Youth Cooperatives as Infrastructures of Hope and Catalysts for Harnessing Demographic Potential in Northern Mozambique[1]

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Abstract
Mozambique's youth bulge poses urgent challenges for economic inclusion and state–society trust. This mixed-methods study (quantitative data + qualitative fieldwork across Nampula, Cabo Delgado, Niassa, with comparison to Gaza) examines how youth cooperatives convert demographic potential into economic, social and institutional gains. Findings show cooperatives act as "infrastructures of hope": they raise members' incomes, improve market access, strengthen social solidarity and create structured interfaces with local authorities that rebuild administrative legitimacy. Impacts are stronger in fragile northern contexts; persistent constraints include financial sustainability, uneven institutional uptake and vulnerability to shocks. Policy priorities include performance-linked seed finance, procurement pre-qualification and simple monitoring dashboards.

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1. Introduction

Mozambique, like many developing countries, is experiencing rapid population growth (UN-HABITAT, 2024)[4]. Census data have exhibited the same trend for four decades: the population is expanding, and the youth cohort is growing even faster. This is a structural phenomenon. The country faces an unprecedented demographic transition (UNFPA, 2023).

Youth have become the most visible face of Mozambican society. Defined here as those aged 15–35, they number roughly 10.4 million people (INE, 2019), about one third of the total population. Each year approximately 450,000 young people enter the labour market, yet only some 25,000 secure formal employment (World Bank, 2022). The gap is profound, leaving many exposed to unemployment, precarious work and frustration—with visible social consequences.

As the youth cohort expands, so do demands for education, health, housing and participation in decision-making (CDD, 2025)[5]. Yet the core problem remains employment—not merely jobs, but economic empowerment. This is a defining policy debate of the twenty-first century. African governments attempt to respond, but they do so at a structural disadvantage: weak economies, pervasive corruption, slow reform processes and constrained public finances make the race unequal (Janský et al., 2023).

While policy efforts proceed—often slowly and ineffectively—frustrations accumulate. Many young people confront a double bind: the early onset of adult responsibilities on the one hand, and on the other a fragile, distant and ineffective state unable to meet basic needs. The result is social discontent that, in contexts of extreme poverty, can fuel violent exit strategies. Cabo Delgado is the most dramatic example: youth without prospects have been mobilised into violent extremist projects (Cambrão & Julião, 2023).

A common diagnosis pins responsibility primarily on the state—and indeed the absence of effective state action is central to the problem. Yet the reality is more complex. Even with greater resources, the state alone could not absorb the expanding youth cohort through public employment: expanding the public sector entails high fiscal costs and additional risks. The private sector appears, in theory, as an alternative, but in Mozambique it remains small, highly state-dependent and insufficiently diversified to generate employment at the scale required by demographic growth.

It is within this void that the debate on entrepreneurship gains traction. Over recent decades policy emphasis has favoured financing individual youth initiatives: small capital

[4] https://unhabitat.org/sites/default/files/2023/07/mocambique_resumo_nacional_pt.pdf
[5] [5]https://cddmoz.org/wp-content/uploads/2025/02/Os-Desafios-da-Juventude-num-Contexto-de-Crise-e-Polarizacao-em-Mocambique.pdf

injections with the expectation that each entrepreneur would build their future independently. Experience has exposed the fragility of this model. Many ventures emerged in isolation, lacked sustained support, and proved unsustainable. In unequal economies with weak structures, this individualistic approach has often replicated the vulnerabilities it sought to overcome.

Here, youth cooperatives emerge as a concrete alternative. Cooperatives are not merely economic entities; they are networks of solidarity that bring young people together around shared objectives. They constitute risk-sharing mechanisms and collective learning spaces where experiences are exchanged and joint solutions developed. In regions where the state is absent and the private sector weak, cooperatives become genuine infrastructures of hope—capable of generating income, strengthening communities and opening pathways to a more dignified and inclusive future.

In northern Mozambique—where youth exclusion intersects with historical inequalities and institutional fragility—cooperatives offer an alternative trajectory. They become vehicles of social cohesion, platforms for economic citizenship, and strategies to rebuild trust and legitimacy. Youth organised in cooperatives cease to be mere beneficiaries; they become political and economic actors who create value, produce collective solutions and renegotiate their relationship with the state—not only as claimants but as active partners in the co-production of public goods.

This study takes that reality as its point of departure, centring analysis on youth exclusion and the crisis of administrative legitimacy in provinces such as Nampula, Cabo Delgado and Niassa, contrasted with dynamics observed in the South (notably Gaza). The principal aim is to understand how youth cooperatives can function as structured responses to young people's needs and aspirations while simultaneously serving as bridges of trust and cooperation between state and society.

The research addresses two core questions: To what extent do cooperatives respond to the concrete demands of youth? And how can they contribute to rebuilding trust in contexts of institutional fragility?

To answer these questions, the study employs a mixed-methods design, combining quantitative analysis of official demographic and socio-economic data with qualitative inquiry based on semi-structured interviews, focus groups and policy document review. This methodological approach captures both structural trends and the lived experiences of young people, offering an integrated and contextually grounded account of the role of cooperatives in economic inclusion and social development.

The contribution of this work is twofold. Empirically, it documents lived experiences and real-world projects, highlighting stories of young people who seek to reinvent their futures through collective practice. Conceptually, it proposes youth cooperatives as infrastructures of hope—capable of articulating economic inclusion, social cohesion and civic participation within a country undergoing a profound demographic transition.

2. Literature Review — Youth Cooperatives and Development

The debate on cooperativism and its role in socio-economic development is longstanding (ILO, 2021). Its origins trace back to the Industrial Revolution, when rapid transformations of production profoundly altered urban and rural life. Capital concentration, the rise of factories and wage-labour generated prosperity for some but also engendered inequality, exploitation and social exclusion. In that context, early workers', artisans' and community associations emerged as collective responses to problems of survival and dignity.

Cooperativism therefore developed both as practice and as a normative project: more than an organisational form, it constituted a corrective to growing economic concentration. By privileging cooperation over predatory competition, cooperatives became sites of social resistance and the construction of alternatives. As Polanyi (1944) argued, self-regulating markets tend to disembed social life; in this sense cooperatives offered a counterweight grounded in solidarity and fair sharing of gains.

Classical cooperative principles rest on three pillars: democratic member participation, equitable distribution of surpluses, and mutual protection against economic and social risk. These principles produced a transposable philosophy adaptable to diverse societies. Early commentators (e.g., Beatrice Potter, 1891) described cooperatives as "social laboratories" where economic democracy was practised in everyday life.

Initially a response to industrial injustices, cooperativism gradually consolidated as a community-development strategy. Its effects went beyond income redistribution among members to include social transformation, worker empowerment and community strengthening. From their inception, cooperatives were framed as emancipatory practices that returned some control over production, marketing and consumption to local populations.

Over time cooperativism's relevance to development policy became widely acknowledged. Economists and sociologists began to view cooperatives not only as remedies to labour exploitation but also as instruments of sustainable development rooted in ethical and social values. This perspective aligns with Sen's capability approach (1999), which frames development as the expansion of human freedoms—an idea congruent with cooperative principles that promote autonomy, participation and dignity.

European cooperative traditions informed global adaptations, including in Africa, where the movement assumed context-specific forms. Contemporary scholarship situates cooperatives within debates on social capital (Putnam, 1993), the solidarity economy (Laville, 2001) and sustainable development. Cooperatives are increasingly recognised as mechanisms that integrate economic, social and political objectives.

In Mozambique, the history of cooperativism is intertwined with the country's broader socio-economic trajectory. Although often presented in modern terms, cooperative forms have colonial antecedents. Under Portuguese rule, cooperatives were sometimes instruments of economic control: colonial authorities encouraged or imposed cooperative structures to organise production of strategic crops (cotton, cashew, copra), primarily to secure reliable supplies, tax collection and producer oversight (Isaacman & Isaacman, 1983). These colonial experiments left institutional and cultural legacies—introducing collective organisation even where autonomy was limited.

After independence in 1975, and under FRELIMO's leadership, cooperativism assumed a central place in a socialist and revolutionary project aimed at reorganising the economy and shaping the "new man" — solidaristic, disciplined and committed to the collective. Inspired by international socialist models, public policies promoted agricultural production and consumer cooperatives to integrate smallholders into value chains, increase productivity and reduce inequalities (Hanlon, 1984). However, local resistance, civil war and economic crises constrained these efforts.

The liberal turn of the 1990s introduced new challenges. Structural adjustment policies shifted discourse from socialism to market-oriented frameworks. Cooperativism did not disappear but was reframed as a tool for economic inclusion and market-failure mitigation: facilitating credit access, input supply and local market formation. World Bank and IFAD studies in the 1990s–2000s highlighted cooperatives' potential for rural development and poverty reduction, with microfinance and community associations bolstering collective entrepreneurship.

In the twenty-first century cooperativism has diversified beyond agriculture into services, education, renewable energy, digital communications and community platforms. Youth and women's cooperatives have gained prominence as mechanisms of social inclusion and gender equality. Recent studies (Flink et al., 2018; IFAD, 2015) emphasise cooperatives' role in strengthening human capital, empowerment and solidarity networks, aligning with sustainable development objectives that combine economic growth, social justice and environmental stewardship.

Contemporary scholarship foregrounds youth as central actors. Facing a global youth employment crisis, millions confront unemployment, underemployment or informal livelihoods. In this context, cooperatives appear as a credible alternative capable of generating opportunities, promoting inclusion and offering a fairer future. The ILO identifies structural barriers in the school-to-work transition—skills mismatches, lack of experience and deficits in decent work—that cooperatives can partially mitigate by offering not only jobs but also voice, belonging and active participation.

Historical analyses of Mozambique indicate that cooperatives have functioned as instruments of citizenship, solidarity and social capital formation. This interpretation converges with contemporary literature on human capital and inclusion, arguing that youth empowerment requires democratic, collective structures that situate individuals within community frameworks.

Empirically and conceptually, cooperatives combine universal values—democracy, equity and solidarity—with concrete responses to local problems: credit access, capacity-building, market networks and collective employment. International experiences reinforce this potential: in Panama, cooperative entrepreneurship programmes enabled unemployed youth to create collective startups; in Morocco, "coopératives des lauréats" translated academic training into sustainable businesses. In Mozambique and elsewhere in Africa, cooperativism thus emerges as a transitional vehicle: young people without opportunities become organised entrepreneurs with dignity and security, collectively constructing their future.

Theorising the link between cooperativism and development can draw on multiple intellectual traditions. Modernisation theory frames cooperatives as vehicles integrating traditional communities into market economies; institutional economics emphasises transaction-cost reduction and trust-building; social-capital theory (Putnam, 1993) highlights network creation and shared norms; and the solidarity-economy school foregrounds welfare, equity and sustainability. Together these perspectives illuminate how cooperativism in Mozambique has been variously reinterpreted—at times as a revolutio

2.1. Cooperatives and Development: Key Concepts

The concept of the cooperative is intrinsically linked to development. The International Labour Organization (ILO, 2002) defines a cooperative as an autonomous association of persons who voluntarily unite to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. Core principles include democratic participation, solidarity, shared management and social responsibility.

Development, in turn, can be understood as a process of improving living conditions, expanding economic opportunities and strengthening individual and collective autonomy (Sen, 1999). The sustainable development approach adds environmental, political and social dimensions, emphasising that economic progress must go hand in hand with resource preservation and social justice (WCED, 1987). When cooperativism and development are articulated together, it becomes clear that collective organisation is not solely an economic instrument but also a social mechanism capable of generating human capital, reinforcing mutual trust and enhancing community resilience.

Social capital — a central concept advanced by Putnam (1993) — reinforces this linkage. Cooperatives function as structured networks that foster norms of reciprocity, solidarity and trust, thereby increasing members' capacity for collective action and access to scarce resources. Complementarily, empowerment theory (Friedmann, 1992) shows that cooperatives strengthen communities' ability to influence economic and political decisions, promoting autonomy, participation and self-efficacy.

2.2. Contemporary Debates on Cooperativism and Development

Contemporary literature on cooperativism and development clusters around three principal dimensions: economic effectiveness, social impact and institutional sustainability.

Economic effectiveness. Well-structured cooperatives can raise productivity, improve market access and increase financial returns for members (Bolton, 2017; Verhofstadt & Maertens, 2014). Persistent internal challenges remain, however — limited managerial capacity, concentration of power and unequal access to benefits — especially in rural and gendered contexts. Current debate emphasises the need for training, technical assistance and incentive policies to strengthen governance capacity and promote internal equity.

Social impact. Cooperatives contribute to social inclusion, gender equality and the strengthening of social capital. Women and youth — groups historically marginalised — may gain access to finance, training and support networks, enhancing their participation in local development (Flink et al., 2018). Cultural barriers, time constraints and scarce resources nonetheless can reduce cooperatives' effectiveness for some groups.

Institutional sustainability. Durability depends on internal and external factors. Internally, democratic governance, transparency and member commitment are crucial; externally, public policy, access to finance and appropriate regulation determine viability. Experiences in Mozambique indicate that agricultural and youth cooperatives achieve significant impact only when coupled with institutional support and market access (ODI, 2018; YETA, 2019).

The contemporary debate also explores the integration of cooperatives with emerging technologies — digital platforms, fintech and mobile banking — which can expand reach and reduce transaction costs, particularly in rural areas. Such innovations underscore that cooperatives are not static traditional entities but dynamic instruments capable of addressing current development challenges.

2.3. The Mozambican Context: Youth and Participation in the Economic Model

Mozambique is a youthful country: more than two-thirds of the population is under 25 — a demographic profile that holds both promise and risk. This youthful majority could catalyse growth and societal renewal. Yet the country's economic structure offers limited responses to youth aspirations. Subsistence agriculture, extractive activities and the predominance of the informal sector constrain the creation of stable, decent employment. Simultaneously, education and vocational training systems remain poorly aligned with labour market needs, leaving many young people without clear prospects.

However, Mozambican youth cannot be reduced to unemployment statistics. From north to south, young people organise themselves into associations, cooperatives and small collectives, inventing ways to generate income and claiming voice within an economic model that has historically excluded them. The manifestations of this movement vary territorially but share a common thread: a determination to convert vulnerability into opportunity.

To understand this phenomenon more fully it is necessary to attend to concrete local realities — Montepuez and Chiúre, Angoche and Moma, Cuamba and Chimbunila, Manjacaze, Chibuto and Massingir — and to examine how young people experience, contest and attempt to reshape the economic model through their own practices. These experiences demonstrate that organised youth can devise innovative solutions, strengthen social cohesion and open pathways to more active and transformative participation in the country's economic development.

Scope of the Research

District / Grouping	Province	Area (km²)	Total Population	Youth Population (estimate)
Montepuez	Cabo Delgado	~17.721 km² ([iese.ac.mz][1])	272,069 inhabitants (2017 Census)	45.7% are aged 0–14; When extending the youth category to 35 years, >55% of the population can be considered young (~150,000 inhabitants).
Chiúre	Cabo Delgado	—	299,235 inhabitants. ([mozeconomia.co.mz][2])	The population has a markedly young age structure, with estimates indicating that >50% are youth (~160,000 inhabitants).
Angoche	Nampula	~3.535 km² ([nampula.gov.mz][3])	327,304 inhabitants	More than half of the population is under 35 years old (~170,000 inhabitants).
Moma	Nampula	~5.752 km²	360,582 inhabitants	Majority youth population, over 50%
Cuamba	Niassa	~5.363 km² ([niassa.gov.mz][5])	223,000 inhabitants (2012); estimated ~280,000 in 2020	Young age structure; over 50% of the population (~145,000 inhabitants).
Chimbunila	Niassa	—	~72,503 inhabitants. ([mozeconomia.co.mz][6])	More than half of the population is young (~37,000 inhabitants).
Manjacaze	Gaza	—	No specific updated data	Following provincial trends, >50% of the young population (estimated at over half of the total population).

The district profiles analysed include Montepuez, Chiúre, Angoche, Moma, Cuamba, Chimbunila, Manjacaze, Chibuto and Massingir. In all these territories more than half of the population is young. Mozambique's age pyramid remains broad at the base, reflecting a demographic reality in which the overwhelming majority of the population is under 35 years of age. In densely populated districts such as Angoche and Moma, this youth cohort amounts to hundreds of thousands of people; even in less populous areas like Chimbunila or Massingir, young people constitute the relative majority. This demographic pattern confirms that the country's future is, literally, inscribed in the faces of its youth.

Yet the expansion of this cohort has not been matched by a commensurate strengthening of the economic and social conditions required for their flourishing. Demand for employment, quality education, basic services and meaningful participation grows annually while supply remains inadequate. Many young people face structural unemployment, underemployment or dependence on low-paid informal activities. In rural districts—where agriculture continues to predominate—the absence of credit, appropriate technologies and infrastructure constrains productive transformation that could absorb this demographic energy. In urban centres, pressure on labour markets and public services intensifies, generating frustration, disaffection and social exclusion.

Within this context, youth economic inclusion emerges not merely as a social priority but as a strategic condition for sustainable national development. Youth constitute Mozambique's largest demographic asset; absent effective policies for economic integration, however, that asset can readily become a source of risk. The central challenge is to align the pace of population growth with the creation of genuine opportunities for decent employment, entrepreneurship and productive participation. It is at this crossroads that the question will be decided whether Mozambican youth become protagonists of a fairer, more prosperous future or remain trapped in a persistent cycle of precariousness and exclusion.

3. Methodology

The study employed a mixed-methods design, integrating quantitative and qualitative approaches to generate a comprehensive understanding of the interactions among youth, cooperative activity and local economic development.

The quantitative component analysed demographic and socio-economic data drawn from official sources, notably the 2017 Population and Housing Census, updated estimates from the National Institute of Statistics (INE) and sectoral reports produced by relevant ministries. These data were used to characterise age structures at district and provincial levels, to identify youth-growth trends and to situate youth labour-market opportunities within broader structural conditions.

The qualitative strand relied on semi-structured interviews and focus-group discussions with young people, community leaders, cooperative representatives and local authorities. These methods captured perceptions, lived experiences and aspirations concerning economic inclusion, employability and the role of cooperatives in youth empowerment. Complementary documentary analysis of public policy texts and reports from national and international organisations provided contextual grounding for observed practices and public discourses on youth and development.

Ethical safeguards were observed throughout: participants' anonymity and confidentiality were protected, informed consent was obtained prior to participation, and data collection was voluntary, with measures in place to minimise any exposure to personal or institutional risk.

Key limitations included the scarcity of up-to-date, district-level disaggregated statistics, which necessitated the use of estimates and proxies, and operational constraints in fragile or logistically challenging field sites that affected the breadth and timing of primary data collection. Notwithstanding these limitations, the mixed-methods strategy enabled a robust, multidimensional reading of the phenomena under study, balancing statistical description with situated qualitative insight.

4. Youth Cooperatives as Infrastructures of Hope: Incomes, Services and State–Society Relations

Empirical analysis indicates that youth cooperatives in Mozambique—particularly in the northern provinces of Nampula, Cabo Delgado and Niassa—play a structuring role in converting demographic potential into concrete economic and social gains. These organizations, typically composed of 10–15 members and explicitly committed to gender parity, engage in a range of activities spanning agriculture to service provision.

The results achieved by the cooperatives are tangible: young members increase their incomes, gain more reliable access to markets and services, and—crucially—demonstrate an impressive capacity to devise locally rooted solutions to everyday problems. Yet the impact of these organizations extends well beyond what can be captured by numerical indicators alone.

Cooperatives are not merely production units or income generators; they have become genuine infrastructures of hope—spaces in which trust is cultivated, collective learning takes place, and a different future is constructed incrementally. They are living forums of mutual support and continuous learning, where young people share experiences, exchange ideas and strategies to overcome common challenges, and forge bonds that transcend purely economic commitments. Beyond peer support, these organizations foster more direct and constructive engagement with local authorities, enabling youth voices to be heard and concrete recommendations to be integrated into local policies and practices. From this interaction emerges a more cohesive, resilient community—better equipped to face adversity with confidence and to articulate clearer aspirations and claims. Thus, cooperatives consolidate not only economic gains but also active citizenship and collective capacity for social transformation.

The table below synthesizes the most salient results recorded in the study's pilot districts.

Table 1. Comparative Results of Youth Cooperatives (North & South)

Region/District	Predominant Sectors	Average number members	of Income gains	Access to services/markets	Local problem solving
Moma (Nampula)	❖ Business; ❖ Poultry farming.	10–12	+25–30% average/young income	❖ Expansion of grocery stores, including frozen products	❖ Responding to food insecurity; reducing youth unemployment
Chimbunila (Niassa)	❖ Hardware; ❖ Poultry farming; ❖ Mobile wallet	10–15	+20% average income	❖ Mobile financial services (M-Pesa/E-mola), agricultural supply	❖ Greater movement of construction goods and improved financial inclusion.
Montepuez (Cabo Delgado)	❖ Carpentry; ❖ Concrete blocks;C ❖ Atering; ❖ Reprographics	12–15	+35% average income	❖ Provision of educational services (3,000 students benefited); supply of Concrete blocks	❖ Reduction of open defecation; revitalization of school spaces.

Region/District	Predominant Sectors	Average number of members	Income gains	Access to services/markets	Local problem solving
Cuamba (Niassa)	❖ Motorcycle taxi; ❖ Metalwork; ❖ Reprography; ❖ Beauty	8–12	+28% average income	❖ Expansion of motorcycles (6→12); services in secondary schools (5,000 students)	❖ Diversification of services; strengthening of local networks
Chiúre (Cabo Delgado)	❖ Agriculture; ❖ Carpentry; ❖ Cutting and Sewing	10–12	+18% average income	❖ Inclusion in local fairs; greater government recognition	❖ Strengthening trust with authorities
Angoche (Nampula)	❖ Poultry farming; ❖ Bakery; ❖ Fishing	12–15	Mixed results (post-cyclone losses)	❖ Reorganization following the disaster, including new production lines for ice and bakery products.	❖ Post-crisis recovery capacity (community resilience)

Region/District	Predominant Sectors	Average number of members	Income gains	Access to services/markets	Local problem solving
Gaza (Sul, controlo comparativo)	❖ Agriculture; ❖ Local commerce.	10–13	+15–20% average income	❖ Consolidated access to existing markets	❖ More institutionalized relationship with local authorities

The results indicate that youth cooperatives constitute an effective vehicle for converting demographic potential into concrete gains in income and economic integration. In the northern provinces—Nampula, Cabo Delgado and Niassa—where structural poverty, insecurity and institutional fragility are most pronounced, participation in cooperatives produced measurable increases in mean incomes, greater predictability of access to markets and services, and more frequent, structured interactions with local authorities. In districts such as Montepuez and Chiúre (Cabo Delgado) and Cuamba and Chimbunila (Niassa), cooperatives have not only negotiated better prices for agricultural products but also obtained supply contracts with local institutions, thereby securing more reliable payment flows.

Comparative income tables show consistent advantages for cooperative members: average income differentials in favour of members range between 18% and 27%, depending on the district. Even where non-member youth engage in similar informal activities, their incomes remain lower—by approximately 6%–8% on average—relative to cooperative members. This differential is plausibly explained by the specialization effects generated within cooperatives, where members benefit from training, task division and structured market access. Moreover, organizational formality enhances reputational trust with communities and authorities, facilitating negotiations and reducing transaction risk. These findings underscore that cooperatives operate not merely as economic arrangements but also as social-protection mechanisms that reduce vulnerability and create more sustainable, predictable opportunities for young people.

A further important finding concerns improvements in state–society trust. In localities such as Angoche and Moma (Nampula), youth reported increased openness on the part of municipal administrations to dialogue and formal grievance or feedback channels. Where administrations implemented relatively simple instruments—pre-qualification schemes for young suppliers, performance-based seed funding, or service-level agreements (SLAs)—transaction costs fell and the predictability of collaboration rose. Although technically modest, these instruments proved decisive in translating mistrust into concrete cooperation. This suggests that effective governance in fragile districts may depend less on broad procedural reforms and more on proximate, context-sensitive practices.

A north–south comparison adds nuance. In Gaza (Southern Mozambique), where economic infrastructure is more consolidated, youth cooperatives also generated income and market integration gains, but the relative difference between cooperative and non-cooperative youth was smaller than in the North. This pattern suggests that in more stable territories cooperatives tend to consolidate youth market participation, whereas in the North they function as critical infrastructures of hope and survival, yielding larger structural impact.

Crucially, in the northern context cooperatives play a central role in fostering social cohesion: by aggregating individuals around common objectives—crop production, product marketing, or service provision—cooperatives create participatory spaces that transcend individual interests. This dynamic reduces local inequalities, promotes knowledge and resource sharing, and strengthens mutual trust. Beyond economic effects, cooperatives thus cultivate social solidarity and collective problem-solving capacity, reinforcing social cohesion as a strategic component of local development.

Conceptually, the evidence supports the view that youth cooperatives operate as hybrid governance interfaces, where demographic potential is linked to pragmatic public-management instruments. Co-production of public value is manifested in three interrelated dimensions: (i) economic — increased incomes and market access; (ii) institutional — strengthened trust between youth and local authorities; and (iii) social — the formation of solidarity networks that mitigate exclusion. Accordingly, strengthening youth cooperatives should be treated not only as an economic development strategy but as an integral element of inclusive governance agendas.

To operationalize these findings, the study proposes an implementation kit with monitorable indicators—such as changes in mean income, number of contracts concluded with local authorities, payment lead times, and the volume of youth pre-qualified as suppliers—that can guide a responsible scale-up across SADC contexts.

From Cooperative Gains to Administrative Legitimacy

The empirical analysis conducted in the pilot districts of Nampula, Cabo Delgado and Niassa, with Gaza included for comparative purposes, indicates that youth cooperatives operate not only as income-generating vehicles but also as catalysts of social and institutional transformation. Economic and integration indicators show concrete gains for young people: average income increases ranging from approximately 18% to 35%, more predictable access to markets and services, and strengthened bargaining capacity with institutional actors. These outcomes are not merely economic: they function as instruments that reinforce administrative legitimacy by narrowing the distance between state and society.

In districts such as Montepuez and Chiúre (Cabo Delgado) and Cuamba and Chimbunila (Niassa), cooperative members report more regular access to supply contracts with private institutions, participation in trade fairs and capacity-building programmes, and improved use of digital financial services. Such improvements consolidate cooperatives' reputations as reliable actors able to fulfil commitments and interact with local authorities in an organised manner. Formalisation and internal specialisation — achieved through training, task allocation and collective management — emerge as mechanisms that mitigate individual and communal risk, converting vulnerability into resilience and sustainable opportunity.

The social dimension of these gains is likewise significant. Cooperatives create networks of solidarity among youth, facilitating experience-sharing, collective problem-solving and mutual trust-building. The reorganisation of post-cyclone activities in Angoche (Nampula) exemplifies cooperatives' role as structures of community resilience; in Moma, cooperative-led provision of educational services and basic infrastructure enhanced social ties and increased youth visibility vis-à-vis local authorities. These collective learning and participation spaces show that cooperative impact transcends income figures and manifests in strengthened social cohesion, active citizenship and local transformative capacity.

The question of administrative legitimacy arises directly from these empirical results. By bringing youth and the state into closer interaction, cooperatives serve as dialogue channels that extend beyond service delivery alone. In contexts of institutional fragility such as Cabo Delgado and Niassa, relatively simple policy instruments — supply contracts, pre-qualification schemes for young suppliers, performance-based financing and service-level agreements — proved effective at lowering transaction costs, improving predictability and converting historical distrust into concrete cooperation. In effect, cooperatives operate as hybrid governance interfaces that build bridges of trust between citizens and institutions.

However, gains are neither uniform nor risk-free. Impact is contingent on internal factors (democratic governance within cooperatives, member commitment, participatory management) and external conditions (coherent public policies, access to credit and markets, institutional stability). In Gaza, where economic infrastructure is more consolidated, the relative gains from youth cooperatives are less pronounced; there, cooperatives primarily consolidate youth market participation, whereas in the North they function as critical infrastructures of survival and hope. Risks such as over-dependence on public policy support, weak internal management or exclusion of subgroups within cooperatives can undermine their legitimising effect on local administration. These risks call for mitigation through continuous training, activity diversification and proactive promotion of gender equity and social inclusion.

A further channel through which cooperatives amplify their effects is community visibility and direct communication with the public. By aggregating youth around common objectives, cooperatives become tangible exemplars of active citizenship. This pedagogical effect is especially salient in districts with limited state presence: cooperative practice demonstrates to both citizens and authorities that local actors can generate public value, share risks and devise local solutions. Thus, economic and social gains both legitimise the cooperatives themselves and, by extension, bolster the legitimacy of local institutions, creating a virtuous cycle of trust and collaboration.

Policy & Management Implications

The analysis of youth cooperative outcomes in Nampula, Cabo Delgado, Niassa and, for comparative purposes, Gaza demonstrates the need to translate observed economic and social gains into public-policy instruments and operational management tools that simultaneously deepen youth inclusion and strengthen administrative legitimacy. To this end, we propose an Implementation Kit structured around targeted financing mechanisms, adapted procurement arrangements, simplified monitoring and clear key performance indicators to replicate, track and scale the positive effects of cooperatives.

Initial, conditional financing emerged from Montepuez and Cuamba as a decisive factor: when seed funds were tied to concrete targets for income, governance and service delivery, young members organised more efficiently and with greater transparency. Linking access to finance to measurable indicators — e.g., average member income growth, number of contracts secured, and timely delivery of goods/services — creates direct incentives for collective responsibility and reinforces internal cooperative governance.

Procurement reform is a second critical element. Pre-qualification schemes for young suppliers, simplified contracting modalities and the adoption of service-level agreements (SLAs) reduce transaction costs, increase predictability and build trust between the state and cooperatives. In Angoche and Moma, these instruments improved relations with local authorities while promoting administrative efficiency and official recognition of the cooperatives' economic value.

To support decision-making and oversight, the Kit recommends deploying simple dashboards that consolidate core performance metrics for each cooperative. Suggested indicators include changes in average member income, contract payment turnaround time, percentage of grievances resolved with effective remedy, and measures of trust between youth and local authorities. Clear visualisation of these metrics facilitates ongoing impact assessment, flags critical bottlenecks and enables rapid policy and managerial adjustments. Moreover, dashboards enhance transparency and accountability, reinforcing cycles of trust and institutional legitimacy.

A modest but robust Monitoring & Evaluation (M&E) framework with measurable indicators provides an institutional learning tool. Income variation captures tangible economic gains; payment timelines indicate transaction efficiency and execution capacity; grievance-resolution rates reflect access to remedy; and youth–authority trust metrics assess state–society relationship improvements. Together, these indicators permit strategic resource management and rigorous assessment of cooperatives as instruments of social and institutional change.

Technical design alone is insufficient: implementation must attend to contextual and human factors. Continuous capacity building in cooperative management, financial administration and conflict resolution is essential to enable youth to use the Kit's instruments effectively. Likewise, proactive measures to promote gender equality and include traditionally marginalised groups are necessary to ensure equitable distribution of benefits and to prevent concentration of power or internal exclusion.

In sum, an Implementation Kit that couples targeted conditional finance, procurement adjustments, pragmatic M&E and sustained capacity development offers a practical pathway to institutionalise youth cooperatives as durable engines of inclusion, local economic development and strengthened state–society relations.

6. Conclusion & Research Agenda

This study demonstrates that youth cooperatives in Mozambique play a central role in converting demographic potential into tangible economic, social and institutional gains. A comparative analysis between northern provinces (Nampula, Cabo Delgado and Niassa) and the south (represented by Gaza) reveals clear—but complementary—patterns of differentiated impact. In the North, where structural challenges are more acute, participation in youth cooperatives is associated with marked increases in average incomes, greater predictability of market and service access, and strengthened state–society relations. In the South, while economic gains are likewise positive, the relative effect on youth integration and social cohesion is less pronounced, reflecting a context of greater institutional consolidation and pre-existing economic stability.

These findings underscore the importance of territorial specificity when designing policies to support youth cooperatives. In districts such as Montepuez and Chiúre, cooperatives operate as critical mechanisms of hope and survival: formalisation, access to finance and collective organisation enable young people to overcome entrenched exclusion. In Angoche and Moma, cooperatives have demonstrated resilience and adaptive capacity in the wake of crises (e.g. cyclones and agricultural losses), illustrating their potential as instruments of social cohesion. In Gaza, cooperatives primarily act to consolidate existing opportunities by expanding channels for youth participation and market access. This North–South differentiation yields practical lessons for policy design that combine targeted financial support, skills development and monitoring mechanisms to maximise impact across diverse contexts.

The analysis of administrative legitimacy and state–society relations shows that cooperatives do more than generate economic returns: they can rebuild trust between youth and local authorities. Simple governance instruments—pre-qualification schemes for youth suppliers, performance-based service contracts and structured feedback mechanisms—have proven effective in converting distrust into concrete collaboration. This evidence supports the claim that youth economic inclusion is intrinsically linked to the quality of local governance and to administrations' capacity to deliver measurable, responsive services.

Empirically, youth cooperatives function as hybrid governance interfaces where demographic potential meets concrete public management instruments, while simultaneously fostering social capital, solidarity networks and communal cohesion. Observed improvements in average incomes, market access, local problem-solving and trust-building indicate that cooperatives operate as integrated development mechanisms: they strengthen active citizenship and institutional sustainability beyond their purely economic role.

From this analysis a forward-looking research agenda emerges to guide future inquiry and policy experimentation in Mozambique:

1. Inter-provincial comparison and longitudinal analysis. Future studies should deepen understanding of North–South differences by explicitly modelling variables such as structural poverty, infrastructure, conflict history and local economic dynamism. Longitudinal research is necessary to assess the sustainability of cooperative gains, the evolution of trust between youth and authorities, and cumulative effects on social and economic inclusion.
2. Evaluation of governance instruments and public policies. It is essential to examine which financing, procurement and monitoring instruments most effectively improve economic and social outcomes, and how they can be tailored to varied contexts. Empirical assessments of simple dashboards, monitoring & accountability systems with clear indicators, and performance-based contracting will generate evidence on best implementation practices.
3. Targeting marginalised groups. Research must disaggregate effects on women, low-literacy youth and those from remote rural areas to identify cultural, gendered and logistical barriers. Such focused studies will inform more inclusive policy designs that enhance the effectiveness of cooperatives for the most vulnerable.

4. Integration of technology and digital innovation. Given the promise of fintech, mobile banking and digital platforms, future work should explore how these technologies can expand reach, lower transaction costs and strengthen marketing networks—particularly in rural and infrastructure-constrained settings.
5. Risk, mitigation and resilience. Subsequent research should incorporate analyses of climatic, economic and institutional risks, identifying mitigation strategies that increase cooperative resilience and secure continuity of benefits under external shocks.
6. Value-chain integration and collective entrepreneurship. It is important to investigate pathways for deeper incorporation of cooperatives into regional and national value chains, promoting collective entrepreneurship, value addition and sustainable employment opportunities for youth.

Collectively, these research priorities will help refine policy interventions that leverage youth cooperatives as instruments of inclusive development, social cohesion and improved governance across Mozambique's heterogeneous territorial landscape.

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