



## “When the Center Can no Longer Hold”: Crisis and Schism in the Cameroon Cooperative Credit Union League (CamCCUL), 2006-2020

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**Abstract:** *The split in the Cameroon Cooperative Credit Union League (CamCCUL) in 2013 partly suggest a collapse in the strands of federating principles on which the credit union management bond was spun. The official mission of CamCCUL was to promote the interest of member credit unions in all aspects of management. The scheme and eventual modification of the bylaws in 2013 received opposing reactions. It was read by some conservatives as a calculated machination to pursue individual objectives at the detriment of the sublime communal interests that characterized the credit union spirit. It is in this context that this paper examines the bases and implications of the crisis that rocked the managerial component of CamCCUL. The paper, employing a qualitative historical analysis developing from primary and secondary data argues that the desire to modify the internal rules of CamCCUL was situated within the dynamics of adjusting to changes in time and circumstances. However, this lofty intention was stifled by personal and a stiff-centered megalomaniac influence by the incumbent management to stay in power at a time when power substitution was largely heralded. This tension in vision created a gulf between the members and managerial class of the credit unions, the outcome of which was the fragmentation of CamCCUL into new competing credit union federating structures.*

**Key Words:** *Credit Union, Crisis, CamCCUL, Schism.*

### 1. INTRODUCTORY BACKGROUND

The credit union idea was developed in Cameroon in 1963 by a Catholic priest in Njinikom, of the present day North West Region of Cameroon. The main motivation of the credit union was to enable the local people to pull their financial resources together, grant micro loans and economically empower themselves to cope with socio-economic exigencies. This idea that budded in Njinikom quickly spread to other communities in the Bamenda Grassfields in particular and Cameroon in general. The credit union idea first got adherents among communities in the North West and South West Provinces. By 1968 thirty four credit unions converged efforts to create the West Cameroon Credit Union League (WCCUL) which was transformed to the Cameroon Cooperative Credit Union League (CamCCUL) in 1973.<sup>1</sup>

From 1968 to 1991 the credit union movement was governed by the Southern Cameroons Cooperative Societies Law of 1955 which instituted a three years term of office with latitude for renewal for elected officials.<sup>2</sup> The Cooperative Law of 1973 for its part required the board members to be elected

<sup>1</sup> Anthony Ndi, *Mill Hill Missionaries in Southern West Cameroon* (Nairobi: Paulines Publications, 2005),97; Denis Chi Kedzi, “Cooperative Credit Unionism in the North West and South West Regions of Cameroon, 1963 to 2003: A Study in Grassroots Capital Mobilization and Management” (Masters Dissertation, University of Buea,2009),49; Walter Gam Nkwi, *Kfaang and Its Technologies Towards a Social History of Mobility in Kom, Cameroon, 1928-1998* (Leiden: African Studies Centre,2011),112; Fondo,SikodandMendjoBaye,“MicrofinanceAccessandPovertyReductioninCameroon”, *LaMicrofinanceenAfriqueCentral:LeDefidesExclus*(Bamenda:LangaaRPCIG 2015),7; Donald Tifor, “Credit Unions in the Economic Development of Mezam Division” (Masters Dissertation, University of Bamenda,2018),52.

<sup>2</sup> See Article 23 of Regulations made under the Southern Cameroons Cooperative Societies Regulations of 1957, 7

for a mandate of two years renewable.<sup>3</sup> This law was replaced in 1992 by the Cooperative Law No 92/006 of 14 August 1992 to regulate the activities of Cooperatives and Common Initiative Groups (CIGs) in Cameroon. The main feature of this law as far as the context of the crisis is concerned was that it clearly outlined the duration of mandates of elected officials. With the clarity of these laws, the credit union movement in Cameroon witnessed significant growth. By 2006, CamCCUL had 191 affiliates, 209,050 membership, and savings of 42,912 billion FCFA.<sup>4</sup>

With this noticeable growth, the incumbent Board of Directors (BOD) displayed moves that abused the regulatory norms established to pilot the affairs of the union. With this move, the objective set in Njinikom was shelved and the result was the emergence of opposing camps within CamCCUL. The conservatives called for the respect of the state regulatory norms meanwhile the revolutionists believed there was need for a modification of the bylaws. These positions exposed the disunity and mistrust that was rife within the managerial class of the umbrella structure federating the credit unions. It is in this context that this study examines the basis of the crisis that plagued CamCCUL between 2006 and 2013 and appreciates the dimension to which the absence of managerial consensus culminated in the disintegration of CamCCUL. The first section examines the roots of the crisis, while the second part analyses the measures introduced to salvage the crisis. Finally the paper discusses the consequences of the cleavage in CamCCUL especially in the long existing resolve to maintain a common managerial amalgam for credit union operations in Cameroon.

## **2. ROOTS OF CRISIS IN CAMCCUL**

The underpinnings of the credit union crisis within the lone umbrella organ that regrouped credit unions surfaced on December 17, 2006 when an Extra Ordinary General Assembly was convened in Bamenda by CamCCUL board to amend the bylaws of the Union. The amendments specifically had to touch on the mandates for elected officials in the umbrella organ and its affiliates. Until then, the statutes of CamCCUL and the bylaws of the credit unions were in harmony with the Cooperative Law number 92/006 of August 14, 1992 relating to Cooperatives and Common Initiative Groups. The law in its article 23(2) states that:

The board members of a co-operative society or union of cooperative societies shall be elected by the general meeting for a three year term of office, and may not serve more than 2 (two) consecutive terms. They shall, however, be re-eligible three years after the expiry of their second term.<sup>5</sup>

It was thus evident that elections into various managerial organs of CamCCUL and the credit unions were well defined according to the aforementioned law. In December 2006, the Board of CamCCUL contemplated changing the duration of the management organs and its affiliated credit unions from 3 years renewable twice to five(5) years renewable once. The Board of CamCCUL in view of formalising and getting a fiat from the supervisory bodies notably the Ministry of Agriculture, Ministry of Finance and the Central African Banking Commission (COBAC). These bodies made it clear that the statutes of mandates of elected officials into credit union organs was a provision of the law which could be modified only by the parliament and could not be modified by the board of the umbrella organ. This implied the Cooperative Law was enacted by the legislative and could only be revised by the parliament through proposals from the concerned ministry.<sup>6</sup>

Irrespective of these objections from the supervisory ministries to the management of CamCCUL, the BODs modified the bylaws of the body with the trickle-down effect expected in credit unions who were affiliated to CamCCUL. This mandate modification was approved during the Extraordinary General Assembly meeting which held on December 17, 2006. The term of mandate for elected

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<sup>3</sup>See Article 35 (1) of Decree No 74/875 of October 29, 1974 to Establish Conditions for the Application of Law Number Law No 73/1 of 1973 on Rules and Regulations Governing Cooperatives in United Republic of Cameroon.

<sup>4</sup> CamCCUL Annual Reports for 2006.

<sup>5</sup> Article 23(2) of Law No 92/006 of 14 August 1992 Relating to Co-operative Societies and Common Initiative Groups

<sup>6</sup> Emmanuel Tatang , aged 65, Former General Manager CamCCUL, interview with Donald Tifor, Ntarinkon, June 5, 2021; Nestor Ngwa, “Credit Unions Destined for Collapse”, *The Economist Newspaper*, October 8, 2012,3.

officials under the bylaws passed from three years renewable once as per the Cooperative Law of 1992 to five(5) years renewable once.<sup>7</sup>

This move was at the foundation of tensions within the Board as the decision to revise the mandate was not welcomed by all the board members on grounds that it was a violation of Article 23(2) of the Cooperative Law of 1992 cited supra given that this law had not been repealed by another law prescribing mandate increase for elected officials of the Board. The grievances of the complainants was so pronounced because the main credit union that championed this move was the biggest credit union in the CamCCUL network in terms of membership, share savings and loans- AziCCUL.<sup>8</sup>

The contravention of the Cooperative Law of 1992 by CamCCUL Board in December 2006 was seen as a ploy to enjoy personal gains on the back of the credit union members who were not consulted by their Board members prior to this modification. This went against the much talked about policy of democratic control in credit unions. This somehow exposed the capitalist thought pattern that characterized the mind frame of some board members of CamCCUL. This shift in principles gradually eroded the spirit of communality that had existed among the credit unions since 1963.<sup>9</sup> Following the adoption of the modification of the bylaws by the most of the board members, there was need to transit to the implementation phase. This move, given, the absence of unanimity encountered challenges that finally led to schism in the managerial component of the credit union. The decision to apply the resolutions of the extraordinary meeting of 2006 did not augur well as some key members of the body requested that the Board should review its position on the state and direction of modifications on the statutory management clauses of the major union(CamCCUL).<sup>10</sup>

The call to review the position of the management structure to neutralize self-centered or clique interests resided on various aspects of suspicious feelings of unorthodox managerial practices within CamCCUL, Mochiggle observed that members of the Board of CamCCUL enriched themselves with the resources of the network by instituting differential loan policies. While the statutes of the umbrella organ did not allow individuals to obtain loans, the board adopted two loan policies on April 3, 2009 to give loans to CamCCUL Board and committee members at an interest rate of 5.5%. This permitted Board members to obtain loans of up to 50 million FCFA. This move was questioned by some of the members who quickly pointed out the need to for a loan policy to be crafted that unequivocally and fairly meets the interests of all the members.<sup>11</sup>

Moshiggle maintain further that Credit Union loans were usually given for a period not exceeding four years and the risk management scheme did not insure loans above 2.5 million FCFA which meant Credit Unions ought to be cautious when giving out loans above this amount. This was contrary to the loan policy which granted Board members possibility to get loans of up to 50 million FCFA from the umbrella organ. He concluded that this move created a gulf within the Board of the Credit Union and sowed the seeds of the crisis that eventually led to a schism in CamCCUL in 2013.<sup>12</sup>

### **3. IMMEDIATE CAUSE OF THE CRISIS**

The question over the adoption of the Organization for the Harmonization of Business Laws in Africa(OHADA) Law on cooperatives by the Board of CamCCUL could be singled out as the kernel that sparked the split in CamCCUL. The advent of this law provided an avenue for disagreements between proponents of the law and board members who stood against the law. The CamCCUL Board

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<sup>7</sup>Ibid.

<sup>8</sup> It was revealed in an interview that during research that the shares paid by AziCCUL to CamCCUL by 2006 stood at 4 billion FCFA which was the highest in the network,

<sup>9</sup> Nestor Ngwa, “Credit Unions Destined for Collapse”, *The Economist Newspaper*, October 8, 2012,3.

<sup>10</sup>This was the case with Emmanuel Tatang who served as General Manager of the institution by the time these events were unfolding. He argued that this move was seen as a step by the board to perpetuate mischief on the network and credit unions adding that that the board did not have the common man at heart and privileged personal gains to the detriment of the credit union philosophy which emphasized on communality and togetherness.

<sup>11</sup>Mochiggle Vanigansen, “Credit Union News: Information Presentation on the Cameroon Cooperative Credit Union League (CamCCUL Ltd)”, *The Frontier Telegraph*, No. 089 July ,16-30, 2012, 5.

<sup>12</sup> Ibid.

saw the OHADA Law as a pedestal to legitimize itself by extending its stay at the helm of the Credit Union management body.

As far as the issue of mandates in elective offices was concerned, the OHADA law on cooperatives in its Articles 294 (1) and 295 prescribed that: “directors (board members) shall be elected by the general organizational meeting. During the life of the cooperative, directors shall be elected by the ordinary general meeting”<sup>13</sup>. Article 295 stated that: “the articles (of association) shall provide for the election of directors (board members) and their term in office.”<sup>14</sup> It was based on the foregoing article that the incumbent board members of CamCCUL tailored the narrative to suit their aspirations. As a matter of fact this law gave them a leeway to modify the bylaws to their advantage. A keen observation of article 295 of the OHADA Uniform Act on Cooperatives reveals that it gave the board members the laxity to decide on their mandates at the helm of credit unions and CamCCUL. They sought to make profit from the nuance in the interpretation of the law and extended their tenure at the helm of CamCCUL.<sup>15</sup> Some actors of the credit union argued that the spirit without broad consultations to implement the provisions of the OHADA Law induced tension within CamCCUL.<sup>16</sup>

This leverage was rejected by dissenting voices within the Board and members of the CamCCUL General Assembly. The president of the Azire Cooperative Credit Union Limited (AziCCUL) who was a Board member and the kingpin of the dissident faction argued that it was a platform for some presidents to seek re-election and benefit from mandate extension. She was quoted as saying: “we are in illegality as the trend towards the manipulation of texts is continuing, especially as the new pretext was the implantation of the OHADA Uniform Act on cooperative societies.”<sup>17</sup> She was reacting to the modification of the bylaws by some Board members of CamCCUL. The board chair of AziCCUL was supported by the board chair of Kimbo Police Cooperative Credit Union Limited (KiPCCUL), Muye Johnson who: “affirmed that the current crisis at CamCCUL was initiated under the aegis of its chairman because of his vaulting ambitions to stay definitely in elective positions under the pretext of respecting the OHADA uniform Act.”<sup>18</sup> However the incumbent President of CamCCUL Musa Shey Nfor dismissed these critics by arguing that:

an international law (OHADA Uniform Act on CIGs and cooperative societies) supersedes the national law (1992 law on common initiative groups and cooperative societies) when there is contention ... We simply applied the law.<sup>19</sup>

This argument by the president of CamCCUL appeared tenable from the face value but disparagers were quick to rebuff this argument contravening that changing the mandate of elected officials based on a regional law was contrary to a national law under which CamCCUL was recognized. They added that the cooperative law of 1992 had not been repealed by the National Assembly. In view of this position, the decriers denounced the move towards accommodating the OHADA Text as malicious acts by the CamCCUL Board members to usurp power and opportunities.<sup>20</sup>

In December 2011, the Board of CamCCUL convened a General Assembly of all its affiliated credit unions in Buea with the main aim of modifying the mandates of elected officials in the credit unions from five(5) years renewable once to three (3) years renewable twice. This proposal was objected by

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<sup>13</sup> See Article 294 of OHADA Uniform Act for Cooperatives .

<sup>14</sup> See Article 295 of OHADA Uniform Act for Cooperatives.

<sup>15</sup> Neba Asongwe, aged 42, Internal Auditor, BafCCUL, interview with Donald Tifor, Small Mankon, May 5, 2021.

<sup>16</sup> Idem.

<sup>17</sup> Judith Bih Anye, Board Chair of AziCCUL and board member CamCCUL cited in “CamCCUL, Cameroon’s biggest network of microfinance institutions splits”, <https://www.businessincameroon.com/microfinance/1106-4113-camccul-cameroon-s-biggest-network-of-microfinance-institutions-splits>.

<sup>18</sup> Maurice Akanji, “CamCCUL Crisis Deepens”, *The Timescape Journal*, October 5, 2012, 4.

<sup>19</sup> Musa Shey Nfor cited in “CamCCUL, Cameroon’s biggest network of microfinance institutions splits”, <https://www.businessincameroon.com/microfinance/1106-4113-camccul-cameroon-s-biggest-network-of-microfinance-institutions-splits>; Takor and Tifor, “The Paradigmatic Shift of Credit Union Mission in Bamenda, Cameroon, 1968-2013”, *The International Journal Of Humanities & Social Studies* , Vol 6 Issue 8, August, 2018, 5.

<sup>20</sup> Tatang Emanuel, (interview).

some members of the General Assembly.<sup>21</sup> The members who opposed this move argued that Article 295 of the Uniform Act did not render article 23(2) of the Cooperative Law inapplicable.<sup>22</sup> Some media men were of the opinion that this faction initiated the crisis as a stepping stone to achieve their personal dreams.<sup>23</sup> Consequently, there was a stalemate as members of the sit tight and dissident factions threw accusations and counter accusations at each other.

#### **4. ATTEMPTS TO RESOLVE THE CRISIS**

Faced with this preoccupying situation especially after the modification of the bylaws for a second time in less than a decade by the CamCCUL Board in an Extraordinary General Assembly in Buea in December 2011, cracks intensified within the credit union movements in Cameroon due to the diverse interpretation of the OHADA law on cooperatives. It was against this backdrop that the Ministry of Finance which supervised the activities of the credit unions in Cameroon initiated some attempts to resolve the crisis in CamCCUL.

On July 3, 2012 the Minister of Finance Alamine Ousamane Mey issued a letter to the president of CamCCUL in his position as the monetary and supervisory authority instructing the board chair to implement certain dispositions in view of ending the crisis. The instructions of the letter required the Board of CamCCUL to maintain the suspension of the elective general assemblies and maintain the pre-2011 mandates (5 years renewable once) before the Buea extraordinary meeting until the end of the transitional period.<sup>24</sup>

The missive from the Minister of Finance also called on CamCCUL to initiate a process for the revision of the bylaws of the credit unions. The credit unions were requested to each declare their positions on the essential clauses. This included the duration of mandate and number of mandates of elected officials into various credit union organs and the conditions for eligibility of the presidents of the credit unions. From the directives, elective positions of the credit unions had to be made public during extraordinary general assembly meetings of the various credit unions. The elections were to be supervised by local administrative authorities, representatives of the Ministries of Finance and Agriculture. The reports of the elections supervisory team were to be prepared in five copies and forwarded the aforementioned state Departments.<sup>25</sup>

The note from the Minister of Finance also required that CamCCUL should convene an Extraordinary Assembly meeting of all its members during which the various positions of the stakeholders will be shared. The dominant proposals emanating from the exchanges were to automatically become the official position of CamCCUL and inserted in the bylaws of the League. The Minister emphasized that the positions of credit unions would be considered prior to the adoption of the bylaws.<sup>26</sup> The Minister prescribed that within two weeks of the adoption of the majority position, copies of the bylaws had to be forwarded to the supervisory authorities for approval. Summarily, the letter was an attempt by the Ministry of Finance to bring sanity to the credit union movement in Cameroon. It was thus evident from the ministerial instructions that the incumbent Board of CamCCUL at the basis of the crisis that rocked the league were given the blank cheque to steer the implementation of these measures. From this observation, it was a foregone conclusion that they could work in their disfavor as the minister technically gave the board the leeway to modify the bylaws and mandate to suit their aspirations.<sup>27</sup>

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<sup>21</sup> Elvis McCarthy Akumbom, aged 39, Journalist, interview by Donald Tifor, Mile 2 Nkwen, November 23, 2021.

<sup>22</sup> The Median, “Break-up of CamCCUL :Gov’t acknowledges RECCU-Cam, fears for future of CamCCUL”, <http://themedianpaper-yde.blogspot.com/2014/10/break-up-of-camccul.html>.

<sup>23</sup> Cassian Ndi Fai, in a news article was of the opinion that the faction led by the president of AziCCUL desperately wanted to take the helm of CamCCUL.

<sup>24</sup> Martin Fon Yembe, “CamCCUL Crisis, Finance Minister Steps in”, *The Frontier Telegraph*, No 089 July ,16-30 ,2012, 4.

<sup>25</sup> Ibid.

<sup>26</sup> Emmanuel Tatang, (Interview).

<sup>27</sup> Neba Asongwe, (interview).

The memorandum from the minister in an attempt to resolve the crisis situation seemed like palliative measure to resolve the crisis but it instead raised a lot of questions than it answered on issues relating to the respect of laws within the microfinance environment. Critics of this ministerial demarche to resolve the crisis were quick to point out that the minister was wrong to instruct the board chair of CamCCUL to initiate the process for the revision of the bylaws considering that the 1992 Cooperative Law had not been repealed and also considering that Article 2 of the Uniform Act on Cooperatives which stated that:

Notwithstanding the provisions of this Uniform Act, cooperatives which carry out the business of a bank or conduct financial activities shall remain subject to the provisions of domestic or community law relating to the exercise of such activities.<sup>28</sup>

They also argued that based on the instructions of the minister, the implications meant that the CamCCUL Board was technically granted the edge to make their laws and apply them irrespective of anterior or laws voted by legislative. The note equally seemed to negotiate a safe passage for the incumbent board to scale the law to suit their aspirations.<sup>29</sup>

This was further proof that the credit unions were gradually drifting from its mission of providing access to credit and loans for the low income earners. This was evident in the leadership tussle evidenced by the desperation displayed by the incumbent board to modify the bylaws and mandates to extend their stay at the helm of the Board and credit unions. Consequently, personal gains were prioritized to the detriment of collective membership.<sup>30</sup>

In reaction to the aforementioned prescriptions, the members of the KiPCCUL in an Extraordinary General Assembly to deliberate on the issues raised by the ministerial letter and to follow the prescriptions of the letter on Saturday October 3, 2012 voted 349 for an elective mandate of three (3) years renewable once (in compliance with the 1992 cooperative law) for all elected officials within the Credit Union. Meanwhile two (2) votes were registered for 5years renewable once. The members also overwhelmingly voted by 343 out of 347 against the eligibility of elected officials with existing mandates to bring all existing mandates to zero which permitted them to stand for elections in various credit union organs. The credit union members voted from proposals including five(5) years renewable once, three(3) years renewable twice and three(3) years renewable once. The deliberations were supervised by the administration, representatives from the Ministries of Agriculture and Finance as well as CamCCUL.<sup>31</sup>The decision by the General Assembly of KiPCCUL already signaled the intent of the credit union to disaffiliate if need be.

Consultations continued to the meso level as credit union delegates and stakeholders conflated together to have a common position. Credit Union delegates validated the harmonisation process on December 29, 2012. Representatives of the Ministers of Finance, Agriculture, Territorial Administration and Decentralization and that of Justice were present when majority of delegates approved the harmonization process.<sup>32</sup> Concerning the issue of mandate for elected officials, members were to vote by choosing: five years renewable once, three years renewable twice, four years renewable twice or three years renewable once.<sup>33</sup>One hundred and fifty-nine (159) credit unions voted for three (3) years renewable twice which represented 80.7 per cent of total votes (197) and 38 voted for three years renewable once representing 19.3 per cent.<sup>34</sup> On the conditions of eligibility of elected officials, members had to vote on "Do You Bring all the Existing Mandates to Zero and

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<sup>28</sup> See OHADA Uniform Act on Cooperatives Article 2.

<sup>29</sup> Neba Asongwe, (interview).

<sup>30</sup> Idem.

<sup>31</sup> Maurice Akanji, “Disaffiliations from CamCCUL Announced”, *The Timescape Journal*, Vol 2. October 15, 2012, 3.

<sup>32</sup> Martin Fon Yembe, “CamCCUL Crisis, Finance Minister Steps in”, *The Frontier Telegraph*, No 089 July ,16-30 ,2012, 4.

<sup>33</sup> Cassian Fai Ndi, “CamCCUL, Credit Unions Crisis: Mafia Infiltration Feared as Intrigues Intensify,”, *The Eye Newspaper*, February 26, 2012, <https://cameroonlatest.blogspot.com/2012/02/camccul-credit-unions-crisis-mafia.html>.

<sup>34</sup> Nfor Adamu, “Credit Unions Deny Breaking Away”, *The Guardian Post Newspaper*, January 17, 2013,2.

carryout Fresh Elections? Members had to vote by "Yes" or "No". 171 credit unions voted “Yes” representing 86.8%, while 26 voted for “No” making up 13.2% of the total votes.<sup>35</sup>

It should be noted that some credit unions voted against the mandate proposals of the Extraordinary General Assembly but still remained within the CamCCUL and refused to withdraw from the network. These unions included Bayelle, Victoria Customs, Tatum, Shisong, Batibo and Tiko Progressive Credit Unions. These credit unions opted to maintain the adherence to the 1992 cooperative law but following the one union-one vote principle they were overwhelmingly put in the minority but decided to remain within CamCCUL.<sup>36</sup>

From the foregoing, it was evident that majority of General Assembly members voted for the harmonization process and majority won. It was approved that a mandate of three (3) years renewable twice and all existing mandates should come to zero (0). This gave the opportunity for the incumbent board of CamCCUL, to seek re-elections unperturbed. These decisions by the Extraordinary General Assembly took effect from January 1, 2013.<sup>37</sup>

The representative of MINFI, Patrice Lumumba stressed that as the supervisory authority, MINFI intervened in the controversy rocking CamCCUL to guarantee financial balance and equally to ensure that rules are respected to check any crisis that could crumble the giant network. The decision by a majority of the General Assembly to adopt the aforementioned statutes modifying the mandates to three years renewable twice led to the disaffiliation of some credit unions from the CamCCUL network.<sup>38</sup>

In the midst of the turmoil in CamCCUL with the epilogue being the adoption of statutes by the Extraordinary General Assembly of December 29, 2012 some credit unions that had contemplated leaving CamCCUL umbrella organ finally left in the wake of what they termed “undemocratic” practices by the Board and some affiliates that chose to remain in power. In frustration, some cooperative Credit Unions led by, the pioneer credit union in Bamenda, AziCCUL, initiated a breakaway movement from the CamCCUL. This was on the grounds that the CamCCUL was operating in the interest of a handful of members that desired to amass wealth.<sup>39</sup>

The Extraordinary Assembly of AziCCUL was convened on March 2, 2013 and members present voted for the motion of disaffiliation from CamCCUL for 2444 votes for and eleven (11) voted against disaffiliation. The Board of AziCCUL endorsed the decision to disaffiliate from CamCCUL on April 12, 2013. Similarly, KiPCCUL followed suit in reference note number KIPCCUL/79/43 of March 28, 2013 following the decision of the Extraordinary Assembly of March 23, 2013 instructing the board to disaffiliate the Credit Union from CamCCUL. A similar disaffiliation note; BCCU/20/22/04/2013 was sent by the board members of the Bafut Cooperative Credit Union to the Board of CamCCUL to disclose the position of the credit union vis a vis CamCCUL. This decision endorsed the Resolutions of the General Assembly of March 2, 2013. As Concerns Santa Central Cooperative Credit Union, it indicated its decision to disaffiliate from CamCCUL on January 29, 2013, the Board endorsed the decision of the Extraordinary Assembly meeting to disaffiliate from CamCCUL on July 14, 2013, Reference note number, SaCCCUL/036/2013 was addressed to the Board of CamCCUL notifying the disaffiliation of the credit union.<sup>40</sup> These credit unions after disaffiliation founded the Renaissance Cooperative Credit Unions in Cameroon Limited (RECCUCAM). RECCUCAM was officially recognized by the Registrar of Cooperative Societies

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<sup>35</sup> Minutes of the Extraordinary General Assembly Meeting of December 29, 2012.

<sup>36</sup> John Mbah Akuroh, “CamCCUL Breaks Up Finally”, *The Timescape Journal*, Vol 30, No 044, January 14, 2013, 3.

<sup>37</sup> Cassia Fai Ndi, “Disaffiliation from CamCCUL: What Guarantee for the Poor or Money at Risk” *The Eye Newspaper*, <https://cameroonlatest.blogspot.com/2013/06/disaffiliation-from-camccul-what.html> posted on Wednesday, June 19, 2013.

<sup>38</sup> Aminatèh Nkemngu, “CamCCUL Splits; Another Credit Union League is Born”, *The Sun Newspaper*, June 10, 2013.

<sup>39</sup> Nixon Takor and Donald Tifor, “The Paradigmatic Shift of Credit Union Mission in Bamenda, Cameroon, 1968-2013”, *The International Journal of Humanities & Social Studies*, Vol 6 Issue 8, August, 2018, 5.

<sup>40</sup> Emmanuel Tatang's Private Archives.

and Common Initiative Groups on May 29, 2013 with Registration Number, NW/ UCOOPCA/ 036/ 13/ 008.<sup>41</sup>

It is germane to note that NtaCCUL which was a member of the CamCCUL network in an Extraordinary General Assembly Meeting which held on June 30, 2013 at the Bamenda Congress Hall, voted to disaffiliate from CamCCUL.<sup>42</sup> The credit union opted to isolate itself, taking into cognizance Article 12 of the Regulation No of 01/02/CEMAC/UMAC/COBAC of April 13, 2002. This article stated that: “Category One microfinance institutions (credit unions) shall exercise their activities either on an independent basis or with a network.”<sup>43</sup>

Hence, the credit union carried out its activities independently between 2013 and 2019. During this period, the credit union witnessed significant growth in membership, shares, savings and loans. However, following the introduction of new microfinance norms by COBAC in 2017, NtaCCUL, BafCCUL, Ayembe Investments and Credit Cooperative Society (AICCO), Springfield Savings and Credit Society and *Societe Cooperative Sacrec* converged efforts and founded RainbowCredit Unions Cameroon on February 12, 2019.<sup>44</sup> This was imperative given that Article 27 of the 2017 microfinance law stated that: “microfinance institutions shall operate either independently for category two and three institutions or within a network for category one institutions”.<sup>45</sup> From this precedence, it can be observed that the possibility of a credit union to operate independently was annulled by the COBAC law of 2017. Rainbow Credit Unions Cameroon effectively commenced its activities in May 2020. In the light of the foregoing, it is evident that the main fallout from the CamCCUL imbroglio was the creation of two rival credit union apex organs tasked with coordinating credit unions in Cameroon-RECCUCAM (2013) and Rainbow Credit Unions Cameroon (2020).

## **5. CONSEQUENCES OF THE CRISIS**

The crisis within CamCCUL led to a series of judicial litigations between CamCCUL and some media professionals (journalists) which resulted in defamatory cases and court fines at the law courts in Bamenda between 2013 and 2014. Richard Jato observed that in the context of the schism within CamCCUL, some media professionals were unprofessional in their reporting of events surrounding the crisis situation. It was common from newspaper articles and titles that some journalist supported the incumbent Board of CamCCUL while others supported the decamped faction.<sup>46</sup> It was observed that cases of defamation were initiated by the CamCCUL Board against some media men whom they accused of publishing unverified information to the public which damaged the reputation of the umbrella body.

This was the case with Nicodemus Amungwa, Editor of *The Monitor* Newspaper<sup>47</sup> reported on what he termed “Lawless plots of the League President, Musa Shey Nfor and others fashioned against democratic rules to remain at the helm of the League”. The newspaper also reported on the usage of unlicensed software which CamCCUL sold to members (credit union) at the cost of 1,000,000FCFA each.<sup>48</sup> With these allegations, the author was accused of siding with RECUCAM to rundown CamCCUL and was summoned to the Court of First Instance in Bamenda.

The author of the aforementioned article was remanded in custody and sentenced on March 10, 2014 to four months in jail by the Court of First Instance and was ordered to pay the sum of 10,000,000FCFA in damages. In addition to the foregoing, *The Monitor Newspaper* was suspended

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<sup>41</sup> Maurice Akanji, “CamCCUL Breaks up Finally”, *The Timescape Journal*, January 14, 2013, 2.

<sup>42</sup> Maurice Takuhli, “Ade Muma Divine is the new General Manager NtaCCUL”, *The Creditor Magazine* 7<sup>th</sup> Edition, 7.

<sup>43</sup> Regulation No. 01/02/CEMAC/UMAC/COBAC of April 13, 2002 Relating to the Exercise of Microfinance Activity within Central African States.

<sup>44</sup> Annual Report for Rainbow Credit Unions Cameroon for 2020.

<sup>45</sup> CEMAC Regulation /UMAC/COBAC of September 27, 2017 on the Conditions for the Conduct and Control of Microfinance Activity in CEMAC.

<sup>46</sup> Richard Jato, Aged 42, Journalist, interview by Donald Tifor, Mile 2-Nkwen Bamenda, July 15, 2021.

<sup>47</sup> The Monitor was a bi-monthly newspaper with registration No 90/RDD/J06/BASC.

<sup>48</sup> Nicodemus Amungwa, “Counterfeit Scandal Hits Camccul”, *The Monitor* No. 08. November 24, 2013, 2; Elma Timchia, “CamCCUL Ordained my 266 Days in Illegal Imprisonment”, *The Monitor* No. 15. March 25, 2015, 6.



for three months. This decision was contained in judgment number, CFIBA/17/C/PP/2013 of March 10, 2014.<sup>49</sup> With the end of his jail term approaching and failure to pay the damages incurred in the judicial litigation, Judgment number, CFIBA/24CRM/2014 converted the incurred damages to a prison term of two and a half year term. This decision was however annulled on appeal on September 16, 2014 by the Advocate General on behalf of the State Counsel and Nicodemus Amungwa regained freedom.<sup>50</sup>

In a similar judicial imbroglio between journalists and the CamCCUL Board, two journalists Aminateh Nkemngu and Tarhyang Enowbika of The Sun Newspaper were found guilty of defamation by the Bamenda Court of First Instance and ordered to pay the sum of 850,000 FCFA each or serve 18 month jail term. The Sun Newspaper on its part was ordered to pay 5,000,000 FCFA as civil damages. This decision was contained in Judgment number, CFIBA/09C/PP/2014 of Monday June 15, 2015. This was a result of publication of press reports by the journalist and The Sun Newspaper. One of such articles was captioned “CamCCUL splits, new credit union league is born” in The Sun No, 0206 of Monday June 13, 2013 and “CamCCUL’s collapse scares MINFI” in No, 0287 of same newspaper of Monday, October 27, 2014.<sup>51</sup> These judicial litigations, some press men argued, went against press freedom and the CamCCUL Board was accused by some media men of being scared of the truth being exposed. In some instances, some civil society organizations saw the detention of some journalist within the context of the crisis as arbitrary. This was the case of the Committee to Protect Journalists (CPJ) that repeatedly called for the release of Nicodemus Amungwa .

The crisis within the League resulted to split within the CamCCUL as was observed from the foregoing analysis. The crisis revealed different shades of opinion on how the credit union had to be managed. The conservatives held that the bylaws and the Cooperative Law of 1992 on the mandate of elected officials be respected ending modification by the legislature. The revolutionaries (incumbent Board) on their part in the context of evolving economic environment initiated changes and based their argument on the OHADA Law on Cooperatives to extend their tenure at the helm of CamCCUL. With these contrasting positions and failure by the supervisory bodies to find common ground between the two camps resulted to a split within the umbrella body. The result was the creation of RECCUCAM in 2013 and Rainbow Credit Unions in 2020.<sup>52</sup> These two bodies were created by two of the biggest credit unions within the CamCCUL network AziCCUL and NtaCCUL respectively. It is obvious that the power tussle for the control of financial resources of the common man was the ulterior motive. The creation of these umbrella organs did not only see disaffiliations from CamCCUL, but other credit unions were created and joined these umbrella organs.

## **6. CONCLUSION**

Emerging from the background of social mobilization and mutualization of financial resources”, the credit union league soon became a giant network of financial transactions with visible capitalist overtones and managerial vested interests. As the league grew and expanded in volume of operations, intervening circumstances seemed to have removed its primary motive of offering a platform to pool resources together to help members from the realm of priority in equality and fairness. Most engrossingly among these circumstances was personal greed of management which implanted selfish tendencies, vitiating into a crisis of over bearing propitiations resulting in disaffection and disaffiliation within the ranks of the league. The paper draws from this perspective to submit that the crisis within CamCCUL had deep rooted causes, multivariate manifesting phases and far reaching consequences top of which was the schismatic reactions that saw the birth of parallel credit union leagues like RECCUCAM and Rainbow.

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<sup>51</sup> Nestor Njodzefe, “CamCCUL Saga”, *The Median*, July 13, 2015, 2; Jato Richard, (interview).

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