ROLE OF SACCOs ON FINANCIAL INCLUSION & SUPPORTING HEALTH CARE IN AFRICA

“ROLE OF CO-OPERATIVES IN SOCIAL DEVELOPMENT TOWARDS UNIVERSAL HEALTHCARE”

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Co-operatives are understood as user-owned, user-controlled and user-benefited organizations. According to ICA (2007),

A Co-operative is an autonomous association of people united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.
In Africa there has been the challenge of growing SACCOs as a strong tool to meet societal social & economic needs.

Studies have proved that “Co-operatives are well placed to bring about the equitable development and justice that is needed for life both socially, economically and otherwise.”
ACCOSCA
African Confederation of Cooperative Savings & Credit Associations
Association Des Cooperatives D'Epargne et de Credit D'Afrique

16 out of 26 fastest growing economies are in Africa

1.03 billion people

Largest & youngest workforce

122 million people will be added to the workforce by 2020

50% are under 20

40% live in cities

Fastest growing digital consumer market

600 million internet users in 2025

360 million smartphone users in 2025

31% of all Africans live within 25 km of internet connectivity

6-7% expected GDP growth in Sub-Saharan Africa by 2020

Exponential middle class growth expected

150 million in 2010

210 million in 2020

490 million in 2040

2-3% Expected GDP growth in South Africa by 2020

Fastest growing population

504 million workforce by 2020

54 countries

7/10 fastest growing economies by 2015

7% average GDP growth for the next 20 years

50 million active people on Facebook

70% of Africans are under 25

5 million graduates every year

More than 2,100 languages
BASIC MANDATE FOR SACCOS

✓ Mobilize savings/deposits,
  ✓ Provide diversified financial products & services including Health financing etc.
✓ Maximize returns savings to stakeholders
✓ Vehicle for Investments
✓ Partner for Wealth Creation
RATIONALE FOR FINANCIAL INCLUSION

The existence of a vibrant efficient and globally competitive financial system to drive savings and investments. Hence the need for increasing access to financial services.

The need to increase access to affordable financial services and products for a wider populations especially the poor, low-income households and micro-, small- and medium- scale enterprises (MSMEs) becomes a critical
WHY IS CO-OPERATIVE SUITABLE?

Support Inclusive Economy and prevent social exclusion.

1) **Inclusive economy** means creating more sustainable and inclusive societies that aim at including all members of society in the growth process itself instead of distributing wealth among them after periods of steep growth.

2) **Inclusive growth** is a concept that advances equitable opportunities for economic participants during economic growth with benefits incurred by every section of society.
HOW?

✓ There are institutional based Sacco's
✓ There are community based Sacco's
✓ There are Religious Based Sacco's
✓ There are Agricultural Based Sacco’s
✓ Mature SACCOs have a wider Branch Network
✓ Most SACCOs have embraced Technology/Fintechs such as mobile technology that wider accessibility to financial services
DEPOSITS/SAVINGS PRODUCTS

- Non-withdrawable savings
- Withdrawable Savings
- Holiday savings
- Christmas savings
- School fees savings-Junior/Children Savings
- Retirement savings
- Investments savings- Term savings/Fixed deposits
- Funeral savings-Benevolent savings
CREDIT SERVICES

✓ Development/ordinary loans
✓ School fees loans
✓ Emergency loans (includes Health loans)
✓ Salary Advance
✓ Instant loans
✓ Top Up loans
✓ Loan clearance/consolidation
✓ Deposit boosting etc.
✓ Mobile loans
OTHER MEMBER SERVICES

✓ Processing Salary through the SACCO
✓ Processing Pension through the SACCO
✓ Processing Dividends through the SACCO
✓ Processing Women funds through the SACCO
✓ Processing Youth Funds through the SACCO
PRODUCTS LARGLY MISSING?

- Long-term loans
- Housing/Home Loans (Think of affordable Housing)
- Commercial/Business loans
- Agricultural/Farming loans
- Car loans
- Specific loans for health services
FUTURE WINDOW FOR INNOVATION?

- SACCO Bond product
- Health products/Insurance services
- Affordable Housing/Mortgage
- Share Capital Redemption
- School saving clubs
- Life insurance cover
- Inter-Sacco borrowing
SOME OF THE SACCOS INTERVENTION TO UNIVERSAL HEALTH

✔ Through National Associations SACCOS can invest in the Health Insurance industry i.e In Kenya we have Co-operative Insurance Services promoted by Cooperative Alliance of Kenya & KUSCCO Mutual Insurance

✔ Provide affordable contributory insurance products that includes health insurance and otherwise and by economies of scale use the funds to negotiate for cheaper services

✔ SACCOS can also withhold % of disbursable dividends to provide health services to the membership
Through Medical camps-Do Health awareness/promotions to the membership i.e check ups for HIV, Blood pressure, diabetes preventing Lifestyle diseases, dieting, health lifestyles etc

Promoting sporting events as well as encourage their members to keep physically fit i.e Golf, Jogging, Marathons etc

Through Adoption of the Community Health centers/Hospitals and through CSR activities can help provide Medical facilities/medicines which are very expensive i.e Cancer screening Machines, medical scanners, Construction of medical centers etc
✓ Through making deliberate investments in Health industry through sponsoring Community Health facilities, promoting referral Hospitals for terminal diseases such as cancer etc
✓ Provide scholarships for Medical Trainings across board including; nursing, clinical, Doctors etc to increase the number of medical professionals in the health industry
KENYA POLICE SACCO CSR @CHILDREN WARD AT KENYATTA NATIONAL HOSPITAL

AFRICA CONFEDERATION OF COOPERATIVE SAVINGS AND CREDIT ASSOCIATIONS (ACCOSCA)
IMARIKA SACCO JIGGER CAMPAIGN
CHALLENGES

- Technology
- Interest rate fluctuations
- Un-supportive Legal frameworks
- Unfair Competition from other financial players
- Loan defaulting due to bad culture
- Poor saving culture as well as utilization of loans
- Members dishonesty in many respects
- Low patronage for society products and services
For Sustainability SACCO Industry:

1) Strengthen the National Associations
2) Mainstreaming Gender Issues
3) Generation Gaps
4) Innovation/ Efficiency
5) Building Financial Capacities
6) Enhance Governance framework
7) Policy-Rewrite our policies
8) Data Management framework
9) Focus on Increase Membership Growth
Thank You