

Biata Chisi, Malawi. Photo: Malin von Strauss



**BUILDING STRONG MEMBER-BASED ORGANISATIONS (MBOS) FOR SUSTAINABLE  
SOCIO-ECONOMIC DEVELOPMENT**

**PRESENTED AT THE 2023 SACCO ANNUAL LAKESHORE CONFERENCE**

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**COUNTRY MANAGER**

# Presentation outline

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- Introduction
- Cooperative Values
- The 7 Cooperative Principles
- We Effect's contribution to strengthening MBOs/SACCOs
- How We Effect is strengthening MBOs, cooperatives
- Some results

# Introduction

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- According to We Effect, MBOs include; farmer-based associations, community-based organisations, Village savings and Loan Associations, SACCOs, Cooperatives

Cooperatives (producer, financial, service, housing etc)

- Definition – a cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise”
- Cooperatives play a significant role in socio-economic development.
- Cooperatives provide the best model to organize human and social capital as well as scaling interventions.
- Cooperatives are formed to satisfy the needs of their members.
- The member ownership and democratic control at the core of the business model makes them more resilient.

# Cooperative values

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- Self-help - Co-ops are geared towards creating a community where every member benefits equitably. To accomplish this ideal, members need to help themselves while also helping each other.
- Self-responsibility- each individual member is individually responsible within the group without the need for external motivation or incentive.
- Democracy- The organization exists so that all members have control, & no one individual holds more power than the others. Members choose representatives by way of voting, & each individual has one vote per election.
- Equality- Each member of a cooperative should benefit from the same rights, based on their level of contribution.
- Equity- Treat all members fairly, without any form of discrimination. Equity is essential to creating a harmonious relationship among all members.
- Solidarity- The members within a cooperative form a unified organization where all the individuals support one another. Each organization also supports other cooperatives to form a united network.

# The 7 Cooperative principles

- Voluntary & open membership- dedicated and participating, membership opportunities for all. - *Create a culture of inclusivity & respect within your membership. No discrimination. Equal treatment & equal opportunities for all members.*
- Democratic member control- Every member plays an integral role in making decisions that affect the organization as a whole. Equal voting rights. - *communication & engagement. Use of technology, holding in-person meetings and assemblies.*
- Member's economic participation- members need to contribute equitably to its economy. Fairness, democratic control over the collected capital. - *membership shares, which go directly towards financing the co-op & benefitting the members.*
- Autonomy & Independence- driven by members. Self-sustaining organization for each member to be able to exercise his/her freedoms within the structure. - *Members are the deciding forces behind new policies & decisions. Avoid influences of other organizations or govt. Relationships with boundaries & speaking with a single, unified voice.*

# The 7 Cooperative principles

- Education, Training & Information- Every individual needs to be well informed about the way the cooperative operates, its purposes & the responsibilities of each person in order to contribute more effectively to its development. - *Provide educational resources for all members. Each individual should have a proficient understanding of co-operative identity, the seven principles & values.*
- Cooperation among Cooperatives- Creating a larger network of cooperatives locally, regionally, nationally, or internationally allows independent organizations to better serve their members. - *practice openness & transparency in all business matters, the general memberships should approve all strategies. Mutual benefit.*
- Concern for Community- contribute to the community's sustainability. - *supporting members & local community, as well as the development of the cooperative movement on a global scale*



## We Effect's contribution to strengthening MBOs/SACCOs

- Globally, We Effect promotes member owned, member managed for enhanced democracy, ownership and sustainability
- Working in collaboration with MUSCCO and other partners to promote member-based groups savings activities, e.g. GSLAs, promotion of SACCOs
- Enhancing financial literacy to inculcate a long term saving culture, i.e. linking GSLAs to SACCOs.
- Supporting formation and strengthening of SACCOs (Management and governance, member education, systems development, product development etc)
- Linking financial services with agriculture/agribusiness (saving for inputs, access to credit for production or value addition, assets etc
- Supporting income diversification initiatives within MBOs for strengthened resilience/coping, managing risks against adversities.
- Promoting increased resilience of low income earners, especially women & youth through savings, uptake of micro and social insurance
- Supporting advocacy for conducive policies that promote access to appropriate financial services & insurance.





## How We Effect is strengthening MBOs, cooperatives, SACCOs included

### **In collaboration with partners;**

- Institutional strengthening- providing financial support, supporting capacity building of partners, e.g use of different tools and methods such as study circles
- Capacity enhancement in governance
- Promoting learning and networking
- Supporting product development
- Supporting value addition and market access

## Some results

- Number of GSLAs- 3,990, membership-79,851 rightsholders (49,739 female, 30,112 male).
- Example of benefit of GSLA- disposable income to meet household needs, farm inputs, improving habitat, school fees etc
- We Effect support to MUSCCO- enhancement of financial inclusion services, e.g. formation of new SACCOs, linking GSLAs to SACCOs & capacity building.

### **We Effect contribution towards enhanced financing; example of Dairy value chain support to Malawi Milk Producers Association (MMPA)-**

- Milk productivity improved from 8 to 12 litres/cow/day because of improved management by farmers upon gaining technical skills in dairy management from MMPA, & provision of improved dairy breeds.
- We Effect through MMPA supported 10 milk bulking groups with 417 heifers distributed to 288 female and 129 male farmers

A photograph of a woman with a joyful expression, wearing a light green headwrap and a red and black striped shirt. She is holding a large, green stalk of grain, likely sorghum, in her right hand. The background shows a lush green field of similar crops under a cloudy sky. A blue rounded rectangle is overlaid on the left side of the image, containing the text "Thanks for your attention".

Thanks for your attention