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# THE SOCIAL ECONOMY OF CAMEROON

## Mapping the Structure of the SE of Cameroon

Dissertation of the Masters in Roads to Democracy presented at the Faculty of Economics at the University of Coimbra

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## **DEDICATION**

This work is dedicated to my entire family and loved ones without whose caring support it would not have been possible. Thank you all for walking with me through this journey.



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## ACRONYMS

<b>AIM</b>	International Association of Mutual Organizations
<b>ACCOSCA</b>	African Confederation of Cooperatives Savings and Credit Association
<b>CamCCUL</b>	Cameroon Cooperative Credit Union League
<b>CIGs</b>	Common Initiative Groups
<b>CNLAMCA</b>	National Liaison Committee for Co-Operatives, Mutuals and Associations
<b>DESA</b>	Directorate of the Social Economy and Handicraft
<b>FAO</b>	Food and Agriculture Organization
<b>GICs</b>	Groups D'interet Commun
<b>ICA</b>	International Cooperative Alliance
<b>ICCO</b>	International Cocoa Farmers Organization
<b>ICMIF</b>	International Cooperatives and Mutual Insurance Federation
<b>ILO</b>	International Labour Organization
<b>IMF</b>	International Monetary Fund
<b>LETS</b>	Local Exchange Trading Scheme
<b>MDGs</b>	Millenium Development Goals
<b>MINPMEESA</b>	Ministry for Small and Medium Enterpises, Social Economy, and Handicraft
<b>MINADER</b>	Ministry of Agriculture and Rural development
<b>MINEPAT</b>	Ministry of Economy, Planning and Regional Development
<b>MINJEC</b>	Ministry of Youths and Civic Education
<b>NGOs</b>	Non Governmental Organizations

**RAESS** Réseau Africain de l'Économie Sociale et Solidaire. - SSE Regional Office for Africa.

**RIPESS** Réseau Intercontinental de Promotion de l'Économie Social Solidaire<sup>1</sup>

**SE** Social Economy

**SEOs** Social Economy Organizations

**SOSUCAM** Société Sucrierie du Cameroun

**SSE** Solidarity and Social Economy

**SHG** Self-Help Groups

**UNRISD** United Nations Research Institute for Social Development

**UNIDO** United Nations International Development Organization

**UNDP** United Nations Development program

**UNEP** United Nations Environment Program

**VDAs** Village Development Associations

**WOCCU** World Council of Credit Unions

**XVI** Sixteenth Century

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<sup>1</sup> English: The intercontinental Network of the promotion of the Social Economy

## **ABSTRACT**

The Social economy encompasses activities aimed at experimenting with new operating models for the economy, such as: local trade systems, community currencies and social integration through economic activity usually with the goal of providing goods and services. The objective of this work is to map the Social economy of Cameroon. This implies examining the state of the social economy of Cameroon from the local perspective.

This case study oriented dissertation made use of an interview, qualitative and quantitative data. Findings show that there is not yet an overall legal framework which binds all social economy organizations in Cameroon. However, there exists a Ministry in charge of the social economy which is making provisions for the passing of a law and whose objectives are centered on seeing this sector not only grow but reach exceeding heights with socio-economic impact.

**Key words:** Social Economy, Cooperatives, Reciprocity, Community Development, Cameroon.





## RESUMO

A economia social compreende actividades destinadas à experimentação de novos modelos operacionais para a economia, tais como: sistemas de comércio local, moedas comunitárias, e a integração social através da actividade económica. O objetivo deste pesquisa é de mapear a economia social dos Camarões. Neste termos, implica examinar o estado da economia social do país, a partir de uma perspectiva local. Entretanto, por dar corpo a este estudo de caso, recorreu-se ao uso de entrevista e análise de dados qualitativos e quantitativos.

Por conseguinte, a pesquisa mostram que o país ainda não possui um quadro jurídico global que une todas as organizações da economia social. No entanto, existe o ministério de economia social responsável pela concepção de um quadro regulatório que agrega todas as organizações de economia social dos Camarões.

**Palavras-Chave:** Economia Social; Cooperativas; Reciprocidade; Desenvolvimento Comunitário; Camarões.



## **CHAPTER ONE**

### **INTRODUCTION**

Cameroon is the most populous country in Central Africa with an estimated population of 23 million people. French and English are official languages and it is home to over 230 ethnic groups with different dialects. In 2008, the President of the Republic of Cameroon, President Paul Biya signed a decree abolishing "provinces" and replacing them with "regions". Hence, all of the country's ten provinces are now known as regions. The Anglophone community constitutes the largest minority population (two out of the 10 regions in the country). We have the Adamawa, Centre, East, Far-North, Littoral, North, North West, West, South and the South West regions. Cameroon is also the only country in the world with two constitutions, each operating according to the whims and caprices of the ruling government. (Nkwi, 2006)

The economic system of Cameroon is divided into Public and Private enterprises with a dominant public sector. Despite being the fifth largest oil producer in Sub-Saharan Africa, the backbone of its economy is agriculture. With agro-processing constituting an important part of the Cameroonian's industry, agriculture is the livelihood basis for over 60% of the population and accounts for about 23% of the Gross Domestic Product and two thirds of the labour force (Goufo, 2008). The staple foods eaten by the people of Cameroon vary from region to region, depending on climate, and what is grown locally. The major food crops are yam, cassava, plantains and bananas. Other staple food crops include oil palm, maize, groundnuts, beans and potato in the South and East. While millet, sorghum, rice and maize are major food crops in the North. These

staples represent the main source of calories and proteins and an important part of the expenditures and incomes of households. (Goufo, 2008)

In 1989, the Cameroonian government began implementing the Structural Adjustment Program (SAP) as part of the World Bank and International Monetary Fund's prescription to solve the country's economic crisis. A financial sector reform was instituted as part of the reform program and this aimed at ridding the economy of insolvent financial institutions and putting the financial sector on a sound footing. The reform program has been completed and new privately owned commercial banks have appeared in the Cameroonian banking sector (Awung, 2008).

However, the Competitiveness Report 2011 in Africa classified Cameroon in the category of countries whose development is "driven by the factors of production" (factor-driven economies). It groups countries whose specialization is explained by natural endowments, low cost of labor which happens to be unskilled, suggesting that the degree of diversification achieved remains unsatisfactory. Thus nearly 65% of export earnings come from five commodities namely crude oil, cocoa, coffee, timber and banana thus exposing the country to international market fluctuations (United Nations, 2014).

With the recent drop in prices in the world market followed by a fall in production, economic hardship worsened. As such about 50% of the population is living below the poverty line and unemployment is estimated at 4%.<sup>2</sup> Both public and private sectors have not been able to curb the outranging financial, economic and social problems in the country. Since the 1970's, demographic growth has led to a sharp increase in food demand in the country which in turn has brought about quantitative and/or qualitative deficiency in agricultural production. The

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<sup>2</sup> [http://www.theglobaleconomy.com/Cameroon/Unemployment\\_rate/](http://www.theglobaleconomy.com/Cameroon/Unemployment_rate/) 2016

Cameroonian population has increased almost 4-fold since the independence in 1960 with an annual growth rate of 2.5% (Goufo, 2008).

In Cameroon, economic factors have driven more and more people into the agricultural sector. Today food production constitutes an important component in the livelihood strategies of many farmers (Goufo, 2008). Meeting these challenges however, will require fighting poor work ethics and corruption, and strengthening accountability. Complaints are frequently heard that the African farmer, the small trader, the everyday person has no means of getting the funds needed to improve his farm, expand his trade, or to pay his child's school fees. It is often alleged that the low-literate peasants and workers in a partially-monetized economy have no desire to save, even if there was any surplus money, and that in any case there are no institutions to accumulate or to redistribute their savings. It is argued that the banks fail to meet their needs because it is so difficult to obtain loans, while the private money-lenders, often operating illegally, almost always charge exorbitant rates of interest that discourage all but the most desperate of borrowers (DeLancey, 1977).

In terms of inflation, the Cameroonian economy experienced in 2008 and early 2009 inflationary pressures fueled by soaring food prices, 8.3% and 6.9% respectively. After these inflationary episodes, a phase of calm, even controlling inflation, has been opened since 2010. Indeed, the average rate of inflation was 1.1% while it was 5% a year earlier (United Nations, 2014). Most recently (June 2016), the inflation rate has been reported at 0.64 % by the Institut National de la Statistique du Cameroun.<sup>3</sup> Despite that, devaluation of the currency greatly affected the

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<sup>3</sup> English: National Institute of Statistics in Cameroon

economy. With the amount of debt the country owes to the world bank, taxes increased and the standard of living is very low.

Making things even more complicated is the political situation in the country which has been a major problem for as long as the state exists. The government does not provide social services to its citizen. Health insurance is a luxury and only the higher income class citizens could afford. Infrastructures are poor and the government does not seem to have any problem with that. With the existence of over 240 ethnic groups in Cameroon, favoritism and nepotism are at their peak with the south west and northwest regions being the least endowed with basic services as they are the only English speaking regions in the country. Civil societies have been very vocal in pointing out the areas where the government has failed to meet the needs of its people however, in Cameroon the challenge of civil society has been to create awareness in citizens that will encourage them to take responsibility for their individual and collective destinies (Mbuagbo & Robert, 2004).

One of the many advantages of studying in a world class institution such as the university of Coimbra Portugal is the quality of information you receive on a daily basis. During one of our lectures on heterogeneous forms of globalization, we were introduced to the concept of the social economy. Strangely, it was very important and was making waves in every part of the world – just not in my mind. Never haven't heard or read anything about it made it even more interesting and I was motivated to use this theme as my dissertation topic.

There is an increase in the interest about the third sector which over the years was highly invisible in recent years. Now, it is appearing as one of the main employers in the country, contributing to both social and economic development. This third sector is what is sometimes referred to as the

“Social and Solidarity Economy”. In the book *“Social Economy: North and South”* the authors explain that “any economic phenomenon that has a social dimension and any social phenomenon that has an economic dimension could be considered as part of the Social Economy” (Defourny, et al., 2000). Legally breaking them down, we have Cooperative Enterprises, Mutual Benefit Societies and Associations. Findings show that 85%, 26%, and 23% of farmers in the Western Highland, the Forest Zone and the North of Cameroon respectively, are members of a farmer association or cooperative (Goufo, 2008).

The social economy includes all economic activities conducted by enterprises, primarily cooperatives, associations and mutual benefit societies whose ethics convey the following principles:

- Placing service to its members or to the community ahead of profit
- Autonomous management
- A democratic decision making process
- The primacy of people and work over capital in the distribution of revenues (Huybrechts, 2012).

The idea of social economy has its historical origins in the XVI as alternative forms to liberal capitalism developed by labour movements, religious movements and others in Europe. Influenced by the values of the French Revolution and the social consequences of the Industrial revolution, these movements proposed several social innovations concerning ways to organize production. Amongst these are worker’s cooperatives and consumer cooperatives and social entrepreneurs (Singer, 2013). “It has become a worldwide movement” says Paul Singer, the

National Secretary of SE, Brazil. Social and solidarity organizations have not only economic but also social objectives. They go a long way to promote not only economic growth but human rights and environmental concerns.

The social economy provides a space for circulation of ideas, development of social relations and initiatives that brings diversity to the concept of economy. It provides a space for:

- Critical thinking about capitalist economies. Ideas like “do work divisions and private appropriation of the commons generate inequality, patriarchy, racism, impoverished sociability by competition relations”? It includes the idea that exploitation of natural resources under capitalist production and consumption is unsustainable and a criticism to the idea of development. Solidarity and reciprocity are an alternative to competition.
- Questions about alternatives to or in capitalism and how these alternatives are formed. Social economy initiatives emerge and operate within the capitalist system and most of them do not offer radical alternatives to capitalism (new modes of production)- but social economy initiatives may also be seen as revolutionary forms and initiatives inside capitalism allowing for non-capitalist forms of economic organization and sociability. They have the promise of larger scale transformations towards non capitalistic sociability and economy;
- Possibilities of rearticulating the economy with the political sphere and participatory democracy in the economy.
- Point out that there are other forms of economy besides monetary market-based economy. These include redistribution, reciprocity, gift, direct exchange of goods and services and an example is time-banks.



Many questions come to mind when we try to concretize the social economy of Cameroon as a whole and the functioning of its various actors. Are they well structured? Why is there an increase in the activities in this sector? Why do we have more non-governmental organizations (NGOs)? What are the problems they face in the region? We ask such questions because we are interested in moving forward. We want development: economic, social and political. And since this sector seeks to reform basic policies and improve the livelihood of people we should investigate their work. This may just be a way of promoting or enhancing cooperation between individuals, the community and government as in Cameroon, for reconstructing agricultural production is based on joint initiatives and new cooperatives (Jeantet & Poulnot, 2007).

Nevertheless, there is a gap. For the social economy to be able to reach the heights expected of it in a country like Cameroon there should be cooperation among the various actors of the social economy (in this case Mutual health organizations, credit unions, Cooperatives etc). Cooperation amongst these institutions implies that they understand each other's goal and are willing to collaborate with each other. It also means that the various institutions and their objectives are known. What we see are independent organizations acting independently towards particular objectives.

Knowledge and awareness of the relevance and potential of the social economy is very scarce and it is what motivated me to focus in this area. The main objective of this work is to map the Social economy of Cameroon. Breaching the gap of institutional invisibility to provide a conceptual identification of what can be the social economy of Cameroon. What is the state of the Social economy of Cameroon as at now? Specific objectives of this study include:

- To fill the gap in knowledge about the reality and present state of the social economy in Cameroon. Is there an existing legal framework?
- to provide a clear picture of how the “Social Economy” of Cameroon is structured. Stating clearly the organizations that form part of the Social Economy in Cameroon. This will eventually lead to comparison with existing structures in different parts of the world.
- To act as guide for those interested in knowing about the social economy of Cameroon. Which are the institutions working in this sector? What are their objectives? How is it framed?
- is there a ministry/organization in charge of all the organizations in this sector?

Restructuring the objectives into questions, this piece of work will be attempting to answer the following questions:

- What is the social economy of Cameroon?
- What is the role of social economy in Cameroon?
- How is the social economy of Cameroon structured?
- Why is the Social economy of Cameroon structured the way it is?
- What are the main characteristics of organization in the Social Economy of Cameroon?
- What legal framework governs the Social Economy of Cameroon?
- How are organization in the social economy of Cameroon different/ similar to those found in different countries (Africa, Europe, Latin America, and Asia)?
- How is the overall body of the Social economy of Cameroon structured and governed?
- What are the challenges facing the ministry governing social economy enterprises in Cameroon?

Qualitative and quantitative data was collected due to the fact that it's a large scale research. Due to lack of finances, I was not able to carry out primary data collection in Cameroon which would have proven to be the most adequate research method. Thus the thesis relies substantially on secondary sources. The secondary data employed in this research can be roughly grouped according to the following broad categories:

- First, there is technical literature consisting of published scientific papers or volumes concerning theories applicable to the research topic and theoretical studies of the methods employed in the social sciences.
- Relevant literature was made available by local press, research centers, national institutions (government ministries), and intergovernmental institutions such as the World Bank, UNDP, ILO, UNEP, FAO, Ministry of Small and Medium Size enterprises Cameroon. I made a review of comprehensive available literature and based my work on online sources, websites of the ministries, international conferences, organizations and libraries.
- There was an extensive use of electronic material that was downloaded from different websites on statistics of Cameroon's economy from as early as the 1980s till present.
- I also interviewed the sub-director in charge of the development of the Social Economy in Cameroon Mr. Ondobo Lucas, an expert in analysing and evaluating projects. Getting insights about the SE sector in Cameroon from an expert in the field has a way of inspiring your work and direct what you are researching. Since I could not travel to Cameroon for the research, I made the questions and it was applied by my friend Senge Raissa Etuge. With the existence of the Ministry and a legal framework, I really wanted to know the

institutions that make up the SE of Cameroon, the role of the SE in Cameroon, the challenges facing the SE of Cameroon and the future of the SE of Cameroon.

- With all the questions not exhausted, Mr. Lucas requested I sent him a questionnaire which I later did and which also proved very informative. Since I could not make it to Cameroon my friend Senge Raissa applied the questionnaire on my behalf. The questions based on the characteristics of organizations that form part of the social economy, the role of the ministry in the development of this sector, challenges and the legal framework.

I sought information about the Legal and institutional frameworks existing in different countries and in Cameroon. The existence of laws helps evaluate the functioning and growth of this sector. also, institutional policies imply the level of involvement of the government in this sector. The definitions, characteristics governing these organizations, the level of recognition and sometimes the number of members allowed are all information registered under the law. Sometimes sanctions and bans placed on certain activities are all within the law so getting hold of the laws is really important.

Mapping requires describing the size of the social economy of Cameroon. Size can only be figured out by knowing the number of registered organizations in this sector. I sought information about the registered cooperatives, the type of activities they are engaged in, their distribution in a region and the number of members registered.

This thesis made use of the case study methodology. The Center Region of the Country was chosen as the case study to be analyzed. The Center Region and Yaoundé being the capital helps

demonstrate the level of growth of this sector and shows the efforts been made by experts to see this sector grow.

The greatest challenge I encountered was writing a research based on pre-existing data. Due to physical impossibilities and financial difficulties I could not carry out sufficient field work. After collecting the list of registered groups, talking with individual members would have been very useful. Also, because of the stratified nature of Cameroon, it is difficult to get the information you require. Very little information is available online and when you get the information you need, it will be in French. So the required time to study takes longer since you have to go through the process of translating existing documents from French to English.

Since the concept of the social economy is still under construction in the country, little is registered. There is no national base service which you could access to get all the information needed. Neither is there a central information center for different ministries. Information is gotten per region. For instance, all the information about cooperatives in the South West region can be found only in the South West region.

The dissertation is divided into three main chapters. Chapter one is the introductory chapter. Though not as broad as the others, it provides a background of the SE and the study area - Cameroon. Further into this chapter I include the objective of the research, questions, research methods and a few challenges I encountered in carrying out this dissertation.

The objective of the second chapter is to provide a literature review on the concept of SE. Structured to cover background history of the SE, it goes further to define the SE, explaining the concept and neighborhood concepts that shed light on the variety of the SE concepts in the

world. Also, the institutions of the SE, legal forms, the roles of the SE, policies and frameworks are discussed. The chapter closes with research on the SE of Cameroon and the challenges facing the SE in any society it finds itself.

Chapter three focuses on the SE in Cameroon. We see from this chapter that not much has been written about the SE of Cameroon. However, institutions of the SE have been researched especially cooperatives and Mutual organizations. Statistics on the existing SE institutions in the Centre Region of Cameroon are presented. This chapter covers all existing frameworks, structures, policies and institutions of the SE in Cameroon. Not so much is been registered but with the eventual passing of the law on the SE in Cameroon, the structures will be more defined making it easy for one to estimate the size of this sector.

Finally, I draw conclusions and provide relevant recommendations for further studies on the concept of the SE in Cameroon. Comparison between the SE in Cameroon and the rest of the world shows that though the institutions may appear different because of how they are referred to and structured, the SE is more or less the same. Incorporating cooperatives, associations and Mutual organizations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **Introduction**

The social economy is often introduced alongside many related concepts ranging from Community economic development, social enterprise and social innovation though researchers (Jean-Louis Laville, Amin) continuously distinguish the social economy from these other concepts. There is a large body of research about the social economy in various countries, the role of individual institutions of the social economy and the limitations of the social economy however there is still a gap in available literature on this subject. To most effectively explore these theories, this literature review will focus on five major themes:

- Background history of the social economy
- The institutions of the social economy
- The role of the social economy
- Challenges of the social economy
- Research on SE in Cameroon

#### **2.1 Background History of the Social Economy**

It is no doubt that debates and discussions about the social economy are making waves on a global scale especially when issues of inequality, sustainable growth, development, employment and difficulties associated with imposed structural adjustments are raised. Mentioning the above

does not limit the concept of the social economy to them since the social economy is way more than that and will keep growing. Distinguishing areas which the social economy covers is not always the greatest problem working with the social economy. Defining it poses a greater problem. When the social economy is referred to as a new concept, it makes it complicated defining it since the social economy's existence can be traced to the origins of human existence. With the world economic crises, most economies shrunk and the social economy has risen as an alternative, providing solutions where the government and market sectors have failed the society.

According to the academic literature that the word social economy first reappeared in economic literature in France in the late 1970s (Monzon & Chaves, 2008) and (Bee, 2013). However, the majority of articles argue that forms of social economy organizations can be traced to the existence of humanity. The literature is divided as regards division and classification of Social Economy organizations. Over time there has been a move toward a greater emphasis on the reasons for the growth in this sector. We are pushed by what it does or represents than what it is. Information on this sector goes on and on about the activities and other ways of broadening the sector rather than on what it is. Some authors (Moulaert & Nussbaumer, 2005) have gone further to say what it is not, all this with the aim of highlighting both historical and traditional origins of the concept.

The idea of free citizens joining forces as consumers, producers, investors or users of a wide variety of services (Defourny, et al., 2000) and that the social economy represents a common concern to identify some alternatives and innovative solutions to address unemployment (Stanescu, et al., 2013) are all thoughts on the role of the social economy and motive for its



existence. (Laville, 2003) Stresses that the growth in the social economy is attributed to changing lifestyles of people and the need to create more jobs, thus adding to the list of authors who see this sector as ever evolving and having a vital role to play in solving socio-economic issues in a community.

### **2.1.1 Concepts of the social economy and neighborhood concepts**

The social economy is a contested concept, which has revolutionized modern aspects of service provision and redistribution. It started out as a movement and is now making waves at international level. The intra-national differences in terminology and usage make it difficult to derive a consistent definition of the concept. No one definition has been fully recognized and accepted by everyone. However, there are some key definitions which cannot be forgotten when we discuss, explain and try to conceptualize the social economy. In its current usage and put in a more operational frame, the term **social economy** refers to not-for-profit activity geared towards meeting social needs. Amin explains that the Social Economy consists of not-for-profit activities designed to combat social exclusion through socially useful goods sold in the market and which are not provided for by the state or the private sector. The social economy generates jobs and entrepreneurship by meeting social needs and very often by deploying the socially excluded (Amin, et al., 2002).

The SE concept, principles and values are little known by the public at large, a fact that hinders the involvement of the citizens in SE. The promotion of SE contributes to the increase of the acceptance level of SE activities and raises awareness about them (Stanescu, et al., 2013). Nowadays, the term of SE remains surprisingly rather unknown to the wide public (Asiminei,

2012), (Stanescu, et al., 2012). Not only is the SE concept frequently attached to the SSE concept (misconception) (Bee, 2013), it is highly unrecognized in many countries. Chaves and his colleagues, bring forth a reason for the institutional invisibility of the Social Economy being the lack of a clear, rigorous definition of the concept and scope of the Social Economy that could usefully be employed by the national accounts systems. (Monzon & Chaves, 2008). Meanwhile, other authors confirm that there are still challenges that SSEs experiences – such as difficulties in its definition, conceptualization, and measurements of its contributions to development and demarcation of its activities (Bee, 2013).

The social economy also refers to those enterprises and organizations which trade in the market and use some tools and methods of business, on a not-for-profit basis, to provide social and economic services to communities that need them. The social economy in this effect will include cooperative enterprises, based on principles of community solidarity that respond to new needs in social services. Since Social Economy enterprises exhibit distinctive forms of organizations and governance such as worker co-operatives, associations and non-profit organizations, such organizations produce needed goods and deliver services to the public, putting the provision of services to people as their first goal.

The social economy sector is comprised of a range of different activities with the potential to engage local communities in the process of regenerating their economy, creating jobs and above all addressing the basic needs of the community while acting as an alternative to providing the necessary services. Activities of “this sector includes co-operatives; self-help projects; credit unions; housing associations; partnerships; community enterprises and businesses. The Social Economy is the fastest growing sector in Europe and this context is fertile ground for the creation

of many new enterprises locally” (A. Molloy, 1999). Elaborating on this sector will include activities from all works of live, self-help inclusive. Not forgetting cooperative movements and the works of mutual health organizations.

Social Economy institutions therefore exist in various legal forms. Conversely, all entities registered under these legal forms do not necessarily belong to the social economy. To be considered organizations or **social enterprises**, entities must meet the following conditions.

- Primacy of people and the social objective over capital, which is materialized by an autonomous participation, transparent and democratic, which gives priority to making decisions more based on people and their work contributions and services rendered to the entity or according to the social purpose, as compared to their contributions to the share capital ;
- Application of the results of economic activity, mainly based on the work and service or activity carried out by members and, where applicable, subject to the social purpose of the entity ;

Promotion of internal solidarity, volunteerism, membership and commitment to advocate self-help, self-reliance and local identity, while taking into account the people at risk of social exclusion and the generation of stable, quality jobs. (Danowski , 2015). These organizations and social economy enterprises contribute through their activities, the creation of wealth and jobs, economic growth and poverty reduction. By this they can differ in terms of organizational forms and approaches, but also operate on similar principles. There are associated notions such as

social economy, solidarity economy, popular economy and non-profit organization. (Danowski , 2015)

The term “popular economy” is rooted in Latin America and has been conceptualized by researchers such as Luis Razeto (Chile) or Jose-Luis Corragio (Argentina). Some African non-governmental organizations (NGOs) for example (ENDA in Senegal) also adopted this terminology. As the term clearly states, this economy is seen as being developed by the popular class (i.e. the most vulnerable) and their “*organizaciones de base*”<sup>4</sup> to address subsistence economic and social problems. The group members often share the same living situation, religious or political communities and intend to solve day-to-day problems through collective awakening.

The Anglo-American non-profit approach (Salamon, et al., 1999) describes organizations that belong to neither the private for-profit sector nor the public sector. It encompasses a more restrictive group of organizations than the concepts previously described since it excludes any organization that practices the redistribution of surpluses.

Known variously as the “non-profit,” the “voluntary,” the “civil society,” the “third,” or the “independent” sector, this set of institutions includes within it a sometimes bewildering array of entities—hospitals, universities, social clubs, professional organizations, day care centers, environmental groups, family counselling agencies, sports clubs, job training centers, human rights organizations, and many more. (Salamon, et al., 1999).

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<sup>4</sup> Grassroots organizations

These organizations are independent of the government and self-governing. Membership is voluntary though some require members to make voluntary contributions. Most importantly, they do not distribute profit – the non-profit distribution clause is at the center of their functioning. These characteristics makes them similar to social economy enterprises yet not all nonprofit organizations form part of the social economy. The approaches to the non-profit organizations differ clearly from the social economy too, mainly in relation to three criteria: the non-profit criterion; the democracy criterion; the criterion of serving people. (Arpinte, et al., 2013). On the table (Table 1) below, the differences between the social economy organizations and nonprofit organizations on different domains are explained.

**Table 1: Difference between the non-profit organisations and social economy**

<b>Criterion</b>	<b>Non-profit organizations</b>	<b>Social economy</b>
<i>Non-profit Criterion</i>	the organisations must apply the principle of non-distribution of the profit or surpluses (constraints of non-distribution)	the cooperatives and mutual societies, which are the decision-making nucleus of the social economy, are excluded from the non-profit sector because most of them distribute the profit among the members.

<p><i>Democracy criterion</i></p>	<p>the non-profit institutions prove their <i>social usefulness</i> by the free supply of goods and services deserved by the individuals or families</p>	<p>the approach of the social economy generally excludes any entity which doesn't operate on democratic bases, although it accepts that the non-profit voluntary organizations which provide free or very cheap, economically non-significant, non-market services to persons or families, can be included within the social economy.</p>
<p><i>Criterion of serving people</i></p>	<p>There is no criterion which to consider the services provided to the people as a major goal. The non-profit institutions can be organized to supply services both to the individual persons and to the corporations which control or finance them.</p>	<p>The main purpose of all organizations is to serve people or other social economy organizations. most beneficiaries of their activity are individual persons, households or families, either as private entrepreneurs, or as producers or consumers; many of these organisations only accept individual persons as members.</p>

Source: (Arpinte, et al., 2013)

From the table, we see that while nonprofits do not distribute their surpluses or profits, SE enterprises like the cooperative societies distribute surpluses among members. Many non-profits institutions sell their services at market prices and do not meet the democracy criteria. Democracy and the attribution of equal votes to each member are values deeply rooted with social economy organizations. However, the non-profits function on the grounds of voluntary donation by individuals/group of people to those who they think are deserving of the available

goods or service. Some MHOs (Mutual Health Organizations) allow members to make voluntary contributions to a member in need.

### **2.1.2 The variety of the social economy in the world**

We should note however that this sector cannot be conceptualized without prior reference to the state or the main stream economy since it depends heavily on the state for a legal framework, finances and most of the organizations of this sector if not all work as an alternative to the main stream economy. “Although there are examples of projects that have successfully developed independently of public funds, the majority of social enterprises (even well-known success cases) rely heavily on grant income and/or service level contracts with public authorities.” (Amin, et al., 2002)

The growth and perception of the social economy is responded to differently by different countries in the world. As stated in the introduction, this sector has gained an enormous international coverage. However, because of the variations in culture, region, political situation and overall differences registered by countries in the world, it is no doubt that “there are considerable international differences in the ways in which the social economy and the relationship of the social economy to market, state, and civil society are envisioned” (Amin, et al., 2002). In addition to this, “the ways in which the social economy is conceptualized and understood, and the ways in which it is seen to relate to social exclusion, have taken a variety of forms, partly reflecting varying national cultural and political traditions and policy choices” (Jouen, 2000).

Typically, these differences are reflected in the way the sector is referred to, how it is defined and what organizations are part of. These differences seem even wider since there is no standard definition but a series of concepts and principles governing them. We are open to differences in terminology. As we move across the world different vocabularies and terms are being referred to in different countries only goes to show how it culturally fits in every society. Varying terminology does not always mean differences but in this case, it definitely brings in various definitions, various constitutional frameworks and diversity in this concept on different levels and in different regions, countries and continents.

Of all designations employed to describe the activities that do not fit in the classical categories, “third sector” is without doubt the expression over which there is the widest international agreement among researchers. The English refer to the social economy as “Voluntary organizations”. Latin America and the Latin countries of Europe use terms such as organizations of the “popular economy”, “solidarity economy” or “social and solidarity economy” (Defourny, et al., 2000). Generally, similarities are observed on a continental basis. In the United States, researchers tend to call the third sector “the non-profit sector” or the “independent sector” (Develtere & Defourny , 1999). In the USA, a country characterized by a residual welfare system, the distribution and production of goods and services was undertaken principally by non-profit organizations (Borzaga & Maiello, 1997). This “third sector” is supported by a grass-roots citizens’ movement and benefits much less from the support of the government. It is supported primarily by philanthropic actions and private foundations. In no particular order they include non-profit organizations, charities, foundations, associations, grassroots groups and individual volunteers striving to serve and transform society both socially and economically.



The term social economy is accorded widespread recognition in France, with a liaison committee (CNLAMCA: National Liaison Committee for Co-Operatives, Mutuals and Associations) involving representatives from both government departments and social economy organizations. France is one of those countries where this sector is highly supported by the state. The commitment to social economy takes on a political role. Lawmakers encourage social economy by creating a favourable legal framework. On every count, there is a law defining and describing actors and organizations of the social economy or in this case "*l'économie sociale*".

In Germany 'the social economy' comprises four subsectors: *welfare associations, cooperatives, health mutuals*, and a '*vast array of voluntary organizations and initiatives of all sorts*' (Amin, et al., 2002), but it is argued that there is a general lack of awareness of the social economy and its potentialities. Belgium forms a hybrid, falling between the German and French cases, especially with regard to mutuals 'which are in fact an arm of government'. In many areas, especially education and hospital management, 'the state has delegated powers to the private sector, which it then finances'. In 1995, Belgium introduced the legal concept of a company set up for 'social purposes', indicative of a growing recognition of the potential role of the social economy. (Amin, et al., 2002)

The Nordic model as defined by the César Foundation comprises Finland, Norway and Sweden. All three countries have very similar social systems: a solid tradition of popular movements, a large public sector, and a strong welfare state. Indeed, in Scandinavia, the 'free nature of services is still seen as an essential, almost ethical, element of the welfare system' (Borzaga & Maiello, 1997). Even so, there have been recent reductions in the level of public expenditure and in the scope of public sector provision of services but these have stimulated Third Sector activity and

the growth of co-operatives, especially in rural areas. As a result, welfare provision and services are delivered via a more complex mix of state and social economy, with the reductions in the scope of state provision creating spaces which social economy organizations have occupied, often with state support. (Amin, et al., 2002).

Denmark is a related though different case, with an innovative social economy and a long tradition of local co-operative development in regions such as Jutland that extends back well over a century (Dunford & Hudson, 1996). Again, there is evidence of imaginative social economy projects emerging (for example in childcare, education, and personal services), often enabled and helped via state support, despite a generally neo-liberal tone to national economic policy (Amin, et al., 2002). As (Borzaga & Maiello, 1997) note, 'the Scandinavian countries are altering their welfare systems only very slowly'. Furthermore, they are doing so in ways that demonstrate that development of the social economy can be reconciled and made compatible with a decent and generous welfare system as part of a progressive politics of redistribution. (Borzaga & Maiello, 1997).

The Mediterranean model is defined by the César Foundation as comprising Italy, Portugal, and Spain. The Foundation emphasizes that there is no doubt that Italy is the European country where the Third Sector is strongest. It is made up of co-operatives, third world NGOs and non-profit associations. The organization of the sector is driven politically by the Third Sector Forum, which functions as a debating chamber and a political lobby, and has just been admitted to employer–employee negotiations. (Borzaga & Maiello, 1997)

In contrast, the social economy is relatively underdeveloped in Portugal and Spain. It was only in 1999, for example, that Portugal introduced the legal concept of 'social co-operatives with

limited liability'. In the case of Greece, the Report asks: 'can we really talk of a third sector?' This is a reflection of the much greater role of the extended family in social reproduction over much of Mediterranean Europe. As the Report concludes, 'In sum, there is no real Mediterranean model. There is however an Italian model, along with very disparate situations in Spain, Greece and Portugal'. (Amin, et al., 2002).

Amaro systematizes (the Portuguese) solidarity economy around eight dimensions: (1) an *economic project*, involving the production and sale of goods and services; (2) a *social project*, promoting social inclusion and cohesion; (3) a *cultural project*, respecting and promoting cultural diversity; (4) an *environmental project*, valuing and protecting the environment; (5) a *territorial project*, mobilizing endogenous resources and capabilities and promoting local development; (6) a *management project*, involving the adoption of specific management methods; (7) a *knowledge project*, constantly monitoring and learning from the experience; (8) a *political project*, based on democratic principles, at the internal level, and on shared governance and co-responsibility, at external level. (Amaro, 2009).

Elsewhere in North America, in Cape Breton in Canada, for example "there was a strong tradition of community economic development as the basis of a local social economy that sought to confront problems of catastrophic industrial decline and its associated ills in a peripheral region" (Lionais, 2001). In the Dominican Republic and in other Latin American countries, credit unions started over 50years ago when the Catholic Church began promoting them to assist poor people. (Adams, 1995). These credit unions acted as an important source of income for poor people.

In the same line of discussing social economy as a tool for development in countries, Brazil is no stranger to such allegations. The recycling cooperatives in Sao Paulo are a major addition to this

city development venture. Lutta Gutbetlet thinks that a more befitting framework for managing recycling cooperatives will be necessary. Other authors (Andreia Lemaitre & Bert Helmsing) question if social economy movements lead to change in grassroots economic initiatives like people's cooperatives (Lemaître & Helmsing, 2012).

The social and solidarity movement is huge and have become increasingly recognized in Quebec as it forms an integral part of the movement for an alternative globalization (Neamtan, 2002). Defined by (Marques, 2013) as a set of organizations and initiatives where a collective patrimony is privileged against the individual return, based in democratic decision-making processes, and where the realization of economic activities aims not the distribution of profits (as in the business sector), but the satisfaction of collective purposes, related to employment, citizenship, environment, education, or culture.

Yes, the SSE movement is not concerned with one kind of activity but several different activities and are usually focused on bringing social change to the society. In the South, the solidarity economy takes part in constructing a Social State that is failing. (Arruda, 2011)

In Francophone Africa SSE is used to describe initiatives designed to reactivate transnational community values. Four common elements associated with the SSE include:

1. They link a productive activity to social needs rather than profitability.
2. They produce goods and services based on the participation of women and men.
3. They build local, national, and international social networks based on consensus and cooperation.
4. They work towards the democratic regulation of economic activity (Dacheux & Goujon, 2011).

In the South, the main problems: insecurity of food supply, the absence of basic health, education, difficulties associated with imposed structural adjustments and, housing needs (Defourny, et al., 2000). Even today, developing countries can still be described as consisting of an archipelago of modern enterprises with high labour productivity immersed in an ocean of low or very low productivity activities, which constitute the interstitial tissue of the economic system. (Sachs, 2004). In South Africa, the emerging farming cooperatives which form a big part of the solidarity economy are challenging the drop in food production in the country in the last decade. The emerging alternative to the state led cooperative movement in South Africa is a grassroots solidarity economy movement. Such an alternative is grounded in the recognition that the crisis of capitalism is a systemic crisis expressing itself as a complete civilizational crisis (Satgar, 2011). Mutual health Organizations (MHO) emerged in Ghana in the mid-1990s with the potential to cover basic healthcare costs for its members (Baltussen, et al., 2006). Most schemes were relatively small and lacked financial management capabilities. However, research on how to improve their functioning is has enabled them to still play a significant role in the provision of healthcare among locals.

Indeed, the social economy embraces the Pan-African values of solidarity, community, and collectivism in its core principles, and it represents a stark shift away from the values of American market capitalism, chiefly individualism, competition and self-interest. During the Johannesburg conference, the ILO called for its partner organizations/ governments to:

- Increase the recognition of social economy enterprises and organizations nationally, regionally and globally.

- Increase the number of North-South, South-South, and Inter-African partnerships with social economy enterprises and organizations.
- Promote and reinforce African social economy networks across the continent,
- Establish enabling national legal, institutional and policy environments for social economy enterprises and organizations, and
- Enhance the efficiency of social economy enterprises and organizations by educating local stakeholders, increasing access to financing and training, and integrating social economy dynamics into social and economic development plans. (ILO, 2009)

## **2.2 The institutions of the social economy**

The above explanations and differences in conceptualizing the term only goes to show that the social economy cannot be defined in a single way. Without a concrete definition, we cannot work with the social economy as a framework and it is essential to make such separations. For the purpose of this thesis, I will choose is a normative definition of the social economy that has been widely adopted in academic and policy spheres. It is that offered by (Develtere & Defourny , 1999) who propose that the social economy: “includes all economic activities conducted by enterprises, primarily co-operatives, associations and mutual benefit societies, whose ethics convey the following principles:

- Placing services to its members or to the community ahead of profit
- Autonomous management
- A democratic decision-making process
- The primacy of people and work over capital in the distribution of revenues.”

### **2.2.1 The Organizational and legal forms**

The SSE refers to specific forms of enterprises and organizations. Cooperatives, mutual benefit societies, associations and social enterprises are the most common types. The traditional SE forms of organization recognized at the European level are: cooperatives, mutual organizations, foundations and associations. Basic principles governing SEOs are participation, voluntary involvement, autonomy, solidarity and innovation. The main feature of SEOs is that it produces goods and services with a no-profit motive. SEOs could also be described as a dynamic and evolving group of actors that promote and run economic organizations that are people-centered (Fonteneau, et al., 2011). SEOs include:

#### ***Cooperatives***

A cooperative is an “autonomous organization of persons united voluntarily to meet their common economic, social, cultural needs and aspirations through a jointly owned and democratically controlled enterprise” (Novkovic, 2008). Usually, cooperatives are found in various branches of activity, such as agricultural cooperatives, insurance cooperatives, savings and credit cooperatives, distribution cooperatives, workers’ cooperatives, housing cooperatives, health cooperatives and consumers’ cooperatives. The Latin American continent is considered by the International Cooperative Alliance as the “fastest growing” region in terms of new cooperatives and membership (ICA Regional Conference, 2009). These phenomena are notable because of the recent crisis that questions the predominant economic and financial system. (Fonteneau, et al., 2011).

Very shockingly, the only statute of SEOs approved at the European level is that of cooperatives. There is a general law on the Social economy at the EU level though. As for mutual and associations, individual laws on them are enacted by their respective nations. The number of cooperatives is increasing on a daily basis and a study by Develtere, Pollet & Wanyama in 2008 shows that seven percent of Africans belong to either one cooperative or two (Fonteneau, et al., 2011).

According to the International Cooperative Alliance (ICA), there are almost one billion cooperative members and more than 100 million jobs in its 91 member countries. In Canada, Honduras and Norway, one in every three people is a cooperative member, whereas in the United States the ratio is 1:4, and in Kenya it is 1:5. In China, Argentina, Brazil and Malaysia, there are 180 million, 9 million, 6 million and 5.5 million cooperative members, respectively. (Fonteneau, et al., 2011).

### ***Associations***

In 2010, several promotion actions were carried out in order to foster the recognition of the European statute of associations. It is an organization of people who share a common interest. It could be a workers' union, a union of farmers in a particular region, a trade union or a group of professionals in any field of work. Associations flourished during the medieval period. They took various forms and had many names: brotherhoods, guilds, charities, fraternities, merchant associations, trade associations, communities, master associations, guild masterhips and others.



Associations share the values of democracy, the primacy of the individual and of social objectives over capital and are dedicated to their members. The general interest thus distinguishes them from commercial enterprises by the fact that they are not for profit orientated and that they aim at contributing to the general interest. (Arpinte, et al., 2013). Usually, types of associations vary from country to country. The most important characteristic of associations is the solidarity aspect of the organization. Usually such organizations work to develop their field of expertise.

Associations are a place for expression and information. They do play different societal functions, such as provision of services (mutual health associations), militant activities, assistance (training opportunities for handicapped), integration (social inclusion) and training. They provide needs expressed at all level thanks to their role as social actors; partners in the definition, implementation and follow up of public policies; partners of public authorities in their mission of services of general interest. (Arpinte, et al., 2013)

They include charities, relief and aid organisations, trades unions, professional or learned societies, consumers' associations, political parties, churches or religious societies, cultural, recreational, educational, citizenship, social and health issues, environmental issues, and sports clubs, uniting a big number of organizations with millions individual members. Sometimes, authors (Arpinte, et al., 2013) associate NGOs with Associations. They are present in every sector in the economy.

### ***Mutual benefit societies***

Mutual organizations have also existed in communities for a long period of time. Mutual benefit societies are organizations whose objective is essentially to provide social services for their

members. These societies whether formal or informal meet the need of communities to organize collective social relief themselves by sharing a wide variety of risks: health care, medicines, illness (sickness/accidents), material support for bereaved families, repatriation of a body, expenditures incurred in rituals (such as burial societies) (Fonteneau, et al., 2011). Mutual benefit societies provide services by pooling resources of members and sharing risks borne by individuals.

The *Association Internationale de la Mutualité* (AIM) (International Association of Mutual organizations) was established in the 1950s. It unites 40 federations or associations of autonomous mutual benefit societies in health and social protection in 26 countries across the world. AIM affiliates operate according to the principles of solidarity and non-profit, providing coverage for more than 170 million people throughout the world. In the insurance sector, the International Cooperatives and Mutual Insurance Federation (ICMIF) represents the interests of both cooperatives and mutual benefit organizations. The ICMIF has a current membership of 212 affiliates in 73 countries. (Fonteneau, et al., 2011).

According to the International Cooperative and Mutual Insurance Federation (ICMIF), the mutual market shares at the end of 2008 increased from 2007 to 24 per cent. Of the largest ten insurance countries representing 77 per cent of the world market, five have over 30 per cent of their markets in mutual and cooperative businesses (the United States - 30 per cent, Japan - 38 per cent, France - 39 per cent, Germany - 44 per cent and The Netherlands - 33 per cent). This is derived from a sample of 2,750 mutual and cooperative insurers. (Fonteneau, et al., 2011).

The International Association of Mutuality (IAM) is a group of autonomous health insurance and social protection bodies operating according to the principles of solidarity and non-profit-making

orientation. IAM has members in Europe, Latin America, North America and north and sub-Saharan Africa. In Europe alone, there are 102 million affiliates and 168 million beneficiaries. (Fonteneau, et al., 2011).

### **Foundations**

A foundation is a non-profit legal entity created by one or more donors, which may be natural persons or legal entities, to perform charity or public interest work (Bouchard, 2010). Foundations can also be private law entities whose main goal is non-profit, but which can secondarily run economic activities as well by setting up separate companies.<sup>5</sup> A generic definition of foundation throughout Europe as a whole is difficult due to the many languages and cultures in Europe and the different legal/fiscal environments from one country to the other. Thus, the British refer primarily to a *trust*, the Dutch to a *stichting*, the Finnish to a *saatio*, the French to a *fondation*, the Germans to a *stiftung*, the Italians to a *fondazione*, the Spanish to a *fundación* and the Swedish to a *stiftelse*. (Arpinte, et al., 2013)

Foundations may be qualified partly as components of the SSE; however, not all foundations operate in such a spirit. Public benefit or charitable foundations pursue non-profit, public-value goals and thus serve community interests. Private foundations also pursue non-profit goals, although they can be of a private nature which may or may not fall within the realm of the SSE. (Fonteneau, et al., 2011).

Public foundations which generate goods or services and adopt a democratic decision-making process are more often referred to and classified as being part of the social economy. Authors

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<sup>5</sup> Art. 47 and 48 GEO 26/2000 on associations and foundations, as subsequently amended and supplemented

who consider foundations as part of SE (Stanescu, et al., 2013), (Jeantet & Poulnot, 2007), (Monzon & Chaves, 2008) and (Bee, 2013).

An example is the European Foundation Centre (based in Brussels), whose mission is to strengthen the independent funding of philanthropic organizations in Europe. It unites over 230 organizations in 40 countries and explicitly includes its mission in the social economy. Another example is Social Economy Europe, a European network of cooperatives, mutual societies, associations and foundations. Its mission is to strengthen political and legal recognition of the social economy at the European level, and it explicitly includes foundations in its understanding of the social economy. (Fonteneau, et al., 2011). The Spanish Association of Foundations is an independent association, declared of public interest and registered with the National Associations' Registry within the Ministry of Interior. It groups Spanish foundations with various objectives and fields of activity, operating at local, regional, national and international level. The mission of the association is to work to the benefit of the foundations sector, on the short, medium and long-term, contributing to its development and consolidation. (Fonteneau, et al., 2011).

According to the Law on the development of philanthropy of July 1987<sup>6</sup> in the draft consolidated on January 1<sup>st</sup> of 2010, foundations are established by the action of one or more persons who decide to irrevocably grant certain goods, rights or resources necessary for the achievement of a public and non-patrimonial interest. Foundations must have their own assets, an attribute that differentiates them from associations, which are groups of individuals or legal entities with a

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<sup>6</sup><http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000000874956&fastPos=27&fastReqId=2060256625&categorieLien=cid&oldAction=rechTexte>

common objective. As foundations must serve a public benefit, foundations established for private interests are not allowed. Unlike in Romania where only the public utility status is regulated<sup>7</sup>, there are three types of foundations in France: with public utility, protected and corporate.<sup>8</sup>

Mutual savings banks and mutual organisations have created numerous foundations that provide financial and logistical support to emerging social economy organisations. Of these organisations, those that assist the unemployed in re-entering the labour market, or that offer them jobs, avoid the dilemma of having to choose between organizational survival and job creation. (Defourny, et al., 2000). This goes to say that we could have cooperative foundations as well as associations of foundations in every sector of the economy.

In 1997, a proposal was made to promote the role of voluntary organisations and foundations in Europe. Little progress has been made in its adoption. However, starting from the difficulties encountered by the foundations operating in border areas, DG Internal Market and Services launched a vast public consultation process in 2009, which might lead to the adoption of the European Statute on Foundations<sup>9</sup>. Meanwhile in 1921, the first Romanian regulation on associations and foundations emerged.

Collective management is also commonly used in foundations that are classified as SSEOs. Being

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<sup>7</sup> Chapter VI of GEO 26/2000 regarding associations and foundations, as subsequently amended and supplemented.

<sup>8</sup> France Telecom Foundation, acting against autism as communication disorder, Groupama Foundation, acting against rare diseases and Carrefour International Foundation, intervening in case of catastrophes and providing micro-crediting programmes in countries where the group operates etc

<sup>9</sup>[http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/social-economy/associations-foundations/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/social-economy/associations-foundations/index_en.htm)

largely philanthropic organizations, foundations start with the initiative of individuals and subsequently expand ownership to others who share the same goals. With small ownership, the partners share the responsibility of governing the organization by constituting themselves into a board of directors. The composition and size of the board tend to depend on the number of partners: where there are few partners, all of them would most likely become board members, but where there are many partners, they would probably elect a smaller group to constitute the board. The board then engages professional staff to implement its decisions. In this way, the board plays the governance role while the hired staff plays the management role (Fonteneau, et al., 2011).

Private funds for SE are usually granted by foundations and credit cooperatives. Also, foundations are financed through directly attracted funds (sponsorship, donations, transfers, partnerships). Countries with a specific taxation regime for foundations include Austria, Estonia, Germany, France, Finland, Italy, Latvia, Hungary, Portugal, Spain and the Netherlands.

### **2.2.2 Policies and frameworks aimed at the social economy**

The main mechanisms to support and encourage SE forms of organizations are national public policies, facilities and fiscal incentives and the main sources for SE financing are analysed at the European level (in particular the European Social Fund) and national level. (Ministry of Labour, 2011). At European level, the aim of the Statute for a European Cooperative Society was to foster this form of the social economy. By improving European cooperatives' possibilities to conduct transnational activities and developing the sector in countries that lack cooperative legislation of

their own such as the United Kingdom. Nevertheless, a few years since this regulation has come into force, the results are not as expected. (Monzon & Chaves, 2008).

Equally, the disappearance of proposals for a European Mutual Society Statute and a European Association Statute from the European Commission's agenda in the past few years has been a serious setback in terms of providing greater opportunities for these forms of the social economy in Europe. In contrast, the Statute for a European Foundation is now on the EU agenda. (Monzon & Chaves, 2008)

Laws help to strengthen the functioning of SEOs. Usually laws and policies are made/enacted to define existing structures. Sometimes, laws regarding the SE are passed to raise awareness about this sector and to emphasize the potential it has in meeting the needs of a community or nation. In Europe, policies aimed at the social economy come in many forms. Depending on the nature of their instruments, five main types of policy can be distinguished: institutional policies, dissemination, training and research policies, financial policies, policies of support with real services and demand policies (Monzon & Chaves, 2008).

The legal framework can also act as a brake on the introduction of new forms if existing ones cannot be adapted to new requirements (Monzon & Chaves, 2008). This implies implementing laws for specific enterprises of the SE. For instance, the cooperative laws in France. In some cases, laws define the formation, the maximum number of members, the structure it can take and the type of services they can provide.

It is true that not all forms of the social economy are recognized to the same extent in the legal systems of different EU countries (Monzon & Chaves, 2008) and it is also true that laws are passed

based on the level of discussions of the SE in each individual nation. While some countries are lacking general legislation on cooperatives (Denmark, Czech Republic, UK), other countries are suffering from legislative inflation (Spain, Italy, France) with different laws according to the type of cooperatives.

From the perspective of guaranteeing equal opportunities among different types of organization, and given that unequal situations call for differences in treatment, the legal framework should institute measures to compensate for the operational difficulties suffered by legal forms that afford lesser opportunities. These measures could take the form of grants, but also of tax concessions. At the same time, lawmakers should set up suitable mechanisms to prevent certain economic agents from behaving opportunistically and taking advantage of the compensation for adopting these forms without shouldering the corresponding costs (Monzon & Chaves, 2008). In most Western EU Member States, the four main legal forms taken by the social economy enjoy some specific tax treatment (Monzon & Chaves, 2008).

There sometimes exist Legal barriers to the development of social economy entities. The ban on consumer cooperatives' operating in the pharmaceutical sector in some EU countries is well-known. Another example is Spain, where electricity supply cooperatives have for years been supplanted as power suppliers as a result of modifications in the regulations for the electricity sector, despite having been pioneers in satisfying this basic need in numerous regions. Legal barriers have also been raised in the petrol distribution and travel agency sectors. (Monzon & Chaves, 2008)



On the teaching side as well, postgraduate courses in the social economy have emerged in recent years at well-established university centers – most of which are linked to these networks – within the framework of the Bologna reform to create a European Higher Education Area.

Public financial policies, such as budgetary policies, directly or indirectly assign funds for the promotion and development of the social economy. In some cases, these are public funds, like the Portuguese Prodscoop program for the promotion of cooperatives. Analogous subsidy programs to promote cooperatives and employment in cooperatives also exist in Germany, Italy, Cyprus and Spain (Monzon & Chaves, 2008).

### **2.3 The Roles of the social economy**

Jean-Louis Laville, Benoit Levesque and Marguerite Mendell also agree with Lionais and recommend the Social Economy “for its potential for transforming our societies and our economies, including its capacity to fulfil hopes for another form of development, for another globalization” (Lionais, 2001). Lutta Gutberlet however suggests that “inclusive governance structures have the potential to generate greater justice and sustainability” (Gutberlet, 2009). He also believes that the “social economy offers tools that can address marginalization and can bring about economic equity” (Gulberlet, 2012). This thus explains why he thinks a new and more befitting framework for managing recycling cooperatives will be necessary. Other authors (Andreia Lemaitre and Bert Helmsing) question if social economy movements lead to change in grassroots economic initiatives like people’s cooperatives (Lemaître & Helmsing, 2012).

Of the many aspects attributed to the social economy, we cannot leave out promoting social justice, equal opportunity for all, creating an egalitarian, inclusive and more fully democratic society, solidarity, active participation and effective cooperation of citizens for the well-being of communities. This togetherness or “hands together” leads to more than the provision of services. It now becomes the way in which some people identify themselves in the society. This could go a step further to bridge the gap of inequality in society. Voluntarily working as a group to attain goals brings in development on a personal scale before social and economic development which can be reflected on a regional, national or international level.

The social economy sector is concerned with adopting an innovation that seek to address failures in the economy. This innovation comes in the form of services such as consumer services, welfare, housing, entrepreneurial experiences, jobs, training, education and environmental upgrading with the purpose of building social capacity and a sustainable economy. It becomes clear why Ash Amin says that “The social economy thus marks economic activity (traded and non-traded) with a social remit” (Amin, et al., 2002).

The past decade has seen considerable diversification and expansion of the SE. Such developments include, among others: the revival of multiple forms of worker; producer, service delivery and consumer cooperatives; the growth of mutual associations providing financial and insurance services; the rise of fair trade: alternative food networks that connect producers and consumers in fairer and greener trading relations: new forms of social enterprise often providing “proximity services”; the collective organization of informal economy workers in associations; various forms of community-based schemes associated with solidarity finance; risk management;

basic needs provisioning; the management of common pool resources and the emergence of millions of self-help groups often comprising primarily women (Utting, et al., 2014).

Depending on the national and local context, social economy organizations and enterprises play different and various roles. The factors of their existence and the objectives behind their growth determines the roles they play. Although these enterprises operate in a wide range of sectors, some of the most common examples are:

- responding to basic needs: health care, food production, collective kitchens, housing, childcare, literacy, home care;
- Developing natural resources: agriculture, community forestry, alternative energy;
- improving quality of life: culture, recreation, local commerce, community media;
- supporting marginalized groups: social and work integration, services for the handicapped;
- Creating jobs and economic development: worker cooperatives, social tourism, handicrafts, financial cooperatives and mutual societies (manufacturing, second and third transformation of natural resources).

Thus the social economy developed as a strategy to combat poverty, social and occupational exclusion. Its initiatives respond to urgent social needs and critical social situations. The creation of new wealth with initiatives responding not only to needs but also to opportunities in which neither the market nor the State are effectively engaged are some of its roles (Laville, et al., 2007).

All forms of organizations in the Social Economy are playing critical roles in the advancement of both economic and social development of individuals, societies, and the nation as a whole. These

include contribution to local development and poverty reduction, employment creation, provision of social services, environmental protection, improved access to financial services, social protection and advancement of human rights. They also contribute to promotion of democratization, good governance, promote security, peace, solidarity, tolerance, guarantee social and gender equity, which constitute part of the Millennium Development Goals (Bee, 2013).

The Social Economy has not only asserted its ability to make an effective contribution to solving the new social problems, it has also strengthened its position as a necessary institution for stable and sustainable economic growth. It pushes for fairer income and wealth distribution, matching services to needs, increasing the value of economic activities serving social needs, correcting labour market imbalances, deepening and strengthening economic democracy (Monzon & Chaves, 2008).

In seeking to answer the question of how far have they created awareness and solved basic global issues, we see conferences being held to discuss these issues and a lot of research is focused on how to systematize this sector. The UNRISD (United Nations Research Institute for Social Development) alongside the IMF have invested in seeing the success of this sector. They gather researchers from around the world to discuss the differences that exist between economies, try to find possible solutions to country specific needs and successes have been registered.

Economic growth and poverty reduction; employment creation and decent work agenda; provision of social services and environmental protection; provision of financial services; social protection and rights (Bee, 2013), grouped in that order are the most recent direction of the

activities and work of the social economy (Arnsperger, 2013), (Laville, et al., 2007), (Defourny, et al., 2000), (Laville, 2003) and (Organization, 2011).

The role that the social economy can play in the multi-dimensional development of nations refers to a conceptual model of society and constitutes the foundation for integrating the diverse social and economic forces that coexist in a country. In this respect, there are three prevailing models of society in which the role of the social economy is systematically antagonistic ( Monzon & Chaves, 2008).

In the first model, *traditional social-democracy*, social needs are dealt with exclusively by the state through redistribution. The social economy is considered an inheritance from the past and occupies a residual position. Social issues therefore appear almost exclusively as problems demanding investment by the state. This is financed by taxes on capital, which is considered the primary instrument for the production of wealth. (Monzon & Chaves, 2008)

In the second or neoliberal model, the economy is reduced to the market, which is exclusively occupied by traditional for-profit businesses and the social refers only to those who do not participate in the market economy. This constitutes an insolvent demand. Here the social economy not only remains excluded from determining the key challenges of the economy, it also contributes to social and economic duplication in two areas: in market activities, encouraging dependence and instability in the labour and production relations of growing segments of the population; and in non-market and redistributive activities, encouraging questioning of the state as the chief regulator and redistributor and favouring philanthropy, voluntary work and the informal economy (Monzon & Chaves, 2008).

In the third model, the social and economic democracy or plural economy model, social needs are simultaneously addressed by the state (redistribution) and by society. The state continues to be the main regulator and redistributor and the social economy engages in both market and nonmarket activities. Under this model, encouraging engagement by the social economy calls for adequate mechanisms to evaluate its potential and limits in generating social added value on the one hand, and for important socioeconomic and institutional changes on the other (Monzon & Chaves, 2008).

To effectively discuss the roles of the SE, lets distribute them in various themes:

### ***Employment creation***

The International Cooperative Alliance was founded in London in 1895. It currently has 223 members that operate in all sectors of activity, particularly in agriculture, insurance, banking, housing, industry, fisheries, health and tourism, with a total membership of some 800 million people throughout the world. The Mondragón Corporation in the Spanish Basque region is a well-known example of a territory-embedded enterprise. In the 1950s, the local population started work on a truly industrial complex in order to rebuild the regional economy which had been destroyed by the Civil War and the Second World War. Mondragón has now become an International Cooperative Group employing more than 92,000 people, mostly in industry and retail sectors (Fonteneau, et al., 2011).

In a number of countries, the SSE provides employment to more than 10 per cent of the economically active population. For instance, in the United Kingdom, the cooperative group includes about 75,000 employees and spends many resources on supporting new cooperatives and community initiatives (Bénédicte Fonteneau, 2011). There is strong evidence that the social

economy is an important and growing contributor to the overall economy of Europe” (Syrett, 2007). In the UK alone, some 62,000 social enterprises contribute £24 billion (\$37.1billion) to the economy and employ 800,000 people. In Europe, 2 million SSE organizations represent about 10% of all companies. In India, over 30 million people (mainly women) are organized in over 2.2 million self-help groups. The country’s largest food marketing corporation, the cooperative organization Amul, has 3.1 million producer members and an annual revenue of \$2.5 billion. (Monzon & Chaves, 2008). Also, the SE seeks to reconcile values with jobs.

### ***Advocacy and Social dialogue***

A large number of SSE organizations represent the voice and interests of those who are not normally represented by the traditional social partners, i.e. trade unions, employers’ organizations, small farmers represented through agricultural marketing, supply cooperatives and informal economy operators organized in street vendor associations (Fonteneau, et al., 2011). Separating the organizations, (Dash, 2014) specifically emphasizes the role of cooperatives in bargaining. Bargaining in the sense of being a mediator in advocating for better working conditions, better salaries for workers or better prices for goods and services. Various studies also show that the cooperative sector has been particularly resilient during the recent financial and economic crisis, which began in 2008 (Fonteneau, et al., 2011).

### ***Rights***

With globalization, the majority of the people in the world have no say in the events of their lives and are either not helped or are adversely affected by it. Power is centered in the hands of a few and they are the policy makers deciding what structural adjustment program will be good. The majority of nations are poorer and they are the most affected by these structures and flows. Also,

the main aim of the establishment of such institutions was to help develop smaller economies, provide aid so as to maintain global economic stability. In reality poorer nations have not yet found themselves and are still struggling with development goals. We now ask if the stability preached is achievable.

The values and principles upon which SSE enterprises are based include respect for the fundamental principles and rights at work (Fonteneau, et al., 2011).

### ***Local development***

Some authors, including Assogba (2003) thought that the social economy cannot be divorced from a theory development, while it is rarely mentioned in theories economic or sociological development. (Assogba, 2003). In Cameroon for instance, the government is using the Social economy to promote local development and ensuring food security. The core principles of SSE reconciling jobs with our values really makes it easier to incorporate in existing activities of people.

### ***Increase production capacity***

In a spirit of voluntary participation, self-help and self-reliance through enterprises and organizations, it seeks to balance economic success with fairness and social justice, from the local level to the global level. In Canada, where this second Academy is taking place, over 30% of the population are members of cooperatives. In Brazil, cooperatives produce three quarters of the wheat and 40% of the milk and cooperative exports bring in over US\$ 1.3 billion (Fonteneau, et al., 2011). Corn and cocoa yields in Cameroon (northwest region) have grown consistently since 2012 as a result of policies implemented by Ministry to increase production.



### ***Poverty reduction***

The social economy developed as a strategy to combat poverty and social and occupational exclusion, in which initiatives respond to urgent social needs and critical social situations and the creation of new wealth, with initiatives responding not only to needs but also to opportunities in which neither the market nor the State are effectively engaged (Laville, et al., 2007)

### ***Fair globalization***

In a context of major social and economic imbalances and ever-growing instability, the ILO, with the support of many other stakeholders, advocates more equitable and fair globalization, with decent work at the center of public policy (Fonteneau, et al., 2011). This will be hard to come by but is a great start to a point where contributions are global.

## **2.4 Challenges of the social economy**

SE organizations have experienced challenges as well as problems emanating from inadequate financing, mismanagement, and external influence (Bee, 2013). (Arnsperger, 2013) brings forth a new argument: rethinking money as the only barrier to the growth of the sector. All growth forecast is associated with there being enough money to finance activities and programs. However, the banking sector isn't likely to finance such programs as interests will be too high and these organizations are working on either low or no profits. As such other forms of finance should be supported. In some countries (Ghana, South Africa) the government provides support to some sectors (agriculture) to help farmers overcome the issue of low finances either by providing farming products (seeds), tools or loans with no interest.

Nationalized money creation and public banking could be a support for SE's expansion and growth. We need to be looking at several alternatives to money creation for SE enterprises – see how they are merged. SEOs are often vulnerable at the financial level; they have difficulty building financial reserves or covering their operating costs. Conventional private investors often see the SE as being unattractive. SEOs often have to rely on public subsidies which can present challenges for their autonomy (Organization, 2011). Sources of finance include: membership funds, grants, debts, equity and quasi-equity finance while Social banking, complementary currency and public banking are three possible ways of money creation for SSE enterprises (Arnsperger, 2013). There is still a long way to go for SEOs to finally be able to access adequate finance.

The SE is characterized by difficulties and contradictions in its definition, conceptualization and measurement and in the delimitation of its activities and organizations. The SE is a dynamic concept that has been defined differently in various historical and social contexts. Its meaning continues to evolve in response to changing conditions (Fonteneau, et al., 2011).

Since there is no universal definition of the SE, every country now has its own definition of what constitutes the Social Economy. This is a reflection of the global economy as a whole. No two economies are the same so alternative structures should reflect the country's organizations and peoples. With globalization, there are replications of the same kind of structures in different parts of the world. Sometimes, these structures are instituted before being made to function in a way that satisfies the needs of the community they find themselves.

## 2.5 Research on the SE in Cameroon

Not so much has been written about the social economy of Cameroon as a whole but organizations of the social economy have been researched on. Before reviewing existing literature on the social economy of Cameroon, it is imperative that I identify the organizations in this sector. The draft law on the social economy recognizes the following as SE Organizations as principal social and economic enterprises: Cooperatives, Mutuals, Unions, Federations and Confederations.

“However, some entities (whatever their legal form) the statutes and rules of operation meet certain principles listed in Article 6 of this Act and registered as such, may, upon request access to the status of organizations or enterprises of Social Economy. These include: associations; foundations; the economic interest groups (GIE); certain businesses registered in the Trade Register (RCCM) which can then be described as the Social Economy enterprises and networks of these groups.”<sup>10</sup>

At the international level, the literature on the SE of Cameroon or its institutions is not so extensive. However, Cameroon is among the fourteen African countries to create a regional network on the SSE (RAESS: Réseau Africain de l'Économie Sociale et Solidaire<sup>11</sup>). This implies that Cameroon is part of RIPESS (Réseau Intercontinental de Promotion de l'Économie Social Solidaire) as RAESS forms part of this intercontinental network. With regular meetings and

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<sup>10</sup> French version: “Toutefois certaines entités, quelles que soient leurs formes juridiques, dont les statuts et les règles de fonctionnement répondent à certains principes énumérés à l'article 6 de la présente loi et enregistrées comme telles, peuvent, sur leur demande accéder au statut d'Organisations ou d'Entreprises de l'Economie Sociale. Il s'agit notamment : des associations ; des fondations; des groupements d'intérêt économique (GIE); de certaines entreprises immatriculées au Registre de Commerce et du Crédit Mobilier (RCCM) qui peuvent alors être qualifiées d'entreprises de l'Economie Sociale; des réseaux de ces groupements”

<sup>11</sup> English: the SSE Regional Network for Africa.

international conferences, various themes of the SSE agenda are discussed. On the 7<sup>th</sup> of December 2016, the International Cocoa Farmers Organization (ICCF) held a meeting in Douala Cameroon with the objective of educating local farmers on good agricultural practices, rights of farmers and good marketing strategies. These organizations represent international Federations and Confederations.

Aaron Danowski, in his paper “the politics of social entrepreneurship in Cameroon”, situates social entrepreneurs as part of the social economy of Cameroon though no existing legal documents agrees to this rule. He brings in a brief description of the social economy existing in Cameroon while recognizing the government’s efforts in fostering the Social Economy of Cameroon (Danowski, 2015). He is one of the authors who has attempted to map the social economy of Cameroon.

Massive research and discussions exist on cooperatives in Cameroon. Cooperatives are the most popular form of Social economy organizations in Cameroon. Not only are they widely recognized, they are also many and varied. Mostly farmer’s cooperatives, savings and loans cooperatives exist in Cameroon. However, under the cooperative law in Cameroon, there exists a special provision applicable to thrift and loan cooperative societies. This is the only form of SE Organization in the country with a special law as there does not exist a law on the social economy itself in the country. The draft law makes provisions for all recognized forms of SE institutions and does not affect the already existing laws on SE organizations.

Feder, after an extensive research in 1990 suggested that credit cooperatives should not expand their activities beyond financial intermediation until they develop strong institutional and managerial capabilities (Feder, 1990). He points out that credit cooperatives that mobilize savings

deposits are less dependent on external sources and increase the borrowers' incentive to repay. The success of credit cooperatives requires training of members as well as management (Huppi & Feder, 1990). He had previously acknowledged the role of groups and credit cooperatives in rural lending as such weighing in on his thoughts on the best roles of cooperatives (Feder, 1990). Others ( Baland, et al., 2007) suggest that credit cooperatives do not only function in rural lending for the benefit of creating finance when it is needed as some people use the credit they get to escape forced spending on relatives as family members do not rely on you for financial help when they know you have a loan to settle. As such, people borrow to hind financial stability.

(Ndongo & Nanfosso, 2012), researched the impact of mutual health insurance on health application behavior of households in Cameroon and after carrying out an extensive survey and conducting a study in Mbalmayo (part of the Center Region) evaluating the effects of mutual health insurance on the locals. They concluded that with increase in price, less people want to register. Mutual health organizations in Cameroon the only health insurance policies available to the poor mostly covering funeral charges and hospital bills of members.

There is another set of organizations which do not fall in the Ministry's definition but which have been characterized by other authors and I do consider them as fully exhibiting characteristics of social economy characteristics. For the purpose of this work, I will refer to them as hybrid organizations. We have the Village Development Associations (VDAs) and Tontines.

Analyzing the case of village development associations (VDAs) in Cameroon, Fonchingong (2013) provides a balance sheet of both local benefits (social, economic, infrastructural and cultural) and constraints that affect their performance. He notes that the VDAs in Cameroon are often

governed by local elites who sometimes face interference from the state, notably when deciding on community projects that require permission from state officials. This often comes at a cost - complicated bureaucratic procedures. Elites tend to fall back on their kin for political support and to serve their political ambition. This use of VDAs for personal political interest can undermine their capacity to serve broader community needs (Fonchingong, 2013). Village development Associations(VDAs) fall under the mutual organization category in Cameroon.

The study of indigenous rotating credit associations in the Third World has recently received fresh attention because of their potential role in rural development. Research however has barely focused on the more technical details of the issuing and recovery of credit. Selection and credit rating of membership, problems of security, overhead costs, fraud and social control are dealt with. The analysis shows also that the "Djangi" (tontine) is more than simply an institution for saving and borrowing. It combines elements of education, sociability, tradition and recreation. Its flexibility and adaptive potential have enabled villagers to cope with the increasing demands of a changing society. In the final analysis this institution seems ideally suited to take a community through the initial stages of socio-economic transition. It thus offers a sound alternative to modern cooperatives and credit unions struggling with complexity and formality of organization and procedures. (Bouman & Hartevelde, 1976).

## CHAPTER THREE

### THE SOCIAL ECONOMY FRAMEWORK IN CAMEROON

#### 3.1 Introduction

This section focuses on responding to the research questions and seeks to review relevant issues concerning and affecting the social economy of Cameroon. For instance; existing legal frameworks, types of organizations recognized as SE organizations in Cameroon, the definition of the social economy in the Cameroon context and the variety of structures in different sectors of the economy.

In Cameroon, before independence, traditional social economy policies were engaged in numerous activities that respond to people confronting poverty, or community challenges. They are especially concerned with empowering people to cope with issues they face through collaborative effort to improve their situation, individually and collectively. (Ndedi, 2013)

Unlike most countries (France, Britain), whose Social economy has grown independently from the government before seeking government policies, the Social economy of Cameroon is working on the contrary. The government is putting in policies and making the functioning of SEOs to be smooth. As a country in crisis, the government is constantly seeking for ways to promote development, create jobs and reduce poverty. Unemployment is still affecting majority of the youths and farmers suffer the most while agriculture remains the greatest economic activity in the country employing over fifty percent of the population who happen to be the poor.

Neetu Choudhary, says that social economy already existed and now it is being sustained and used as a framework (Choudhary, 2013). Indeed, although the idea of social economy was

invented in Europe and then spread to the world, forms we can identify as belonging to the social economy existed in the pre-industrial era in Europe and all around the world.

Traced to the era of colonialism, community building and shared responsibility was an attribute deeply rooted in the Cameroon population. Indirect rule practiced by the British and direct by French consisted in policies favoring governing from below (by local chiefs). This system of ruling encouraged community cooperation in carrying out tasks and instigated a sense of belonging. The first mutual organizations were formed based on these origins. Today we have countless cultural groups across the country. This does not indicate that only cultural groups are formed as with globalization and modernization, there are different forms of organization with new agendas and new obligations but with the same objective of promoting solidarity and putting profit last. Another aspect that triggers the growth of the Social Economy is to ensure food security. The Cameroon economy is heavily dependent on farming/agriculture and food security is a challenge affecting the country. It is therefore very true when Jacques Defourny describes the social economy as being born out of need. (Defourny, et al., 2000)

### **3.2 Definition of the SE in Cameroon.**

Results from other countries has showed that the social economy functions to provide jobs, reduce poverty and promote development. This does not mean that there never existed a social economy in Cameroon. All the enterprises the form the social economy have been in existence for a long period of time but they were not structured as such and therefore they could not reach



their potential. The greatest debate about this concept in Cameroon revolves around what it should be called and what it comprises of. Some authors think it should be Solidarity and Social Economy (SSE), others think it should just be Solidarity Economy (SE), while the government decided on the Social Economy (SE).

Danowski thinks the concept of Social entrepreneurship is more common and makes waves in Cameroon. He situates in micro, macro and meso level politics. He also discusses it as social economy (Danowski , 2015). A huge factor leading to the rise of the SE concept in Cameroon is the need for development. Sustainable development in every aspect of our failing economy. There is also the confusion between what is a social enterprise and what is a SEO. In an interview with Mr. Raymond Dongmo who said *“I think a cooperative is a social enterprise”* even makes it more confusing coming from a professional in the field.

In 2015 Danowski argued that the formal official government definition of the social economy was under way:

The aggregate of economic activities undertaken by organizations and enterprises founded on principles of solidarity and participation. They seek or the collective interest of their members, or the general economic and social good [of their community], or both. (Danowski, 2015).<sup>12</sup>

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<sup>12</sup> « [L'] Ensemble d'activités économiques mener par des organisations et les entreprises fonder sur les principes de solidarité et de participation. Elle recherche soit l'intérêt collectif de ses membres, soit l'intérêt general économique et social, soit les deux. »

According to the Ministry of Small and Medium size enterprises, the Social Economy and Handicraft Cameroon, these are the principles or criteria for determining the membership of a structure in the social economy sector. These include:

- The purpose of the service is meeting the aspirations and needs of the members and not seeking a monetary profit;
- Volunteering in joining a SEO (Social Economy Organization);
- democracy in decision making "one man, one vote"; c is the principle respected in decision making regardless of the quality of members;
- Autonomy in its management.
- Recognition by the government through an act of recording that classifies Common initiative groups, Cooperatives, Mutual Health Organization, Credit Unions or Federations and Confederations.
- This organization by its management structures and decision marks its belonging to this sector.

(Source: Ministry of Small business, the social Economy and Handicraft of Cameroon)

The characteristics common to organizations and companies of the Social Economy focus on:

- the primacy of the individual and the social objective over capital;
- decision making in accordance with the democratic principle of "one man one vote";
- voluntary and open membership;
- transparent governance, democratic and participatory;
- the conjunction of the interests of user members with the general interest;

- the principles of solidarity and responsibility;
- autonomy and management vis-à-vis independence of public authorities;
- the allocation of surpluses in pursuit of sustainable development objectives, in the interest of member services and the general interest;
- promoting local development, social cohesion and inclusion of disadvantaged social groups;
- the territorial and sectoral anchor; (Article 6, chapter II/section II of the law of the SE)

Following the international criteria, the motives are universal. They agree with existing requirements (like other countries) of the basic principles of autonomy in management, democratic decision making, non-profit motive and free association. These happen to be inline what is generally acceptable. However, since the sector is quite divers and usually adapts to the culture of the people it finds itself, then the forms of organizations will differ from country to country. As seen above, the government classifies Common initiative groups, Cooperatives, Mutual Health Organization, Credit Unions or Federations and Confederations as being part of the social economy of Cameroon. Meanwhile, In the European Union, acceptable forms of social economy organizations are cooperatives, mutuals, associations and foundations.

Another concept that is of current use is that of Civil society. Civil society can be broadly understood as the domain of non-kinship-based contractual relations comprising interest groups such as traditional rulers, credit and development associations, student unions, Bar Associations, journalists' associations, religious groups and women and men in the informal sector and are built from the community. These organisations should exist independent of the state but at the same time be prime movers of societal dynamism (Nkwi, 2006). Civil societies became really popular

in Cameroon fighting for political space but the main reason for their uprising was the fall in the amount of goods produced in Cameroon between the periods 1988-1992. Among forty-one African countries, Cameroon recorded the highest fall. The living conditions in the country were horrible, with just one national university. The country was ruled like a monarchy. The government gave in by granting a second university in the south west region and changing the state from a one party system to a multi-party system.

Civil society in Cameroon has failed to achieve its most important goal— societal transformation. The reasons range from ethnicism to regionalism and elitism. The failure of the government to introduce democratic reforms is seen everywhere—from widespread abuses of human rights to the most blatant forms of corruption. These problems further inhibit the effectiveness of civil society in Cameroon in bringing about any meaningful change. To rescue itself from this banalized mire, civil society must transcend narrow ethnic, social and political boundaries and embrace the daily and legitimate struggles of ordinary citizens. This is the only way to move towards meaningful quantitative and qualitative development. (Nkwi, 2006)

This registered success jointly achieved by the civil society organizations and other groups like the church and cultural associations and is prove to Cameroonians that no matter how difficult situations present themselves, jointly it can be overcome. Today, we do not only see social groups joining forces with civil society, the government is becoming very present in the day to day activities of individuals.

### 3.3 Types of SEOs and Regulatory Frameworks in Cameroon

The history of the cooperative movement began in the mid-nineteenth century with the launch of cooperatives and mutuals, notable in 1844 in England and 1847 in Germany. It took almost two centuries for the concept to take shape in Cameroon. With the economic crises of the 1980s and the importance of social problems arising in the state is unable to absorb an expanding workforce and preserve workers' jobs. (Danowski , 2015)

However, with the subsequent rise of new economic units brought about by the economic crisis, new patterns of wealth and jobs were introduced. The state thus needed to regulate this dynamic structure. It is in this context that abundant legislation and reforms were put in place organizing and governing groups in this case, mutuals, cooperatives, associations, Non Governmental Organisations (NGOs) and Groups 'Communities initiatives (GIC) to give a new face to the national economic environment. The reforms of those years will cause profound changes by expanding the scope of these organizations. Many years after the implementation of these reforms, despite some successes, the effectiveness of these entities remains limited and their contribution.

They are governed by different laws : laws No. 90/053 of 19 December 1990 on freedom of association, No. 92/006 of 14 August 1992 relating to cooperatives and common initiative groups, No. 99 / 014 of 24 December 1999 governing NGOs. These groups are led by several administrations without any platform for consultation. The existing legal frameworks available for institutions in Cameroon are shown in the figure below. The institutions range from cooperatives, NGOs, the church and social movements. The table below provides information relating to the laws governing the functioning of some forms of organizations in Cameroon and

the competent authority in charge of organizations in that category. The competent authority is usually where the organizations are registered in the case of Cameroon.

**Table 2: Legal Instruments and their Domains of Applicability**

<b>No</b>	<b>Nature of Group</b>	<b>Legal Instrument(s)</b>	<b>Competent Authority</b>
1	NGOs	Law No 90/053 of 19 December 1990 Law No 99/014 of 22 December 1990 Decree No 2001/150/PM of 13 May 2001	Ministry of Territorial Administration and Decentralization
2	Trade Unions	Law No 90-053 of 19 December 1990 Law No 92-007 of 14 August 1992 Decree No 93/574 of July 1993 Convention No 87 (1948), Convention No 98 (1949)	Ministry of Labour, Employment and Social Welfare.
3	Cooperative Movement	Law No 92/006 of August 1992. Decree No 92/455/PM of 23 November 1992	Ministry of Agriculture, Ministry of Finance.
4	Common Initiative groups	Law No 92/006 of August 1992. Decree No 92/455/PM of 23 November 1992	Ministry of Agriculture, Ministry of Finance.
5	Mass Media	Law No 90/052 of 19 December 1990	Ministry of Communication, Ministry of Territorial Administration
6	The Church	Law No 90/053 of 19 December 1990	Ministry of Territorial Administration and Decentralization
7	Professional Associations	Law No 90/053 of 19 December 1990 c.f Cameroon Regional Rights and freedoms 1990	Ministry of Territorial Administration (MINREX) Ministry of External Relations
8	Student Movements	Law No 90/053 of 19 December 1990	
9	Feminist Movements	Law No 90/053 of 19 December 1990	
10	Development	Law No 90/053 of 19 December 1990	
11	Separatist Movement	Not authorized; No legislation Sectarian Movement	Ministry of Territorial Administration

12	Religious Fundamentalists	Not authorized; No legislation Deviant Group	Ministry of Territorial Administration and Decentralization
13	Ethnic Movements	Socio-cultural, may not need formal authorization	May not need formal authorization
14	Secret Societies	Operate Clandestinely, not allowed. Considered as Deviant structures	Legal instruments are lacking

Source: (Nyambo, 2008)

The above table gives a summary of the laws that govern organizations and enterprises in Cameroon and the competent authority in charge of the organization. These legislations are provided for by the government for the smooth running and functioning of these organizations. From the table, we see that development has a law on its own. It is recognized as a type of activity to be undertaken by a group or groups of individuals, however, the fact that it is not linked to a particular ministry seeks to enforce the idea that it is for all and can be tackled from any direction. As such the country experiences development prospects from a variety of institutions including International NGOs and organizations like the United Nations. Below are the SEOs identified in Cameroon.

**3.3.1 Associations**

The official site of the Ministry of Small and Medium Size enterprises, Social Economy and Handicraft of Cameroon define associations as generally *“a group of legal entities (for example companies) or physical, that pool of resources to meet the aspirations and needs of the group without a profit”*.<sup>13</sup> Associations are governed by law No. 90/053 OF 19 December 1990 relating to freedom of association. The source of freedom of association and assembly in

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<sup>13</sup> <http://minpmeesa.gov.cm/definition/>

Cameroon is its Constitution of 1972, as amended by Law No. 96 of 18 January 1996, whose preamble provides, *inter alia*, that "the freedom of communication, of expression, of the press, of association, and of trade unionism ... shall be guaranteed under the conditions fixed by law." By virtue of Article 65 of the Constitution, introduced by the 1996 Constitutional amendments, the preamble is part and parcel of the Constitution. (Rutinwa, 2001).

The reasons for the formation of associations could be social or economic. Also, people come together to form an association because they are involved in some activity. The objective being to defend member's interests, representation, risk sharing solidarity and ethics of members. They form the largest part of the SE in Cameroon. Most of the unions existing in Cameroon are farmer's unions. Their basic objective is defending members interest, representation, risk sharing, solidarity and ethics of members. In the department of Lekie in the central region alone, two hundred of such unions are registered. There are unions of dynamic farmers, union of women agriculturalists in Benyanga and Union of active women in Benya beda. There exist federative bodies of these associations, FUJICAL being the Federation of Unions of Agricultural CIGs in Lekie.

### **3.3.2 Cooperatives**

Cooperatives represent the oldest existing form of SE organizations in Cameroon prevailing in the agricultural sector. They have reformed this sector and made farming easier as they act like mediators for the government and to channel resources to farmers. There are also women cooperatives, cooperative banks and producer cooperatives. Being active in agriculture means it



targets the poorest people in the country and any form of assistance made available to people in this level help raise their living standards.

The 1990's saw an extension of the effort to strengthen cooperatives including enacting national legislation in 1992 intended to facilitate the creation of cooperatives and an even more simplified organizational structure called "*groups d'interet commun*" (GICs), or "communal interest groups" (CIGs) (Mrs. Jeanne Alie Akamba, 2015). By 2012, the government reported a total of 111,988 registered GICs and 3,528 registered cooperatives throughout Cameroon (Danowski, 2015), however, a depressing reality hides behind the impressive numbers, according to Raymond Dongmo, chief assistant researcher in the Cooperative Registry Department of the Ministry of Agriculture and Rural Development (MINADER): he said, "very few [GICs] are actually operating effectively in the field... even among the 4000 registered cooperatives, very few ever ran effectively... and even if they did work well, they often did not conform to certain parts of the law, specifically submitting an annual report to us each year." (Danowski, 2015).

In part due to the inefficiency of the old GIC and cooperative legislation, and in part due to the increasingly important role of inter-African trade and exchange, on February 15, 2011 Cameroon joined sixteen other African nations in adopting the Uniform Act Concerning the Rights of Cooperative Societies, referred to as "L'acte Uniforme<sup>14</sup> OHADA", which (among other things) standardized the cooperative form between the nations and eliminated the GIC form in Cameroon (Danowski, 2015).

Under the OHADA act, a cooperative society is defined as "An autonomous grouping of voluntary participants seeking to satisfy their common economic, social, and cultural aspirations and needs

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<sup>14</sup> English: Uniform Act.

through an enterprise in which the property and management collectively managed and where power is democratically exerted according to the cooperative principles”<sup>15</sup> (Anon., 2011).

The seven universally recognized cooperative principles alluded to in the OHADA act are established by the International Co-operative Alliance and consist of the following (Abell, 2014).

#### Seven Universal Cooperative Principles

1. Voluntary and open membership
2. Democratic control (1 member, 1 vote)
3. Member economic participation
4. Autonomy and Independence
5. Education, training, and information
6. Cooperation among cooperatives
7. Concern for community

(source: International Cooperative Alliance)

According to Jean Medjiengou, the Director of the Cooperative Registry Department in the Ministry of Agriculture and Rural Development, it’s important not to conflate the term cooperative with the concept of poor people coming together to ask for donations or government interventions. In his words “The cooperative is not an enterprise of the poor, but rather that of people with limited means; these people must unite in greater numbers in order that their available resources can collectively constitute the necessary initial capital and startup funds to

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<sup>15</sup> From the original in French “un groupement autonome de personnes volontairement réunies pour satisfaire leurs aspirations et besoins économiques, sociaux et culturels communs, au moyen d'une entreprise dont la propriété et la gestion sont collectives et où le pouvoir est exercé démocratiquement et selon les principes coopératifs.”

successfully launch their activities”<sup>16</sup> (Danowski, 2015). Providing the necessary finance, tools and training helps farmers improve their harvests thus making profits. Increase in agricultural produce implies ensuring food security in the country, increasing exports, creating jobs, poverty reduction and economic development.

Cooperatives are much more popular in Cameroon because of cultural settings and also because of the history of the people. There are over two hundred and fifty ethnic groups in Cameroon while majority of the population is poor/very poor and engage in agriculture. Cooperatives are known to breathe among lower class people of any society as they unite their efforts to solve their basic needs. We have producer cooperatives, marketing cooperatives, supply cooperatives, farmer cooperatives, service cooperatives, school cooperatives, savings and credit cooperatives.

Though cooperatives are being registered under the ministry of agriculture in Cameroon, the ministry of small and medium size enterprises, social economy and handicraft in a bid to structure the social economy of Cameroon identifies principles they expect to govern cooperatives they will classify as social economy enterprises. Some of such principles are: <sup>17</sup>

- *Democratic governance* : The operation is democratic. Leaders are elected decision-making bodies are collective according to the principle "one person, one vote" the management is autonomous and independent of government.

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<sup>16</sup> “La coopérative n’est pas une entreprise des pauvres, mais celle de personnes à moyens limités ; ces personnes doivent faire nombre afin que leurs moyens disponibles puissent ensemble constituer le capital initial et le fonds de roulement nécessaire au démarrage harmonieux de leurs activités.”

<sup>17</sup> <http://minpmeesa.gov.cm/>

- *The man at the heart of the economy.* The person and the corporate purpose outweigh the capital and the profit motive. This results in the provision of innovative and equitable services within and outside the walking area.
- *A social investment :* The benefits are primarily intended for the development of the activity because there are no shareholders to remunerate. The capital can not be shared.
- *Free membership :* Anyone who wants to can participate, join and take responsibility in the organization in which he works.

Cooperatives are governed in Cameroon by law No. 92/006 of 14 August 1992 on cooperatives and groups of Common Initiative. Also, cooperatives are the best known form of enterprise of social economy in Cameroon. Not only because of the size and number of cooperatives operating in the country, but also because its activities are well organized/documented and has an umbrella association.

### **3.3.3 Common Initiative Groups (CIGs)**

According to LAW No 92/006 OF 14 August 1992 Relating to Co-Operative Societies and Common Initiative Groups Part III, Section 49 Common initiative groups are organizations of an economic and social nature set up voluntarily by individuals having common interests and working together as a group. CIGs shall be formed by a declaration in writing and should consist of a minimum of 5 people. CIGs (Common Initiative Groups) were acknowledged under the law on cooperatives and in 1992 were asked to either convert to a cooperative or join an existing cooperative. However, under this same law, such organizations are given the same rights as cooperatives and

can operate as corporate bodies. They can join a cooperative if they want to, convert to a cooperative or become a member of the union of cooperatives.

There are legal differences existing between CIGs and cooperatives in Cameroon. The minimum number of members required for their formation. Minimum of seven members for cooperatives and a minimum of five for CIGs. Also, the name of the group determines if it is a cooperative, a CIG or a Union. In any case, their activities should be within a specified geographical region and range from farmer's unions to a group of nurses. CIGs do not share surpluses as cooperatives do. Put in other words, CIGs (Common Initiative group or Economic interest group) are a voluntary association of people like any other association of people but with the objective of performing an economic activity or for mutual health benefits. CIGs "Santé" is another name for Mutual health with the "Santé" added to distinguish it from a regular economic CIG. The economic CIGs resemble cooperatives so much such that they the law allows them to become cooperatives if they want. A union of two or more CIGs can form a federation.

### **3.3.4 Credit Unions**

Credit unions are financial co-operatives set up to meet the needs of their members, with surpluses or profits returned to members and staff in the form of surplus earnings, dividends, reinvestment in the institution, lower interest rates on loan products, or rebates of partial interest paid on eligible credit products.

Savings and credit cooperatives are governed by Decree No 98/300 / PM of 9 September 1998 laying down the procedures for the exercise of savings and credit cooperative activities ; Chapter

2 of the law provides Special provisions applicable to thrift and loan cooperative societies which in this case defines the functioning of credit unions.

Under Section 42, the sole object of thrift and loan co-operative societies shall be to:

- encourage savings by their members;
- provide capital for moderate interest loans to members;
- provide their members with the financial services that complement savings and loans under conditions fixed by their articles of association if need be.

Section 43. stipulates that a thrift and loan co-operative society may receive and pay interest on savings deposits from non-members. However, the latter may not be granted loans by the thrift and loan co-operative society keeping their savings. Section 44. (1) Each thrift and loan co-operative society shall have a loans committee made up of no less than three members and no more than five members appointed by the Board of Directors from amongst its members for a period of one financial year. Their term of office shall be renewable. Section 48. Thrift and loan co-operative societies or their unions shall not engage in commercial banking transactions. Such transactions shall be done only in compliance with the regulations in force.<sup>18</sup>

With 212 credit unions, a combined membership of 336,187 people and US\$240 million in assets, the Cameroon Cooperative Credit Union League (CamCCUL) has a long history of success in the Central African country of Cameroon. Close adherence to credit union philosophy and a continued dedication to member service has helped the small movement prosper. "Our smallest credit union has US\$4,000 in assets, and our largest has US\$34 million," said Praxedes Banseka, a CamCCUL field supervisor, on a recent visit to World Council of Credit Unions (WOCCU)

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<sup>18</sup> law no 92/006 of 14 august 1992 relating to co-operative societies and common initiative groups

headquarters. "We don't care how much money a credit union has, as long as it's serving its members well."<sup>19</sup>

Cameroon has a history of staging some of the world's largest International Credit Union Day celebrations, turning out more than 5,000 people to march in streets of local communities with thousands more observing. Collaborative radio and TV ads, cell phone programs and shared branching services have helped the movement grow and become even more successful.

CamCCUL was founded in 1968 and worked closely with WOCCU in the 1980s and 1990s to implement several programs funded by the U.S. Agency for International Development. The programs provided technical assistance to CamCCUL that furthered its institutional and management development, created a central liquidity facility, started a small farmer production credit program, expanded credit unions to new areas and provided the first computerized systems to Cameroon's movement. WOCCU's programs in Cameroon ended in 1994, and CamCCUL became a direct WOCCU member in 2007.

"The Cameroonian credit union system represents one of the great success stories in WOCCU's 40 years," said David Grace, WOCCU's senior vice president of association services. Based on long-term and intensive development programs in the 1980s and early '90s, a strong foundation was established. We've seen this in many other countries, and that positions credit unions for strong membership growth in subsequent years. Cameroon's credit union movement has taken

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<sup>19</sup> [http://www.woccu.org/newsroom/releases/Cameroon\\_CUs\\_Overcoming\\_Challenges\\_Growing\\_Membership](http://www.woccu.org/newsroom/releases/Cameroon_CUs_Overcoming_Challenges_Growing_Membership)  
Cameroon CUs Overcoming Challenges, Growing Membership. Cameroon Cooperative Credit Union League enjoys long history of growth.

off, growing from 78,000 credit union members in 1993 to more than four times as many members by 2010.

Credit unions are popular among the middle and low class individuals. Providing low interest loans and great saving opportunities to its members, they also provide employment to a lot of people. They help to increase the level of money in circulation on the country as they attract those who had lost trust in the banking industry.

### **3.3.5 Mutuals**

A combination of form, whose principle is based on solidarity and mutual assistance among members. In Cameroon, there is no legislation on this form of organization, yet there are mutual (mutual employee) companies in well- structured sectors and certain trades.

Mutual health organizations are a great contribution to service provision in the country. The mutuals that exist in Cameroon are concentrated in the field of health care provision. Health insurance is a very important aspect of the lives of people and since the government has not provided a system that insures everyone, the poor cannot afford medical insurance so they stick to this form of insurance. It has not recorded any failures yet as such there is an increase in the number of people going into solidarity associations for health insurance purposes.

Health insurance is a rising problem in Cameroon which has led many to seek refuge in Mutual health insurance. A lot of research has been done, however the research by Jean Colbert and his crew is referred to in most cases. They carried out a survey to estimate the effect of accession to the mutual on health status reported. The results of the research show that being part of a



Mutual health organization is beneficial but basic issues like the challenges or number of such organizations is not mentioned. (Ndongo, et al., 2014). (Nanfosso, 2012) evaluated the impact of mutual health insurance on health application behaviour of households in Cameroon. They conducted a study in mbalmayo evaluating the effects of mutual health insurance on the locals. With increase in cost of insurance plan, less people want to register.

Though the overall recognition body in Cameroon advocates for a social economy, there are discussions about there being a well-structured but not recognized solidarity economy. Some authors argue that, the mutual organizations/associations exhibit characteristics of solidarity than of social economy (Fonchingong, 2009).

### **3.3.6 Village Development Associations**

Cameroon is home to over 200 ethnic groups. With effects economic crisis and a failing government, the provision of basic needs of communities have been left to the hands of the locals. Most, if not all VDAs work to bring development to the villages in terms of good roads, providing water, schools, sometimes providing a market, library and offering scholarship schemes to outstanding students. All the projects are being financed by members' annual contributions.

With the goal of improving the quality of life of people in their communities, VDAs work to preserve the culture and tradition of the community. Globalization is slowly creeping into the very enclosed villages and people are slowly forgetting what culture and tradition is. These associations try to bring in development in their communities while preserving aspects of their

cultures like the languages, food and clothes. Though they are not recognized by the ministry of Social economy in Cameroon as a SE organization, I strongly believe their activities and objectives makes them fall under this sector. (Fonchingong, 2013) also places them under this category. With legal provisions related to CIGs, they are involved in community development projects that transform the lives of people and communities. They do not share profits and are financed by members' voluntary contributions. Follow the democratic principles of electing people to office.

### **3.3.7 Federations and Confederations**

With a view to representing and defending their common material and moral interests, co-operative societies, common initiative groups and their unions may form federations of co-operative societies and/or common initiative groups. A federation or confederation of co-operative societies or common initiative groups shall adopt either the form of a union governed by this law, or that of an association governed by law N/90/53 of 19 December 1990. They may seek membership in international organizations having similar objectives.<sup>20</sup>

Examples are Fédération des Unions des Gic des Agriculteurs et Eleveurs de Mbangassina (CIG Unions Federation of farmers and breeders of Mbangassina) and the Agro pastoral Federation of Mbam and Kim, Mbam and Inoubou (Fédération Agropastorale du Mbam et Kim, Mbam et Inoubou). Both federations are found in the Centre Region of Cameroon. Also, cooperative federations in Cameroon are members of the African Confederation of Cooperatives Savings and Credit Association (ACCOSCA) and the World Council of Credit Unions (WCCU).

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<sup>20</sup> Cameroon law no 92/006 of 14 august 1992 relating to co-operative societies and common initiative groups

### 3.3.8 Tontines

Financial self-help groups in low-income countries consist of two basic types, Rotating Savings and Credit Associations (ROSCAs) and Accumulating Savings and Credit Associations (ASCRA). In the ASCRA, funds are not immediately withdrawn but are left to grow for loan making while in the ROSCA funds are contributed and given to one member. A ROSCA is typically a tontine/njangi in Cameroon. They are very popular and have been in existence for a long period of time. The success of tontines in small Cameroonian entrepreneurs is due to the prevalence of personal connections and the continued weakness of institutions in African cultures. (ASSOGBA, 2003).

According to a study conducted in Douala Cameroon, on a sample of 1000 people, at least 90% of the population over 21 have been or are members of a tontine and 80% of micro small or medium size businesses in the area have benefitted from tontine credit. (Bukam., 1995). This just goes to say how important they are to the Cameroon population. There is no specific law governing this form of associations as such they exist under the existing law of freedom of association for civic bodies.

The *tontines* or *njangi* (Cameroon) as it is referred to in some parts of the world, is an informal rotation of savings and credit. This form of activity is usually described as a mutual benefit society because members decide to pool resources in a rotating scheme and provide existing funds to an individual thus sharing risks. Usually, membership is voluntary and funds are used for a variety of purposes. Equal amounts are provided by each member on a particular day (decided by all members) and the funds are given to one person. Sometimes, the rotation is set to run for a month (thus contributions are made on a weekly basis), or it is set for a one-year period. This all

depends on the number of members. Tontines are very popular in Africa and form part of everyday activities. There is no special law regulation this form of organizations in Cameroon but the law on freedom of association allows for their existence. The success of tontines in small Cameroonian entrepreneurs is due to the prevalence of personal connections and the continued weakness of institutions in African cultures. (Assogba, 2003).

Some authors attribute the growth of decentralized financial systems and tontines in Cameroon to the bankruptcy of many of them following the world economic crisis in the 1980s. Cameroonians lost trust in the banking sector and relied on solidarity finance and social capital which did not fail them against all odds. (Kemayou, et al., 20 11)

While discussing the Social Economy and Social Economy organizations in Cameroon, we can't leave out the role this CIG for national and international benefit. Langaa Research and Publishing Common Initiative Group is one of the few CIGs whose work is mostly academic and research oriented. The mission of Langaa Research and Publishing Common Initiative Group (Langaa RPCIG) is to contribute to the cultural development and the renaissance of Africa. They achieve this by conducting research, providing training in research and writing aimed at development. Langaa is physically located in Bamenda (North West Region) and Buea (South West Region of Cameroon), although its members and volunteers operate from different parts of the world. Langaa has published over 400 titles focusing on Cameroon and is actively present in other African countries like Malawi, Mali, Senegal, Burkina Faso, Kenya, Zimbabwe and South Africa.

*In Cameroon, the tontine is neither an annuity system, or a combination of pure sense. Tontines constitute a system of contributions where members have to turn the setting. It is a part, perhaps*

*one of the most anticipated of the agenda of the meeting. Said metonymy denotes the attachment of the tontine associations operations. This is also called the tchouah the ndjangui the sù (Louis Roger Kemayou, 2011).<sup>21</sup>*

### **3.3.9 NGOs**

The private sector and *Non- Governmental Organizations* (NGOs) are becoming more involved in the agricultural economy of the country by the creation of farms, fertilizers and pesticides distribution schemes and micro-finance companies. Of the 73 NGOs distributed throughout the ten provinces of Cameroon, 20 focus efforts on sustainable agriculture. This implies that the public sector should support these efforts rather than competing with them as it was the case during the past century. (Goufo, 2008)

Though we recognise the works of NGOs in Cameroon, some authors still believe that they exist only in suitcases and their leaders have no iota of civic responsibility however their limitation is also dictated by the fact that those who fund them dictate what they should do (Nkwi, 2006). This freedom of formation and autonomous votes is what makes social economy organizations even more attractive as members interests are protected. Below is a table with some existing NGOs in cameroon and their objectives.

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<sup>21</sup> French Translation “Au Cameroun, les tontines ne sont ni un système de rente viagère, ni une association au sens pur du terme. Les tontines constituent un système de cotisation où les membres bénéficient à tour de rôle de la mise. C’est une partie, peut-être l’une des plus attendues, de l’ordre du jour de la séance. Ladite métonymie denote de l’attachement des associations aux opérations de tontine. C’est aussi appelé le tchouah, le ndjangui, le sù”

Table 3: Examples of NGOs in Cameroon

No	Name of Group	Objectives
1	Centre d'Accueil de L'Espoir <sup>22</sup> (CAES) Yaounde	Contribute to the fight against HIV/AIDS, care for children and the girl child.
2	Organisme de Développement d'Etude de formation et de conseil <sup>23</sup> (ODECO) Yaounde	Accompany partner organizations in the development process of professional training.
3	Organization of the Youths for health, Food security and development	Contribute to the welfare of man particularly the woman and her offspring.
4	Service d'Etudes et d'Appui aux populations à la base <sup>24</sup> (SEAPB) Yaounde	Promote development through the participation of individuals
5	Femme, santé et Développement en Afrique sub-saharienne <sup>25</sup> (FESADE) Yaounde	Offer training to ameliorate the competences of women for the resolution of their health problems, their families and their communities.
6	Rural Development Foundation-Buea	Offer training and assistance to projects in underdeveloped rural zones
7	MIPACAM-Yaounde (Mouvement International Contre la pauvreté en Afrique- Cameroun <sup>26</sup> )	Assistance to destitute local peoples

Source: (Nyambo, 2008)

Non-governmental organisations (NGOs) and cooperative credit and savings societies have appeared on the Cameroonian financial scene as part of the decentralized financial program, providing credit services. The main objective has been to meet the financial needs of ordinary Cameroonians, especially the small-scale business, and the poor urban and rural dwellers. These NGOs lend to groups and make use of joint liability, peer selection, and investment in repeated

<sup>22</sup> Translation: Welcome Centre of Hope Yaounde

<sup>23</sup> Translation: Organization for Development of training and consulting Study

<sup>24</sup> Translation: Service for Studies and Support to grassroots

<sup>25</sup> Translation: Woman, Health and Development in Sub-Saharan Africa

<sup>26</sup> Translation: International Movement Against Poverty in Africa-Cameroon

financial transactions to overcome the informational constraints in financial markets (Awung, 2008). They seek to upgrade the services of informal financial groups by providing credit services along banking lines. They attempt to overcome the limitation of informal and formal financial institutions by providing the poor with best practices that will help them overcome their financial problems and improve their welfare. By providing their members with services such as training, book keeping, auditing and supervision, they hope to overcome the weaknesses of both the formal and informal services. Thus with the financial sector reform, there have been adaptations and innovations in the country's financial institutions, especially those serving the poor. (Awung, 2008)

### **3.4 Government Supervisory Agencies of the SE**

The players in this sector are facing many problems : management, access to finance, lack of common legal framework, taking into account their diversity. Despite this important normative production, it is clear that to date, the terminology “ social economy ” has not yet been legally enshrined in our country. However, it is significant that several ministries (MINPMEESA, MINADER MINEPAT MINJEC etc.) have each year in their budgets, lines for financial or material support organizations called the social economy. As a result of a lack of a better readability of the impact of their actions, these supports are not always well-oriented and do not contribute optimally to local development.

## **MINPMEESA**

On the 8th of December, 2004, Cameroon's President, Paul Biya, signed a presidential decree (Degree No. 2004/320 of 8<sup>th</sup> December) ordering the creation of a new ministry to manage the development of the social economy: The Ministry for Small and Medium Enterprises, Social Economy, and Handicrafts (French acronym MINPMEESA)

The ministry's mission was to develop the social economy through a variety of activities, including coordinating the national government's approach to promoting the social economy, formalizing the organizations that make up the social economy by registering groups working in the informal social economy as cooperatives or mutual associations, creating formal channels for social economy organizations to help shape national policy and ministerial programs in the sector, providing ongoing training for personnel working for cooperatives, and conducting evaluations of projects in the realm of social economy.

## **DESA**

The activities of DESA (The Directorate of Social Economy and Handicraft) started with a meeting, scrutiny and a collection of documents from the former Ministry of Industrial and Commercial Development (MINDIC). The challenges at first were to understand the concept of social economy; concept unknown in Cameroon before the creation of MINPMEESA in 2004 and then stimulate and organize fundamentally disorganized craft sector and housed largely in the informal sector without increasing (Study on employment and the informal-sector EESI-phases 1 and 2 INS 2005).



The former Directorate of Social Economy and Handicraft (DESA) was conducting pre-feasibility studies for a new bill while the new organization was dying, resulting in the signing by the head of state the March 5, 2010 decree No. 2010/062 reorganizing the Ministry of Small and Medium Enterprises, Social Economy and Handicrafts. This decree transformed the DESA which was then a cell, a wholly leadership known as the Social Economy Directorate abbreviated DES. This direction will be arduous and urgent task of producing a Social Economy Act. The new organization of 2010 also recognized the craft sector.

To achieve its objectives, the Ministry of Small and Medium Enterprises, Social Economy and Handicrafts consolidated its operations into four programs three are operational with a support program based on:

- the Improvement of the competitiveness of SMEs;
- The Promotion of private initiative and improving the business environment for SMEs
- The Promotion of collective entrepreneurship and improving the performance of Very Small Enterprises and Handicraft;
- The governance and institutional support in the sub PMEESA sector.

MINPMEESA is working with social economy actors and the office of the Prime Minister to create a national council on social economy with representation from all the ministries involved in promoting social economy, including the Ministry of Agriculture and Rural Development, the Ministry of Economy and Territorial Administration, the Ministry of Labour, the Ministry of Social Affairs, and of course, MINPMEESA itself. <sup>27</sup>

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<sup>27</sup> Ibid

The state promotes the Social Economy through:

- creating an environment encouraging the development of economic and social initiatives in the framework of Social Economy;
- the creation of business units that can contribute to the formation of collective entrepreneurship, and monitoring and support for companies and organizations of the Social Economy
- the creation of national platforms of coordination, advocacy and dialogue between government and all stakeholders in the promotion of the Social Economy;
- promoting the principles and values of Social Economy;
- facilitating entrepreneurs' access of Social Economy to technological and organizational innovation process;
- improving access to financial and social services of the Social Economy units;
- encouraging the participation of socially vulnerable people including women, youth, the disabled and people affected by HIV / AIDS in Organizations and Companies of Social Economy.
- promoting financial education. (Chapter four, section I, Article 11 of the new law on SE)

Perhaps the most essential property of SSE is that, on the one hand, it seeks local responses to global challenges and, on the other hand, it intends to present a real alternative to global systems on the basis of local experiences (Fekete, 2010).

### **3.4.1 EVENTS ASSOCIATED with the SE OF CAMEROON**

#### **The national conference On Social Economy**

Organized in June 2006 by the Ministry of SMEs, Social Economy and Handicrafts, the National Conference on the Social Economy was aimed at understanding the concept of social economy has all the actors of this creative formula wealth and jobs on the one hand and to inform them on the other, the experience elsewhere and having made this scope, a powerful lever for strengthening the effectiveness of economic and social processes.

#### **The national days of the social economy (JNES)**

Held from 3 to 5 July 2013 at the Congress Palace in Yaounde, First National Days of Social Economy (JNES) designed for actors and stakeholders of the Social Economy, took place under the patronage of Prime Minister, Head of Government, Mr Philemon YANG. They were placed under the theme : "Social Economy as a growth vector : the understanding of the structure and to ensure its emergence" These first days had major objective, sensitizing and mobilizing the actors of Social Economy, their contribution to socio-economic development.

### **3.5 Role of the Social Economy in Cameroon**

The role of SSE is not different from that existing countries. It is a government policy that aims at officially recognizing the importance of SSE in income generation, job creation and environmental protection in rural areas and urban areas as well. Through SSE, the government has then an opportunity or a means to involve the majority of the population in the search of solution to relevant issues in their localities (Lucas, 2016).

We see that the government is very concerned with the growth of this sector as it sees it as a way to encourage economic growth in the country. Other ventures by the government towards economic development in the past include promoting private sector development during the 1990s and early 2000s, reforms in taxation, tariffs, labor, and trade. Price controls were lifted in 1994<sup>28</sup> with the exception of pharmaceuticals, petroleum products, and goods and services produced by public monopolies. Also, there was the development of an Industrial Free Zone (IFZ), which covers the entire country. Yet economic growth levels are expected to continue to hover between 4% and 5% in coming years.<sup>29</sup> Agriculture is expected to be an important growth sector, owing to high and steady returns on the production of cocoa, coffee, cotton, and timber as such focusing on the social economy will be a way of targeting growth from the grassroots and since most of the actors in this sector are in the agricultural industry, economy growth may finally be attained. Sixty percent of the Cameroonian population is ready to get involve in agricultural activities and 95% of them willing to take a loan to do it if an opportunity is offered. Farmers therefore need support and encouragement. With rural farmers the primary agents in food production, training them, exposing them to new technologies, and offering incentives could be an important step in reducing manpower requirement and improving the production of agricultural products in the country (Goufo, 2008).

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<sup>28</sup> <http://www.encyclopedia.com/topic/Cameroon.aspx>

<sup>29</sup> <http://www.encyclopedia.com/topic/Cameroon.aspx>

### 3.5.1 Government Vision and strategies

The vision retains overall objective to become an emerging country on the horizon of 25-30 years, which is also necessary for the advent of a new generation. It integrates a set of intermediate objectives which include:

- the reduction of poverty;
- reaching the stage of middle-income countries and then
- reaching the stage of newly industrialized country and
- the consolidation of the democratic process and national unity while respecting the diversity that characterizes the country.

As of June 2016, Cameroon is under the lower middle income countries under the world bank.

From the official document of the Ministry of Small and Medium size Enterprises, Social Economy and Handicraft, document two and three highlight development strategies of the MINPMEESA under the operational cell of the steering committee.<sup>30</sup> The Government is committed to implement actions to revitalize the private sector to build a prosperous and competitive economy. The creation of three ministries, the Ministry of Commerce (MINCOMMERCE), Industry and Technological Development Ministry (MINIMIDT) and the Ministry of Small and Medium Size enterprises, Social Economy and Handicrafts (MINPMEESA) as part of this commitment. Given the challenges facing the country to increase the rate of economic growth from a 7% threshold to an 8% which may enable the government not only to fulfill the commitments of the MDGs, but also to aspire to become an emerging country in 2035, however a little planning is essential.

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<sup>30</sup> Comite de pilotage cellule operationnelle

Government intervention can only be effective if it is part of a coherent policy framework. Thus, a strategy for development of industries and services was developed. MINPMEESA strategy is in this context a planning framework, which will reference the implementation of programs and projects capable of making a significant contribution to meeting the challenges mentioned above. The framework development process will therefore follow the first phase devoted to the following status and diagnosis:

- Make strategic choices concerning the determination of objectives, defining strategic axes including all programs and projects necessary for the implementation of the strategy;
- To develop the plan of priority actions;
- Develop the implementation, monitoring and evaluation of the strategy.

Launched in August 2007, the process of developing the strategy of the sub-sector PMEESA, which takes place in accordance with the provisions of the "Strategic Planning Methodology Guide in Cameroon", is now restored to its second phase. The first phase of the process was completed in July 2008 - dedicated to delimitation, description and diagnosis. It helped to better understand the sub-sector, as compared to its foundations, characteristics and compared the different actors involved there. It is also about to enter the sub-sector in its historical dimension over its assets and strengths, its weaknesses and constraints and the expectations and identified threats.<sup>31</sup>

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<sup>31</sup> Strategie de developpement des petites et moyennes entreprises, de l'economie sociale et de l'artisanat document 2 & 3: *Strategie du secteur et Plan d'Actions Prioritaires* Novembre 2009 Facilitateur : leas & consultants International Tel/Fax : 33 60 40 11/33 40 40 97 (Douala)

## **Strategic development - vision of the Social Economy component**

The mission of the Social Economy is oriented towards:

- satisfying the aspirations and common needs of members.
- contributing through the creation of wealth and decent jobs for its members.
- strengthening the private sector in the promotion of the framework growth and
- fight against poverty in Cameroon.

The vision for this component will

- promote Social Economy authenticity, efficient and profitable existence
- contribute to the improvement of living conditions and the wellbeing of its operators,
- contribute to economic development and the improvement of social protection.

### **3.5.2 Types of Roles of the SE**

To fully understand the role of the social economy of Cameroon, I will break them down into various categories.

#### ***Global Markets***

It is true that when people come together they share risks and increase their resources. It is also true that SE is a worldwide movement and creation of structures in Cameroon will attract recognition from other existing organizations and such networks will not only act as forums for sharing similar ideas about how challenges are resolved but could act as markets. As Mr Ondobo Lucas puts it “through the creation social economy networks locally linked to internally existing

ones. People will be connected to the rest of the world and selling their products will easily be done without themselves having to spare their little energy looking for customers”<sup>32</sup>.

### ***Increase production capacity***

In other words, “increase in production”<sup>33</sup> or productivity in the case of economic activities mostly production and agriculture is envisaged with this sector. Already farmers are working in groups and cooperatives as a bid to reduce the risks they are exposed to with growing climate change and lack of necessary resources. With this sector, the ministry will be working to provide all the necessary tools and support needed. It has been difficult for the government to target individual farmers and assist them in their areas of difficulty but with the eventual structuring of this sector, the agricultural sector which is the highest producing sector in the country will be reformed thus increasing production.

### ***Environmental protection***

Though most of the actors in this sector are involved with providing goods and services, environmental protection is at the center of community centered projects. Most foundations and mutual health organizations strive to educate people on the dangers of polluting the environment. The government in its bid to educate farmers on good farming practices have discouraged the burning of farms as it is bad for the environment. This practice has not totally been eradicated but has been greatly reduced as a result of environment friendly policies.

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<sup>32</sup> Questionnaire Mr. Lucas ibid

<sup>33</sup> Ibid



### ***Local (community) development***

There is always a benefit to the community when its population is educated, employed and actively involved in the smooth functioning of the community. This is when we say there is community development. This has extended to road construction by community organizations like the VDAs and other non-profits.

### ***Provision of services***

Health insurance is one aspect really lacking in Cameroon. There is no central government health insurance system as such individuals need to insure themselves and their families and since this sector is also not subsidized by the government the costs are really high for an average income individual. The mutual health organizations are a popular health insurance scheme in Cameroon and these organizations have gone further to engage in other economic activities.

### ***Protection of cultural heritage***

Globalization brings with it diversity yet local cultures seem to be disappearing from communities and VDAs have taken it upon themselves to protect their cultures from disappearing.

## **3.6 Challenges of the SE in Cameroon**

Fonchingong (2013) notes that the VDAs in Cameroon are often governed by local elites who sometimes face interference from the state, notably when deciding on community projects that require permission from state officials. This often comes at a cost of complicated bureaucratic procedures. Elites tend to fall back on their kin for political support and to serve their political

ambition. This use of VDAs for personal political interest can undermine their capacity to serve broader community needs. (Fonchingong, 2009)

Cameroon's credit unions also face many challenges, including competition from banks and informal lending groups. While 95% of the credit unions that are computerized share a common platform that CamCCUL operates, there are still many small credit unions that are not computerized. Yet, they lack equipment necessary to provide internet access in many areas. Institutional invisibility of the concept of SE. Though the law on the SE will be passed soon, the greatest challenge is the recognition by the Cameroon population of the existence of this sector and fully accepting the change it will bring to the economy. Those who acknowledge it do not trust the system and functioning of any institution of the government.

### **3.7 Case-Study: The Centre Region of Cameroon**

#### **Introduction**

The Centre Region (French: *Région du Centre*) occupies 69,000 km<sup>2</sup> of the central plains of the Republic of Cameroon. It is bordered to the north by the Adamawa Region, to the south by the South Region, to the east by the East Region, and to the West by the Littoral and West Regions. It is the second largest of Cameroon's regions in land area. Major ethnic groups include the Bassa, Ewondo, and Vute. The reason I choose to use a case study approach in my research is because the Social economy is a relatively new concept in the Cameroonian context and a fresh perspective is needed. Administratively the Centre Region holds the Head office of the Ministry of Small and Medium size enterprises (MINPMEESA) and falls under the capital of the nation.

Growth and development usually start from the Centre where the laws are passed before reaching other regions. The Centre Region and the Littoral Region are considered to be the most developed regions in the country with Yaounde being the most developed area. Since the second half of the eighties, poverty levels have increased in this area as a result of limited availability of non-agricultural employment, economic crisis in the country and growing pressure on land. (Nkwi & Nyamjoh, 2011). The region was chosen because the concept is relatively new and will serve as the best option for investigating the state and level of growth in the area.

The ten departments of the Centre Region are:

**Haute-Sanaga:** The department covers an area of 11,854 km<sup>2</sup> and as of 2001 had a total population of 115,305. The capital of the department lies at Nanga-Eboko. The department is divided administratively into 7 communes and in turn into villages.<sup>34</sup>The famous Sanaga River falls under this department. The Sanaga River is the main drainage in Cameroon (~900 km long, average flow of 2,072 m<sup>3</sup> /sec), with its basin covering about 140,000 km<sup>2</sup> of the central region of the country. The geographic position of the Sanaga River makes its fish fauna particularly interesting. (Lavoue, 2011). The river Sanaga is rich in many other species but its presence in this division influenced its inhabitants to become heavily invested in fishing practices. A business venture excelling in this area is the sand industry. This area fuels the construction industry of its neighbors.

**Lekié:** Lekie division (a typical administrative unit in Cameroon) is a highly populated rural area with a population of 500,500 people and a population density of 169 people per square kilometer.

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<sup>34</sup> <https://en.wikipedia.org/wiki/Haute-Sanaga>

(Agbor, et al., 2011). The capital of the department lies at Monatele which is 49km from Yaounde the capital city. It is named after the Lekié River. The department is divided administratively into 9 communes and in turn into villages.<sup>35</sup> The population is dominated by the Eton (70%) and Ewondo (30%) ethnic groups. Eton and Ewondo are 2 sub-ethnic groups from the Beti tribe, a Bantu tribe that inhabit the equatorial forests covering the forest regions of Equatorial Guinea, Gabon and Congo Brazzaville (Agbor, et al., 2011). The main economic activity here is subsistence agriculture and Cocoa is the main cash crop.

**Mbam-et-Inoubou:** The department covers an area of 7,125 km<sup>2</sup> and as of 2001 had a total population of 153,020. The area is bordered to the east by a river and too the west by the Bape mountain. The capital of the department lies at Bafia. The department is divided administratively into 9 communes and in turn into villages.<sup>36</sup> The Bafia people were known for their pottery making, they speak the bantu language and are farmers. The region is characterized by a savanna environment with patches of woodland and gallery forests along water courses. (Gosselain, 1992). These rivers and swamps usually contain clay and explain the reason for the art of pottery in region.

**Mbam-et-Kim:** The department covers an area of 25,906 km<sup>2</sup> and as of 2001 had a total population of 64,540. The capital of the department lies at Ntui. The department is divided administratively into 5 communes and in turn into villages.<sup>37</sup> The new villages of Mbam-and-Kim Department were created as a result of outward rural migrations from the Lekié Department

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<sup>35</sup> <https://en.wikipedia.org/wiki/Leki%C3%A9>

<sup>36</sup> <https://en.wikipedia.org/wiki/Mbam-et-Inoubou>

<sup>37</sup> <https://en.wikipedia.org/wiki/Mbam-et-Kim>

across the Sanaga river. (Elong, 2003). This migration was as a result of the rising population density in the area and the search for land for agricultural purposes.

**Mefou-et-Afamba:** The department covers an area of 3,358 km<sup>2</sup> and in 2001 had a total population of 89,805. The capital of the department lies at Mfou. The department is divided administratively into 8 communes and in turn into villages.<sup>38</sup>

**Mefou-et-Akono:** The department covers an area of 1,329 square kilometers (513 sq. mi) and as of 2001 had a total population of 57,051. The capital of the department lies at Ngoumou. The department is divided administratively into four 4 communes and in turn into villages.<sup>39</sup>

**Mfoundi:** The department covers an area of 297 km<sup>2</sup> and as of 2005 had a total population of 1,881,876. The department forms the Yaoundé capital and greater area<sup>40</sup>. This location implies presence of higher educational institutions, infrastructural development, international and national head offices thus making it one of the most favourable places to live in the country. Its population comprises of immigrants from other parts of the country.

**Nyong-et-Kéllé:** The department covers an area of 6,362 km<sup>2</sup> and as of 2001 had a total population of 145,181. The capital of the department lies at Éséka. The department is divided administratively into 10 communes and in turn into villages<sup>41</sup>. This is one of the departments with a high emigration rate. Youths from here migrate to other departments in search for jobs and better working conditions.

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<sup>38</sup> <https://en.wikipedia.org/wiki/M%C3%A9fou-et-Afamba>

<sup>39</sup> <https://en.wikipedia.org/wiki/M%C3%A9fou-et-Akono>

<sup>40</sup> <https://en.wikipedia.org/wiki/Mfoundi>

<sup>41</sup> <https://en.wikipedia.org/wiki/Nyong-et-K%C3%A9ll%C3%A9>

**Nyong-et-Mfoumou:** The department covers an area of 6,172 km<sup>2</sup> and as of 2001 had a total population of 130,321. The capital of the department lies at Akonolinga. The department is divided administratively into 10 communes and in turn into villages.<sup>42</sup>

**Nyong-et-So'o:** The department covers an area of 3,581 km<sup>2</sup> and as of 2001 had a total population of 142,907. The capital of the department lies at Mbalmayo. The department is divided administratively into 6 communes and in turn into villages.<sup>43</sup> Below is the map of the South Region of Cameroon.



Fig. 1: The center region of Cameroon with its ten departments

Source: [https://en.wikipedia.org/wiki/Centre\\_Region\\_\(Cameroon\)](https://en.wikipedia.org/wiki/Centre_Region_(Cameroon))

<sup>42</sup> <https://en.wikipedia.org/wiki/Nyong-et-Mfoumou>

<sup>43</sup> <https://en.wikipedia.org/wiki/Nyong-et-So%27o>

### **3.7.1 Characterization of the Centre Region of Cameroon.**

#### ***Administration***

A presidential decree of 12 November 2008 officially instigated the change from provinces to regions.<sup>44</sup> There are ten regions in the country which are further divided into fifty-eight departments (divisions). Each region is headed by a presidentially appointed governor who is in charge of implementing the will of the president, reporting on the general mood and conditions of the regions, administering the civil service, maintaining peace and overseeing the heads of the smaller administrative units.

#### ***Economy***

The Centre is one of Cameroon's strongest economic zones due in great part to the presence of the capital city. In fact, the area is second only to the coastal regions of the Littoral, South, and Southwest Provinces. Many international organisations are headquartered at Yaoundé, among them the Bank of Central African States and the African Organisation of Industrial Property. Yaoundé, capital of Cameroon, is at the heart of the Centre, drawing people from the rest of the country to live and work there.<sup>45</sup>

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<sup>44</sup><file:///F:/Project/Cameroon/Cameroon/Departments%20of%20Cameroon%20%20Wikipedia,%20the%20free%20encyclopedia.html>

<sup>45</sup>[file:///F:/Project/Cameroon/Cameroon/Centre%20Region%20\(Cameroon\)%20%20Wikipedia,%20the%20free%20encyclopedia.html](file:///F:/Project/Cameroon/Cameroon/Centre%20Region%20(Cameroon)%20%20Wikipedia,%20the%20free%20encyclopedia.html)

The Centre's towns are also important industrial centers, especially for timber. Outside of the capital and the plantation zones, most inhabitants are sustenance farmers. Most farmers in the Centre are largely concerned with the raising of crops such as plantains (common south of Yaoundé) and cocoyams and yams (common west and northwest of the capital). Rice and yam cultivation are practiced along the banks of the Sanaga in the Upper Sanaga division. Groundnuts, maize and other cereals are common in the province's less humid north, and manioc grows throughout.

This region is one of Cameroon's most important cash-crop zones due to its hot, humid climate and well-developed infrastructure. (Nkwi & Nyamjoh, 2011). Cocoa is the main cash crop and it is cultivated in all areas but the Mbam division. The largest plantations are those outside of Yaoundé and to a greater extent to the northwest between the Nyong and Sanaga Rivers. Other major cocoa centers include the Sanaga River valley near Nanga Eboko and the regions around the towns of Akonolinga, Obala, and Saa. Some of these plantations are owned by peasant populations of Bassa and Ewondo, and SODECAO (Cocoa Development Company) is a major owner.<sup>46</sup>

The Centre is also home to Cameroon's only sugar-cane plantations, located at Mbandjock. There are a few large scale producing plantations or state farms (Nkwi & Nyamjoh, 2011) as most cocoa farmers are small holder farmers. SOSUCAM (*Société Sucrière du Cameroun*) is the largest company in the region with 40 km<sup>2</sup>. Peasant sugar plantations also operate in the area.

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<sup>46</sup> Ibid



Livestock raising is another important economic sector, and Yaoundé is a major market for cattle from other regions of the country. Cattle are raised on ranches owned by the Livestock Development Authority at Mbandjock, and poultry are raised in farms at Makak, Obala, and Yaoundé to supply the province's vast demand for eggs and chicken. Sheep, goats, pigs, and poultry are also raised more informally throughout the area.<sup>47</sup>

Hunting is practiced to some extent in more rural areas, but this has become increasingly rare as forest exploitation and firearms have depleted game species and their habitats. Bush meat from the East and South Provinces is today a lucrative trade in Yaoundé and the large towns.<sup>48</sup>

### ***Industry***

Because of its immense territory devoted to cultivation, the Centre also has a substantial food processing industry. For example, CAMSUCO (Cameroon Sugar Company) has a large processing plant in Nkoetang that supplies eighty percent of Cameroon's sugar. SOCACAO (the Cameroon Cocoa Company) makes cocoa butter in Yaoundé. The Brasséries du Cameroun also operates in Yaoundé producing beers and soft drinks. Other food-processing plants are located in Nanga Eboko (rice hulling) and Eséka. As it is the crossroads for logging vehicles travelling from the South and East Provinces, the Centre also has a sizeable timber processing industry. Major sawmills are located in Eséka, Mbalmayo, and Yaoundé. Other specialized plants do joinery work, veneer, furniture and construction.<sup>49</sup>

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<sup>47</sup> Ibid

<sup>48</sup> Ibid

<sup>49</sup> ibid

The booming immigration to Yaoundé city has nourished a strong building industry there. Brick making and construction of homes and offices have increased in recent years. Rocks from around the capital are quarried for building material. Artisans also form a great part of the economy as a result of the diverse culture of this nation. With existing co-ops to help meet the needs of the tourist trade. Diverse industries round out the Centre's repertoire, for instance the Bastos Company producing cigarettes and the Cotton gins in Yaoundé.

### ***Cultural life***

The majority of Cameroon's museums are located in Yaoundé. The largest of these is the Cameroonian Art Museum (*Musée d'Art Camerounais*), with its large collection of bas reliefs, bronze statuary, and traditional masks. This is also the only museum set up to handle both English- and French-speaking patrons. The Afhemi Museum is located in a private residence and showcases the owners own collection of Cameroonian art. The National Museum, located in the mansion once occupied by the French governor, offers cultural as well as artistic exhibits.

The Centre is also the birthplace of bikutsi, a popular form of dance and music. The Ewondo people created the style, which today rivals makossa as Cameroon's most famous.<sup>50</sup>

### ***Health***

The Centre is serviced by a large number of hospitals and clinics, particularly in Yaoundé and in the larger towns. Traditional medicine is still common throughout, especially in the more rural areas. As with the rest of Cameroon, sanitation is the greatest health problem faced in the province. In rural areas, running water is not available, necessitating the drinking of water from

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<sup>50</sup> Ibid

contaminated rivers, streams, and swamps. The urban areas, particularly Yaoundé, present their own problems, as rates of population growth far outpace improvements in sanitation. As a result, outbreaks of illnesses such as amoebic dysentery, bacterial dysentery, and hepatitis A occur frequently. Large rainfall and inadequate drainage improvements also provide an ideal breeding ground for malaria-carrying mosquitoes in the capital.<sup>51</sup>

### ***Education***

The Centre is the intellectual capital of Cameroon. The University of Yaoundé is the biggest and most important institution in the country, though smaller universities exist in the capital city and other towns. Yaoundé also tends to draw more educated migrants, as the jobs available there are often in government or for the various international organisations that have their headquarters there. Primary and secondary schools are also fairly widespread and easily accessible to most of the Centre's population. Primary schools are more widely distributed, even in many smaller villages. Secondary schools are less common, but due to the region's well-developed transportation network, students are able to travel to the larger towns where such schools are located relatively easily. This still requires them to stay with relatives or to lease rooms, however, and rent and school fees keep many students from pursuing higher levels of education. Due to the region's high population, many of these schools are critically understaffed and overcrowded.<sup>52</sup>

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<sup>51</sup> Ibid

<sup>52</sup> Ibid

## **Religion**

European missionaries penetrated the territory under German and French colonial rule. Since, most of the region's inhabitants have converted to at least nominal Christianity. The most prevalent denominations in the region are Presbyterianism and Roman Catholicism, though traditional animist beliefs are commonly practiced alongside Christianity, especially in more rural areas.<sup>53</sup>

### **3.7.2 SE of the Center Region of Cameroon**

To have a clue of the size of the social economy of Cameroon, I will be using information on the registered enterprises classified under this sector in the Centre Region. Existing laws and the draft law recognize cooperatives, mutuals, unions, federations, confederations, associations, foundations, economic interest groups (also known as common interest groups) and unions of these groups. Below is a table with figures indicating the number of confederations/federations, number of mutual health societies, number of cooperatives, number of credit unions and the number of CIGs.

**Table 4: Registered SE organizations in the Centre region-Yaounde**

Departments	No of CIGS	No of credit unions	No of cooperatives	No of federations	No of Mutual health societies	No of confederations
Nyong et So's	1596	109	55	15	19	1

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<sup>53</sup> ibid

Nyoung et Foumou	1349	117	25	20	26	3
Mefou et Akono	1417	83	40	7	9	0
Mfefou et Afamba	3093	123	106	19	33	0
Mbam et Kim	1337	109	45	15	15	1
Mbam et Inoubou	2253	219	46	37	22	2
Haute sanaga	1327	108	45	21	12	3
Mfoundi	9998	125	914	35	771	9
De la Lekie	4025	253	188	50	50	1

From the table, we notice that foundations are missing. There is no table demonstrating the number of foundations. This is because of two reasons. The first being the fact each type of organization is registered under a specific ministry in the country depending on the type of activity it is involved in. In this light, foundations fall under different categories (health, education, environment) and be registered by different Ministries (Agriculture, Health, Education). If there is a central data base where all the information is registered, this work would have provided a better picture. However, with the recent aspirations and devotion of the Ministry of Social Economy, this problem will be solved. As, Mr. Lucas Ondobo explained *“one of the main options that should be undertaken is the structuring of the Social economy from the grassroots so that we can have them in the various representative units”* (Lucas, 2016).

We notice that CIGs are the largest existing enterprises in all ten departments with thousands of groups. CIGs are also referred to as Common initiative groups, Economic interest groups. These are basically groups of people from the same cultural backgrounds, or economic sector who decide to come together and share a common risk. From the data provided, majority of the CIGs

are agricultural groups. With agriculture contributing a greater part of the economy in this region, it is no doubt why a majority of such groups are linked to agriculture.

Credit unions (decentralized financial organizations) are second in every instance while cooperatives come in third. Thus, contrary to previous believes cooperatives are not the most popular/largest enterprise in this sector. They may have been over the years but CIGs are taking over. Credit unions are a very important source of finance to farmers. During the farming seasons, farmers take loans from their credit unions and in the harvest period they pay the loans with proceeds from their farms. It is a circle and there is a relationship between farmers and their credit unions. Farmers trust and rely on their credit unions for finances in time of needs. There is a recent development in this light as a new form of organization is created – a hybrid known as a cooperative credit union.

The number of mutual health organizations lacks behind the real amount of organizations form for mutual health benefits. Acknowledging the absence of tontines on this table and on the draft law of the social economy in Cameroon will mean these figures could go as high up as those of CIGs or cooperatives. Giving that the difference between the CIGs that form the majority of SE enterprises on the table and the registered mutual health organizations is that Mutual health organizations are CIGs for health while the regular CIGs are groups with an economic purpose.

One thing I find disturbing with the current issues regarding structuring of SE organizations in Cameroon is the fact that there are organizations that could fall within the classification as Mutual health organization and still fall under the CIGs.

The cocoa market in the Centre region is facing a crisis, prices have dropped and are most of the time fluctuating. Cameroon is the fifth cocoa producer in the world<sup>54</sup> and the Centre region is the highest producing area in the country so this really affects the livelihood of the people living in this area. Small holder farmers are the highest cocoa producers as most farms are privately owned. To gain stability, farmers group themselves so they can reduce risks. These groups (cooperatives, CIGs) are what constitutes the institutions of the SE.

Even before being classified as the SE, people of the Centre region and Cameroon in general have made their community a home. They formed groups for the sake of belonging. A region like the Centre with lots of migrants from other parts of the country really portrays this characteristic. Village development associations were initially just meetings people attended from time to time to have a feel of home (tribe/origin). Nevertheless, great objectives and values have designed them to this cultural association with great prospects for their communities. Another characteristic that fuels this sector is the existence of over two hundred and fifty ethnic groups in the country. Though they are united as a country or an individual region, specificity in distinction with relation to language and food makes all the difference.

As an African country, unemployment and poverty are two main problems facing the nation. Job insecurity pushes people into agriculture. With new prospects for development, people are constantly looking for stability in their income and as Anke puts it “Economic development is defined as the strengthening of income sources” (Anke L. Bergsma). To farmers this will imply: mechanization of production, access to financial services, good health and a ready market for goods.

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<sup>54</sup> <http://www.perfectinsider.com/top-10-cocoa-producing-countries-in-the-world/>

Overlapping of functions may result to double counting when mapping. For this to be thoroughly assessed and evaluated, boundaries should be set between existing organizations. Hopefully, with the ministry at work we could finally see a clear distinction in the classification and structuring of these organizations.



## CONCLUSION AND RECOMMENDATIONS

When I set out to research about the social economy of Cameroon, there were many questions running through my mind at the time. However, my greatest conviction was the fact that there could not be a framework for the SE in Cameroon. I knew for sure these organizations existed but was shocked to find out during the course of the research that there actually exists a ministry in charge of the social economy of Cameroon which has been working effortlessly to implement a legal framework. This implies that Cameroon is one of the few countries whose government is at the front of promoting the functioning of this sector. While France celebrated the appointment of the minister after years of encouraging and promoting this sector, Cameroon starts off appointing a minister.

The growth and development in this sector is in waves. Starting off attending to needs at the moment of creation, debates and discussions about the SE at international level are recently focusing on democratic participation, social service provision, safer energy systems and environment protection. This goes to show how applicable and easily this sector is in any society. While the west and more developed countries struggle with equality and decent jobs, Africa and Cameroon still works on making the agricultural sector more effective through the work of cooperatives and provide jobs to its every increasing unemployed youth population. While it is true that SE is heavily invested in the agricultural sector of Cameroon, mutual benefit societies are saving lives and providing the most popular insurance plans amongst the poor and middle class population.

SE exists in Cameroon with a soon to be legal framework. There is a draft law still to be passed governing the SE economy of Cameroon (Lucas, 2016). However, there are laws governing cooperatives, CIGs, mutual health organizations and foundations. The legal definition of the SE in the Cameroon context will be “all economic activities of organizations and companies based on principles of solidarity and participation “. According to the draft law the following are the recognized organizations of the SE in Cameroon: Cooperatives, Mutuals, Unions, Federations and Confederations. “However some entities (whatever their legal form) the statutes and rules of operation meet certain principles listed in Article 6 of this Act and registered as such, may, upon request access to the status of organizations or enterprises of Social Economy. These include: Associations, foundations, economic interest groups (GIE), certain businesses registered in the Trade Register (RCCM) which can then be described as the Social Economy enterprises and networks of these groups”<sup>55</sup>. The present state holds a Ministry with a section on the social economy headed by a Minister. Then there is the Directorate of Social Economy and Handicraft with various subdirectors. Provisions for the law will define structures and governing bodies.

The idea of the SE is still very vague and requires a lot of work both from the ministry and the general population to see it to a favorable state. It is a good thing there exists clause on the new law stating the role the state plays in promoting this sector. Most of the actors/institutions in this sector exist out of need. Cooperatives have been a lifesaving support system for farmers in

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<sup>55</sup> French version “Toutefois certaines entités, quelles que soient leurs formes juridiques, dont les statuts et les règles de fonctionnement répondent à certains principes énumérés à l’article 6 de la présente loi et enregistrées comme telles, peuvent, sur leur demande accéder au statut d’Organisations ou d’Entreprises de l’Economie Sociale. Il s’agit notamment : des associations ; des fondations; des groupements d’intérêt économique (GIE); de certaines entreprises immatriculées au Registre de Commerce et du Crédit Mobilier (RCCM) qui peuvent alors être qualifiées d’entreprises de l’Economie Sociale; des réseaux de ces groupements”

Cameroon. As a developing nation, poverty is a big issue. Food insecurity and unemployment had led many into agriculture. Cooperatives and credit unions have been a way for farmers to share risks, get government support and have the finances they need for their activity. Socially, solidarity is a way of life for people in Cameroon. People have lived all their lives in communities and have successfully provided services for themselves where government has failed. They believe in joining forces for a common goal and live to support each other for growth is not when one person makes it but when a community overcomes a difficulty. These economic, social and cultural differences that exist in the country is what accounts for the structure of the SE of Cameroon. Thus main characteristics of organizations in the SE of Cameroon include but are not limited to: voluntary/open membership, motive of providing services to members, educating members, redistribution of surpluses (where applicable) and putting profit last.

While working to see the SE achieve greater heights, the Ministry has encountered some challenges which include:

- Grouping of people into SSE enterprises;
- Absence of a legal framework (the draft law exists but the law itself is not yet passed).  
This situation makes it difficult to carry out some development projects in the sector.;
- Some ministries concerned with SSE activities have not understood the concept of SSE.  
This makes them reluctant when it comes to harmonizing interventions in the sector.

After much research and findings, I can conclude that the SE of Cameroon is quite different in structure from the SE economy in other countries.

As far as universal terminology of the sector, variations exist as some countries (Cameroon, Portugal) refer to this sector as the social economy while others (Brazil, South Africa) refer to this sector as the solidarity and social economy. I still believe there are enough solidarity organizations in Cameroon to earn us the name SSE rather than just the SE.

In Europe, the social economy is well organized and developed to the level that a legal framework exists at the European Union level. Cameroon is still to pass a law recognizing this sector legally with provisions that will help the sector grow to achieve its desired objectives. The fact that this sector is not recognized among other sectors and among the SE organizations themselves hinders growth. There is still so much to be done to elevate the status of this sector to international standards. For sure the recent creation of a ministry will add strength to its growth, yet public education will take the sector to higher levels.

In Tanzania, non-profits, NGOs and foundations are recognized as part of the SSE alongside cooperatives and associations. This is not the case in Cameroon and NGOs play a great role in fostering solidarity and promoting social development. It is true that not all NGOs fall under the SE as some will fall under Non-profits which do not form part of the SE.

In some countries certain non-profit organizations do not feel like they belong to the social economy sector. The Portuguese Constitution distinguishes between a “public,” a “private,” and a “cooperative and social” sectors of the economy implying that cooperatives are more akin to the third sector than to the other two. In Portugal mutual societies, although they are originally based on the spirit of solidarity among members, some have evolved into large insurance and banking institutions quite indistinct from private for profit companies (Franco, 2005). These mutual exist in different sectors: culture and recreation. Education and research, health, social

services, development and housing. This is very different from Cameroon as we have mutual health organizations.

Despite the above, Mr. Ondobo Lucas holds that the social economy is the same in every part of the whole since it will hold the same values and principles. The only difference that exists is in the culture. Different continents, countries and regions adhere to different cultural beliefs and practices and this automatically affects the way the social economy in these areas will look like, function like and structured like. I will also add that government practices and policies do change and affect the structure of these organizations. This is true when I look at the diversity and pattern of organizations present in Cameroon. With government policies, some organizations will cease to exist while new ones will be created to represent what is found in other parts of the world.

In all, globalization has a major part to play in the growth and functioning of this sector. Identifying the same kind of enterprises in different countries on different continents implies replication. The social economy in each country should be left to grow and blossom with the original organizations as they are built in line with the needs of the people.

The existence of a legal framework for the social economy in Cameroon possess great concerns. For instance: What do I think about the law? I think the law governing cooperatives in Cameroon is more defined than that governing the social economy. It is understandable that the cooperative law has been existing for a while so amendments have been made over time. However, I believe that policies other than the definition can be added, the structure of each form of SEO should be explained in the law. What is needed is a clear and concise piece of work with all the necessary information concerning the legislations governing the Social Economy of Cameroon. Also, since

the SE is being promoted by the government, it may lose its status and then be run by the state. Organizations of the SE need to function independently of the state. This will be quite difficult since there is no overall active body governing the sector. Hopefully, the government will help develop the sector into an independent structure before letting it continue to evolve on its own. I am deeply concerned with the amount of time it will take to get this sector fully functioning. Most of the actors in this sector are not literate so the education process will take a lot of time. But when the process finally rolls with actors taking active roles, I believe this sector will serve a large population of the Cameroon.

With the project of the passing the law at the center of the SE sector in Cameroon, there is hope that this sector will make a difference beyond its expectations. However, we are still a long way from achieving our goals, educating the local population on the role of this sector will go a long way to ease the working of the organizations of the SE.

Though the ministry recognizes some of the existing types of Social Economy enterprises in Cameroon, this does not go to say that they are the only ones found in Cameroon. There are a variety of organizations with main objectives of providing services to members but that are not recognized as being part of the Social Economy. Due to definition incorporated in Cameroon, some enterprises do not form part of the Social Economy in Cameroon but on an international scale are part of the Social Economy. These are otherwise known as Social Economy hybrid organizations. These organizations fall mostly in the non-profit area with VDAs and Tontines forming part of the solidarity sector.

In knowing about the social economy, we can direct the functioning of institutions in this sector in solving basic challenges (economic, social, environment) threatening the population. For

instance: *“What role can this new sector play in service provision, job creation, reducing inequality and increasing the country’s productivity capacity?”* This sector proves to work with the government to provide farmers with resources and education needed to improve the production process thus increasing production. Mutual health organizations are already providing health insurance to thousands of people in the Centre region. *“The role of SSE is not different from that existing countries. It is a government policy that aims at officially recognizing the importance of SSE in income generation, job creation and environmental protection in rural areas and urban areas as well. Through SSE, the government has an opportunity or a means to involve the majority of the population in the search of solution to relevant issues in their localities.”* (Lucas, 2016). Increasing production capacity, environmental protection and service provision are roles the SE promises to play in this economy.

To conclude, the SE is a great alternative to any economy which when well managed will play a leading role in local community development.





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## APPENDICES

### I.1 Questionnaire responded by Mr. Ondobo Lucas

(MIMPMEESA – Direction de l'économie Sociale, Sous – Direction du développement de L'économie Sociale.)

#### **What is the main role of the social economy in Cameroon? (Write down answers that apply)**

The role of SSE is not different from that existing countries. It is a government policy that aims at officially recognizing the importance of SSE in income generation, job creation and environmental protection in rural areas and urban areas as well. Through SSE, the government has then an opportunity or a means to involve the majority of the population in the search of solution to relevant issues in their localities.

#### **What are the challenges facing the social economy of Cameroon?**

1. Grouping of people into SSE enterprises;
2. Absence of a legal framework (the draft law exists but the law itself is not yet passed). This situation makes it difficult to carry out some development projects in the sector.;
3. Some ministries concerned with SSE activities have not understood the concept of SSE. This makes them reluctant when it comes to harmonizing interventions in the sector.

#### **What are your hopes for the social economy of Cameroon?**

SSE is government-oriented and it is a big step in promotion the concept and the activities. It is going if all the stakeholders commit themselves to significantly contribute to the development of most Cameroonians and that of Cameroon as a whole.

#### **What are your concerns about the social economy of Cameroon?**

People involved in SSE should be empowered and take the lead themselves locally and internationally to fight for their rights.

#### **What are the main problems affecting the economy of Cameroon which the Social Economy seeks to solve? – list them**

SSE actors (small producers for example) have an official status and can expect to have policies specially designed for them. For instance, a financing scheme and support projects targeting SSE enterprises.

#### **Does the present political nature of the country affect the social economy?**

No

- Do people form SE Organizations because they do not trust the government?

YES       NO

WHY:

- Do these forms of the SE or the way these SE organizations are created /operate reflect the level of democracy in Cameroon?

YES ✓ NO

WHY:

Do you think the social economy will have a positive impact on the economy of Cameroon?

YES ✓ NO

**What contribution do you think the social economy will have on the economy of Cameroon?**

Increase in the production

Quality improvement due to people organization into cooperatives for example

More income from sales and improvement of the living conditions mostly, in rural areas where the most affected people by poverty are found

Through the creation social economy networks locally linked to internally existing ones. People will be connected to the rest of the world and selling their products will easily be done without themselves having to spare their little energy looking for customers.

**What is the general view of Cameroonians towards the social economy?**

Are people educated about this sector? (What it does and what it represents)

YES  NO ✓

HOW?

Majority off people have been carrying out SSE activities but, very few know that those activities belong currently to new sector of SSE.

**Are individuals ready to promote the social economy sector as an alternative?**

YES ✓ NO

HOW:

As mentioned earlier, SSE gives a status to those individuals as well as government supports for capacity building, financing and business development

**Has the creation of a ministry affected the Social economy? (Positive/negative)**

YES ✓ NO

**What contribution will the ministry have in improving the present situation of the country?**

While waiting for the law to be passed before very important projects are undertaken, the ministry has been providing material and financial supports over the past 6 years to meritorious SSE organizations in all the 10 regions.

Social economy days' celebrations have been institutionalized every two years. They bring together, the best SSE organizations from all the 10 regions to discuss alongside the ministries concerned, matters aimed at facilitating the promotion of SSE in the country.

**What are some of the challenges the ministry faces?**

**What are the steps taken to solve these major setbacks?**

**Does language barrier (English and French) pose a threat to the smooth functioning of the ministry?**



YES  NO

IF YES How?

**Are the organizations different as we move from one region to another? (English speaking region to French speaking region)?**

YES  NO

HOW?

Though there is no major difference but one should observe that, the spirit of togetherness is well rooted in English speaking regions due to anglosaxon management style.

**What is the relationship between other ministries and the ministry of small and medium size enterprises?**

The relationship is based on collaboration as social and solidarity economy activities are carried by actors directly depending from those ministries notably the ministry of Public Health for health mutual organizations, the ministry of Agriculture and Rural Development for cooperatives as well as the ministry animal husbandry and fisheries, the ministry of women empowerment to name but a few. Due to the diverse nature of social and solidarity economy activities, it is the duty of the ministry to sensitize other ministries in order to create awareness before seeking their full cooperation and collaboration in designing an inclusive policy that favours the movement in the country.

**What is the relationship between the government and the social economy?**

SSE was institutionalized by the government in December 2004 with the setting up of the ministry of SMEs, social economy and handicrafts. It was government oriented and not private-oriented like in Canada, France, etc.

**What is the relationship between the social economy and poverty?**

SSE is the right tool for poverty alleviation in the sense that, it involves people from the grass roots who decide based on common projects to set up democratically controlled enterprises and where surpluses are shared favouring all the members irrespective of the amount of shares held in the business. It involves more half of the population meaning that, it is a huge sector that has to be taken seriously by not only the government but the global community in resources allocation (funding)

- **Does the social economy help eliminate poverty?**

YES  NO

**WHY?**

There is no denying the fact SSE helps eliminate poverty be it in developed or developing countries. With a look at what is happening today in developed countries, one can see that the traditional or classic economy has failed. Acknowledgement of that fact is the increasing interest that is being put in SSE and the advocacy the level of the UN and its specialized agencies to consider SSE as an economic sector in which the funding should flow as almost everybody willingly or not is directly or indirectly concerned with the fight against poverty that is a major source of insecurity and terrorism across the world.

- **Does the social economy strive to eliminate inequality?**

YES  NO

**WHY?**

Inequality is a source social classes and social unrest. SSE bridges all the social classes by creating a framework where the rich and economically poor come together to experience the benefits of empowering all the small producers. By so doing, almost the whole population is busy at doing or carrying economic, social or environmental activities not only in urban areas but also in rural and remote areas. SSE is a strong tool for countries mostly in developing countries to successfully implement development policies in the 21<sup>st</sup> century.

**What is the relationship between the social economy and development? (social/economic)**

Please refer to the above answers.

**What is the relationship between the social economy and democracy?**

SSE is the essence of democracy. The answer is the principles and values of SSE. The management and decision making here is different from enterprises controlled by shareholders in classic economy where the voting right is limited to lead shareholders. SSE gives opportunity to all to have a say in the business.

SSE it may be noted, contribute to the strengthening of democracy.

**Is the social economy identified as a civil society in Cameroon?**

YES  NO

Read the draft law

**Does Cohabitation of different forms of enterprises promotes the growth and development of the social economy?**

YES  NO

**WHY?**

SSE involves also others forms of enterprises that can be either customers or sources of funding. Actually with the use of corporate social responsibility, it is not possible to see SSE developing without developing a strong linkage with other forms of enterprises.

**Will separation of these forms of enterprises cause problems with the overall structure of economy?**

YES  NO

**WHY?**

Efforts towards the recognition of the social economy in Cameroon

- By citizens

- By government officials

**What are the organizations representing the Social economy in Cameroon? List them**

**National acceptance of the concept of the social economy in Cameroon by:**

- |                                       |   |                             |
|---------------------------------------|---|-----------------------------|
| - Public authorities                  | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| - Social and economy enterprises      | YES <input type="checkbox"/>            | NO <input type="checkbox"/> |
| - Academia / educational institutions | YES <input type="checkbox"/>            | NO <input type="checkbox"/> |
| - Local population                    | YES <input type="checkbox"/>            | NO <input type="checkbox"/> |

**National acceptance of other recognized concepts related to the social economy**

- |                      |                              |                             |
|----------------------|------------------------------|-----------------------------|
| - Social enterprises | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| - Non-profit sector  | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| - Third sector       | YES <input type="checkbox"/> | NO <input type="checkbox"/> |

Refer to the draft law

**Types of cooperatives found in Cameroon (tick the ones that apply)**

- |   |  |
|---|--|
| - Housing cooperatives <input checked="" type="checkbox"/>                                    | - Cooperative banks <input checked="" type="checkbox"/>                |
| - Farmers cooperatives <input checked="" type="checkbox"/>                                    | - Wholesale cooperatives <input type="checkbox"/>                      |
| - Agricultural cooperatives <input type="checkbox"/> ✓<br><input checked="" type="checkbox"/> | - Craftsmen/tradesmen cooperatives                                     |
| - Health care cooperatives <input type="checkbox"/>   | - Consumer cooperatives <input type="checkbox"/>                       |
| - Social services cooperatives <input type="checkbox"/>                                       | - Savings and loan cooperatives <input checked="" type="checkbox"/>    |
| - Energy cooperatives <input type="checkbox"/>  | - Credit unions cooperatives ✓   |
| - Financial service cooperatives <input checked="" type="checkbox"/>                          | - Production/producer cooperatives <input checked="" type="checkbox"/> |
| - Education cooperatives <input type="checkbox"/>   | - Pharmacy cooperatives <input type="checkbox"/>                       |
| - Fishing cooperatives <input checked="" type="checkbox"/>                                    | - Worker cooperatives <input type="checkbox"/>                         |
| - Transport cooperatives <input type="checkbox"/>   | - Building cooperatives <input type="checkbox"/>                       |
| - Women cooperatives <input checked="" type="checkbox"/>                                      | - Electrician/plumber cooperative <input type="checkbox"/>             |

**Why are cooperatives the most known form of Social economy organizations in Cameroon?**

Cooperatives societies have existing in Cameroon before the country became independent. Most of the government income by then was derived from agricultural activities. It is then but normal that cooperatives be the most known form of SSE. It is with the changes in our environment and in the needs of the population that we are witnessing today the rising of

needs in the fields not mentioned above. As the time goes by, new forms of cooperatives will come up.

**Types of Mutuels found in Cameroon (Tick the ones that apply and add others that may apply)**

- Health mutuels ✓
- Mutual insurance ✓
- Mutual benefit societies

**Types of Associations found in Cameroon (tick the ones that apply)**

- Health associations ✓
- Social action associations ✓
- Research and education associations ✓
- Grant-making association
- Culture/sport association ✓
- Voluntary association ✓
- Social enterprises
- Foundations ✓
- Incorporated associations
- Misericordia
- Village development associations

## **I.2 Laws and draft laws**

### **Draft law on the Social economy of Cameroon**

REPUBLIQUE DU CAMEROUN

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PAIX-TRAVAIL-PATRIE

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**PROJET DE LOI REGISSANT L'ECONOMIE SOCIALE AU CAMEROUN**

## CHAPITRE I : DISPOSITIONS GENERALES

**Article 1<sup>er</sup>.**- La présente loi régit l'Economie Sociale au Cameroun.

**Article 2.-** Elle fixe les orientations générales et s'applique à l'ensemble des acteurs, ainsi qu'à toutes les activités de l'Economie Sociale.

**Article 3.-** Au sens de la présente loi, les définitions suivantes sont admises :

**Association :** Convention par laquelle des personnes mettent en commun leurs connaissances ou leurs activités dans un but autre que de partager des bénéfices.

**Capital social :** valeur de l'ensemble des apports en numéraire, en nature ou **en industrie** liée à l'adhésion des membres d'une Organisation ou d'une Entreprise de l'Economie Sociale ;

**Commerce équitable :** pratique commerciale mettant en étroite collaboration les consommateurs et les producteurs. Les premiers assurent aux seconds, le maintien de leurs exploitations et la décence de leurs revenus par la garantie des débouchés et par l'octroi des financements, tandis que les seconds s'engagent à livrer leurs productions aux premiers au juste prix ;

**Economie Sociale :** ensemble des activités économiques menées par les organisations et les entreprises fondées sur des principes de solidarité et de participation. Elle recherche soit l'intérêt collectif de ses membres, soit l'intérêt général économique et social, soit les deux ;

**Education financière :** ensemble de connaissances, de compétences et d'attitudes que doivent adopter les individus pour mieux gérer leurs différentes opérations financières conformément aux bonnes pratiques de gestion.

**Entreprenariat collectif :** toute forme d'entreprise regroupant plusieurs personnes, basée sur les principes de solidarité, de démocratie participative, de mutualisation des moyens de production et de distribution équitable des revenus et dont la conception de l'activité économique allie rentabilité et changement social ;

**Entreprise d'Economie Sociale :** très petite, petite ou moyenne entreprise dont la propriété n'est pas forcément collective, qui exerce à titre principal et de manière continue, une activité de production ou de distribution des biens et services selon les principes régissant l'Economie Sociale ;

**Fondation** : personne morale de droit privé à but non lucratif, créée par un ou plusieurs donateurs. Ces derniers peuvent être des personnes physiques ou morales recherchant l'accomplissement d'une œuvre d'intérêt général ;

**Incubateur d'entreprise de l'Economie Sociale** : structure d'accompagnement des porteurs de projets d'entreprise de l'Economie Sociale dans la maturation, le lancement et le développement des projets d'innovation sociale.

**Innovation sociale** : ensemble des initiatives originales réalisées sur un territoire en collaboration avec les acteurs locaux, dont la finalité est d'apporter une réponse nouvelle aux besoins fondamentaux de la population, émergents ou insuffisamment satisfaits, en matière d'éducation, d'action sociale, de santé, de culture et d'emploi.

**Mutuelle** : personne morale de droit privé à but non lucratif qui mène au moyen des cotisations versées par les membres et dans l'intérêt de ces derniers ou de leurs ayants droit, une action de prévoyance et de solidarité dans les conditions prévues par les statuts, afin de contribuer à leur développement culturel, moral, intellectuel et physique et à l'amélioration de leurs conditions de vie ;

**Organisation de l'Economie Sociale** : structure qui produit en continu des biens ou services tout en poursuivant des finalités à la fois économiques et sociales ;

**Réseau de l'Economie Sociale** : ensemble d'Organisations et d'Entreprises de l'Economie Sociale d'origines diverses unies par des liens communs ;

**Réseautage** : processus de mise en réseau par filière, par activité et par type d'Organisations et d'Entreprises de l'Economie Sociale ;

**Réseautage horizontal** : c'est la structuration à la base. Il s'agit du tissage de liens par activité, par filière et par type d'Organisations et d'Entreprises de l'Economie Sociale au niveau local ;

**Réseautage vertical** : c'est une agrégation successive de réseaux par activité, par filière et par type d'Organisations et d'Entreprises de l'Economie Sociale ;

**Responsabilité Sociale des Entreprises** : obligation d'une entreprise à répondre aux exigences de développement et d'amélioration de la qualité de vie de ses membres, salariés ou populations environnantes de son lieu d'installation ;

**Société coopérative** : Groupement autonome de personnes volontairement réunies pour satisfaire leurs aspirations et besoins économiques, sociaux et culturels communs, au moyen d'une entreprise dont la propriété et la gestion sont collectives et où le pouvoir est exercé démocratiquement et selon les principes coopératifs.

**Unité de l'Economie Sociale** : ensemble des acteurs de l'Economie Sociale composés à la fois des Organisations et des Entreprises de l'Economie Sociale ;

**CHAPITRE II :**  
**DE L'IDENTIFICATION ET DES CARACTERISTIQUES**  
**DES ENTITES DE L'ECONOMIE SOCIALE**

**SECTION I**  
**DE L'IDENTIFICATION DES ENTITES DE L'ECONOMIE SOCIALE**

**Article 4.-** (1) Sont considérées, à titre principal, comme Organisations et Entreprises de l'Economie Sociale :

- les sociétés coopératives ;
- les mutuelles ;
- les unions, fédérations et confédérations de ces entités.

(2) Toutefois certaines entités, quelles que soient leurs formes juridiques, dont les statuts et les règles de fonctionnement répondent à certains principes énumérés à l'article 6 de la présente loi et enregistrées comme telles, peuvent, sur leur demande accéder au statut d'Organisations ou d'Entreprises de l'Economie Sociale. Il s'agit notamment :

- des associations ;
- des fondations ;
- des groupements d'intérêt économique (GIE) ;
- de certaines entreprises immatriculées au Registre de Commerce et du Crédit Mobilier (RCCM) qui peuvent alors être qualifiées d'entreprises de l'Economie Sociale;
- des réseaux de ces groupements.

**SECTION II**  
**DES CARACTERISTIQUES DES ENTITES DE L'ECONOMIE SOCIALE**

**Article 5.-** Les unités de l'Economie Sociale se distinguent par de nouvelles formes d'entreprises et de travail opposées à la méthode classique d'entreprendre.

**Article 6.-** Les caractéristiques communes aux Organisations et Entreprises de l'Economie Sociale portent notamment sur :

- la primauté de la personne et la finalité sociale sur le capital ;
- la prise de décision dans le respect du principe démocratique « un homme une voix » ;
- l'adhésion volontaire et ouverte à tous ;
- la gouvernance transparente, démocratique et participative ;
- la conjonction des intérêts des membres usagers avec l'intérêt général ;
- les principes de solidarité et de responsabilité ;



- l'autonomie de gestion et d'indépendance vis-à-vis des pouvoirs publics ;
- l'affectation des excédents à la poursuite des objectifs de développement durable, de l'intérêt des services aux membres ainsi que de l'intérêt général ;
- la promotion du développement local, de la cohésion sociale et de l'insertion des couches sociales défavorisées ;
- l'ancrage territorial et sectoriel ;

**Article 7.-** Les unités de l'Economie Sociale viennent en appui aux priorités et stratégies de l'action publique, notamment le développement socio-économique, la pluralité des marchés, la lutte contre la pauvreté, la gestion participative et le développement durable.

### **CHAPITRE III :** **DE L'ENREGISTREMENT ET DU SUIVI** **DES ENTITES DE L'ECONOMIE SOCIALE.**

**Article 8.-** Les Organisations et Entreprises de l'Economie Sociale sont soumises au régime de l'enregistrement dont les modalités sont fixées par voie réglementaire.

**Article 9.-** Nonobstant les autres formes d'immatriculation auxquelles elles seraient assujetties, les Organisations et Entreprises de l'Economie Sociale sont enregistrées dans un registre général.

**Article 10.-** (1) Le suivi et l'évaluation des Organisations et Entreprises de l'Economie Sociale sont assurés par un conseil national de l'Économie Sociale.

(2) Le conseil national de l'Economie Sociale est un organe consultatif qui sert de plate-forme de concertation entre l'Etat et les acteurs de l'Economie Sociale, et dont les règles de fonctionnement sont fixées par voie réglementaire.

### **CHAPITRE IV :** **DE LA PROMOTION DE L'ÉCONOMIE SOCIALE**

#### **SECTION I** **DU ROLE DE L'ÉTAT** **ET DES COLLECTIVITES TERRITORIALES DECENTRALISEES**

**Article 11.-** L'Etat assure la promotion de l'Economie Sociale à travers :

- la création d'un environnement encourageant le développement des initiatives économiques et sociales dans le cadre de l'Economie Sociale ;

- la création des unités opérationnelles pouvant concourir à la formation en entrepreneuriat collectif, ainsi qu'au suivi et à l'accompagnement des Organisations et Entreprises de l'Economie Sociale
- la création des plates-formes nationales de coordination, de défense et de dialogue entre les pouvoirs publics et tous les intervenants dans la promotion de l'Economie Sociale ;
- la promotion des principes et valeurs de l'Economie Sociale ;
- la facilitation de l'accès des entrepreneurs de l'Economie Sociale aux processus d'innovation technologique et organisationnelle ;
- l'amélioration de l'accès aux services financiers et sociaux des unités de l'Economie Sociale ;
- l'encouragement de la participation des personnes socialement vulnérables notamment les femmes, les jeunes, les handicapés et les personnes affectées par le VIH/SIDA dans les Organisations et Entreprises de l'Economie Sociale.
- la promotion de l'éducation financière.

**Article 12.-** (1) Dans le cadre de l'accompagnement à l'innovation sociale, l'Etat facilite la création des incubateurs publics et privés d'entreprises de l'Economie Sociale.

(2) Les modalités d'accomplissement des missions assignées auxdites structures sont fixées par voie réglementaire.

**Article 13.-** Dans le cadre du développement du commerce équitable, l'Etat facilite la labellisation des organisations et des produits de l'Economie Sociale. A cet effet, il assure :

- la vulgarisation du cahier des charges y relatif et des procédures de certification ;
- l'appropriation des normes et labels du commerce équitable à travers la sensibilisation et la formation des entités ;
- le suivi et l'accompagnement des Organisations et Entreprises de l'Economie Sociale labellisées.

**Article 14.-** L'Etat veille à l'application de la responsabilité sociale des entreprises et encourage les mesures visant l'adoption d'une charte de la responsabilité sociale par les entreprises du secteur marchand à travers :

- la facilitation, la concertation entre les entités de l'Economie Sociale et les entreprises du secteur marchand et ;
- la mise en place d'un label pour la responsabilité sociale des entreprises.

**Article 15.-** (1) L'Etat assure les missions d'encadrement, d'accompagnement, de facilitation, de mise à niveau et de renforcement de capacités des Organisations et Entreprises de l'Economie Sociale à travers les centres régionaux de l'économie sociale.

(2) La création, l'organisation et le fonctionnement desdits centres sont fixés par voie réglementaire.

**Article 16.-** Les Collectivités Territoriales Décentralisées participent à la promotion de l'Economie Sociale à travers notamment :

- la promotion du développement local ;
- le développement ou la création des services d'utilité collective ;
- le développement du tourisme local ;
- la promotion des alternatives dans les domaines de l'écologie, de l'énergie, de l'emploi, de l'habitat, du commerce et de la sécurité sociale;
- les initiatives locales en matière de création des unités de l'Economie Sociale, afin de participer à l'animation économique des bassins d'emplois et de développer des initiatives pour la création des systèmes productifs locaux ;
- la consolidation des initiatives, d'échanges d'expériences, de conseils et de formation ;
- la promotion du réseautage des unités de l'Economie Sociale au niveau local.

## **SECTION II** **DU RESEAUTAGE DES UNITES DE L'ECONOMIE SOCIALE**

**Article 17.-** (1) Les unités de l'Economie Sociale peuvent se regrouper pour la représentation et la défense de leurs intérêts, conformément aux dispositions réglementaires pertinentes ou, le cas échéant, en association, conformément à la législation en vigueur.

(2) Les regroupements obéissent à des réseautages de type sectoriel horizontal et/ou vertical.

**Article 18.-** (1) Les réseaux, fédérations et confédérations sectorielles et intersectorielles représentent les Organisations et Entreprises de l'Economie Sociale dans toutes les sphères de représentation locale, nationale ou internationale.

(2) Les principes de fonctionnement de ces réseautages et de leurs représentations dans les organes de participation institutionnelle sont fixés par voie réglementaire.

## **SECTION III** **DES AVANTAGES AUXQUELS PEUVENT PRETENDRE LES UNITES DE L'ECONOMIE SOCIALE**

**Article 19.-** (1) Les unités de l'Economie Sociale peuvent bénéficier des Administrations publiques et des Collectivités Territoriales Décentralisées :

- des subventions directes et indirectes ;
- des dons et legs ;
- des fonds issus de la responsabilité sociale des entreprises ;
- des fonds issus de l'appel à la générosité publique.

(2) les avantages prévus à l’alinéa 1 ci-dessus, ne sont pas octroyés aux unités de l’Economie Sociale bénéficiant des avantages prévus par la loi n°2013/004 du 18 avril 2013 fixant les incitations en République du Cameroun.

**Article 20.-** (1) Les Administrations et les Collectivités Territoriales Décentralisées qui accordent des appuis multiformes aux entités de l’Economie Sociale doivent s’assurer que celles-ci sont régulièrement enregistrées.

(2) Les appuis susvisés, qui facilitent le développement des Organisations et Entreprises de l’Economie Sociale, peuvent être renforcés à travers des programmes spéciaux d’encadrement élaborés conjointement par l’Etat ou ses démembrés, et les partenaires au développement.

**Article 21.-** Les unités de l’Economie Sociale assurent la protection sociale de leurs membres, laquelle peut être couverte par les structures publiques, parapubliques ou privées, en charge de la sécurité sociale.

#### **CHAPITRE V : DE LA MODIFICATION DE LA NATURE JURIDIQUE DES ENTITES DE L’ECONOMIE SOCIALE**

**Article 22.-** (1) Les unités de l’Economie Sociale qui cessent de fonctionner conformément aux caractéristiques définies à l’article 6 ci-dessus, perdent leur qualité d’organisation ou d’entreprise de l’Economie Sociale, après avis du conseil national de l’Economie Sociale ;

(2) Elles sont de ce fait rayées du registre général des Organisations et Entreprises de l’Economie Sociale et perdent ainsi tous les avantages liés au statut d’Organisation ou d’Entreprises de l’Economie Sociale, sans préjudice des poursuites judiciaires, le cas échéant.

(3) Toutefois, elles peuvent soumettre leur demande de réhabilitation pour être réintégrées audit Registre, dès lors qu’elles remplissent les conditions prévues par la loi.

**Article 23.-** Les nouvelles unités issues d’une fusion ou d’une scission conformément à la réglementation spécifique qui leur est applicable, sont tenues de se faire enregistrer au registre général des Organisations et Entreprises de l’Economie Sociale.

#### **CHAPITRE VI : DISPOSITIONS FINALES**

**Article 24.-** Les modalités d’application de la présente loi sont, en tant que de besoin, fixées par voie réglementaire.

**Article 25.-** La présente loi sera enregistrée, publiée suivant la procédure d'urgence, puis insérée au Journal Officiel en français et en anglais. /-

### **Interview transcribed Audio**

Mr. Lucas: they may be able to give you the number of cooperatives. They may also provide you with the number of employment. Due to the fact that there is no formal letter

Raissa: so if we have a formal letter they can let us

Mr. Lucas: yes, because to easily attend to you they need to have a formal letter. But it is really unfortunate. If she can send

Raissa: Yes, she can, she can

Mr. Lucas: from the school. So that you have all the ministries interested: you have the ministry of agriculture, ministry of employment. So that here you know it is not one ehh ministry's business. Many ministries are involved

Raissa: yes

Mr. Lucas: so you really have to go to the ministry of employment so that they can give you in terms of employment what they have there as a data base. And the ministry of Agric, the ministry for small and Medium size enterprise

Raissa: And we are here. This is where we are

Mr. Lucas: yes, actually. Based on the questions that are listed

Raissa: ok, caused at one point questions out of that she was asking me to find out from you how the social economy of Cameroon is structured? Then what are the main characteristics of the organizations that fall within the social economy? She also wanted to know how the organizations of the Social economy in Cameroon differ or are similar to those in other countries? I think that is at your

Mr. Lucas: How they differ? How they differ? How they differ? I think it

Raissa: How they differ and how they are similar

Mr. Lucas: Yes, differences and the similarities. I think similarities are of the principles you know, values and principles. Because values and principles are Universal

Raissa: ok

Mr. Lucas: Yeah. Values and principles of the Social economy are universal. Then those organisations be them in Asia, Africa, Europe or America, they do apply the same principles and values. Then the differences I think is on the culture. The culture of togetherness is not as it is in every country so that will be the difference

Raissa: ok. Then emmm How is the Social economy in Cameroon structured?

Mr. Lucas: It is

Raissa: Do you have like an organigram?

Mr. Lucas: Yes, it is not yet structured. In fact, one of the main options that should be undertaken is the structuring of the Social economy from the grassroots so that we can have them in the

various representative units. Because at the base, people, the first thing is to sensitize them because the way people have been behaving, people have been behaving in like a sole proprietorship

Raissa: Yes

Mr. Lucas: Yes, so based on that they cannot benefit from what they are doing. Because most of them concentrate on very small production

Raissa: yes

Mr. Lucas: and if they need, there is a strong need for them to understand that togetherness is very important.

if you have to move from one trade, if we consider one council, it is then better to identify all those involved in one trade and then bring them into one group so that first the production will be increased, it will then be easy to bargain, and the purchasing I mean the price will increase and the return will be high as compared to when somebody does it alone

Meaning also that in case maybe the government or private donors need to intervene, they will not intervene for one individual but for a group of individuals and the impact economic, social and environmental will be high. So that is why bringing them together is the first thing to do

Once this is done, all those involved will be easy to organize them into cooperatives. Then at the level of each council they will select or create a body which will be a representative of all the urban cooperatives. So in case there is a problem, you don't need to go to one individual or to the village. You only need to go at the level of the council and get in touch with the body that will provide you with all the information needed.

In case then, maybe the government or donors have to intervene, the main partner will be then that body. It will be in charge of controlling and providing data and everything. That is the vision

Raissa: So as you have said we don't have any structure

Mr. Lucas: with the council, it will then be easy at the regional level to allow all structures at the council level to be represented up to the national level

Raissa: So as of yet has this work started?

Mr. Lucas: Actually it has started. But it requires a bit of time to sensitize people, people are not use too it and politics – there are many constraints

Raissa: There are many constraints, I understand. Even if it were me, I understand. So as of now the social economy of Cameroon is not yet structured

Mr. Lucas: It is being structured. When you say not yet it seems as though the process has not yet started. There are people working with Social economy actors to help

Raissa: But since it needs information to write down, can I just have, let me say you have a plan, a draft plan, a vision an organigram of how the thing is supposed to work so that she can use it to put it in her project

Mr. Lucas: Maybe what I will do if I can get in touch with you, give me your email address and I will send her the draft law. It is in French, it is not yet translated to English but she will know how to edit and use it

Raissa: She will translate it

Mr. Lucas: Yeah, it is from there that she will the vision of how the

Raissa: Yes, the vision will be ok for us

Mr. Lucas: So she will how it works and

Raissa: Ok thank you. Then, what are the main characteristics of the organizations that fall within the social economy?

Mr. Lucas: We cannot say for certain because to say that we really need to have a data base to avoid saying something wrong. Actually, characteristics....

I would have preferred her, in terms of characteristics, for her to select what she means by characteristics. Maybe she has a table – 1 2 3 4 5 – then it might be easy maybe, based on the information what characteristics she has identified. But saying what are characteristics is difficult

Raissa: ok

Mr. Lucas: Hope you understand. Ask her to list the characteristics because she knows those characteristics. If she can list as much as possible. It should be like a questionnaire. A questionnaire will be better as it is based on the work that she is doing. A questionnaire will be better to answer as it needs some explanations

Raissa: Ok. As concerns employment I should go to the Ministry of employment. And dealing with cooperatives, Mutuels and associations I should go the ministry of Agriculture

Mr. Lucas: Associations is a bit difficult because ehh

Raissa: Because she said this definition of the social economy is what she found on the Ministry' website. So from the definition, they made mention of Associations, cooperatives and Mutuels

Mr. Lucas: That is universal

Raissa: But she just wanted to have a little highlight. For example, what you refer to as associations, what classifies them as associations, what are their rules, what are their functions? That's a little bit of what she wants to know, because she said that with the cooperatives what comes to her mind and what she has found out in Cameroon are stuffs like the Bayele cooperative union, and micro-finances. But she believes that besides these there are other cooperatives which are not listed on the website and are not found online. It could be a farming cooperative, Cocoa cooperatives etc. She wants to have a little idea of those kinds and role they play

Mr. Lucas: That is why I am saying that the Ministry which is competent to provide you with information on cooperatives is the Ministry of agriculture. So you have them in Many fields, services and structure depending on what you are looking for. From there you can see. They can also provide you with... it depends because the periods she wants to know since the independence, 1990, 2002. This also is very important to identify the period because social economy is a new concept, we have to start with the legal framework. Once the legal framework is there it becomes easy as there is no activity that can take place without the legal framework

Raissa: So for Associations

Mr. Lucas: Associations is a bit difficult because association in Cameroon is quite different from associations in western countries. Associations in western countries stand like already social economy organizations. Which is not the case in Cameroon when it comes to Associations. In Cameroon when somebody says he belongs to an association, it does not have anything to do with economic activities. So we have to make sure and consider what is an association. Criteria will be applied

Raissa: However, it is in the definition of the social economy on the website

Mr. Lucas: Yes, it is in the definition but once you go through the draft law, once the law is approved you have what is called "text d'application" specifically on associations. Who can qualify

Raissa: To form an association, to be called an association

Mr. Lucas: For all the associations that normally exist legally which will be considered as Social economy organizations.

Raissa: Ok

Mr. Lucas: That's why those criteria will be used

Raissa: So not all the associations will be considered to have social economic impact. I understand. Then with Mutuals?

Mr. Lucas: Mutuals normally, what we will do in the Ministry, Mutual organizations normally there is a law or there should be a law – legal framework. So those organizations, cooperatives we are not responsible for the setting up of those entities (The ministry). But we provide a legal framework for some of those organizations that will decide to work according to the values and the principles of the social economy. They will be legalized. They will be a list, meaning that these are associations, these are cooperatives,

Raissa: these are Mutuals

Mr. Lucas: that have decided to work according to the principles and values of the social economy. Then they will apply, then the Minister will approve. They will be checked to make sure that they keep abiding to the principles and values

Raissa: So not all Mutuals have social economy impact

Mr. Lucas: That will not be the case. For them to continue benefitting from the assistance. Because once you, once one organization fails, because normally they will not be charged in terms of tax as they have social and environmental impact so if one then, there is a conflict with the values and principles at a given period of time, may look at the level of falling under the social economy

Raissa: then we have the distribution of income. What is the amount of assets invested in the sector as a whole like in cooperatives, associations or Mutuals.

Mr. Lucas: Yes, that's why I said you cannot have it If the sector is not fully structured. Because once it is structured. It is from there that the income or finance comes in. Actually there is a debate even at the UN level to really provide specific funding system of social economy organizations, because right now it not recognized by the UN or those development agencies to start investing, to start putting money in social economy organizations. There is actually some work going on for this to be done because what is been done is only for classic enterprises and the benefits are normally very limited so the idea, to broaden the idea of the level of the UN and other development partners to start observing social economy as a sector that can alleviate poverty in most of the Less economically developed countries.

Raissa: ok

Mr. Lucas: So financing is not that easy. Actors themselves should help donors believe in what they are doing

Raissa: of course

Mr. Lucas: because the government alone cannot do that, it is their duty and responsibility. Even at the level of the governor, the governor is just showing the way, this is what you have to do, but he has no power to force people to do what they have to do

Raissa: of course

Ok. Thank you thank you thank you