

Promoting Co-operatives by Co-operatives

By

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The history of co-operatives in Africa, has greatly been influenced by government policy and legislation to the extent that even when it comes to the promotion of new cooperatives, the network of government has claimed that responsibility. But co-operatives are voluntary and non governmental institutions formed out of free will of the would be members. When government sets the process of promoting such institutions, the would be members, read different signals that maybe the government is either interested in the affairs of co-operatives or may be that they are in fact promoting government owned and supervised co-operatives. In Malawi, the production of new co-operatives is taking a non-traditional approach as we shall see below.

Co-operatives and Income Poverty

It is common knowledge now that co-operatives are institutions for reducing poverty of the people who co-operate. But according to Robert Chambers (1994) can be explained by two dynamic forces which are systemic in nature. First, poverty is a situation of vulnerability and powerlessness of groups of people in society. This situation they find themselves in denies them the ability to take part in decision making on the production and allocation of resources. Secondly, poverty, is a situation of being deprived of the basic means of life-shelter, food and clothing.

A co-operative organization, is an organizational mechanism for enabling the poor and the powerless to address the systemic forces of poverty and generate solutions. The cooperative therefore, is an institutional mechanism allowing the acquisition and utilisation of knowledge for addressing systemic forces of poverty and design appropriate solutions for improving the conditions of life of the members. The more there are active cooperative organizations spread out in the country, the more the people are connected with the appropriate organizational mechanisms for addressing income poverty.

Below, we want to provide a description of how the spreading of co-operatives in Malawi has become a responsibility of co-operatives themselves.

Promotion of Co-operatives by co-operatives

In Mzuzu, Northern Malawi, we came across a coffee marketing co-operative union called Mzuzu District Co-operative Union, is one of the few co-operative unions in Malawi formed by 2000 small farmers producing coffee. But because the same farmers are also producing honey and sunflower seeds, the union is also providing a marketing facility for such crops.

When it comes to promotion of new co-operatives both at primary and secondary structures, Mzuzu co-operative union uses a non-traditional approach. The traditional approach has seen co-operative promotion as a function of the government department. For Mzuzu co-operative union, the promotion of primary societies does not start with a registered co-operative but rather, they start with a small marketing mechanism called the "business unit". The business unit has the basic physical infrastructure for commodity marketing. If the main crop is coffee, the business unit will have drying facilities and other quality control technologies. Small farmers around the business unit would normally be registered as regular suppliers of the crops. As farmers gain confidence of the marketing unit, they learn more about marketing and the union would be providing member education at their local training centre. When members complete their cycle of co-operative education they can then be registered as a co-operative society.

Likewise, when a remote area has command of more crops, Mzuzu union would a first step towards a new union, would initiate a business centre. A business centre is a place where there is more crop and the facilities are enhanced to handle bigger volumes of crop. There is also a more qualified management capacity co-ordinated by the Mzuzu union. When the business centre reaches a stage where it can handle larger volumes and with management capacity, the business centre can be transformed into a union.

In this way, the promotion of new co-operatives is not government driven, there is more learning on how to co-operate in business before the centres are registered into cooperatives and the union is not interested in building its own empire but expand the horizon of connectivity into poverty reduction organizational frameworks.

QUESTIONS ON MZUZU COFFEE UNION

1. List and explain the innovations done by Mzuzu Coffee.
2. Describe what Mzuzu Coffee can do for Malawi and how the Institutionalization of member driven Co-operative Entrepreneurship in the country.