



## Cooperatives and Collectivism: An Evolution in Africa

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Cooperatives are businesses built for people, not just profit. Owned and governed by those who use them, these enterprises operate on a simple democratic truth: one member, one vote. Regardless of their financial contribution, every member has an equal seat at the table. By uniting to meet common needs, cooperatives transform customers and employees into stakeholders, working together to build a better, value-driven future.

According to the International Co-operative Alliance (ICA, 1995), the seven core cooperative principles are: voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training, and information; cooperation among cooperatives; and concern for community.



While these formal frameworks are modern, cooperative values flourished in traditional African societies long before the official establishment of the movement (Develtere et al., 2008). The emergence of formal cooperatives in Africa can be viewed as a blend of various historical epochs, each shaped by the specific socio-economic conditions and experiences that necessitated their development.

In the pre-colonial era, the ethical values, ideals, and principles of cooperatives were deeply embedded in traditional African societies through robust communal traditions. Although these societies did not utilize the formal label of "cooperative," they practiced its core principles through various indigenous institutions.

These included savings and credit associations such as the *susu*, *edir*, and *ebiyombe*; collective labor groups like the *Amasaga* of the *Gusii* in Kenya; and various mutual aid and burial societies (Ouma, 1987). While not formally identified as cooperatives, these groups were cooperative in both function and practice, built upon foundations of reciprocity, trust, and shared communal benefits. Philosophies such as *Harambee* and *Ubuntu* ("I am because we are") encapsulate the "collectivism" and "mutualism" that remain essential to the success of modern cooperatives (Mbiti, 1969). In sociology and psychology, collectivism is a cultural or social orientation that prioritizes the goals, needs, and survival of the group (ingroup) over the interests of the individual (Brewer & Chen, 2007). Equally, mutualism is a voluntary cooperation and exchange where individuals or groups trade goods and services without seeking profit or exploitation.

Modern cooperatives were introduced during the colonial era, evolving through four distinct phases: the colonial origin, the post-colonial era, the period of economic liberalization, and the present day (Develtere et al., 2008).

During the first phase, cooperatives were established to meet colonial interests such as commodity extraction, taxation and political control; however, specific motivations and administration varied by imperial powers (the British and the French) and across different territories. In Anglophone countries such as Ghana, Kenya, Nigeria, Tanzania, Uganda, Zambia, and Zimbabwe, the British modeled cooperatives after their own traditions to drive agricultural production for the industrialization of the Metropole and generate state revenue (Develtere et al., 2008). Cooperatives were used to push farmers into a cash-crop economy, ensuring that farmers no longer cultivated their own food and forcing the population to use their small-amount of money they earned to buy imported food. In Kenya, membership was notably restricted to white farmers until 1944 (Ouma, 1987). These entities were governed by strict laws that defined their management and nature.

Other colonial powers utilized cooperatives differently: the French viewed them as instruments for assimilation and modernization, the Belgians used them to organize



forced production among subjects, and the Portuguese utilized them primarily as tools for agricultural output. Conversely, "home-bred" traditions emerged in countries like Ethiopia, just to mention a few. Having faced less direct colonial administration, cooperatives were established specifically to address indigenous socio-economic needs.

The second phase of cooperative development occurred during the post-colonial era (1960–1990). Upon gaining independence, most African states inherited or "captured" the cooperative structures established during the colonial period, repurposing them as engines for rapid socio-economic development. This era saw exponential growth in both the number and membership of cooperatives, spanning agricultural, financial, and housing sectors, far exceeding colonial-era figures (Wanyama et al., 2009).

Cooperatives became central to nationalist strategies for nation-building. Governments perceived them as powerful tools for mobilizing local resources and fostering a national identity that transcended class and ethnic divisions. Consequently, the state took an active role in cooperative affairs, embedding their development into general government policy and legislation.

However, this state involvement often evolved into over-regulation and control. Cooperatives were frequently utilized for political ends, leading to the co-optation of leaders into political systems and the transformation of cooperatives into instruments of state patronage. Ultimately, many cooperatives lost their independent and voluntary character to state ideology. This era was also defined by significant developmental hurdles, including administrative inefficiency, limited entrepreneurial capacity, a low capital base, and the pervasive influence of political patronage. For instance, in post-independence Kenya, coffee cooperatives became centralized tools for the state to manage foreign exchange and reward political loyalty, resulting in high administrative deductions and the erosion of farmer autonomy (Widner, 1992; Bates, 1981).

During the economic liberalization period (1990–2005), the state abruptly withdrew its supportive role (Wanyama et al., 2009). Essential services, including auditing, supervision, and management training, were terminated, and government cooperative departments were significantly downsized or restructured. While new legal frameworks were designed to grant the movement complete autonomy, this sudden shift created a regulatory vacuum. Without oversight, many cooperatives suffered from the abuse of newfound freedoms by managers and elected committees, leading to corruption, fraud, and widespread mismanagement.

Consequently, many cooperatives collapsed. To stabilize the sector, many countries reintroduced stricter regulatory frameworks and revised cooperative laws. This era forced cooperatives to return to their roots of solidarity to find lasting solutions, eventually leading to a steady recovery in both numbers and membership.



The present era (since 2005) has built upon this growth trajectory, marking a definitive departure from state-dependent models toward a self-driven movement. Across the continent, policy and legislative reviews have been initiated to address historical challenges (Develtere et al., 2008). Furthermore, the landscape has diversified with the emergence of new models, such as worker-owned cooperatives, alongside a significant increase in the participation of women and the younger generation.

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