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**UNDERSTANDING THE IMPACT OF HANDICRAFT
COOPERATIVE PARTICIPATION ON LIVELIHOOD STRATEGY
(ASSET ACCUMULATION AND RESILIENCY) AMONG WOMEN**

A QUALITATIVE CASE STUDY FROM KIGALI, RWANDA



Author: Meghan B. Kappus
Supervisor: Ellen Hillbom

Abstract

The following thesis seeks to understand the potential for handicraft cooperatives as a sustainable livelihoods strategy. This potential is measured by the ability for cooperatives to facilitate access to economic and non-economic livelihood assets and as a result, to stimulate feelings of resiliency among members. The central questions of the study were how handicraft cooperatives in and around Kigali, Rwanda have been shown to facilitate access to assets that are necessary for a sustainable livelihood; secondly, how participating in a handicraft cooperative impacts members perceived resiliency to shocks, making them feel more adaptable to future problems. A qualitative study consisting of individual interviews and focus groups was conducted with handicraft cooperative participants in the case study region of Kigali, Rwanda. It was discovered that by participating in a handicraft cooperative, members have notable access to economic, social, and human capital directly, with indirect access to physical and natural capital through investment of economic capital. Interviewees expressed feelings of increased security and resiliency as a result of accumulating a diversified set of livelihood assets. Through asset access and improved resiliency, handicraft cooperative participation is validated as a poverty reducing livelihoods strategy among the study group.

Table of Contents

Abstract.....	1
Foreword.....	3
CHAPTER 1: INTRODUCTION	4
CHAPTER 2: BACKGROUND	6
2.1 “COOPERATIVE”: AN EVOLVING DEFINITION	6
2.2 BRIEF HISTORY OF COOPERATIVES IN AFRICA	8
2.3 HISTORY OF COOPERATIVES IN RWANDA.....	9
CHAPTER 3: THEORY	11
3.1 PREVIOUS RESEARCH ON COOPERATIVES AND POVERTY REDUCTION	12
3.1.1 <i>Support for Cooperatives as a Tool for Development</i>	12
3.1.2 <i>Arguments Against Cooperatives as a Tool for Development</i>	15
3.2 ANALYTICAL FRAMEWORK.....	17
3.3 OPERATIONALIZATION	21
CHAPTER 4: METHODOLOGY.....	23
4.1 DATA COLLECTION.....	23
4.2 DATA ANALYSIS.....	25
CHAPTER 5: ANALYSIS.....	27
5.1 ACCESS TO ECONOMIC CAPITAL	28
5.2 ACCESS TO SOCIAL CAPITAL.....	34
5.3 ACCESS TO HUMAN CAPITAL.....	40
5.4 ACCESS TO PHYSICAL CAPITAL	42
5.5 ACCESS TO NATURAL CAPITAL	44
CHAPTER 6: CONCLUSION	45
APPENDIX.....	53
APPENDIX A: INTERVIEW GUIDE.....	53
APPENDIX B: INTERVIEWEE LIST	54
APPENDIX C: LOCATION MAP OF PARTICIPATING COOPERATIVES.....	55
APPENDIX D: OVERVIEW OF PARTICIPATING COOPERATIVES.....	56
APPENDIX E: INDEGO AFRICA ANNUAL SOCIAL IMPACT STUDY	60

Foreword

A warm thank you to the incredible women of Rwanda who not only patiently, but enthusiastically sat with me through long interviews; putting up with me asking them “why” over and over again. I would also like to extend a special thanks to the staff of my field research host organization, Indego Africa, for their flexibility and support throughout my internship and research. Thank you also to my thesis advisor, Ellen Hillbom, and peer review group for your encouragement and direction. Finally, thank you to my family for your unwavering support in virtually all areas of my life.

CHAPTER 1: INTRODUCTION

From August—December 2011 I spent my days with handicraft cooperative members sitting on mats on the parched red soil of Rwanda, watching the women scattered around me nimbly working. They sewed, knitted, and weaved grasses dyed in a rainbow of colors into beautiful handicrafts. I observed how these women worked, interacted, and did business with different partners. As a businesswoman by training and student of international development, the handicraft cooperative model as an organizational form increasingly intrigued me as I watched it in action daily in Rwanda.

There is an ongoing debate in the development sphere over whether cooperatives can reduce poverty; however, little empirical data exists. Most of the academic literature framing the debate was written prior to the early 1990s (Develtere et al., 2008b:1). The lack of both current literature and data makes it unclear what the impact of cooperatives has been on poverty reduction (Develtere et al., 2008a:75). It is estimated that 7 in 100 Africans are investing their livelihood in a cooperative-type organization (ibid:82). Guided by the United Nations (UN) Millennium Development Goals and the objective to cut the number of people living in extreme poverty in half by 2015, the development community has an obligation to evaluate any organizational form that has the potential to advance this goal. The purpose of this thesis is to contribute empirical data to the debate, as the conceptual nature of the literature and dearth of data to support it make an empirical study of the topic timely and relevant.

This thesis is based on a qualitative case study of handicraft cooperative participation in and around Kigali, Rwanda. The purpose of the study was primarily to understand the potential for handicraft cooperatives as a sustainable livelihoods strategy, as measured by their ability to facilitate access to economic and non-economic assets. Building off these findings, the study sought secondarily to understand how this asset access then influences perceived feelings of resiliency among members. In so doing, the thesis examines how cooperative activities can actually operationalize a sustainable livelihoods approach. This purpose was fulfilled through a literature review and primary data collection to answer the following research questions:

1. *How have handicraft cooperatives in and around Kigali, Rwanda been shown to facilitate access to assets that are necessary for a sustainable livelihood?*

Leading to the second question:

2. *How has this asset access increased member's perceived resiliency to shocks, making them feel more adaptable to future problems?*

Data was collected through individual interviews and focus groups with members of nine handicraft cooperatives. The concepts of the Sustainable Livelihoods Approach (SLA) and resiliency theory were used to frame the analysis. SLA states that there are five assets (also called capital areas) that are critical for a person's livelihood: financial/economic, human, social, physical, and natural (Carney, 1998:7). The more diversified the set of assets that a person has access too, the more secure or resilient they will be in times of difficulty (Rakodi & Lloyd-Jones, 2002:12). Interventions or organizational types that help mediate access to these assets may be considered beneficial for strengthening livelihoods. SLA is a particularly relevant framework for thinking about poverty reduction because by highlighting the need for five assets, not all economic, it follows the now accepted belief that poverty is multidimensional (Develtere et al., 2008b:2). It takes more than just money for a livelihood to be secure and for them to be sustainable they have to be resilient, or able to absorb changes/shocks (Longstaff et al., 2010:3).

The findings from this study contribute to the debate on the poverty-reducing potential of cooperatives through identifying that, through handicraft cooperative membership, participants are able to access livelihood assets, most notably economic, social, and human capital. Access to these capitals has a positive impact on perceived resiliency. By selecting handicraft cooperation as their livelihoods strategy, members were able to increase and diversify their asset portfolio *after* joining, as opposed to needing to have this portfolio in place in *order* to join. These findings are relevant when considering sustainable livelihoods strategies for people with limited to no asset base (i.e. the very poor) and have implications for the broader academic community evaluating cooperatives. Given the right contextual mix of adherence to the agreed upon

principles of cooperation, access to a strong and diversified market, and incorporation of educational activities, handicraft cooperatives have the potential to reduce poverty among members through facilitating access to economic and noneconomic assets that reduce vulnerability.

CHAPTER 2: BACKGROUND

The following chapter outlines the evolving definition of a “cooperative”, highlighting the changes in the guiding principles of cooperation over time and providing a framework for understanding how cooperatives should ideally function. A brief history of cooperatives in Africa and Rwanda is also discussed, providing a better understanding of the context within which the study cooperatives operate.

2.1 “COOPERATIVE”: AN EVOLVING DEFINITION

The International Cooperative Alliance (ICA), the UN, and the International Labour Organization (ILO) define a “cooperative” as *“an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations, through a jointly owned and democratically controlled enterprise”* (Birchall & Ketilson, 2009:10-11).

The debate over the definition and principles of cooperation has been ongoing since the start of the cooperative movement in the 1800s. In 1937, the ICA ratified the principles of cooperation for the first time, known then as the “Rochdale Principles” (International Cooperative Alliance, 2004). The principles that were to guide cooperatives were that of open membership where anyone could join; democratic values where every member votes equally; distribution of surplus funds to members; limited interest on share capital; neutral positioning towards political and religious affiliations; cash payments; and the promotion of education (Holmen, 1990:26-27). Debates over these principles continued, particularly regarding the degree to which the state should be involved in cooperative management and the principle of political and religious

neutrality (Hasselmann, 1971 cited in Holmen, 1990:26-27).

In 1966 the ICA Commission on Cooperative Principles conducted a survey to determine if the Rochdale Principles were being upheld and to determine how, if at all, they needed to change (International Cooperative Alliance, 2004). Holmen (1990) provides a list of the resulting principles (27):

- “Voluntary membership without artificial restriction or discrimination
- Democratic administration (one member, one vote) and control
- Limited interest, if any, on share capital
- Surplus, if any, should be distributed in an equitable manner in proportion to the members' transactions
- Promotion of education
- Cooperation with other cooperatives at local, national, and international levels”

Despite the debate over the role of the state, autonomy had not yet been added as a core principle. However, the idea that cooperatives should be politically and religiously neutral was no longer included because respondents believed its implied passivity did not align with how cooperatives were acting. The ICA’s research showed that cooperatives were more concerned with independence than neutrality, so the principle was abandoned. However, the principle of voluntary membership encompassed the idea that members would not be discriminated against for political affiliation, religion, etc. (International Cooperative Alliance, 2004). Another revision included adding a principle related to cooperation among the local, national, and international cooperative levels. Looking critically, this is perhaps because the ICA had an interest in uniting cooperatives at each level (Holmen, 1990:27).

In 1995, the ICA undertook a third revision of the principles, which became (International Cooperative Alliance, 2007):

- “Voluntary and open membership
- Democratic member control
- Member economic participation
- Autonomy and independence

- Education, training, and information
- Cooperation among cooperatives
- Concern for community”

The concepts of autonomy and independence, member economic participation, and concern for community were added as principles. The first is an important revision, as historically, cooperatives were used as tools by the state for achieving political objectives. The revised principles highlight that conceptually; cooperatives should be participatory and driven by the interests of members versus the interest of the state (International Labour Organization, 2003). The principle of member economic participation is that all members should contribute equally to the cooperative and likewise share cooperative capital equally. Finally, the concern for the community principle states that cooperatives should support policies that impact sustainable development in their communities (International Cooperative Alliance, 2007). The 1995 revisions still stand firm today and have been backed by the ILO (International Labour Organization, 2002). One aspect of cooperatives that has not changed over time is the fundamental belief that people come before capital (Holmen, 1990:27). It is this principle that enables the structure to have economic and social benefits.

2.2 BRIEF HISTORY OF COOPERATIVES IN AFRICA

Recent research has shown a resurgence of cooperatives within sub-Saharan Africa (SSA). The cooperative structure is used in many sectors within a country, most notably agriculture, but also credit, distribution, manufacturing, and social services, in addition to handicrafts (Develtere et al., 2008a:xx).

There are two distinct periods in the history of cooperatives in SSA: the period prior to liberalization and structural adjustment programs (i.e. the late 1980s/early 1990s) and after liberalization (i.e. 1990s to present). Prior to the 1990s, cooperatives were generally led more by state than member interests. Governments often utilized cooperatives as a tool to move forward social and economic policies. However, this state involvement often meant that when states or state policies failed, the cooperatives entangled with them failed too (Develtere et. al, 2009:362).

In reviewing academic literature on cooperatives in SSA, the majority of arguments against the cooperative model were written during this period. It is worth noting briefly here that autonomy from the state was not yet a guiding principle of cooperation at this time (as shown, this did not become a principle until 1995).

When structural adjustment programs took off in SSA around the 1990s, many countries liberalized their cooperative sector in the same way they were liberalizing other previously public sectors. Liberalization aimed to allow cooperatives to act like independent businesses, with members having the freedom to determine their practices, while adhering to the guiding principles of cooperation. Unfortunately, the empirical study of the impact of cooperatives did not continue through liberalization, so there is little evidence related to their effectiveness since this time (ibid:363). It has been noted that through the liberalization process, new cooperatives were developed that relied less on government support than previous cooperatives had (ibid:375). It has also been said that during structural adjustment cooperatives were less supported by governments, so perhaps this result is simply a matter of cooperatives being forced to become more independent (Birchall, 2003:12).

2.3 HISTORY OF COOPERATIVES IN RWANDA

Cooperative Ordinance 1949 was the first to officially institutionalize cooperatives in the country of Rwanda. Cooperatives in Rwanda have their roots in colonialism, similar to many other SSA countries that saw cooperatives as an avenue through which to implement policies. After independence from the colonial government in the 1960s, the national government continued to emphasize cooperatives as a tool for policy implementation and development. According to the Rwanda Cooperative Agency (RCA), despite significant investment in cooperatives historically, many have failed due to both a lack of strategy and adherence to the ideals of self-help. Cooperatives in Rwanda before and following the genocide were characterized as being too dependent on outside donors and not adequately financially self-sufficient. Today, cooperatives in Rwanda are still highly localized, having not yet joined together into a larger movement that would enable them to be represented at the regional or even international level. However, the government sees cooperatives as having potential in helping to achieve its Vision 2020,

particularly in developing and promoting the private sector (Rwanda Cooperative Agency, n.d.:2-3).

Going back to the genocide of 1994, cooperative development came to a halt during the war. Following the genocide, the NGO community working in Rwanda saw the importance of cooperative development in bringing people together and they contributed to a growth in cooperative registration (Mukarugwiza, 2010:1). The current Rwandan government is a proponent of cooperatives for their employment creation and income generation potential. It sees cooperatives as a tool for bringing the country back together community-by-community in the wake of the genocide (Rwanda Cooperative Agency, n.d.:1-2). It also recognizes them as a vehicle through which members can begin to save their money, receive educational trainings, and meet some of their social and human needs. The Rwandan government set forth a strategic objective to increase the number of cooperatives operating in the country (ibid:12). It has developed a strategy for the sector emphasizing its role as promoters and regulators of cooperatives and recognizing the autonomy of cooperative management and activities aligned with local needs (ibid:13-14). While colonial governments and many national governments have been criticized for being too involved in cooperative management, Rwanda seems to recognize the autonomy of cooperatives and encourages the sector to generate income independently versus relying on state or other outside financial support. Finally, the government also recognizes the participatory nature of cooperatives. The RCA has stated that poverty reduction requires the participation of the poor and that by their nature; cooperatives facilitate participation (ibid:3-4).

In 2005, the Rwandan government created the “Taskforce on Cooperative Promotion”, which formed the RCA. The creation of this agency came out of the evaluation of the country’s Economic and Poverty Reduction Strategy Paper (Mukarugwiza, 2010:7). The goal was to create a legal and administrative environment to support the cooperative movement in the country (ibid:vii). A key task of the RCA was to register existing cooperatives. During this re-registration, cooperatives had the opportunity to hold new elections, make changes to their by-laws, and file an account and financial statement with the Ministry of Commerce. This effort was to ensure that all existing and new cooperatives would adhere to the new National Policy on

Promotion of Cooperatives. Those that did not participate in re-registration were no longer officially recognized (Rwanda Cooperative Agency, n.d.:19).

On September 18, 2007, the Government of Rwanda passed Law Number 50/2007 regulating the organization and functioning of Rwandan cooperatives. This law was in follow-up to sector strategy outlined in the National Policy on Cooperative Promotion. The law outlined that cooperatives are to follow the same set of guiding principles set forth by the ICA in 1995 and provided structure to the sector by outlining minimal requirements for organization (Rwanda Cooperative Agency, 2007). Recently, the Rwandan government has prioritized handicraft cooperatives specifically as part of its short-term country development strategy, as seen in the country's 2009-2012 Strategic Plan for the national crafts sector. In the plan, a goal is identified to strengthen and professionalize cooperatives as a structure for better organizing the crafts sector. A report from 2008 estimated that there are 224 registered handicraft cooperatives in Rwanda with 12,322 members, representing 15% of all cooperative participation in the country (Mukarugwiza, 2010:9-10). This is up from an estimated 5% in 2005 (MINICOM, 2006 cited in Mukarugwiza, 2010:7). A 2008 ILO study found that despite ongoing formalization of handicraft cooperatives in Rwanda, membership has made positive social and financial impacts, discussed next (Develtere et.al, 2008b:1-2; Nyamwasa, 2008:298).

CHAPTER 3: THEORY

The following chapter considers research from multiple perspectives informing the debate on the poverty-reducing potential of cooperatives. For our purposes, the Sustainable Livelihoods Approach and resiliency theory serve as the theoretical frameworks used to analyze the data and contribute to this debate. An operationalization model has been identified in order to conceptualize and approach the data analysis to specifically fulfill the study's research purpose.

3.1 PREVIOUS RESEARCH ON COOPERATIVES AND POVERTY REDUCTION

The following section looks at previous research evaluating the impact of cooperatives, particularly as it relates to poverty reduction. There is a disappointing shortage of literature related to the impact of cooperatives, particularly since the 1990s. Birchall (2003) suggests that this absence of literature may be because of skepticism of cooperatives as a form of organization given their historical manipulation by colonial and national governments. He also notes that the term “cooperative” is not universally used for the same thing, making it more challenging to search for literature (ix). Presented in this section is what has been written both before and after the period of liberalization that characterized development in the early 1990s. Most of the *opposition* to cooperatives was published prior to liberalization. The *support* for cooperatives was generally published after and comes mainly from reports written by academics at accredited universities, but commissioned and published by potentially subjective sources such as the ICA and ILO. The limited number of objective empirical studies makes it difficult to come to a concrete conclusion from the literature regarding the effectiveness of the cooperative sector in improving access to livelihood assets and reducing poverty among members. The debate at this point is still rather conceptual. While this study attempts to bring some empirical data to the table, it is a small-scale research engagement and is highly contextual; therefore, there is an opportunity in the academic field for a broader analysis of the impact of cooperatives on poverty.

3.1.1 Support for Cooperatives as a Tool for Development

Among cooperative proponents, the structure has been touted as a strategic tool for poverty reduction. Supporters argue that cooperatives serve as “mediating agencies” for accessing livelihood assets. If, as Develtere, Pollet, & Wanyama (2008b) argue, “*people’s access to the assets that they require to earn a living is a matter of organization*” (3) than cooperatives as membership-based mediating agencies would have the potential to reduce poverty through facilitating access to assets (2-3).

The ILO, one of the primary contributors to the pro-cooperative debate, maintains that cooperatives can have economic, social, and political impact on development. In its 2003 Director General's Report, the organization states that within cooperatives, members "*lean on each other, innovate together and, by increasing control over livelihoods, build up the sense of dignity that the experience of poverty destroys*" (Birchall, 2004:40). Through its many commissioned reports, it notes that cooperatives have a demonstrated ability to create employment opportunities not only for members, but also for people/organizations that do "business" with cooperatives (Develtere et al., 2008b:5). A 1997 ILO study estimated that across 15 African countries, approximately 158,000 jobs were created as a direct result of cooperatives (Schwettmann, 1997:9). The ILO notes that cooperatives have been shown to generate income which is then used to support children's education, obtain proper housing, make investments in savings and/or other income generating activities, and meet the consumption needs of households. It points to the fact that cooperatives are group organizations that can achieve economies of scale unachievable by individuals working alone (Develtere et.al., 2009:362). Also advanced by the ILO is that cooperatives provide important social benefits in that they tend to foster the creation of internal social safety nets that may be lacking formally. Instances where cooperatives have been shown to support members in paying funeral, wedding, and illness-related expenses are cited. These social benefits are particularly important given the fact that in many African countries, the tax base is limited, many are employed informally, and institutions for administering social programs are often weak. These issues limit the state's ability to provide social protection systems to citizens (Develtere et al., 2008b:11). It also highlights the contribution of cooperatives towards social equality in alignment with the guiding principle that they are to accept people from all socio-economic backgrounds as members (Develtere et al., 2008a:xxii). By accepting both the poor and the less poor or more well-off, it is argued that cooperatives can have a positive impact on social exclusion (Develtere et.al., 2008b:2). Furthermore, the ILO maintains that cooperatives can facilitate access to credit (i.e. through credit cooperatives or internal savings programs) as well as increase purchasing power through group production or purchasing. Cooperatives can also play a political role when they represent the views of their members or facilitate access to welfare services such as healthcare or education (Mukarugwiza, 2010:3-4).

In 2003 the Cooperative Branch of the ILO commissioned a study of African cooperatives by looking at eleven case studies. The goal of the study was to look at the record of cooperatives in reducing poverty (Birchall, 2003:iii). The study found that self-organization of the poor and poverty reduction seems to go hand in hand and that cooperatives, as a form of self-organization, can facilitate this success. This statement is made with the caveat that for cooperatives to be successful as a platform for this self-organization, they should adhere to the guiding principles already stated (Birchall, 2003:iii).

Other literature (Narayan & Pritchett, 1999; Maluccio, Haddad & May, 2000) have also cited positive returns among the poor for participating in cooperative groups, including mitigation of risks, reduced vulnerability through self-help practices, and for positive networking and exchange with other members. The UN Department for Policy Coordination and Sustainable Development in its 1994 report on cooperatives to the General Assembly concluded that cooperatives, which are sometimes the only organizational form open to the poor and vulnerable, have helped to improve the financial stability and standard of living of this target group (Birchall, 2003:16).

Ofeil (2005) notes that given the principle of cooperatives as autonomous, democratic, and member-driven, conceptually, the organizational form allows local communities the freedom to choose the activities that will define their livelihood (cited in Develtere et.al, 2009:362). Along similar lines, in the early 1990's, the World Bank highlighted that cooperatives that have the freedom to operate like a business within the market economy versus being a function of the state have potential in development (Develtere et al., 2008a:ix). Holmen (1990), who has been critical of cooperatives, cited the importance of cooperatives in the context of Africa, with the caveat that they must adhere to the guiding principles to be effective. He goes on to say that cooperatives are not designed as extensive, comprehensive development strategies, but rather they should remain local and true to the culture and people at that level. In effect, though he recognizes their role, he warns against the use of cooperatives as a "one size fits all" approach to development (74).

Another argument in favor of the cooperative organizational form comes out of the literature on poverty reduction strategy papers (PRSPs). These strategies are supposed to include the voice of the poor. However, unless the poor are organized at the local level, it will be difficult to represent themselves and their ideas on development. The cooperative form, because of its open membership, democratic principles, and inclusion of the poor may provide the organization that they need in order to have their voices heard in the processes of developing PRSPs (Birchall, 2003:19).

Perhaps one of the strongest arguments for cooperatives as a potential tool for poverty reduction is that the organizational form was actually created by the poor in order to seek economic advantages that were not achievable working alone (ibid:ix,7). Münkner (2001), one of the more objective writers on the topic of development and cooperation, views cooperatives not as a tool that helps the poor, but as a tool that the poor use to help themselves. He notes that “*members have their cooperative*”, not the other way around (4). He explains that the poor can utilize the cooperative form to pool their resources and by conceding their own interests to the interests of the group, can benefit more from organized self-help than they would working alone (4).

3.1.2 Arguments Against Cooperatives as a Tool for Development

Opponents have to their advantage the fact that what has been written on the impact of cooperatives, especially since liberalization, is mainly conceptual. These opponents have argued that cooperatives have not had significant success in helping members to move outside of mere subsistence (Develtere et al., 2008a:58). Laidlaw (1977) and Newiger (1983) in particular spoke out about the less than exemplary performance of cooperatives in benefiting the poor.

It has been suggested by Holmen (1990) that cooperatives are not appropriate structures for the poorest of the poor (people living at subsistence level or below), given that this group often do not have resources to pool as part of their cooperative membership (37). This may prevent them from being able to even join a cooperative. He pointed out that serving the interests of the poor is not a core guiding principle of cooperatives (39) and therefore questioned whether cooperatives can really be tools for aiding the poor when they may not even be able to participate. Münkner

(1976) as cited in (Holman, 1990:37) reinforced this point when he too noted that the poorest, who often have no resources to pool, will not likely be able to join a cooperative. Opponents argue that while the principle of open membership was designed to make the organizational form inclusive, it is still primarily a structure for economic growth versus a welfare tool. In this regard, it is not designed to primarily benefit the poor (Birchall, 2003:11).

It has also been argued that, if cooperatives are developed through external pressure and before they are sufficiently connected to a market, they are not likely to perform adequately (Holmen, 1990:36). A commonly cited obstacle for the success of cooperatives has been the involvement of the state. Most of the writings before liberalization point to the lack of autonomy of cooperatives in serving their members' interests (Develtere et.al., 2008a:xix). Hanel A. (1985,1986); Kuhn J. (1985); and Münkner H.H. (1984), all cited in Holmen (1990:49), have argued that in order for cooperatives to have a positive impact on the poor, the state must reduce its involvement and enable cooperatives to democratically control their own activities. As noted earlier, however, while this indictment of the state's involvement is an important critique, at the time of their writing, autonomy and independence from the state were not yet a guiding principle of cooperatives and so you could argue that the critics were holding cooperatives up to a not yet reasonable expectation. At the same time, cooperatives of the very poor often need outside assistance in the form of education, training, and market opportunities. Without this assistance, typically from NGOs and the government, these cooperatives are less likely to advance (Birchall, 2003:53). There is a fine line, though, between being supportive and being paternalistic. Too much intervention can cause dissatisfaction among members and prevent cooperatives from pursuing its own economic interests (Holmen, 1990:43). Additionally, government or NGO support of cooperatives through reserving work contracts and/or forcing registration in order to be recognized as a cooperative, as is done in Rwanda, does question whether producers even have a choice when it comes to cooperating or not.

Additionally, it can be argued that too much emphasis is placed on the power of the form of the organization and not enough on the members themselves. Birchall (2003) stated that it is the members within the cooperative rather than the cooperative itself that contributes to poverty reduction through income generating activities (17). Lele (1981) argued that the cooperative

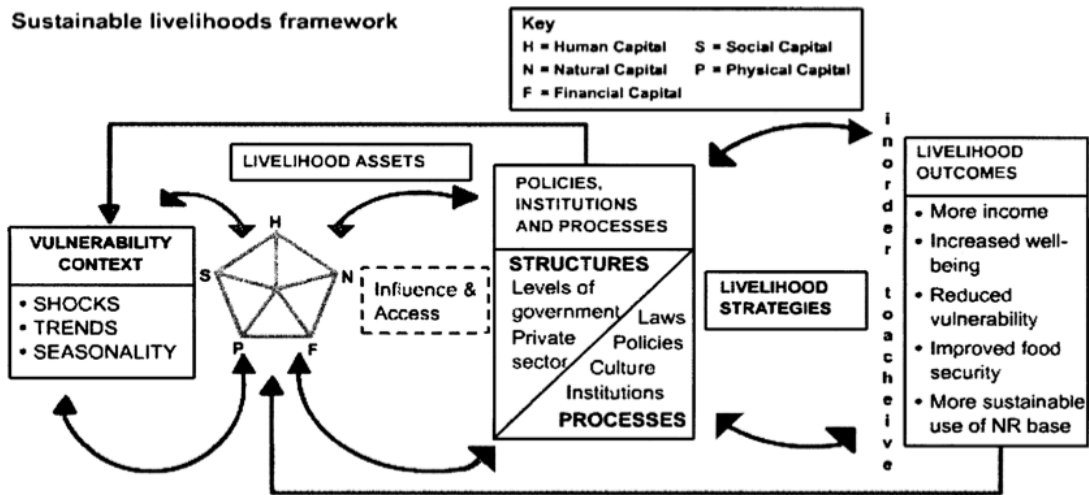
form has been expected to deliver socially, politically, and economically, but these three objectives often are not mutually agreeable. They typically involve trade-offs. She argued that critics who expect cooperatives to deliver all three areas simultaneously and without trade-offs will be disappointed with the structure (55). Holmen also points out that other expectations have been placed on cooperatives that are not in the guiding principles of cooperation, such as the expectation that they should contribute to structural change and/or benefit mainly the poor (Holmen, 1990:38). Perhaps the best argument for not looking at cooperatives as utopian is to remember that often times their successes and failures are contextual and like all organizational forms are not perfect. As Holmen reminds us “*There is no panacea to development, not even in cooperative disguise*” (1990:48).

3.2 ANALYTICAL FRAMEWORK

The concepts of the Sustainable Livelihoods Approach (SLA) and resilience will be used to frame the analysis of the effectiveness of cooperatives as a tool for development. These concepts will be used to look at the degree to which, through participating in a cooperative, members are able to access livelihood assets that ultimately lead to increased perceived resiliency. This analysis will allow us to determine whether the cooperative structure can actually operationalize a sustainable livelihood.

SLA has its roots in Amartya Sen’s 1981 work on how people cope with famine (Small, 2007:28). Sen argued that the ability to cope stems from the ability to access resources and then leverage them during times of need. It centers on the belief that people need a diverse range of resources, or assets, in order to have a sustainable livelihood (Department for International Development, 1999:5). “Livelihood” is defined as “the capabilities, assets (including both material and social resources), and activities required for a means of living” (Krantz, 2001:18). This definition belongs to the UK Department of International Development and draws upon Chambers and Conway (1992). A livelihood is the idea of meeting consumption needs, preparing for uncertainty, and reacting to opportunities (Small, 2007:34). The diagram in Exhibit 1 illustrates the framework that corresponds with SLA.

Exhibit 1: Sustainable Livelihoods Framework



Source 1: Knutsson & Ostwald, 2006:3

SLA maintains that a sustainable livelihood depends on access to a combination of assets and the ability for people to put those assets to productive use. As you can see in the framework, SLA identifies five key “livelihood assets” or capital areas that people leverage for their livelihood: Financial capital (also referred to as economic capital), social capital, human capital, physical capital, and natural capital. They are illustrated as a pentagon to highlight their interconnectedness and the importance of a combination of assets to a livelihood (Krantz, 2001:19). Carney (1998:7) provides a short definition of each of these five livelihood assets:

- **Economic Capital:** Refers to financial resources that a person has access too or can draw upon, such as credit, savings, remittances, and pensions.
- **Social Capital:** Refers to trusted relational resources that a person has access too or can draw upon, such as friendships, connections, networks, and memberships.
- **Human Capital:** Refers to labor resources that a person has access too or can draw upon, such as number of workers in the household, education, skills, and health status.

- **Physical Capital:** Refers to the tangible physical resources that a person has access too or can draw upon, such as infrastructure, tools, equipment, and energy.
- **Natural Capital:** Refers to the environmental or natural resources that a person has access too or can draw upon, such as water, land, and other resources “from the earth”.

The SLA framework illustrates that theoretically, people’s pursuit of a livelihood starts with the accumulation of a diversified portfolio of assets. Their ability to secure these assets is influenced by different structures (i.e. government, private sector) and processes (i.e. policies, laws, culture, institutions). The assets accumulated and these influencers then lead a person to select a livelihood strategy. In other words, people take their portfolio of assets and use it to create a living (Krantz, 2001:1). It is the asset portfolio that a person is able to generate within a particular context that determines livelihood strategy options. A livelihood strategy is the combination of activities that people select in order to reach their desired livelihood outcomes. Livelihood outcomes are the results or gains that people seek to secure in pursuing particular livelihood strategies (i.e. increased income; expanded social network; access to training, etc.) (Department for International Development, 1999:1-2).

As the framework indicates, not all the assets said to be important for livelihood are economic. Research has shown that the poor do not define poverty only in economic terms, but also cite insecurity and deprivation in their definition of poverty. Having a physical weakness, feeling lonely, powerless, or vulnerable are also perceived as poverty (Rakodi & Lloyd-Jones, 2002:5). Those considered “poor” may not have much by way of cash or savings, but may have important assets such as their health (ability to work), marketable skills garnered through training or other education, strong relationships or a wide network of support, or other resources which can be leveraged into income or security (ibid:10). In general, however, the poor often do face greater livelihood risks given that they tend to live in more marginalized areas (Wisner, 1993 cited in Devereux, 2001:509) and because the diversity of their asset holdings is often lacking, making them more vulnerable to shocks (Devereux, 2001:509). Household vulnerability has been formally measured through tools such as Moser’s (1998) “Asset Vulnerability Framework” as a function of assets, looking at the quantity of assets in a household, the diversity of those assets,

and their value (cited in Devereux, 2001:509). Poverty, therefore, can be seen as an outcome stemming from a lack of access to a mix of assets that leaves a person vulnerable to shocks (Krantz, 2011:10-11). It is the *access* to assets that is emphasized in SLA. As Rakodi and Lloyd-Jones (2002) note, “the livelihoods framework suggests that there is a close link between the overall asset status of an individual, household, or group, the resources on which it can draw in the face of hardship, and its level of security” (12).

Access to a variety of economic and non-economic assets is important from a self-identity and freedom standpoint. As Amartya Sen’s work states, having access to important assets presents people with the capacity or the opportunity to make choices about what actions to take. They have the potential to provide a certain amount of freedom for the holders of the assets (Bebbington, 1999 cited in Cunningham & Mathie, 2005:178). Additionally, access to a mix of these assets is an important factor in the *sustainability* of a person’s livelihood, along with being able to protect them through shocks and stresses (Cunningham & Mathie, 2005:178). Carney (1998) states that a livelihood is sustainable when it “can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base” (4). A livelihood that is protected or has the potential to be protected against shocks and stresses is a resilient one. The concept of resiliency is therefore inherent in a sustainable livelihood approach.

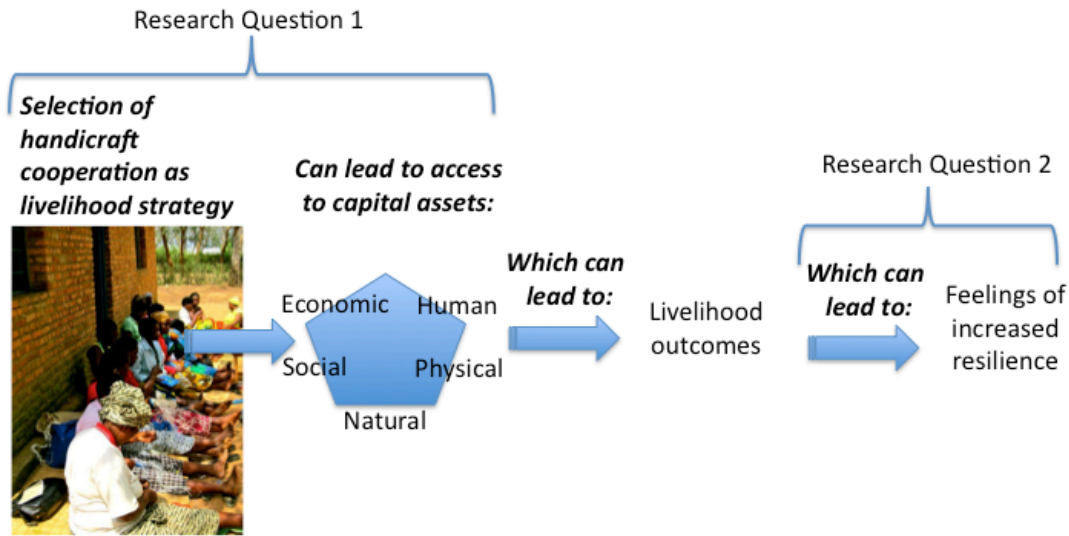
“Resiliency” is defined by the Resilience Alliance as the “the capacity of a system to absorb disturbance, undergo change, and retain the same essential functions, structure, identity, and feedbacks” (Longstaff et al., 2010:3). Bebbington (1999) in reference to rural livelihoods cites access to assets as “a critical resource to build sustainable, poverty alleviating rural livelihoods” (quoted in MacGregor et al., 2005:6). Resiliency is an important factor in reducing vulnerability. As Birchall (2003) notes, vulnerability can stem from illness, market changes, food price increases, death, etc. (2). People are vulnerable when they cannot utilize their assets during times of trouble. As Knutsson and Ostwald (2006) state, “vulnerability is defined as the inability of an individual or group to mobilize and transfer assets in the face of changing conditions” (6). People need to be able to shift value from one asset to another (ex. to use economic capital to invest in physical capital) in order to protect themselves from vulnerability (2,4-5). Having a diversified

portfolio of assets that are transferrable and able to be mobilized is key to a resilient livelihood and decreased vulnerability.

3.3 OPERATIONALIZATION

The following section outlines how the concepts and framework discussed above will be integrated with the data to specifically address the research questions. As was shown in Exhibit 1 above, the Sustainable Livelihoods Framework proposes that the accumulation of economic, social, human, physical, and natural capital or assets is a precursor to securing a sustainable livelihood. This thesis questions whether these assets need to be accumulated first in order to secure a livelihood and have it be sustainable, or if a livelihood such as handicraft cooperative membership can actually operationalize access to these assets through its activities (i.e. income generation potential, trainings, and social relations). According to Rakodi and Lloyd-Jones (2002), operationalizing a livelihoods approach means increasing access among poor people to the assets and resources needed for a livelihood, and supporting organizations, policies, and processes that influence those assets (19). For this to happen, activities related to the promotion, protection, and provisioning of livelihoods would need to occur. Livelihood promotion refers to those activities that improve resilience; protection refers to those activities that prevent a decline in security; and provisioning refers to those activities that provide access to the essentials, especially in times of emergency (Twigg, 2007:3). The question we are considering is whether the cooperative structure by its nature can complete the activities that are necessary for operationalizing a livelihoods approach (promotion, protection, and provisioning). If yes, it would serve as a strong argument for handicraft cooperative participation being beneficial for poverty reduction, as women would not necessarily have to have assets in place in order to pursue this livelihood strategy. Rather, the livelihood strategy itself would help facilitate access to the needed assets. In this way, it could offer an important stepping-stone to livelihood sustainability for the very poor. So, for our purposes, we will focus on the ability of the cooperative structure to promote, protect, and provision livelihoods through providing and protecting access to each of the five livelihood assets. Exhibit 2 illustrates this idea.

Exhibit 2: Diagram of Analysis Operationalization



** Model operates under the assumption that the cooperative adheres to the principles of cooperation.*

The model above is a revised version of the SLA framework from Exhibit 1. The model in Exhibit 1 views livelihood strategies as the selected activities that people choose as a result of the combination of assets they have (Franks & Toner, 2006:82). However, this relationship assumes that people have access to these assets *before* selecting a livelihood strategy. In other words, it is their asset base that enables them to select from a variety of livelihood strategies. But, can the opposite be true? Can a particular livelihood strategy be the starting point for people to obtain access to livelihood assets? Specifically, can handicraft cooperation as a livelihood strategy be the starting point for members to accumulate livelihood assets? If these assets can be secured as a *result* of cooperative membership, then the answer would be yes. The implication of this finding would be that certain livelihood strategies might be selected in order to gain access to livelihood assets (as illustrated in Exhibit 2) as opposed to the reverse relationship.

The model in Exhibit 2 was tested during the interview process. Of interest was to understand which of the capital assets have been accessed through cooperative membership, what livelihood outcomes have been gained, and how specifically interviewees feel more resilient and why. Participants were asked to discuss the benefits of participating in a cooperative, the reasons they choose to stay involved, and the challenges of being in a cooperative. These questions were asked in alignment with research question #1, seeking to understand how handicraft participation

has facilitated access to assets that are necessary for a sustainable livelihood. Using the SLA framework as a guide, the responses could be categorized as referring to one or more of the five livelihood assets. By categorizing the responses by the asset they referred too it was possible to see the relative access that members have to each of the five assets as a result of their cooperative membership. It was possible to see whether these assets are accessed in equal amounts or if some are more accessible and to understand the importance placed on the different assets.

Research question #2 built off of the first research question by seeking to understand if/how participants feel more resilient and able to adapt to future problems as a result of asset access through cooperative membership. Statements regarding improvements in felt resiliency were also categorized as referring to one or more of the five asset areas in order to understand whether feelings of resiliency stemmed from economic or non-economic asset accumulation (or both) and whether interviewees were transferring values of one asset into others as a way to reduce vulnerability.

CHAPTER 4: METHODOLOGY

The research study was inductive, aiming to develop general inferences from what was heard (Bryman, 2008:10-12). It took a historical-hermeneutic perspective by prioritizing primary data and focusing on understanding and interpreting experiences (Scheyvens & Storey, 2003:Chapter 2:7). The epistemological orientation of the study is interpretivism, viewing the study of humans as different from the study of the natural sciences. The ontological orientation is constructionism, viewing individuals as interpreters and creators of the social realities in the world around them (Mikkelsen, 2005:136-137).

4.1 DATA COLLECTION

Empirical data was collected in November and December 2011 from nine handicraft cooperatives. Each individual interview and focus group followed the same semi-structured

questioning (see Appendix A). A combination of focus groups and individual interviews were used in order to obtain specific, personal examples, but also to have the opportunity for general discussion. For a list of interviewees by interview type, see Appendix B. All of the interviewees were women, as handicraft participation in Rwanda is primarily composed of women. Among the nine study cooperatives, only approximately ten members out of over 400 were male. Study participants were volunteers and included both general members and cooperative leaders. In total, 20 women participated in individual interviews, while 37 women participated in five focus groups, for a total number of 57 women providing their perspectives to the research. Exhibit 3 presents a general demographic picture of study participants¹ while Exhibit 4 provides a snapshot of each cooperative participating in the study.

Exhibit 3: Demographics of Individual Interviewees

Marital Status:	<ul style="list-style-type: none"> ▪ 60% (12) = Married ▪ 25% (5) = Single ▪ 15% (3) = Widowed
Education Level:	<ul style="list-style-type: none"> ▪ 55% (11) = Primary level (P6 level or below) ▪ 45% (9) = Senior level (S1 to S6 level)
Time in Cooperative:	<ul style="list-style-type: none"> ▪ 40% (8) = 3 years or less ▪ 60% (12) = More than 3 years
Age:	<ul style="list-style-type: none"> ▪ 35% (7) = 20-29 years old ▪ 30% (6) = 30-39 years old ▪ 30% (6) = 40-49 years old ▪ 5% (1) = 50-59 years old ▪ 0% (0) = 60+ years old

Exhibit 4: Summary of Rwandan Handicraft Cooperatives Involved in the Study

Cooperative Name	Location	Approximate Number of Members	Main Activity
Abasangiye	Kayonza (rural)	25	Sewing (textiles)
Cooperative de Couture de Kicukiro (Cocoki)	Kigali (urban)	40	Sewing (textiles)
Covanya	Nyamata (rural)	43	Weaving
Imirasari	Myange (rural)	186	Weaving
Twiyubake	Kayonza (urban)	28	Weaving
Ingenzi Knit Union <ul style="list-style-type: none"> ▪ Hope ▪ Hosiana ▪ Mpore Mama ▪ Susuruka 	Kigali (urban): <i>Mpore Mama, Hope, Hosiana</i> Bugesera (rural): <i>Susuruka</i>	127	Knitting

For a map of where these cooperatives are located and for more information on each, see Appendices C and D, respectively.

¹ Given the open discussion nature of the focus groups, it would not have been possible to attach each statement made to a particular speaker, therefore demographic information was not collected.

Regarding study limitations, because I was the only researcher involved, I was unable to talk through what was being said during an interview with another person as a way to confirm understanding, thus limiting internal reliability (Valizadeh, 2010). While I asked my translator for clarification throughout the interview process to minimize interpretation, translation carries with it the risk of losing nuanced details. The external validity or the transferability of the conclusions beyond the case study context may also be limited. The cooperatives included in the research study are partners with Indego Africa (IA), an NGO that connects handicraft cooperatives with an international market, while also providing educational trainings. The benefit of international market access achieved through this partnership may make handicraft cooperative membership overall more attractive than for those selling only locally.

I became associated with the women at the cooperatives as an intern with IA. To reduce bias in the study from both myself and from the study participants as IA beneficiaries, I worked to disassociate myself from the organization. IA staff were not involved in interviews beyond translation, the independent nature of my research was stressed with participants as was the anonymity of their responses, and I read significant literature from cooperative opponents to reduce bias that may have generated through working with the cooperatives. The possibility remains that my position with IA may have made participants less likely to criticize cooperative membership.

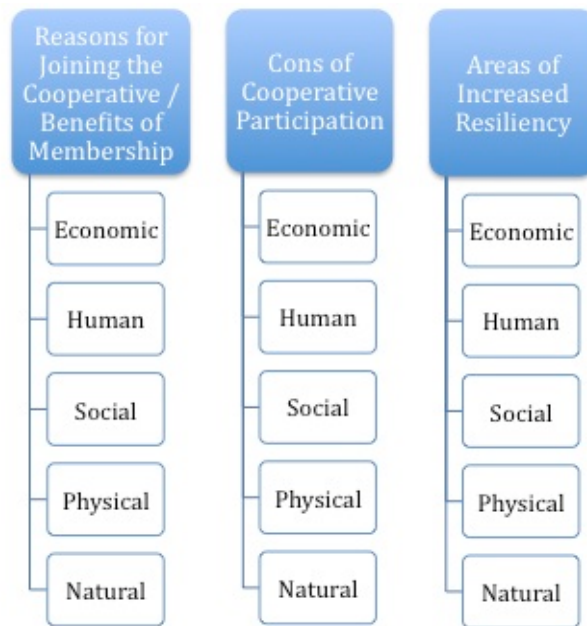
Ethically speaking, all interviewees volunteered to participate and no financial compensation or gifts were given. Verbatim notes and audio recordings were taken during the research, allowing me to reflect on a true reproduction of what was said versus interpreting. Interviewees have also remained anonymous.

4.2 DATA ANALYSIS

The qualitative nature of this study meant that there was a significant amount of text-based information to be analyzed. Analysis of the interview data was completed using Dedoose, a web-based data analysis tool. A coding system was created whereby I could categorize each statement

made in an interview or focus group, as illustrated in Exhibit 5. This system was structured on the five livelihood assets from SLA. Statements were coded under three “parent codes” related to the benefits of cooperative participation, cons of cooperative participation, and felt improvements in resiliency from cooperative participation. Under each parent code the five livelihood assets served as sub-codes.

Exhibit 5: "Code Tree" Used for Data Analysis



Once all of the transcripts were coded, the data was analyzed by looking at the frequency of codes used in relation to each other. The number of references to each of the five assets as measured by positive or negative statements made was then examined in consideration of research question #1. It was possible to see the relative access that members have to each asset as well as the limitations of this access. To complete the analysis and achieve triangulation, the data was examined in combination with academic literature, reflections on observations, and a review of a quantitative annual social impact survey conducted by IA with 186 members across the nine study cooperatives. The latter was used in particular for analyzing research question #2, as it shows changes in standards of living over time among the study group, thus highlighting tangible increases in resiliency as a result of asset investments. For more information on IA’s annual social impact study, see Appendix E.

CHAPTER 5: ANALYSIS

The analysis of the empirical data will focus initially on addressing the first research question, examining the ways in which handicraft cooperatives in this context have facilitated access for their members to the five livelihood assets. The second research question will build on this analysis by looking at how access to these assets has improved feelings of resiliency among members. While a long-term study is ideal for measuring resiliency because it allows time to observe how people respond to future challenges, the point-in-time nature of this study forces us to focus on *perceptions* of increased resiliency. As noted in Chapter 3, in theory, operationalizing a sustainable livelihoods approach involves first increasing access to livelihood assets. However, in order for handicraft cooperatives to fully be able to operationalize a sustainable livelihoods approach for their members, they would also need to endorse activities for the promotion, protection, and provisioning of the handicraft livelihood. Put simply, in order for handicraft cooperative participation to be a sustainable livelihoods strategy for participants, the cooperative structure needs to help members prepare for and/or absorb shocks/stresses that may arise. Since resiliency is key to the sustainability of a livelihood, the analysis examines not only to what extent the five livelihood assets are accessed, but also, in what ways these assets make people feel more secure for their future. As a supplement, quantitative data collected by IA between 2008-2011 will be used to provide concrete examples of how assets garnered have been invested by members to tangibly increase resiliency. Theoretically, a diversified set of assets improves a persons' ability to adapt to problems.

The analysis was conducted by looking at the frequency of positive and negative statements made by interviewees in relation to each of the five livelihood assets and references to feelings of improved resiliency by asset area. In total, 184 positive statements were made regarding the benefits of cooperative participation while 54 challenges of participation were mentioned. These statements were linked to the livelihood asset they referenced. Finally, 109 statements were made regarding improvements in perceived resiliency, which were also categorized by the livelihood asset they referred too. In this chapter, we will look at each livelihood asset individually to assess the relative access that cooperative members have to each through their

membership and then discuss any corresponding perceptions of resiliency based on that access.

5.1 ACCESS TO ECONOMIC CAPITAL

As Rakodi and Lloyd-Jones (2002) state, “the ability of households to weather stresses and shocks and their livelihood options are influenced by their ability to accumulate or access stocks of financial capital to smooth consumption, cushion shocks, and invest in productive assets, including health and skills of household members, business enterprises, and housing” (11-12). In looking at the empirical data collected from the cooperatives, economic reasons are the most commonly stated reason for joining and/or staying involved in a cooperative. Forty percent of the positive statements about cooperative participation made during the individual and focus group interviews combined were related to the economic benefits of membership. It is important to note that not all of these references were made in regards to *secured* economic gains. Many interviewees report that the *potential* for economic gains is in and of itself a benefit of participation.

In this section, we will look at the ways in which members report increased access to economic assets as a result of cooperative participation, as well as what the limitations of that access are. While we focus on the individual member level, it is also important to note that access to key economic assets can extend beyond the members and their families. For example, cooperatives have shown to provide access to economic assets to those selling raw materials to the cooperative, transporting goods, and/or in other ways commercially supporting cooperative business.

From the empirical data collected, there are four primary ways in which cooperative membership facilitates access to economic assets:

1. Opening up access to larger contracts.
2. Payment system that facilitates saving.
3. Enabling a diversification of income.
4. Enabling access to loan money/financial support.

1. Opening up access to larger contracts

One of the key ways that cooperative membership can facilitate access to economic assets is through access to larger contracts than would be possible for someone working alone. Working independently a producer may not be able to access large orders given the inability to produce within a timeframe. Cooperative participation presents economy of scale advantages: *“When you are few [people], an order takes a long time, but in a cooperative with many [people] it takes a short time, which can lead to more orders”* (Cocoki #1). Nine out of 25 interviewees/focus groups specifically stated that being in a cooperative increases customer visibility and opens them up to more markets, larger orders, and/or new partners or donors. As one focus group participant noted, *“No one can go to my home to give me an order; especially for larger orders”* (Susuruka). Another noted: *“Nowadays there is a [government] strategy for working in a cooperative because it is easier to get work as a group.”* (Cocoki #2).

2. Payment system that facilitates saving

A second way that cooperative membership facilitates access to economic assets is through a payment system that helps people to save money. Seven out of 25 interviewees/focus groups discussed saving money since joining the cooperative. One woman noted, *“Through the savings I am now better able to pay for things I may need. I can manage to save at least 1,000 RwF (\$1.65) from every order I receive. So, if I stay healthy my future will be secure because I am saving”* (Abasangiye #4). Others indirectly discussed savings by discussing how they have used money earned at the cooperative to invest in their households. Savings are being invested in school fees, clothing and food for the family, and advancements in housing. One participant noted, *“When I get some money from the cooperative I can use a small portion for buying food and then keep the rest”* (Abasangiye #2). Another stated, *“I can now buy things that I couldn’t buy before like my and my kids’ clothes. I can pay electricity. I didn’t have electricity before”* (Hope #1). One interviewee talked about being able to afford things like shoes and sugar with cooperative-earned money (Abasangiye #4); another reported that she can now afford to buy health insurance (Cocoki #4); and yet another reported that she was able to have a water tap installed at her home (Cocoki #7). Ten interviewees reported being able to pay school fees for

their siblings and/or children from cooperative earnings. During a focus group, one woman said, *“The cooperative helps me to get money for my work. This money helps to pay school fees for my kids. I want my kids to get educated. This is what I am always thinking of – how to improve my children. It is through my kids that I achieve my goals”* (Imirasari #1). Another woman reported she is now able to buy school notebooks for her children, which she was unable to do before joining the cooperative (Abasangiye #3).

Two interviewees attributed this ability to save in part to being paid lump sum payments for orders as opposed to being paid a daily wage. Lump sum payments have enabled them to budget their money. They used to sell items in the local market and earn money that would then be spent the same day, versus saving. They discussed how, even if the monthly wages vary more in a cooperative, getting paid a higher amount that can be allocated across the month is better than being paid daily and spending that amount daily (Cocoki #1&6). *“The money I get once here [at the cooperative] I can use in a planned way. I am able to budget how I use the money now”*. (Cocoki #6).

Perhaps one of the most compelling findings is that four interviewees specifically noted that they have control over the money they earn in the cooperative and can decide how it is spent. This is a new experience for some of them. A focus group participant noted, *“Before being in a cooperative I had to rely entirely on my husband. Now I can buy things myself because I make my own money. This protects me if my husband loses his job”* (Imirasari #1). Another woman reported that prior to joining the cooperative, her husband used to abuse her. Joining the cooperative and earning money has helped this situation (Hope #1). These statements highlight that not only is access to financial assets allowing members to purchase needed items for their family, but it is also safeguarding the family from income loss from a spouse not working and in extreme cases, from abuse.

3. Enabling a diversification of income

A third way that cooperative participation enables access to economic assets is through creating the potential for diversification of income. Five out of 25 interviewees/focus groups mentioned

that they are now able to hire someone to tend to their fields. Prior to joining the cooperative, these members were responsible for cultivating their own land as a source of income. With the money they are now earning at the cooperative, they are able to pay for this support, thus continuing to reap income from the fields while garnering a second income at the cooperative. One of these women stated, *“Usually a rural woman will always spend time in the field cultivating. This is really difficult physical work, but now as someone who works in a cooperative, I can pay a young man to go into my field to do the hard labor”* (Imirasari #1).

4. Facilitating access to loan money/financial support

Finally, interviewees talked about the economic benefit of being able to access loan money and/or financial support. Eight interviewees reported that they are able to borrow money from the cooperative or other members during times of financial need. This is particularly important in the Rwandan context where the banked population is estimated to be only 21% (Ngarambe, 2012). Interviewees discussed borrowing or receiving financial support to help pay for things like hospital expenses, school fees, and wedding expenses. As one woman stated, *“If I get sick and [have] no means to go to the hospital I will be helped by the members to pay for the hospital. In some cases, the members will loan money or [they] can also say ‘this is our fellow member, let’s donate’”* (Hope #2). Interviewees discussed being supported when they are unable to work due to illness or having a newborn baby. One stated, *“When sick people or new moms are not working they still get money even when they are not working, even if it is a smaller amount”* (Cocoki #1).

It is interesting to note that most of the cooperatives have a system whereby they distribute money equally rather than based on skill level or amount produced. This is particularly helpful to those women who are ill and/or old. At the Abasangiye Cooperative where the women are facing HIV/AIDS from genocide rape, one woman noted, *“Here...some are sick with HIV or have trauma or body weaknesses, while others are strong. [The members] are not paid according to what they are able to produce. [The members] share equally despite ability. It is the best way to do it”* (Abasangiye #2). A woman in a different cooperative noted, *“In the cooperative people share regardless of skill or production level. We support each other and share earnings and have*

the same rights” (Cocoki #4). These quotes exemplify the sharing nature of the economic benefits within cooperatives that make it possible for the sick and old to continue to have access to economic assets despite their physical limitations.

There are, however, limitations to the ability for cooperatives to provide access to economic assets to members. These limitations are mainly around the occasional insufficiency and instability of the income generated through cooperative work. Eight interviewees specifically talked about the fact that the income generated from cooperative work does not fully meet the needs of their family and/or live up to their expectations. For example, one woman noted that she is struggling to pay for her accommodation (Hosiana #1), while another woman noted that she is failing in terms of affording school fees (Abasangiye #2). The bigger complaint is around the instability of income with cooperative work. Like any product sales business, sales go up and down. However, the felt challenges of this are likely even more keen for women already struggling financially. Eleven interviewees noted the instability of income as a leading disadvantage of cooperative work. The lack of consistency makes it difficult to plan for expenses. One woman noted, *“Some months [we] can get 50,000RwF and another month 20,000RwF”* (Cocoki #3). Another woman explained the effect of this on her family, stating, *“Sometimes I don’t have enough money to feed my family. For the last two weeks, I have not had any order and I worry what if it ends up being two months?”* (Cocoki #6). Because income from handicraft cooperatives is not always stable, it becomes even more important for cooperative members to pursue a diversified livelihood strategy (Devereux, 2001:508).

Despite the fact that economic expectations have not been fully met by all participants, the asset area that contributed most to feelings of increased resiliency was economic. Fifty percent of statements made by interviewees regarding felt improvements in resiliency were related to feeling more financially prepared to handle shocks. As discussed above, a number of interviewees reported that they are now saving and/or budgeting the money that they have earned, some for the first time. One focus group participant noted, *“Life is less stressful now as part of the cooperative. Before women would think about how to pay for food and rent, but now this is paid from coop money”* (Covanya). Another noted, *“Usually when a woman is not bringing income into the household she has conflicts with the husband. Now I bring income [and*

we] share the needs within the marriage. This is less stressful. This gives us more peace in our family” (Imirasari #1). Annual social impact data collected by IA shows income increases over time among study participants. In fact, the percentage of women who earn at least 1USD per day increased from only 7% in 2008 to 67% in 2011. Earners of at least 2USD per day have increased from 2% in 2008 to 24% in 2011 (Indego Africa, 2011a:31). Study participants are increasing their economic security by opening bank accounts. While in 2008 only 18% had a bank account, 78% did in 2011 (Indego Africa, 2011b:7). Safeguarding income in the bank makes members more resilient economically, as they accrue interest and are more protected from theft.

Additionally, resiliency is increased from having access to loan money and financial support from other members, as discussed. Three interviewees reported purchasing a house as an investment (Cocoki #1, Hope #2, Imirasari #2), while two others reported purchasing land (Hope #4, Imirasari #1). One of the women who purchased land did so as an investment in her children’s future. These investments have made the interviewees feel more financially resilient. Three interviewees noted that their families are protected by their cooperative income in the event their husband loses his job (Imirasari #1, Cocoki #1, Cocoki #8). Social impact data collected by IA also indicates increased resiliency in meeting basic food needs. In 2008, only 5% of families reported never running out of food, while in 2011 65% reported this. Members’ families are also eating more. In 2011, 92% of women reported that they are eating 2 or more meals per day, while in 2008 only 39% were doing so (Indego Africa, 2011b:13). A more full and steady diet can improve the resiliency of the health of members and their families. Also in terms of health-related resiliency, two women reported purchasing health and/or life insurance (Cocoki #4, Susuruka), thus increasing their family’s resilience to sickness/death.

Finally, many cite the ability to pay school fees as a way they and their family are more resilient for the future. This ability has increased over time, as only 48% of women responded to IA’s social impact survey that they were sending *all* of their children to school in 2008 as compared to 75% in 2011 (Indego Africa, 2011b:10).

For transparency, it is important to note that the study cooperatives are somewhat unique from other cooperatives in Rwanda due to their relationship with IA, which provides access to foreign markets and larger scale orders than they would likely access focusing on local markets only. While this provides an advantage, there also seems to be a reliance on IA for orders. As one interviewee noted, “*Without Indego Africa [we] have no work to do*” (Cocoki #3). Should IA cease its partnership and/or international preferences for Rwandan handicrafts change, the economic capital access from cooperative membership would likely be negatively impacted.

5.2 ACCESS TO SOCIAL CAPITAL

Social capital, in the context of SLA, is defined as “the networks, membership of groups, relationships of trust and reciprocity, access to wider institutions of society on which people draw in pursuit of livelihoods” (Carney, 1998:7). We are considering how a cooperative livelihood creates social capital for members. There is an important difference between social interaction and social capital. For *capital* to be created, social interaction must be persistent and develop a store of trust or knowledge that people can leverage (Rakodi & Lloyd-Jones, 2002:10). When people work together collaboratively, social capital can be created (Frankenberger and Garrett, 1998; Woolcock and Narayan, 2000; cited in Cunningham & Mathie, 2005:179). A cooperative environment is fundamentally a collaborative one. A cooperative is a structure that organizes people through membership and elected leadership in an effort to pool resources, therefore making members stronger together than they would be on their own. As Münkner (2001) states, “Cooperatives do not help the poor, but by working together, by pooling their resources, by submitting themselves to group discipline and by accepting to combine self-interest and group solidarity, the poor can solve some of their problems by way of organized self-help and mutual aid better than alone” (cited in Develtere et al., 2008a:76-77). In this way, cooperatives can be viewed as what Cunningham & Mathie (2005) term “mediating agencies”, which have the potential to develop and activate social capital through their membership. It is the group nature of the cooperative that enables women to work together and lean on each other to alleviate problems they face. In this way, the cooperative is a platform that can facilitate relationship building, which members can leverage to protect themselves against shocks and stresses, a key aspect in livelihood sustainability (Krantz, 2001:7). Worth noting is that social

capital is a latent asset that can be built up or decreased based on the strength of a persons' relationships with other members (Cunningham & Mathie, 2005:178). The sustainability of social capital within a cooperative can be improved when it is inclusive and equitable across all members (Rakodi & Lloyd-Jones, 2002:17).

Just as economic capital can be reinvested in the cooperative to grow the organization, social capital, as it is leveraged to create social cohesion within the cooperative, can also strengthen and grow the organization. Building social capital means building trust among members, which in turn makes collective action less costly (Putnam, 2000 cited in Radel & Zeuli, 2005:49). By building social capital, cooperatives create an opportunity for greater community interaction for their members (Green and Haines, 2002; Putnam 2000; Tolbert et al., 2002; cited in Radel & Zeuli, 2005:49). For example, members may interact with customers who come into the cooperative to purchase products; with government or school officials who place orders; or with local media who cover what is happening at the cooperative. Through necessitating interactions with raw material producers, transporters, retailers, customers, etc., cooperatives can develop social capital in the community.

Looking at the data, the social benefits of cooperative participation are evident. Social reasons are the second most commonly stated reason for joining and/or staying involved in a cooperative. Thirty-seven percent of the positive statements about cooperative participation were related to the social benefits of membership. There are three primary ways cited by interviewees regarding how their membership has helped them access social capital:

1. Facilitating strong social relationships with other members
2. Creating a social safety net
3. Facilitating cross-cooperative networking

1. Facilitating strong social relationships with other members

Twenty-four out of 25 interviewees across all nine cooperatives cited that they joined a cooperative and/or stay involved in a cooperative to escape loneliness, to be around friends, and for the emotional support and advice they receive from other members. The relationships that are

formed are strong. The following are a small sample of statements made regarding the social benefits of cooperation:

- *“When I joined the cooperative...I met other people with the same problems as me. It made me have hope for a better future. I was thinking that I was the only one with problems but reaching the cooperative I learned others have the same problems and we see each other in each other”* (Absangiye #4).
- *“I lost my newborn baby three months ago, but the members of the cooperative came to me and showed me compassionate love. I didn’t have time to fall into sorrow [because] I felt comforted by the cooperative”* (Hosiana #2).
- *“I feel less stressful because I have people to lean on...if three people gather their strength together they are stronger than one can be”* (Abasangiye #3).
- *“Being in a cooperative is like being in a family, because when you have a problem the people who are nearby you are the others in the cooperative”* (Cocoki #3).
- *“Being with others takes me out of loneliness, which is the fact that makes me feel like life is better in the cooperative than outside”* (Cocoki #6).

These relationships were observed first hand. In many of the cooperatives, older members are mentoring younger members. Members talk together, eat together, nurture, and give advice to each other. In Rwanda, cooperatives are bringing together people who have faced significant adversity. HIV+ women receive emotional support from other HIV+ women; women who were raped, left widowed or orphaned by the genocide, or who lost love ones find comfort among those living with the same heartache. For the Twiyubake Cooperative (composed of women who were widowed during the genocide and women whose husbands are incarcerated for genocide crimes) membership provides an opportunity for reconciliation. The cooperative structure has the potential to mobilize vulnerable groups of people, give them an opportunity to reconcile differences with others, and a place where they belong and can find comfort (Mukarugwiza,

2010:18). As one woman stated, *“When you have lost your way and have someone now to guide you, you feel confident for tomorrow”* (Abasangiye #2).

2. Creating a social safety net

One of the most compelling findings from the study is the fact that cooperatives are informally creating a social safety net for their members. These safety nets are a manifestation of the social capital created within the cooperative (Devereux, 2001:512-13). The relationships go deeper than simply giving each other advice. These women provide security to each other. As discussed above, interviewees report giving and/or receiving financial support during times of need. Specific examples were provided of cooperatives pooling money to support members during periods of sickness, after childbirth, or in wedding preparations. Additionally, members will continue to receive income even when they are not working due to being in the hospital, having a newborn, or caring for a sick relative.² As one woman noted, *“My mother was sick...I was taking care of her to the point that I could not work...I took her to the hospital and the first people to meet her there was Cocoki. Even though I was not working I was still being paid during this time. This is what we do for people who are sick or for new moms”* (Cocoki #8). Another woman stated, *“Now if I get sick other members say ‘our person is sick we must take care of her’”* (Cocoki #3). It is the Golden Rule in practice; cooperative members provide support with the understanding that they could be the ones who need it next time: *“It may be me next time who is sick”* (Abasangiye #3). Slow production is typically overlooked when it is among the sick or elderly, as members recognize that at some point, they too will be sick and old. This is consistent with research on redistributive practices in sub-Saharan Africa. Studies have shown that horizontal redistribution (transfers between people on the same economic or social level) remain widespread (Devereux, 2001:512-513). These informal safety nets are particularly important in the context of Africa, where more formal social protection systems are often lacking (Pollet, 2009:24).

² One interviewee noted that a member who is unable to produce is paid half of what everyone else is earning for that order (Cocoki #3).

3. Facilitating cross-cooperative networking

When multiple cooperatives come together to work on a large order or to form a larger representative body, social capital can be created through cross-cooperative networking. This networking and the resulting social capital offers an opportunity to band together to increase scale. For example, four geographically dispersed cooperatives interviewed formed the Ingenzi Knit Union, enabling them to take on the largest knitwear export order in Rwanda's history in 2011.³ Independently, these cooperatives would not have been able to complete this order for two reasons. First, some of the cooperatives did not have the technical skills. Second, the order was too large for any one cooperative. By working together to increase scale, cooperatives may be better equipped to compete in a global economy, which is becoming increasingly important for survival (Simmons & Birchall, 2008:2134-2135).

Networking can also create more far reaching social relationships. Four interviewees discussed how being a member of a cooperative has expanded their social network to include people that they might otherwise not have been able to know or work with. This has created an opportunity for increasing technical knowledge as well as general learning. One of these women stated, *“For people who [were] born in the country-side and didn't get far in school, they meet different people in the cooperative....Now we are meeting people even from different countries and cities [and] we are getting important knowledge about how to behave when we are with different people...we are more connected and able to discuss things with people”* (Susuruka). These relationships can be leveraged to strengthen human capital. As one interviewee stated, *“Before joining the cooperative, I didn't know people from Myange, and now I do. My network is wider. Knowing more people, you are able to share knowledge with each other. Myange taught us how to make scarves because we didn't know how”* (Hope #2). Networking also facilitates conversations and increased understanding between people with different backgrounds or values.

Interviewees did note some social downsides to cooperative participation that may hinder the degree to which social capital is created. Again, for social capital to be created social interaction must be persistent and people need to be able to leverage the trust or knowledge of the others in

³ The order was from Indego Africa for over 4,000 knitted scarves.

the cooperative. Factors that divide people will inhibit the production of social capital. The inherent challenge of equitable pay, while helpful to those who are unable or slow to produce, can be frustrating to stronger producers within the cooperative. Two interviewees questioned the fairness of paying members equitably despite their production level. One stated, *“Because we are working generally in the cooperative, some are not working hard and work lazily. We have an order of bags to be given out on Monday. I can do two bags while someone else makes one...everyone makes the same amount despite how much people produce. I bear with this, but it is not ideal”* (Cocoki #3). Interviewees were, however, more likely to agree with the principle of equitable pay, which is consistent with broader studies comparing compensation systems in producer cooperatives with conventional firms. As Bonin, Jones, and Putterman (1993) note, studies of producer cooperatives have shown that shirking of responsibilities is generally not an issue namely because these organizations are hierarchically fairly flat and members share in decision-making. This shared problem solving and equal participation tends to prevent the more antagonistic employee relations that are more common in conventional workplaces. They refer to this as “horizontal monitoring” whereby members use mutual social pressure to maintain the collaborative and equitable environment within the cooperative (1303). The key in the prevention of freeloading, as incentive theory tells us, is to make individual effort observable (1316). Birchall & Ketilson (2009) add that the fact that cooperatives are member controlled and designed to serve members is a motivator for commitment among members (11).

Additionally, the collaborative nature of cooperative work can be a challenge to social capital production when people with different backgrounds or values are working closely together. As one interviewee noted, *“It is not easy to work in the cooperative because there are many people and different people have different opinions. So it can be hard to get everyone to agree”* (Cocoki #8). One of the cooperatives that was interviewed recently lost a large number of members who decided to split off to form a new cooperative. This rift occurred because of social tensions within the group. This has had a direct, negative impact on the remaining members, as the more skilled members decided to leave the cooperative. Like all democratic organizations, social capital created through strong internal relations will decrease if those relationships weaken.

Despite these challenges, the second biggest asset area cited by interviewees as contributing to feelings of security was social. Thirty-one percent of statements by interviewees related to feeling less at risk for the future because of the social capital they have accumulated in the cooperative. We have discussed the social safety nets and social protection that cooperative members receive through developing relationships with other members and expanding their network. Having a social outlet to discuss challenges and to receive advice from other members is the key area where members feel increased resilience. As one interviewee noted, *“Nowadays I don’t face a lot of challenges like I did before. I can find a counselor now within the cooperative if some problem arises”* (Abasangiye #1). Another woman stated, *“[I] feel more prepared to deal with problems because of the advice network”* (Hosiana #4). The consensus among interviewees is that in the event of crisis or personal shock, the other members will come to their aid, which evokes feelings of resilience.

5.3 ACCESS TO HUMAN CAPITAL

Human capital is defined as “the labour resources available to households, which have both quantitative and qualitative dimensions. The former refer to the number of household members and time available to engage in income-earning activities. Qualitative aspects refer to the levels of education and skills and the health status of household members” (Carney, 1998:7). The development of human capital is critical to a person’s livelihood. Without it, a person can fall into poverty, as a lack of tangible skills, illiteracy, and poor health can all be pre-conditions for poverty (Develtere et.al, 2008b:8). As discussed, a key guiding principle of cooperatives is the emphasis on education, training, and information (Birchall & Ketilson, 2009:10-11). As human capital is developed through strengthening the quality of labor resources, cooperatives that provide access to skill and capacity building trainings are positioned to provide access to human capital.

Twenty-four out of 25 interviewees from all nine cooperatives discussed increasing their human capital within the cooperative through skills training/education. As members of cooperatives, the women have access to skills training that they would likely not have access to outside: *“If the*

government or Indego Africa gives training, it is more accessible as a cooperative” (Covanya). The interviewees discussed the value of becoming educated in the technical areas of the cooperative (i.e. sewing) as well as in language literacy, accounting, computers, and budgeting. There is a sense of resilience that has come along with this human capital building: “I didn’t have any way to help myself because I was not educated. I could see no end to my troubles...When I came to the cooperative though I had no hope, I am here now and have a sewing machine and I am learning how to sew and we are learning English and accounting and these will help us to make a better tomorrow” (Abasangiye #2).

Notably, access to human capital does not stop at the cooperative member. One of the best ways to reinforce learning is to teach others and many interviewees report that they are incorporating the skills they are learning into the household (i.e. budgeting house expenses) and teaching their children. In this way, the human capital created at the cooperative is extending beyond the cooperative walls. In talking about the benefit of developing their own skills through trainings at the cooperative, interviewees are testifying to the overall value of education. That sentiment is then being shared within the household as these women pass on learnings to their kids. In this way, cooperatives’ contribution to human capital development can have a larger impact on the community through shared knowledge.

Human capital developed in the cooperative was the third strongest asset area leading to feelings of resiliency. Thirteen percent of statements made were related to interviewees feeling like the human capital assets that they have gathered in the form of training and new skills have made them more resilient. Overall, interviewees report that they are receiving training and education that they would not have access to outside the cooperative and are learning skills that are preparing them to keep up with the changes in the country (i.e. the transition to English as an official national language and the increasing use of computers). As discussed above, interviewees report applying accounting and budgeting training in their households, enabling them to manage their finances better and save. Data from IA’s annual social impact survey shows that between 2008 and 2011, the study group increased resiliency through acquiring knowledge in money management. In 2008, 5% reported knowing how to manage money, increasing to 70% in 2011 (Indego Africa, 2011b:9). As one interviewee stated, “...the

cooperative is helping me to feel confident for the future. From the skills I am learning I have hope for the future. If I leave the cooperative, I will be in a better place now because I have more life skills” (Abasangiye #1).

In addition to feeling increased resiliency from gaining formal knowledge, members are also increasing resiliency through being proactive about their personal health. IA social impact data shows that between 2008 and 2011, the number of women seeking medical attention increased 36% (Indego Africa, 2011a:31).

While the data highlights that cooperatives facilitate access to human capital, there was a downside mentioned when it comes to being involved in a cooperative. Some members report that not everyone in a cooperative aims to increase their human capital and/or is able to achieve the same skill level. Because of this, there were a few interviewees that reported that some people work lazily (as discussed above) or are unable to produce at the same rates due to less skill or health issues/old age. Again, this is a disadvantage for those with higher levels of skills because they have to pick up the slack, while getting paid the same.

5.4 ACCESS TO PHYSICAL CAPITAL

Physical capital refers to the tools, equipment, infrastructure, housing, or other productive items that are useful in a livelihood strategy (Rakodi & Lloyd-Jones, 2002:11). Within the study group, it was observed that cooperative membership facilitates access to physical capital that enables them to produce handicrafts. First, the building that they work in serves as a shelter for the women to complete their work. If they were working from home, they may have to work outside due to insufficient space/lighting in the household. Additionally, the cooperative building allows them to display products, so customers are able to walk in and purchase versus having to sell items on the side of the street or at the market. Other physical capital accessed through the cooperative is production equipment such as sewing and knitting machines, as well as raw materials. Through cooperation, members often have stronger purchasing power for raw material inputs given volume (Pollet, 2009:25). Equipment such as sewing and knitting machines can be expensive. At the cooperative, they are able to access this equipment without needing to make a

personal investment. One cooperative out in the countryside was gifted knitting machines by an NGO doing work there. As a cooperative they were able to receive this donation, while as individuals they likely would not have been eligible. Cooperative members have also indirectly accessed physical capital as a by-product of garnering economic capital. As discussed earlier, three members have purchased a home (Cocoki #1, Hope #2, Imirasari #2). Two others have purchased access to electricity for the first time (Cocoki #7, Hope #1). This is particularly important as the former is maintained even if cooperative membership ceases. As one focus group participant noted, *“Post-genocide I had no house and since joining the cooperative I was able to build one and can now take care of myself and my family”* (Imirasari #2).

Physical capital access is not, however, cited by interviewees as a core reason to join or stay involved in a cooperative. In fact, interviewees predominantly speak to the limitations of the physical capital accessed through the cooperative. While they have a building to work in, six interviewees expressed that the building was insufficiently sized for the number of members. This leads to people having to sit on the ground or outside to work. A few interviewees spoke about the limitations of the equipment that they use in the cooperative. The sewing machines used are manual and too slow for efficiently handling large orders. The knitting machines often take only one kind of yarn, limiting the diversity of the styles that can be produced. Physical capital, it would appear, is a function of the cooperative’s economic capital. Without higher levels of economic capital, cooperatives will likely be limited in their ability to provide access to physical capital.

Members do not feel much more resilient as a result of accumulating physical capital through cooperative participation. Only 4% of the statements made regarding feeling more resilient due to asset access were attributed to access to physical capital. As mentioned, two members talked about increased access to electricity as a result of income earned at the cooperative. One discussed saving up for equipment such as an electric sewing machine to make production faster (Cocoki #2). Social impact data collected by IA did show physical capital increases that could result in increased resiliency for members. In 2008, only 11% of women in the study group had electricity in their homes; today 39% (Indego Africa, 2011b:7). Additionally, in 2008 25% of women reported they had no permanent residence, while in 2011 only 3% reported this (ibid:13).

Physical resiliency seems to be closely connected to economic resiliency. It is worth noting that the majority of physical capital accessed cannot be taken with cooperative members should they leave the cooperative (i.e. the building they work in; the equipment used). However, when economic capital is invested in physical capital (i.e. personal machine or home purchase), it is more beneficial as the member can take it with her.

5.5 ACCESS TO NATURAL CAPITAL

Natural capital refers to the stocks of natural resources such as land and water that a person draws upon for their livelihood. Handicraft cooperative livelihoods, by the nature of the work, do not require the same level of natural capital that say, farming cooperative livelihoods do. The weaving cooperatives interviewed do rely on access to imigwegwe threads, a form of sisal or plant fiber to make plateau and agaseke baskets, two traditional Rwandan handicrafts. Banana leaves are also critical in making native handicrafts, as are natural dyes for coloring. Despite the centrality of these natural raw materials to producing staple Rwandan handicrafts, no interviewees mentioned access to natural capital as a benefit of or challenge to cooperative participation. Since these natural resources are currently readily found in Rwanda and can be sourced fairly easily, being a member of a cooperative does not necessarily mean that people will have greater access to these resources as members.

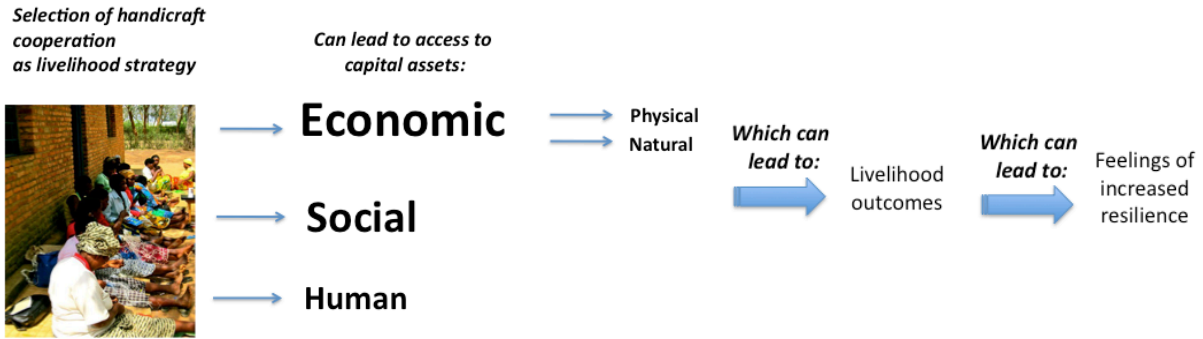
It is logical then, that respondents did not report feelings of increased resilience as a *direct* result of natural capital access. Only 2% of the statements made regarding feeling more resilient were related to natural capital and these statements were related to investments of economic assets into natural assets. One woman noted that cooperative participation enabled her to afford a water tap in her home (Cocoki #7). The IA social impact survey results reiterated this improved resiliency through data showing an increase from 5% to 26% between 2008 and 2011 in the percentage of women with running water in her home (Indego Africa, 2011b:7). Two members have been able to purchase land with cooperative earnings (Hope #4, Imirasari #1). Investment of economic capital into natural capital is important for resiliency, because assets like land in particular will remain with the member should she decide to leave the cooperative.

CHAPTER 6: CONCLUSION

This thesis examined how handicraft cooperative participation in the context of Kigali, Rwanda has facilitated access to livelihood assets and in so doing, made participants feel more resilient to shocks and stresses. The Sustainable Livelihoods Approach and concept of resilience were used to frame the analysis. Integral to SLA is the recognition that poverty is multidimensional. Lack of access to non-economic assets, such as social, human, physical, or natural capital can also contribute to poverty (MacGregor et al., 2005:5). The SLA proposes a process by which people secure a sustainable livelihood. First, they secure a portfolio of economic and non-economic livelihood assets, which then determines the range of livelihood strategy options available to them to achieve their desired livelihood outcomes. However, this thesis looked at if and how handicraft cooperative participation could in fact be a precursor to securing economic, social, human, physical, and natural livelihood assets. Data collected through individual interviews and focus groups highlighted that by joining a handicraft cooperative, participants in the case study were indeed able to notably access economic, social, and human capital. Through investment of economic capital, interviewees reported also being able to access physical and natural capital, though less notably. These findings are significant for people who have limited or no diversity in their portfolio of livelihood assets. The findings make a case that handicraft cooperative participation can be a livelihood strategy that can help people to build their asset portfolio, thus serving as a potential springboard to other livelihood strategy options for the very poor.

The operationalization model presented in Exhibit 2 to theoretically frame the analysis illustrated that access to all five livelihood assets could be had equally through handicraft participation. The data proved otherwise. Exhibit 6 better represents the operationalization model post data analysis.

Exhibit 6: Revised Diagram of Analysis Operationalization



** Model operates under the assumption that the cooperative adheres to the principles of cooperation.*

The difference is in the varying levels of access to the five livelihood assets as a result of handicraft participation. Economic capital is the most commonly gained livelihood asset from handicraft cooperative participation, however, it was also the most contested, as interviewees were able to cite a number of economic benefits, but also challenges related to economic gains, particularly related to the instability of income. Social capital was the second most commonly gained livelihood asset and there was significant agreement among participants about the ability to access and leverage social capital through cooperative membership. Human capital was the third most commonly accessed livelihood asset. Physical and natural capitals were generally accessed as a result of gains in economic capital, either individually or as a cooperative.

Fundamentally, this study examined the poverty-reducing potential of handicraft cooperatives. It was discovered that through increased access to economic and non-economic assets, though to varying degrees, people feel more resilient to face future challenges. A fundamental value of the cooperative structure in reducing poverty is that at its core it is a member-driven enterprise. In this way, the poor are able to drive their own development (Birchall, 2004:40). As Cunningham & Mathie (2005) point out, when a cooperative member has the opportunity to focus on asset accumulation and enhance her capabilities through her association with a cooperative, she can be proactive in her own development (181). This is important from a vulnerability and resilience standpoint as vulnerability stems from a lack of access to livelihood assets (Devereux, 2001:516). While risks and stresses will always surface in life, a diversified portfolio of

livelihood assets can help a person to manage those risks and shocks. In this way, they can make them more resilient to deal with them as they arise (Rakodi & Lloyd-Jones, 2002:10).

As a final note, this thesis does not, however, argue that because cooperatives have the potential to facilitate access to important livelihood assets for members that development practitioners should seek to rapidly develop cooperatives. Like any market-oriented business, the contextual environment has to be right in order for cooperatives to be effective. Cooperatives need to adhere to the guiding principles in their operation and have a market to serve. A proliferation of handicraft cooperatives without corresponding customer growth would likely flood the market and reduce or eliminate positive outcomes achieved from the livelihood strategy (Small, 2007:32).

Word Count:

15,016 (including in-text references; excluding footnotes)

15,082 (including in-text references and footnotes)

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APPENDIX

APPENDIX A: INTERVIEW GUIDE

Questions	Responses
Number of respondents (for focus groups):	
Demographic Information (for individual interviews): 1. What is your age? 2. Marital status? 3. Educational level? 4. Size of household? 5. Years in the cooperative?	1. 2. 3. 4. 5.
1. For what reasons did you join the cooperative and why do you stay involved? What are you hoping to achieve?	
2. In what ways has the cooperative met or not met those expectations?	
3. What are the key benefits of cooperative participation? (Probe on what specific aspects of the cooperative facilitate these benefits...financial, social, human, physical, environmental)	
4. Has being in a cooperative made life less stressful, reduced your risk, or made you feel more protected? If so, how (specifically)?	
5. Has being in the cooperative made you more self-reliant and equipped to cope with challenges that you face in your life? In what ways do you feel better prepared to anticipate problems, prepare for them, and overcome them?	
6. Are there any aspects of working in a cooperative that are difficult? If so, what?	
7. How are you or your community more adaptable to respond to new challenges as they arise? Do you feel like you are more prepared to act in new ways if something bad happens? If so, how?	
8. What impact do you think the cooperative is having in the community?	

APPENDIX B: INTERVIEWEE LIST

Interviewee In-Text Identifier	Cooperative Name	Type of Interview
Abasangiye #1	Abasangiye Cooperative	Personal interview
Abasangiye #2	Abasangiye Cooperative	Personal interview
Abasangiye #3	Abasangiye Cooperative	Personal interview
Abasangiye #4	Abasangiye Cooperative	Personal interview
Cocoki #1	Cocoki Cooperative	Personal interview
Cocoki #2	Cocoki Cooperative	Personal interview
Cocoki #3	Cocoki Cooperative	Personal interview
Cocoki #4	Cocoki Cooperative	Personal interview
Cocoki #5	Cocoki Cooperative	Personal interview
Cocoki #6	Cocoki Cooperative	Personal interview
Cocoki #7	Cocoki Cooperative	Personal interview
Cocoki #8	Cocoki Cooperative	Personal interview
Hope #1	Hope Cooperative (IKU)	Personal interview
Hope #2	Hope Cooperative (IKU)	Personal interview
Hope #4	Hope Cooperative (IKU)	Personal interview
Hosiana #1	Hosiana Cooperative (IKU)	Personal interview
Hosiana #2	Hosiana Cooperative (IKU)	Personal interview
Hosiana #3	Hosiana Cooperative (IKU)	Personal interview
Hosiana #4	Hosiana Cooperative (IKU)	Personal interview
Mpore Mama #1	Mpore Mama Cooperative (IKU)	Personal interview
Covanya	Covanya Cooperative	Focus group
Imirasari #1	Imirasari Cooperative	Focus group
Imirasari #2	Imirasari Cooperative	Focus group
Susuruka	Susuruka Cooperative	Focus group
Twiyubake	Twiyubake Cooperative	Focus group

APPENDIX C: LOCATION MAP OF PARTICIPATING COOPERATIVES

Each star represents the location of one of the nine participating cooperatives. Four were located in the urban area of Kigali City. Two were located in rural areas due East of Kigali City, while the remaining three were located in rural areas South of Kigali.



Map Source: www.vidiani.com. The author added the location stars.

APPENDIX D: OVERVIEW OF PARTICIPATING COOPERATIVES

Abasangiye Cooperative



Location: Kayonza

Number of Members: 25

Main Activity: Sewing

Brief Background: Abasangiye was formed with support from the non-governmental organization, Foundation Rwanda, and the Survivor Fund. The 25 members of Abasangiye faced significant trauma during the 1994 genocide. Each woman bore a child as a result of genocide rape and many are HIV+. Starting from nothing and without having access to banking, a space within which to work, equipment to start producing, or knowledge to draw upon, they have managed to successfully grow the cooperative. In recent years they have completed international orders for five large and important retailers in the United States. The cooperative is currently receiving training in business management and entrepreneurship, English literacy, and Kinyarwanda literacy from Indego Africa.

Cocoki Cooperative



Location: Kigali

Number of Members: 40

Main Activity: Sewing

Brief Background: Cocoki Cooperative is one of the most well connected cooperatives in Rwanda to the international market. In recent years, they have completed sewing and textile orders for a large number of important international retailers and have been featured for their work in international publications. Two members of Cocoki, hosted by Indego Africa, recently traveled to the United States to inform people about cooperative life and to generate awareness for their products. Cocoki is currently receiving trainings from Indego Africa in English literacy, computer literacy, and business management and entrepreneurship.

Covanya Cooperative



Location: Nyamata

Number of Members: 43

Main Activity: Weaving

Brief Background: Covanya Cooperative is comprised of 43 expert weavers in Nyamata, Rwanda. The women at Covanya make traditional Agaseke baskets, plateau baskets, and basket ornaments. In 2011, the cooperative split into two as a result of internal issues between members. The members remaining in the original Covanya Cooperative are working to increase their weaving skills to make up for the loss of certain skilled members. However, their products are still the best selling products among Indego Africa's customer base. Covanya is currently receiving training in computer literacy, Kinyarwanda literacy, and business management and entrepreneurship from Indego Africa.

Imirasari Cooperative



Location: Myange

Number of Members: 186

Main Activity: Weaving

Brief Background: Imirasari Cooperative was formed from artisans coming together from a number of nearby communities, including: Mbyo, Kagende, Gakamba, Kibenga, and Kibirizi. Because the Bugesera District is so dry, cultivation is difficult, so diversification of income was needed. The cooperative started formally operating in March 2007 when Millennium Villages approached them as a partner. Through this partnership the cooperative accessed training in weaving techniques. Since then, they have focused on imigwegwe dying and weaving of traditional handicrafts. Imirasari will begin English literacy training with Indego Africa in the coming months.

Ingenzi Knit Union



Location: Kigali and Bugesera

Number of Members: 127

Main Activity: Knitting

Brief Background: The Ingenzi Knit Union is comprised of four cooperatives located in and around Kigali: Hope, Hosiana, Mpore Mama, and Susuruka. The union was formed in Fall 2010 after receiving national registration. There are currently no other cooperative unions like it in Rwanda. The union focuses mainly on knitwear and in 2011 completed the largest knitwear order for export in Rwanda's history. The union has partnered with Rwanda Knits, an

international NGO that provided members with knitting machines and technical knowledge in knitting. The Ingenzi Knit Union will begin English trainings with Indego Africa in the coming months.

Twiyubake Cooperative



Location: Kayonza

Number of Members: 28

Main Activity: Weaving

Brief Background: Twiyubake Cooperative members share a difficult history given the 1994 genocide. Members in the cooperative include women who were left widowed by the genocide as well as women who have husbands incarcerated for genocide crimes. Members are expert weavers, working mainly with banana leaves to produce baskets and jewelry products. Twiyubake is currently receiving trainings in English literacy, Kinyarwanda literacy, and business management and entrepreneurship from Indego Africa.

APPENDIX E: INDEGO AFRICA ANNUAL SOCIAL IMPACT STUDY

Every year, Indego Africa collects data from the members of its cooperative partners related to changes in standards of living as a result of cooperative membership. In the social impact survey, a number of development indicators are measured, focusing on income changes, education investments, housing and food situations, quality of living, etc. The 34 questions on the survey seek to gather demographic information as well as attitudes related to these development indicators. Data has been collected annually between 2008 and 2011, allowing for cross-year comparisons. In 2008, two cooperatives participated in the social impact survey: Cocoki and Covanya. In 2010, Twiyubake was added to the survey. Finally, in 2011, the remaining six cooperatives participated. In the most recent survey in 2011, 186 women across all nine cooperatives participated. To review the 2011 Social Impact Report, go to www.indegoafrica.org.