

Artisanal Diamond Cooperatives in Sierra Leone: Success or Failure?

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INTRODUCTION

In 2005, USAID's Integrated Diamond Management Programme (IDMP) in Sierra Leone experimented with a diamond mining cooperative scheme in order to formalise and rationalise the artisanal sector, and increase local beneficiation. Two American businessmen invested \$55,000 and \$20,000 into the scheme and recovered only \$4,400 between them. Although the scheme was implemented for just one mining season, it was held up as a failure by the investors, USAID's programme evaluators, and development professionals at-large. This paper gives an overview of the scheme, assesses its failures and successes, provides lessons learned, and considers whether or not cooperatives should be considered for artisanal diamond production elsewhere.²

OVERVIEW OF THE COOPERATIVE MODEL

The International Cooperative Alliance defines 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." Cooperative values are "self-help, self-responsibility, democracy, equality, equity and solidarity," as well as "honesty, openness, social responsibility and caring for others."

Harms (2008) explains that as cooperatives are "participative self-help organisations ... members are also co-owners and have both the rights and obligations of participating in goal-setting, decision-making and control or evaluation processes of their cooperative." Members must act as "both users and owners in the development of cooperative organisations." Participation is required at three levels: firstly, in the provision of resources (inputs such as capital, labour, produce), in decision-making, and in receiving benefits. The IDMP cooperatives encountered problems in all these areas.

THE DIAMOND COOPERATIVES IN SIERRA LEONE

In Sierra Leone, artisanal diamond mining is traditionally done either by individuals who wash tailings ('overkicking'), or by landowner or tenant miners employing labourers, known locally as 'diggers', on a seasonal or occasional basis to mine and process virgin or previously worked deposits. The most common system of production is supported labour, where the diggers work in exchange for support (meals, accommodation, basic health care and other 'perks') with a share of the 'winnings' when diamonds are found. This share is calculated by the miner/supporter on the basis of his investments and the ability of the diggers to bargain; sometimes they receive no share of the winnings whatsoever. For the person who holds the mining licence and employs the workers, it is a business. The mine labourers and overkickers predominantly mine on a subsistence basis, happy to have their food and shelter, and hoping to get some additional income. Outside of this formal sphere, the 'gado' system prevails in which diggers form gangs who work together to share resources as well as profits. Working illegally, such groups operate as a kind of 'cooperative', generally receiving informal support, but having greater flexibility as to whom they sell their diamond. They are usually not very successful; diamond mining is rarely profitable without a number of parallel mining operations to spread risk and tally losses against profits (Levin & Gberie, 2006).

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² The paper is principally derived from research conducted between 2004 and 2008.

USAID's Integrated Diamond Management Programme

The Diamond Cooperatives Scheme was introduced as part of a USAID peacebuilding intervention, the Diamond Industry Policy and Management (DIPAM) Program, which later developed into the Integrated Diamond Management Program (IDMP). From September 1999 to December 2007, Management Systems International (MSI) was contracted by the U.S. Government and furnished with nearly \$6.5 million to manage the programme. The goal was to improve revenue to government and benefits to the community. The strategic objectives were to ensure “that Sierra Leone’s diamonds can never again be used to fund conflict” (MSI 2004a: 3) and to reduce the potential for diamonds to be used for money laundering and funding international crime and terrorism. The programme’s basic tenet was that illegal mining and smuggling could be controlled and prevented by ensuring “that local people benefit from legal mining and marketing so that they develop a commitment to a transparent, legal diamond industry.” Its activities focused on making the artisanal sector rational, governable and formal in order to deliver benefits to the diamond mining communities.

The IDMP acted as a Secretariat to a multistakeholder ‘Peace Diamond Alliance’ (PDA). The institutional boundaries between the PDA and the IDMP were unclear, as the IDMP used the PDA label for most of its USAID-funded activities, including the co-operatives, which created “the illusion of an actively functioning indigenous Peace Diamond Alliance” (Tutusaus et al. 2007: 18). In 2004 the PDA was registered as a legal entity so that it might receive and manage funding to administer development activities, including its cooperative credit scheme, which were its *raison d’être*. However, by 2007 the PDA was more or less defunct due to inactivity and ongoing confrontation amongst Executive Committee members, politicisation by local elites, and squabbling over financial transparency and management.

Rationale for diamond co-ops in Sierra Leone

The diamond cooperatives became the vehicle for attempting to achieve market-led change, diamond certification, legalisation, and miner empowerment by:

- Rationalising artisanal production (fewer, better-organised units; training for responsible mining, including efficient methods and technologies);
- Providing opportunities for youth, who are extremely important in maintaining peace and developing the country;
- Bypassing traditional middle-men ‘supporters’ (land-owners and dealers), who were believed to be responsible for ongoing smuggling and links to criminal and terrorist organisations;
- Empowering diamond diggers to become financially independent and be able to diversify their livelihoods by eradicating the traditional ‘exploitive’ supporter system;
- Condensing the supply chain to bring a greater portion of the international value of diamonds to the producer level;
- Demonstrating to the local banking sector that providing credit to diamond miners could make business sense; and
- Encouraging self-policing that would prevent theft, decrease smuggling, increase government revenue, and bring greater order to the sector.

The Peace Diamond Co-operatives Programme in Theory

A credit scheme for local mining cooperatives was first proposed as an alternative to the traditional supporter system at a consultation workshop in Koidu in September 2002.³ The cooperatives soon became the basic unit for the IDMP’s interventions at the level of production, and the programme developed into three schemes: a buying scheme, a financing scheme, and an earth-to-export scheme. The plan was to operate for two mining seasons with a view to the cooperatives becoming self-sustaining in that time. In addition, basic training modules were deemed necessary to help the cooperatives manage their business

³ See Levin & Gberie 2006 for overview of the supporter system.

affairs, to mine productively and responsibly, and to market their diamonds profitably. Training was given in diamond identification and classification, business management, how to be a co-operative, how to register shares, and how to divide profits equitably and fairly.

The Earth-to-Export scheme aimed to certify “peace diamonds”. The cooperative unit would make it easier to survey and monitor gravel extraction, washing, and transport, thus preventing “diamond leakage to the smuggling channels.” Condensing the supply chain would achieve higher prices for the miner and allow the diamonds’ origin to be certified. The scheme would work by mechanising and closely monitoring the washing of the gravel (the point at which theft usually happens). Any diamonds found would be bagged and sealed at the mine on the day they were discovered. The bag would be labelled with a digital photo of the contents and information on the mine, the gang and the miner responsible, and the carats and number of stones. The bags would be stored in a safe deposit box at the Rokel Bank in Koidu, before being sold through the buying scheme. The British NGO, Global Witness, would monitor the the overall scheme, and day-to-day monitoring would be done by the PDA, cooperative members themselves, and the Mines Monitoring Officers of the Ministry of Mineral Resources.

In the buying scheme, the cooperatives would sell directly to reputable international buyers, bypassing traditional ‘middle-men’ and enabling a larger portion of the international value to be paid at the producer level (fixed at 90% of the Antwerp price). This would also provide buyers with certified ‘peace diamonds’ that could be traced right back to the mine, perhaps fetching a premium on the international market.

The financing arrangement was originally based on a revolving loan fund (RLF), a type of microfinance for miners. USAID had set aside \$522,000 for this purpose. Each loan was supposed to be an operational overdraft, provided on the basis of a business plan and a Memorandum of Understanding (MoU) between the PDA-MSI management team (on behalf of the creditor/buyers) and the cooperative. All loan transactions were to take place through the cooperatives’ bank account at the local Rokel Bank. International buyers would travel to Sierra Leone on a fortnightly basis to purchase the cooperatives’ certified production in an auction. In this model, the miners would be both *employees* and *owners* of the production unit (the cooperative) and its production, conferring different rights and responsibilities on them. It would require them to manage their own finances and enable them to market their diamonds to whomever they pleased.

Each cooperative was to have between 50 and 70 people, predominantly youth, with a “broad-based” membership, a few prominent community stakeholders such as chiefs, and at least two experienced miners. An executive committee of ten people, including a Chairperson, vice-chairperson, secretary, secretary’s assistant, and treasurer, would handle administration and management of the committee.

The Peace Diamond Co-operatives Programme in Practice

As USAID was to finance the revolving loan fund, an environmental assessment (EA) was necessary. It took fourteen months for the EA to be organised, tendered and conducted, by which time, in February 2005, the designated mining season (usually December to July) was already under way. The EA concluded that the credit scheme would be unworkable, and so USAID abandoned the revolving loan fund (Fischer & Keili, 2005).

In October 2004, aware of the delay in the EA, and concerned that delaying the cooperatives by a year would lead to a loss of momentum and disillusionment, MSI sought private finance for the cooperatives. Two American investors, Joe James of Kono’s Hope and Martin Rapaport, invested in the diamond co-operatives. The finances were to be managed by MSI-SL and eventually the PDA. MSI was to disburse the investors’ funds according to a schedule set out in the business plan, and the investors would commit to purchasing the ‘run-of-mine’ from each cooperative. This meant that the miners would *not* be

free to sell to whomever they wished and that they would not be in charge of managing their finances, key aspects of a true cooperative.

The miners were supposed to receive some degree of ‘support’ (food and basic health care) along with a daily wage of between 2,000 and 4,000 leones (about \$1 or \$2 at the time). Some also received overtime bonuses. Workers could be paid daily or weekly, as they wished. In some cases, however, the workers actually did *not* get paid at all, as cooperative leaders diverted funds for other uses.

Once a diamond was recovered, 50% of its value at point of export -- as calculated by the government valuator -- would remain with the cooperatives. After the diamonds had been sold at tender, the investor could keep 10% of the price as commission, as well as costs and his original loan, before paying the remainder to the cooperatives. Any profits were to be attributed according to the members’ shares, calculated according to their monthly financial contributions and initial payments.

The cooperatives had to abide by the PDA’s Code of Conduct, which set out the stakeholders’ expectations for responsible artisanal diamond mining. They were due to be given training in responsible and productive mining techniques, but this training was not possible until the second year of operations because of delays in the environmental assessment. An Operational Procedures and Agreement Plan for the implementation of the loan scheme set out the roles, responsibilities and rights of the investors, MSI, the PDA/MSI partnership, and the cooperatives. The investor was to finance, transport, and market the diamonds; MSI was to develop standard selection criteria, provide training and technical support to the cooperatives, and coordinate and monitor the project; the MSI/PDA team was to do the financial management, assist in procurement, provide security and technical assistance, monitor occupational health and safety, conduct audits, and report to the investor; and the cooperatives were to meet a long list of operational and financial obligations covering discipline, reporting and legal compliance. Nothing was stipulated in terms of how the cooperatives should be structured internally in terms of financial management, decision-making, electing an executive committee and administration.

Because, or despite all of this, by May 2005, there remained a lack of understanding amongst members as to how the IDM system was to work, how a cooperative should function, what members had committed to, and what they were entitled to in relation to salaries, shares, and loan repayments (Global Witness 2006).

Thirty-five cooperatives registered with the PDA in Kono. Only five qualified for investment, as the remainder had not met the established criteria.⁴ Though some began mining in January, 2005, the cooperatives did not receive funding until March 2005. Washing began in July and by August, only one cooperative was still washing.⁵ Total recovery was 320 stones weighing 60.37 carats, with a total value of \$4,391.44 (MSI, 2007). Diamond quality was poor, averaging \$72.74/carat against a national average of more than \$200.

SUCCESSSES AND FAILURES OF THE CO-OPERATIVE SCHEME

The MSI 2007 report lists a number of positive socio-economic impacts brought about by the scheme. These include access to employment; income generation for women providing support services; access to proper medical care; improved social status and sense of dignity amongst member miners; and increased household income enabling members to attend to their children’s education, rehabilitate and construct houses, and purchase consumables such as furniture (MSI, 2007). These benefits to the members

⁴ The criteria for selection were vague and open to interpretation, and in some cases selection was biased in favour of friends and family of local staff. (IDMP, undated; Cooperative chairperson, January 2006; MMR official, December 2006.)

⁵ Details of the scheme can be found in Global Witness, 2006.

must be understood in relation to the investor's losses and extremely low returns which prevented the scheme from being repeated the following year.

Perhaps the biggest success was that some cooperatives had begun to sustain themselves -- primarily from their farming activities -- without donor and investor funding. As of late 2007, some had maintained their mining licences and continued to meet regularly. Their activities included the building of a school, a revolving loan scheme based on income from petty trading, rice and plantain agriculture; HIV sensitisation, a volleyball court and project proposals to promote the economic status of women through training in literacy, hairdressing, catering and cloth dying.

Despite these successes, however, fundamentally the scheme was judged to have failed as not one cooperative found enough diamonds to pay back their loans or turn a profit, and one cooperative, Danaya, produced no diamonds whatsoever. One IDMP employee described the cooperatives as a "financial disaster". The scheme increased tensions in some communities, as youth members complained of exploitation and bullying by executive committee members, and some diggers did not get paid for their labour. The investors pulled out and USAID did not allow the scheme to run for another season. The main issues contributing to the scheme's apparent failure are presented here:

Design

- **WRONG ASSUMPTIONS:** the size and scale of the artisanal diamond mining industry, the assumption that diggers and miners were predominantly young men, and the belief that the miners and diggers were in a state of "debt bondage" to supporters. The project did not understand diggers' dependence on their patrons or the level of trust between them.
- **WRONG PREMISE:** that supporters are the problem and should be eradicated. In 2004, some diggers expressed an unwillingness to participate in the cooperatives because they were reluctant to abandon or jeopardise their relationships with dealers/supporters. In addition to everything else, patrons provide social security in the form of occasional but very important financial or political assistance in times of trouble. Trying to eradicate the supporter system without substantial changes in the dynamics of the social and political economy of a diamond digger's world was therefore naïve and probably futile.
- **JUST ANOTHER SUPPORT SCHEME?** The withdrawal of USAID funds meant that the financing scheme was actually very similar to the supporter system. The major difference was that the investment was conditional upon the mining being done in accordance with the PDA's code of conduct and the supporters were American. The greatest similarity was the obligation to re-pay the investor with diamonds rather than money. This meant that the cooperatives were obliged to sell to one person rather than to whomever they pleased. This affected trust and created confusion. The direct financing scheme only transferred the miners' obligations from a supporter they knew to one they did not. Additionally, it did not require the miners to share the risks and rewards of the mining operations, as the ownership of production effectively sat with the investor. Its intended emancipatory potential was therefore limited.
- **COMPLEXITY.** The scheme was too complex, with so many policies and procedures that some were ignored. Employees said that it would have made more sense to base the scheme on existing structures and institutions, e.g. by incorporating *osusu* systems of weekly savings.
- **INFLEXIBLE FINANCIAL MANAGEMENT** meant that the cooperatives could not use funds to respond to challenges as they arose. Giving them 'freer hands' would have been more empowering, assuming that corruption could have been controlled.
- **WRONG PLACE?** A former IDMP manager believes that the cooperatives might have been more successful in Tongo Field where the land ownership system is different, where the PDA had secured access to 10 acres of virgin land, and where the coalition had demonstrated results in environmental reclamation and reducing child labour.

- **INADEQUATE FINANCE.** The cooperative budgets, designed for artisanal activities without any mechanization, were unrealistically low,⁶ without contingency lines. Labour costs increased where the gravel was deeper and more voluminous than anticipated, meaning that stripping, extraction, and washing took much longer than planned.
- **INAPPROPRIATE SELECTION CRITERIA and GUIDELINES.** The requirement that cooperatives have at least 50 members made little sense. The criterion that “reported cases of dissent within the group should be minimal, if any,” worked against a cooperative spirit by suppressing debate. The criterion “all co-ops must be in existence for a considerable length of time” was not applied in all cases. The selection criteria were, in fact, developed unilaterally by the first Project Coordinator and although cooperatives had copies, they did not have the capacity to interpret or change them.

Implementation

- **UNVIABLE LAND.** The cooperatives claimed that they were not allocated economically viable lands. The quality of the land was not a factor in pilot selection and there was no money in the budget for prospecting. Without money for mechanization, co-operatives had to look for lands that were easy to mine. Chiefs decided which land the cooperatives would mine, and some chiefs gave better land to people who offered them a better rate of return.⁷ A complicating factor may have been competition from numerous well-capitalised exploration companies which were seeking land in Kono by 2005.
- **LACK OF MINING EXPERTISE.** Though each cooperative was supposed to include an experienced mine manager, no geologists or mining engineers were employed by the IDMP or PDA to guide implementation.
- **CORRUPTION** of some government officials, IDMP/PDA officials and cooperative members led to manipulation of the scheme and misdirection of funds. It was alleged that the selection process was manipulated. The co-ops believed that no one would ask them to repay any money if diamonds were not found. One investor supported two small-scale mining enterprises alongside the cooperative in Peyima. The chief managed all three organisations, which “opened the door for corruption” as funds were diverted from the cooperative to the private mine. There were two sit-down strikes as members complained that they were not paid their due and were being paid late. Some members were forced to accept food instead of the wages originally promised. All of this, no doubt, encouraged theft.
- **INADEQUATE MONITORING.** The government Mines Monitoring Officers did not monitor the cooperatives because they were not paid to do so, and there was no concrete arrangement for them to prioritise the project. The burden for overseeing and managing the scheme consequently fell on the PDA, whose officials were not veteran miners and who struggled with a monitoring system that was seen by many as too complex. The integrity of PDA monitors may have been compromised as they did not have contracts. Because they were not rotated between mines, some may have developed too-close relationships with some cooperative members.
- **POOR INFORMATION FLOW** between the cooperatives and the PDA/IDMP compromised trust and meant that issues were not dealt with quickly. IDMP monitors were the main channel of information to co-op members, but they had very little knowledge of the IDMP generally and the cooperatives scheme in particular. Other IDMP staff members were too busy to ensure information got to the cooperatives. Silence within the co-ops enabled executive members to divert funds or resources.

⁶ The District Mines Engineer claimed that miners need upwards of \$35,000 to mine an acre successfully, December 2006.

⁷ USAID country program coordinator, December 2006.

External Factors

- **DELAY IN CONTRACTING** for the EA and training in responsible mining, the evaluation of the overall programme, and USAID's short-term extensions of the IDMP Cooperative Agreement (6 or 9 months at a time) obstructed effective programme implementation, damaged staff morale, and made it hard to plan properly. The importance of this as a factor in the cooperatives' seeming failure cannot be overemphasised.
- **WITHDRAWAL OF FUNDING** by USAID for the revolving loan fund meant that alternative financing arrangements had to be found quickly. This seriously undermined the viability of the programme and its chance of success.
- **LATE START, EARLY RAINS, DEEP GRAVEL.** The cooperatives were funded three months into the traditional 6-8 month mining season. They had already begun mining and had accrued debts in anticipation of receiving the funds. The rains also began earlier than anticipated. Consequently some cooperatives had to hire pumps, which increased costs.
- **SHORT-TERMISM.** The scheme was originally supposed to run for two seasons, by which time the co-operatives should have *started* to sustain themselves. It was simply impossible for the scheme to achieve its objectives in that time-frame. It would have been extremely useful to have taken the lessons from the first season and adjust plans accordingly for the second, even if there had been one.

Internal Factors:

- **A COOPERATIVE OR A TRADITIONAL MINING ORGANISATION?** The cooperatives were not run democratically, the executive members were selected according to social status not merit, cooperative leaders involved their family members to increase their personal benefits, information was not transmitted from the executive committee to ordinary members, and relations between members were not equal or fair with youth members complaining of bullying and exploitation by committee members. The mode of production was very similar to traditional systems of organising diamond and agricultural production, with gangs of younger workers managed by older, more powerful community members.
- **MEMBERS' EXPECTATIONS WERE TOO HIGH.** At a focus group meeting in November 2007, one year after the mining season, twelve representatives from the cooperatives voiced their members' original expectations. Many were reasonable, but some were completely unrealistic. Inadequate preparation and changes in financing the revolving loan fund may have been partly responsible.
- **BENEFICIARY MENTALITY:** The cooperative scheme was supposed to help members move from dependence to independence. Instead, the overall effort became little more than a classic aid project. The cooperatives continually sought external assistance, rather than driving the process themselves. Members were unable or unwilling to take responsibility for their own role in making the cooperatives a success or failure. And "the cooperatives treated the funds provided as a gift," rather than investing them in ways that would ensure longer term sustainability.
- **WEAK CAPACITIES AND UNDERSTANDING.** Some cooperatives found it extremely difficult to prepare their own budgets without help from PDA/IDMP, which did not bode well for good financial management. Some were unable to accurately record information on the diamonds found. Co-op members did not understand the basics about cooperatives, how loans would be repaid, and how winnings would be shared. There was also confusion as to who should receive what benefits, such as health care.
- **THEFT.** It is common for diggers to 'steal' diamonds from their supporter, even when there is a strong personal relationship. In the case of the cooperatives, where trust, a sense of duty and future potential did not exist (or did not have the time to develop), and where some workers were not paid, theft was likely.

- **POVERTY?** Many members were either unwilling or unable to contribute their own funds to the cooperative, meaning that there was no shared sense of ownership.
- **SIZE AND MEMBERSHIP.** It is not clear why the co-operatives had to have so many members, but certainly some were free riders, offering nothing in terms of mining, support services, or administration. This diluted potential beneficiation away from the hard-working miners.

CONCLUSION

The PDA cooperative scheme has received an enormous amount of attention from organisations and companies interested in the concept of ‘ethical’ diamonds and jewellery. A pioneer amongst these, it was the first to attempt to structurally change how artisanal diamond mining is carried out.

Its principal failings were that the cooperatives found very few diamonds, made very little money, and suffered from corruption. The principal reasons had to do with inadequate socio-cultural preparation, design and implementation difficulties, inadequate prospecting and exploration, donor delays, and removal of support for the revolving loan fund by the donor.

At the end of the first season, however, the cooperatives were keen to continue, and even up until the author’s last visit in July 2007, they were seeking investment partners for their mining. The project was not such a huge failure in their eyes. In the donor’s eyes, the project was stopped because it had failed. It might be said, however, that the project failed because it was stopped. Ending the project was a judgement call. The project may well have been terminally flawed. However had the weaknesses been well enough understood and corrected over a second and third mining season, there might have been more success.

The PDA experience does not demonstrate that the cooperative model is a failure. Cooperatives may yet prove to be appropriate for artisanal diamond mining, but they must be introduced with due attention to ownership and the potential for mismanagement, and both members and managers must have the capacity to perform their roles and responsibilities adequately. Artisanal mining is often a highly individualistic activity and the miners must clearly see the benefits of working cooperatively rather than as hired or supported labour. Projects must have a realistic time frame of five years or so, to allow for sufficient training, prospecting, mining, trouble-shooting, and evaluation. It is vital that implementing agencies recognise the long-term commitment required to achieve harmonious, productive cooperatives and robust monitoring systems.

Key recommendations for organisations seeking to do operate a cooperative scheme include the following:

- Make the scheme as simple as possible, preferably based on the formalisation of existing practices. If an external model is used, extensive consultation is required as well as negotiation and adaptation to local realities. Guidance should be sought from organisations such as the International Cooperative Alliance or Fair Trade Organisations with experience in cooperative development and implementation.
- The need for capacity-building in the cooperatives, the monitors and the trainers cannot be overstated. The cooperatives especially need training in issues of democratic organisation, responsibility, accountability, entitlements and management.
- Ensure proper guidelines and procedures are in place *and are understood* within each cooperative and the scheme-at-large.
- Empower cooperative members to manage their own affairs and finances; ensure that clear accountabilities are in place; ensure that members have a real stake in their own success.
- Provide adequate, timely financing and a contingency budget.
- Be prepared to mechanise production if the deposit requires it, and to mechanise washing if it will minimise theft.

- Mine land that has known reserves. Prospect scientifically.
- Provide technical assistance and training in productive and responsible mining techniques. ARM (2007) and Hinton *et al.* (2007) are informative.
- Ensure a robust monitoring system. (Refer to the IDMP's monitoring framework for lessons learned (MSI, 2006a; Global Witness, 2006).) Monitor the monitoring system.
- Manage expectations by communicating, listening, and re-communicating.
- Ensure information is getting right down to the ground. Monitor information flow as well as mining activities.
- Encourage and enable the pursuit of supplementary and alternative livelihoods to help with the sustainability of the cooperative when prices fall or diamonds are not found.
- Ask key questions: Who owns, decides, and controls? Are the members compatible? Are members' objectives compatible with those of the programme managers? How can differences in expectations be reconciled? How will ownership by members be ensured? How will the beneficiary mentality and external dependency be prevented? How can powerful people's interests be prevented from undermining the cooperatives' functionality?

Given the circumstances in which the PDA cooperatives were attempted, it is perhaps not surprising that the project was unsuccessful. As the late Tamba Sandi noted at the third and last meeting of the PDA in 2005, it is no use "sending a man into a boxing ring with both hands tied behind his back" (Sandi, 2005). Outsiders, whether donors, government or commercial enterprises, must introduce new initiatives responsibly, learning from what has gone before, taking care not to persuade people living under difficult and fragile circumstances to join ill-planned efforts that may damage their livelihoods. In that sense the PDA has much to offer.

For more information on the key to successful cooperatives, see <http://www.dgrvsa.co.za/>, <http://www.ica.co-op/>, Birchall (2003), www.yebocoop.co.za, and www.ilo.org.

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