

2 DECADES LATER, FARMERS' HOPES FOR THE REVIVAL OF THE COOPERATIVE BANK ARE STILL ALIVE

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Irony is when both the bride and the groom rely on each other to procure the wedding ring and, on the morning of the wedding, they wake up to the shock of their lifetime – neither actually acquired the ring. Such is the surprise that recently waylaid Ugandans that had been hopeful for the government revival of the Cooperative Bank. The Finance Minister, Matia Kasaija, told them that the government, too, had actually been waiting for the people's

own initiative to revive the bank. He said, "I am waiting for you to put in place whatever is necessary to revive the bank." This must have sent a worrying signal to all those who have been looking forward to a time when the media shall be awash with the news of the Cooperative Bank's resurrection. Promises of the bank's revival had been popularised by the state through some of its ministers. However, Kasaija's remark dashed the hope that had been instilled in

scores of Ugandans by Ms Amelia Kyambadde, the Minister of Trade, Industry and Cooperatives, in 2016. Recently, the minister had also decried Bank of Uganda's delay in releasing audit and liquidation reports about the closure of Uganda Cooperative Bank.

The setting of the sun, sometime in May 1999, coincided with the closure of the 35-year-old

Cooperative Bank. The bank that had come to be mainly associated with farmers came tumbling down under a Bank of Uganda decree. Both administrative and financial mishaps were at the centre of the closure. The move, however, curtailed the growing socio-political and economic autonomy that farmers had started to amass. The fair agricultural loans that had been easy to acquire became as hard to access as it was for a donkey to pass through the eye of a needle. The interest and repayment terms set by commercial banks became a thorn in the flesh of the cooperative union members, in view of their meagre resources. Since then, farmers and the other cooperative movement advocates have sought to rely on the government for both financial and technical support. The government, in a bid to provide support, has, however, often responded with firefighting approaches that only postpone a problem by reducing its urgency. Some programmes aimed at agricultural or commodity financing, for example, are unsustainable and unguaranteed.

Unfortunately, it seems, for the Uganda Cooperative Bank to be revived, the state has to first compensate claimants who lost their finances with the bank's closure. The compensation has to, however, rely on Bank of Uganda's report. Is the report ever going to come out? Is the government willing to compensate all claimants? The popular narrative that emerged in the aftermath of the closure was that the bank had become insolvent. The farmers who were the main stakeholders in the cooperatives, however, dispute this narrative. They claim that the state feared the threat which their financial independence was beginning to cause on the socio-political trajectory of

the country. If the latter assertion has any grain of truth, then the hope is there for the revival of the Uganda Cooperative Bank is just but a mirage.

Nonetheless, if the government has been waiting for the interested citizens to spearhead the revival of the Cooperative Bank, then the bank should have been operational like yesterday. The multiple cooperatives strewn across the country define the most recent developments in the different sectors of the society. With over 25,000 existing cooperatives, the revival of the Uganda Cooperative Bank would not only raise the living standards of the members but also improve the state of different sectors, such as housing, farming and trade.

The process of reinstating the Cooperative Bank seems underway but what is the best option to undertake? Should it be a reinforcement of the existing structures such as the Uganda Cooperative Alliance (UCA) and Uganda Central Cooperative Financial Services Limited (UCCFS) or should the reinstatement be an entire process of setting up new structures and operational modules? Whatever idea the government and the people agree on, a section of Ugandans will surely be the happiest – the Ugandan farmer. Embedded in the revival of the Cooperative Bank are dreams of extensive modernised agriculture, value addition and sustainable export trade. The revival of the bank would also be the dawn of a new era for the thousands of struggling cooperatives, many of which are financial.

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