



# Social & Solidarity Economy for a Controlled & Inclusive Urbanization of African Cities: Case of Kampala

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# Kampala City – Brief Facts



Popn: 1.5m (GKMA: 3.5m)

Urbanisation Rate; 5.2% per annum

Projection: 8m by 2030 (BAU)

Size: 189Km<sup>2</sup>

Administrative: 5 Divisions



# The City Economy

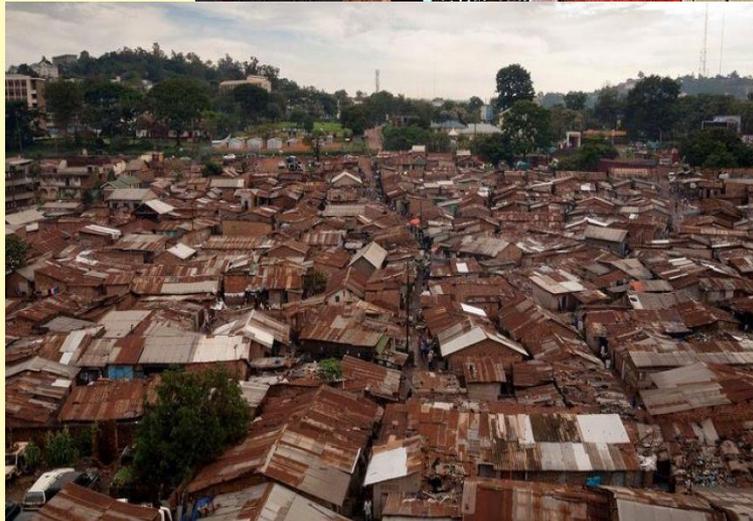
	Greater Kampala	Share of National
Population (Million)	4	10.70%
Total GDP US\$ Billion	7.3	31.20%
Total Employment (million)	2.2	9.50%
Private Consumption (US\$ billion)	5.5	29.80%
GDP Per capita (\$)	1,832	626



# Kampala – Urban Development Challenges

- Disconnected & costly built environment – infrastructure + land constraints
- High production costs occasioned by land prices + complex tenure system limiting access to land
- Access to affordable finance (interest rates of up to 23% )
- High economic and social inequalities
- Inadequate skills particularly for medium & large firms
- High rates of underemployment especially among the youth
- High levels of Informality – sector represents about 57% of all jobs and 80% of self employment
- Waste management and environmental degradation
- Acute lack of decent Housing leading to large informal settlements with poor access to services

# Kampala – Urban development challenges



# The Place of SSE in Kampala's Sustainable Development?

- ❑ **Can the SSE provide a complementary development paradigm? Can the SSE provide solutions to the social, economic & environmental challenges for a controlled and inclusive urban eco-system in Africa?**
  
- ❑ **Do cooperatives present a potential to address a the development challenges facing the Cities African e.g.;**
  - Lack of decent work for the urban poor/informal economies?
  - Poor access to local regional and international markets for small producers?
  - Social protection for vulnerable groups i.e. health insurance, elderly
  - Confront the threats of Environmental degradation

# Evolution of the Social & Solidarity Economy

- ❑ Although poorly documented, the concept of SSE in Africa can be looked at as an ecosystem of practices which have existed for many years.
- ❑ Traditionally, SSE practices were driven by ideology and communal commitments eg “Bulungi Bwasi” (**voluntary communal work**) in Buganda
- ❑ However, currently SSE is often driven by economic hard times & need for survival as a response to market & policy deficiencies of the transitional economic models of the 1990s.
- ❑ Recent trends are upward largely based on expansion of savings & credit cooperatives
- ❑ As such people have turned to own collective solutions to create jobs, food, housing, credit, savings, social etc.



# Contribution of SSE to the Kampala economy

	No. of Establishments	US\$	Total Business Registration (COBE 2016)	SSE as % of Business registrations
No. of Cooperatives	596		133,663	0.4%
Membership	143,782			
No. of people Employed (Direct)	2,380		379,257	0.6%
	UgX	US\$		
Share Capital	34,587,918,166	<b>9,223,445</b>		
Savings	89,206,430,764	<b>23,788,382</b>		
Loans	118,158,328,740	<b>31,508,888</b>		

Direct- employees, government staff, training colleges etc.

Indirect – members who own micro enterprises or self employed

# Observations/Constraints

**Reconstruction of an effective SSE movement in the country remains challenging;**

- Economy wide/ multiplier effects – poorly document & difficult to estimate
- Diversification is limited – dominated by savings & credit cooperatives credit (SACCO form Over 90%). Limited diversification along the value chains i.e. inputs, products, access to markets, storage, transportation, housing societies, consumer (e.g. fair trade)
- Dominated by employee based SACCOs
- Social protection- only limited funerals & weddings. unemployment benefits, health insurance, support to the elderly etc.
- Advocacy- limited bargaining power to inform policy
- Gender equality
- Environment protection – has not been seen as a top priority save for a few fair trade partnerships + organic urban agriculture. This could help introduce environmental awareness & new farming techniques

# Some policy responses – Case of KCCA sweepers SACCO

## Membership: 4000

- ❑ Constitutes women & youth who sweep the streets
- ❑ Contracted using preference schemes provided in the National Procurement Law
- ❑ Provided with Ugx 800m (US\$200,000) as seed capital.
- ❑ KCCA provides tools, office space, computer & Accountant for the cooperative



# Scaling up the SSE – what needs to be done

- Strengthen policy & institutional capacities at local level to support growth of SSE
- Better documentation of the SSE & its contribution to the local economy and social impact.
- Networking and partnerships to extent and deepen the SSE sector.
- Capacity building for all players in the sector to increase understanding of the SSE to inform policy, management practices, leadership and measurement of impact.

Thank You  
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