

How to Increase Farmers' Resilience During a Crisis



A procession in Mombasa on July 2 to celebrate the 100th International Cooperative Day.
Picture by Wachira Mwangi | Nation Media Group



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Resilience has come into focus due to several large-scale events—from the economic crisis to Covid-19 and now climate change. These disrupt global-level systems and influence community-level responses. Do cooperatives improve members' resilience to sudden shocks?

During the agricultural depression in 1860s Germany, Friedrich Raiffeisen argued that, instead of emergency food aid to farmers and their families, give them credit through rural savings and credit cooperatives to support modernisation of agriculture and access to markets. The rural financial cooperative institution quickly gained traction in Europe.

And in urban centres, Frank Hermann Schulze-Delitzsch proposed giving credit to artisans and small-scale businesses (the equivalent of our SMEs) to help them cope with the rapid changes due to industrialisation. During the Great Depression of the 1930s, the American government provided critically needed farm credits through the Federal Credit Unions (similar to Kenya's saccos).

Widespread crisis

At times of widespread crisis, communities come up with novel ways to help them cope. At the centre of this new approach is social capital—the essential interpersonal interactions that enable individuals to build resilience-enhancing values. Cooperatives have deployed networks that yield this social capital. Raiffeisen and Schulze-Delitzsch also did.

Why are financial cooperatives the run-to facility during crises? They survive crises better than the competition, have better survival rates among start-ups and survive longer than other business models. They are driven by values, not profits, placing members at the centre of their operations. Members can negotiate what and how services are given.

Climate change

Secondly, the Co-operative Insurance Company of Kenya (CIC) could popularise and enhance livestock and crop insurance to shield farmers from the vagaries of climate change. In partnership with agricultural cooperatives, CIC could collect premiums from farmers and channel payouts to affected farmers.

The government must ride on the resilience provided by cooperatives by creating an enabling environment for them to thrive. The next team at the helm of the Cooperatives ministry should invest in the right and supportive ecosystem to facilitate the effective functioning of cooperatives, including cooperation among cooperatives, at the County level.

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