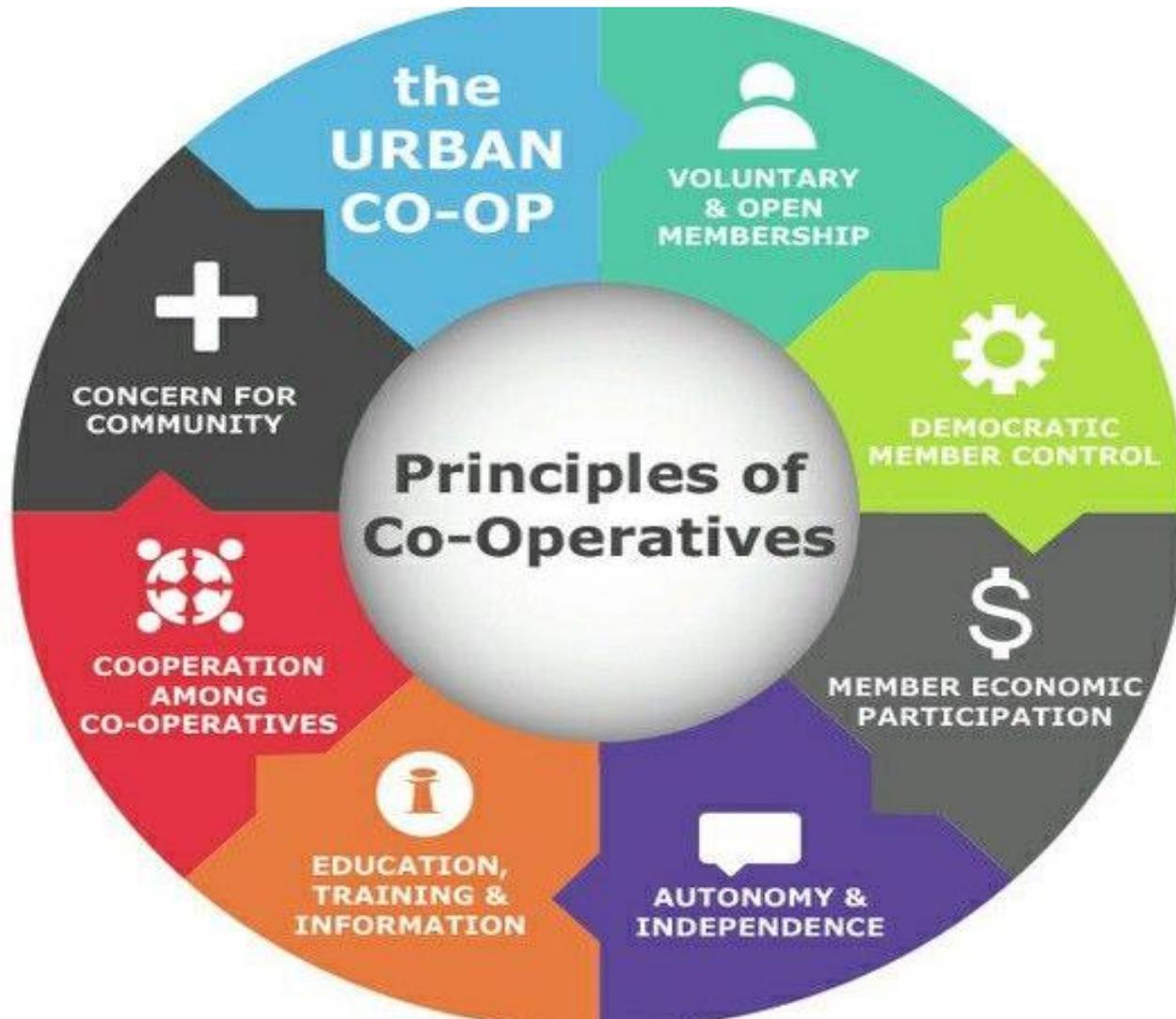
- Self-help,
- Self-responsibility,
- Democracy,
- Equality, Equity, Solidarity.

### Ethical Values

- Honesty, Openness,
- Social Responsibility,
- Caring for Others.

# THREE PILLARS OF SUSTAINABILITY

## COOPERATIVE IDENTITY

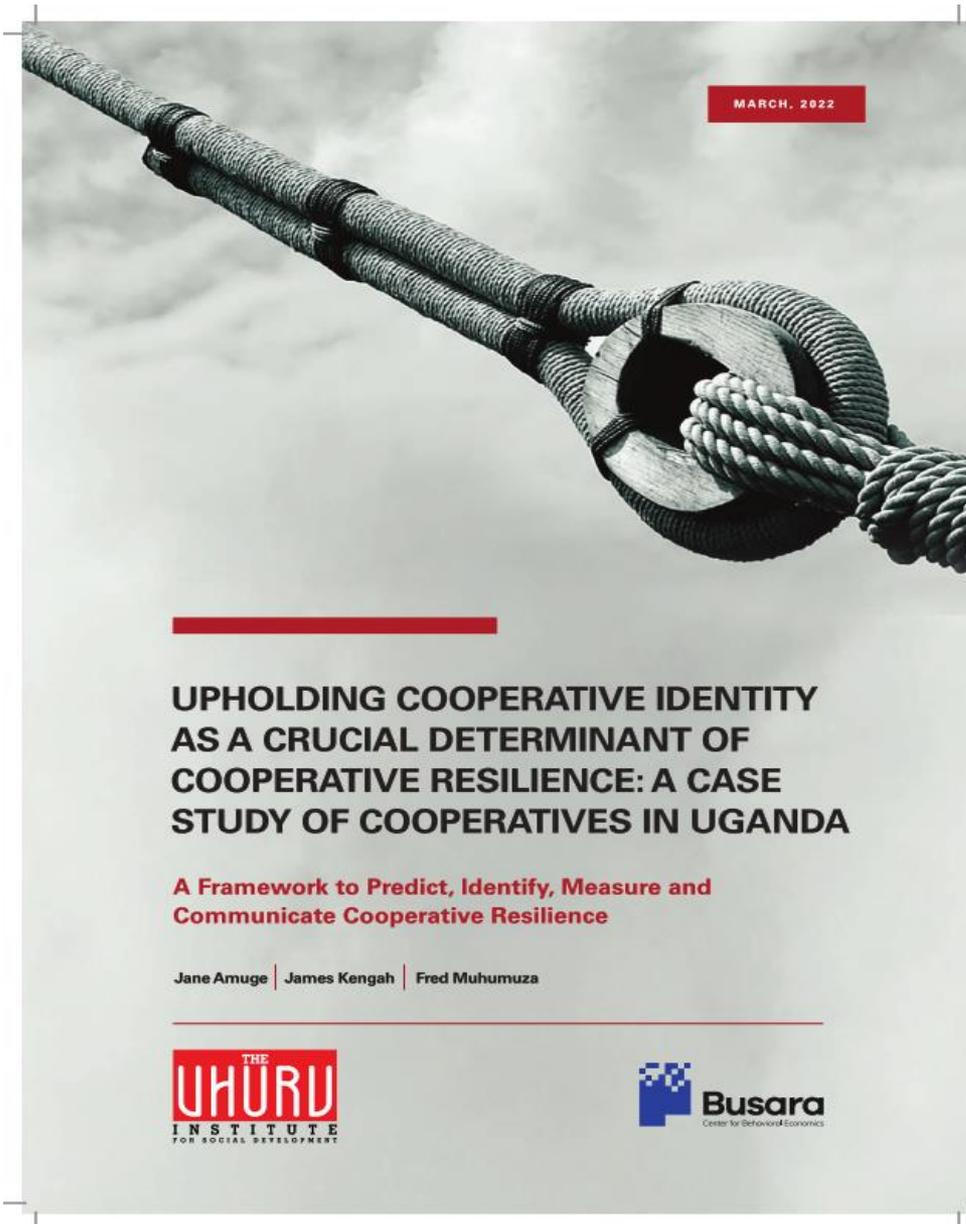


# THE LEGAL, BUSINESS, ETHICAL, AND KNOWLEDGE STATUS OF COOPERATIVES IN UGANDA



- Cooperatives in Uganda face a “Fork in the Road”.
- Cooperatives who choose to go the cooperative identity way will most likely prosper.
- Cooperatives that reject to practice of cooperative identity will most likely collapse.

# MEASURING COOPERATIVE RESILIENCE



- Confirmed the 2018 study findings on the important role of cooperative identity in enabling sustainable resilience of cooperatives.
- Developed the Cooperative Resilience Measurement Index – CRMI.
- Birthed the Coop Profiler, an online tool for profiling and measuring the Resilience of Cooperatives.
- An ongoing longitudinal study to test credibility, viability, accuracy and continuous improvement of the CRMI.

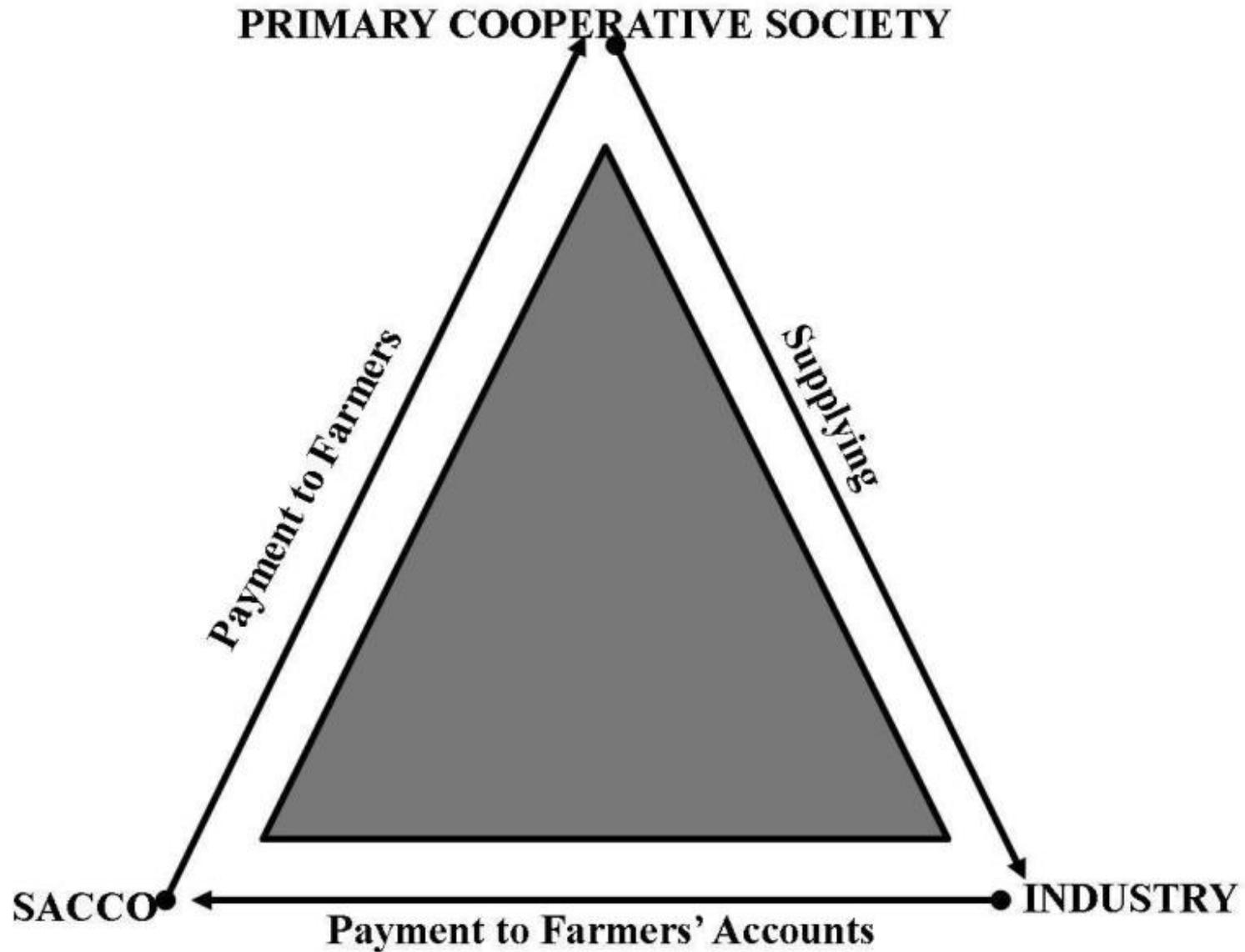
# COOPERATIVES FOR EQUITABLE DEVELOPMENT



**EQUALITY**

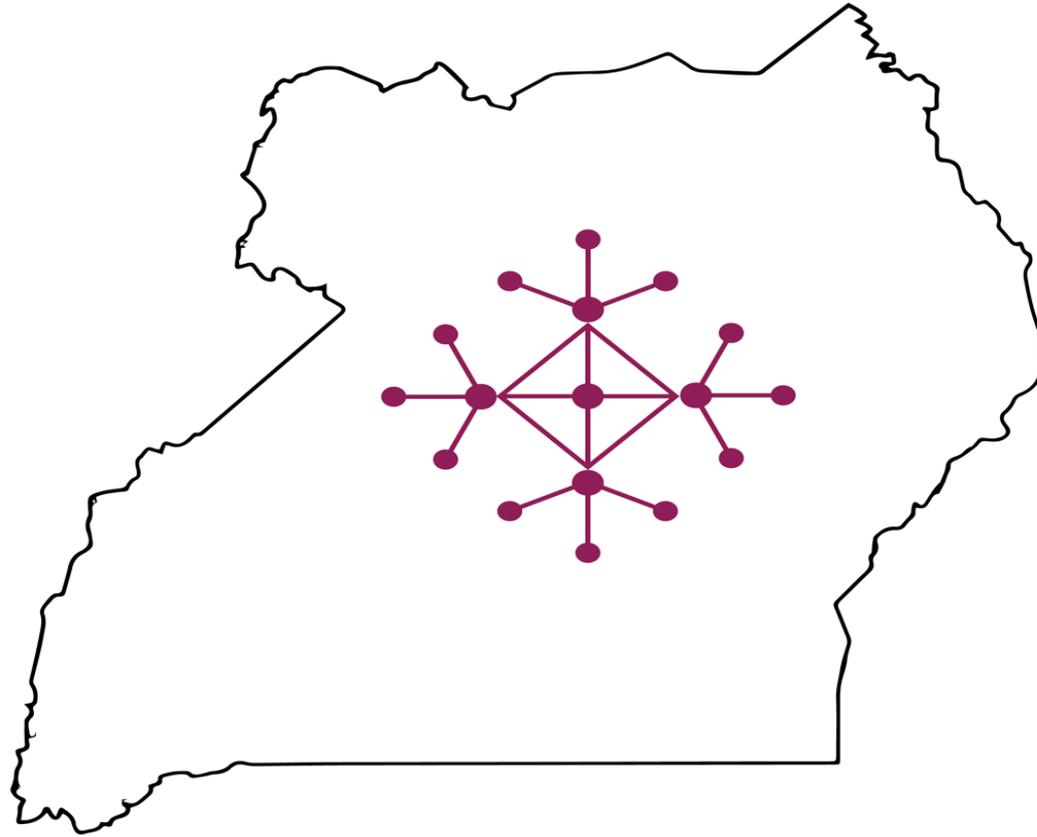
**EQUITY**

# THE INTEGRATED COOPERATIVE BUSINESS MODEL



# COOPERATIVE NETWORKING FOR BUSINESS

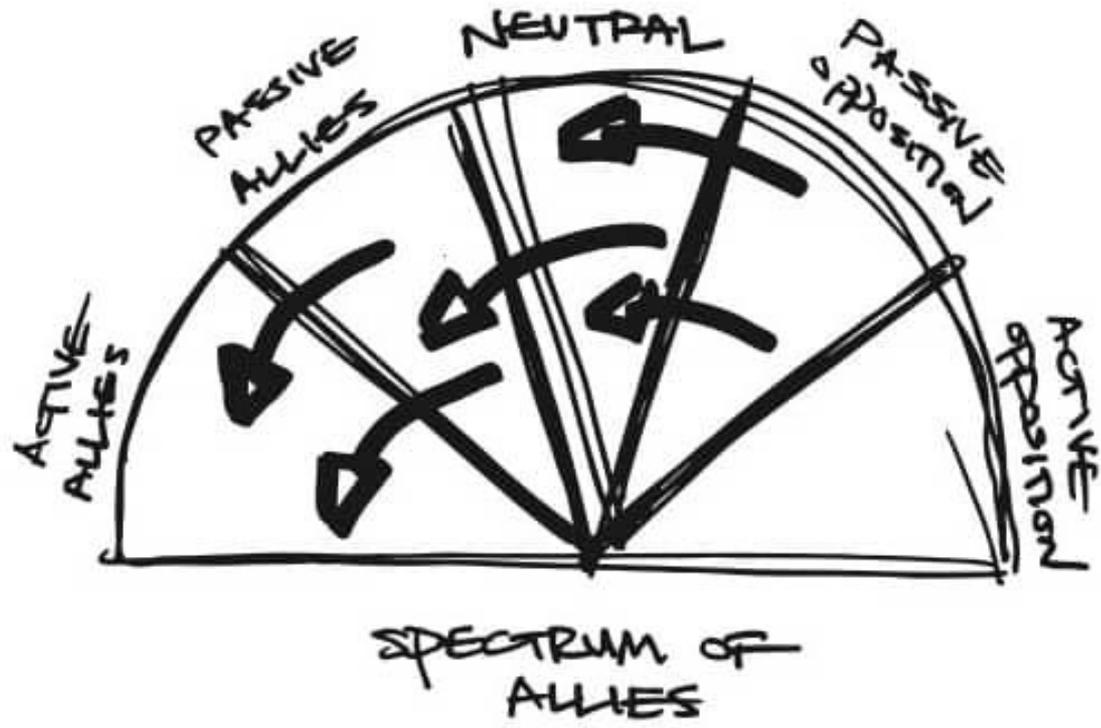
Autonomous, Connected & Coordinated Civic formations



# ANTICIPATED CHALLENGES FACING PDM ROLLOUT

- Lack of Information, Misinformation, and Disinformation reinforcing Ignorance.
- Leadership and Management Skills Incompetence.
- Absence of operational management systems and data accuracy.
- Demotivation and Corruption in the Public Services, especially LGs.
- Lack of sectoral harmony and coordination of messages and action.
- Negative Impact of External Freebies and Monies - [Donor Aid Money, Election Political Money, NGO project money].
- Attitude of PDM money recipients and their interpretation of the purpose of PDM.

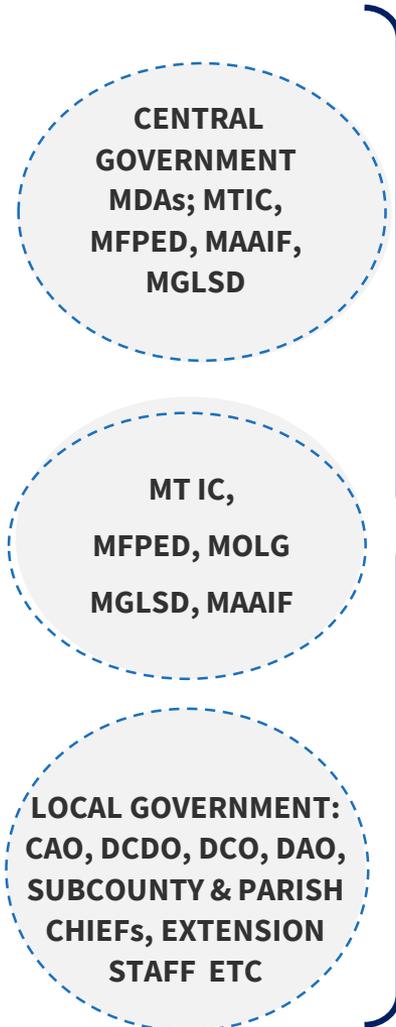
# SPECTRUM OF ALLIES



# THE CAPACITY BUILDING OF PARISH MODEL COOPERATIVE

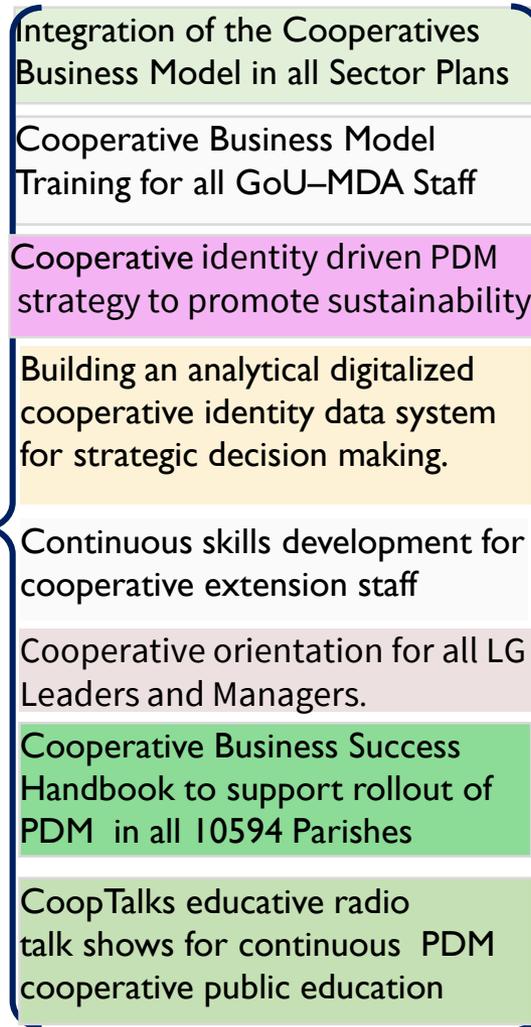
Public Private Partnership for Wealth Creation and Employment Generation through the Cooperative Business Model

## GOVERNMENT STAKEHOLDERS



THE UHURU INSTITUTE

## INTERVENTIONS



RESULTS

## EXPECTED OUTCOMES



# GENERATING WEALTH TOGETHER

