THE ROLE OF AGRARIAN COOPERATIVES IN THE DEVELOPMENT OF KENYA

Arthur Dobrin
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INTRODUCTION

The peasants were agriculturalists; their livelihood sprang from the earth... The bonds that held these men to their acres were not simply personal ones of the husbandman who temporarily mixes his sweat with the soil. The ties were deeper, more intimate. For the peasant was part of a community and the community was held to the land as a whole...

They spoke of relationships, of ties, of family, of kinship, of many rights and obligations... The villagers regarded themselves as a clan connected within itself by ties of blood, more or less remote... In any case, consideration of kinship had heavy weight in the village, was among the most important determinants of men's actions.

Many important aspects of agriculture, moreover, were altogether communal. The pastures were open to all the villagers; in the common fields, the boys tended the cattle together...

The seeds of change were not native to this stable society. They were implanted from without. For centuries the size of the population, the amount of available land, the quantity of productive surplus, and the pressure of family stability, achieved together a steady balance that preserved the... way of life.

Earliest harbinger of the transformations to come was a radical new trend in the population... Then... came a precipitous rise, unprecedented and, as it proved, cataclysmic.

The new situation called into question the old peasant assumption that all sons would be able to find farms capable of maintaining them at the status their fathers had held. As events demonstrated the falsity of that assumption, stability disappeared from peasant life.

The ultimate solution, from the viewpoint of efficient exploitation, was consolidation of all the tiny plots into unified holdings and the liquidation of the common fields... They were indeed new owners of their own farms; but they were less able than ever to maintain their self-efficiency... all now found themselves compelled to raise crops that could be offered for sale [Handlin, 1951: 259-85].

An historian's account of Africa written fifty years from now? In fact, it is the history of Europe in the early nineteenth century. But then there existed a partial escape valve from those pressures which almost pushed European society to the breaking point. People could migrate to America and South Africa and elsewhere. Even this did not provide enough outlets. Traditional society continued to disintegrate. The economy plunged ahead, exacerbating the tensions between the rural and urban populations, between the government and its citizens, between employees and employers. The nineteenth century became the century of change, of industrialization, of migration and of revolution. The paroxysms experienced in Europe can be traced to this change in the economy and society.

What escape valves exist in Africa? The problem now facing African governments is how to avoid the upheaval which racked Europe and at the same time arrive at the economic level that has now been attained in the West. A clue to the answer can be found in the attitudes towards the function of the State. The set of values held by a group of people has profound effects upon them. The way in which the government views its role vis-a-vis its citizens, to a large extent, shapes not only the values of its citizens but determines their destiny.

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The calls on the land for its produce grew more insistent... It was not only that the population grew, but particularly that the urban population grew. The peasants could not know it, but those who went to the cities, in effect, increased the pressures on those who stayed behind.

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allow them the opportunity of developing the best in themselves. To the philosophers and politicians of the nineteenth century, this meant that the State existed to allow for the greatest possible development of the individual will. The result of this attitude was the development of a laissez-faire philosophy that allowed for unbridled economic competition. To both liberals and conservatives alike, the best government was the government that governed least.

Early in the twentieth century, this concept was being supplanted by a new theory. The new theory was stated in terms of human wants instead of human wills. The function of the State (in accord with the classic definition) became to harmonize the satisfaction of desires among human beings. The State was no longer concerned with seeing that individual wills were given free rein to expand to their fullest potential even if it meant at the expense of others' wills, but with balancing and reconciling the wants of its citizens. This interpretation of the role of the State was given its fullest expression by Franklin Roosevelt, when he spoke not only of freedom of speech and press but also of freedom from want and fear. The State was no longer a disinterested observer of the "invisible regulator" but itself became an active regulator. The State was transformed from a passive observer to active participant.

African nations have adopted the latter concept of the role of government. Unlike the nations of Europe in the nineteenth century, the emerging nations of Africa are assuming an active role in guiding the development of their countries. Because they accept this responsibility, they can consciously try to avoid the mistakes of the past. They can attempt to learn from history.

The Kenyan government has put forth its objectives explicitly. These are: political equality; social justice; human dignity (including freedom from want, disease, and exploitation); equal opportunity; and high and growing per capita incomes, equitably distributed. "Kenya is already committed to these same objectives, and now must choose and put into working order the system or set of mechanisms that will advance the country as quickly as possible toward these goals, meeting at the same time the immediate and pressing needs of the country and its people" (African Socialism..., 1965, Sessional Paper No. 10: 1-2).

The task ahead is to find the appropriate means for achieving these goals. But before the means to be used are chosen, a clearer idea must be gained as to exactly what the wants of the citizens are. Social justice and human dignity are vague, albeit noble objectives. And since the means that are chosen ultimately effect the ends themselves, a precise idea of what ends are aimed at is essential to the well-being of the state. The politicians of the nineteenth century did not understand the consequences of their actions or inactions. The politicians of today can learn from the mistakes of the past. In addition, they have at their disposal all the tools of the social sciences unavailable fifty years ago.

Cooperatives have been chosen by the Kenyan government as one of the means by which the stated objectives of the government are to be achieved. The purpose of this study is to present a clearer picture of the cooperative movement. This is done through an explanation of cooperative theory; discussion of the social role of cooperatives; analysis of the problems besetting the movement; and finally some suggestions for improving cooperatives. No mention will be made of settlement cooperatives since they present problems peculiar to the settlement project.

COOPERATIVE THEORY

The philosophy of cooperatives can be divided into two main groups. There is the idea that cooperatives are essentially economic tools or another form of business organization. The second idea is that cooperatives are essentially social institutions which serve a need more basic than an economic one. While the two explanations are not incompatible, cooperatives are usually justified by reference to one or the other argument. When explaining the importance of cooperatives, usually either the economic or social aspect is used to the virtual exclusion of the other. Those who claim that cooperatives are basically economic tools usually make little or no reference to the social aspect of the question, while those who view cooperatives as social institutions more often than not ignore their economic importance.

In the main, the economic justification for cooperatives can be found in the Western countries. Cooperatives and those involved with cooperatives in those countries speak of them as filling a certain
economic need. They use the economic argument not only to justify cooperatives in Western countries but also in explaining the rise and the importance of cooperatives in developing countries. On the other hand, the literature which comes from developing areas, and in particular Africa, emphasizes the social role which the cooperatives must play in the process of nation-building and economic expansion. Western cooperative theory is concerned with the economics of cooperatives while the cooperative theory developing in emerging nations is concerned with a broader canvas. Emerging nations are interested in the multifarious effects of cooperatives on the everyday life of its citizens and on the country as a whole.

The major argument advanced by economy-oriented cooperativists is that cooperatives eliminate the middlemen in many spheres of economic activity. In a marketing cooperative, the producers themselves send their crop to market, thereby eliminating the middleman between the farm and the market. The profit which would have been taken by the middleman is returned to the grower in terms of lower transportation charges. Basically, the same thesis is given for housing cooperatives and consumer cooperatives. In a housing cooperative, the tenants are the owners of the dwelling units. The landlord is the inhabitants themselves. Therefore, the profit which would have been taken by the landlord (the middleman) is eliminated and the resulting savings are passed onto the tenants in the form of lower rents. In a consumer society, the shopkeeper is replaced by the consumers or shareholders. Since those who buy at the shop are its owners, the "profit" of the owner is returned to the consumers either as a bonus or reduced prices or in many other ways such as free purchases in proportion to the amount of goods purchased at the shop.

Another aspect of the economic argument is the advantages of pooled resources. This is shown clearly in a purchasing co-op. In this type of cooperative the members are able to either bargain more effectively on the market or to purchase in bulk quantity at reduced rates. In the case of farmers, farm equipment and machinery can be obtained at lower costs through the purchasing cooperative than could be gotten otherwise. Since there is no profit for the cooperative, members can buy goods from the cooperative at the same reduced rate at which the cooperative purchased them. Marketing cooperatives sometimes provide purchasing services for their members. Drawing upon limited resources to create a potent economic unit is basically the idea behind credit societies. When the limited resources of the members are centralized to create a larger fund, then money is made available in larger quantities than any one member contributed. A credit society is not so much eliminating the middleman banker as it is providing a fund from which people with little or no collateral can draw. Farm-production cooperatives make use of this economic device. One group of one hundred farmers cannot only bargain more effectively than one hundred single farmers, but the land upon which they are working can be more rationally planned. Mechanization can be introduced on a farm-production co-op while it is economically unfeasible to use tractors, for instance, on a two-acre farm. Pooled resources can also play an important part in opening a market for burgeoning cash crop farmers. In this case, the cooperative is not interested in eliminating the middleman but in opening the market in the first place. Money which is needed for the initial outlay in purchasing the seeds or seedlings may not be available to the small-scale farmer. The cooperative, because of its economic potential, may be able to secure loans for its members. Transportation facilities may not exist because there had never been the need for any, and a private entrepreneur may be unwilling to enter the field in the first instance because of the uncertainty of future development. A cooperative may perform this service for its members.

These are the arguments put forth by the observers of cooperative development in Western countries. No conflict exists between cooperatives and other sectors of the economy, since cooperatives fill a need which is not met by any other institutions. Cooperatives not only can exist in a capitalist or mixed economy, but in fact do so because of the nature of the economy. Cooperatives are a capitalist enterprise arising from the felt needs of a given sector of the economy.

The social justification of cooperatives differs from the economic arguments presented above. Some who argue from the social point of view are Europeans and Americans but they are either historical curiosities or minority voices of dissent. In Europe and America, cooperatives received their first bit of publicity from those who advocated the formation of co-ops as a social institution. Robert Owen's adventures in cooperative production are the most widely known. He advocated the ownership of
the means of production by its users, not so much to advance the material life of the co-op members, but in effect to change human nature. To improve human nature, it is necessary to alter the milieu in which man exists. Villages of cooperation would provide the proper setting in which man could evolve into his noblest form. Charles Fourier devised another utopian communal effort which too would transform man from a beast of selfishness into a being of one's highest dreams (Durant, 1963: 482). These ideas are dismissed by cooperative theorists in the West as being socialist and utopian, not true to cooperativism at all.

A few other exceptions in the West are worthy of mention. Bertrand Russell has viewed private property as a pariah sanctioned by the State through oppressive legislation and war. The remedy for this situation is the disestablishment of the State with cooperatives and workers' syndicates taking its place. Cooperatives, in Russell's view, are the instruments to bind society together in an anarchical system (Heilbroner, 1953: 96-119).

In the United States, a group of young liberals known as the New Left have taken up the cause of cooperatives as a way to combat alienation in an increasingly bureaucratic and impersonal society.

Laszlo Valko (1964: 57), a noted American cooperative analyst, is a good example of Western cooperative theorists. He concentrates on the economic aspects of cooperation, but also devotes some attention to the social aspects.

More and more, cooperatives emphasize this democratic aspect of their operation. They must provide mutual economic help under a truly democratic establishment. The general public must come to understand that cooperation is an economic service devoted to the advancement of social justice. The ideals of community betterment and of true cooperation try to accomplish the same end—a better, fuller life for everyone [Valko, 1964: 61].

Although Valko talks about the human factor in cooperative theory, his major emphasis is on the business organization. The economic services provided by cooperatives lead to a better life.

When we turn to cooperative theory in Africa, we find a greater emphasis put on the social role of cooperatives than can be found in the West. African theorists are well aware of the economic potential of the co-ops, but most choose to rest the major part of their argument on the social aspects. Cooperative theory in Malagasy places emphasis on the economic function of cooperatives, but finally rests its case on the point that cooperatives serve human promotion through their democratic nature (Delmotte, 1966).

In Kwame Nkrumah's (1961) ideology for the development of Ghana, he placed heavy emphasis on the cooperative movement. The role of co-ops, as he saw it, was to maintain national unity for economic, political, and social reconstruction.

Until recently, Tanzania regarded cooperatives as primarily a social force in the process of nation-building. While Tanzania describes cooperatives as agents in the elimination of the middleman, it does so for reasons which differ from those given in the West, namely, a higher return to the grower or purchaser. The purpose of eliminating the middleman is to prevent the growth of classes and class antagonism (Friedland and Rosberg, 1964: 24). The basic function of co-ops, as seen in Tanzania, is to serve in nation-building by establishing pluralistic communities upon which a truly democratic State can rest (Burke, 1964: 211). This conclusion is very similar to those reached in Ghana and Malagasy.

In Senegal we find the most emphasis on the social role of cooperatives. Leopold Senghor (1964: 160) reaches this conclusion after a lengthy explanation of his concept of African Socialism:

The final condition of good planning is the transformation of social structures. As we have seen, a plan is prepared—and implemented—not only for man but by man. This means that man must be urged to work, above all, to innovate and create. Man in general, and especially the most dis-inherited groups—laborers, peasants, shepherds, fishermen, artisans. This the Senegalese government has understood.... This also explains a whole series of concrete measures taken on the behalf of our artisans, especially on the behalf of the rural population, such as the organization of cooperatives.

Most African nations do not forget the economic role of cooperatives, but choose to emphasize their other functions, and, to most of them, their more important functions.

Where does Kenya fit into this spectrum of cooperative theory? The Kenyan government recognizes
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both the economic and social importance of cooperatives. The recent joining of the cooperatives and social services under one ministry indicates that the government is aware of the social significance of cooperatives. Unlike most African countries, however, Kenya chooses to emphasize their economic role. It speaks of the social importance of cooperatives, but never examines that aspect of the movement. It is claimed that cooperatives foster social justice, but the reason for this is related to the fact that cooperatives assist the small-scale farmer in competing in a cash crop economy. Social justice means giving the farmer more money for his crop. Social justice is achieved by bringing the farmer into the mainstream of the economy and by expanding the economy in order to raise the standard of living.

There is only one course of action open to the nation, and that is to strengthen the cooperatives to play their role adequately. Quite apart from the social and political factors there is no doubt that a strong cooperative movement would maximize the incomes of Kenya's peasant farmers, by, on the one hand, performing essential functions of processing and distribution on a much larger and more efficient scale than would be possible for the individual grower; and on the other hand, giving him a share in the profits associated with those operations [Development Plan (1966)]

In his statement on Jamhuri Day, 1966, Ronald Ngala, Minister for Cooperatives and Social Services, said that “The government continues to recognize the cooperative movement as one effective means of pooling the economic resources of the masses and of channelling development projects through the waranachi in accordance with the emphasis now being laid on accelerated development of the former African areas.” Typically, the Minister’s statement makes no mention of the social importance of cooperatives.1 The Kenyan argument for cooperatives rests ultimately on their economic desirability.

COOPERATIVES AND SOCIETY

Evaluating the cooperative movement in Kenya on the same terms which the government has chosen to view the movement, namely, economic advancement, the cooperative societies can generally be termed failures. It is impossible to say with certainty whether or not the Kenyan farmer would be better off without cooperatives. But the weight of evidence over the past few years indicates that a larger portion of the farmer’s income is being siphoned into unproductive channels, thereby decreasing his initiative. Poor management techniques plus all the other problems cited in the next section, add up to a situation which breeds widespread contempt amongst farmers towards the cooperative movement. This situation is worse in coffee areas where the quality of coffee is greatly affected by the actions of the society. Some farmers find that it costs them more in cash and effort than the crop returns. The cash outlay that is needed for proper cultivation methods is greater than the income which the farmer receives from his crop.

In areas where cooperatives have been successful it is still doubtful that the farmer is receiving a greater income because he is a co-op member. Pyrethrum societies, for example, have a monopoly over the marketing of the crop in small-scale farms. Without an independent marketing system, there is nothing with which a comparison can be made. The only way in which the success of the cooperative can be measured in such a situation is by the attitude of the farmers toward their co-op. Even in the economically viable cooperatives there is a great deal of mistrust and apprehension over the desirability of belonging to the society. Because the farmer has no other outlet to the market, he does not know whether or not he is receiving benefits from the cooperative.

Consumer cooperatives have generally been failures, with about 50% of those registered since 1945 having been liquidated (Koff, 1966). Little emphasis is placed on the establishment of new consumer societies. Farming cooperatives are too new to be evaluated. Problems have arisen on cooperative farms, but these seem to be more than beset any new organization. In any case, the number of registrations for farming cooperatives continues to rise steadily. This would indicate that the idea is popular with the rural population and that it is an organization in which incomes can be significantly increased. Credit societies, too, are relatively new and only recently have they been promoted by the Cooperative Department. At this state an economic evaluation of their performance would be premature.

However, since most extant cooperatives are marketing societies and many of these societies have not proven their economic worth, a case could be made that it is expending energy in the wrong field. From the economic viewpoint, those who argue against continued government assistance for the cooperative movement are correct. In the government’s own terms they are correct.
But let us return to the social implications of the cooperative movement and see what role it plays in terms of nation-building.

Nationalism is a state of mind in which the welfare of the country and its citizens is of paramount importance to any one citizen. Citizens of a nation possess a set of attitudes that are different from those held in prenation states. Cooperatives play an important part in the changing of attitudes and, thereby, in nation-building. Cooperatives, by their nature, blur clan and tribal distinctions. A member's income depends not only upon his ability as a farmer but also upon the efficiency of the cooperative and the entire marketing system. A farmer who is not a member of a cooperative grows his crop, sells it to the middleman (or if his geographical situation is suitable, directly to the market) and receives his money. In a cooperative, the farmer is forced to look at the entire marketing mechanism. He wants to know what happens to his crop after he brings it to the society. As a member of a coffee society, he wants to know something about the Kenya Planter Cooperative Union in Nairobi. He wants to know what happens at the Coffee Marketing Board. He is concerned about the prices received by other societies. The farmer is concerned with national questions. His thoughts are directed in paths wider than his clan. These are small steps on the road to nationalism, but they are basic ones. Marketing societies break down the barriers of parochialism.2

The removal of provincial blinders is related to the fact that in a cooperative the members themselves are the owners of the business. If their business fails, it is their own fault. The responsibility for the success of the business rests with its members. Although powers are delegated to the committee and the committee in turn gives the manager the responsibility of running the everyday affairs of the society, the co-op members—everyone sharing equally in the electoral process—are the ones who ultimately control the cooperative. If they think that the committee is acting improperly, they have the authority to remove the committeemen from office. They approve or disapprove of the budget. They decide what is to be done with the society's surplus. Cooperatives provide their members with experiences that they would not have if they sold directly to a middleman. An individual farmer is concerned only with agricultural methods, while the co-op member must also be involved with running a business. A cooperative instills a certain sense of responsibility that comes with running a business. This is education in its basic form. A cooperative may have adult education courses for its members, but even if it does not, it still performs an educational function. A member learns something about business operations and something about the nation through the market.

A cooperative also plays an important part in the mobilization of the community's resources outside the cooperative itself. In some parts of the country, societies have played a leading role in stimulating interest in schools and community development projects. The concern with the community is a natural byproduct of a cooperative. If a society is an isolated one, for example, the members might initiate a road building project so lorries can reach the society to transport their cargo. If the members feel the need to read and write in order to understand the operation of their business, they might stimulate adult literacy classes. In many areas, the cooperative is the only voluntary organization which is able to focus attention upon the needs of the community and, due to its structured set-up, raise the necessary manpower and capital to sponsor the project and bring it to completion.

Two other functions are byproducts of cooperatives. They are its democratic nature and the sense of participation in the activities of the community. These are derived from the factors explained above, but both are so important that they need a fuller explanation.

Cooperatives are essentially democratic institutions. It is its members who decide what steps are to be taken and what measures are not to be taken. This practice, quite aside from teaching members something about democratic procedure, has a profound effect upon the community at large. The democratic nature of the business affects the structure of Kenyan society and consequently the development of the country. The makeup of the society which will replace the tribal structure will necessarily be determined by the types of organizations upon which the society will stand. The types of business organizations which are found in a country are one of the main determinants of society. In other words, the type of economic orientation, to a larger degree, shapes the social structure.
The type of business enterprise which the government chooses to sponsor affects more than just the income of its citizens. It also affects the entire social network. In view of this, it is important to examine what the consequences of a democratic business venture are.

Cooperative societies involve members directly in the operation of the business and orient their awareness on a national level. The member participates in the decision-making process. Democracy becomes rooted in his thinking. He helps formulate the cooperative’s policies. More basically, this means that the member himself decides what values are to be held. He sets the fundamental value-system of the cooperative. The member exhibits initiative and constructive power by exercising control over the operation of the cooperative. The more power a person is able to exercise over his own affairs, the more responsible he becomes.

This point is pertinent because the Kenyan government is concerned with producing a nation in which its citizens determine their own fate. This, after all, is what the struggle for political independence was all about. But it is clear that a State cannot be democratic unless its members understand the concept of democracy, and are willing to assume the responsibilities which go along with it. Probably the easiest path for a newly-independent nation to follow is for the government to assume these responsibilities for its citizens. The State can most likely manage the economic affairs of its citizens more efficiently than can the citizens themselves. But what is the result if the government does follow this path? It means that the citizens no longer control their own affairs. A lack of interest develops. Since they no longer have a say in the matter, there is no reason to concern themselves with the operation of the government. Apathy sets in. The State progressively becomes less democratic as the government is forced to assume more and more of its citizens’ responsibilities. This is justified by claiming that the citizens do not have the proper tools to conduct their own affairs. The question is, if the State assumes those responsibilities, how are its citizens ever going to learn how to exercise control? Responsibility can only be learned by practicing responsibility. While its citizens are learning to use the necessary tools for self-rule, the State must be content with the idea that, in the words of Quaison-Sackey (1964: 22), “Independence and the freedom to manage or mismanage one’s own affairs are far more important than the material benefits of life.” And, that material benefits will follow when its citizens learn the meaning of responsibility and democracy.

Cooperatives play a vital part in the building of the democratic spirit. As John Dewey (1961: 352) has pointed out:

Unless democratic habits of thought and action are part of the fiber of a people, political democracy is insecure. It cannot stand in isolation. It must be buttressed by the presence of democratic methods in all social relationships. The relations that exist in educational institutions are second only in importance in this respect to those which exist in industry and business...

Cooperatives are the only business organizations that exist which allow for democratic participation by a large group of people. This is true for developed countries as well as developing ones. But in a developed country other opportunities exist to allow for democratic participation, and the democratic spirit has taken root. In developing countries, cooperatives are laying the groundwork for a national democracy. This is not to say that democracy cannot be achieved without cooperatives. It has been attained in Europe and the United States without them. However, economic activity plays a large role in the daily life of a people, and by instituting democracy at this level the emergence of national democracy will be that much quicker. Once democracy is established on a national level, cooperatives will continue to reinforce this democratic spirit. Tanzania is quite right in claiming that cooperatives, as voluntary associations, will establish a solid foundation for a democratic spirit by providing for a pluralistic economic and social base.

For consideration of the final points concerning cooperatives and society, it is necessary to return to the question of the desires or wants of the citizens. Psychologists universally agree on the physical drives of human beings. They are hunger, thirst, and sex. These are basic. From these derive the secondary, or material, wants—housing, clothes, education, etc. These are the wants which are visible, the desires which the Kenyan government has explicitly committed itself to meeting. But there is another desire which is peculiarly human. This is a desire which is also basic to humans, but because of its spiritual nature generally goes unrecognized as a legitimate concern of government. Erich Fromm (1962: 7-9) has explained it this way:

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What is essential in the existence of man is the fact that he has emerged from the animal kingdom, from instinctive adaptation, that he has transcended nature—although he never leaves it; he is a part of it—and yet once torn away from nature, he cannot return to; once thrown out of paradise—a state of original oneness with nature—cherubins with flaming swords block his way, if he should try to return. Man can only go forward by developing his reason, by finding a new harmony, a human one, instead of the pre-human harmony which is irretrievably lost.

The deepest need of man, then, is the need to overcome his separateness, to leave the prison of his aloneness... Man—of all ages and cultures—is confronted with the solution of one and the same question: the question of how to overcome separateness, how to achieve union, how to transcend one's own individual life...

Cultures try to solve the problems of aloneness in different ways. Some do it through animal worship, others through a belief in God. The solutions are many. In some case, the solution found by a society is such that it precludes economic advancement. The resistance of some people to economic change rests on their intuitive insight into the nature of society. They do not want to give up the feeling of unity, the union with their fellows in their society, for the sake of material advances. The dread of aloneness, of being imprisoned in the wall of separateness is stronger than the secondary physical wants. The people know what they have and are unwilling to risk social disunity for the sake of material goods.

Traditional society offers a solution to aloneness. The tribe or clan is small. All members of the clan are blood relatives. Identity with the group is easy and natural. A member knows his place in society's structure; certain duties are expected of him and, in return, society offers him security. There is also a unity within the economy of a traditional society. Man works with the soil and with the animals (and in some cases he is an artisan). There is no artificial separation of man from his environment. The work done in the society is in harmony with the needs of the community as a whole. In some tribes, land is held communally, such as the Masai area. The land exists for the benefit of all the members. In other tribes, where land is not communal but private, there are work groups which jointly work for the benefit of all the tribal members. Risaga and egesangio are two traditional work groups found in Kisii. Organized ostensibly as field-clearing operations, their influence overlaps into the social realm. These work groups give the women an opportunity to get together while jointly preparing or working a field, and at the same time give the men a chance to meet at beer party celebrations. In these groups there exists the feeling of mutual obligation. Work is shared in the knowledge that each person will benefit. The work groups provide a feeling of fellowship and a sense of participation in the daily life of the homestead. The Kisii saying, "One shield cannot lead the cattle to water," expresses succinctly the felt need to participate meaningfully in life.

When people are willing to give up traditional society and after their lives radically, they do so with the implicit hope that they will not at the same time be removed from the union with their fellow man. But this is precisely what did happen in Europe, and, to a lesser extent, in the United States. As the economy moved in new directions and traditional society crumbled, man was left in a disintegrated society. The demands of industrial society as it was constituted obviated the continuance of traditional mores and customs. Marx saw the problems of nineteenth-century Europe as man's alienation from the means of production. This was only part of the problem. It was the removal of man from his accustomed society, a husband from his wife, a child from his parents, a worker from his employer, the State from its citizens, in addition to man from his work, which lead to the convulsions which ripped Europe. The price of material advances was separateness.

Most people saw Europe's problem as an economic one. The solution has been socialism. But the kind of socialism attempted did not address itself to the spiritual needs of the people. Socialists attacked the problems of society primarily as economic problems. Socialism has subsequently meant raising the standard of living, leveling incomes, and nationalization. That this solution has not been fully successful can be seen from the constant talk of the decline of Western civilization—a discussion which emanates from politicians and theologians, from the Right and from the Left. Socialism has more or less solved the technical question of production but still leaves unanswered the social questions. Part of this can be attributed to socialism's concern with centralization as the means to meet the needs of the citizens. This approach only leads to further isolation and alienation, an increased feeling of futility and worthlessness.
Cooperatives are a middle-ground for socialism. Through cooperatives, an individual can participate meaningfully in the economy. The problems which the State attempts to solve through centralization and nationalism can be resolved as efficiently through cooperatives, and, at the same time, the cooperative takes into account the needs of the individual. This approach has great significance for Africa as traditional society is being replaced by a new society. During the transition period, it is of utmost importance to minimize social dislocation. An abrupt break with tribal values and the social stability of the tribe can only be detrimental to the task of nation-building. A cooperative society provides a structure within which a member can feel important and secure. In this period of rapid change, a co-op provides something with which a member can identify. More than meeting economic desires, a cooperative satisfies a basic need of human beings—overcoming the feeling of aloneness.

Cooperatives are a link between tribal and modern society. They are a road over which the African can travel securely from a peasant to a cash economy. Cooperatives preserve what is good in traditional society—mutual obligation. Members are necessarily concerned with each other since they all participate equally in the affairs of the society, and the success or failure of the enterprise depends upon the decisions of each member. Mutual obligation is the essence of the socialist spirit. Cooperatives are a means of preserving this part of tribal society while at the same time taking each member into the new world of materialism. Hopefully, the feeling of mutual obligation will be extended from the cooperative society to the nation at large. It is only a hope, but there is no other economic system which provides even the hope.

Perhaps it is necessary to return to points made early in this section to avoid the impression that cooperatives mean conformity. The contrary is the case. Cooperatives allow for the maximization of human individuality because they allow a person to participate meaningfully in the affairs which intimately affect him. Man realizes his uniqueness by exercising freedom, by facing choices and making decisions, by accepting responsibility. And at the same time, a co-op member remains part of a whole, part of society. Individuality is achieved through an active participation in society, in realizing that a man is a man because of society. Man's needs are inextricably tied to society; through society man is made human. Cooperatives provide the framework for socialized individuation.

THE PROBLEMS

In presenting the problems of the cooperative movement in Kenya I would like to focus attention upon cooperative societies in one district in particular. I do this for two reasons. First, I am most familiar with the development of cooperatives in Kisii District. And second, the use of a concrete example illuminates the broader horizon. Although some of the developments in Kisii are peculiar to that district, in the main, they are typical examples of cooperative development throughout the country.

Cooperative development is almost as old as the colonization of Kenya. The first society in East Africa was the Lumbwo Cooperative Society, Ltd., founded in 1908. This society of European settlers provided the farmers with a marketing service which dealt with cereals and provided them with general merchandise (Njoroge and d'Souza, 1964). Cooperative ventures popped up occasionally throughout the country, but most of the new societies were formed primarily to avoid the heavier taxes which were imposed upon private businesses. It was not until 1944 that cooperative development received some attention from the Colonial Office. In that year an investigation was carried out to look into the possibilities for the formation of cooperative societies in East Africa. Most settlers associated cooperatives with insidious socialism and did not try to encourage their formation. However, in 1945, when the Labour Party took office in Britain, cooperatives were encouraged and the Cooperative Societies Ordinance and Rules passed.

The main thrust of the cooperative movement in the early years was in the agricultural sphere. The 1945 Ordinance concerned itself mostly with African societies. Since the major task at that time was to move the African farmer from a subsistence to a cash economy, the primary emphasis was laid on agricultural societies. The reason for the government's concern with the cooperative movement can be found in the Registrar's Report (1948: 3):

Outside the credit movement the main function of the Cooperative Department is to prepare the ground for the advice of experts....As cooperative organization increases, the effectiveness
Cooperative societies were encouraged, not for reasons of marketing (although that may have been a secondary consideration), but because the colonial government thought that co-ops were the most efficient and expedient way to bring the African into the mainstream of the cash economy.

Due to the favorable results obtained from the experiment in which coffee was planted in Kisii by an African, the government decided to go ahead with the introduction of coffee in 1949 as the main cash crop in the district. The colonial government had every intention of properly supervising the formation and operation of the new societies, but limited resources hampered their plans. Most of the government's efforts were extended in Central province. Kisii cooperatives functioned primarily under their own accord.

With the apparent success of the first coffee cooperatives and the added interest in cooperatives on the part of the British Government due to the Swynnerton Plan's emphasis on African cash crop growing, coffee cooperatives grew rapidly in Kisii during the mid-1950s. The Swynnerton Plan called for the rapid introduction of cash crops in the African sector of the economy. The Registrar of Cooperatives was faced with the choice of either consolidating the gains made up until that time or rapidly expanding the cooperative movement in an attempt to introduce cash crops on a reasonably sound basis. The Acting Registrar wrote (1954-55: 19):

The rapid growth of the movement in the Colony necessitated a decision being taken as to whether to continue with the formation of new societies, or endeavor to educate members of existing ones; and on the basis of first things first, much as the necessity for education was realized there was really no option but to continue with the promotion of new societies.

Consequently, cooperatives were introduced into Kisii in rapid order. The government gave the societies a monopoly on the sale of coffee within the district in the hope that this would control the quality of the crop. The farmer in Kisii was faced with the choice of either joining the cooperative society or not planting coffee in the first instance. The farmer joined the cooperative not knowing what a society was, how it should be run, what his duties and responsibilities were, what the society could do for him, and what it could not do for him. He did not very much care to have these questions answered as the cooperative was viewed as another whim of the colonialists. The farmer did not see any difference between a private business and a cooperative.

The Mau Mau revolution provided the needed impetus for an otherwise desultory cooperative movement in Central province. The rebels disrupted the delivery of crops in the area, making it too dangerous for individual farmers to bring their crops to market alone. Many marketing societies arose to meet the challenge and farmers continued selling their produce through the new marketing cooperatives. The initial voluntary nature of the societies in Central province helps explain their continued success.

Until 1957, it did not matter to the average farmer in Kisii that he belonged to a cooperative and not a private business. The small-scale farmer, in fact, did not own his cooperative. All business matters were left to the educated Kisii citizen. The professional who worked in the district devoted a great deal of his time to running the affairs of the societies. Some served as managers, while others worked as committeemen. In theory, the society belonged to the average, uneducated farmer. In fact, the society was run by the educated African for the peasant. Then the British government issued a directive which ordered all government employees to choose between government work and cooperative work. Since government employment was the more lucrative and secure of the two positions, the educated people left their work at the societies. The cooperatives, for the first time, were left in the hands of the ordinary farmer. The management of the society was thrust upon the uneducated peasant without giving him any preparation as to what the job entailed or how he should do it. Fundamentally, the co-op member had no knowledge of the cooperative movement.

Pyrethrum, the second important cash crop in Kisii, was introduced in the late 1950s. By this time, the District Cooperative Office was staffed...
with Africans who had a good background in the cooperative theory and management, and they took an active interest in the formation of the new societies. A cooperative education program, although modest indeed, was instituted at the very formation of the societies. At the same time, the Agriculture Department not only explained the advantages of growing pyrethrum as a cash crop, but also taught how to plant and cultivate the flower. Together, the two departments produced a host of societies which have been models for the country. The farming in the pyrethrum zone of Kisii is amongst the best in East Africa, with the farmer receiving all the benefits of good agricultural practices and well-managed cooperatives.

The problems confronting the cooperative movement in Kisii (and most of Kenya) are enormous and at times seem insurmountable. There is a drastic difference, however, between the pyrethrum and coffee societies. Today the pyrethrum societies are relatively happy with the cooperative structure and its members are reasonably satisfied with the operation of their societies. In the coffee societies, on the other hand, there is widespread discontent both on the part of the co-op members with the societies and the societies with the union.

Unquestionably, the pyrethrum societies are more efficiently managed, yield higher returns for their members, are better organized, are more willing to follow the advice of the various government departments, and are more viable units than are the coffee societies. One reason for this difference in attitude and operation between the two groups of societies can be traced back to their formation. The lack of an education program in the coffee area and the existence of a limited extension service performed by the Cooperative and Agriculture Departments for the pyrethrum societies accounts, to a significant degree, for this difference. The coffee grower accepted his cooperative society as the only means by which he could market his crop. The pyrethrum grower was, to some degree, instructed in the purposes and principles of the cooperative movement.

The lack of an initial education program does not fully explain the precipitous decline in the efficiency of coffee societies and the solid position of the pyrethrum co-ops. A major factor affecting the two groups of societies is the crop itself. Pyrethrum is a relatively easy crop to grow, and the Agriculture Department had the advantage of instructing the farmers from the first planting. On the other hand, coffee requires mulching, weeding, fertilizing, spraying, and pruning. Each step is essential for a good harvest. In addition, the quality of coffee depends not only on the farmer, but also on the factory process carried out at the society level. Pyrethrum must simply be dried and weighed by the society. Coffee demands a complex of machinery at the society level. Poor farming practices on the part of the coffee farmer or a bad job at the factory means a lowering in the quality of coffee, thereby lowering the price per pound. Since 1960, the quality of Kisii coffee has dropped dramatically. In 1960, approximately 50% of the coffee grown in the district was in grades 1-3. In 1965, slightly over 2% was in the first three grades.

A series of factors has caused this slump. Coffee factories were built simultaneously with the formation of the societies, while branch factories were added at a later date. The machinery in the old factories is beginning to wear and consequently cannot do the pulping job properly. The improper pulping has lowered the quality somewhat. In an effort to keep his return constant, the farmer has increased his yield per tree by bringing both good and bad cherries to the society, and this in turn has placed a heavier burden on the other equipment at the factory. Fermenting tanks are not adequate in size, drying tables are too few, and the storeroom is too small to handle the increased output. In addition, the number of coffee growers in each society has multiplied more quickly than has the building of new factories. These problems at the society level have pushed down the quality of coffee.

The decline at the factory has resulted in poor agricultural practices on the part of the farmer. Because the quality of coffee was good five years ago, the price he received then was more than adequate to meet the recurring cost of keeping a good coffee farm. The farmer has seen the price of coffee reduced while his farming techniques remained constant. He therefore concluded that his efforts were to no avail. The price of coffee was going to decline in spite of all his efforts. This has meant that coffee farms now go unattended. The advice of the agricultural instructors is a wasted effort. Most farmers know what they should do on the farm. They simply see no reason to spend time weeding and throwing away good money buying fertilizer.
The falling quality of coffee is enmeshed in a closed circle: the factory needs new investment to improve and expand its operation; loans are difficult to obtain because the society is in financial trouble—due in part to the lowered income of the farmer; and the society cannot raise its commission rate since a further reduction in the price received by the farmer would only make it uneconomical for him to grow coffee. The co-op member continues his poor farming methods because he has no incentive to change his ways since the quality of coffee will be ruined by the factory. The recent designation of coffee as a special crop may help to break the cycle. Money may be released for factory improvement and expansion.

More than this disrupts the proper running of marketing cooperatives. If the root of the problem were only the technical difficulties of running the factory, the serious problems facing the coffee societies could be solved without much trouble by rationalizing the factories, for example. The problems are more complex, and more importantly, are not confined solely to coffee societies or marketing cooperatives.

The most serious problem facing Kenyan co-ops is mismanagement or lack of qualified management. In coffee societies, this presents problems of monumental proportions. In 1965, 40% of all coffee societies in Kenya had not completed their accounts for the financial year ending in 1964 (Development Plan, 1966). This means that the financial position of the societies is unknown. It is impossible to tell whether a society is operating at a loss, whether there has been misappropriation of funds, or whether or not the business is solvent. There is no way of knowing whether or not corrective measures must be taken to prevent the collapse of the business. This state of affairs has serious consequences upon the societies involved and the economic position of the country as a whole, since coffee accounts for over 20% of Kenya's total exports.

Societies are inefficiently managed for several reasons. One is that many managers are untrained. They lack the necessary skills to properly manage the affairs of a business. Many managers cannot produce a balance sheet and some cannot even keep a cash book. The societies do not have trained managers mainly because there are not enough competent people to staff all the positions open involving such skills. Societies do not get competent people in their businesses because they do not know where to find trained staff, or they are unwilling or unable to meet the cost necessary to attract and maintain their services. A common illness in societies is the tendency to fill positions requiring basic skills with relatives who do not know the first thing about business operations. Society secretaries are often hired, not on the basis of qualifications, but through nepotism. Nepotism opens the gates to dishonest practices which lead to suspicion and resentment on the part of the general members.

Mismanagement causes the farmers to dislike committeemen and to criticize the rationale of the cooperative movement, and for the societies to dislike the union. The societies claim that the union charges exorbitant commission rates while not performing any necessary services. The farmers make the same charges against the societies. Societies claim that the only goal of the union is to make a profit for its managers, while the farmers claim that the societies' only goal is to line the pockets of the committeemen. New committeemen generally follow the paths of their predecessors. They too want to take advantage of the position. Most do not have a feeling of obligation and loyalty to the society and its members. The only example they have to follow is one of confusion and corruption. They have no idea what their job entails. They do not know how to supervise the management since most have less knowledge of business matters than do the secretaries. Most committeemen do not know that they are supposed to supervise the management.

At the society level there is a dearth of leadership. With the expansion of the economy and the opening of opportunities throughout the country since Uhuru and Africanization, many of the educated people and natural leaders are leaving the affairs of the societies to the less fortunate and less gifted members. Although the educated person remains a member of a society, his work takes him away from the society most of the time, and he can only take a peripheral interest in the society's affairs. The prospect of getting educated people intimately involved with the running of the societies is dim. As the economy continues to expand, the agricultural societies will be left increasingly in the hands of peasant leadership. This prospect is indicated in a study of school children in which they were asked what future they saw for themselves. While most of the children realized the importance of agriculture to the overall development of the...
country, they saw farming as a job fit only for the uneducated (Koff, 1966). This indicates that few school graduates will remain at the society level to assist in its operations.

Presently, leaders of cooperative societies understand little more about the societies than do most of the general members. Consequently, the committee members cannot meet the expectations of the general members and are easy prey to scheming on the part of the secretary. Many committeemen accept their position without realizing the responsibilities involved. Many also accept the job because they view it as a lucrative one. They remain in office only until the members once again become discontent with the machinations of the committee. The sincere committeeman usually fares no better in elections than his dishonest counterpart. Because he has no knowledge of what his job entails, he cannot help improve the deteriorating condition of the society. The general members cannot distinguish between the sincere, but inept, committee member and the dishonest one. In areas where there is much discontent with the committee, a committee member who can see the problems which have to be tackled in the society is severely limited in the action which he can take. Although he might see the line of action which should be followed, he does not pursue it because of fear that he will be unpopular and removed from office and, worse, that he will be ostracized by his community.

In some cases, the above picture differs slightly but not with the result of improving the leadership. In many areas there are important, influential people who are returned again and again as committeemen not because they are competent but because they are rich or hold a hereditary position of honor within the tribe. Even after their incompetency is revealed to the general members, they are reelected to office after a few quiet voices of dissent are raised. Many general members do not understand the importance of placing competent people in the ruling structure of the society.

Societies are troubled with tribal conflicts, clan dissension, and, to a lesser extent, religious and political difficulties. At meetings in reserve areas, clans line up behind people from their own sublocation or join in an alliance with other smaller clans against the larger clans. Committees are not necessarily chosen on the basis of who the members think are the most qualified people, but along clan lines with efficiency being incidental. Clan feuds break out at general meetings with violence, threats, and attempted assaults. Politics adds to the confusion. Local politicians try to use the cooperative as a base upon which to build a political career, often disregarding the well-being of the society. Political aspirants will sometimes divert the attention of the members from the affairs of the society through political questions. Groups of members have difficulty getting along with each other because they are primarily concerned with questions of a political nature instead of examining the issues affecting their incomes. The combination of clanishness and politics is manifested periodically with demands for a branch society in the particular clan's area, or for the formation of a new society composed of people with a particular ideology.

A lack of communication pervades the cooperative movement from the Cooperative Department down to the general members. The Cooperative Department is understaffed and underequipped. There is not enough personnel to effectively perform the educational and promotional duties. In an attempt to bail the societies out of their present economic difficulties, the staff, almost without exception, is confined to the district office pouring over muddled records and accounts. Cooperative assistants seldom meet the people of the societies. When they do, it is at a general meeting to tell the co-op members that what they are doing is wrong, without really explaining how to improve the situation. The possibility of establishing contact is further reduced by the high rate of transfers within the Department. No one stays in any one post long enough to become intimate with the people or the problems. The job which they are presently doing could be done just as well by auditors sitting in Nairobi. In some cases, the assistants and officers are playing the roles of firemen—arresting complications before they can spread any further. But more often than not they cannot do this because they do not know what the problems of the societies are. Co-op members come to the Department to explain their situation, but before action can be taken new people fill the positions in the office and no steps are taken to deal with the specific problem. This also leads to difficulties between departments. Interdepartmental cooperation is seriously hampered by a continuous shift in personnel. Almost as much time is spent on briefings as on actual work. Problems which affect two departments are left unsettled because the person who was dealing with the matter
has left the district before the issue has been finalized.

A basic lack of understanding exists between the unions and the societies. In addition to not understanding the logic behind a union, the co-op members mistrust any move that is made in their behalf by the union. The union fails to explain its actions to its member societies and to the Cooperative Department.

The same situation is found at the society level. The actions of the committee are dismissed as deceitful. The minutes of committee meetings are not made known to the co-op members or the Cooperative Department. Rumors spread quickly about the activities of the committee, and, regardless of the decisions made at the meeting, some members interpret them in a bad light. Meetings held in the seal of secrecy reflect poorly on the motives of those involved.

Most marketing societies, as presently run, militate against the interest of the good farmer in favor of the lazy or incompetent one. Crops are brought to the cooperative for sale, and the society accepts the produce of all members, selling it either to a marketing board or a larger cooperative. The price received by the society is for the entire lot. The societies are not paid according to the quality of individual members’ produce but on the average quality of the whole. The price received by the farmer who raised a quality crop is the same as that of a farmer who put little time or money into his farm. It does not take the industrious farmer long to realize that his efforts are not being fully rewarded. What should be his profit is being divided amongst all the co-op members. The farmer following poor agricultural methods receives a price better than the one he deserves. In a few instances does this method raise the quality of produce to the highest level. At best there is a levelling of quality, at worst an entire consignment of worthless coffee is brought to the society.

One aspect of traditional social organization that has a detrimental effect on a cash economy is the extended family. One person is responsible for the welfare of his family, which may include a few hundred relatives. Traditionally, able members of the family were responsible for the well-being of those relatives who were unable to provide for themselves for reasons of ill health or old age. In a cash economy, however, it is difficult to discover which relatives are actually incapable of supporting themselves (to sickness and old age are added lack of education and the dearth of employment possibilities) and which are malingerers. Is a person unemployed because no work is available or because he has not looked hard enough? In any case, many people visit the unemployed or wage-earning relative each payment period and ask for money needed to feed, clothe and educate themselves and their immediate family. In a system of mutual familial obligation, the man with money cannot refuse to help. One who refuses to share his wealth is a social deviant of the worst kind. Many wage earners have come to feel that there is no reason for them to continue making money since the profit is never theirs to use but instead is taken by needy or deceitful relatives. Many people are caught between the conflicting demands of two cultures: the modern ethic of profit, and the traditional feeling of mutual responsibility. Often the conflict is compromised by decreased production in the cash economy, usually in terms of reduced effort. Work for money is continued but only in a half-hearted way.

It is worth mentioning here some problems that are peculiar to certain types of cooperative societies. Consumer, credit, and farm cooperatives have their own special problems in addition to the difficulties discussed above. On the consumer side is found inflexibility in dealing with business matters affecting trade. Consumer co-ops have difficulty competing with other traders because they cannot alter their operations quickly enough to compete effectively in the market. A consumer co-op stands little chance in a price war designed to eliminate the cooperative. A private trader can change his prices at whim and may elect to sustain a loss in an attempt to drive out competition. A cooperative cannot alter its prices as quickly. And before the co-op can lower its prices to meet the competition, the private trader has attracted many of the co-op members to his shop. This is only to be expected. It must be remembered that people joined the consumer co-op in the first instance to receive a savings on their goods. If the price is lower at a noncooperative shop, there is no reason for them to continue loyalty to the cooperative. The experience in Kenya has shown that the more successful consumer cooperatives are found in the areas where there is little or no competition.
They become landlords via the cooperative movement of hours of work they contribute to the society. They forget that a credit society exists simply because of its operation. Are members to be paid in proportion to their share of capital or on the basis of the number of hours of work they contribute to the society and its members? In an attempt to protect the society’s funds, committees can be too restrictive in lending practices. They require a great deal of proof that the money will not be squandered and will be returned to the society’s fund. In effect, they become no different from a commercial bank. They forget that a credit society exists simply because its members cannot receive loans from banks due to their economically precarious position. This circumscribed lending policy is just as destructive to the society as it is making unwise and unproductive loans.

Farming cooperatives are new ventures in Kenya, but some difficulties can be anticipated. The most obvious one is the division of profits from the operation. Are members to be paid in proportion to their share of capital or on the basis of the number of hours of work they contribute to the society? How is the quality of work to be determined and rewarded? A remunerative system has to be devised which does not stifle individual initiative nor reduce the operation to one in which members try to do as little work as possible. The question of individual land-holding arises. So does the problem of what to do with a member who becomes physically unable to continue contributing his services to the co-op. A farming cooperative may also add to the already existing unemployment problem. Because the cooperative is concerned with operating efficiently, there must be a maximum ratio between the acreage and its members. It has been found that a cooperative farm increases the income of its members but the land actually supports less people than previously. By forming an efficient land unit, the subsistence farmers who cannot join the cooperative due to the fixed land/member ratio are actually disadvantaged. Cooperative farms also present the problem of people who join the co-op to gain a piece of land but who do not reside on the farm. They become landlords via the cooperative movement.

Cotton societies in Nyanza are facing economic collapse due to the failure on the part of the members to repay loans that were extended to their societies by the government in the last few years. Most cotton farms in the area are only a little over an acre each. A good return from a cotton farm requires the use of machinery, but the cost of ploughs and tractors is prohibitive on a small farm. The societies, therefore, contracted for the ploughing on behalf of their members, thereby dividing the cost over a large number of farmers. The government hoped to recover its money by the societies’ reducing a member’s income at payment time and returning part of the commission as loan repayments. Most societies have not followed this method. Members refuse to approve the commission charges meant to repay the loan. The co-op members viewed the government’s assistance not as a loan but as a gift flowing from the cornucopia of independence. The societies now have no money for the necessary ploughing and the cotton industry is in dire circumstances. As long as members refuse to repay the loans the cooperative movement in the cotton industry is finished. Businessmen, anxious to do the work on a private basis, have already launched an extensive campaign to persuade the farmers that cooperatives have failed and should be abandoned.

Not all the problems mentioned in this monograph apply to all the cooperatives in Kenya, but a significant number of them apply to enough societies to warrant a critical analysis such as this. These problems, too, are not confined to Kenya. Those concerned with cooperatives throughout Africa bring up these same issues. A study of cooperatives in Europe and the United States shows that they not only experienced the same difficulties, but find them to some extent even today.

In spite of these problems, cooperative societies are playing an increasingly important role in the economy of the country. In Kisii district, approximately 80% of the agriculture income is derived from crops marketed through cooperatives. In 1965, 349 farm purchasing cooperatives were registered in Kenya along with a number of cooperative farms in traditional land-holding areas. The Kenya Cooperative Creameries achieved 5,351,918 in production sales in 1965, an increase of 11% over the previous fiscal year. Sixty percent of the milk came from African farmers, who account for over 50% of the voting shares in the KCC. Housing cooperatives are found in Nairobi and Mombasa; consumer coopera-
tives are being studied; credit societies are receiving increased attention with a Cooperative Officer in charge of credit cooperatives. Since independence, nearly 800 new cooperatives have been registered, bringing the total number near 13,000.

CONCLUSIONS

General Considerations

The emphasis placed on cooperatives as an important instrument for social development should in no way detract from the economic role which cooperatives can and should play. Cooperatives should be competitive in the market for the monetary benefit of its members, but also because without economic efficiency none of the social advantages will follow. The social benefits of cooperatives are derived from reasonably efficient cooperatives, from cooperatives in which a member takes pride and is interested. A cooperative that does not provide economic advantages can only have deleterious effects upon its social aspect.

The importance of cooperatives is both economic and social. Both points must be borne in mind when the government decides what steps are to be taken to foster the cooperative movement. To place the major emphasis on the economic side is to relegate the social sphere to a secondary position. And to place the major emphasis on the social phase is to forget that there is no social reward without economic efficiency. The Malawi government has viewed cooperatives in that country in economic terms. Consequently, when it was discovered that most cooperatives were inefficient, corrupt, and involved with politics, the government abolished the cooperative movement and substituted state-run marketing boards and government-hired transporters. If cooperatives are primarily economic institutions, Malawi's move is completely justified. The colonial government's reason for promoting cooperatives, namely that they most effectively bring the small farmer into the national and cash economy, is not valid. The Kenya Development Authority has demonstrated how smallscale tea growers can be integrated into the cash economy without sacrificing efficiency. Rather than rely on cooperatives to handle the marketing problem, the Authority sends its lorries to collect the tea at several points which are convenient to the growers. This is a service which even cooperatives do not provide. There is little question that the farmer is benefiting as much, if not more, from this system than he would under a cooperative enterprise.

During the mid-1960s, the Registrar of Cooperatives was faced with the question of either consolidating the Department's gains or pushing ahead with the formation of new cooperative societies. Some feel that the Department of Cooperative Development is faced with the same problem today. The question, however, does not have to be phrased in that manner. As put, the question implies that everything in the cooperative movement is worth saving. This is not necessarily the case. Cooperative societies are worth promoting if they have both a high economic value and a high social value. If a cooperative had only economic potential, a government-run organization could do the job as well, and, in addition, the government would have greater control over capital accumulation—an admittedly important objective of an emerging nation. And if the cooperative had only social potential, that role could be better performed by self-help groups, since members of self-help groups do not expect financial returns on their work. Therefore, the question is not whether to consolidate past gains or to promote new cooperatives, but rather which are the cooperatives worth saving and where can new cooperatives be of economic and social use. The questions to be raised are: how great are the monetary advantages of the cooperative, i.e., how much extra savings or profits do the members receive because of their membership? how democratic is the institution? how comprehensive are the services of the cooperative in terms of both economic and social services; whether members voluntarily remain in the society. These points are seldom raised by those concerned with cooperative development. There are examples in Kenya where the marketing cooperatives have been established in locations where it would be more efficient for the local processing factory to do the marketing for the farmers. Although the factories have been willing to transport the crop to the factory at reasonable rates (and some farmers are actually within walking distance of the factory), marketing cooperatives have been established because it is government policy to foster the growth of cooperatives. There is little prospect of this type of cooperative being successful. The farmers cannot help but dislike their cooperative and distrust the motives of the government.
Priorities

Some generalizations can be made as to the type of cooperatives which should receive preferential treatment by the government. Farm purchase cooperatives or farming cooperatives where neighbors join their individual land holdings to form one large farm should be given top priority. There are three reasons for this. First, with the proper planning, the economic advantages are enormous. Many farmers are able to participate in a farm that takes advantage of the economies of scale. Land can be rationally planned and used. Machinery can be effectively employed. The cooperative farm offers farmers with little capital the chance to participate in a large-scale farming operation which brings a higher return per acre than does a small holding. With the rapid population growth besetting Kenya and the opportunities of opening former European land holdings to the Africans diminishing, cooperative farms in reserve areas offer the same political and social advantages as do settlement schemes elsewhere. Cooperative farms are no substitute for population control, but they do meet the needs and the wants of many people today. The second point is that most cooperative farms are voluntarily formed. In the case of farm purchasing groups, the buyers are usually friends who pool their resources to obtain a large piece of land. They make the purchase because they think it is in their own best interest. Neighbors who eliminate boundaries between their small farms do this without compulsion. Perhaps the Agriculture Department explained the advantages of large holdings. But in no case did anyone force the people to join the farms. The voluntary nature of farming cooperatives is a key to their success. As has been discovered from cooperatives in Kenya and elsewhere, societies that are forced upon people stand very little chance of succeeding. Only when people genuinely feel the need to have a cooperative does the cooperative have a reasonable chance of fulfilling its stated objectives. The third reason for priority to be given to farming cooperatives is that their economic functions are comprehensive and lay the groundwork for an all-embracing social life. Farming cooperatives are concerned not merely with selling the crop. They are also involved with buying the seed, harrowing, planting, harvesting and maintaining the farm and its equipment. The cooperators live together, thereby providing the basis of community life. Everyone must necessarily know everyone else. Life on a farming cooperative remains or becomes integrated. These three factors—economic importance for overpopulated areas, their voluntary nature, and their comprehensive economic and social services—place farming cooperatives as the most important type of cooperative for rural areas. They have both high economic and social stability.

What farming cooperatives can do for rural areas, housing cooperatives can do for urban areas. The need for better and cheaper housing in Kenya's urban centers becomes more cogent as Africans continue flocking to the cities in search of work and, for some, a better life. Rents rise, quicker than salaries, as the increasing population continues to outdistance the pace of building. Cooperative housing offers an alternative to high rental units. A housing cooperative substitutes the co-op members for the landlord, thereby allowing the tenants to pay lower rents due to the savings on the profit which otherwise would have gone to the landlord. In a properly-run housing cooperative, the savings can be considerable. Housing cooperatives are in several ways better alternatives than are government-run housing projects. City or State-run housing projects tend to be impersonal creations run by efficiency-minded bureaucrats. A housing cooperative, on the other hand, is owned and supervised by the people who live in its structures. The degree of intimacy or impersonality depends upon the attitudes of the occupants. The high degree of social anonymity which is found in African urban life can be countered in a housing cooperative. A member can direct the affairs of the project; he can participate in the decision-making that will bear on his life; and he can feel like a significant human being in the otherwise inhuman atmosphere of the city. As in farming cooperatives, housing cooperatives provide an excellent base for an integrated society. Because the decisions of each member bear upon his neighbors, he is no longer one person living alone in his cubicle. His social contacts are immediately opened. His neighbor acquires a face, a name, and a personality. A housing co-op is a living community. A housing cooperative may also provide many services for its members aside from savings on rent. Social activities are a natural byproduct of people living in close contact. Recreation and adult education centers can be sponsored by the co-op. Credit societies can be easily organized within the housing framework. Depending upon the location of the housing project, a consumer's cooperative may be operated by the occupants. Housing cooperatives, as farming cooperatives, meet both the social and economic requirements for successful, useful cooperatives.
Further on the list of priorities are credit societies. This type of cooperative is an excellent means of extending credit to people who cannot receive loans from commercial banks because they do not possess sufficient collateral. Credit societies are important both in urban and rural areas. They provide the means by which a farmer can invest in the improvement of his farm, and in urban areas allow for productive investments. Credit societies provide a convenient place for members to put their savings, thereby contributing to capital accumulation. The social importance of credit societies is not as great as that of farming or housing cooperatives but it is significant. A credit society is the simplest form of cooperative and as such is easily understood by its members. Therefore the democratic advantages described earlier follow easily. A credit society allows a member to control some part of the economy that effects him. Credit societies, too, are one of the few business organizations which actively engage women. A woman's role in the economy is of prime importance, but very few organizations take this fact into account. In a credit society, anyone who purchases a share becomes a member. There is no difficulty in a woman becoming a member as there may be in other societies. If she buys a share, regardless of whether or not her husband is already a shareholder, she is a member.

A great deal has been said before about marketing cooperatives. It is only to be added here that they have received a disproportionate share of attention by the government. The three types of cooperatives described above—farming, housing, and credit—deserve greater attention, even if this means at the expense of marketing cooperatives. If a list of priorities has to be made (and this seems certain because of limited capital, equipment and personnel), marketing societies, due to their questionable economic importance, although high social importance, should be placed lower on the scale than those types of cooperatives mentioned above. This does not mean that marketing cooperatives should be abandoned, as was done in Malawi, but rather that other types of cooperatives should receive proper attention. Some marketing cooperatives do play a useful economic and social role, and it is doubtful that any other kind of business organization could fulfill these functions as well as marketing cooperatives can. On a scale of social and economic importance, however, one is forced to place marketing cooperatives lower on the scale than either farming, housing or credit cooperative societies.

Consumer cooperatives have relatively little economic and social value. In some areas, where competition is minimal, consumer co-ops can be important instruments in stabilizing prices of basic consumer goods. A cooperative shop can force private shops to reduce their prices to a reasonable level. In Uganda, the threat of opening a consumer shop in some towns has brought down prices in many privately owned shops. The degree of involvement in the affairs of the shop by the member is limited in scope and the social benefits of this type of cooperative are negligible.

The degree of economic and social importance of other types of cooperatives, such as health cooperatives, varies from cooperative to cooperative and from area to area. In general, the types of cooperatives not referred to above rate lower on the list of priorities.

Government Assistance

What role should the government play in cooperative development? This is a point that has been debated many times in the corridors and, recently, on the floor of Parliament, in cooperative societies throughout the country, and by everyone concerned with cooperative matters. One thing has become clear: there are no easy answers. The government is aware that many cooperatives are in a sorry state. Many of the problems detailed in this paper are mentioned in the Kenya Development Plan. The path that the government has chosen to follow is that of increased control over the cooperative movement. This is a potentially destructive road. It must be remembered that one of the main arguments for cooperatives is their democratic nature. Its delicate quality can easily be destroyed. If the cooperative movement is to have any meaning, it must retain its democratic essence. This puts the government in a difficult position. Cooperatives cannot remain inefficient if they are to make a contribution to the economy. The government must exercise control in order to ensure that they do conform to the objectives of the nation. And yet the very control that they exercise may destroy the heart of the movement. The government claims that the controls are to be short-term matters, enforced only until the cooperatives are able to effectively control their own affairs. There are few instances of a government voluntarily relinquishing control once the laws are enforced.
Some steps taken by the government have shown a disregard for the social side of the cooperative movement. In the new Cooperative Act debated in Parliament in late 1966, the Commissioner is empowered to compel cooperatives to amalgamate wherever it is felt that it is economically efficient to do so. This raises the problem of forcing upon co-op members something which they do not want. If members cannot see the logic of amalgamation after careful explanation, there is not much hope that the new enlarged cooperative will operate any more efficiently than did the smaller ones. The co-op members will distrust the new creation, thereby undermining the necessary confidence needed in building a sound cooperative movement. The co-op members will have been forced in a direction that they did not want to go. Talk of democracy becomes meaningless, and most of the other social benefits described before will not accrue. On first sight, large cooperatives seem to make more economic sense than do small ones. But many hidden factors must be taken into consideration. Why do members resist mergers? In some areas there is clan antagonism, in others there are tribal considerations. In many rural localities, transportation facilities are inadequate to allow a society to cover a large area. It would be virtually impossible for a member to attend a general meeting because there is no way of getting there or the cost of transportation might be prohibitive. If amalgamation is desirable, then members, once explained the advantages, will take the necessary steps themselves. Government pressure can only be harmful.

The government must concede that efficiency is not the sole objective of the cooperative movement. The government can only stimulate and supervise without suffocating. The government cannot force cooperatives upon people. This measure is only self-defeating. The government can only create an interest, supply the needed information, assist in its formation and supervise the cooperative once it has been started. The government cannot write the budgets for societies and at the same time expect them to become more responsible in their business dealings. But the government can see that budgets once drawn by the committee (perhaps with the advice of an inspector) and approved by the general members are adhered to. The government can advise the committee on how to write a budget but it cannot write the budget without making the societies dependent upon the government.

The government can help the cooperative movement in three ways: by providing member education, by supervising, and by giving financial and technical assistance. The manner and the amount of assistance to be given is extremely important. Even the best medicine is deadly if improperly administered.

Coffee Societies

The steps taken recently to make coffee a special crop is a move in the right direction. Hopefully, selective and carefully administered aid can be given to societies in the places most in need. As pointed out before, a large part of the blame for the declining quality of coffee can be placed upon factories that are too small and use aging machinery. Grants could be given to societies for improvement of the factories. The money would be more than adequately refunded through increased tax revenues as the quality of coffee moved upward. A grant has several advantages over a loan. The most important consideration is that a loan must be repaid by the members of the society. This means that a farmer's income will not be increased until the loan has been repaid by the society. While the loan is being repaid by the society—a process taking many years—the farmer sees no reason to improve his agricultural methods since his income remains stable despite the anticipated rise in coffee quality. Under a grant, the farmer receives the rewards of improved quality immediately. Neither system guarantees that the government will have its investment returned. But a grant attacks the problem more directly than does a loan and there is no chance that the farmer will misunderstand the nature of the assistance. A loan must be repaid directly from the funds of the society, while a grant is returned automatically, although indirectly, through increased tax revenues resulting from improved standards of coffee.

Factory supervision plays a key role in coffee quality. It is reasonable for the government to assist on this level by having experts attached to the factories to advise societies on the running of the factory. This would insure that the money given to the society be utilized in the proper way.

Management of Societies

Management difficulties is one of the major problems besetting the movement at the present time. Here too government action is needed, and again
the manner in which the aid is given is all-
important. Tanzania has attempted to tackle the 
managerial shortage by supplying the societies with 
managers from a pool of government trained and 
financed staff. By denying the societies the right to 
choose their own management, a fundamental free-
dom of cooperatives is removed. But the govern-
ment can assist in another way. The government can 
set standards for managers of societies, perhaps on a 
sliding scale depending upon the turnover of the 
particular society. At the district union level, where 
hundreds of thousands of pounds are handled each 
year, the minimum standard of qualifications and 
performance would be high. At a society which, at 
its maximum could never produce large returns, the 
standards would be considerably lower. In addition 
to setting the minimum standards, financial assis-
tance, in the form of a subsidy, could be given to 
the societies so as to enable them to compete suc-
cessfully in the open market in finding a competent 
manager. The subsidies would be short-term affairs, 
being given only until the society had become sol-
vent enough to pay an attractive salary for a man-
ger directly from its own funds. The advantages of 
this system over the one tried in Tanzania and 
started for cooperative wheat farms in Kenya are 
twofold. First, the societies are free to choose their 
own managers, and second, it is less costly for the 
government in the long run. The government does 
not have to pay for the training of the managers, 
and the government subsidies cease as soon as a 
society becomes able to finance its own manage-
ment.

It is important that the managers be protected 
from the perfidy of the committee and general 
members. Terms of service can be laid down by the 
government. Essentially managers lack organized 
strength to bargain effectively with the managing 
committee. It would be in the best interest of 
everyone concerned if the managers had a union or 
confederation so they could do their jobs effecti-
vely, not fearing instant dismissal because of un-
popular but necessary actions.

Government action would be justified and proper 
in setting standards for terms of service for com-
mittee members. Setting an upper limit on age for a 
committeeman would have beneficial effects in 
those areas where people are chosen on the basis of 
age instead of ability. Age does not mean incom-
petence, as is evidenced by the rule of elder state-
men throughout the world. But in a country that 
has recently begun a universal education system, it 
can be assumed that the number of aged men cap-
able of dealing with sophisticated business matters is 
not sufficient to fill the number of committee posi-
tions open. The age-rule could be combined with 
another requiring literacy for committee members. If an 
elder is literate, then perhaps he can serve, and, 
indeed, may perform an extremely useful task. Set-
ting literacy requirements as such may not be 
needed. In small societies where books and accounts 
are not complex perhaps an illiterate committee 
man may be capable of carrying all the necessary 
information around in his head. In an orally oriented 
culture many individuals can be found who are 
capable of doing this. Also, placing a society com-
pletely in the hands of the educated elite could 
arouse the members' suspicions as they might feel 
that they do not really control the cooperative's 
affairs. A literacy formula could be devised to avoid 
these pitfalls, perhaps requiring half the committee 
to be able to read and write, or requiring literacy 
only in large operations.

Supervision of Societies

Supervising the operation of societies treads on 
the border of government intervention. The disarray 
and confusion besetting many cooperatives at pre-
sent cannot be allowed to continue without con-
trols. If societies were allowed to completely man-
age their own affairs without outside assistance and 
supervision, the dissatisfaction of the farmer whose 
income is being squandered on unsound investments 
or misused by the management would only increase 
and disrupt the entire movement. At the same time 
that government is filling a financial need for the 
cooperatives, it must carefully scrutinize their ex-
penditures. This is justified on the grounds that the 
government is protecting the interests of the farmer 
until the society can completely manage its own 
affairs. But here, as in the field of financial aid, care 
must be taken as to the manner in which the 
supervision is carried out. The government's role in 
supervision should be limited to seeing that the 
rules of the society are followed, that money spent 
by the society is included in the year's budget, that 
no money is being stolen, and that the laws of 
Kenya are respected. Recently the Cooperative De-
partment has begun countersigning checks issued by 
societies to insure that all the money being spent by 
the societies had been properly authorized. Here the 
line between supervision and intervention is very 
thin. Whether this is intervention or supervision can
only be judged in particular cases, i.e., in the spirit in which the task is carried out. An authoritarian cooperative officer intervenes in the affairs of the society, while an understanding, reasoning one only supervises. The Cooperative Department now has the authority to approve or disapprove of societies' budgets. Again, whether or not this is intervention depends upon the manner in which it is performed. Does the officer give orders or does he make suggestions? Supervision, if not carried out in a judicious way, removes responsibility from the society and delays, perhaps indefinitely, the emergence of a self-supporting, independent, responsible cooperative society.

**Member Education**

A major cause of difficulty in the movement is the lack of understanding on the part of the co-op members, the committee and the managers as to what the cooperative movement is about, what their duties and responsibilities are, and how to go about performing as efficient cooperative members. In some agricultural cooperatives, farmers lack a knowledge of proper farming techniques. There is also a lack of leadership. All these problems can be approached by the government. A cooperative member education program is important. A member must be told what a cooperative is, why he belongs, what the bylaws are and what they say, what he should do at a meeting, what control he is entitled to exercise over the society, what benefits he can expect from a cooperative and what things he cannot expect from the society. The list can easily be extended. Presently, bylaws are available in English only. This eliminates a vast proportion of the co-op members from understanding their business. About ten years ago there was some interest in having bylaws available in the local vernaculars. The translations in some languages were in fact completed when the Registrar of Cooperatives stopped the distribution of the bylaws. He claimed that placing translated bylaws in the hands of the average co-op member would only lead to confusion since many of the terms used were technical and could not be translated accurately into local languages. Experience has shown, however, that much of the confusion in societies today is because members have no idea what the bylaws say and are easily misled by dishonest members who interpret the bylaws for them. Translated bylaws will be imprecise, but this is better than bylaws that cannot be read by the members. A disclaimer at the beginning of the translated bylaws could explain that those copies cannot be used in legal disputes. There is little reason to continue an unwise decision made ten years ago.

The Department of Cooperative Development has realized the need for an education program, but thus far has relied primarily on foreign assistance for its implementation. Although some courses were conducted at both Maseno Training Center and the Kenya Institute of Administration by Africans during 1965-66, American Peace Corps volunteers provided the major impetus for the program. In early 1967, the Scandinavian nations sent a team of experts to continue and improve the program, concentrating mainly on the business side of the movement. Local personnel at the district level are used only as inspectors. They concern themselves with checking books and devote very little time to member education. No attempt is made to move the cooperative assistants from the office to the field for education purposes. Relying upon foreign assistance as the backbone of the education program is basically unsound. The cooperative movement rests or falls upon its education program. To place the program in the hands of foreigners is to shirk responsibility for this part of the movement. Yet Africans can best communicate with Africans and ultimately the cooperative movement rests in the laps of Kenyans.

Greater use could be made of the radio service. Radios are found everywhere in the country, and a continuous and extensive propaganda campaign on cooperatives would rapidly explain many matters of vital importance to the average farmer. Campaigns would rapidly explain many matters of vital importance to the average farmer. Many of the problems found in cooperatives are common to co-op members throughout Kenya. These matters could be quickly, easily and inexpensively explained on the radio. The use of vernacular radio programs would explain the cooperative movement to those farmers who are now outside the pale of proper information due to language difficulties.

**Leadership**

The problem of poor leadership in societies can be attacked in two ways. Committee members should be exposed to leadership techniques. This fundamentally means learning how to communicate with other committee members and the general members, and the government officers. Many decisions now made by committee members cause great consternation in the society not because the decision was unsound.
but because the members did not fully understand what was decided. The devious route that rumors follow is familiar to most everyone. But that rumors emanate from half-explained decisions or from decisions reached behind closed doors is not understood by committee members. A great deal of confusion in societies could be eliminated if committee members were trained in the techniques of leadership. But this is still only a stopgap measure. As pointed out previously, there is not much prospect of attracting natural leaders into societies since the attitudes of most school boys militates against entering the field of agriculture with a positive attitude. This problem is best approached by a change in emphases at primary and secondary schools. It would entail radical changes in the school curriculum, a subject outside the scope of this monograph. One point may be mentioned here. This is establishing cooperative farms at those schools where land is available for such a venture, or using the school garden to demonstrate the concept of cooperative farming. Other countries have shown that this can be very useful in remodeling children's attitudes towards agriculture as a vocation. There are some pitfalls that must be avoided in this project in order not to produce results contrary to the ones desired. First, there must be a qualified person to supervise the running of the farm or garden. If not, the produce will be no better than that of the ordinary farmer and may be worse. Second, working in the garden should never be used as a punishment. To use the farm as punishment work only reinforces the attitude that agriculture is work which is something distasteful. And third, the profit from the enterprise should be returned to those who worked on the farm, not to the school or the teachers. The school may receive some money from the farm by charging rent on the land used. This method serves the school and teaches the children something about business. In a cooperative farm students learn a little about agricultural and business procedures and the advantages of working together.

Organizational Changes

Government

To facilitate the achievement of many of the goals stated above, it is recommended that the Department of Cooperative Development be dissolved. The functions the Department now performs could be better done by other existing departments. The needs and problems of consumer and housing cooperatives differ considerably from those of farming and marketing societies, yet presently all types of cooperatives come under the jurisdiction of one department. Consumer societies could be placed under the Department of Commerce and Industry. That department is more acquainted with the difficulties facing shops (private or otherwise) than is the Cooperative Department. Housing cooperatives naturally fall under the Ministry of Housing. Farming and marketing societies logically belong either to the Department of Agriculture or Veterinary Department, depending upon the nature of the society. The financial or bookkeeping part of each type of cooperative could be supervised by the Department of Commerce and Industry. The agricultural extension work is now being carried out by the Agriculture Department. Agriculture assistants could be trained in cooperative matters so as to be able to answer some of the questions put to them concerning the operation of the society. Agricultural workers are now asked questions about cooperative matters but have neither the training nor the authority to answer them. The major task of member education, however, would fall mostly to the Department of Community Development. That department can best point to the continuity between traditional methods of cooperation and modern cooperative societies. Community Development workers work with the community and have a high degree of credibility with the people. They are trusted advisors who can best explain to members their duties and rights. Community Development assistants are also the best people to teach leadership techniques to committee members, since leadership training comes within the purview of the Department of Community Development.

It is necessary to separate the two tasks of education and supervision. An educator needs the trust and confidence of the people while a supervisor can only be viewed with wariness at best. It is impossible for one person to do both jobs effectively. The Cooperative Department now concentrates on supervision perhaps out of a realization that it cannot be both an educator and a supervisor. By having agriculture assistants and community development workers as the educators, and the people from the Department of Commerce and Industry as the supervisors, the two tasks are neatly divided without sacrificing efficiency.

With the elimination of the Cooperative Department, governmental cooperative policy could then
be coordinated on a district level by having a district cooperative team composed of those concerned with cooperatives in a particular locality. This would lead to a greater flexibility in dealing with cooperative problems. The best method of meeting the difficulties of the district would be decided by the people who intimately understand the problems. A great deal of red tape is eliminated in this system, and the problems besetting the movement could be dealt with quickly, correctly, and in the best interests of the co-op members, the government and the country.

A decentralization of governmental guidance of the cooperative movement would also tend to retain a member's interest in his society throughout the year. This has particular relevance to marketing cooperatives, where many members are concerned with the society only at payment times. By having agricultural workers ready to answer questions about cooperatives, a member can receive information about the society all year long. Community development assistants could integrate self-help group efforts with the society's needs. In a factory expansion operation, for example, people can be organized to contribute labor towards the completion of tasks that do not require skilled labor. In Central province, many self-help efforts have gone hand-in-hand with cooperatives, and this has been for the good of both community development work and the cooperative movement. A member is involved with the society all year, not just at payment time. He takes a more active interest in the affairs of the business than does a member of a society that can arouse his interest only when the society does not meet his financial expectations. A member who is interested all the time will assure that things are done correctly, while a member who is interested only when his income is not what he expected will only be involved when the damage has been done. Community development and agricultural workers who are aware of cooperative problems and are empowered with some duties in the field will keep an active interest alive. The unpleasant job of supervision is kept unobtrusively at the district headquarters. Inspectors, who have nothing to do with the spirit of the movement, remain apart from the co-op members. The split between education and supervision makes it easier to establish a positive outlook in the members towards the cooperative movement. A positive attitude then encourages members to become interested in the affairs of the society. An involved membership can only have a salutary effect upon the society.

Societies

The concern of the government is to make cooperatives efficient units. To achieve this objective, the new Cooperative Act empowers the Commissioner to enforce mergers amongst societies. For reasons other than this being undemocratic, the enforcement of this measure requires a great deal of restraint. One of the salient points of cooperatives is their function as an integrative force in a community. Experience has shown that societies which cut across tribal and even clan lines are some of the societies in the most serious difficulties. In such societies, suspicions are aroused because people are hesitant about accepting strangers, particularly if they have been enemies in the past. A successful society is based upon mutual trust. Although it is an unpopular admission, tribalism and clannishness still play an important part in the formation of people's attitudes. A society fraught with latent hostility will not be a good cooperative. Therefore, it is suggested that cooperatives be organized as much as possible along tribal lines and, in areas where clan feeling still runs deep, along clan lines. This is not a return to tribalism. It is an effective way to prevent the aggravation of ill feeling. Furthermore, the argument presented in the preceding section pointed out that cooperatives, by their nature, blur tribal and clan distinctions. They do so because of the marketing mechanism. A tribally based cooperative will have its horizons widened even if it is monatribal. On the other hand, a society composed of hostile elements will have a difficult time overcoming this handicap, and tribal antagonisms will only increase as each faction blames the other for the failure of the cooperative. In theory, that business is most efficient which takes into account available resources, geography, and infrastructure. In practice, these considerations are of secondary importance to the co-op members. The theories of economists must take into account the intangibles of psychology. Economics and economic planning cannot be as precise as is perhaps desired. But unless noneconomic factors are taken into account, plans never turn out as expected.

Some areas physically prohibit the formation of societies on a tribal or clan basis. In those societies there should be proportional representation of the committee. This would guarantee the small groups a voice in the management of the cooperative. It would go a long way towards allaying their distrust. A committee man from a numerically small clan or tribe would report to his constituents what was
happening at the committee. This would make the members happier and at the same time have a leavening effect on a committee that might otherwise abuse its power.

Marketing

Aside from the government underwriting the expense of competent management, opening the market to free enterprise is the best means of making cooperative societies efficient businesses. The monopoly held by cooperatives in the marketing of some crops, notably coffee and pyrethrum, in former reserve areas was given by the colonial government to protect the small farmer from exploitation by unscrupulous traders. This argument has some validity in places where there is no choice but to use a single transporter. The economic structure of Kenya today, however, allows for many choices. In any town of significant size there are many traders, in addition to the marketing facilities of the cooperatives, who are willing to transport the crop to market. On an open market, the most efficient transporters would remain while the less efficient would be forced either to improve the quality of their service or go out of business. This means that many marketing cooperatives would collapse. They cannot meet the rigorous competition of private traders. Other cooperatives could succeed in a competitive system. The societies that do fold will be the ones that have no economic justification for existence, while the ones that will remain will be stronger than they are at present. A member of a competitive society will clearly see the reasons why he is a member and be a better member for this awareness. The uncompetitive societies—the failures—will probably be amongst those causing a great deal of trouble at the present time. A free enterprise system, with cooperatives taking their rightful place, will decide for the government which are the societies worth promoting.

Another argument advanced by the proponents of the monopoly position of cooperatives is that the middleman is a parasite in the economy. He is neither a producer nor a consumer and therefore performs no service that could not be done without him. His function is harmful for the economy and society. This argument is more emotional than rational. P. W. Paish (1964: 86), a noted British economist, writes that most marketing in Great Britain is still carried out by middlemen, and it is reasonable to conclude that middlemen "are useful and that no significant increase in output could be achieved by eliminating them. Middlemen exist because there is a need for them. Efficient cooperatives eliminate them by removing the need, while inefficient marketing societies are themselves eliminated.

This does not mean that the cooperative movement has to be abandoned in those areas where marketing societies fail. Other types of cooperatives may do very well. A farming cooperative may be needed or a credit society may be useful. It is to be remembered that marketing societies are only one kind of cooperative, and on the list of priorities rank behind farming, credit and housing societies. The loss of inefficient marketing societies should not be bemoaned. Their elimination means a healthier, sounder cooperative movement.

Self-Improvement

Some societies have attempted to reverse the trend of falling crop quality and disincentive, and a few have been successful. These societies have set minimum standards of agricultural practices to be followed by the members, working on the assumption that those farms that have been properly attended to will produce a better quality crop than those farms that have been poorly managed. Committee men or hired workers inspect each member’s plot to see that he is following the instructions laid down by the society as a whole. If, in the opinion of the inspector, the farmer has been negligent, after one warning, his crop is rejected by the society. This method of self-policing, adopted by the cooperative and strictly enforced, is superior to governmental supervision. No ill feeling develops between the farmers and the Agricultural Department, thereby enabling agriculture assistants to continue their work as field instructors. At the same time, the co-op members are exercising responsibility and self-discipline.

The quality of certain crops can easily be determined at the society level. Where this is possible, a society can inspect a member’s crop when it is delivered to the co-op and specify the standard of the produce at that time. The rate of payment to each member would then be determined by the quality of his crop. The system of differential payments has the same effect as mentioned above. The quality of output does not sink to a common
denominator. Monetary incentives are provided to promote good work.

Cooperatives can help reduce the tension that exists between the demands of traditional culture and the profit ethic. By paying members directly into their own savings accounts, the amount of visible cash at home is drastically reduced. A relative has no way of knowing how much a person can afford to help. He can only approximate from the size of a person's salary or amount of produce. The degree to which a person will help his relatives is left to his conscience. Having his money at the bank makes it easier for him to reject requests for assistance by those relatives whom he thinks are only taking advantage of his hard work. Some sort of balance is thereby struck between mutual obligation and profit incentive.

Paying members through individual bank accounts, incidentally, reduces the number of people handling the society's funds. No money need be lost at the society since the cash comes directly from the buyer to the bank account. The committee transfers the money from the buyer's account to the members' accounts directly, thereby involving themselves with a paper transaction. Money does not disappear at the society during payment time, as is often the case now.

There is usually a great deal of disturbance at the society during payment time, with people unknown to the committeemen or manager demanding money on behalf of a member unable to come to the society to collect money himself. If a member is paid into his personal account, he need not worry about coming to the society to collect his money on a particular date set by the committee. His payment is placed into his account and he withdraws it whenever he wants.

This system of payment has been tried in several areas. When it was introduced to Kiambu several years ago, many members were hesitant about accepting it. But now the idea is very popular and no one seriously claims that they prefer the old method. In those areas where a bank is far from the society, the bank sends its mobile van unit to the society each week and members withdraw or deposit whenever they want. The business of operating the society is made easier for the committee and is popular with the general members.

This section has tried to show that many of the problems plaguing the cooperative movement in Kenya at the present time can be solved. Of course all the problems will not disappear immediately. Cooperatives are difficult businesses to run. As George Kimble (1962: 232) has pointed out, "Of all the modern business channels the cooperative one is probably the easiest to dig, and the hardest to keep open and clean." This is because in a cooperative all those who use the business are its owners. All co-op members must be educated in cooperative matters and they must be willing to assume the responsibility that comes along with being the master of one's own destiny.

To serve its purpose, all those who deal with the cooperative movement will need patience, restraint and a great deal of understanding. These are difficult to practice, but the rewards are well worth the effort. The returns from good cooperatives are extensive and intensive precisely because of their democratic nature. Self-reliant cooperatives provide a solid foundation upon which to build the ideals of African socialism.
APPENDIX

No figures have been issued as to the contribution of cooperative societies to the various sectors of the economy. Only a rough idea can be gleaned from the Development Plan (1966) and the reports of various marketing boards.

In 1964, agriculture contributed £36.72 million to the monetary gross domestic product, while livestock contributed £9.50 million. During the same period, cooperatives contributed approximately £30 million. Since 98% of the turnover in cooperative derives from agriculture (including milk) marketing and production, nearly £29.40 million was contributed by cooperatives towards the £46.22 million monetary GDP of agriculture and livestock. This is about 68% of the total output of these two sectors of the economy. Since agriculture and livestock account for 21.7% of the total monetary GDP, cooperatives contribute approximately 13.6% to the total monetary GDP.

In pyrethrum, during the pool period 1964-65, cooperative societies produced 3,301.9 tons and settlement cooperative societies produced 1,183.9 tons. The total of 4,485.8 production tons was out of the Kenyan total of 5,908 tons for the same period.

The breakdown of pyrethrum societies during the pool period 1965-66 is as follows:

<table>
<thead>
<tr>
<th>Province</th>
<th>Number of Societies</th>
<th>Production Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rift</td>
<td>16</td>
<td>252.0</td>
</tr>
<tr>
<td>Central</td>
<td>16</td>
<td>743.7</td>
</tr>
<tr>
<td>Eastern</td>
<td>2</td>
<td>18.0</td>
</tr>
<tr>
<td>Coast</td>
<td>1</td>
<td>0.2</td>
</tr>
<tr>
<td>Nyanza</td>
<td>24</td>
<td>6,277.8</td>
</tr>
</tbody>
</table>

*aNot including settlement societies.

For the period 1965-66, coffee cooperatives produced 25,120 tons of coffee out of the Kenyan total of 51,310 tons. This is almost 49% of the coffee production in Kenya.

Coffee societies are distributed in the following manner:

<table>
<thead>
<tr>
<th>Province</th>
<th>Number of Societies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rift</td>
<td>3</td>
</tr>
<tr>
<td>Central</td>
<td>40</td>
</tr>
<tr>
<td>Eastern</td>
<td>37</td>
</tr>
<tr>
<td>Coast</td>
<td>1</td>
</tr>
<tr>
<td>Nyanza</td>
<td>40</td>
</tr>
<tr>
<td>Western</td>
<td>24</td>
</tr>
</tbody>
</table>
NOTES

1. When speaking about Kenyan cooperatives, the primary emphasis is upon co-ops in the agrarian sector of the economy, since over 98% of the turnover of cooperative societies derives from agricultural production and marketing (Development Plan, 1966).

2. Farmers have asked me to explain the international marketing network and how the prices of coffee are determined. It is possible—yet unlikely—that the same questions might be raised in a farmer's mind without a cooperative. The society keeps these questions constantly before the farmer. The money received by the co-op member does not reach him until after the KPCU makes the payment. Therefore, these questions are never far removed from his thinking.

3. Recent anthropological studies supply empirical evidence to support this observation. Through cross-culture studies it has been found that one of the prime factors to account for mental illness in society is the degree of integration in the community. The higher the disintegration, the higher the number of cases of mental illness. Mental illness is not related to social change per se, but to the degree of social disintegration (see Honingmann and Preston, 1964).

4. The effect that aging machinery can have upon coffee can be seen upon inspecting the coffee at the factory. Coffee coming from the newer factories is markedly superior to the coffee being pulped at the older coffee factories.

5. No one department exists for cooperatives in the United States, for example. Farming co-ops come under the Department of Agriculture, while housing co-ops receive assistance from the Federal Housing Authority.

REFERENCES

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