THE WORLD BANK GROUP
A World Free of Poverty
HOME

23101

Findings

Africa Region . Number 33 . February 1995

Findings reports on ongoing operational, economic and sector work carried out by the World Bank and its member governments in the Africa Region. It is published periodically by the Africa Technical Department on behalf of the Region.

Empowering Farmers in Sub-Saharan Africa : Best Practices

Farmer empowerment is widely regarded as the most sustainable approach to helping poor farmers in Africa move out of poverty. This study, Farmer Empowerment in Africa Through Farmer Organizations : Best Practices responds to the requests of Task Managers in the World Bank for information on practical ways to promote the development of autonomous cooperatives and other farmer organizations. The central idea behind the best-practices cases presented is that farmer organizations tend to succeed if:

- Farmers can manage them autonomously, with minimal government interference;
- Farmers participate actively at every stage from decision-making onward; and
- Their cooperative activities are profitable.

An approach to rural development that involves farmers in decision-making is consistent with the increasing democratization of many African societies and the declining ability of African governments to manage and finance rural development.

Revision of Uganda's Co-operative Legislation

In Uganda, the agricultural sector accounted for 51% of the Gross Domestic Product (GDP) in 1991 and over 90% of exports. Agricultural output comes almost exclusively from about 2.5 million smallholders, of whom about 1.6 million belong to co-operatives. The 1970 Cooperatives Statutes Act rendered the co-operatives a mere extension of the government's machinery by arming the concerned Minister with considerable discretionary authority. In 1984, a government-commissioned study of Uganda's cooperative law cited an urgent need for a legal structure granting autonomy to the cooperative movement. The role of the responsible ministry would be limited to registration, audits, and compliance. The National Resistance Movement Government, which captured power in 1986, is firmly committed to a mixed economic strategy in which the cooperative movement acts as a balance between the bureaucratic public sector and the competitive, sometimes exploitative, private sector. A panel inaugurated in 1987 worked its way through the 1970 Cooperatives Law, debating the merits of each section and proposing changes. Grassroots cooperative operators participated in the debate and development of the new law of 1991.

Some of the reforms that have been initiated include the following :

- Establishing the minimum number of members in a co-operative at 30, thus eliminating one-person " speculator" societies;
- Making the regular auditing of a society's accounts a legal requirement. This transfers the responsibility to the owner-members;
- Liquidation of a society if two-thirds of its capital is lost. Owner-members are thus encouraged to ensure sufficient working capital; and
- The law requires that the concerned Minister consult the Board of the Uganda Co-operative Alliance, the apex co-operative body, when drawing up regulations to enforce the Cooperative Statute.

The revision of Uganda's cooperative law is moving towards transforming a system of largely government-supervised and controlled co-operatives into one of owner-controlled and owner-beneficiary cooperative businesses. The Uganda Cooperative Alliance has helped considerably by having the law translated into several vernacular languages and is also mounting a campaign to educate the grassroots co-operative membership and general population on the implications of the new law.

Promoting New Cooperatives and Farmer Groups in Namibia

At independence, Namibia had to prepare the ground for a democratic and independent co-operative movement accessible to all population groups. At the time, the co-operative movement was limited to huge white-controlled primary societies and unions that never penetrated the nonwhite homelands. Other groups had little awareness of co-operatives and virtually no expertise in co-operative management.

While the government initiated the changes, they were conceived in close consultation with co-operative organizations and nongovernmental organizations (NGOs) and were implemented with limited short-term technical and financial assistance from international donor agencies ($200,000 over three and a half years). The four large white-dominated co-operatives favored a model that would have perpetuated economic inequality. The other groups and associations fought for *one* Namibian cooperative movement with equal rights for everyone. The differences in views and priorities led to heated discussions. The draft law that emerged recognizes the right of the four large co-operatives to continue without interference and the right of the others to operate independently. Namibia's many informal groups can now become registered co-operative societies without having to go through cumbersome procedures.

Everybody involved in the process was willing to learn from experiences in other African countries. The result was a coherent, pragmatic co-operative policy, an innovative co-operative law, and a very small government co-operative administration that will confine itself to the registration and liquidation of co-operatives, the administration of law, and the co-ordination of support services. Two main lessons emerge from Namibia's experience.

- A co-operative policy is essential for spelling out the roles of those involved in co-operative development, but co-operative policy and legislation must reflect a broad consensus among all concerned;
- Donors should support policymaking through short-term technical expertise and, if needed, financial assistance for workshops and study tours, but they should not use their financial power to impose changes on cooperative members and promoters.

The changes Namibia made may serve as a useful model for South Africa and other regions with similar problems.

Support for Farmer Organizations in Cameroon

In the 1980s, most of Cameroon's dynamic co-operatives were involved in coffee marketing and trade and in providing credit. The state maintained tight control over co-operatives in the export sectors. And in many cocoa-producing co-operatives, poor management and a lack of transparency often resulted in funding deficits.

A crisis among co-operatives and new economic policies limiting the role of the state led to a review of the co-operatives policy starting in 1989. The state undertook legislative and institutional reforms granting greater autonomy to co-operatives and limiting its own role to registration and statistical functions.

After an initial phase giving farmer organizations the chance to develop freely, the government launched a donor-financed support fund to create support mechanisms for co-operative development and to finance training and advice for improving the quality of services provided by co-operatives and farmer groups. Donor agencies, presenting a generally united front, played a critical role in transforming co-operatives. They highlighted the need to make rural organizations more autonomous, reduce the level of state supervision, and take positive action through the support fund.

Two major developments have been :

- An information campaign through seminars and brochures which clarify the law and act as a practical guide; and
- The compulsory registration of farmers co-operatives , which will lead to the liquidation of some, the cleaning-up of some others and the official recognition of some hitherto obscure groups.

Whether co-operatives and farmer groups will take full advantage of the new opportunities is unclear, since the rural organizations did not initiate the changes. With farmer organizations, the best approach is always to support an existing movement rooted in the rural community. When such a movement is lacking, outside intervention can help to remove obstacles and to introduce flexible, accessible tools that can then be turned over to farmer organizations. However, with outside intervention, the results are always uncertain.

The resources needed to support the consolidation of rural organizations in Cameroon were modest, and if wisely used, could help build viable economic structures that may offer economies of scale, slow rural-urban migration, and establish a true partnership with the state in determining rural development policy.

Management Support and Local Investment in Mali

The agro-pastoral sector in Mali accounts for more than 40% of GDP and employs 70% of the labor force. Since 1974, there have been significant efforts to foster village associations, inter-village consultation and structures, and training of farmer leaders. But farmer organizations depended heavily on a single product, cotton, and on a single development/extension agency, the Malian Textile Development Company (CMDT). In recent years, economic and political crises have accelerated the movement toward more autonomous farmer organizations. Milestones have been the establishment of savings and loan associations (1988), a producers union (1992), management support centers (1992) to be financed and managed by the producers, and local investment funds (1993), whose rules of operation are developed by a commission of farmers aided by a consultant. These initiatives may serve as a model for new initiatives in other cotton-producing regions. The management support centers serve about 40 villages each and local investment funds about 10 villages each.

One of the most significant experiences is that of the Village Associations of South Mali (about 1,500) , which are responsible for collecting cotton, distributing inputs, making credit arrangements and carrying out social and economic investments (schools, clubs, warehouses, etc.), all from the profits obtained from marketing cotton.

But the process itself has much wider application. The idea was to strengthen the autonomy and effectiveness of inter-village farmer organizations that are manageable and controllable by the local population. With the assistance of an outside facilitator, farmer representatives are developing and deciding on procedures and structures based on identified needs. From the outset, sustainability is to be built into the new structures (so that management support centers will be self-financing and local investment funds maintained and replenished), rather than treating them as projects or temporary interventions. Governments and donors are learning that it is more effective and less costly to support the dynamics of farmer initiatives-which are more frequent than one might expect-than to design projects, programs, and national agencies and offer them in a top-down mode.

Both the management support centers and the local investment funds have stimulated or strengthened the emergence of private sector providers in the area of management support, technical studies, work related to construction and transportation, and service delivery. The challenge is to achieve controlled expansion of these initiatives over several years.

The Privatization of Agricultural Cooperatives in Burundi

In 1993, the Government of Burundi launched a major reform of the national co-operative movement and related support services designed to grant autonomy to co-operative organizations and to hold members accountable for the management of their organization. Free services provided by the government were to be replaced by commercial services from the private sector. While implementation of reform was blocked by the tragic events in Burundi from October 1993 onwards, the implementation strategy developed and partially executed may be helpful elsewhere.

Three types of co-operative organizations have functioned in rural Burundi, where rough terrain makes communication between regions difficult: supply and marketing co-operatives, savings and loan co-operatives, and production services groups. Pressured by the rapid decline of co-operatives, the government gradually moved, between 1989 and 1991, towards their greater liberalization. A consulting firm with ties to the Danish co-operative movement recommended transferring services from the Department of Cooperatives to the private sector, rehabilitating co-operatives, strengthening spontaneous interco-operative mechanisms, and revising legislation and institutional support. Implementation was to follow a strategy of research-action-training and was to be based on the democratization process already under way. The reform was to have 4 steps :

i. Launch at the national level;

ii. Fine-tuning of the reform;

iii. Regional action ; and

iv. National consolidation.

The Burundi experience emphasized the following :

- Actual reform must accompany gestures suggesting reform;
- The government should clearly define and announce its reform objectives before proceeding further, so that the message was unequivocal;
- For the success of the reform, it is desirable to have more representatives from the co-operative organizations than from the government on the co-ordinating body; and
- The co-ordinating body should act as a private entity, not as a government agency.

Farmer-Researcher Partnership in Mali

Eighty percent of Mali's population is rural. Research and extension services that better serve the needs of farmers, promote agricultural diversification, and give farmers incentives to increase production while conserving natural resources should have a direct effect on food security and rural income.

But Malian research was producing technologies that did not interest farmers or that they were unable to adopt. The one exception was cotton research, which had been highly successful. The evidence was becoming compelling that success in agricultural research and technology is more likely when farmers-as farmer *organizations*, not individual farmers-participate in its development. Inspired by the evidence, the Institut d'Economie Rurale (IER), Mali's main agricultural research institute, initiated a partnership between farmer organizations and research, based on the understanding that giving farmers a voice on committees would be ineffective unless farmers, researchers, and extension agents also worked together in the field.

The steps taken were as follows:

- Farmers were encouraged to participate in all stages of the technology generation process including the diagnosis of constraints, identification of solutions and the monitoring and evaluation of the transferred technologies;
- Farmers were involved in the decision-making process at both the local/regional and national levels;
- A Research Users' Committee, which included representatives from farmers' organizations, was set up under the National Agricultural Research Centre. This Committee would also manage a pilot research fund made available through the soft loan (IDA credit) from the World Bank;
- In order to integrate the farmers' trade union (SYCOV) and the Chamber of Agriculture into the

partnership plan, they were given seats on the Users' Committee; and
- A local NGO was hired to act as the facilitator between farmers' organizations and the IER in setting up meetings and improving the quality of dialogue.

A partnership with farmers' organizations requires important changes: in the governance of research institutes, so they become accountable for results; in scientists' directives, so they too are accountable for results; and in formal program planning and review, so that it can assimilate farmers' inputs.

Reviewing the Participatory Approach in Madagascar

Since the free elections of 1993 and the ensuing democratization process, Madagascar has experienced growing interest in participatory approaches to development. World Bank Task Managers are trying to involve local people affected by projects, as well as local NGOs. In several projects, participatory rural appraisals have been conducted, and one important poverty assessment was done. But these efforts are still isolated, depending heavily on project task managers.

In October 1993, a Bank Task Manager requested a special grant from the Participation Fund to launch a pilot "collaborative learning process" on participation. An "audit of participatory approaches" was proposed, which provoked some negative reactions by Task Managers who did not want to be audited and judged by outsiders. The "audit" became a "review," and five large development projects agreed to be reviewed. A proposal for the review project was sent to the NGO federation in Madagascar, which suggested some changes. The time from initial proposal to selection of the executing agency was six months.

In Madagascar, the emphases were on :

- Empowering the various social actors to " own their participatory process"; and
- Supporting a sustainable sequence of improvements and interactions between projects, NGOs and universities.

The planned sequence is as follows :

> **i.** A team of field staff, from experienced NGOs, supported by a social scientist from a local university, will visit a number of large development projects and stimulate local gender-sensitive reviews of participation approaches. Each visit should lead to concrete proposals for improving participation.
>
> **ii.** An annual national-level workshop will be held to share experiences and disseminate best practices.
>
> **iii.** The local university will make all the information available to local students and universities a well as to outside specialists in participation.

The first cycle is in the process of being completed. Hopefully, by then second and third cycles, the activities would have gained validity and will have moved towards becoming a self-sustainable process, with contributions perhaps from the projects themselves and NGOs, both of whom might see the merits of this cross-fertilization exercise.

The experiences shared through this study show that new dynamics are emerging from the grassroots in Sub-Saharan Africa, based on shared interests and common initiatives. Facilitating the active participation and consequent empowerment of African farmers represents a major advance towards increased productivity and growth with equity.

Elaine Beaudoux, Andre Bourque, Marie-Helene Collion, Jean Delion, Dominique Gentil, Charles Kabuga, Jurgen Schwettman, Ashih Shah. 1994. Farmer Empowerment in Africa Through Farmer Organizations: Best Practices. AFTES Working Paper No. 14. Agricultural Policy and Production. Technical Department, Africa Region. Washington, D.C.: World Bank.
