**ICA GLOBAL CONFERENCE**

**COOPERATIVES for DEVELOPMENT**

COOPERATIVES’ CONTRIBUTIONS TO PEACE AND EQUALITY

The Case of Rwanda

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Salutations.

My contribution will dwell on three points:

* My take on whether cooperatives have a contribution to peace and equality
* The experience of Rwanda
* Some suggestions

On the cooperatives’ contribution to peace and equality

I agree with the assertion that the cooperative model is pro-peace and pro-equality: built on principles such as inclusion, social cohesion, shared opportunity, collective knowledge… In cooperatives, people focus on production and have less time available for intrigues and unconstructive engagements.

Ending violence and sustaining peace is a major challenge of our time. This is much so when we learn that 50 percent of post-war countries lapse back into conflict in the first decade after the end of the fighting. So, the challenge is how to prevent conflicts, achieve lasting positive peace and sustain the same through the cooperatives values.

I therefore concur withUN Secretary General Antonio Guterres saying: “*Cooperatives in different parts of the world have effectively contributed to peace building in a positive fashion by raising equality, empathy, trust and inclusion.”*

The trend of peace and equality always goes in the same direction, where there is no peace, there is no equality too, because equality is about ensuring that every individual has an equal opportunity to make the most of their lives.

So, how has it played in Rwanda?

Rwanda is a very inclusive country today. But this has not always been the case. About the independence time, Rwanda started to embark on a political dispensation that privileged divisions, hatred, which eventually culminated in the genocide against Tutsi in 1994. This divisive political system suffocated the evolution of a cooperative movement that was born in 1949 and was growing steadily. The genocide had further adverse effects on the rather weak cooperatives, at the level of human, material and financial resources.

It is only in the early 2000s that Government, in its efforts to rebuild a nation, re-emphasized the role that the cooperative model could play, not only in economic area, but also for other benefits.

Since the year 2000, Rwanda has achieved a lot:

* Fast and inclusive growth
* Poverty reduction by 20 percentage points to 38% in 2016
* Inequality reduction from a Gini coefficient of 0.507 to 0.429
* Financial exclusion reduction from 52% in 2008 to 11% in 2016
* Gender gaps declining over these periods.

The Cooperative model played a significant role in these outcomes.

Here is the landscape of cooperatives in Rwanda

* Around 9,300 cooperatives, more than 5 million members
* 438 financial cooperatives, including 416 Umurenge Savings and Credit Cooperatives (U-SACCOs) with 2.5 million members- 41% women; $80 million in deposits; $50 million in outstanding loans
* We have mapped 47,000 informal savings groups, who are the cooperatives-to-be, built around the same principles and values. These groups have 1.1 million members - 75% women, mobilized $33 million in savings and $25 million in outstanding loans
* One in three adults who save do so in a U-SACCOs and 7 out of 10 savers do so in a savings group

From this landscape, the cooperative model has contributed in solving pain points, of which I will only mention four.

**Social intermediation**

Here, we are talking about the social capital built through solidarity, economies of scale, voice and negotiation power, gender promotion, identity and agency, producing the elite in the community who also play more roles in the governance of local administration, civil society and faith-based organizations, etc. Like the testimony we just heard said, beyond the main productive activity of a cooperative, so many other social things do happen, and this creates a bond among members.

**Social Protection**

Government has tapped the cooperative model, mainly using the U-SACCOs, to channel its social protection programs such as VUP- Vision 2020 Umurenge Program targeting the poorest in the community with concessional financial services, public works and/or cash transfers made to those who are not able to work. We have also programs such as Community Health Insurance /Mutuelles de santé, Toolkits to help youth who graduate from vocational trainings to create self-employment, etc.

**Healing and Reconciliation**

For a country that has known a genocide like Rwanda, healing and reconciliation are imperatives of achieving lasting positive peace. There is a civil society organization I belong to called Unity Club. This is a club formed by cabinet members, both current and former, and their spouses. It works in the area of peace building, unity, re-building the Rwandan identity, etc. The experience we have in Unity Club is that cooperatives have actively facilitated people to reconcile, unite and work together. Every year we award Abarinzi b’Igihango - Protectors of the pact of unity among Rwandans. These are ordinary people having done extra-ordinary things to broker unity and reconciliation within the community. Among awardees, we have had many amazing cooperatives, such as one in the Southern part of Rwanda, where widows who survived the genocide teamed up with the wives of the now in prison perpetrators, and formed a cooperative, after a long process of healing and seeking the common ground.

**Orderly labor relations**

The last pain point is how the cooperative model has assisted Government to navigate through delicate situations pertaining to facing huge wage bills for certain sectors that employ so many people. We have the case of the military forces (still on duty and the veterans) who formed CSS, a financial cooperative that has now grown big and is being regulated under the banking law. Same model for teachers, with Umwalimu SACCO. Again the model worked for the retrenched drivers after government decided the zero fleet policy- now these drivers do own their own car, or cars in many cases, and are supplying their services to government institutions who need to hire cars for different duties. I can go on and on with motor cycles drivers, demobilized soldiers who are organized in services or production cooperatives.

Finally, how to sustain and harness the potential even more?

Here are some suggestions

1. Take advantage of the wide network of cooperatives, especially financial cooperatives and use them as channels to vehicle bundled message (financial education program assorted with messages on peace, work ethics, unity and reconciliation, …
2. Further strengthen the linkages between production cooperatives and financial cooperatives
3. Keep teaching to members the cooperative values so they get entrenched. We have to further enhance the local ownership by members and improve the governance of the cooperatives. Continuous capacity building is of paramount importance.

Thank you for listening to me.