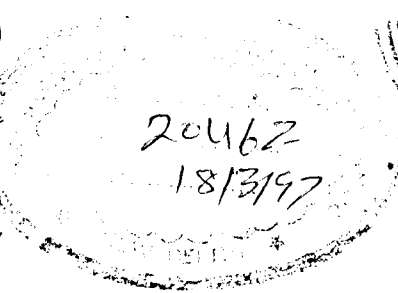


The following states of AFRICA
participated in SADC - AFRICAN
Ministerial Coop. Conference '96

- ① NAMIBIA
- ② TANZANIA
- ③ LESOTHO
- ④ S. AFRICA
- ⑤ BOTSWANA
- ⑥ KENYA
- ⑦ UGANDA
- ⑧ RWANDA
- ⑨ ZAMBIA.
- ⑩ MAURITIUS



REPUBLIC OF NAMIBIA

MINISTRY OF AGRICULTURE, WATER AND RURAL DEVELOPMENT

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STATEMENT ON CO-OPERATIVES IN NAMIBIA

presented by

the Hon. Nangolo MBUMBA

Minister of Agriculture, Water & Rural Development

at the

5th ICA AFRICAN MINISTERIAL CO-OPERATIVE CONFERENCE

Mauritius, 22 - 24 May 1996

Since Namibia's independence just over six years ago this is the third time that Namibia is represented at the ICA African Ministerial Co-operative Conference. At the time of the previous conference I was not yet Minister responsible for co-operative development. This is the first of these conferences that Namibia is actually represented by a Minister and I am privileged to be that Minister. I would like to thank the Government and the co-operative movement of Mauritius for their generosity in hosting this important event in such a wonderful setting. I am especially grateful that Namibia is patiently being invited, even though Namibia is not, as yet, a member of the ICA.

Namibia is quite a large country, geographically - 824,000 km² (slightly smaller than Tanzania), but with a population of only 1,6 million. Most of our country is arid or semi-arid - less than 5% of the country can be used for dryland cropping - agriculture only contributes about 10% of the GNP which is mostly from extensive livestock ranching, while agronomic production contributes only about 1%. I must inform you here unfortunately, that, while all of southern Africa had exceptionally good rains recently, Namibia is in the throes of one of the worst droughts in a long time.

Three years ago, at the previous conference, our representative expressed his confidence that the new Namibian Co-operatives Act would be in place soon. Unfortunately, mainly due to the bottleneck of legal drafting, this took a lot longer than anticipated. However, it still gives me special pleasure to inform you that our new Co-operatives Act has just been passed by both

Houses of Parliament and promulgation should now take a matter of weeks only.

This will then, for the first time in the history of our country, give the majority of the population the legal opportunity to form and be members of co-operatives, because up to now they had been de facto barred from doing so. The history of co-operative development in Namibia, as development overall, has been highly skewed: a well developed commercial sector - mainly white owned - and the majority living in an underdeveloped subsistence sector and/or urban poverty.

The lack of supportive legislation so far has obviously hampered the registration and consequently the development of new co-operatives. In spite of this there are some 100 'co-operative-type groups' of all kinds in Namibia, most of which would want to become registered co-operatives. This partially explains why we do not have a co-operative apex organisation in Namibia as yet and consequently why there is no representation from the Namibian co-operative movement here at this conference. While we obviously lament this short-coming (which is also the reason why Namibia is not yet a fully fledged member of the ICA) we, also, feel strongly that co-operative development must start from the grass-roots in the primary co-operatives and that an artificially created apex without a strong and sustainable base would be counter-productive. Nevertheless, we hope that by the next Ministerial Conference our co-operative movement will be represented by itself and resultantly, hopefully Namibia will be a proper member of the ICA.

Policy & Legislation

The most important objective of the Namibian policy regarding co-operatives is to create an economic, legal and institutional environment which is conducive to the development and growth of all types of co-operatives.

Most importantly our National Co-operative Policy recognises that co-operatives are part of the private sector and that they are an important option for socio-economic development, and that co-operatives are not an instrument of the state.

Thus our co-operative legislation will be very liberal, concentrating on core values and the methods of decision making without unduly interfering in the business decisions of a co-operative. It will be in line with the Co-operative Principles as reformulated at the ICA Centennial Congress last year, with the exception that joint ventures between co-operatives and non-cooperatives will not be allowed as a co-operative while, however, subsidiary companies may be formed by co-operatives which may be joint ventures.

The Policy further recognises that Government cannot and should not do everything for co-operatives and that it must therefore seek, harness and support the active co-operation of the diversity of other organisations that are active in the field of co-operative development, viz. various other relevant Government Ministries, various relevant Parastatals or other financial institutions, various relevant Non-Governmental Organisations, various relevant International Agencies as well as the co-operative movement itself, especially secondary and higher level co-operatives.

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Many of the countries in eastern, central and southern Africa are still in the process of coping with the challenging effects of economic structural adjustment, where co-ops' previously sheltered lives were suddenly confronted by the unaccustomed harsh realities of competitive market forces. In

Namibia, in the subsistence sector, ironically, we are facing the reverse problem. At independence our Government found a grossly underdeveloped subsistence sector, with no co-operatives and also a very limited private sector to build on. Therefore, with the best intentions, our Government attempted to provide the services traditionally rendered by agricultural service co-operatives, namely mechanised ploughing services and the retailing of certified seeds, fertiliser and veterinary drugs. But our Government recently realised that such provision of services was being counter-productive to co-operative and other private sector development. We are now in the process of assisting the private sector to develop capacity to take over these services from Government. You will have surmised from my guarded terminology that we are treating the co-operative and the profit sector of the private sector equally: supportive training courses will equally be open to co-operatives as to entrepreneurs. There is room for both and, in fact, we believe that the dynamic tension between co-operatives and entrepreneurs will bring out the best in both - to the benefit of the farmer and the national economy. And that way we will not need another series of structural adjustment in this field later.

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When it comes to grass-roots training we will rely mainly on NGOs, with those local NGOs who do not have sufficient donor funding, being able to draw 50% of such additional costs from a Donor/Government sponsored **Co-operative Training Fund** for mutually agreed training courses.

I would like, at this point, to thank the various Co-operative Departments in the region for having so generously facilitated the month-long attachments of our newer co-operative officers in their Departments. We are proud of the Namibian human capacity built in this manner.

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Enshrined in our new Co-operatives Act is the institution of the statutory **Co-operative Advisory Board** on which the co-operative movement will have the majority of seats. I trust that this Board will advise me, proactively and reactively, on all pertinent issues regarding co-operative development and will therefore, hopefully, provide for good co-ordination between the movement and Government.

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Finally

Finally, I believe that the preconditions for the balanced development of sustainable co-operatives do now finally exist in Namibia, and it is now largely up to the existing and future co-operatives to make most of it!

I thank you, Mr Chairman.



PREAMBLE

The fifth ICA African Ministerial Co-operative Conference met in Mauritius, 20th - 24th May, 1996. The Conference reviewed progress made towards the achievement of the objectives of the Regional Co-operative Development Decade since its declaration in 1984,

The Conference also set strategies for the period 1996 - 1999. These strategies have been worked out on the basis of: the Country Papers presented and discussed at the Regional Development Co-ordinating Committee Meeting held in Lusaka, Zambia on 27th - 29th March, 1996 and the resulting progress report prepared by that Committee. In addition, the Ministerial Statements delivered during the conference and the ensuing deliberations have been taken into consideration.

1. Overall Political, Economic and Social Framework

In the decade under review almost invariably all countries in the region have gone through drastic economic crises. In response they have had to implement harsh externally initiated structural adjustment programmes. In the area of co-operative development the situation has been compounded with the reduction, and in some cases withdrawal of support hitherto provided by governments. At the same time, donors who previously provided significant support to co-operative development programmes have adopted a more selective approach which in many cases has had adverse effects on the impact of co-operative development efforts.

Central to structural adjustment programmes has been the policy of liberalisation which for co-operatives has meant a loss of monopolies and privileges they used to get. This moreover meant a drastic change in the business environment for which co-operatives were ill prepared. The situation depicted in the foregoing statement does not apply equally to all the countries of the region. Indeed in some countries the severity of the impact of these changes on co-operatives has been minimal.

Political changes which took place especially in the later part of the decade have also affected co-operatives directly or indirectly. This has been particularly the case where co-operatives were previously linked to political structures. This delinking means that co-operatives have to exist as pure business organisations.

The economic social and political reforms that has been carried out provide a long term opportunity for co-operatives to become autonomous and truly member driven. The elimination of state and other monopolies also gives co-operatives the opportunity to enter business areas which were previously inaccessible.

Co-operatives should recognise and accept that adjustment is a continuous process and part of internal to the organisation .to initiate actions designed to bring about effective changes in line with the new environment. Efforts by HRD institutions to integrate gender issues in their curricula should particularly be emphasised.

2. Structure and Organisation of the Co-operative Movement

On the whole co-operative movements in the region are structured in tiers ranging from two to four depending on the country. These structures have their basis in the old set up. Recruit developments have called into question the sustainability of some of these structures,

It is recommended that: each movement should critically reexamine its structure and where necessary devise more suitable alternatives in view of the new environment. In this proces the co-operative member as an active particionat and ultimate beneficiary should be put into sharpt focus.

3. Co-operative Policy and Legislation

During the decade rapid expansion of the co-operative movements and other reforms left the then existing co-operative policies, laws, rules and bye-laws inadequate. A significant development has been that most governments started and continued participative and consultative processes to reformulate co-operative policies and legislations.

It is recommended that: countries which have not yet reviewed their policies and legislation should do so. There should also be a continuous monitoring of existing policies and legislations to ensure their relevance.

The process of review and formulation should include active participation of co-operative members,

4. Role of Government and Relations with the Movement

The importance of independent and self-reliant co-operative movements cannot be over-emphasised. At the same time it is recognised that some government involvement is still required to achieve the mutual objective of human development.

It is recommended that: governments should continue to recognise co-operatives as having a great potential for social and economic development. They should therefore create the necessary environment for sustained advance of the co-operative movement. Co-operative on their part while maintaining

constructive dialogue with governments should continuously endeavour to enhance their own sustainability.

5. Role of Donors and Other Development Partners

Donors and other development partners have played a significant role in co-operative development in the region. Most of the development support has been towards capital investment and human resource development. The channel of the support has shifted from being solely through governments to include movement- to-movement arrangements as well.

It is recommended that: all efforts should be made to sensitise donors that more than ever before the need for their support is crucial and the potential to achieve the desired impact is high.

6. Co-ordination

Most countries continue to experience difficulty in co-ordinating co-operative development activities. Collaboration and co-ordination amongst the key players in co-operative development; in particular governments, co-operative organisations, donor agencies and other co-operative development agencies still remains inadequate and needs to be reassessed in order to achieve maximum efficiency in the delivery of support services.

It is recommended that: apex organisations shall be responsible for initiating and implementing a mechanism for co-ordinating all efforts of principle actors involved in co-operative movement.

Co-operative Finance

There has been a significant growth in the co-operative finance sector, that is, co-operative banking, savings and credit and insurance. However, towards the end of the decade, the sector experienced some upheavals which can be attributed to the liberalisation and the introduction of stringent statutory regulations.

It is recommended that: Each movement should appraise the existing grassroots financial intermediation in order to establish a sound base for co-operatives. Methods and ideas should be put into place to increase financial participation of the members in their organisations. This can be improved by linking grassroots

financial institutions and production. Among the strategies in this context will be vigorous mobilisation of local savings, In each country here should a mechanism for the co-ordination and harmonisation of the co-operative financial sector,

8. Human Resource Development

HRD is an essential input and prerequisite for co-operative development and self-reliance.

Although there has been a general acceptance in the region of the need and value of HRD for co-operative movements, this has yet to be translated into effective programmes.

For the major part of the decade, most co-operative HRD has continued to be the responsibility of governments in the co-operative training institutions.

As the process of co-operative autonomy continues to take hold the need for the co-operative movements to assume increased responsibility for the HRD institutions has become more urgent. This however should not diminish the importance of government support to these institutions. In the recent past there has been a need for the institutions to reassess their relevance vis-a-vis the emerging needs of the co-operative movements and to revise their curricula to accommodate these needs. Also noticeable have been the efforts to devise and adapt modern methods and techniques for the delivery of the programmes. In these efforts the collaborative efforts of the ICA and the ILO and other development agencies have been an added catalyst.

It is recommended that: the movement should identify HRD institutional capacities and resources available in the region in order to collaborate more effectively in their utilisation.

The efforts already initiated to reassess HRD needs should be accelerated with increase vigour and circumspect. Design of systems, methods and techniques for efficient delivery of programmes directly responding to identified needs must be effected as a matter of urgency.

9. Gender and Co-operative Development

Gender issues in particular, the involvement of women in co-operatives has been a matter of increased concern in the movements of the region. Almost without exception, every country of the region has launched a gender

sensitisation programme as well as making deliberate efforts to enhance the participation of women in co-operatives.

The work thus initiated, will continue to require encouragement and support from all sectors. However, gender still remains a complex area which needs concerted intervention at all levels of the society both at macro and micro levels.

It is recommended that: co-operative organisations and all other agencies involved in co-operative development should take deliberate and specific actions to address gender issues in particular by encouraging increased women participation in co-operatives as active members and leaders. At the same time, sensitisation programmes on gender issues should be enhanced. Initiatives already taken by HRD institutions to integrate gender issues in their curricula must be encouraged and supported at all levels. All planning and reporting in future should be gender disaggregated.

10. Youth and Co-operative Development

The impact of adjustment programmes and demography as well as institutional imperfections have reduced opportunities for gainful employment for the youth in almost all countries of the region. Accepting that co-operatives have responsibility towards the community in which they exist and bearing in mind that young people constitute the reservoir from which future co-operative membership will be drawn, it becomes imperative that they play an active role in shaping the future of this resource.

Evidence shows that initiatives have been taken in the area of legislation to address the youth question. What is more there has been increased interest in the introduction of co-operation in the formal school curricula as well as promoting special skills such as developing skills such as those required in the informal sector where the young people are much involved. The lack of economic means among the youth has also been another serious constraint.

It is recommended that: the Regional Office should prepare guidelines in the involvement for youths in co-operatives to be used by member countries. Ministers for co-operative development and other policy maker should liaise with the respective Ministries of Education to pave the way for the introduction of co-operation in the school curricula. The ICA Regional Office in collaboration with its member organisations and the HRD institutions should develop and disseminate proto-type co-operative primers to be adapted and (where necessary) translated for Youths in the teaching of co-operation in schools in each country. The Regional Office should collect case studies on successful examples of co-operation in schools and disseminate such cases to member organisations. Ministries responsible for co-operative development as well as the co-operative organisations and other co-operative development agencies should support programmes designed to support the informal sector with a view

to creating gainful employment for young people. Revision of co-operative legislations should take into full account the need for facilitating recognition and legal framework for the functioning of youth activities in the informal sector.

11. Role and Nature of Trade in Co-operative Development

The leadership of the co-operative movement acknowledges the critical importance of trade in co-operative advancement. To this end a number of trade facilitation units and other initiatives have been attempted. However, there remain serious constraints; among them, the lack of management capacity, failure to add value and inability to penetrate traditional trade patterns.

It is recommended that: Apex organisations in the member countries should establish data bases to provide information about what they can trade with other movements. The ICA Regional Office should co-ordinate the inter-co-operative trade data base.

12. Co-operatives and the Natural Environment

During the decade the protection of the environment moved up on the agenda of the co-operative movements in the region. In collaboration with the governments and other agencies some environment-friendly practices have been put into effect. These initiatives combined with efforts to inform, educate and sensitise co-operative members hold good promise for the future.

Unfortunately, poverty and the pressures of immediate survival have often forced farmers to over-exploit their lands, forests and lakes. Similarly, African governments financially constrained by a heavy debt burden, poor export earnings and the austerity of structural adjustment found it difficult to effectively undertake major environmental management development. Co-operatives also find that they do not have the resources to pursue ecological concerns effectively.

It is recommended that: co-operatives and members should be sensitised on environmental issues and such activities like soil conservation, choice of farm inputs and application of environmental friendly farming methods should be adapted. Co-operative HRD institutions should incorporate in their curricula environmental subjects.



1996

REPUBLIC OF NAMIBIA

MINISTRY OF AGRICULTURE, WATER AND RURAL DEVELOPMENT

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I thank you, Mr Chairman.



The Ministerial Statement of the United Republic of
Tanzania in the occasion of the 5th International Co-
operative Alliance (ICA) African Ministerial Co-operative
Conference, Mauritius

Hon. Chairman

Distinguished Delegates

Respected Invited Guests

Ladies & Gentlemen

Before setting out to give my statement, I wish to take this opportunity to register my heartfelt gratitude to the Government of Mauritius, our hosts and organisers of this important conference for the warm reception and hospitality which have been generously extended to me and my delegation since our arrival. We thank them all.

Mr Chairman, Today we are concluding the cooperative development decade for East, Central and Southern Africa. In 1984 the cooperative sector in the region had a ten years vision with the following major objectives.

- Increase the standards of living of our people who mainly depend on the cooperative movement for their livelihood.

- Raise self help of the cooperative movement which was at that time very dependent on state/donors.

- Create better enabling environment for cooperative development through cooperative policy and legislation.

- Establish and enhance mutual cooperation among our countries and in particular within the cooperative sector, for instance through trade, research and training.

and finally, focus in human resource development and institutional capacity building of the cooperative societies. Cooperative leadership and Management were perceived weak.

These were indeed firm position statements of Ministers responsible for cooperative development, Ministers who understand and believe that cooperatives are important instruments for social economic and cultural development as well as human advancement for its citizens. The vision was at least in theory a step forward for social and economic emancipation of our people.

Implementation of the objectives has been beset by a number of countervailing problems, some from the international environment and other from within the cooperative movement.

For example the collapse of socialism as an alternative social and economic system in the world has a bearing on our developments. Third world countries which enjoyed substantial donors assistance due to the existence of the two dominant competing systems suddenly found themselves in one economic system with completely new terms of aid and grants. This was followed by structural adjustment programmes dictated on our governments and culminating into trade liberalizations where the infant institutions like cooperatives are compelled to compete with long standing multinational giant corporations.

Internal problems include lack of appropriate vision by Governments towards cooperative development.

In short the premises, on which the cooperative development decade objectives were laid, collapsed. A drastic change in the environment has taken place and thus our objectives and strategies need redefinition.

Hon. Chairman, the people of Tanzania are still poor and some in abject poverty. The new environment does not bring in any hope. Cooperatives still have better advantage over other systems in terms of outreach of the disadvantaged groups such as small scale farmers, the landless, women, youth, craftsman, disabled and the elderly. All these groups can be brought into active production through cooperatives.

Hence the Government will continue to observe and to respect the cooperative ideology and practice including the guarantee of the autonomy of the cooperative movement. Furthermore, the Government will continue to create conducive environment in which people are free to associated in exploiting their resources for social and economic development. The Government will continue to provide assistance to cooperative development particularly in areas of human resource development and institutional capacity building without usurpation of cooperative autonomy.

Mr Chairman, strategies envisaged for cooperative development in Tanzania, encompass the following configuration.

- Take over all Government caused debts to give a fresh start in the new competitive environment.

- Focus on members and member empowerment. Over years, secondary and other super cooperative structures have been the principals while members in their primary societies have been reduced into agents. This must change if cooperatives are to survive in the new environment.

- Increased membership in cooperatives is another dimension. Actual membership is too small compared to the potential available.

- Amalgamation of primary societies into larger ones will enhance viability and their relative power vis-a-vis unions etc.

- Member empowerment spans many areas and definitely touches the domain of self help.

: Member empowerment will be realised through active member participation.

: Increased shares and working capital of their societies.

: Establishments of various funds e.g. Inputs funds to boost working capital.

: Introduction of sustainable rural financial institutions that is savings and credit cooperative societies and cooperative banks.

- Member empowerment is impossible without Human Resource Development. There has been a tendency of brain drain from rural areas into urban areas. The process must reverse, because for decades to come, most of our people will still remain in rural areas.

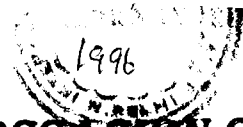
In conclusion Mr Chairman :-

The Cooperative development decade has in principle given us a better background on how to position ourselves vis a vis the new environment. Our strength is no doubt the people or rather the members in cooperative societies. However, the members need leadership and management with clear vision and direction. This vision does not end on cooperative leadership, it spans the spheres of our national leaders, the cabinet, legislators, political parties etc. It is

impossible to leave the task of cooperative development to cooperatives alone.

Thanks for listening.

24th May, 1996



**MINISTERIAL STATEMENT ON THE OCCASION OF
THE 5TH ICA AFRICAN MINISTERIAL CONFERENCE
PORT LOUIS - MAURITIUS PORT LOUIS
22ND - 24TH MAY, 1996**

MR. CHAIRMAN
HONOURABLE MINISTERS
YOUR EXCELLENCIES
DISTINGUISHED DELEGATES
LADIES AND GENTLEMEN

ALLOW ME, MR. CHAIRMAN, ON BEHALF OF MY DELEGATION TO EXTEND WARM GREETINGS FROM LESOTHO CO-OPERATORS AND THE GOVERNMENT OF THE KINGDOM OF LESOTHO TO THE CO-OPERATORS AND THE GOVERNMENT OF THE REPUBLIC OF MAURITIUS . ALLOW ME, ALSO MR CHAIRMAN TO EXTEND THE SAME GREETINGS TO THE HONOURABLE MINISTERS, EXCELLENCIES AND CO-OPERATORS FROM THE ICA MEMBER STATES GATHERED HERE TODAY. MR CHAIRMAN IT IS BEFITTING I THINK TO FURTHER EXTEND THE SAME CO-OPERATIVE GREETINGS TO

DIRECTOR GENERAL

COUNCIL FOR AFRICA AND ICA REGIONAL DIRECTOR FOR
SOUTHERN, EASTERN AND CENTRAL AFRICA.

MR CHAIRMAN, HONOURABLE MINISTERS, EXCELLENCIES AND
DISTINGUISHED DELEGATES, IT IS MY FIRM BELIEF THAT WE
ARE GATHERED HERE TODAY AND DURING THE PAST DAYS TO
REAFFIRM OUR COMMITMENT TO CO-OPERATIVE
DEVELOPMENT IN THE REGION AND INTERNATIONALLY AS
ONE WAY OF ECONOMIC AND SOCIAL DEVELOPMENT. IT IS
OUR BELIEF IN LESOTHO THAT AS PRIVATE ENTERPRISES,
CO-OPERATIVES ARE STRATEGICALLY PLACED IN THE
ENHANCEMENT OF SOCI^o-ECONOMIC DEVELOPMENT; AND
THIS CAN ONLY BE REALISED IF THEY ARE CONTROLLED AND
MANAGED BY MEMBERS ACCORDING TO UNIVERSAL CO-
OPERATIVE PRINCIPLES. ON THE BASIS OF THIS
UNDERSTANDING, LESOTHO IS COMMITTED TO THE PROMOTION
OF CO-OPERATIVE MOVEMENT.

WE BELIEVE THAT CO-OPERATIVES SHOULD OPERATE UNDER

OVERALL NATIONAL POLICY GOALS AND OBJECTIVES. FOR
THIS REASON I CONSIDER IT PERTINENT TO BRIEFLY OUTLINE
LESOTHO GOVERNMENT POLICY GOALS AND OBJECTIVES.

OUR NATIONAL POLICIES ARE BASED ON THE BELIEF THAT THE NEEDS OF PEOPLE SHOULD BE AT THE CENTRE OF DEVELOPMENT.

OUR NATIONAL POLICIES SEEK TO ADDRESS CREATIVELY THE INTER-ACTION BETWEEN THE SOCIAL FUNCTION OF THE STATE, MARKET RESPONSES TO SOCIAL DEMANDS AND THE IMPERATIVES OF SUSTAINABLE DEVELOPMENT. TO THIS END, WE SEEK TO IDENTIFY PROBLEMS OF SOCIALLY AND ECONOMICALLY MARGINALISED AND DISADVANTAGED GROUPS, AND PROMOTE THEIR SOCIAL INTEGRATION AND ATTAINMENT OF EQUITABLE AND EQUAL OPPORTUNITIES.

MR CHAIRMAN, LESOTHO IS PURSUING THREE MAJOR POLICY GOALS WHICH I THINK CO-OPERATIVES COULD AND SHOULD CONTRIBUTE TO THEIR ATTAINMENT. THESE ARE:-

- POVERTY ALLEVIATION
- HOUSEHOLD FOOD SECURITY AND
- EMPLOYMENT CREATION

WITH OVER 80 PER CENT OF THE POPULATION CLASSIFIED AS RURAL AND 55% OF THESE USING AGRICULTURE AS THEIR PRIMARY AND/OR SECONDARY SOURCE OF INCOME, TARGETTING AGRICULTURE, IS A POTENTIALLY EFFECTIVE MEANS OF TACKLING POVERTY IN LESOTHO. CO-OPERATIVES

ARE SEEN AS MAJOR ROLE PLAYERS IN PRODUCING
AGRICULTURAL

PRODUCTS IN ORDER TO ALLEVIATE POVERTY.

IN THE PAST LESOTHO PURSUED THE POLICY GOAL OF FOOD
SELF-SUFFICIENCY. IT IS NOW ACCEPTED THAT THIS POLICY
IS NOT ONLY UNATTAINABLE, BUT IT'S PURSUIT THROUGH
STATE PRICE SUPPORT, MARKETING CONTROLS, AND IMPORT
RESTRICTIONS HAS BEEN COSTLY AND HARMFUL TO THE
MAJORITY (PARTICULARLY THE POOR) WHO ARE NET
PURCHASERS OF FOOD. IT HAS INHIBITED THE PROCESS OF
DIVERSIFICATION OF AGRICULTURAL PRODUCTS SPECIALLY
THOSE THAT LESOTHO HAS COMPARATIVE ADVANTAGE ON . IT
IS OUR BELIEF THAT CO-OPERATIVES AS ORGANISED PRIVATE
BUSINESS ENTERPRISES, COULD TAKE ADVANTAGE OF
ECONOMIES OF SCALE IN AGRICULTURAL PRODUCTION- INPUT
SUPPLY AND OUTPUT MARKETING.

MR CHAIRMAN, HONOURABLE MINISTERS, EXCELLENCIES AND
DISTINGUISHED DELEGATES, UNEMPLOYMENT IS A MAJOR
DEVELOPMENT CHALLENGE FACING LESOTHO . PRESENTLY

THE UNEMPLOYMENT RATE STANDS AT 35-40 PER CENT. THE
SITUATION IS WORSENERD BY UNDEREMPLOYMENT WHICH IS
PARTICULARLY PREVALENT IN RURAL AREAS. THE ECONOMY
HAS PERFORMED POORLY IN TERMS OF CREATING *EMPLOYM*

ENTRANTS TO THE LABOUR FORCE IS ESTIMATED AT 23,000 PER YEAR. IT IS 15 TO 29 PER CENT WHICH FINDS EMPLOYMENT IN THE FORMAL SECTOR. THE BURDEN OF UNEMPLOYMENT FALLS HEAVILY ON WOMEN, THE YOUTH, THE UNSKILLED IS DEEPENING POVERTY, AND ERODING SOCIO-ECONOMIC STABILITY.

IT IS OUR HOPE THAT WELL MANAGED CO-OPERATIVE MOVEMENTS COULD AND INDEED SHOULD ADDRESS THE ISSUES OF POVERTY ALLEVIATION, HOUSEHOLD FOOD SECURITY AND EMPLOYMENT CREATION.

MR CHAIRMAN, HONOURABLE MINISTERS AND EXCELLENCIES, IN AN ATTEMPT TO CAST SOME LIGHT ON THE JUSTIFICATION OF OUR NATIONAL POLICIES I HAVE JUST CITED, IT SHOULD BE PERTINENT TO TELL YOU THAT LESOTHO WAS SUCCESSFUL IN SUSTAINING FINANCIAL STABILITY, BUT IT WAS UNSUCCESSFUL IN REDUCING POVERTY. IT IS TO BE NOTED THAT A HIGH PROPORTION OF OUR PEOPLE ARE POOR. ACCORDING TO A RECENT GOVERNMENT/WORLD BANK POVERTY ASSESSMENT REPORT, OF THE TOTAL POPULATION, 49 PER CENT ARE POOR AND 26 PER CENT ARE VERY POOR. THE GROUPS MOST SEVERELY AFFECTED ARE :-

SMALL FARMERS

- FEMALE-HEADED HOUSEHOLDS
- LANDLESS RURAL DWELLERS
- INFORMAL SECTOR WORKERS, AND
- THE UNEMPLOYED

MR CHAIRMAN, AFTER THIS ALARM SOUNDING, IT IS PROPER TO BRIEFLY SAY WHAT STRATEGIES LESOTHO GOVERNMENT TOGETHER WITH CO-OPERATORS INTEND TO EMPLOY IN ORDER TO RE-DRESS THE SITUATION.

THE STRATEGIES ARE NOT EXHAUSTIVE. THEY ARE:-

- AGRICULTURAL AND POLICY DEVELOPMENT
- PRIVATIZATION AND MARKET LIBERALIZATION
- LAND REFORM AND NATURAL RESOURCE MANAGEMENT
- AGRICULTURAL DIVERSIFICATION
- RE-ORIENTATION OF AGRICULTURAL SUPPORT SERVICES
- STRENGTHENING OF CAPACITY BUILDING PROGRAMMES

MR CHAIRMAN, HONOURABLE MINISTERS, EXCELLENCIES AND DISTINGUISHED DELEGATES, I AM SURE YOU HAVE WAITED TOO LONG TO HEAR ABOUT CO-OPERATIVE MOVEMENT IN LESOTHO. THE HISTORICAL BACKGROUND OF CO-OPERATIVE MOVEMENT IN LESOTHO IS NOT VERY ENCOURAGING, BUT ITS IMPORTANCE IN ECONOMIC AND SOCIAL DEVELOPMENT

CANNOT BE OVEREMPHASIZED. THE PAST GIVES US COURAGE FOR THE FUTURE. IT IS FOR THESE REASONS THAT LESOTHO GOVERNMENT HAS TAKEN A DELIBERATE POLICY STANCE OF CO-OPERATIVE TRANSITION FOR PRESENT AND FUTURE CO-OPERATIVE DEVELOPMENT.

AS A MINISTRY WE ARE COMMITTED TO PROVIDING AN ENABLING ENVIRONMENT FOR CO-OPERATIVE DEVELOPMENT. TO THIS END WE HAVE EMBARKED ON CO-OPERATIVE LEGISLATION AND A POLICY REFORM PROGRAMME.

THE POLICY SEEKS TO ENSURE FULL PARTICIPATION OF EVERY MEMBER IN CO-OPERATIVE DEVELOPMENT AT ALL LEVELS.

THE PRIMARY OBJECTIVE OF THE CO-OPERATIVE POLICY IS TO CREATE SOCIO-ECONOMIC, LEGAL AND INSTITUTIONAL ENVIRONMENT WHICH IS CONDUCIVE TO DEVELOPMENT OF GROWTH OF ALL TYPES OF CO-OPERATIVES IN LESOTHO.

THE FOLLOWING ARE ENVISAGED BY THE POLICY:-

- THE CO-OPERATIVE POLICY RECOGNIZES THAT CO-OPERATIVES FORM PART OF THE PRIVATE SECTOR AND

THAT THEY ARE AN IMPORTANT OPTION FOR SOCIO-ECONOMIC DEVELOPMENT.

THE POLICY FURTHER RECOGNIZES THE DIVERSITY AND DECENTRALIZATION OF ORGANISATIONS THAT ARE ACTIVE IN THE FIELD OF CO-OPERATIVE DEVELOPMENT.

- GOVERNMENT RE-AFFIRMS ITS DUTY TO SUPPORT THE CO-OPERATIVE MOVEMENT IN SUPPORTING VARIOUS CO-OPERATIVES TO BECOME PROFESSIONAL IN THE PROVISION OF SERVICES TO CO-OPERATIVES BY PROVIDING DIRECT LEGAL AND EXTENSION SERVICES.
- THE CO-OPERATIVE POLICY AFFIRMS ITS COMMITMENT TO THE INTERNATIONALLY RECOGNIZED AND EVOLVING CO-OPERATIVE PRINCIPLES.
- THIS POLICY IS INTENDED TO CATER FOR THE PRESENT AND FUTURE CO-OPERATIVES . OF THE 1,283 CO-OPERATIVE SOCIETIES, 1,200 ARE ACTIVE. CO-OPERATIVE SOCIETIES RANGE FROM FARMERS, MULTIPURPOSE, CREDIT AND SAVINGS, POULTRY, DAIRY, WOOL AND MOHAIR AND OTHER TYPES OF CO-OPERATIVES. OUT OF THESE, THERE ARE FIVE SECONDARY CO-OPERATIVE SOCIETIES. WE ARE

PRESENTLY WORKING HARD TO PUT CO-OPERATIVE
LESOTHO ON A RIGHT FOOTING.

MR CHAIRMAN, HONOURABLE MINISTERS AND EXCELLENCIES,
DISTINGUISHED DELEGATES, MAY I CONCLUDE BY RE-
AFFIRMING LESOTHO'S SUPPORT AND COMMITMENT TO
NATIONAL, REGIONAL AND GLOBAL CO-OPERATIVE
DEVELOPMENT. LET US CO-OPERATE TO MAKE OUR CO-
OPERATIVE MOVEMENTS TO BE EFFICIENT AND EFFECTIVE
FOR THE BENEFIT OF THEIR MEMBERS DURING THIS HARD
TIMES OF CHALLENGING GLOBAL ECONOMIC CHANGES.

THANK YOU.



FIFTH ICA AFRICAN MINISTERIAL CO-OPERATIVE CONFERENCE

STATEMENT ON BEHALF OF THE MINISTER OF AGRICULTURE

SOUTH AFRICA



It is a great privilege to be represented at this conference.

Our presence at this conference should be seen against the historical background of political development in South Africa in recent years. In the first instance it should be borne in mind that South Africa did not take part in the ICA Regional Co-operative Development Program due to the fact that the country was not present at the 1984, 1987, 1990 and 1993 Ministerial Conferences.

The South African political background gave rise to the South African co-operative movement developing according to three broad streams: -

- a) A well developed co-operative movement amongst developed communities.
- b) Co-operative development in the former homelands - mostly in the agricultural field.
- c) Informal co-operatives i.e. groups functioning like co-operatives but not being registered in terms of co-operative legislation - mainly in urban areas.

A process of rationalising Government delivery systems concerning co-operatives under a single Registrar of Co-operatives within the National Government, is in an advanced stage. It is foreseen that this measure will contribute towards the integration of the co-operative movement.

Since the democratic elections in South Africa during April 1994 the Government of National Unity has initiated many programmes aimed at social and economic reform in the country. To this end the Reconstruction and Development Program (RDP) is the lead program which is supported by Government Departments at national and provincial level. The RDP is also actively supported by the private sector.

This Reconstruction and Development Program is to be complemented by the National Growth and Development Strategy (NGDS).

The BATAT program of the Department of Agriculture (Broadening Access to Agriculture ^{THRUST} ~~Trust~~) is focussed on the emerging farmer. BATAT will address the following fields -

- Resource and environmental conservation
- Technology development
- Human Resource Development
- Financial services

The S.A. Government regards co-operatives as vehicles which can be utilized by people to promote their own development with a view to their eventual economic and social autonomy. For that reason co-operatives are seen as major contributors to the attainment of the objectives of the Reconstruction and Development Program, National Growth and Development Strategy and the Department of Agricultural's Broadening Access to Agriculture ^{Thrust} ~~Trust~~ initiatives.

In the new South Africa it is striking to note the growing awareness about the role co-operatives can play in the upliftment of disadvantaged communities. Co-operatives in those communities are being formed with the following aims:

- Job creation
- rendering of community services
- economic promotion
- access to financial services.

Co-operatives in South Africa are seen as part of private enterprise. Therefore, economic viability is a major consideration in the formation of co-operatives. As a result of this approach co-operatives serving developed agriculture did develop into financially sustainable concerns. Agricultural co-operatives have captured approximately 80% of the agricultural market notwithstanding functioning in a highly competitive market. As a result the commercial farming sector and commercial co-

Although co-operatives are regarded as part of the private sector, Government's role regarding co-operatives is to create an environment which is conducive to their development towards sustainability without limiting other initiatives or forms of business. This is achieved by way of co-operative legislation on the one hand and the promotion of the effective business operations of co-operatives on the other hand. The latter objective is achieved by promoting measures which are conducive towards sound management and financial development of co-operatives.

Following a decade (1980's) of hardship resulting from prolonged adverse climatic conditions in South Africa, agricultural co-operatives operating within the commercial farming sector, restructured themselves by way of rationalisation and amalgamation. The result is that developed agricultural co-operatives today are operating on a relatively sound basis. Further restructuring will be needed in the immediate future due to deregulation that is taking place in the agricultural marketing system in South Africa.

Agricultural co-operatives in the former homelands are suffering due to a lack of a viable agricultural environment. Lack of managerial skills; the financial inability to hire skilled staff and poverty in these areas, are major constraints. Special programmes to address these issues are being developed.

On the non-agricultural side, new types of co-operatives are emerging while the traditional types (consumer retail shop) are being phased out due to the expansion of retail chains into rural areas. Emerging co-operatives are community based and are
** managerial and financial expertise are mostly lacking. The

developmental role of the Registrar of Co-operatives as well as non-governmental organisations is aimed at addressing these constraints.

Notwithstanding the fact that South Africa was not formally part of the ICA Regional Co-operative Development Program significant development did occur in the country. The development of the informal co-operative sector which originated spontaneously on a need driven basis in previously disadvantaged communities, is a major victory for the co-operative ideology.

However, the next decade will even be more significant for the co-operative movement in South Africa. A major challenge will be to formalize the informal co-operative sector in the interest of co-operative members. The biggest challenge, however, will be to rationalise and integrate the present three co-operative streams into a single movement which pursues the interest of all co-operative members.

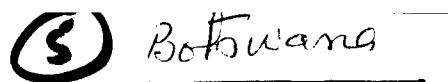
The development of an integrated Governmental delivery system rendering services to all of co-operatives without prejudice to the autonomy of co-operatives, will also be very important.

We are aware of the important role that co-operatives have played in the development of emerging communities in Africa. As the co-operative movement amongst developing communities in South Africa will in the years to come be faced with the same challenges, we believe that we can learn a lot from the co-operative experience in the

operatives, I believe that we can assist Africa in its co-operative liberalisation program.

A provisional invitation to hold the next Ministerial Meeting in South Africa is extended.

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MINISTER STATEMENT ON THE 5TH ICA AFRICAN

MINISTERIAL COOPERATIVE CONFERENCE

Mr. Chairperson

Honourable Ministers

ICA Chairperson

ICA Director

Regional Directors

Chairpersons of the Movement

Chief Executive Officers

Commissioners

Distinguished Guests

Ladies and Chairman

I wish to take this opportunity to express my appreciation and gratitude to the Government and the Co-operative

Movement of the Republic of Mauritius for the warm welcome. They have accorded me and my colleagues of the Botswana delegation. This is indeed, a clear example of cooperative solidarity and an expression of the hospitality and warmth of the people of Mauritius.

I would also like to extend my heartfelt gratitude and commendation to the ICA Regional Office for their efforts which have led to the convening of this meeting.

Mr. Chairman, allow me to join the other Ministers, in urging this Conference to examine objectively the problems which bedevil the cooperative societies in the region, come up with realistic suggestions and workplans for improvement or survival of the existing and future cooperative societies. This Conference offers us a good opportunity to exchange and share experiences that can help us in the difficult task of

guiding our cooperative movements. For in general, our countries face similar problems and setbacks in the development of cooperatives, and it is fitting and proper that we meet regularly to exchange experience and possible solutions, remedies and new perspectives.

Mr. Chairman, I am saying all these because back home the situation is not that pleasing. As you might have already learnt the two secondary societies which have been the pillars of the movement had been liquidated due to mismanagement. This have left us with an ailing cooperative movement which could best be described as being under "Intensive Care". Although my Government is committed to supporting cooperatives, we can only do so if cooperatives are well managed in the interest of the members. We will not continue to support cooperatives if the proceeds from this organisation are misdirected for personal gains. I should

however assure you that we will not interfere in cooperative activities without due cause as we believe the movement should be as independent as possible and benefits from our democratic principles.

Notwithstanding the current setbacks, my Government still value the important contributions which cooperatives can make to the development of our countries. The present financial resources of our cooperative movement may be limited, but their potential for mobilising and developing our economies is enormous. It is our conviction that the cooperative movement is the frame-work which ensures the full participation of the people in attaining socio-economic development. To strengthen our movements it is essential that we should maintain collaboration. This will help in pooling our resources in order to avail ourselves of the

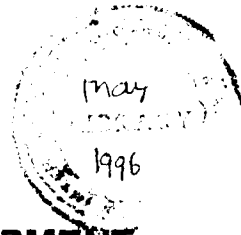
economy of scales so crucial in the profitable exploitation of our limited resources.

In conclusion, I wish to pay tribute to you Mr. Chairperson for the successful coordination and chairing of this 5th African Ministerial Cooperative Conference. On behalf of the Government of Botswana, and on my own behalf I wish to cooperative movement the best success.

Thank you Mr. Chairperson.



6



REPUBLIC OF KENYA

MINISTRY OF COOPERATIVE DEVELOPMENT

5TH ICA REGIONAL COOPERATIVE MINISTERIAL CONFERENCE

FOR EAST, CENTRAL AND SOUTHERN AFRICA

20 - 24 MAY 1996

HON. KAMWITHI MUNYI, EBS, EGH, MP

MINISTER FOR COOPERATIVE DEVELOPMENT

22 MAY 1996

To,

Mr Chairman and the Minister of Co-operatives of the

Republic of Mauritius, (Hon. Ramdass),

The Director General ICA,

The Director of ICA ,

Honourable Ministers,

Dear Co-operators,

Ladies and Gentlemen,

We were happy with the inspiring speech given by the Prime Minister of the Republic of Mauritius, His Excellency, Dr Navin Ramgoolam, during the opening of this historic 5th

ICA African Ministerial Co-operative Conference on
Wednesday 22nd May, 1996.

On behalf of the Kenya delegation, may I bring warm greetings from the people and the Government of Kenya, headed by President Daniel Arap Moi, CGH, M.P and commander in Chief of the Armed Forces of Kenya.

The first African Ministerial Cooperative Conference held in Gaborone, Botswana 12 years ago recognised the important role cooperatives play in rural and urban development. The Kenya Government attaches great importance to Cooperatives and has continued to play a significant role as a catalyst in cooperative development through appropriate policy changes and legal framework.

However, during the Regional Cooperative Development Decade, 1985 - 1995 significant economic, political and social changes occurred in the region, Kenya included which had far reaching consequences on Cooperative Development.

The Structural Adjustment Programme has found cooperatives unprepared for challenges brought about by liberalization and market economy. For a long time cooperatives enjoyed a high degree of protection and monopoly. The removal of price controls, deregulation of the financial sector, relaxation of import controls and removal of subsidies have negatively impacted cooperatives more than any other sector.

The privatisation of Government Parastatals and Marketing Boards which have acted as a buyer of last resort has exposed cooperatives to severe challenges from the private sector due to their inability to compete due to low capitalisation and lack of collateral to secure working capital.

The decade has also been characterized by political changes brought about by democratization and plural politics. In 1992 Kenya adopted multiparty politics from a single party system. The main effort has been devoted to democratization at

the expense of development and major efforts made in combating corruptions, crime and establishment of good governance, accountability and transparency.

Today, Kenya enjoys good relationship with its bilateral and multilateral donors due to the great strides made in political and economic reforms.

The cooperative movement with a membership of slightly over 2.5 million members and over 4,000 strong and active registered societies contributes significantly to the Gross Domestic Product. The cooperative activity cuts across most sectors of the national economy ranging from farming cooperatives, housing handicrafts, banking and insurance, credit union movement, fisheries, etc.

Cooperative Policy and Legislation

The Government has completed a draft policy document on Cooperatives in a liberalized economic environment. The

object of the policy document is to re-define the relationship between the Government and the cooperative movement. Similarly a new bill is to be tabled before Parliament shortly. The new legislation aims at giving more autonomy to the cooperators in managing their business while the Government will only exercise normative role through registration and de-registration of societies, inspections as requested by members and maintenance of Annual returns, statistics, etc. An Act of Parliament to make the Cooperative College of Kenya an autonomous institution was recently passed by Parliament and modalities are underway to re-constitute the College Board and Management. The movement will play an increasing role in the running of cooperative education and training in future.

CONCLUSION

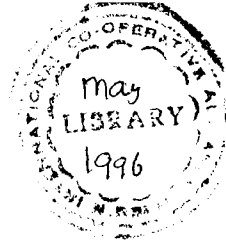
Kenya faces a major challenge in reducing unemployment and poverty.

There are nearly 2 million unemployed persons and at least ten million people are living in poverty. An estimated one-half million people are expected to enter the labour force each year over the next decade.

To achieve significant reductions in unemployment and alleviation of poverty the Government has placed greater emphasis on social services and interventions in favour of the poor. These include the social dimension of development programmes and specific programmes for the youth. Co-operatives are expected to play a significant role in the social dimensions programme due to its extensive coverage of the vulnerable groups.

We would like to propose the trade co-operation to be started and be implemented among the member nations within the region and the entire continent of Africa.

7



THE REPUBLIC OF UGANDA

STATEMENT BY MR. FRANCIS J. KASIRYE

PERMANENT SECRETARY, MINISTRY OF TRADE AND INDUSTRY

TO

THE FIFTH AFRICAN MINISTERIAL CO-OPERATIVE CONFERENCE

MAURITIUS

Mr. Chairman,

Allow me, first of all, to associate myself with the sentiments so eloquently expressed by previous speakers in congratulating you on your election to the Chairmanship of this conference. My delegation is appreciative of the wise and able leadership that has characterized your Chairmanship. You can count on our full support and cooperation.

Permit me also to convey through you Sir, my delegation's sincere appreciation to the Government and the entire people of Mauritius for the wonderful hospitality extended to us and for the excellent facilities that have been placed at our disposal.

The choice of Mauritius as the venue for our conference at a time when Africa is called upon to face the daunting challenges presented by a globalizing and liberalizing world economy was most appropriate. The momentous growth that has taken place in the economy of this country through, among others, the steadfast pursuit of pragmatic macro-economic policies and the transformation of the productive structures of the economy is something all of us on the African continent should be proud of and should endeavour to emulate.

Mr. Chairman,

Africa is facing formidable development challenges. The most pressing include: eradication of poverty, human resources development and the transformation of the productive structures of our economies, particularly the horizontal and vertical diversification of the commodity sector on which we are so dependent.

Many of our countries, including Uganda, have undertaken far reaching political and economic reforms in the context of the structural adjustment programmes under which we have continued to liberalize our economies by putting greater emphasis on the primacy of market forces and the importance of macro-economic stability.

In Uganda, we are paying particular attention to putting in place development strategies and policies that reinvigorate the private sector of which cooperatives are a major component, enhance the process of domestic resource mobilisation and facilitate foreign direct investment. We have placed greater emphasis on providing an enabling environment for entrepreneurship and enterprise development. We are convinced that the private sector is better placed to play an effective lead role in accelerating economic growth and sustainable development.

We are convinced that our ability to take advantage of the emerging opportunities in world markets depends, to a great extent, on our ability to promote the development of internationally competitive industries which can meet the exacting standards demanded in international trade. We believe very strongly that unless we address our supply constraints we shall continue to be marginal players in a rapidly changing trading environment.

Mr. Chairman,

The Cooperative Movement has a very important role to play in the transformation of our

With a nationwide network of nearly 6,000 primary societies, 34 District Unions, 5 National Service Unions and the Uganda Cooperative Alliance as the apex body, the Cooperative Movement in Uganda is uniquely placed to play a lead role in the struggle against poverty and the promotion of economic and social development.

One of the major challenges we face in Uganda is how to access production credit to peasant farmers in the rural areas and to mobilise their savings. We have a very weak financial sector with major Banks confined to Kampala. A few Banks, including the Cooperative Bank, have branches in major towns but these are not adequate to serve the producers of wealth namely, the peasant farmers. In such a situation, the Cooperative Movement through its network of primary societies could play a crucial role as a financial intermediary through which grassroot members could access production credit. This, coupled with the provision of extension services and marketing outlets to society members would go a long way in assisting our people in alleviating poverty and enhancing the quality of their lives.

It is in recognition of this important fact that Government, in cooperation with our development partners, is doing everything possible to strengthen the Cooperative Movement in Uganda. Government has restored the autonomy of Cooperatives, facilitated entrepreneurial development within the Movement, promoted the enhancement of managerial and technical skills, encouraged the development of a culture of accountability, facilitated the export marketing of commodities by Unions, promoted the strengthening of the Cooperative Bank and provided debt relief to heavily indebted Unions.

We are encouraged by the positive response on the part of the Cooperative Movement to these interventions. Cooperatives in Uganda have risen to the new challenges presented by the liberalisation of trade and the marketing of commodities. Many have restructured their operations and are endeavouring to run their enterprises on sound business principles.

UCA provides business consultancy, advisory and training services to Unions and Societies; the Cooperative Bank has been restructured and capitalised and is now one of the better performing financial institutions; Cooperatives remain a major force in the marketing of commodities inspite of stiff competition from new entrants both local and foreign; Women are becoming more integrated in the activities of cooperatives and accountability has improved with the provisions of the law.

Development programmes executed by Cooperatives include, inter alia, promotion of the production of oil seeds to meet local demand for edible oil, construction of produce stores for primary societies to facilitate more efficient marketing of produce and building increased capacity for processing commodities for local consumption and for export.

More needs to be done, however. First, the Movement needs to attract more members, particularly women members in their own right and the youth. Secondly, the Movement needs to address the issue of undercapitalisation if self-reliance is to be achieved and sustained. Thirdly, the programme of human resource development which has been embarked upon with Government and donor support needs to be enhanced and sustained. This is an area which was identified for regional cooperation, harmonisation and where possible

Mr. Chairman,

My delegation considers that regional cooperation and the pursuit of economic integration is one of the measures we as developing countries can take in response to changing economic circumstances. It is for this reason that Uganda is a strong supporter of the reactivated East African Cooperation and the Common Market for Eastern and Southern Africa (COMESA). We are encouraged to note that private sector organisations such as Chambers of Commerce and Industry and Women's Organisations are playing an increasingly active role in the affairs of these regional organisations. I would like to see similar participation by Cooperatives in these and similar regional economic organisations. These would facilitate more contacts between Cooperatives from a business perspective which could result in mutually beneficial arrangements.

Mr. Chairman,

Autonomy provides new opportunities as well as new responsibilities. Following the restructuring of Government operations, support previously extended to Cooperatives has been scaled down. Field staff responsible for auditing the accounts of Primary Societies as well as providing training and advisory services have been reduced drastically. With regard to the running of the Cooperative training institutions, the Cooperative Movement needs to plan ahead for the day when it will be directly responsible for these institutions.

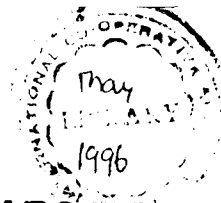
The responsibility of Government is to provide an enabling environment for enterprise development and for the enhancement of the competitiveness of the domestic enterprise sector including Cooperative enterprises. Government will continue to pursue proactive sectoral policies that foster entrepreneurship, strengthen the development of human resource, facilitate the promotion of investments and transfer of appropriate technology.

Mr. Chairman,

The challenge facing the Cooperative Movement in Uganda on the eve of the 21st Century is the same as the challenge facing Uganda as a nation. Shall we be able to meet the daunting challenges presented by a globalising and liberalising world trading environment in which those endowed with developed infrastructure, strong institutions, advanced technology and skills enjoy a decisive advantage? For the sake of our survival we have no alternative but to do so.

I thank you.

Rwanda



STATEMENT OF MR. KABANDANA MARC, DEPUTY
MINISTER OF YOUTH, SPORT AND CO-OPERATIVES IN
RWANDA PRESENTED AT THE 5TH ICA AFRICAN
MINISTERIAL COOPERATIVE CONFERENCE
MAURITIUS 22 - 24 MAY, 1996

Mr. Chairman,

Honourable Ministers and Leaders of delegations,

Distinguished participants,

First of all I wish to thank the Mauritian Government and especially the Ministry of Co-operatives for the warm welcome they have extended to me and all delegates. I also wish to express my sincere thanks to ICA Regional Office for having invited my country to participate in this important conference.

Mr. Chairman, I think all of you here know the horific happenings that occurred in Rwanda two years ago, leading to the genocide of about

one million people in the country. After that horrific experience, the present Government is faced with a big task of rebuilding the country's social and economic system in every field, be it in industry, education, health, judiciary etc.

The country is also faced with a big task of reconciliation, but this reconciliation will not be achieved without first taking punitive action against those who masterminded genocide, so that those survivors whose relatives were wiped out can see that justice has somehow been done.

Considering that the judiciary system has to start from afresh like other systems in the country, the task of taking to court those already apprehended for genocide will be able to start properly in some days to come.

Again, the international court that is supposed to help in apprehending and trying the leaders of genocide is yet to do an appreciable job, and it will take many years before it succeeds because of financial and other logistics problems involved. This

continues to delay the question of reconciliation among the population as well as the return of refugees because the leaders of genocide are trying hard to use them as their bargaining tools.

However, inspite of all these problems my Government is determined to work very hard to rebuild the country. In this regard we very much need moral support from our neighbouring countries and all other countries in this region. That is why Mr. Chairman, inspite of our limited resources, we think that our presence in such a conference is important for our country.

Mr. Chairman, co-operatives in our country were also destroyed, like all other systems as I mentioned above and my ministry has now the task of assisting in their re-establishment. Some co-operatives have already started operating, and most of them are structured from the lowest level up to national level. These are co-operatives operating in agricultural, commercial , banking and mining sectors. But much needs to be done in terms of technical guidance to enable co-operatives continue on a proper footing. We hope that during the

next ministerial conference we shall be able to report a much more healthy situation than the current one.

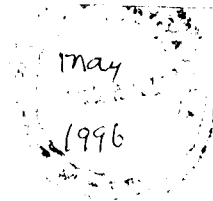
Mr. Chairman, we believe that co-operatives is one of the the best ways to promote a realy intergrate development of our people and contributes a social and economical intergration of our regional populations. It is why, Mister Chairman, my country is determined to join this organisation and contribute to his success.

Once again, I am glad to have been able to attend this conference and thank you all for your attention.

Thank you Mr. Chairman.

/Rwanda/

ZAMBIA



A STATEMENT BY HON. DR M. M. MPANDE

TO THE 5TH ICA AFRICAN MINISTERIAL

CO-OPERATIVE CONFERENCE

22 - 24 MAY 1996

REPUBLIC OF MAURITIUS

DEPUTY MINISTER MINISTRY OF AGRICULTURE

FOOD AND FISHERIES, REPUBLIC OF ZAMBIA

Mr. Chairman

Hon. Ministers

Distinguished delegates

Ladies and gentlemen

I would be failing my delegation and my ownself if I from, the onset could not appreciate what coming to this Miracle Island State of Mauritius has done to us as Africans. It
... these pride and a sense of mission.

Mr. Chairman, two important events occurred in this region in 1913. One was the recognition in Mauritius that weak people required government support and recognition, by the formation and statutory recognition of the co-operative movement on this island.

The second was the realization in 1913 by the people of South Africa that what transforms all societies is politics and the vision of the political leadership, This was done by the formations of the ANC.

Mr. Chairman, Africa is now free and on the road to economic prosperity as a result of these two events: Mauritius is an economic miracle while South Africa is an example of what democracy and visionary leadership can do to a people.

Mr. Chairman, we in Zambia recognise that we have to industrialize to attain economic prosperity. We can only do this by improving the quality of our human resource. This can only be done through uplifting of the weak by education, training and economic empowerment through the support of the co-operative movement and people-centered organisations.

Mr. Chairman in the development of the co-operative movement one thing is clear. If success has to be achieved, sectorial specialization in focus and emphasis has to be the central mission of governments and co-operators. The support of sugar co-operatives in Mauritius is a vindication of the validity of such a philosophy. We in Zambia are in the process of restructuring our co-operatives on these lines.

Mr. Chairman permit me to digress from what is normal when you find yourself in the midst of elders.

Distinguished Honourable Ministers if we have to lead Africa out of poverty, civil strifes and hunger, I wish to offer you three tips: We have to restore law and order, concentrate more on economics and less on politicking, and build more infrastructure. Our countries need discipline more than mere democracy in order to develop.

Co-operative Development in Zambia

Mr. Chairman, the Zambian Government policy on co-operatives is that of providing a favourable climate for the development of co-operative entrepreneurship.

Cooperative Legislation

Mr. Chairman, after the introduction of agricultural liberalisation, all agricultural legislation has had to be reviewed to bring them in line with the liberalization policy. This has included the review of the Co-operative Societies' Act of 1970. After exhaustive consultations with all stake holders, the Draft 1996 Co-operative Societies' Act is ready for presentation to the current session of Parliament. The Draft Co-operative Societies' Act of 1996 incorporates the latest Co-operative Principles which were approved at the Manchester Co-operative Congress in 1995.

Co-operative Reform

Mr. Chairman, my Government has recognised and appreciated the difficulties that the co-operative movement is facing as a result of the agricultural

liberalisation. We have created a “National Co-operative Reform Task Force”. The mission statement of the task force is to identify implementable strategies for ensuring that co-operatives succeed by focusing on member participation in identifying members’ needs and priorities. In this regard, the education and training of co-operative members (as well as that of management) is critically important. Zambia is fully benefiting from the current regional collaboration by the Co-operative Colleges and Centres in Botswana, Kenya, Swaziland, Tanzania and Zambia.

Women and Youth

My Government has a deliberate policy of sensitising women and youth and will take all measures to encourage their participation in co-operative development.

Conclusion

Mr. Chairman, I am more confident that once we, as a region, put the interests of co-operators first, to provide a favourable climate for co-operative entrepreneurship and ensure that co-operative business is transparent and Co-operatives Managers are accountable, there is no limit to co-operative success.

Mr. Chairman, in conclusion I wish to thank you and all the ladies and gentlemen that have ensured that this conference progresses in such an efficient way.



**5th ICA Regional Ministerial Conference for
East, Central and Southern Africa**

Statement by Minister of Co-operatives, Mauritius

Colleague Ministers, distinguished delegates, the co-operative movement originated in Rochdale and spread over Europe and to all corners of the World, including this region and Mauritius where the first co-operative society saw the day in 1913.

The co-operative movement is independent and we recognise this. It is a movement by the people for the people, and this is universally accepted. Co-operatives aim at protecting and promoting the interest of their members, thus they play an important social role. Co-operatives exist side by side with other forms of organisations and have often to compete with them. Co-operatives have to work in harmony with the Government of the country, accepting and respecting the laws of the country, though themselves operate under specific laws, very often conferring on the co-operatives privileges not generally obtaining for other organizations.

The co-operative movement stands to benefit from its collaboration with the Government. Governments should on their side while providing the framework, infrastructure and support to the co-operative movement, respect the principles and philosophy guiding the co-operative movement and, the independence of the movement.

We are aware of instances where the dividing line between Government and the co-operative movement becomes blurred and co-operatives end up becoming agents of the state. This should be avoided at all cost and I am myself a staunch defender of the independence of co-operatives.

The co-operative movement in many developing countries are known to have benefited from state support whilst many have taken good advantage and grown their wings to enable them to fly on their own and far; others have remained happy under the protective state umbrella and when this umbrella is removed they wither like those house plants which have remained inside for long and are suddenly exposed to the scorching heat of the Saharan midday sun.

Whilst it is in the interest of the co-operative movement to keep its independence and be strong to resist the fierceness of the competitive business world, it is also in the interest of Governments to ensure that co-operatives have the proper facilities to attain and maintain such a position for, a strong co-operative movement necessarily means a contented membership. Such a situation contributes to relieve pressure on the state and is beneficial to Government.

While ensuring that the regional co-operative movement develops and prospers, in the name and in the spirit of good neighbourhood, it is desirable that the Governments of the region provide the necessary infrastructure and create the required environment to enable the co-operative movements in their respective countries to extend their areas of operation beyond their national frontiers.

At present Regional Co-operation Groupings in this area do not include, in their objectives or scope, any specific reference to the co-operative sector. Perhaps this is due to the assumption that the co-

operative sector permeates the other sectors of co-operation in the regional context, be it for example in the field of training, agriculture, trade etc. or may be due to a misconception it is not assimilated as an economic activity per se but is only considered as a movement. This misunderstanding has to be removed.

The COMESA has as its major objective to attain sustainable growth and development of the Member States by promoting a more balanced and harmonious development of its production and marketing structures and to foster joint development **in all fields of economic activity** particularly in the fields of trade, customs, fiscal and monetary affairs, industry, transport, communications, agriculture, natural resources, the environment, women in development, human resources development and social and cultural matters in order to raise the standards of living of their peoples to foster closer relations among Member States, and to contribute to the establishment, progress and development of the African Economic Community.

The COMESA also has as its objective to create an enabling environment for investment and the adaptation of science and

technology for development through the promotion of peace, security and stability of the Member States as an economic entity and to work towards political harmony and **solidarity** in the sub-region as a whole. What is important to note in the question of solidarity which is one of the basic principles of the co-operative movement.

In so far as SADC is concerned, it provides that Member States shall co-operate in all areas necessary to foster regional development and integration on the basis of balance, equity and mutual benefit. It further provides that Member States shall, through appropriate institutions of SADC, co-ordinate, rationalise and harmonise their overall macro-economic and sectoral policies and strategies, programmes and projects in areas of co-operation.

The effect of an omission to mention in COMESA and SADC specifically the co-operative sector as an area for co-operation at regional level is that no deliberate co-operative co-operation projects and programmes have apparently been established in order to foster co-operative co-operation at regional level among Member States of the economic groupings. It is unfortunate that this is the case,

bearing in mind the importance of the co-operative sector in the economies of many countries in Eastern, Central and Southern African region.

Moreover, the recent trend towards liberalisation of trade, deregulation of the financial sector, privatisation and globalisation have not been supportive to the development of the co-operative sector. Perhaps this is due to the very '*raison d'etre*' and the mission of co-operatives which is more service-oriented rather than profit-driven. Perhaps the time has come to review this situation and to re-establish a balance otherwise the co-operative sector will be marginalised.

For the co-operative sector to survive and be able to compete with a profit-driven private non-co-operative sector, it would be imperative for co-operatives at national level to be integrated in the world economic system by first getting involved at the regional level.

If the co-operative sector is integrated at the regional level, it will be better equipped, in line with the private sector, to compete at the

regional and international levels by benefiting from economies of scale and through modernisation of its management and its institutions which are not always possible at the national level because of the lack of infrastructures and supportive services, including training and human resources development.

It is therefore, recommended that a deliberate action be undertaken so as to include specifically the co-operative sector as an area for co-operation at the regional level and in this respect, all countries in the region should make formal requests to COMESA and SADC accordingly.

The time has come for the co-operative movement to move away from the clutches of national dependence to become an important economic player at the regional level and this can be done only through regional co-operation.

Chairman, distinguished delegates, I firmly believe that the IC/Regional Council can do a lot towards this end but I equally believe that the Governments of the region can and should play a role a

facilitators in setting the stage and giving the necessary support to encourage co-operatives in the region to move closer. Thus I believe that the interests of the co-operative movement could also be better served if the Ministers responsible for co-operatives in the region could have more frequent interactions, be it under the aegis of the COMESA, SADC, PTA, etc.

I humbly submit that my colleagues Ministers present here reflect upon the possibility of setting up a platform for Ministers responsible for co-operatives in the East, Central and Southern African Region to meet more often on their own to help further the development and regional integration of the co-operative movement.

I can assure you that Mauritius whose commitment to the advancement of co-operatives is no secret, is prepared to be a member of such a platform and even provide whatever support is necessary.

Chairman, distinguished delegates, I thank you for your attention.

24th May, 1996

Minister of Cooperarives

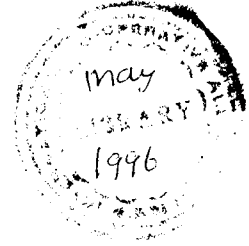
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5th ICA Regional Ministerial Conference for East,

Central and Southern Africa

SPEECH FOR MINISTER

Opening Ceremony



Honourable Prime Minister, Dr. Navin Ramgoolam,
Chairman of the Mauritius Co-operative Union,
Chairman of the Regional Council for East, Central and
Southern Africa,
Honourable Colleagues Ministers,
Honourable Ministers from the East, Central and Southern
African Region,
Representative of the Chairman of ICA,
Representative of the Director General of ICA,
Regional Directors of ICA for Asia-Pacific, Western Africa,
East, Central and Southern Africa and of America,
Permanent Secretaries,
Registrars and Commissioners of Co-operatives,
Distinguished Delegates,
Distinguished Guests, Fellow Co-operators,
Ladies and Gentlemen,

I have much pleasure to extend on behalf of the Mauritian Co-operative Movement, on behalf of the Government and on my own name, a special welcome to Honourable Ministers and distinguished delegates who have travelled a long distance to attend the 5th ICA Co-operative Ministers Conference for the East, Central and Southern African Region.

2. The people of Mauritius, the Mauritian Co-operative Movement and the Mauritian Government feel privileged and are honoured for Mauritius to have been selected as the venue for holding this Conference. Indeed, your presence here today confers a great honour on this country and the Mauritian Co-operative movement. We shall endeavour to make your short stay in Mauritius as pleasant as possible.

3. Ladies and gentlemen, before proceeding any further allow me to thank the Hon. Dr. Navin Ramgoolam, the Prime Minister of the Republic of Mauritius, for having accepted to be our Guest of Honour on this special occasion. His presence among us this morning is a

out that his interest extends beyond the shores of this country, for he is a great proponent of Regional Co-operation and Integration.

4. Mauritius although a small island in the Indian Ocean, far from mainland Africa, can share its experience with co-operators of this region and assist in further strengthening the bonds of brotherhood among our peoples. In fact, co-operative can be a strong unifying factor and your presence here today will further strengthen the bonds between our peoples.

5. The Mauritian experience in co-operatives dates back to 1913. Thus, we have one of the oldest co-operative movements in this part of the world. The Mauritian Co-operative Movement covers 34 different types of economic activities which include agricultural, industrial and services sectors. We have today 650 registered Co-operatives Societies with 130,000 members.

6. Co-operatives are peoples' organisations par excellence and unmatched by any other form of economic organisations. Peoples' direct participation and their continued support to the movement will ensure that co-

operative shall survive notwithstanding challenges of competition.

7. For our region, Co-operatives have been a major tool for economic development and social upliftment. We have all at one time or another gone through the bitter experience of structural adjustment programmes which have been very painful to some. With the advent of the World Trade Agreement and the globalization of World Trade, countries are going to face more difficulties. We have therefore to take bold and effective measures to respond to the situation. In this context, the Co-operative Movement can play a vital role. Distinguished Delegates, this Conference will provide an opportunity and I believe it is an appropriate forum to put forward proposals that can be useful to our member countries. Our thoughts in the Conference, should therefore centre around the multiple challenges facing our economies.

8. In conformity with the resolutions spelt out at the first meeting of Gaborone in 1984, four Regional Co-operative Conferences have been held, these have paved the way for better understanding between the governments and their respective Co-operative Movements, as well as

In fact, these Conferences have helped to foster better relations between the peoples of the East, Central and Southern African Region.

9. The Co-operative Development Decade, as proclaimed at Gaborone Conference in 1984, spanned over the period 1985 to 1995 and it may be considered as one of the most important chapters in the history of co-operatives in our region. The present Conference will be an excellent opportunity for us to take stock of our achievements and as well as any shortcomings, and will enable us to review our performances. It will also be an opportunity to lay down future strategies for co-operative development in our Region.

10. Most of the countries in the region have been exposed to winds of change. With trade liberalization and the privatisation of the economies, the co-operative sector has had to face severe competition for which they were not fully prepared. Co-operatives will have to adapt to changing environment and participate actively in the economic development process for the benefit of the weaker section of the community.

11. Co-operatives are appropriate channels for production, marketing and distribution, particularly for agricultural economies. Therefore, in the African context, where the economies are predominantly agricultural, there is a need for increased resource commitment for the co-operative movements.

12. There has been greater emphasis on principles and values rather than on function and professional training. The lack of pragmatism in education and training programmes has had adverse effects on many co-operative organisations.

13. A century of co-operation is over. We are, in fact, engaged in the second century of co-operation even before stepping into the 21st century. We celebrated last year both the ICA Centennial and the 150th Anniversary of the birth of the Co-operative Movement last year with much zeal and enthusiasm and in a spirit of solidarity and oneness with the World Co-operative Movement.

14. Mauritius has over the past decade made tremendous progress in the economic, social and political fronts. However, I have to admit that the Mauritian Co-operative Movement has not kept pace with the other sectors of the Mauritian economy. Although some co-operative sectors like the Credit Unions have made remarkable progress, yet others have definitely stagnated while a few sectors have even regressed.

15. Operational efficiency of Co-operatives depends greatly on professional management rather than any other factors. The ICA has to consider ways and means of creating a pool of professionals to assist Co-operative Organisations in the developing countries.

16. Distinguished guests, I am Minister of Co-operatives only from December last year. I can assure you that I fervently believe in co-operatives, and I will leave no stone unturned to give co-operative its legitimate importance in

Mauritius. I will also do my level best to foster regional co-operative co-operation.

17. You may rest assured that the Mauritian Government has got the will and the determination to bring necessary and appropriate changes and adjustments to modernise and rivatalise the Mauritian Co-operative Movement.

18. Government support whenever needed, should aim at making co-operative managerially efficient, cost effective and quality conscious. Government should be a catalytic force for the co-operative movement to become self-reliant.

19. Most of the Countries of the East, Central and Southern African Region are members of the PTA, COMESA, SADC. These organisations offer tremendous opportunities for further consolidation of co-operatives in this region and we should do everything to try and make the best use of opportunities available to us.

20. I am confident that our deliberations will help to strengthen the co-operative in our respective countries. I sincerely hope that we will have the interests of co-operators at heart and that the resolutions which the Conference will adopt, will help to give the Co-operative Movement in the region a new dimension.

21. To conclude, I thank you all once again for your participation and wish all distinguished delegates a fruitful participation in the deliberations and a pleasant stay in our midst.

22. Long live the International Co-operative Movement.

23. Long live Mauritius.

24. Thank you.