

Cooperatives, Disintermediation, Ghanaian Diasporians and the Development Agenda

By Kwesi Atta Sakyi

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In 1844, cotton weavers in Rochdale, England, started the cooperative movement as a welfare association among poor peasants, who saw the need to avoid exploitation by middlemen and the need for disintermediation. In Northern Spain, in Basque Country, a Catholic priest saw the need for small scale farmers to achieve synergy by pooling their meagre resources together to lift themselves out of poverty.

Hence the existence today of the Mondragon Cooperative Corporation. Today, the concept of the cooperative society has become a potent force for poverty intervention and for mass empowerment of poor people throughout the world. Cooperatives are common in banking, agriculture, insurance, and among consumers in Europe.(Wikipedia). Robert Owen is considered as the father of the cooperative movement. His cotton mill plant at Larnark in Scotland was to champion his idea of Utopia for his workers. Dr William King took Owen's ideas further.

We can liken the cooperative idea to the pyramid schemes doing the rounds such as the Golden Products Scheme and Edmark Products in Ghana and elsewhere, though I do not seem to like these schemes which often happen to be bubble schemes like the Pacific Ponze Schemes. Cooperatives differ in the sense that they have become mutual insurance schemes for many poor people in the same occupation or people who are bound by the same economic circumstances.

The cooperative society is a friendly society and a non-profit making welfare organisation, which is run on democratic principles. Each member has one vote and a minimum of shares. Members of the cooperative also run the affairs of the organisation as worker-owners. At the end of the trading period, surpluses are either ploughed back into expansion projects or are shared among members, on the basis of participation and patronage of its trading activities. The cooperative exists to promote the welfare of its members, sometimes through joint ownership of assets such as farm machinery. Today, we have the Cooperative Political Party (CPP) in the UK. Cooperatives are very strong in Denmark. In the USA, there are 29,000 cooperatives employing 2 million people and having 652 billion dollars annual revenue (Wikipedia).

Cooperatives started in Britain and France due to the strictures and economic exigencies imposed by the Industrial Revolution. Can we in Ghana in this 21st century say that the strictures imposed by the New Right Movement of Capitalists has driven us to examine adopting similar tactics of Ndoboa or cooperatives as a counterpoise to pluto-ultra capitalism? According to Wikipedia, the earliest recorded cooperative was the Shore Porters Society in Aberdeen which was started in 1498, at the time Pope Borgia came out with the Papal Bull of Demarcation of the world between the eastern and western hemispheres for Portugal and Spain respectively. The first Consumer Cooperative was founded in Ayrshire in 1769, known as the Fenwick East Ayrshire or Fenwick Weavers' Society. Then followed the Lenwytown Friendly Victualising Society in 1812. The

Lockhurst Lane Industrial Cooperative started in 1832 and is now known as Heart of England Cooperative Society. The Rochdale Society of Equitable Pioneers came into being in 1844. It is this one which established the Rochdale Principles of Cooperatives which guide all cooperatives today. (Wikipedia)

The situation in Germany was different. In the 19th century, Credit Cooperatives sprung up in Germany, first in 1852 by Franz Hermann Schulze-Delitsch and Friederich Wilhelm Raiffeisen in 1864. (Wikipedia). The Ghana Teachers' Credit Union has become so big, strong and powerful that it now owns a bank. This is a great success story which other professionals like nurses, telecommunications and allied workers should emulate. The Rural Banks in Ghana are another success story that needs strengthening by the Bank of Ghana. We need to galvanise our market women, street vendors and self-employed artisans such as carpenters, bricklayers, taxi-drivers, steel benders, tinkers and plumbers to form cooperatives so that they can have critical mass for meaningful negotiations for loans and subsidised inputs.

Our fishermen and fishmongers need to form collectives or Kibbutzs to lift themselves out of poverty like their counterparts in Aberdeen, Scotland did hundreds of years ago. Because of its collective nature, they are able to obtain a lot of concessions for their members, such as loans at low interest rates, subsidised farm inputs, among others. Members can collectively own assets such as farm machinery, farm equipment, among others. They can also easily market their produce to bigger organisations.

Cooperative dairy farmers, for example, can sell their milk to Parmalat, while cocoa farmers do so to produce buying agents of Cadbury Schweppes, with cotton farmers selling cotton to Dunavant. In this case, cooperative farmers can be given fair prices and they can easily negotiate for hybrid seeds at subsidised prices. There are several types of cooperatives such as workers' cooperatives, farmers' cooperatives, thrift cooperatives, consumer cooperatives, among others. In France for example, Agricole Bank is the largest cooperative bank with branches in other European countries. In Kenya, the cooperative concept has worked very well among the enterprising Kikuyus. A cooperative is owned by a minimum of 10 people and it is governed by a constitution which is lodged with the Registrar of Friendly Societies.

Many cooperative societies are found among farming communities in the advanced world. Unfortunately for Africa, cooperatives have not been run successfully because of factors such as poor management skills, improper book-keeping, poverty and high levels of mismanagement. Some unscrupulous cooperative leaders have stolen deposits of members or become corrupt in dispensing benefits. There has been lack of trust and lack of transparency. The major reason why many cooperatives have failed in Africa is that many members who took loans failed to pay back to the revolving fund.

There is a lot of mistrust among Africans concerning cooperative societies. However, there is a belief that cooperatives run by and for women usually succeed. Men are seen as culprits of defaulting on loan repayments. This article has been necessitated by recent huge interest by IFAD and the World Bank on remittances from Diasporians to Third World countries, which

currently stands globally at about 460 billion dollars a year. Recently in Bangkok, Thailand, IFAD and the World Bank held a conference on how to improve the efficacy of remittances in the development agenda. It is clear now that remittances to Third World countries have overtaken Official Development Assistance (ODA) by far.

What should Ghanaian Diasporians do with regard to the cooperative concept? Since most Ghanaians abroad tend to congregate on tribal lines, they can use the forum of their tribal association to form cooperatives or a collective of the Ghanaian Association in a particular country, to come up with business plans which they can link up with the government back home to give the green light for its execution. If each of our estimated 900,000 Ghanaians abroad bought 100 dollars of shares in a Ghanaian Diasporian Cooperative Bank, that is capitalisation of 90 million dollars. When are we starting? Where do we pay for the shares? Well, these are modalities which a few people can work out and share.

By forming cooperatives, we can form powerful lobbies to woo investors to Ghana to invest in sectors such as agriculture, health, education, manufacturing, tourism, banking and transport. As Ghanaian Diasporians, we can develop our cooperatives and approach IFAD, IOM and World Bank for financial assistance, of course with well-developed business plans. Right now, there is a Ghana Diaspora Unit which has been set up within the Ministry of Foreign Affairs, with an office at the Legal and Consular Bureau of the Ministry. You can Google Ghana Diaspora Desk and you will get the contact details. Kwaku Yeboah and Angela Odai are in charge of the Desk.

Another organisation in Washington D.C. is IdEA or International Diaspora Enterprises Agency, under the State Department. Ghanaian Diasporians have a duty to make an impact on Ghana's development agenda by developing viable business ventures and using their networks to drive them to fruition in their native country. By coming up with business ventures, it will not only help create jobs in Ghana, but also our returnees will bring home their acquired experiences and professional skills to help accelerate development in Ghana.

Many Ghanaian Diasporians who are well endowed with knowledge and resources can then return to Ghana to contribute their quota in all aspects of development, be it good governance, business prowess and acumen, entrepreneurship, planning astuteness, among others. Right now, there is a market gap in Ghana in education, IT, tourism, health, agriculture, banking and many other service industries. Cooperatives can be formed to fill the market gap. Our intellectual capital possessed by our Ghanaian Diasporians can better provide cutting edge technology for us to gain competitive advantage. Apart from cooperatives, individuals can register companies in Ghana to drive their dreams. We Diasporians need to partner with government in developing our country and making it far better than we found it. We owe it a duty to posterity to go home and do something for mother Ghana before it is too late.