

1. CO-OPERATIVES AS A TOOL FOR DEVELOPMENT

1.1 BACKGROUND

1.1.1 Overview of co-operative education and research activity in Finland

In Finland, co-operatives have played a significant role in the development of the national economy, agricultural and rural development since the inception of the co-operative movement at the turn of the 1900s.

Co-operative education and research studies have been taught and conducted several years in the Finnish Universities mainly in the University of Helsinki and University of Eastern Finland. During this time several contacts have been established with different co-operative global research institutions, universities in Europe, Africa, North and South America. Students of co-operatives and researchers in Finland have expressed growing interest towards the problems of development and the role of co-operatives in solving these problems. The Finnish Association of Co-operative Research, Kooperatiivi aims at bringing together researchers and people interested in co-operatives at the national and international level.

It is worth mentioning in this connection that institutional development involving co-operatives, agriculture and rural issues has been one of the key areas in the development promotion agenda of the University Partnership for International Development (UniPID). This task has been undertaken as a project by the University of Helsinki, Faculty of Agriculture & Forestry entitled, "Developing and Promoting the Plan of Implementation of The UN World Summit on Sustainable Development. During the implementation period of the project that deals with co-operatives to a large extent partnership was established with a number of African, international and Finnish co-operative organizations. The International Co-operative Alliance (ICA) and its Regional office for Africa, Alliance Africa and the Moshi Co-operative University in Tanzania have been long-time partners of the project and several activities were carried out such as conducting joint research studies, participation in various conferences organized in Finland, Tanzania and in other countries in Europe, North-America and Africa.

The global co-operative principles and values are factors that form similarities in the performance of co-operatives in Finland and Africa. A good example of this is the 7th Co-operative Principle, "Concern for Community", adopted worldwide in 1995 as a statement on Co-operative Identity which emphasizes that co-operatives work for the sustainable development of their communities through policies approved by their members. This implies that co-operatives should be rooted in communities to respond to their members' and communities' interests.

Co-operative development authorities in several African countries were motivated by the statement and committed themselves to implement the newly augmented co-operative principle that has also been part of the discussion themes on several occasions, especially at the International Co-operative Alliance (ICA) African Regional Assemblies. Tanzania was among the leading countries that showed its commitment to implement this principle by ratifying Co-operative Societies Act of Tanzania, 2013.

A comparative case study carried out at the Institute for Co-operative Studies, University of Helsinki on the application of the Concern for Community Principle among farmers in Loppi municipality, South Finland and in Azezo municipality in North-West Ethiopia as well as Southern Highlands Zone of Tanzania reveals their similarities in many respects. The similarities between the foregoing examples are more with regard to the organizational structure. These co-operatives are locally based ones.

In the case of Loppi municipality in South Finland, the co-operatives formed on the basis of the Concern for Community Principle are known as the new co-operatives that are used for diversification of means of livelihood as opposed to the eradication of poverty in the North-West Ethiopia and Southern Highlands Zone of Tanzania cases, where there are predominantly informal cooperation societies. They also support socio-economic development, maintenance of religious and cultural heritage and peace building at the local level.

2. A NOTE ON AFRICAN CO-OPERATIVES

In the discussion of African co-operatives, first and foremost the fact that existence of various cultures, heritages, and traditions in 54 independent African countries must be taken into consideration. Owing to this, the concept of global ethics is recommendable as a means to explore how the co-operative values and principles match with the African cultural identity, heritage, values and ethics.

From the perspectives of the structure and history of the global co-operative movement, Africa is a case apart mainly due to the existence of abundant community rooted informal cooperation societies and activities in many African countries besides the formal co-operatives that play versatile role at the local and national level.

The informal co-operatives in Africa are modes of cooperation in the African traditional context based on the principle of giving supporting hand to people living in neighbourhood. Such locally initiated traditional co-operatives lasted long and happen to exist to this day, merely because they are successful in getting many of their objectives fulfilled.

This type of activity is practised particularly in rural Africa and membership in the informal co-operatives is dominated by the small peasant farmers and low income inhabitants. It is self-evident that agriculture, and especially small peasant farming, to this day represent the economic foundation of most African countries. Besides deriving a livelihood for the majority of their population from agriculture most of African countries depend on this small peasant farming to earn foreign exchange. This makes small peasant farming, even more important as this foreign exchange is indispensable for several development purposes.

The history of the co-operative movement in Africa is much longer and in various parts of Africa, the formal types of co-operatives have been in existence since the early years of the 19th Century. Consequently, they have operated in pre-independence and post-independence periods, as well as a variety of political and economic situations. Establishment of the formal co-operatives boosted as most of the countries gained their independence in the past fifty or sixty years.

Obviously, co-operatives have proved to be a vital vehicle in socio-economic development practically in all African countries. However, co-operative performance in the continent has been faced with a number of constraints related to the external factors, like the government policies and the economic environment, on one hand and to internal factors, like managerial capacity and insufficient member control, on the other. Special problems is the small role the female and youth play in co-operatives as compared to their significant role as agricultural producers, take carer of their families and household.

2.1 Challenges to co-operative development in Africa

The vital role both the informal and formal co-operatives play in the socio-economic in rural and urban areas of the African countries has been discussed earlier. The need for shifting the informal cooperation societies into primary co-operative enterprises to improve the economics of the co-operatives was also pointed out. The Concern for Community Principle concept is very instrumental in this exercise as well as the knowledge and experience of other countries such as Finland. Conducting grass rooted research study with the local co-operators in rural and urban areas will help to acquire knowledge about the general situation of co-operative activity, the co-operators' attitude towards entrepreneurship and existence of other modes of entrepreneurships practised in their living areas. Additionally it is expected that such a study will reveal the constraints that hamper operations of the co-operatives which in most cases are caused due to government control in many parts of Africa.

The newly enacted co-operative laws and policies initiated towards the co-operatives in many African countries provide a timely opportunity to reorient the co-operative performance. A good example country in this context is Tanzania that has recently ratified the co-operative laws. At the same time the distribution methods of the laws to the users must be taken into account. In light of the role played by co-operatives in Africa both in the rural and urban economic context as well as in the process of increasing the democratic participation and promotion of self-help approach to development have not received the attention from the researchers they would have deserved.

2.1.1 Need for dialogue on African co-operatives

Co-operatives have the potential to play a significant role in the effort to increase the socio-economic development of especially the poorer segment of the population in Africa that are involved more in informal co-operative activity. This is in line with the basic conception of co-operatives that in Africa and elsewhere in the world, cooperation is economic activity, aiming at assisting members of co-operatives to procure such commodities and services which they think necessary when taking charge either of their domestic households or of their occupation or trade.

Several African countries endeavour to develop performance of their co-operatives and are engaged in preparing and amending their co-operative laws to give the operation of their co-operatives more freedom and flexibility in order for their co-operatives to operate according to the amended co-operative principles.

With the awareness of the fact that the Finnish co-operative know how can play significant role in promoting co-operative development in Africa, Finland has assisted development of African co-operatives financially and by organizing dialogue forum in Finland and in Africa. An example of this

type of activity is the conference held in Helsinki, Finland, 1992 on “The Challenges to African co-operatives in rural development” and Harare, 1993 on “The Role and potential of Rural Co-operatives in Liberalizing African Economies”. The recommendations and resolutions produced as a result of these conferences have played a significant role in co-operative policy development issues in several African countries.

The significant role of research on co-operatives at Higher Education Institutions level, exchanging of ideas and experience among researchers and co-operators in Africa and in countries, where co-operatives are highly developed has been of a paramount of importance in recent years. Therefore, the proposed webinar will be especially useful in the current situation, where there is demand for acquiring knowledge and experience on innovation and sustainable performance of co-operatives in Africa.

In order to explore means for establishing partnership and exchanging ideas and views between the Finnish and African co-operative authorities and researchers of higher education, research institutions and practical co-operators, thus, it is necessary to arrange a discussion forum. The webinar also gives the opportunity to analyse the constraints and obstacles faced by the co-operatives in Africa.

The Finnish Association of Co-operative research, kooperativi has established partnership with the International Co-operative Alliance (ICA) Regional office known as Alliance Africa located in Nairobi, Kenya and the Moshi Co-operative University in Tanzania. These two African based Higher Co-operative Education and Research University and organization form the main category of participants as lecturers and facilitators.

From the perspectives of co-operatives, the purpose of the webinar is to discuss and analyse as to how best the goals set up as objectives can be achieved. This involves:

- finding appropriate research themes for conducting joint research and exchanging researchers in the field of co-operatives between Finland and African countries
- forming a forum for dialogue between African and Finnish co-operators for the possibility of exchanging views on co-operative development in Africa
- exploring means for including co-operatives in education institutions
- elaborating the methods of operationalizing of the co-operative principles and values
- creation of preconditions for self-initiated co-operatives democratically controlled and administered by the co-operators
- creation of preconditions for an appropriate process of shifting the self-initiated co-operatives from informal mode of cooperatives into formal co-operative enterprises democratically controlled and administered by the co-operators
- analysing the role of co-operatives in job creation in rural and urban areas in Africa
- revising the ways of involving the female and youth more actively in the co-operatives
- proposing for establishment of representation of African co-operatives at the African Union (AU)

In addition, there will be three major issues to be elaborated during the webinar. Each of them will be elaborated during the webinar and will include a number of specific subjects:

2.2 Environment of co-operatives in Africa

- Adherence to co-operative principles and their applications in Africa
- Initiatives for Joint co-operative research between Africa and Finland
- Research on self-initiated co-operatives in Africa, e.g. Tanzania
- Policies and the new co-operative legislations, the case of Tanzania
- The Alliance Africa Federation of Agricultural Co-operatives; implications and challenges

2.2.1 Youth and women as co-operators

- Co-operatives for job creation and rationale for problems in the youth and women's involvement
- A research paper as practical example, e.g. Finland and Tanzania

2.2.3 Co-operative Interaction for development

- Co-operative lessons from the experience of Finnish co-operatives, e.g. the case of Finn Coop Pellervo
- Co-operative education in Finnish Universities and vocational schools
- Assistance to African co-operatives by the Finnish development cooperation authority

