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

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Together we can transform Kampala city
Kampala City – Brief Facts

Popn: 1.5m (GKMA: 3.5m)
Urbanisation Rate; 5.2% per annum
Projection: 8m by 2030 (BAU)
Size: 189Km²
Administrative: 5 Divisions
# The City Economy

## Greater Kampala Share of National Population (Million)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Greater Kampala</th>
<th>Share of National</th>
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<tbody>
<tr>
<td>Population (Million)</td>
<td>4</td>
<td>10.70%</td>
</tr>
<tr>
<td>Total GDP US$ Billion</td>
<td>7.3</td>
<td>31.20%</td>
</tr>
<tr>
<td>Total Employment (million)</td>
<td>2.2</td>
<td>9.50%</td>
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<tr>
<td>Private Consumption (US$ billion)</td>
<td>5.5</td>
<td>29.80%</td>
</tr>
<tr>
<td>GDP Per capita ($)</td>
<td>1,832</td>
<td>626</td>
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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 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

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

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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