

Comparative study on Gender Integration in Co-operatives: The Case of Women-Based SACCOs at the Kenya Union of Savings and Credit Co-operatives (KUSCCO) Ltd.

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Abstract: Approximately 7 per cent of the African population is affiliated to the co-operative movement and in Kenya alone, co-operatives provide some two million employment opportunities. In Africa, as elsewhere, inequalities persist between women and men, in terms of access to and control over resources and opportunities. In employment, women are found more often than men in informal and precarious work, with particularly pronounced imbalances in some sectors (ILO, Geneva 2002). The critical importance of closing gender gaps – which are not only contrary to the realization of women’s rights, but also an obstacle to poverty reduction – is widely recognized. The latest report on the State of Food and Agriculture of the Food and Agriculture Organization of the United Nations (FAO) shows, for instance, that if women had the same access to productive resources as men, they could increase farm yields by 20–30 per cent, raising total agricultural output in developing countries by 2.5–4 per cent, which could in turn, reduce the number of hungry people in the world by 12–17 per cent (FAO, Rome 2011). For women, who due to gender-based norms, often have lower access to and control over economic and social resources and opportunities, co-operatives present distinct advantages. Apart from being able to access economies of scale, as providers of services, producers or as consumers, participating in a co-operative, as a member, elected leader or manager also brings with it enhanced status and voice in the community and society in general (Argawal 2001). Given that there is insufficient research data on gender issues in co-operatives, and in particular, the participation of women in leadership roles, KUSCCO, in collaboration with the Co-operative University of Kenya, will conduct qualitative empirical research that will focus on co-operatives under the umbrella of the Kenya Union of Savings and Credit Co-operatives (KUSCCO) and will explore gender equalities in them and recommend strategies for promoting gender balance.

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Keywords: gender integration, credit unions, Kenya

Introduction

Co-operatives and Gender Integration

Co-operatives are autonomous associations of people who join together to meet their common economic, social and/or cultural needs through jointly-owned and democratically controlled enterprises. Co-operatives are able to promote economic and social development because they are commercial organizations that follow a broader set of values than those associated purely with the profit motive.

On the other hand, Gender integration is the public policy concept of assessing the different implications for women and men of any planned policy action, including legislation and programmes, in all areas and levels.

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In many countries where women are particularly disadvantaged, in terms of legal rights, co-operatives should form national level coalitions and alliances with gender advocacy organizations and other civil society organizations to lobby governments for equal rights (especially in property and asset ownership) and an effective legal framework and institutions that foster gender equality. Without fundamental changes in society, of course, it is difficult for co-operatives alone to alter gender disparities which affect their operations. However, since co-operatives often have the needed representation force behind them, they are in a good position to influence national level policies and should make use of this (Nippierd 2012).

Research by Co-operative University of Kenya

According to a study by the Co-operative University of Kenya on gender parity and age structure in The Kenyan Savings and Credit Co-operatives Sub Sector, Wekesa, A; Gicheru, E (2016), there was observation that there is need for SACCOs to maintain data that can be used to make quick decisions and inferences on the status of the entities, with respect to important dimensions like age and gender. The information is critical for policy formulation in the interest of socioeconomic health of the country. The results indicated glaring imbalance between genders and also across age groups. It came out that membership is predominantly aged above 35. However, it is interesting to note that, in terms of membership and employment, there seems to exist parity between female and male members. Disparity is pronounced in the board management, funds ownership and loan portfolio. Therefore, it follows that there is need for intervention measures to address the disparity, in terms of age and gender. From the research, it's evident that youth membership is wanting. Female members are dominated in SACCO management, even in cases where membership is predominantly female.

Background of the Study

The values of self-help, mutual responsibility, equality and equity are held in common by all cooperators, but even though co-operatives may have policies of equity and equal opportunities for both women and men, their practices may differ. True equality may not, in reality, exist. For example, although women contribute significantly to the agricultural sector and hence, to the national economy of nearly all countries in the world, the percentage of women members in agricultural co-operatives, compared to men, is notably lower. Women's participation is also practically non-existent in co-operatives at decision-making levels (Nippierd 2012). In order to correct these imbalances and ensure the sustainability of co-operatives, it is necessary that gender issues are addressed.

Whereas every effort is being made to achieve gender parity and social inclusion, the success of such effort is bedeviled by lack of proper, credible and relevant data for effective policy formulation. Of equal importance is the issue of age structure data, which is key in future policy formulation, including leadership succession planning.

What are gender issues in co-operatives?

Below are some specific gender issues of concern to co-operatives and questions that co-operative leaders can ask themselves.

- Low level of participation in co-operative development and particularly that of women.
- Quality of women's participation in co-operatives.
- Constraints to participation in co-operatives, such as social, cultural, economic and political restrictions on women, their heavy workload, level of education or the selection criteria for members, etc. If any of these constraints exist, what is being done to address the situation?
- Access to and control over resources, such as credit, education, training, production inputs and marketing outlets. Do men and women have equal access and control over resources?
- Co-operative training
- Financial and social benefits. Is it advantageous for women to form co-operatives? Do co-operatives support income-generating activities for women?

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Why is gender integration important?

Co-operatives are based on the values of self-help, mutual responsibility, equality and equity. They practice honesty, openness and social responsibility in all their activities. In order to enhance the credibility of co-operatives as democratic people-based movements in the eyes of the public and co-operative members, co-operative values must be respected and adhered to.

What are the benefits of gender integration?

By enhancing women's productive capabilities and developing their capacities, co-operatives will benefit from this hitherto underutilized human resource. Many women have special skills in entrepreneurship, for instance, in farming and trading.

Men and women often tackle and solve problems differently. In today's rapidly changing socio-economic climate, the need for innovative thinking and creative ideas is becoming exceedingly important, especially for the co-operative sector. By involving more women in decision-shaping and decision-making, one will enhance the prospects of co-operatives, diversify activities and fortify the co-operative movement⁴.

In the case of trade co-operatives, the involvement of more women in economic activities would result in a more integrated production of food crop and cash crops. This would enhance economic empowerment of the women, thus reducing the gaps in the employment sector, as well as improving their social standing. For example, women are often more concerned with social development issues than men that touch the everyday lives of women, such as employment, health, the environment and children.

Objectives of the Study

The main objectives of the study are:

- Explore gender equalities in co-operatives under the umbrella of the Kenya Union of Savings and Credit Co-operatives (KUSCCO).
- Recommend strategies for promoting gender integration.

Methodology

Study Design

A study was conducted using a descriptive research design to explore and investigate the motivation, access, and benefits of Youth and Women funds through a KUSCCO KUSASA account.

The Study Population

According to the study, the target respondents were comprised of direct beneficiaries of Jiko Safi (Energy efficient cook stove) and KUSASA (KUSCCO Front Office Service Activity), which included entrepreneurs and a traders SACCO. The data was collected through a series of interviews with SACCO staff, members and beneficiaries, which were video recorded and thereafter, transcribed and extracted.

The Kenya Union of Savings and Credit Co-operatives (KUSCCO)

The Kenya Union of Savings & Credit Co-operatives (KUSCCO Limited) is the Union for Savings & Credit Co-operative Organizations (SACCOs) in Kenya. It was formed and registered in 1973, by the Ministry of Co-operatives under CS/No. 2171. As a Union, its main role is to create a platform to lobby and advocate for a favorable environment, in which SACCOs can thrive and impact the livelihoods of millions of members in Kenya.

Besides advocacy, they have a keen interest in promoting the development of viable SACCOs, information dissemination and promotion of a common code of ethics among members, based on the co-operative principles. Its mission is the “[p]romotion of SACCOs through advocacy and provision of quality, diversified, innovative and market-driven products and services for sustainability.”

KUSCCO Support for Women-based SACCOs and Groups

In order for KUSCCO to remain financially independent and support the organization’s core role of advocacy, six business units were formed. These units are the channels through which KUSCCO supports women-based SACCOs and groups.

The Union has about 40 women-based SACCOs and over 100 groups affiliated to it. Through our countrywide network, we have ensured that we mobilize funds, empower technically and financially and ensure proper governance structures are put in place for all affiliated women-based SACCOs.

The Central Finance Fund

The Central Finance Department is an inter-lending program for SACCO Societies started in 1989. It mobilizes funds within the SACCO sector, extends the credit boundaries of SACCO Societies and accelerates their lending capabilities. The Central Finance Fund consists of:

- The Inter-lending Facility (CFF)
- KUSASA (The Front Office Facility)

CFF has partnered with USAID through Winrock International in growing the renewable energy sector, by financing purchase of clean and efficient cookstoves to SACCO members. USAID awarded a grant to KUSCCO, as part of an open competition for innovative solutions to overcome distribution and financing bottlenecks in the Kenyan cook stove sector, two key constraints to growth noted in recent market assessments by Winrock and the Global Alliance for Clean Cook Stoves. KUSCCO supports a network of 3,500 member SACCOs that provide credit to their individual members seeking to purchase cook stoves. KUSASA also advances loans to groups of women to grow their businesses and improve their livelihoods.

Risk Management Services

The department provides SACCOs with mutual protection against loan losses. It covers loans to members, committee members’ risks, funeral expenses and member savings.

Education and Training Services

This department was started in 1974 and is the oldest. It trains SACCO officials, staff and members on governance, financial management, human resources, taxation, asset and liability management, among others. It also organizes international trips and has seen SACCO officials visit countries like Israel, UK, USA, Dubai, among others, for benchmarking visits. In terms of capacity-building of women, over the years, the department has ensured that women forums are organized every year, representation of which cuts across the various counties in Kenya. Trainings conducted have been on Gender & Integration of Women in SACCOs, Women Leadership in SACCOs, among others.

Comparative study on Gender Integration in Co-operatives: The Case of Women-Based SACCO's at the Kenya Union of Savings and Credit Co-operatives (KUSCCO) Ltd.

Research and Consultancy Services

It pioneered the first Front Office Service Activities for SACCOs in Kenya, Ghana, Tanzania and Malawi. The consultancy services provided to affiliates include strategic planning, feasibility studies, salary and benefits surveys, succession planning, job evaluations and development of job descriptions, recruitment, re-branding etc.

KUSCCO Housing Fund

It was founded in 1996 and it is one of Kenya's most affordable housing schemes. It has disbursed over KSh 2 billion to individual SACCO members for plot purchase, house construction and purchase. Women have been great beneficiaries with some of them being assisted to build rental properties to supplement their trade income. This way women have been empowered to be self-sustaining.

Corporate Affairs and Marketing

This is the advocacy arm of KUSCCO. It coordinates corporate communication activities, corporate social responsibility, product strategy and brand management. It publishes 'The SACCO Star' magazine on a quarterly basis, as a medium for creating awareness and as an extension of advocacy.

Case Studies of the Co-operatives Under the Umbrella of KUSCCO

Case study 1: Dimkes SACCO

Dimkes Sacco was started in 1998, as a Diocesan Mothers' Union Project. Mothers' Union was first introduced in Kenya in 1955, during the tenure of Bishop Obadiah Kariuki and his wife Lilian. It was then that grants from overseas were ceased and this prompted the Bishop to train his followers on being self-reliant. The Mothers Union groups then started development projects within their churches and parishes, such as buying utensils, tents and chairs for hire. They later started building rental houses, which led to the Diocesan Tumaini houses project in Ngong. After the completion of the project, the Diocesan executive committee started thinking of how to improve living standards of the individual members of the community. The idea of starting a co-operative based on faith was born in 1998.

With the help of the SACCO, the Mothers' Union department was chosen to undertake the pilot project because they were sure the benefit could reach entire families. This was a way of giving back to members who had always given to the church. The Mothers Union Coordinator, at the time, Mrs Tabitha Wanjiku Gikanga worked tirelessly on the idea and ensured that Mothers Union members were registered from the grassroots at a membership fee of KSh 200.

KUSCCO has been instrumental in helping Dimkes grow by extending various consultancy services, for example review of their by-laws, formulation and review of various policies to help the SACCO operate in an efficient manner. We are currently formulating an operations manual that will help, not only in efficient operations, but will also aid in knowledge management, which is a major problem in organisations. KUSCCO has also lent the SACCO over KSh 22m, for lending to the SACCO members to ease the burden of liquidity challenges. This has seen more women take up the loans for various development activities and also educating their children.

KUSCCO, through our risk management services, has covered the SACCO against loan losses caused by various factors and this has helped the SACCO minimize income losses, in cases of, for example, member deaths. Dimkes has also

benefited from our education and training services and has trained their board, staff and members during the various education days and forums organized by KUSCCO.

With the help of the aforementioned interventions from KUSCCO, Dimkes has grown to its current membership of 16,000 and a portfolio of over KSh 900m. It has also been paying high dividends to members and has formed a subsidiary, Dimkes Investment Company, that is helping members acquire property and gain financial empowerment.

Case study 2: Gikomba Upendo Fish Traders SACCO

Gikomba Upendo Fish Traders SACCO was started in 2007, as a women's welfare, with 30 members. The initial idea was for each member to regularly contribute a specific amount of money, just like in a merry go round, to be able to support each other when need arises. In 2010, the membership had significantly grown to 70 and the officials of the welfare decided to start their own Sacco. To test whether the idea was viable, they started by giving their members individual loans amounting to KSh 5,000 and as trust grew, they strengthened their internal operations structure and they began increasing the loan limit to the members.

By 2012, they had increased the Sacco membership to 97. With the increased contributions, they were also able to get a loan from KUSCCO. The initial amount advanced by KUSCCO was KSh. 1 million, which they paid up within one year, and they were later advanced another loan of KSh. 2 million, which they repaid, and in 2015, they were advanced another loan of KSh. 4m. These loans have helped them in various development projects, among them being the purchase of 3 acres of land in Kisumu (western part of Kenya), which they are planning on developing. They have also bought a 33 seat mini-bus, with the intent of increasing their income. They mainly distribute the money to members who carry out their personal developments. Each member contributes KSh 1,000 monthly and can access credit of up to KSh 300,000, subject to their savings. They give loans to their members at an interest rate of 1.5% per month, 18% per annum.

In an interview with the members of Gikomba Upendo Fish Traders SACCO, the chairlady was quoted, saying "[w]e urge other women to join SACCOs regardless of their income as we also started with minimal income. The SACCOs also provide members with insurance covers and we can be able to protect ourselves from risks and crisis". Joyce Akinyi, a member of the SACCO, was also quoted that "[t]he SACCO has helped most members build their own homes, open up their own businesses, pay for their children's education and meet many various basic needs."

Case study 3: Beneficiaries of the KUSASA Facility

In an in-depth interview with the KUSASA manager, Walter Mukhwana, he stated that "the KUSASA FOSA account has been serving the women and youths in Nairobi and its environs. They offer the Vijana SASA loans, also known as the Youth Fund Loan, which they give to the youth between 18 to 35 years. The purpose for this loan is mainly for business startup and to boost the already existing businesses".

It is because of this that the number of account holders at KUSASA is continuing to steeply grow, thus helping more youth and women get into more gainful economic projects and essentially, helping eradicate poverty.

KUSASA is also the go to financial partner for women, who are a formidable economic source, especially in the rural areas, yet their role in economic production remains largely unrecognized. The continued inability to access and control resources has been a major factor in perpetuating poverty in the country and keeping the economic performance of the country below its potential. However, KUSASA is in the process of rewriting the story and empowering women, through access to affordable loans to start sustainable enterprises.

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Helen Liu, an accountant by profession and a beneficiary of KUSASA is a budding entrepreneur, who has since left formal employment and is now concentrating on her chicken rearing business, was quoted in the interview saying "I started saving small and then attained a certain level of amount which then allowed me to get a loan, currently I don't regret my decision and am not planning to get back to employment". Helen represents the change and opportunities that KUSASA is able to offer to its members.

Salome Kavindu, a landscape architect and a beneficiary of KUSASA, quoted that "I opened my own firm because I wanted to start my own brand to be able to also employ other people. I was actually introduced by a friend to KUSASA and I thought it was a good idea, so I started saving with KUSASA, and they were able to give me the Vijana Loan which empowers young people just in case you want to expand your business, you want to improve on infrastructure, etc." Kavindu calls on the young women entrepreneurs to embrace the SACCO option.

To further advance the agenda of women empowerment, KUSCCO through its central finance fund has started a green energy arm dubbed the 'jiko safi loan'. The loan is available to both SACCOs and individuals and is used to purchase clean cooking stoves for houses. In turn, this reduces indoor air pollution and associated health complications arising from traditional cooking methods, like open fires and traditional jikos.

What can be done to integrate more women into co-operatives?

The first thing is to include gender on their agendas. The formulation of gender-sensitive policies, strategies and plans is essential. These should be drawn up, in a joint effort between women and men. Co-operatives should address equality issues and make a firm commitment in their mandate to correct imbalances where they exist. For example, co-operatives can state their intention to address the problems of women's access to credit, land, equipment, extension services etc. and/or to take positive measures to include more women in their training programmes, in decision-making and leadership positions.

Conclusion

From the case studies, it can be concluded that women's participation in co-operatives has been enhanced and their engagement in utilization of the funds has greatly improved. This is evidenced by the observations made, during the field visits to the women entrepreneurs who benefited from the various SACCOs. KUSASA beneficiaries, Gikomba Upendo Fish Traders SACCO and Dimkes SACCO have immensely contributed to empowering women entrepreneurs in Nairobi and its environs.

Recommendations

In order to harness the co-operative potential for women's empowerment and the benefits it generates, in terms of development and poverty reduction outcomes, the study recommends the replication and up-scaling of the good practices that are emerging at various levels, with respect to enhancing women's participation in the movement.

At the co-operative level, such practices include the introduction of practical measures to enable women to join and actively take part in the co-operative's operations. For instance, skills development programs for women, gender sensitization campaigns targeting both men and women and affirmative action measures, such as quotas for enhancing women's representation at board level have been tested with positive results and should be more widely rolled out. This can also be done through training and education programs that are sensitive to women's needs. Co-

operatives can help strengthen women's capacities and capabilities, resulting in their increased self-confidence and enabling them to participate more fully in decision-making and assume leadership positions.

Among other actions, efforts should be made to further consolidate the knowledge base on the status of women's participation, in order to inform the development of responses; to make use of high-impact entry points for channeling support to (potential) women cooperators, for instance, through appropriate sub-sector targeting or a focus on women's co-operatives when designing support packages; and to ensure that the positive co-operative policy commitments that have emerged in recent decades are matched by appropriate budgetary allocations and accountability mechanisms and that opportunities for making use of linkages to mainstream enterprise development or gender policy frameworks are capitalized upon.

Co-operatives can also establish "gender committees" or units, whose tasks can be, for example, to identify gender-related problems; to ensure that gender awareness training programmes are carried out; to be responsible for gender analysis in program planning; etc. It should be noted here that, by establishing a special unit or office for gender issues or programs, one risks that the gender issue becomes a side-issue that has been "taken care of" and that women continue to be marginalized in mainstream activities. Therefore, a gender unit must be part of mainstream activities or have direct access to policy and decision-making levels.

Co-operatives can use their national organizations and networks to collect gender disaggregated data and help identify different types of projects focused to women's needs, which can help them increase their income-earning capacities and alleviate their work loads. For example, they can investigate how much time men and women spend on various chores and activities and how this fits in with potential and economically viable and sustainable co-operative activities.

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