



COOPERATIVE MOVEMENT IN TANZANIA, KENYA, ZAMBIA,
MALAWI AND UGANDA

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THE CO-OPERATIVE MOVEMENT AND THE GOVERNMENT OF TANZANIA

It is very unfortunate that I know very little about the connexion between the co-operative movement and the government of my respective country of Tanzania. And for sure, I am not ashamed to point out that I have worked for six months only in the government Ministry of Commerce and Co-operatives before I came to Sweden. Therefore my experience and knowledge is very limited to the extent that I even fail to express the real work and purpose of the organisation before the public. But still I have a strong feeling and hope that you will understand and learn much about the work of the movement from my friends from the same country who are experts and know every detail. So I hope you will not punish me by laughing at my poor article.

Well, the foundation of Tanzania co-operative movement is almost 33 years old. It started on 2nd February 1932 when the first law was passed to make provision for the registration of all co-operative societies. Since then many important visitors from many countries of the world came to our young country to give more advice on how co-operation should be based. Then the government made active attempts to foster and promote the co-operative movement as distinct from merely providing the purely legal functions of registration, audit and financial supervision.

A number of years ago, say soon after the second world war, many young co-operative societies began to spring up through the whole country. The aim and need for this rapid growth of the movement was and is still to enable the farmers who, if I am not wrong, form the majority of the Tanzania population to take their rightful place in the national economy.

The Ministry of Commerce and Co-operatives under which I am working is a whole governmental body. And the co-operative vision is there as I have already said to develop a co-operative life and bring the farmers together. It has been very successful in handling a number of crops produced by the farmers who by the order from the government are strictly supposed to sell their produce to the co-operative societies, and co-operative unions, which the members themselves have jointly formed them - so that they can collectively do the marketing of their own produce. There are very few exceptions in my country made in some areas of the country where there are no co-operative societies or unions. The licenced traders who have been approved by the administration are allowed to do the buying of produce. But I think this idea is rapidly being abolished because the farmers themselves are seeing the pace of the development of their lovely land. They prefer to form a society where they can send their collected produce and get a fair price.

Although the co-operative societies are independent and usually called "The peoples own organisation". They have to get a great help of experts from the government and these experts are employed by the government and as such they are trained under the government policy and all expenses. They learn on various subjects such as

- a. laws and principles of co-operation
- b. co-operative practice and all duties of suspection
- c. theory and practice of commerce
- d. principles of accountancy and
- e. co-operative organisation

As a young employee and pioneer I have not had that chance of learning all these, but I hope I shall be acquainted with them soon after I go back home.

Now as such the government staff are sent out to all different regions and districts where they supervise the proper handling of the farmers societies and financing. I think you would wonder where these government employees can get such an enormous number of sum for the smooth running of all the societies in on region or district. Well as a co-operative life developed throughout the country it was possible to establish the Co-operative Bank of Tanzania where all the farmers members in every registered society get loans for expansion of their farms and for collecting the produce during their peak seasons. These loans are given out in security of their produce.

About 80% of agricultural produce in Tanzania is exported to other foreign countries. Therefore the farmers and their co-operative societies are constituting a powerful and very important sector in the national economy and social activities of the country.

In the fields the regional co-operative officer administering the whole region under the co-operative line, it is his responsibility to look after all the societies embodied in that particular region. He cannot do all the work by himself, travelling under very hard and wearisome conditions, so he needs some large help of the inspectors who can perhaps share the difficulties. They are stationed in both areas that is the regional officer and the district officer. The inspectors main work is to tour every day and throughout the year round the whole region, holding meetings with the farmers and inspecting their co-operative marketing societies books of consumers co-operatives which are under COSATA=(The Co-operative Supply Association of Tanzania) transport co-operative societies, the women handcraft co-operative societies which have recently been established and all the wood-workers co-operatives etc.. Getting into contact with all the

members in the co-operatives societies the so called inspectors have to travel a great deal inspite of the bad tropical weather disease and sometimes very bad communications. For it is their duty and responsibility to give the co-operative societies members the right information about what they have done for the passed year, whether their society has gained some profit or losses. And also to give them good advice for what they are supposed to do if the member want their society to survive. Important is also the formation of new societies.

Always the inspectors as government employees are sent out to survey if at all these are chances of starting a new society where the farmers are in need of one and to see whether the area in question there are many people who are in favour of forming a new society. Then if everything is ready the report is submitted to the boss (The Regional Co-operative Officer) and a copy is sent to the headquarters i.e Co-operative Division where the Commissioner for Co-operation Mr. Maharage Juma and all his colleagues are destinated. All these big bosses give the last decision with the arrangements to form the new society.

As the co-operative movement is under the government policy it has got its own Minister Hon. Babu and before him it was Hon. J.S. Kasambala, who has been transfered to another Ministry.

I should conclude by saying that this co-operative movement has been long a school for democracy and for what our leaders in the government say in the "five years development plan" it has been a spearhead in the great Tanzania war against poverty ignorance and disease.

Without the strong support from the government I am sure Tanzania co-operative movement could never come into the field and play an important part in the national economy as it is functions today in the young developing Tanzania.

By Miss Grace Harry Mwaluseke
(Tanzania)

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COMMUNITY DEVELOPMENT ACTIVITIES IN TANZANIA

As a Community Development Worker in Tanzania I am obliged to inform you what we are trying to do in order to help the Community to change to better ways of living.

Before I go further and in order to give you this information in brief I will try to copy one of the definitions for Community Development, which was reached by Ashbridge Conference UK in 1948.

"Community development is a movement designed to promote better living for the whole community with the active participation and if possible on the initiative of the community, but if this initiative is not forth coming spontaneously, by the use of techniques for arousing and stimulating it in order to assure its active and enthusiastic response to the movement (Community Development) embraces all forms of betterment. It includes the whole range of development activities in the district whether these are undertaken by government or unofficial bodies; in the field of agriculture by securing the adoption of better methods of soil conservation, better methods of farming and better care of livestock; in the field of health by promoting better sanitation and water supplies, proper measures of hygiene, infant and maternity welfare; in the field of education by spreading literacy and adult education as well as by the extension and improvement of schools for children.

(Community development) must make use of the Co-operative movement and must be put into effect in the closest association with local government bodies."

I hope that this long definition has given you a picture on what we are supposed to do. So, I will just try to explain to you as much as I can manage how we work.

I The organisational structure of the Ministry

The Ministry is called,

"MINISTRY OF COMMUNITY DEVELOPMENT AND NATIONAL CULTURE."

The head of the Ministry is The Minister for Community Development and National Culture.

Then follows:

Junior Minister (Community Development Probation & Welfare)

Junior Minister (Culture & Antiquities)

Civil Servants Principal Secretary with his

Senior Assistant Secretary I

Senior Assistant Secretary II

Assistant Secretary UWT & Womens Organizations

COMMISSIONER FOR COMMUNITY DEVELOPMENT

" " CULTURE

Principal Probation officer.

As the ministry is very wide it is divided into three departments.

The Commissioner for Community development is responsible for:

- 1/ Community Development
- 2/ Adult Education
- 3/ Self help Schemes
- 4/ Work among women including Nursery Schools
- 5/ Interministerial Extension Schemes.
- 6/ Visual Aids and Film Unit.

The Commissioner for Culture is responsible for:

- 1/ Antiquities
- 2/ Museums
- 3/ Cultural Activities
- 4/ Festivals
- 5/ Film Censorship
- 6/ Sports and Games

The Principal Probation Officer is responsible for:

- 1/ Probation Services and after care.
- 2/ Approved Schools
- 3/ Welfare Services , care of blind, orphans, the aged and the physically handicapped.

There are officers working with different sections in the departments in the headquarter's offices of the Republic.

The Country is divided into regions. Tanganyika itself has 17 regions and in each region there is a Regional Community Development Officer. The regions are divided into districts, there are about sixtytwo districts in Tanganyika. In the districts we have a Community Development Officer or Assistant who is in charge of the district and is responsible for all Community activities in the district.

There are always Community Development Assistants in the urban and rural areas in the districts who are working directly with the Communities.

HOW WE WORK WITH THE COMMUNITIES

We work in close collaboration with other staff from other departments or organisations which are in the fields and apart from this we work along with Village Development Committees (VDC)

These committees have been set up all over the country. The members are elected by the villagers and are acting on behalf of the villagers in planning and carrying forward the activities for the development of the village.

The members have to act according to the needs of the community not according to individual wishes.

The Community Development Workers are the advisers but cannot vote. The field workers of other ministers & departments attend the meetings and advise too especially when the plans concerns their departments. Not only government employees attend these meetings but also representatives of all active voluntary organisations in the area are invited if not elected. The village Development Committees make development plans of their villages and they send them to the District Development Community (DDC) for approval.

There are a few projects which a village can carry but these projects are minor ones which will not need any aid from government. Any project which will need materials or staff from government must be forwarded to the District Development Committee.

The district development committee

Each VDD send a representative to the District Development Committee.
Each ministry send its officer on the district level to the meetings.
All active voluntary organisations are represented to the meetings.

Government Aid to development projects

Through Community Development Officer /Assistant in charge of district a certain sum of money is deposited to the District Council for Self help projects. The Community Development officer has to report to the D.D.C how much money is left in deposit so that they can make the district plans according to what they can get from the government as grant or aid for the projects.

Many problems and solution are discussed in the District Development Committee and some resolutions are sent to the Regional Development Committee for approval. Normally Regional Development Committee has the last say to major projects.

I would not like to complete before I give you some figures on how we have achieved some steps forward on Adult Education. At the end of January 1965 the statistics showed:

A/ 1/ Men registered in Literacy Classes were	206,214
2/ Women " " " " "	<u>335,348</u>
Total enrolment	= 541,562
B/ Follow-up classes	
Total enrolment	14,043
C/ Women Programmes.	
Number of Women's groups	= 1,974
Total number of Women enrolled	= 112,739

Thanks to the administrators, all local government officers, all political leaders and all voluntary agencies who have worked side by side with the community development workers to encourage people to take great interest in such activities.

For your information this is very little scale as far as adult education is concerned we have very long way to go.

Apart from this projects we have quite a lot to do in order to implement the national five year development plan which has three main objectives:

- 1/ To raise the per capita income from the present £19.6. to £45;
- 2/ To raise the expectation of life from the present 35 to 45 years to an expectation of years by reducing death rate and improving nutrition and health of the people;
- 3/ To be fully self sufficient in trained manpower requirements of the Republic. In this plan it is stated in one section that

"Community development staff will assist by imparting at the village level simple agricultural and other techniques (skills) according to work programmes prepared by technical ministries and thus act at the village level as the interpreters of Government directions to the producers".

As Community Development Workers have been given such responsibilities the problem of enough trained staff is very acute.

I am sorry I am not in a position to give you more detailed information because I donnot have enough materials.

By Mrs. Anna Mgaya, Tanzania

PYRETHRUM MARKETING, NJOMBE CO-OPERATIVE UNION LTD.

Pyrethrum marketing in Tanzania is mainly carried out by the co-operatives in conjunction with the Tanganyika Pyrethrum Board.

The Tanganyika Pyrethrum Board is a statutory board. This board mainly performs three main functions. To regulate the volume of pyrethrum to be offered to the consumers, to negotiate prices and provision of technical research on pyrethrum production. The other functions, however, are carried out by the co-operatives.

Co-operative marketing in this case is of a pool type. The committee men and the secretary once every month in a society decide the dates and the hours they intend to collect the pool. Verbal information is conveyed to the members by the committee members. When members bring in their commodity, the committee check the quality, provide gunny bags, weigh, issue receipts, standardize the bags and mark the bags with the code number of that particular society as required by the rules imposed by the board.

Transportation of the bags from the society to the railway terminus-Njombe - is the responsibility of the union. At the terminus the bags are stored in a store hired by the Tanganyika Pyrethrum Board. This store is controlled by the railway authorities. This arrangement was brought about by the fact that the societies had not affiliated to form a union until in 1962. Thus the marketing board was required to provide storage facilities for the producers. However, after the affiliation it was asked that the board had made ten years agreement, which the co-operatives had to honour. Transportation arrangements from Njombe to Arusha, where the commodity is

processed, is controlled by the board under the same agreement, though, the charge is direct to the respective societies.

Payments of pyrethrum is made according to processed chemical content of we can say according to grade. Thus the processing company cannot pay before it has processed to a certain pyrethrum content. The payments are made through the co-operative bank to which the societies are members.

The co-operatives in their duties associations face many problems. The first problem is a direct problem arising from the characteristics of pyrethrum itself. Pyrethrum is a bulky and light commodity. Two tons of pyrethrum need a six turner truck to transport it thus transport costs are also minably high. Another characteristic is its tendency to loose pyrethrum content the longer it stays unprocessed. This is really a problem, because it takes quite a while for the commodity to move from the society to Arusha. Because payments are made on the pyrethrum content within a pool, the prices are badly affected by this deterioration caused by the delay.

Transportation is another problem. This is caused by more than one factor. In the first place most of our societies are provided with very poor roads. This, is because of heavy rainfall on the slopes of the high mountains - Southern Highlands -. This is really a big problem because the two peaks - collection of pyrethrum and heavy rainfall - occur during the same months, January to May. Indeed, inaccessibility to the societies, sometimes causes no collection of pyrethrum from the members, which causes astronomical complaints from the members. Secondly our societies are not communicationally connected with their low productivities, trucks always travel without being properly utilized. But if we had the roads connected it would be possible to utilize our transport facilities to get the best out of our funds. There is a good deal of waste at present.

As marketing associations, the co-operatives need the most efficient storage places, weighing facilities and other important marketing equipments. This, however, would have the effect of accelerating the marketing activities, to the advantages of the people the co-operatives were intended to serve. For example, at present, the statistics have shown that our business warrant the owing our own transport. In spite of the vivid signs, we have been stopped by our financial status. Finance raising is so difficult beyond my vocabulary power to explain it. But if I may try I could say we lack finance with which we could employ to dig the hole deep to bury co-operative ideology in the minds of members and also provide the association with the necessary facilities.

Marketing of pyrethrum does not only concern itself with the collection and delivery of the commodity from the producer to the consumer respectively, but it needs a careful planning on the production side to ensure the volume needed to be marketed. Planning of producing pyrethrum is a very technical occupation with so many problems. In order to plan and control the collection and other marketing functions effectively, the co-operatives need trained personal. The question of training has been alleviated by the Moshi to operative college. But because we have many co-operative societies in the Republic with similar problems, training as such, is very slow. Sometimes, though not often, this personal problem is aggravated by the fact that secretaries are elected rather than appointed.

The farmer himself is also a problem. His membership in the co-operative is determined by his financial status. He believes in co-operative principles when he has one acre of pyrethrum. He does not believe in co-operative ideology when he has ten acres. With the principle of open membership, farmers allowed to join co-operatives when they are poor. The availability of production facilities from the member; just to find he wants to resign in the co-operative and compete against it. Volume^{of} commodity through

the society is the lifeblood of the society. Change of expected volume destructs all plans and you can just imagine how difficult to solve the condition of a plan which fails to materialize.

Traditional inertia is another long problem. We all possibly know that many people are unservative and that this conservatism is well marked to farmers. They cling to old inefficient and repel new efficient procedures. Therefore, before one can put forward any new proposal, the committee and the members, need to be enlightened. With the lack of finance this cannot be done. It needs experts and time. Thus our progress has been very slow and our survival has been sacramental rather than survival of the fittest.

Pyrethrum as you may know is not a commodity of alternative use rather than a powerful insecticide. Its demand depends on its effectiveness, price, amount offered for sale and the amount of other competing insecticides. Our competitors are scientifically developed and it is natural that they are working at an exceedingly fast speed to invent more effective and less costly than ours. Fear of being priced out of the world market is always imminent. To get investors is a problem. This may be even more worse now because recently sisal has been forced down the rank.

In conclusion, co-operatives have done a good deal inspite of all these problems statistically per capital per income of a member in 1956 was £12. Today the member earns £26. We congratulate our co-operative efforts in having achieved the income of a member above the ational income, which is £19. With increased influences, technical research, trained staff, more finance, enlightened members the co-operatives will play a more magnificent role in the marketing of pyrethrum with the eventual increase in standard of living.

By Mr. J.B. Ulaya, Tanzania

SWEDISH CO-OPERATIVE CENTRE

Third International Co-operative Seminar

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A GENERAL SURVEY OF THE CO-OPERATIVE MOVEMENT IN
TANZANIA; ITS ACHIEVEMENTS AND PROBLEMS

In trying to give this general survey of the Co-operative Movement in my country, I feel that a few geographical and historical facts, if given, will not be out of place. I have therefore decided to give these few geographical facts as an introduction to this report.

The name Tanzania is a new one, if one tried to look in the world map for this country, one would be disappointed to find out that no country is called Tanzania. I hope, however, that new maps will show where Tanzania is. Whenever I meet Swedes and whenever I tell them that I come from Tanzania, East Africa, I am not surprised to hear them say, they have never heard of Tanzania. Under the circumstances I introduce Tanzania as the state which was formed after Tanganyika and Zanzibar united to form one sovereign state of Tanzania.

Population:

We are ten million people in Tanzania, 98% of the population are black Africans, the other 2% comprise of people of Asian and European origin. Though they are not black immediately many of them chose to become Tanzanians after getting our independence in 1961. Tanzania is known as the most peaceful country in Africa. Its racial relationship among the different people of different origin, is excellent. This is proved by the fact that in the present government we have one minister European by decent who was elected by all the inhabitants in his constituency. We have one Asian minister and one junior Asian minister. In the house of parliament, we have more than fifteen non black Africans parliamentarians.

Tanzania has an area of 365,000 Sq.miles excluding areas covered by lakes. It receives rain falls which range from 10" - 120" a year, spread over a period over nine months. The rainfall is heaviest in the highlands and around the three lakes. The central part of Tanzania is almost dry. As Tanzania lies in the tropics it has a tropical type of climate. The coastline has a rather warm climate with a high humidity content, which sometimes rises as high as 98%. The hinterlands and the highlands have a very pleasant cold climate.

Minerals:

The following are the minerals which are being mined; diamond, gold, tin and mica. We have many other types of valuable minerals, which we have not started exploiting. We are hindered from exploiting them, because mainly of lack of capital and knowledge, coal and iron are found in abundance. It will not be long before we embark upon exploiting these natural resources. Lack of roads or railways to these parts where we have the iron deposits and coal is the main limiting factor in exploiting these natural resources. Although Tanzania has plenty of mineral resources, by and large it is less developed industrially than the surrounding states of Kenya, Uganda and Zambia. Tanzania is therefore mainly dependent on agricultural products for its well being and it will remain an agricultural country for many more years to come until it has accumulated enough capital from its agricultural activities to invest in industries. This is by no means a small job to achieve. The other alternative, perhaps, is to borrow capital from the so called industrialised countries with which to start our own industries, but here, as the political philosophy which we are following - of positive non-aligned is not conducive to getting help, neither from the Western countries nor from the Eastern block. The fact that Tanzania is a peaceful country, the big powers, which could give help are not interested. It is a fact today, that it is those countries which are either aligned to one of the big powers or are troubled spots which receive massive aid. Tanzania has chosen its own road of being non-aligned and we hope we shall build our country through our own sweat. This is a slow process but it is the only sure one if we want to be free from external influences.

The Co-operative Movement:

The spirit of working together is not a new spirit to the people of Tanzania. Time immemorial, long before the white man came to Africa, our forefathers knew that unity was strength, they also knew that in order to overcome their common needs, they must co-operate. They co-operated in clearing up lands for cultivation, they co-operated in defending themselves against their common enemies, such as wild beasts. They co-operated in burying their dead and in most cases they co-operated in herding their cattle. The old were sure to be looked after by the clan until they went to the grave. That brutal spirit or dogma of "survival of the fittest" was unknown to our ancestors. I have taken the trouble of explaining the above, because many people believe that it was the British who introduced co-operation in Tanzania. Our unwritten history shows that this was not the case.

It is true that the present type of co-operation where the economic side is so much emphasised, was introduced by the British. But the spirit of co-operation was there. I have already stated that Tanzania is an agricultural country and here I would like to state further that about 75% of our people earn their living through agriculture, it is not therefore a wonder that our co-operative movement started with the marketing activities of agricultural products.

It was as early as 1918 when the people living in the slopes of mount Kilimanjaro, the Bachagga by tribe started growing Arabic coffee as a cash crop. In 1925 they formed an association known as the Kilimanjaro Coffee Growers Association. The purposes of this association were to foster the interest of growing coffee in Kilimanjaro area (6). To combine their effort in eradicating coffee diseases (C). To seek new and better methods of growing coffee and to spread the new knowledge so obtained to all the growers in Kilimanjaro area. This association was run voluntarily and on a democratic basis.

The effort of this association was rewarded by a big increase in coffee harvested. Unfortunately, this was not an organized market for coffee industry.

The coffee was sold by individual growers to Local India Traders who took the advantage of the Wachagga's ignorance of coffee markets in the world and made millions of shillings by collecting the coffee from individual growers through their local agents. They bulked the coffee and exported it to be sold at world prices. Never in the history of business were so many exploited by so few. In a few years the Asian traders became very rich through buying and selling coffee. The Wachagga were exploited to their last sweat. The colonial government did not interfere in this exploitation of the Indians exploiting the Africans, the government believed in the dogma of "Let the sleeping dog die" and true enough the Africans did have a real good sleep.

It is said that some good missionaries were very disgusted by this sort of affairs, of a few exploiting the many that they wrote to the Colonial Secretary in London informing him of the extent of exploitation which was going on in Kilimanjaro in the Coffee Industry; it is said that the Colonial Secretary Mr. Coeek Jones (a labour Colonial Secretary and a Socialist at heart) immediately sent out a despatch in 1932 advising all the governors in East Africa to set up a government department of Co-operation, whose functions would be to promote, register and supervise co-operative societies. One of my colleague, who is a government servant, is dealing with this side of co-operation. I am therefore limiting my report on the movement .

On the 1st of January 1933, the Kilimanjaro Coffee Growers Association was registered under the co-operative law as a co-operative union. A few days later, branches of the Kilimanjaro Coffee Growers Association which were eleven in number were also registered as primary societies which automatically affiliated to K.N.C.U.. This development was unique to K.N.C.U, Ltd. In normal circumstances, primary societies are registered just and later, they, if they so wish affiliate themselves to form a union.

One of my colleague is writing on the functions of a Union, I feel therefore it might be a repetition if I was to describe the functions of societies and unions. I will limit my report to a general survey. Even then, my report will not be complete without here and there touching certain functions of societies on a broad

X/ The same year, the Co-operative Ordinance was promulgated and a department within the government departments was set up to promote the formation of co-operative societies.

basis. I would therefore mention here the broad aims or functions of a marketing society:

The by-laws of marketing societies state that, the society shall arrange to market members produce. In order to achieve this the society will arrange collecting, grading, transporting, processing selling, securing cash to advance the members by hypothecation of the members produce, and finally the society should aim at the following: "To raise the economic standard of its members through encouraging its members to attain better farming methods, better business and better living".

In order to achieve these aims, the societies need just class management. At a later part of this report I will discuss the difficulties the movement is getting in obtaining the services of the highly qualified people. So far I have only described the formation of the first societies and unions. It is, I think, proper that I now describe the development of the movement from 1933 to this date so that we get a clear picture of what the movement has achieved for its members and for the country.

I said earlier that Tanzania is an agricultural country, and I have said too that 75% of the masses get their living by farming, as a logical consequence our co-operative movement is mainly a marketing co-operative movement. Where 75% of the people produce their own food, the internal market for food stuff so produced is difficult to arrange, our agricultural products which we market are relying upon foreign markets. Such agricultural produce are: coffee, cotton, sisal, cashew nuts, pyrethrum, Castor Seeds etc.

The movement grows

K.N.C.U. Ltd. was very successful indeed that its success was a house hold song in every home in Chaga land. The fame and the activities of this new co-operative venture was heard by every farmer through out the entire length and breadth of Tanzania. Everywhere farmers organised groups and chose some of their members and sent them to Kilimanjaro to study, how the Wachagga ran their co-operative societies. These enthusiastic farmers came back and retold the story of what they had seen there.

They therefore urged their fellow farmers to plant coffee. Farmers living in those areas which were suitable for coffee growing started growing coffee. If coffee is not grown on a scientific basis, it can take up to seven years before one sees any fruit on it, since at that time no scientific knowledge was given to farmers, it was not until 1950 that farmers in these new coffee growing areas ripped the first fruits of their labour.

By 1950, the number of societies grew from 11 to 127, from 1950 there was a rapid increase in the number of registered societies. These societies were mainly handling coffee and cotton. The societies which had started practically with no capital, by 1960, the movement had a share capital of £249.195 with reserves of over £3.000.000. The value of produce marketed was over £13.000.000. Other tangible benefits which the movement brought to the co-operators were:

- a. members had money with which they were able to pay school fees for their children.
- b. members started putting up better houses.
- c. through levies paid to local authorities, more schools were built and also better feeder roads were constructed, hence promoting further developments.
- d. members were trained in democratic principles.

The position of the Asian Trader

By 1960 nearly all cash crops were being marketed by the co-operatives. In the coffee industry 100% of the coffee produced passed through the co-operatives. This was a blow to the Asian trader. It seemed to be the end of shaking the PAGODA TREE. But alas cunning businessmen have always the wit of outwitting the poor ignorant farmers. What was the new development?

This is the story: Finding that the farmers were solidly united in their co-operatives, the rich business-men put up ginneries, rice mills, maize mills etc. to process the produce which were being handled by co-operatives. The co-operatives lacked capital to put their own processing plants. Even if they had the necessary capital, lack of know how would have been a real hindrance. Co-

operatives were therefore obliged to process their produce through these privately owned processing plants.

In order to do this, ginnery owners charged the co-operatives exorbitant charges, so high were the charges so that the co-operatives gained little for the members by selling processed products. In order to solve this problem, which seemed a vicious circle, the Co-operative, from strength negotiated and became share holders of these processing plants. This was the start of Co-opartnership in the processing plants. In all cases co-operatives took 51% of the total shares in these plants. Slowly but surely Co-operatives gained managerial skills by working with the Indian managers of those plants.

Today nearly all the cotton ginneries, coffee, curing works, rice mills etc. are owned by the co-operatives. In order to illustrate the problems, which faced the movement, before it owned these processing mills and plants, I would narrate a story of what happened in the first rice mill in which I happened to be the manager the first year my former union became co-partner with a local trader prior to this mill becoming co-partnatively owned, the union was paying =/15 cts. for milling one kilogram of paddy. In his balance sheet, the mill owner, had shown losses year after year. This malpractice in accounting system, not only did it put the millowner on a better footing when he put up his claim, that the charge of =/15 cts. per kilo paddy milled was uneconomical to him, but also he had through a number of years evaded paying income tax to the government by showing losses in his milling activities. As the millowner pressed that the milling charges should be reviewed to =/ 17 cts per kilo, my union decided to buy 51% of the shares, so that it could share in these losses if at all these losses were genuine. I am glad to say the first year we took part in this processing business, the milling company at the end of the year, made a net profit of ₹5,000. The capital outlay of the mill was ₹15,000. This shows that the private trade had been obtaining a net return of 33% on his invested

sum, and yet he had shown no profits in his balance sheets. It needs no more comments to say that this was a spur to the movement to acquire all processing plants which were processing produce handled by the co-operatives.

The movements face new problems.

The fight of the co-operatives did not end after acquiring the processing plants. Although the farmers were now getting better returns through selling and processing their produce co-operatively, the private traders inflated the prices of all agricultural equipments, fertilisers, bagging material, building materials etc., which were very essential to the farmers. So what the private traders lost in the processing business he gained by inflating the prices of necessities. The farmers were therefore none the better. It is perhaps worth while to mention that at this time, 1960, there was no national co-operative organisation where planning and co-ordinating the activities of the movement could be carried on. Each single union struggled by itself. There was a need for a National Union where leading co-operators could sit and discuss the problems facing the movement, but, the Colonial Government did not encourage the formation of any National Co-operative Union.

1961 We got our independence

Our struggle for independence started on 7/7/54 and it was not until 1961 that we got our independence. During this struggle for our political independence, the co-operative movement was neutral. But the leaders of the movement, or rather individual co-operative managers were heavily involved in politics. The first election which was in 1958, saw some of these co-operative people in parliament. It was during these critical times that these leaders to mention a few of them, Mr. P. Bomani, Mr. Z.N. Swai, Mr. G. Kahama, Mr. J.S. Kasambala, who were managers of the following co-operative unions, the Victoria Federation of Co-operative Unions Ltd., the Meru Arusha Co-operative Union Ltd., the Bukoba Native Co-operative Union Ltd., and the Runḡwe African Co-operative Union Ltd., had the chance of

meeting in Dar-es-Salaam and during those meetings they discussed possibilities of forming a national co-operative organisation, which could be regarded as the parliament of the co-operatives, where representatives from different co-operative unions could meet to discuss problems facing the movement and perhaps try to solve these problems together. It was not until 1961, when we got our independence, that the dream of having a national co-operative organisation was realised. Fortunately the four mentioned personalities, i.e Messrs. Bomani, Swai, Kahama, Kasambala all became ministers in our independent state. Mr. Bomani became Minister for Agricultural and Co-operatives while Mr. J.S. Kasambala became Junior Minister to the same ministry. In the beginning of 1961 Mr. Bomani, as minister convened a meeting of all leaders of the co-operatives, to probe into the possibilities of forming a national co-operative union, whose functions would be:

1. To promote the prosperity of societies affiliated to it in accordance with co-operative principles and practices and particularly:
 - a. to unite all registered co-operative societies in Tanzania into one co-operative organisation for their common good without impairing their autonomy.
 - b. to represent the movement whenever necessary
 - c. to arrange for the audits and supervision of member societies as authorises by the registrar.
 - d. to give publicity of the co-operative movement activities both at home and abroad.
 - e. to collect, assort and disseminate information and statistics relating to co-operative movement and co-operative societies.
 - f. to initiate educational projects amongst its members and arrange for courses of education.
 - g. to give careful examination to government legislation affecting the economy of the country and to consult with the government on any legislation which might hinder the free progress of the movement.

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h. to encourage the growth of the co-operative movement in all possible ways and the formation of societies particularly those in the field of banking, credit, insurance etc..

At this meeting the delegates agreed to the formation of such an apex organisation. On 27th November 1961, the Co-operative Union of Tanzania was formerly registered to carry out the above activities. The founder members were eleven co-operative unions. On February 17th 1962 an inaugural meeting was held and Mr. Masanja Shija was elected to president, Mr. W.R.Kupinga was appointed the Unions General Secretary. It is in this organisation that I am employed in the capacity of Deputy General Secretary.

Funds:

In order to carry out its programme, the unions pay, on affiliation shs.1000/= £50 sterling and each year, they pay an annual subscription calculated at 3% of the union previous years' gross income. This gives enough money for the Co-operative Union to carry out a few of its functions.

Achievements of the apex organisation

The first thing the Co-operative Union of Tanganyika did was to study the possibilities of curbing the rising prices of agricultural implements and requirements. I have said earlier, among other things, that the private traders were regaining what they lost in handling produce and in processing then, by inflating prices of all farmers requirements. It was logical therefore for the Co-operative Union of Tanganyika to find an immediate remedy to this rather incurable vicious circle of seek and hide. The remedy seemed to lie in the co-operative movement forming a national economic wing, the functions of this organisation was to be:

- a. to carry on the business of general merchants, exporters and importers, agents, bookers and warehousement, packers, carrier and wholesale and retail dealers in goods, produce and merchandise of all kinds, including manufacturing and processing and the provision of all services for the benefit of its members.
- b. to encourage the growth of a consumers co-operative movement in all possible ways by setting up branches and by the forma-

tion of affiliated societies for the supply of goods of all kinds to their members in wholesale and retail quantities.

c. to assist wherever possible in the sale of the goods and products of marketing societies. This society was to be called COSATA meaning the Co-operative Supply Association of Tanganyika Ltd.. The members of this society were to be all the co-operative unions in Tanganyika. This meant the same marketing unions which were affiliated to Co-operative Union of Tanganyika Ltd..

The problems we met in forming Cosata

The setting up ^{of} an organisation like the Co-operative Union of Tanganyika Ltd., which is a non business organisation did not land itself into competitions with other firms. But when the well organised firms, which were carrying out the activities, for which Cosata was being formed, started worrying, for they knew that the Pagoda tree, giving the golden fruit was indeed not going to give as much fruits to suffice the pickers. They therefore agreed to strangle Cosata immediately it was formed by using all possible tricks, commercial fair tricks to dirty tricks.

We were indeed at a great disadvantage in this field. Neither had the movement the capital with which to embark upon such big commercial activities as outlined, above, nor had we the necessary know how in commercial activities. We were determined, however, to fully start Cosata. The government, which gives every encouragement to the co-operative movement was supporting us in our determination to start Cosata. We were promised a loan from the government if we should require it. We were sure of loan capital from the government, but neither the government nor the movement had the know how. We did not want to start Cosata on a co-partnership with any of the local Asian traders, we knew that if we did that, that would almost be committing suicide for Cosata.

We requested the government to loan our various co-operatives a total sum of £150,000 and we requested every union to take shares in the newly formed Cosata with the money they had borrowed from the government. Those unions which had their own money did not

borrow money from the government and with partly borrowed capital and partly own capital, Cosata was registered as the economic wing of the co-operative movement in Tanganyika.

The next problem was know how in the field of management of commercial activities. This was not only a problem to us in the movement, but also to the government, since here, public funds were indirectly involved. We deliberated with the government and agreed to request a Jewish firm which is almost 100% sponsored by Israel government to join us in establishing Cosata on a co-partnership basis. This arrangement was carried on government-level. The Israel firm procured about 1/4 of the total shares, and we appointed this firm to take over management for 3 years while at the same time the management would undertake to train our own people who should, if possible, be able to take over the management after the expiration of the agreed period.

It is not my intention to go into detailed account of the problems Cosata has undergone. Suffice it to say ^{that} the problems were and are still very big. The big firms put all their wits at their disposal to kill Cosata in its infancy, but thanks to the enterprising effort of the government, the real unity of the co-operators, Cosata seems to have overcome its teething troubles. Cosata now is sole importers of many lines of business, to mention a few, Cosata has a monopoly of importing cotton, piece goods, jutebags, and twine from Parkistan, further on raleigh bicycles, certain brand of milk from Denmark. It is sole distributor of cement, sugar, C & S and many other items.

All government requirements are placed through Cosata and this is true with requirement of marketing unions and societies. Cosata has to some extent stabilized prices of those commodities in which it deals.

In describing the functions of Cosata, I said, among other things, Cosata would encourage the growth of the consumer movement. It now seems that this function will not be carried by Cosata, a

new organisation, perhaps to be called the National Consumer Retail Co-operative Society will be established. I am glad to say in this field we are being helped by friends who have been seconded to us by the Nordic Co-operative Consortium. They are doing a wonderful job to correct the many mistakes we have made in trying to set up a consumer movements in Tanzania. It is assumed to have one National Retail Society with regional branches.

The Third National Co-operative Organisation. The National Co-operative and Development Bank.

Much as we liked to extend the activities of our co-operative movement, we were in all cases hindered by lack of capital. For some reasons mostly known to the Commercial Banks the co-operatives found it difficult to get long term loans from foreign Commercial Banks. Until now, we have no National Bank in Tanganyika, not even one for East Africa. The Commercial Banks were prepared to give short term loans on hypothecation of certain crops acceptable to them, such crops were coffee and cotton. Very reluctantly would they finance a crop like paddy where the banks did not feel that their money was a hundred percent safe. These arrangements and many other inconveniences proved a hindrance to the progress of the movement.

Early 1962, the Convention of the Co-operative Union of Tanganyika resolved that, in order to speed up the development of the movement, it was necessary that the movement set up its own Co-operative Bank with branches in all regions. We had studied the movement of money in the Commercial Banks and had found out that while certain unions were needing cash for crops finance, other unions in different areas had sums of money standing on their credits with Commercial Banks in the current accounts. The banks were therefore transferring these amounts of money belonging to the movement, from one region to the other giving loans to needy societies and unions, charging $7\frac{1}{2}\%$ interest while giving no interest to those unions which owned the money.

A decision was reached that a National Co-operative Bank will be formed, which activities would be:

- a. to give loans, short term loans for finance crops.
- b. to encourage individual persons to operate deposit and current account with the members as well as the public.

May I say, that this decision sounded as a death knell to the Commercial Banks, which for many years had enjoyed a great deal by making huge profits through financing co-operatives by using surplus funds of the co-operatives.

All co-operative societies closed their accounts with the Commercial Banks and opened their new accounts with the Co-operative Bank of Tanganyika. The individual co-operatives societies and unions were requested to take up shares in the Co-operative Bank. This they did, hence the Co-operative Bank is the financing institution of the co-operative movement. The Co-operative Bank proved very successful within the first 4 months of operation, when it made £20.000 sterling net surplus.

In order to expand its activities the Co-operative Bank is now offering long term loans to the co-operative societies as well as to individual industrious farmers. Many farmers have been able to get loans of various amounts to improve their farms. Normally these loans are given in kind and not in cash. The procedure followed by farmers, if they want individual loans is as follows:

- a. the farmer puts his application to his society.
- b. the committee of the society scrutinizes the application and the applicants ability to refund the loan and to make full use of the facilities he requests. If the committee is satisfied they ask the agricultural officer to assist the farmer to make a forecast of his income and expenditure account (viability report on the venture.)
- c. with the recommendation of the committee of the society and that of the Government Agricultural Office, the farmers' application is sent to Dar-es-Salaam headoffice of the bank where again the application is studied. If satisfied the bank issues the loan by

offering credit facilities to the farmers through his own society.
d. Repayment is paid by the farmer through his society and the society remits the instalments to the bank.

With the formation of the Co-operative Development Agency, which is a branch of the Co-operative Bank, the farmers have been able to get tractors fertilisers etc. using loan facilities which are available. Last year more than 300 tractors were bought by the Co-operative and Development Credit Agency and given to the co-operative societies which in turn gave them to their farmers who had put up their applications for these tractors. Without the movement having formed the Co-operative Bank to deal with loan facilities it would not have been possible for the farmers to get these tractors which are so essential if we have to revolutionize our agriculture industry.

Education

Our co-operative movement is quite aware that a movement formed by illiterate and ignorant members is a movement built on sand. We therefore carry out educational programmes for the members as well as for the various categories of employees of the movement.

There is the education of the office hearers i.e. the committee, and the general education of the members and the education and training of the employees.

For mass literacy, we work in close collaboration with the department of community development. My colleague is writing on the work of this government department I shall not therefore encroach upon his sphere of his report I would only say, we in the movement try to educate our members, so that they are conscious of the problems facing them, their country and the world at large. In order to impact this to them we use the radio where we conduct our radio talks on specific subjects directed to the members. Managers of unions, during general meetings of societies go out and put forward whatever message this is which needs to be put to them. We also run a monthly co-operative paper called "Ushirika". This paper is written in our local language. It is

meant to educate the co-operative members and the public in general. Our educators at both the Co-operative Education Centre and the Co-operative College make full use of this monthly paper.

Training courses for secretaries

For many years the training of the low cadre of our employees the secretaries of primary societies was in the hands of the Department of Co-operatives. We had a residential co-operative training school at Mzumbe. This school used to receive in about 60 students a year. We have about 6.000 employees who need training. At the rate of training 60 secretaries a year, simple arithmetic shows it would take 100 years for all these employees to receive any sort of training at all. This definitely was an impossibility. In order to speed up training programmes, the Co-operative Union of Tanganyika arranges two weeks course in unions' offices, where the staff of C U T and the Managers of the Unions teach the secretaries a few co-operative subjects such as book-keeping, principles and practices of co-operation, a survey of the co-operative movement in Tanzania etc. Even this arrangement proved unsatisfactory.

Thanks to Dr. Bonow of KF and Mr. Clemens Pedersen, Andelsutvalget, who after presenting our problems to the governments and the co-operative movements in the Nordic countries agreed to come to our aid. The history of our movement, when it will be properly written, at some future dates will contain a chapter of the excellent work which the Nordic Co-operative Consortium played in solving, on our behalf, the acute problem of training our secretaries and members.

The Nordic Co-operative Consortium agreed to take over the education programme for our members and the training of secretaries. The Nordic Consortium will build Co-operative Education Centre at Moshi. At present the Nordic Consortium has spared two co-operative education experts namely: Mr. Arne Holmberg and Mr. Rune Forsberg. They are doing a wonderful job for us. They both plan to institute correspondence courses for our secretaries. I believe that, with such a problem of training our workers, the solution lies in instituting correspondence courses.

The Co-operative College Moshi

This college offers training for the higher officials of both the movement and the government. It has an intake of about forty students at a time. The college is sponsored by the government. The college takes in students from foreign countries we get students from Kenya, Aden, Mauritius and this year we might get some students from Nigeria. So far I have discussed training carried out at home, but we also send our students abroad. For many years our leaders used to have their residential studies in Great Britain, today we have students in the following countries: U.K, U.S.A., U.S.S.R. F. Republic of Germany, Sweden, Denmark, Israel, Poland, Czechoslovakia, Yugoslavia etc.. It is the duty of my union to find scholarships abroad and to offer them to deserving progressive co-operative workers. Indeed we have occasionally had chances where sponsors of these scholarships have extended invitation to our ordinary committee members of National organisations.

We had three committee men from the national organisation who visited Sweden last year, while the President of C U T and his two Lieutenants were invited by the Russian Centrosoyus We have found out that such visits by the co-operative leaders result in greater understanding in our movement and bring good-will to those organisations which extend such imitations.

Membership in International Bodies

In accordance with the functions of the Co-operative Union of Tanganyika, C U T, is a member of ^{the} International Co-operative Alliance, it is possible that sooner or later we shall be members of IFAP and AARRO (Afr-Asian Rural Reconstruction Organisation). We are also members of the African Co-operative Alliance. Unfortunately I would have gone on writing and writing on the co-operative movement in Tanzania, but I fear that the typist may find it hard. I would like to say a few additional things before I summarize my report.

Today in Tanzania we have more than 1,600 societies. The bulk of these societies are marketing co-operatives, but in addition we have credit societies on the model of U.S.A. type of credit unions. We have handcrafts societies, tailoring societies,

fishing societies and finally we have the National Transport Co-operative Society, which operates haulage of marketing organisations produce as well as operating passenger, buses and taxis.

The co-operatives marketed produce worth £20,000,000 last year in fact, I dare say, in Tanzania, the co-operatives are a big force to reckon with. However, this success has been possible because the government sincerely believes that it is through the co-operative movement that the under dogs can come to a better life. The co-operative movement takes a leading part in Tanzania in fighting ^{against/} poverty and if we can succeed in this, diseases and ignorance will easily be eradicated.

Summary

1. The success of our movement is due to the traditional spirit of working together of our people which goes back to time immemorial.
 2. Tanganyika is primarily an agricultural country hence our co-operatives are mostly concerned with marketing members' produce with a view of raising the standard of living of the farmers through better farming methods, better business and finally better living.
 3. The co-operatives receive encouragements from the government and it is because of this favourable response of our government we have progressed so far.
 4. Nearly 100% of cash crops are handled by the co-operatives and the co-operatives own 95% of all the processing plants.
 5. The most important national organisations are:
 - a. The Co-operative Union of Tanganyika Ltd..
 - b. The Co-operative Supply Association of Tanganyika Ltd.
 - c. The Co-operative and Development Bank of Tanganyika Ltd..
 - d. The National Transport Co-operative Society Ltd..
- Other important organisations are the Victoria Federation of Co-operative Unions which takes care of 95% of all the cotton produced in Tanzania.
6. Tacta is the organisation which arranges for the sale of all Arabica coffee.
 7. The big problem is member enlightenment and training of secretaries.

However, the Nordic Co-operative Consortium is doing all that is in its power to carry out education programmes. We have two devoted Swedes educators who are solving this problem.

7. Cosata has had very big problems, it seems now to have overcome the teething troubles, the Co-operative Bank is doing fine. In both these organisations, we have troubles in getting our own people to man the organisations. Training facilities for bankers are not available.

8. Finally the government looks upon the co-operative movement as the only instrument which can light the masses out of poverty. This faith, we believe, has not been misplaced.

The organisational structure of the movement is as presented in my slip over.

By Mr. Brown Ngwilulupi, Tanzania

SWEDISH CO-OPERATIVE CENTRE

Third International Co-operative Seminar

4th May - 27th October 1965



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COTTON CO-OPERATIVE MARKETING UNIONS ACHIEVEMENTS AND PROBLEMS
IN TANZANIA

The historical background of cotton co-operative movement in the East Lake Regions of Tanzania started early in 1951 by Mr. Paul Boman (presently Minister of Finance in Tanzania)

He formed a growers association after knowing very well that farmers were not gaining anything out of their sweat "Cotton marketing" where by private traders had the opportunity of gaining quite much using different ways.

Low price, adjusting the weighing scales and payments to the producer was understood. During that time our respective country was under the command of the British rules, in which case a producer had no voice in every angle. A private ginners had to play growers in every way they decided. During the starting of buying cotton and knowing very well that he has the big area of buying he or they normally built foundations in towns so that after the season he will have enough money to finish the building.

Because of days and nights came, Mr. P. Boman now the Minister of Finance in Tanzania formed a Growers Association for the purpose of getting fair weights and payments according to the grades of cotton under the Zonal Monopoly system. The association was first called "Lake Province Growers Association". Soon a few people went to our neighbour country where they got the idea of marketing cotton in the co-operative way.

Mr. P. Bomani together with a few members approached the Registrar for Co-operative Societies in Moshi (north of Tanzania) who was so interested in the association. He registered and at the same time he seconded to have administrative officer in 1952 for promoting the co-operative movement in the Lake province. 38 co-operative societies got registration 1952.

After starting the co-operative movement most of private ginners (enterprise) came over to kill the movement using following ways e.g.

a. raising the price. They could not cheat them as they were strongly united.

As the beginning growers association were selling or collected under the shadow of big trees and using the temporarily stores.

It is remarkable to note the unity of the Growers Association was too strong in the position to attain the complete monopoly of collecting seed cotton within a few years. Since cotton is collected on Zonal basis and we had many of primary societies were being registered more and more every year was decided to form secondary societies - co-operative unions to look after the needs of the primary societies and assist in marketing of their crops and others according to the first co-operative union was formed and got its registration in the year of 1954. fortunately enough it executed its duties successfully.

With the achievement of the first Co-operative Union Ltd. made more co-operative unions to be formed on Zonal basis. In 1955 seven more co-operative unions were formed and got their registration. The membership of these co-operative unions were restricted to the number of primary societies in each zone.

One of these co-operative unions called Isangijo Growers Co-operative Union Ltd is where I work. I am not going to specify only that but all cotton unions are into the East Lake provinces.

Nevertheless these co-operative unions and its co-operative societies had a few employees who knew few about co-operative marketing and how to keep books of accounts but with the heart of trust and hard working for their unity succeeded.

Since the movement was moving too fast with more strength the co-operative members requested for operating a big body to exercise and efficient control over the whole movement and the marketing functions of seed cotton, so an apex organisation was needed to look after the requirements of the primary societies and unions, but also to negotiate with the ginners and government on behalf of the growers. During 1955 the Federation was formed with the name of the Lake Victoria "Victoria Federation of Co-operative Unions Ltd.

After the formation of these three stages which were formed by co-operatives themselves automatically every society within the zone is a member of that co-operative union and all union formed the Federation.

Then these primary societies co-operative unions and federation was necessary to lay down the specific duties, each of the above unions were to perform broadly their duties were divided as follows:

a. Primary societies

To collect the seed cotton from individual members, grade the cotton groups "grade A and grade B". Members are paid according to these grades. They store the cotton accordingly; Bagging cotton ready for delivery to the ginnery they maintain properly the books of accounts. These co-operative societies get remuneration of 5 cents per lb. for the seed cotton delivered to the ginnery through co-operative unions.

b. Secondary societies (co-operative unions)

Have to cater for the requirements of its affiliated societies; it undertakes the distribution of cash- short term loan from our co-operative bank. The purchasing and issuing of empty bags deals with organisation of transportation of cotton from the societies withing the zone to the ginnery checking the weight of cotton at

the ginneries. Overall supervision for the efficient running of primary societies. Maintaining proper books of account for these services union receive a levy of 1 cent per lb. of the seed cotton delivered to the ginnery on behalf of our affiliated primary societies.

c. Victoria Federation of Co-operative Unions Ltd.

This is an apex organisation and policy maker of the whole of the Lake Province of Tanzania (East Lake Regions). It has got the responsibility not only for catering the needs of its members (societies) unions, which are 19 and their societies are 450 but also for negotiating of agreements with some ginners and with the government on behalf of its members. Over and above these it is also responsible for marketing of other produce, propaganda for intensive and extensive cultivation of cotton to increase the cotton crop, at last it purchases the members requirements in bulk at competitive prices.

The movement had no time to stop only, as I have mentioned above but it made struggle to get one of the first ginneries which was under private ginners, that made most of the members to have confidence with their co-operative unions committee members and its staff. The organisation was absolutely capable of doing business.

In the same year V.F.C.U. (co-operative unions) did very much to raise up the strength. If co-operative movements by buying up the ginneries which were owned by private traders.

The Co-operative Unions Achievements

A unity of co-operative unions made a great force for pooling the cotton marketing in East Lake Regions.

In 1958 co-operative unions handled through its members more than the total crop as compared with other years before and the following year 100% of cotton crop was handled by our co-operative societies.

The unions took over the responsibility of crop finance to societies which was done by the ginners. The V.F.C.U. (co-operative unions) negotiated with ginners so that they could only be paid remuneration for cotton delivered to the ginnery. The co-operative unions took another step to handle on the cotton industries which were under private ginners and only pay remuneration and unions ensured the seed cotton right from entering the ginnery up to the time when bales are delivered to the buyers.

The organisation was larger and we had to build a larger office too, for 2,3 million East Africans' money.

The co-operative unions also played a very big role, they built four more ginners, which directly dealt with the co-operative unions.

The co-operative unions went step by step to purchase ginneries which were for private enterprise and other machinery.

Oil mills, Sisal factories, Rice mills and Maize mills as an agent of the National Agricultural Products Board paid commission.

Lint and Seed Marketing Board

In order to get lead of the better world market, Lint and Seed Marketing Board takes care of better quality. It also controls cotton seed at the world market until the time it is bought. It deals also with the stabilizing the price.

Crop Finance

All co-operative unions in East Lake Regions are provided cash from the Co-operative Bank. This bank is for the whole country, it pays short term loan.

To make it sure that money are spent accordingly the societies and unions submit the weekly report for money spent during the marketing weeks and the balance in hand.

So to say all co-operative union's money are put and drawn in the Co-operative Bank of Tanzania.

Agricultural loans

Since the purpose of co-operative unions was and still is to increase the production of cotton crop and to provide better farming implements to its members - "Growers" the unions through agricultural credit agency controlled by the government- 158 tractors together with their full equipments on deferred payment.

Fertilizer

As I have mentioned on the last paragraph the sum of co-operative unions is to get as much cotton as possible from its growers as well as better quality too. The Co-operative Supply of Tanganyika Association/ takes the opportunity as far as it is concerned according to the members requirements through orders made by co-operative unions.

- Cosata as a co-operative body to the consumers' side provide other agricultural equipments.

Insecticides and areal sprayings

The co-operative unions also take step to implement a experiment on the block farming for this reason co-operative unions operate many block farms which improve very much and reduced the infection from insects. Not only the co-operative unions with its affiliated society who are dealing with the killing of insects in the block farms, but also the government does.

How to raise up the capital

The co-operative unions' raise the capital from new membership that is "share contribution from new members". Trading surplus which is not distributed to the members (reserve fund) which is used to finance the current business of the unions.

Co-operative unions of East Lake started a few years ago and have a credit society to which a member pays shares for getting loans. These investments of capital work very hard by providing loans to its members and the unions are paid interest which raise up the capital of the unions.

The Victoria Federation of Co-operative Unions together with its affiliated unions and society get remuneration of 5 cents per lb. and a levy of 2 cents cotton delivered to the ginnery.

Cotton crop

It is far better to inform how the cotton crop has changed the better standard of living to our members comparing with a few years ago before the co-operative unions took place to market members produce. Nevertheless the co-operative unions played a very big role to stand its own ginners and buying some of them which were privately controled. Oil mills, sisal mills, rice and maize mills buy as an agent, for the maize board, in which case the union gets commission.

The constitutional structure controls the activities of 19 unions (V.F.C.U.) is as follows:

1. General meeting - 150 members and one member represents 3 co-operative societies.
2. Main committee - 15 members
3. 4 sub-committees and each sub-committee consists of 4 members.
4. General manager V.F.C.U. Ltd.
5. Secretary
6. a/Ginneries' section
b/Accounts' section
c/Product marketing
d/Tractors' section

The problems of co-operative unions with its affiliated societies.

Bad communications

Co-operative unions have and are still facing the problem of roads to transport ^{the} member's produce.

Lack of finance

The principle problem for our cotton co-operative unions is lack of money to fulfil its plans.

Education

The Cotton Co-operative Movement has been and is still becoming larger and larger and it needs well trained managers, accountants and technicians to run perfectly. Some of our member farmers did not go to school in which case it is very difficult to communicate with them by means of writings (or written papers). The unions have and are still trying very hard to teach its members.

Mechanizing

As I have already told you in the beginning of this report the unions are still fighting very hard for modern farming implements but they have not fulfilled.

General

The co-operative unions are prepared to increase crops and fulfil its aim to raise the standard of living to its members in East Lake Regions in regard to the seven co-operative principles of Rochdale.

By Mr. E.D. Ngwesa, Tanzania

THE ROLE OF APEX ORGANISATION OF THE CO-OPERATIVE MOVEMENT IN KENYA

The Kenya National Federation of Co-operatives Limited

Although the Co-operative Movement was only half-heartedly encouraged prior to Kenya's Independence, Co-operation in Kenya is widespread and presents a major Sector of the economy. A large proportion of agricultural output is marketed by the movement, and the objective of the Kenya Republic to create a democratic society within the frame work of African Socialism coincides with the concepts and practices of Co-operative Movement. Co-operative principles and organisation provide an effective and tested method of implementing ideals such as those embodied in African Socialism. The movement in Kenya has, therefore taken on new dimensions of importance to government and must be a major force for the achievement of our economic and social objectives.

The present movement is concentrated on agricultural marketing activities, and there is a need for enlarging the number and types of co-operative enterprises by developing societies in credit banking, farming, wholesale and retail and industrial fields. In new Kenya certain major changes are necessary to facilitate intensive development with a broader scope and purpose. One of specific changes is a rationalisation of the structure of the movement at both district and national levels. It is this rationalisation at national level that my report should cover.

As the Minister for Commerce and Industry Dr. J.G. Kiano whose portfolio formerly embraced the co-operatives, said at the inaugural conference attended by representatives from various co-operative bodies in Kenya. " The co-operatives cannot successfully operate in isolation while the various co-operative institutions retain their individual identities, it is important to consider how best the individual efforts could be co-ordinated to the benefit of all, A national co-operative body would obviously assist in achieving this aim".

The country's need for a strong apex co-operative organisation is an obvious one. For long time, although Kenya had some strong and dynamic co-operative organisations established throughout the country, but the country's co-operative movement operating as one intergral body at national level was non-existent, they could not operate effectively. For this reason, the creation of a national co-operative body of the co-operative sector is an ideal for which many people had been striving for a long time.

With the formation of the Kenya National Federation of Co-operatives Limited registered just over twelve months ago as a central organisation of the co-operative movement, a new chapter in co-operatives in an independent Kenya has been opened. In this new venture is a landmark in the country's co-operatives and marketing sphere.

The establishment of the Kenya National Federation of Co-operatives is the culmination of the careful negotiations and endeavours for unity made by its founders of whom is none less than its President Mr. Taita Towett himself no mean a progressive farmer, well known in the co-operative circles in Kenya. This successful culmination is a positive act to remove split personality in national life.

Aims of the organisation

The one of the first tasks of the new organisation has been to negotiate with the government on the question of forming up a Co-operative Bank of Kenya and plans are currently underway for the establishment of a sister institution to the Federation which will co-ordinate and mobilise the savings within the movement and make available credit facilities for its members with a view to facilitating the advancement and the growth of the Co-operative movement.

The overall objective of the Federation is to promote the prosperity of its member bodies and agricultural industry which is the backbone of the country's economy and, generally help its affiliated co-operative organisations in accordance with co-operative practices and principles. It will unify all registered co-operative bodies in Kenya into one co-

operative organisation for their common good.

This single united group which forms the supreme body congress of the co-operative movement will maintain the co-operatives established at district level as its member affiliates under the legislation of the co-operative movement. The Kenya National Federation of Co-operatives will not meddle into the domestic affairs of its affiliated unions or country-wide organisations. On other words each affiliate will have full autonomy in its operation without being interfered with by the Federation. The smaller co-operative unions will have to be wittled and have one co-operative union per each district.

The Federation will represent the country's co-operative movement whenever necessary, that is it can speak or represent Kenya at International Conferences affecting the growth of the co-operative movement and economic development and will also advise the Minister responsible.

As the co-operative movement has hitherto received inadequate publicity in the press. On the radio and TV it will be the responsibility of the Federation to actively give publicity through hand-outs Co-operative newspaper etc., on matters appertaining various activities of development of the co-operative movement. But the primary task of the Federation will be to encourage and back up the establishment of satisfactory audit and supervision of co-operatives as well as laying down standard accounting arrangements in its member bodies.

Now the K.N.F.C.Ltd. contemplates setting an audit section, which eventually will be part of the organisation to deal with this aspect of the work and hence relieve the government of the responsibility. Already a nucleus of the audit section is in existence under the department of Co-operative development and is laying down foundation work of the National Audit Union.

The Federation will also execute such functions as collecting, assorting and disseminating information and statistics relating to co-operation and co-operative bodies and in helping in giving advice on co-operative educational projects among its members. It will arrange courses of education for its members and employees on co-operative

work and techniques of management of co-operatives at the Co-operative Institute and at the district farmers training-centres.

Since the new organisation will be the executive supreme authority it will be its duty to advise the minister concerned with regard to the proposed co-operative legislation and assist members in all legal matters affecting the Co-operative societies.

Above all the K.N.F.C. Ltd. will always encourage the growth of the co-operative movement in all possible ways and in particular in formation of the co-operative bodies in the country in every way. It will be engaged in fostering liaison between the co-operative organisations in other countries. It has been difficult in the past for many of the co-operative societies in this country (Kenya) to get in touch with the outside world. But with the advent of the Federation this will without doubt be possible.

The Federation is to implement the policy of discouraging each administrative district from the former practice of having numerous Co-operative Unions, with the result that a vast majority of the Co-operative Unions became weak and uneconomic and some of which have since gone into liquidation as they proved to be unviable units. In other words the Federation wishes to encourage the formation of multi-purpose co-operatives.

The structure

The structure of the co-operative movement will now look something like a pyramid at the top of which will be the Kenya National Federation of Co-operatives Limited, and at the bottom will be the individual members who will be represented on the national body through district co-operative unions and the country-wide co-operative organisations. Of course, each individual person will be a member of this Co-operative Society. The Federation is the apex organisation of co-operative unions and country-wide organisations in Kenya. But as a start members consist of district co-operative unions, country-wide organisations and co-operative societies in areas where unions have not been founded. Large scale co-operatives such as the Kenya Planters Co-operative Union Ltd. which handles all the country's coffee, the Kenya Farmers Association (Co-operative) Ltd., which handles cereal produce from the large scale farmers and also handles merchandise goods for members, Kenya Poultry Produce Co-operative Society, the Horticultural Co-operative Union and

and the Kenya Co-operative Creameries which caters for all the dairy products throughout the country, are represented on the management committee separately, together with these, there are 19 district co-operative unions about and 2 societies which were admitted as members and are represented on the management committee on provincial basis - each province being represented by two members.

Of course the Supreme Authority of the Federation is the General Meeting then the Management (Managing) Committee is responsible to it and then followed by Executive Committee. The executive officer of the Federation is its Secretary General (Mr. John Musundi - a true - Co-operator) who is appointed by the Management Committee. The Managing Committee consists of the President, Vice President and 15 Committee Members. The Managing Committee has set up various Sub-Committees to deal with specific problems of the Co-operative Movement and these are:

- 1/ Finance and Planning
- 2/ Banking
- 3/ Insurance and Credit
- 4/ Education
- 5/ Training and Publicity
- 6/ Marketing Research and Statistics

Link with government

The Federation is ^{an} advisory body to both the minister responsible for Co-operatives on matters affecting the co-operative movement and bodies on legal matters. It is an autonomous body and is not controlled by the government. The Federation is the mouthpiece of Co-operative Movement.

Funds of the Federation

The Federation gets its finance from annual subscriptions which vary depending on the turnover of each co-operative union. The maximum amount payable by a co-operative union is £100 and the country-wide organisations pay £250. Some other funds as laid down in by-law 15.

General Progress

Through the initiative of the Kenya National Federation of Co-operatives Limited a Co-operative Bank of Kenya has been formed this year 1965 with a capital of about and over £250.000 and it is hoped that the Federation will be an instrument to many more Co-operative Enterprises which have to be formed in Kenya.

In the conclusion I should say that the Federation will gradually assume greater responsibilities in guiding the Co-operative Movement in Kenya. However, it is intended that the Federation becomes an important apex organisation and will take over a number of jobs, which are now carried out by the Department of Co-operative development.

By Mr. Zacharias Gaspare Lala, Kenya

BY-LAWS OF THE KENYA NATIONAL FEDERATION OF CO-OPERATIVES LIMITED1. Title

The name of the Society shall be the Kenya National Federation of Co-operatives Limited and its registered address shall be P.O.Box, Nairobi.

2. Area of operation

The area of operation of the Federation shall be Kenya.

3. Objects

The objects of the Federation are to promote the prosperity of bodies affiliated to it in accordance with co-operative principles and practices and more particularly:

- a/ to unite all registered co-operative bodies in Kenya into one co-operative organisation for their common good without impairing their autonomy.
- b/ to represent the co-operative movement whenever and wherever necessary and in particular to advise the Minister responsible.
- c/ to encourage the establishment of a satisfactory audit and standard accounting arrangements in its member bodies, wherever considered necessary.
- d/ to concern itself actively with giving publicity to the co-operative movement.
- e/ to collect, assort and disseminate information and statistics relating to or of particular relevance to co-operation and co-operative bodies.
- f/ to advise upon educational projects amongst its members and arrangement of courses and education.
- g/ to advise the Minister in regard to proposed legislation and to advise and assist members in all legal matters affecting co-operative societies when so requested.
- h/ to encourage the growth of the co-operative movement in all possible ways and in particular in the formation of co-operative bodies.
- i/ to foster liaison between the co-operative organisation in Kenya

and other countries.

2/ The Federation shall have full powers to do all things necessary or expedient for the accomplishment of all objects specified in these by-laws.

PART II

MEMBERSHIP

4. QUALIFICATION FOR MEMBERSHIP

Every registered co-operative Union, all country-wide co-operative organisations and registered Co-operative Societies in areas where no Unions exist to which they can affiliate shall be eligible for membership but no society or other co-operative body shall claim membership as of right. The decision whether a primary society has a satisfactory opportunity of joining a union shall rest with the Federation.

5. ADMISSION TO MEMBERSHIP

Co-operative bodies, other than those joining in the application for registration of the Federation may, on signifying acceptance of these by-laws in writing, be admitted to membership by the management committee subject to confirmation at the next annual general meeting.

6. AFFILIATION FEE

Every member shall pay to the Federation on application for membership an affiliation fee of two hundred shillings (Shs 200/=)

7. ANNUAL SUBSCRIPTIONS

Every member shall pay to the Federation an annual subscription at the following rates:

- a/ A Co-operative Union whose members are primary societies shall pay five cents for every hundred shillings of turnover as shown in its last audited accounts subject to a maximum of two thousand shillings.
- b/ A country-wide Co-operative Company shall pay five thousand shillings (5.000/=)
- e/ A Primary Co-operative Society not affiliated to a union shall pay five cents for every hundred shillings of turnover as shown in its last audited accounts subject to a maximum of two thousand shillings.

The Annual General Meeting shall have power to alter these fees by special resolution which shall require a clear majority of the total number of members of the Federation.

8. WHEN ANNUAL SUBSCRIPTION IS DUE

Annual subscriptions shall be due on 1st. July and the name of any member whose subscription remains unpaid, after due warning at 31st. March following the date at which it was due shall be struck from the register of members and it shall cease thereafter to be a member.

9. WITHDRAWEL FROM MEMBERSHIP

A member may withdraw from Federation at the end of the Federation's financial year be previously giving six months' notice in writing and discharging all its liabilities and no claim shall lie against the Federation for the refund of part of the affiliation fee or annual subscription.

10. CANCELLATION OF REGISTRATION OF MEMBER

A member shall cease to be a member on the date of the cancellation of its registration by the Commissioner and no claim shall against the Federation for the refund of part of the affiliation fee or annual subscription in respect of any unexpired period.

11. RE: ADMISSION TO MEMBERSHIP

A former member may be re-admitted to membership in accordance with these by-laws subject to the payment of all dues stading against it at the time ceased to be a member.

12. NO EXPULSION OF MEMBER

Save in the manner provided in these by-laws no member shall be removed from membership of the Federation.

13. LIABILITY OF MEMBER

The liability of a member to contribute to the assets of the Federation in case of liquidation shall be limited to an amount not exceeding half the last annual subscription paid by or due from such member.

14. REGISTER OF MEMBERS

A register shall be maintained at the registered office of the Federation, which shall contain:

- a/ the name an address of each member
- b/ the date at which each was admitted to membership
- c/ the date at which any ceased to be a member, and the amount of

the affiliation fee and annual subscription last paid by each, the date on which it was paid, and the calender period and details in respect of which it was paid.

PART III

FUNDS

15. FUNDS OF THE FEDERATION

The funds of the Federation shall consist of:

- a/ affiliation fees
- b/ annual subscriptions
- e/ grants and donations
- d/ income devided from pursuit of the objects set out in By-law 3.
- e/ loans and deposits
- f/ and other items of miscellaneous income

16. APPLICATION OF FUNDS

The funds of the Federation including surpluses and accumulated funds, shall be applied only to the furtherance of its stated objects in accordance with these by-laws, to the payment of honorary and to the maintance of such staff and services as may be necessary for the due performance of such objects.

17. INVESTMENTS OF FUNDS

Such funds of the Federation as are not required for current use shall be invested in such manner as may be decided by the central committee in accordance with the policy laid down by the Annual General Meeting and subject to the approval of the commisioners.

18. ACCOUNTS OF THE FEDERATION

The accounts of the Federation shall be kept in such books and in such form as may be prescribed by the Commissioner and shall be subject to audit and shall be produced at the request of any person entitled to make such request at the registered office of the Federation or at such other place as may be required by law or specified by the Commissioner.

19. FINANCIAL YEAR

The financial year of the Federation shall be from 1st July to 30th June.

PART IV

CONSTITUTION AND GOVERNMENT

20. REPRESENTATION

Every member shall be entitled to one vote and to elect one delegate annually to the Annual General Meeting. Each member shall notify the Federation in writing of the name of the delegate appointed or of any change in the appointment.

21. DELEGATE ELIGIBLE

The delegates elected in accordance with By-law 20 may be either society members, officers or employees.

22. ANNUAL GENERAL MEETING

The delegates elected in accordance with By-law 20 shall constitute the Annual General Meeting of the Federation which shall be held once a year on a date of which not less than six clear weeks notice has been given in writing to all delegates and members of the Federation.

23. DUTIES OF THE ANNUAL GENERAL MEETING

The Annual General Meeting shall be the supreme authority of the Federation and shall:

a/ elect the members of the management committee at the first Annual General Meeting and thereafter elect candidates to fill vacancies as provided for in By-law 30.

b/ approve the minutes of the preceding Annual General Meeting and or any special general meeting

c/ consider and approve the balance sheet and accounts for the preceding year together with the management committee's and Auditor's reports thereon.

d/ authorise and approve the annual report of the management committee on the work of the Federation during the preceding year and the policy and programme for the ensuing year.

e/ consider the allocation of funds available for distribution.

f/ approve the budget presented by the management committee for the ensuing year and to fix the limit of borrowing powers

g/ confirm the admission of members

- h/ fix the rate of allowance for attendance at all meetings.
- i/ carry out any other business which is required to be dealt with by the Annual General Meeting.

24. ALTERATION OF BY-LAWS

Any alteration to these by-laws shall require a special resolution of the Federation to be passed at a special or Annual General Meeting as provided in Rule 18(1) (2) (3) of the Co-operative Societies Rules.

25. SPECIAL GENERAL MEETINGS

A special General Meeting may be called at any time on a date of which not less than four weeks notice has been given in writing to all members of the Federation on a decision of the president or the management committee or a written demand of one-third of members.

26. PROCEDURE AT ANNUAL GENERAL MEETINGS

The quorum at Annual General Meetings and Special General Meetings shall be two-third of the delegates of members. Every delegate shall have one vote and there shall be no proxy votes. Any question, except as otherwise specifically prescribed in these by-laws, shall be decided by a majority of votes, and in the case of a tie the motion shall be withdrawn. Voting will normally be by show of hands unless a secret ballot is requested by at least ten delegates.

27. AGENDA AT ANNUAL GENERAL MEETINGS

Any member wishing to submit a motion or resolution to an Annual General Meeting or Special General Meeting shall do so in writing six clear weeks before the Meeting, and the Secretary-General shall or shall not be included in the agenda, which shall be circulated to members four clear weeks before the date of the Annual General Meeting.

28. MINUTES OF THE ANNUAL GENERAL MEETING

As soon as possible after the Annual General Meeting or Special General Meeting, a copy of the minutes shall be sent to every member and to each delegate.

29. ATTENDANCE OF MEMBER'S REPRESENTATIVE

Primary Co-operative bodies which are not eligible for membership shall be allowed to send an absolver to the Annual General Meeting at their expense provided that they give 2 weeks notice in writing to the Secretary-General of their intention to send an observer, whose name should be notified and such observer shall not be permitted to speak or to vote at the Annual General Meeting.

30. MANAGEMENT COMMITTEE

The first Annual General Meeting shall elect from among its delegates the management committee which shall consist of two representatives from each region and one representative from each country-wide organisation, and there after one-third of the management committee shall retire annually and be eligible for re-election and election for such vacancies shall be made at the ensuing Annual General Meeting. Members of the management committee shall nominate in writing an alternative who shall attend meetings of the management committee when the substantive member is unable to do so.

31. DUTIES OF THE MANAGEMENT COMMITTEE

The management committee shall be the committee of management of the Federation and shall:

- a/ elect a president and other officers.
- b/ confirm the minutes of proceeding Meetings
- c/ control the disposal of the funds of the Federation in accordance with the approved budget.
- d/ keep the accounts of the Federation properly maintained and submit to the Annual General Meeting the audited balance sheet and accounts together with a budget for the ensuing year.
- e/ submit to the Annual General Meeting an annual report of the work of the Federation.
- f/ convene Annual General Meetings and Special General Meetings when required, and prepare the Agenda.
- g/ collect affiliation fees and annual subscriptions in accordance with By-laws 6, 7 and 8.
- h/ settle dispute between members.
- i/ appoint such sub-committees as it may consider necessary for the discharge of its duties and delegate to the appropriate powers.

j/ appoint suspend or dismiss employees of the Federation and fix their duties and salaries and may delegate such powers in part or in whole to the Secretary-General on such terms as it may from time to time lay down in writing.

k/ transact any other business or do or authorise any other matters or things which it may consider to be conducive to the welfare of the Federation and the proper conduct of its operations.

l/ investigate the work of any member if, in its opinion, that member is not conforming to the aims and objects of the Federation and it may order the member to send its delegate to a meeting of the management committee.

m/ Co-operative persons with special knowledge or experience to the management committee or to sub-committee appointed in accordance with By-law 31(i)

32. RESOLUTION OF MANAGEMENT COMMITTEE

BINDING ON MEMBERS

All resolutions of the management committee within the limits of its powers hereby given shall be binding on all members of the Federation to the same extent as if they had been resolutions of the Annual General Meeting.

33. PROCEDURE AT MANAGEMENT COMMITTEE MEETINGS

The provisions of By-laws 25 shall apply as appropriate to Meetings of the management committee. Two thirds of the members of the management committee shall constitute a quorum.

34. FILLING OF VACANCY ON MANAGEMENT COMMITTEE

If the office of a member on the management committee becomes vacant the management committee shall fill the vacancy until the next Annual General Meeting by Co-operation from amongst those delegates who would have been eligible to be elected to the office vacated.

35. REFERENDUM TO ALL MEMBERS

Where a matter is declared by the Annual General Meeting or the management committee to be one of major policy a motion or resolution thereon shall be submitted to a referendum of all members of the Federation. A special voting paper, setting forth such motion or re-

solution with any explanation or recommendation considered desirable shall be sent to each member returnable to the Secretary-General of the Federation within such time as is specified on the voting paper. Each member shall have one vote and the votes shall be counted as directed by the management committee. If three-fourths of the votes are in favour of the motion or resolution it shall be deemed to be carried and be a resolution of the Annual General Meeting which shall be binding on all members. Notice of the passing of the resolution shall be given by the Secretary-General to all members.

PART V

OFFICERS OF THE FEDERATION

36. THE OFFICERS

The officers of the Federation shall be the President, Vice-President Secretary-General and such other officers as the management committee may determine.

37. THE PRESIDENT

The President shall preside at all meetings and shall see that all orders or resolutions of the Annual or Special General Meetings or the management committee are carried into effect. He or the Vice-President with the Secretary-General or other officer appointed by the management committee shall sign all documents requiring the signature of the officers of the Federation. He shall perform generally all the duties incident to the office of the President and such further duties as may from time to time be required by the Annual or Special General Meetings or the management committee.

38. THE VICE PRESIDENT

The Vice-President shall, in the absence or disability of the President perform the duties and exercise the powers of the president and shall perform such other duties as from time to time shall be delegated to him by the management committee. The management committee may appoint a member from among their members to preside at any meeting if the president or vice-president are not present.

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39. THE GENERAL - SECRETARY

There shall be a Secretary-General of the Federation who shall be ex-official member of all committees and sub-committees of the Federation except a committee to enquire into any matter in which he is personally concerned. He shall have the right to take part in the proceedings of all committees and sub-committees of which he is a member but not have the right to vote.

40. DUTIES OF THE SECRETARY - GENERAL

The Secretary-General shall:

- a/ attend, unless excused by the management committee, all meetings and shall keep or cause to be kept a record of all votes and minutes of proceedings of all meetings.
- b/ conduct the business of the Federation in accordance with the instructions of the management committees.
- e/ give, or cause to be given, notice of all meetings.
- d/ prepare, or cause to be prepared, the annual report of the work of the Federation.
- e/ keep in safe custody the seal of the Federation.
- f/ perform such other duties as may be prescribed by the management committee, have the custody of the Federation funds and securities.
- h/ keep full and accurate accounts of all receipts and payments in the books of the Federation.
- i/ make such payments from the funds of the Federation as may be directed by the management committee.
- j/ deposit in an approved bank all money received by him in excess of any sum authorised by the management committee.
- k/ render to the management committee at its meetings or at such other times as required an account of all his transactions as Secretary-General and of the financial position of the Federation.
- l/ prepare the balance sheet and accounts for submission to the Annual General Meeting.
- m/ perform such other duties as may from time to time be determined by the management committee.
- n/ to arrange for the audit of the balance sheet and accounts, books and records of the Federation.

41. SECRETARY-GENERAL'S BOND

The Secretary-General shall give the Federation a bond in a sum and with one or more securities satisfactory to the management committee relating to the performance of the duties of his office. He shall restore to the Federation, in case of his resignation, retirement a removal from office, all books, papers, vouchers, money and other property of whatsoever kind in his possession or under his control, belonging to the Federation.

PART VI

MISCELLANEOUS

42. PROVIDENT FUND

The Federation may form a contributory superannuation scheme for the benefit of its permanent salaried employees.

43. DISPUTES

Disputes between the Federation and its members shall be dealt with in accordance with section 55 of the Co-operative Societies Act.

44. THE COMMON SEAL

The management committee shall provide for the safe custody of the seal, which shall only be used by resolution of the management committee and every instrument to which the seal shall be affixed shall be signed by the President and Secretary-General.

45. LIQUIDATION

The Federation shall be liquidated only by order of the Commissioner and section 46 of the Co-operative Societies Act.

..... President

..... Secretary-General

THE ROLE OF CO-OPERATIVE MOVEMENT WITHIN LAND SETTLEMENT
SCHEMES IN KENYA

Settlement schemes in Kenya were set up in December 1961 with Sigona Settlement Scheme at the former Kikuyu estates a few miles from Nairobi, and a few more followed in 1962 as Ndalati, Elgeyo-Border, Ainabukoi and Lietego.

The purpose of setting up of these settlement schemes was to get land for those who had no land in the former white highlands (now known as Kenya Highlands) and those prepared to carry out large scale farming on commercial basis.

There are several kinds of settlement schemes in Kenya e.g. low density - few settlers in a scheme with larger pieces of land of about 50 to 100 acres. High density - many settlers in one such scheme with small pieces of land of about 15 to 30 acres. There are also ^{young men} scheme - settlers with 100 to about 200 acres of land and owner assisted farms or schemes usually one man owns a large farm and carries out farming by himself. There are also co-operative farms such as ranching co-operative farms as Konza near Nairobi. Co-operative farms which will be owned and farmed co-operatively are in formation.

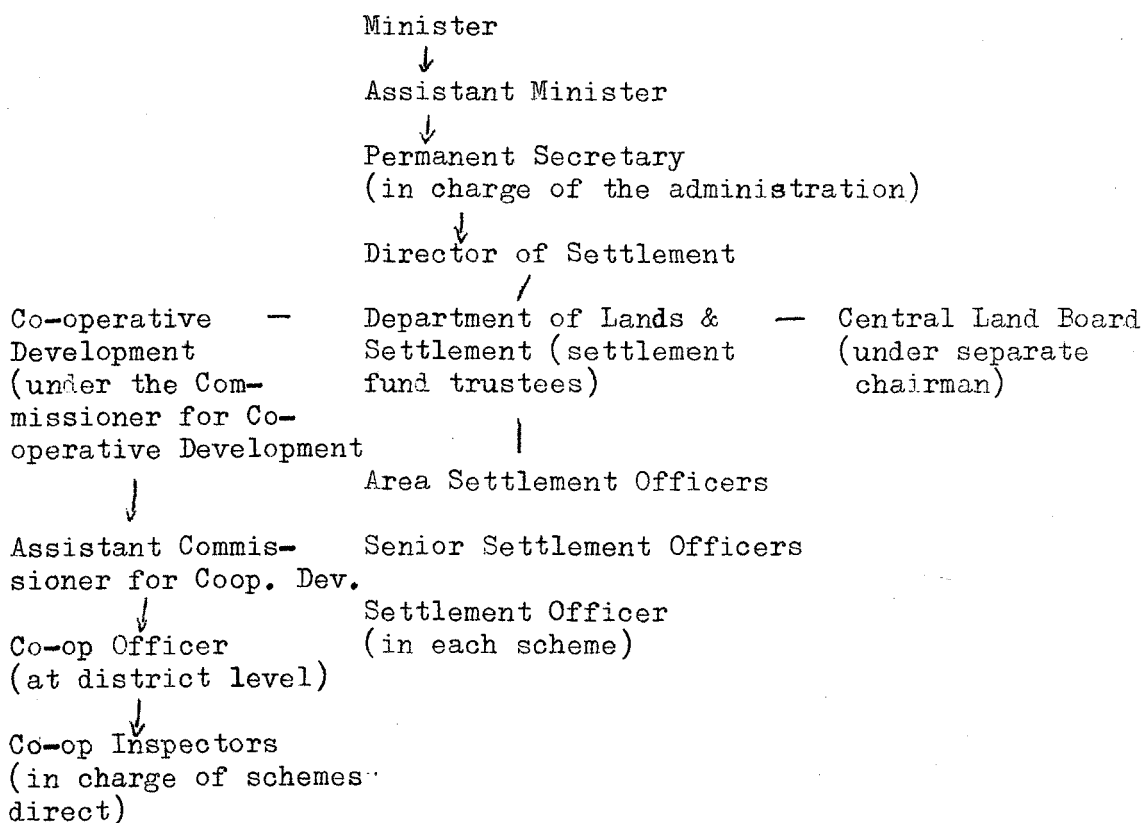
The settlement scheme in Kenya are financed by the British Government and the World Bank, through the Central Land Board with is statutory body responsible for land purchases from the former settlers, while the planning and settling of such land is carried out by the Department of Lands and Settlement with the Settlement Fund Trustees who are in charge of the settlement function of all the schemes in the country who also survey

the farms to be settled before settlement or before settlers are asked to come into their respective plots.

In case of high and low density schemes settlers are selected by the Agricultural and Locational Committee's of their districts according to the qualifications as laid down by the government, in case of other schemes selection is done by the Senior Settlement Officers of the areas in question with the help of the district Agricultural Officers. Before entry to the farms all new settlers are asked to pay a deposit of certain amount of money according to the size of the farm and sign a loan. Agreement for the land and any permanent improvements or cattle bought, the term of land loan is 30 years and the other loans are 10 years. They are also asked to pay 25/- for share and entrance fees of a co-operative society.

All these functions are carried out by the Ministry of Lands and Settlement to which our section of Co-operative Development has been seconded.

The structure of the Ministry can then appear as follows.



The economy of this settlement scheme is based mainly on agriculture such as dairy products, milk and cream, maize, beans etc. Some schemes sell pyrethrum, passion fruits, sugar and coffee.

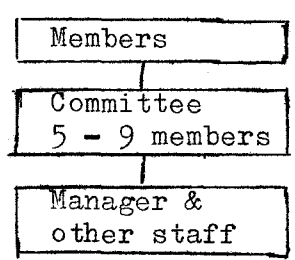
According to the statistics prepared up to March 1965, 122 settlement schemes have been settled covering 822,741 acres with about 20,000 settlers.

After the scheme has been planned and settled in case of high and low density schemes a need for a co-operative organization begin so with the help of co-operative government staff. On the settlement schemes members are organized and asked to form a co-operative society through which to sell their produce or farm products.

In every plan of every settlement scheme the turnover estimate is included, and from this estimate we are also able to draw an anticipated budget of such co-operative society in formation. The budget is sent with the rules to the Commissioner for Co-operative Development for registration, after registration such a co-operative then becomes a body co-operate and begins its operations according to its objects and rules based on the co-operative act.

So far, according to statistics prepared up to March 1965, more than 70 co-operative societies (with a membership of about 14,300 and turnover of £ 675 437) had been formed and almost all of them were functioning well.

The management of these co-operatives is not very complicated and can be shown in the following order in accordance with the bylaws of most co-operative societies.



As in most cases the initiative comes from the government. It had been stipulated in the law the commissioner shall audit or cause to be audited the books of the society". Therefore the government staff (co-operative inspectors and examiners of accounts) do

the auditing of the books of the settlement co-operative societies at the moment and this will continue for the time being.

The functions of each of these co-operative societies vary according to the economic set up of the scheme apart from the selling of farm products on behalf of members the societies also give some special services as educational facilities such as building schools with the aid of the Government in the form of the loans. They have also bought tractors to be used by members by paying just a minimum rate per hour or acre for the land ploughed. The societies also buy and sell to members building materials and dairy equipments. In some schemes co-operatives have began providing for health facilities to the members. Normally a co-operative society built or finds accomadation for a dispensary then apply to the local country council for a hospital assistant to come and treat the patients in the scheme either daily or in agreed days in a week. So far this arrangement have been very successful in several settlement schemes.

On the other hand if we consider the redistribution of income we can find that the income received from the sales of different crops or farm products is used in repaying loans for land and cattle and apart from the loan repayment part of it ^{is} deducted for society expenses.

These societies have been faced with a lot of problems as many other young co-operatives, for example competition in milk sales with private milk and other crops producers. The problem of intense progressive work on the schemes which involve loans borrowed from the government and which should be repaid in short intervals, but this problem of loans will eventually be solved because if the schemes productivity is improved it will be easy for the societies to earn surficient income to cover their expenses and repay loans.

While finance and competition problems remain unsolved management is another problem which has had no solution because the societies have not been able to get better and trained employees

to carry out the societies functions will as many committee members are involved in their day to day work on their schemes.

Some of these affect many schemes and a few schemes are free of some of these problems. However, to get these problems cleared the societies must employ good managers and these managers must be trained by all means and the markets should be organized to enable the societies to withstand the competition and control if possible production of certain products which cannot find market.

As soon as most of these problems have been solved the Ministry of Lands and Settlement will give up all the functions on the schemes to the co-operative societies. Already a few co-operative societies have been handed over the administration their schemes and if the task of the members to plan with the help of the government staff and implement such plans accordingly.

Apart from the already existing co-operative societies many co-operatives of different types will be born as settlement extends according to the government plans.

By Mr. R.N. Ogechi, Kenya

Third International Co-operative Seminar
4th May - 27th October 1965

THE CO-OPERATIVE MOVEMENT AND THE STATE - KENYA

Formation of the Department

In 1945 in United Kingdom, after the second world war when Labour Party returned to power, the Colonial Secretary issued a despatch to all dependent countries to encourage co-operative movement. In that year the first co-operative act was enacted and legislated and the Department of Co-operative Development came into being.

The concept of the co-operative movement in Kenya, as other developing countries came from the government. The first Registrar of Co-operative Development (now known as the Commissioner) was appointed in 1945, to deal with the formation of the marketing societies which were introduced to small farmers who had much troubles in marketing their produce.

The Functions of the Department

As mentioned above the movement in Kenya was not a voluntary co-operation, though the people had their own mutual aid "African Socialism", they had no real economic co-operation.

The Department of Co-operative Development played a big role in the promotion and formation of co-operative societies.

How are these societies formed? In the district there is a Co-operative Officer with a number of Junior Personnel (Co-operative Inspectors). The co-operative inspectors are sent out to different parts of the district to survey whether there is a need of forming the co-operative society. If he finds the need of having a co-operative society he writes a recommendation to his Co-operative Officer. In his recommendation he gives all geographical details which pin-point the location of the proposed society and try to describe all other factors which contribute to proper production

and marketing of goods and produce.

Secondly he has to give all details about the people who are desirous of forming the society. These people are briefly outlined together with their background as regards development and social amenities. He also shows clearly what kind of prospective members the society is bound to get after registration and their way of life.

The Co-operative Inspector also shows clearly what resources are already in the area in way of crops animals or products, this also includes a detailed estimate of money needed to start the society (Capital Expenditure) and an estimated budget of income and expenditure for a whole year, showing what they expect to get as profit at the end of that year.

After the receipt of the above information, the Co-operative Officer convey a general assembly where all people meet and elect, ten persons each of whom is above the age of eighteen years to fill the application forms and sign them. They also elect a committee members of 7 or 9 people, and among them they appoint the Chairman, Hon-Secretary and the Treasurer. The Chairman and the Hon-Secretary fill in the spacement by-laws and sign them on behalf of the members.

The Co-operative Officer goes through the inspectors report and if he finds it correct he writes a letter to the Commissioner for Co-operative Development attaching all necessary documents, and recommends the society to be registered. If the Commissioner is satisfied that a society has complied with the Co-operative Act, and that its proposed by-laws are not contrary to the act, he may in his discretion register the society and its by-laws.

Then it is the duty of the Co-operative Inspector to keep in close contact with the society until the society is able to stand by itself. In case of difficulties he invites the Co-operative Officer to come and give advice.

The total number of all types of co-operative already registered are over 1.500 societies. These are mostly concentrated in the rural areas. These societies^{x/} predominated simply because they are easier form of co-operation to be handled, and the country's immediate problem has been to facilitate the marketing of small quantities of crop from farmers spread over a wide area. Through the initiative of the state the co-ordination and expansion of industries such as coffee and pyrethrum has been achieved through co-operative societies, but in general, the experiment has proved costly to the producers because of mismanagement and inefficiency which cause unnecessary wastage of resources.

Prior to the formation of the farmers co-operative societies, they have been handling mono-crop as Sweden today. The effect of this at local level has been the formation of as many as four or five different primary societies to serve the same area. The farmer with, say, coffee, maize and milk for disposal has been compelled to pay for a share in each of four or five separate primary societies. Each primary society meets its overheads by making a deduction from the proceeds of crop sale. Too often there is a duplication of effort which invariably results in the farmer having to pay more than he ought, to have his produce sold.

Present Plan

Hitherto, department policy has been to restrict primary societies to handling only one crop. Wherever possible one society should handle a diversity of crops.

The farmer would then have to be a shareholder of only one society. Already these types of multi-purpose societies have been successfully introduced on settlement schemes. Where one society supplemented three or four, it should be possible to afford the services of a better quality secretary and farmers could be able to make out about the selection of a committee when one instead of the former four or five, is needed. An important overall effect of such a trend would be the reduction in the actual

^{x/}of which majority are marketing societies ^{x/}

number of primary societies for which the department has supervisory responsibility.

I have explained briefly the functions on primary level, and next comes the district unions. Previously the district unions were two or three in the same district all operating the same functions. At the same time some of the primary societies, in the same district, where a union already exists could not affiliate to the union. The reasons for the disaffiliation of these societies is mainly due to lack of understanding and illiteracy.

A completely new concept introduced recently by the government, is the registration in each district of a union which would have overall responsibility for the operation and development of co-operative societies in the district. Where, however, there already is an existing union it may be possible by appropriate amendment to the by-laws to enable such an organisation to assume this responsibility.

To make these functions more effective the present government plan is that a district union will be providing the following services to its member societies.

1. Act as banker for all societies.
2. Provide a centralised book-keeping service.
3. Determine terms of services and appoint all graded employees of societies.
4. Exercise control over the financial affairs of societies.
5. Arrange for staff training.
6. Examine and make recommendations upon all new applications for registration as a co-operative society.

Consumer Organisations

There is very little to say about consumers. These have been very slowly developed. Under the present plan the government want to develop both consumer co-operatives and wholesale co-operatives, on a large scale.

The National Organisation

Under the new plan the district commodity unions must continue to have the power to affiliate direct to the so called country wide organisations like Kenya Planters Co-operative Union, which provide processing and marketing services of cash crops. These district unions as well as country wide organisations join the apex organisation individually (Kenya National Federation of Co-operatives.)

Training:

The Department of Co-operative Development undertakes courses for Junior Personnel at Department of Co-operative Training of Kenya Institute of Administration, who are after, the successful completion of their courses are sent to the field to deal with promotional, inspectional, advisory, educational and audit.

Societies' secretaries are also trained at Kenya Institute of Administration for one month on secretarial and book-keeping.

Members are trained locally in the field and in Farmers Training Centres. These courses are arranged by the Ministry of Agriculture and they concentrate mostly on farming. A representative from the Department of Co-operative is invited to go and lecture on co-operative societies.

Control:

The government still maintain strong reserve powers over all co-operative activity, because of its critical importance to the economy. Gradually the government will be handing over some of its powers to the apex organisation, when it proves itself worthy of additional powers and responsibilities. Thereafter the whole co-operative movement will be autonomous.

Ministry of Co-operative and Marketing:

The Ministry is composed of two departments i.e. Co-operative and Marketing. This was established prior to Kenya's independence with Hon. Paul Ngei as the Minister.

The following are the staff of the Department of Co-operative Development:

- Commissioner - Head of Department
- Deputy Commissioner
- Ass. Commissioner (Settlement)
- Senior Co-operative Officer (Accounts)
- Examiners of Accounts

- Senior Co-operative Officers (Regional)
- Co-operative Officers (Districts)
- Co-operative Inspectors

Commissioner for Co-operative Development is the Head of the Department - Policy maker.

Deputy Commissioner deals with administration.

Ass. Commissioner (Settlement) is seconded to the Ministry of Lands and Settlement to deal with the formation of all societies in the settlement schemes.

Senior Co-operative Officer (Accounts), Head Office, gives the advices and procedure to be followed by the field personnel as regards to the audit. He does this on behalf of the Commissioner. He also certify all accounts and balance sheets before he forward them to the Commissioner for approval. Besides that he is also responsible for the audit nucleus which was formed recently with the object of providing audit services to co-operative societies.

Examiners of Accounts: In case of audit difficulties, these people are sent to the district concerned to do a thorough checking of the books of the society concerned.

Senior Co-operative Officers (Regional) Previously the Co-operative Officer dealt more closely to the Commissioner and the Deputy. Under the new structure the Senior Co-operative Officer (Regional) is more conversant with local affairs and deals with many matters of detail current, with close corroboration with the co-operative officers in that region, rather than being referred to the Commissioner.

Co-operative Officer is responsible of the district and have with him a number of inspectors, who are scattered in the district each with his own societies.

Conclusion:

The aim of the government is to develop an African socialist and economic society. To develop a society free of exploitation, a society in which people work together in harmony in order to have a good health for the people, schools for the children and a higher standard of living.

By Mr. L.N.Karua, Kenya

SWEDISH CO-OPERATIVE CENTRE

Third International Co-operative Seminar

4th May - 27th October 1965

CO-OPERATIVE ORGANISATIONS ON THE DISTRICT LEVEL

The Republic of Kenya

The name Kenya is taken from the native name Kilinyaa which means the white mountains.

A brief look of Kenya in Geography

Kenya is bordering Uganda, Ethiopia, Tanzania and Somalia. It has got an area of 224,960 sq miles of which water is 5,171 sq miles, with about 577 miles across to the border of Uganda. The population according to 1962 gives a total of 8,636,263 of these there are 8,365,942 Africans, 176,613 Asians, 55,759 Europeans and 37,949 other non-Africans.

(The population of Europeans has changed very considerably due to the fact that about 6,677 have left the country and 3,500 moved in during the year 1964.)

Kenya obtained its independence on 12th December 1963 and became Republic on 12th December 1964, and its President is the Hon. Jomo Kenyatta. It is a one party government with two houses: the House of Parliament and Upper House, both consist of the members elected by the people.

The communications are by rail, air, road and water.

Climate

The minimum temperature: (this vary a great deal from places to places)

Nanynbi	33.3 °F
Kitale	39.5 °F
Nairobi	44.0 °F
Kisumu	53.4 °F

Rainfall

The annual average rainfall

Nanynbi	28.09 in.
Kitale	48.43 in.
Nairobi	34.33 in.
Kisumu	49.06 in.

Seasons

1. Long rain season
2. Short rain season

Vegetation

1. Lake Regions
2. Grassland (or Savannah)
3. Highlands

Winds

We get trade winds, some current and monsoons.

S.E. Monsoon brings heavy rains in April and May about 20 in. almost every year followed by light falls from June to October.

The type of soil

Loamy, sandyard clay

Crops grown

Mainly two or three types

1. Food crops
2. Food and cash crops
3. Cash crops

Agriculture: Kenya's main agricultural exports given in the exports figures for 1963:-

	Quantities	Value £'000
Coffee	36,764 tons	11,015
Tea	14,710 "	5,665
Sisal	63,782 "	7,532
Wattle Bark	5,448 "	157
" Extract	276,276 cwt.	638
Pyrethrum	34,712 "	481
" Extract	6,679 "	2,548
Cotton	38,754 "	437
Butter	45,369 "	595
Ghee	12,955 "	233
Eggs	2,922,562 No.	51
Cattle Hides		
Sheep Skin and Goat Skin	109,961 cwt.	1,168

cont.	Quantities	Value £'000
Meat and Meat Reparation	17,181 cwt.	2,567
Wool	30,059 "	584
Castor Seeds	7,340 tons	303
Pineapples	187,543 cwt.	815
Beans and Peas	424,144	792

The total of £ 35,582,544 represents 81.2 % of the total exports from Kenya for year 1963. This total includes values added by transport, distribution and manufacturing sectors.

Agricultural research is contened at the Scot Laboratory, Nairobi.

The Co-operative Movement in Kenya (District Level)

Introduction

How can a group of farmers arrive at forming a co-operative society?

The idea of co-operation came from the government, but to co-operate ^{is entirely} on the community or a group of people which would like to pool together their resources for their economic stability.

Should such a group come to the idea of forming a co-operative society, they will then organize themselves into a sound group.

Among them there must be of course some brighter people who are trying to encourage by pumping into the people their need for economic development by forming a co-operative society.

These brains are a few in the group who are a bit more informed and they eventually become the leaders of such groups.

At anytime this group will feel properly organized, i.e. almost everybody is in the opinion.

They will then give an authority to a small group of people (Working Committee) to seek the possibilities of contacting the government (the Co-operative Officer of that particular area in question) for the advice in which and what ways they can form a co-operative society. This preliminary contact can either be done in addressed to the Co-operative Officer. In most cases it is being done in persons which is usually more quick and convenience.

In the office of the Co-operative Officer the delegate will declare their need of coming together in "a co-operative society".

Here, the Officer will interview them by asking them some questions which will be discussed in a friendly mood.

The bearings of this short meeting should not be carried far so long as it is only a beginning.

Now, the whole issue is lying with the Co-operative Officer. Should it find it worth (which will depend entirely on the presentation and the success of the first contact), he will on the date appointed and confirmed by the people, ask them to convene a general meeting of all the people who wants to form the society which he has to attend or his assistant.

The aim of this meeting is to meet more people and discuss more.

In the general meeting which will be conducted under the interim officials; will real day of exploiting the need, determination and the possibilities of forming a co-operative society.

The Co-operative Officer or his assistant in this meeting shall address the audience which should really a big meeting of mixing men and women.

In his speech, he will explain the meaning of a co-operative society and also if possible be able to mention some immediate needs to form a co-operative society.

The members in the meeting will get enough time to ask questions and air their views as much as they can.

If he may feel really convinced with the need of these farmers (which will be seen through the enthusiasm of this group) he will then need time to observe and ask as many questions as he needs it. Here the Co-operative Officer or else in his capacity as the government official and representative give summary of the meeting in brief. (This being a very important of the meeting the audience should look more of a business like.)

He will then ask the meeting "to pass a resolution" by casting votes. The resolution passed must be recorded in the minute book together with the agendas of the meeting. The resolution passed on this meeting will show a great genuine beginnings. In some cases there can be more than one meeting before this stage is reached.

The officer will then give the farmers OK to pay their entry fees which is usually arranging from 5/= through the interim Treasurer in the collaboration of both Secretary and Chairman. All the money collected must be paid into the Savings Bank through the account opened on the name of the proposed society. The Treasurer must issue a receipt for all the money collected and file carefully all the bank statement to prove a proper security.

Next morning the Co-operative Officer will open a correspondence file on the name of the proposed society.

Application for registration

1. A Society which has for its objects the promotion of the economic interest of its members in accordance with co-operative principles, or a society established for the purpose of facilitating the operations of such societies, must be registered under the co-operative act with or without limited liability. Of the society of which a member is a registered society shall in all cases be limited.
2. For the purpose of registration an application to register shall be made to the Commissioner of Co-operative Development in the Ministry of Co-operative and Marketing.
3. The application shall be signed:
 - a. in the case of a society of which no member is a registered society by at least ten persons of whom are above the age of 18 years.
 - b. in the case of a society of which a member is a registered society by a duly authorized person on behalf of every such registered society and where all the members of the society are not registered societies by ten other members by all of them.
4. The application shall be accompanied by two copies of the

proposed by-laws of the society and the persons by whom or on whose behalf such application is made shall furnish such information in regard to the society as the commissioner may require. The by-laws of the society which will be looked with the Working Committee by the help of the government staff shall include:

- a. name of the society
- b. registered address
- c. object which the society has to be established
- d. purposes to which the funds may be applied
- e. qualification for membership, the terms of admission of members and the mode of election.
- f. nature and extent liabilities of members
- g. registration and expulsion of members and the payment, if any, to be made to such members
- h. transfer of the share interest of members
- i. manner of raising funds, including the maximum rate of interest or deposits
- j. general meetings and the produce and powers of such meetings
- k. appointment, suspension and removal of members of the committee and officers and the powers and duties of the committee and officers

If the objects of the society include the creation of funds to be lent to members, additional by-laws shall be made on the following matters:-

- a. the occupation or residence of the members.
- b. the conditions on which loans may be made to members including
 - i. the rate of interest
 - ii. the maximum amount which may be lent to a member
 - iii. extension of the term and renewal of loans
 - iv. period and purpose of loans
 - v. security for repayment
- c. the consequences, if any, of default of payment of any sum due on account of shares or loans, disposal of the profits and
- d. the authorization of an officer to sign documents on behalf of the society.

(Up to this stage these groups of farmers are now free to run their activities through their proposed society.)

Registration

If the commissioner is satisfied that a society has complied with the act and that its proposed by-laws are not contrary he may in his discretion register the society and its by-laws.

Action for registration

Upon registration of a society the commissioner shall forward the society free of charge:-

- a. certificate of registration
- b. a copy of by-laws of the society as approved by him and certified under his hand as having been so approved by him
- c. a copy of the act and of the rules made there under in English

The presentation of the certificate of registration has to be done in the special general meeting of the society by the commissioner himself or anybody authorized by him.

Should the commissioner refuse the registration he will make it clear to the society in writing his grounds of refusal.

The society is free to lodge their appeal of registration within a period of one month.

Name of registered society

No society shall be registered under a name identical with that under which any other existing society is registered, or under any name likely, in the opinion of the Commissioner, to mislead the members or the public as to its identity.

The word "co-operative" shall form part of the name of every society registered under the Co-operative Society Act and the word "limited" shall be the last word in the name of every society with limited liability.

Address

Every registered society shall have a registered address to which notices and communications may be sent.

The Books to be kept by the Society

Every society which deals with money shall keep:-

1. a cash book
2. a ledger account for each member
3. a loan register
4. a register of deposits
5. a minute book
6. such other books as may be described by the Commissioner

Audit

The audit is being carried out by government staff; the government is employing qualified accountants who are running the work of audit in collaboration with the assistant staff in the department.

The audit shall include an examination of overdue debt, if any. Valuation of the assets and the liabilities of the society. The auditor under the authority of the commissioner shall at all times have an access to all books, accounts, papers and securities of the society and every officer of the society shall furnish such information in regards to the transactions and working of the society as the person making such inspection may require.

All the balance sheets of the societies together with the auditor's schedule attached must be sent to the commissioner for approval before it is declared to reveal the position and the stand of the society as at per that year.

The reading of the balance sheet after has been approved by the commissioner should be done by the auditor concerned or his representative in the annual general meeting of the society.

Audit Fees

Every society shall make annually a contribution to a fund for audit and supervision.

Until such time as a co-operative union has been constituted and registered for the purpose, such contributions shall be held by the commissioner and administrated by him on behalf of the contributing societies.

(My notes on audit does not include the National Organization such as Kenya Co-operative Creameries, K.F.A. Also some few big societies are taking their audit by private auditors or internal auditors, employed by the organization).

Organization

Democratic control

After the registration of the society they have to take a complete new look of their society from "propose" to "registered" and enforce their duties to the society as co-operators. In this course they can either confirm their duties to the society as co-operators. In this course they can either confirm their interim officials or elect new members if they are not satisfied.

The society's officials will consist of 1. Chairman 2. Secretary 3. Treasurer plus other 4 or 9 members which will make a total of 7 or 12 committee members depending on the size of the society.

The election of the committee should spread to cover the area covered by the society.

The committee can meet at any time by the Secretary with the consultation of the Chairman.

The Chairman, Secretary, Treasurer plus any other member who may be nominated by the committee will make a working or a sub-committee of the society.

Any documents, including cheques and withdrawal of any sum of money from the society's fund will be witnessed by three to four signatures nominated by the committee and confirmed by the general meeting.

Powers of Committee

The committee shall exercise all the powers of the registered society, except those reserved for the general meeting, and subject to any regulations or restrictions duly laid down by the society in general meeting or in the by-laws.

Duties of Committee

- a. to comply with the act and rules made under and the by-laws of the society
- b. to maintain true and accurate accounts
- c. to keep a true account of the assets and liabilities
- d. to keep a correct register of members
- e. to lay before the annual general meeting a profit and loss account and a balance sheet
- f. to assist in the inspection of books by any person authorized to see them
- g. in the case of credit registered societies to see that loans are applied to the approval purpose for which they were made.

Annual General Meeting

This is a meeting of all members which meet annually

- a. to do general election of the society which should be done annually
- b. the approval of balance sheet
- c. adoption of committee report for the last year and the budget of the new year

Education of Members and Staff

The educational activities are carried by the government in collaboration with the members of the movement.

- Staff:
1. the movement pays for the expenses or part of the it
 2. the government provides accommodation and lectures

The secretaries and managers attend a course ranging from 3 - 5 months at the Kenya Institute of Administration where they are taught

1. bookkeeping
2. process of meetings
3. office routines
4. management etc.

Sometimes the members of committee comes in for a course ranging from 3 - 6 weeks. In most cases there are courses arranged annually for the committee members and the staff of the societies at the farmers' schools and this vary from district to district.

These short annual courses can be lectured sometimes by union staff in collaboration with government staff. Also in most of the time the government staff go round visiting and attending the general committee meetings to be able to see how they conduct their meetings and then in this way they can pass some instructions or discuss some problems together which is apart of members education both for the members, managers and the secretaries of the society.

Marketing and Marketing Activities

Our societies are known as multipurpose societies and almost all are marketing societies. They can also supply some of the members' requirements e.g. ferterlizers, bags etc.

Members do market their crops or whatever it may be. The ways and methods of handling this differ greatly from society according to what they are to handle through their society. For example if in the case of a coffee society where some initial processing is needed; the society will provide factory, storage, etc.

As I have stated above the preliminary marketing activities are taken by the societies which after the collection handles over to the government statutory boards which deals with the wholesales and exports. It is the board which pays then the costs of the society including the sales of the commodity handled.

The system sometimes becomes, for example:

1. the society transport to the board or the board transport from the society

Should the latter be the case the board will pay back to the society the sales less the costs of transport and milling in the case of coffee or ginning in the case of cotton etc.

All the money are paid through the unions in cheques and the union will debit the account of the society in question. The union will then write a cheque to the society less their costs the society shall now pay their members in any way agreed by the society. Before the society pays their members they will reduce:-

1. society's commission
2. audit and supervision fees
3. statutory reserve fund
4. plus any additional costs which might have been taken by the society

Most of the crops handled by the societies are being sold to the different boards dealing with the different commodities, except a few like vegetables, fruits etc.

The Government Role within the Co-operative Movement

The main aim and purpose is to promote the co-operative movement which has been thought to be one of the ideal factors and channels to economic development and a pre-requisites to diseases, poverty and ignorance which we are out to fight under the spirit of "harambee".

The Problems and Difficulties within the Movement

1. Illiteracy

A good percentage of the people who are trying to participate in the societies are illiterate. This comes because almost all people and young men who are educated are occupied in the business and the majority are working and living in the towns. A few young men who are working in the country and living in their homes are not interested.

1. Communications

Ways and means of reaching most of the members are not very good because of bad roads during the heavy rains. Quick delivery of mails, telephoses, any way this is not a very serious problem comparatively.

3. Members and Staff Education

Because of lack of education facilities we are not able to get well qualified personel and staff to these societies. The committee member need a lot of training to enable him to discuss and handle society's affairs competently, of course this is one of the most serious proplems.

Improved Farming

Most of these farmers are practicing subsistence farming which cannot pay them enough overcome their initial expenses and to be able to improve their standard of living quickly.

So I think that if these farmers can get means and ways of improving their farming methods they can easily get their co-operatives developed because they will be able to

1. hold more shares with the society
2. deposits (for those who like) opening either security or old age accounts etc. by the society
3. the commission of the society can be raised by the members themselves
4. they will need to use and eat more and this will mean more purchases through societies
5. raise enough money for education, building schools etc.

But this will depend on

1. farming knowledge, machinery, etc.
2. increase their production
3. marketing facilities

They will do a way with spoon feeding for they will have enough finance to train their staff and employ good brains who can help them to foot their problems to the economic development.

By Mr. Boaz O. Onyimbo, Kenya

Third International Co-operative Seminar

4th May - 27th October 1965

THE CO-OPERATIVE MOVEMENT IN ZAMBIA - A GENERAL SURVEYThe Republic of Zambia

It was formally known as Northern Rhodesia but now the Republic of Zambia. It gained this status on 24th October, 1964 and it is the first British dependency to obtain full republic status immediately on gaining independence. It is a member of Commonwealth of Nations.

The area of the country is 290 586 square miles and it lies between latitudes 10 degrees and 18 degrees south of the Equator and between longitudes 22 and 33 East. Its general altitude is 3 500 - 4 500 feet above sea level. It has a three-season modified sudan-type climate; savannah-type natural vegetation.

Population in June, 1964 (estimated) was 3 610 000 including some 74 000 Europeans and 11 400 Asians and people of mixed extraction.

The country's first president is Doctor Kenneth Kaunda who is also president of United National Independence Party which holds the majority seats in National Assembly.

The National Assembly has 75 elected members; 65 on main roll and 10 on reserved roll plus five members specially nominated by the President. There are three political parties in the country and the above 75 seats are distributed as follows:

<u>Party</u>	<u>Leader</u>	<u>Seats held</u>	
		<u>main</u>	<u>reserved</u>
1 United National Independence Party	Dr Kenneth Kaunda	55	--
2 African National Congress	Mr Harry Nkumbula	10	--
3 National Progress Party	Mr John Roberts	--	10

Here are in addition to these five members specially nominated by the President

$$5 + 65 + 10 = 80$$

The idea of co-operatives.

As already stated above that up to 1964 the country has been in the hands of the British Government, it follows that many things followed the British pattern. In 1930's the idea was brought up but no co-operative society was formed. In 1939, II World War broke out and many things stood still, the co-operative idea being one of them. In spite of all this a co-operative society (consumer) with European membership was formed in 1940 and the number rose to 9 in 1946.

The trend of things up to 1962

In 1962 the country was granted an internal Self Government and from that time things began being worked out for the benefit of all. But all along, they were on basis of colour, for example:

- A. European education, African education with sub divisions of Indian schools, coloureds schools.
- B. European agriculture, African agriculture.
- C. European hospital, African hospital etc. It was natural therefore that the co-operative society was formed with European membership in 1940.

The co-operative act

The co-operative act was passed by the government in power in 1948. The act allowed the formation of co-operatives. It is noticed that from that time the Africans also formed co-operatives. These were: mostly consumers but later the movement spread to other branches too:

- I Consumer co-operatives
- II Thrift and Loan co-operatives
- III Agricultural or Farmers' or Marketing co-operatives
- IV Others

The co-operative departments

The passing of the act also saw the formation of a co-operative department which was entrusted with all co-operative work in the country. The work among other things included the following

The spreading of co-operative ideas in the country

Advice and directions, the co-operatives were to be formed

Registration, supervision, propaganda and education

The department was headed by a Registrar of Co-operatives whose duties were registration, advice and cancellation of the co-operative societies. Under him were other members of staff who ranged from administrative officers at headquarters down to provincial and district co-operative officers and co-operative assistants. All the co-operative matters to the government were channelled through the department.

Consumer and supply co-operatives

As stated above that the first co-operative society was formed in 1940 and that the number rose to 9 in 1946 and most of them being consumer societies, it follows that the main activity of the movement was farming and running consumer co-operatives. With the passing of the co-operative act in 1948 the number of such co-operatives rose rapidly, but grouped into European membership. They were formed all over the rail route and in most central places. Some of them grew very large in both membership and turnover. The position gave great pride to those who saw them started. It is disappointing that a few years later, many of them ran into difficulties and they were dissolved. Many of the members lost their share capital. Those events put the movement into a very bad position.

The reasons for failure may be enumerated as under:

- A. Lack of enough capital with which to carry out business on a large scale to compete with private business concerns.
- B. Lack of trained personnel who could run business in the interest of the members and the public.
- C. Lack of patronising ability on the part of the members.
- D. Lack of education
- E. Credit sales.

Most of the co-operatives dissolved were those with African membership although some with European membership were also dissolved. There are very few on the list now.

Thrift and Loan co-operatives

This type of co-operatives became very popular where people earned a regular income. In most cases it has been where Commercial Banks and Postal Offices Savings Banking facilities have not been available and also in main organisations where employees are scattered all over the country but where pay-sheets are organised from a central place as is the case with members of Police Force. Deductions at source have been carried out. The society is in a form of bank and some of them allow loans to their members on the strength of amounts saved with the society. A higher interest is charged on loans than that paid on deposits.

This type of co-operatives has also met some set backs. Some of them being:

Transfer of regular depositors from society's area of operation.

Lack of surplus money to save as many of the members have been the Africans who have not been in good money earning jobs.

Spread of commercial banks and post office savings banks savings facilities.

The agricultural or marketing co-operatives

These have spread and they are found almost in all rural areas of the country and mostly in all places where agriculture is being carried out. Before I explain how these were started and how they have worked, I would like to write a few lines on how the land was distributed for settlement.

There were two main divisions in the settlement of land - crown land with its subdivisions: Land for town building and European farmlands. - Native Reserve land with its subdivision of a Native Reserve land that was left vacant.

The Europeans to begin with were people who held all the well-paid jobs in the country. It followed that they were and they are financially strong. It was not hard for them to borrow money because they had security of land and any other assets

they owned. They were from Europe and so they employed European methods of agriculture. Although they did not have highly mechanised implements, they employed the Africans at a very low pay. The majority of these European farmers are along the railway route where sales of their produce were conducted very easily. Some of those who opened their farms in the outposts, managed to deliver their produce to selling depots in their own trucks.

The African on the other hand, did not have any capital with which to take to commercial farming, he had no education to enable him to get a job which could give him initial farming requirements as education and colour counted most and the problem of a market was a very big one.

Up to few years ago, the African has been a subsistence farmer and in some parts of the country the farmer is still as such. This means that he has only been growing enough to eat or run a shortage during some part of the year or have a surplus with which he has bought requirements by the system of barter.

In 1930's improved methods of agriculture were introduced but these were met with very big opposition as the government forced the methods on the people instead of informing them and persuading them to accept the idea. This included the shifting of the people from old areas to new ones by force too.

The methods the Africans were so used to were those by use of a hoe to make mounds instead of the newly introduced ridges. It does not matter how good a thing may be, if the will of the people is not gained, the success may take long or else a complete failure may be expected.

Agriculture department, African (ministry)

This is a government department within the ministry of agriculture, charged with responsibility of introducing and supervising new methods of agriculture. It may seem absurd to hear that the new methods of agriculture were opposed by the people not because they were bad but because they did not know them

and moreover they were forced on them.

After some years the people accepted the methods because they had no alternative. Later many more people followed the idea but were later confronted with a marketing problem.

Many areas were opened to the new methods of agriculture and so production increased. Much of the produce was delivered to Indian shops in exchange for salt, soap and cloth, to mission schools at a very low price, to European farmers also at a very low price. This was one of the drawbacks which delayed the spreading of the methods of agriculture.

The government stepped in and introduced a state controlled body which was entrusted with the buying and selling of all agricultural products in the country. This brought in a certain incentive to the people to grow more as the resulting produce - surplus - could be sold for cash instead of in kind. But this also had its own disadvantages:

There were two prices, one for a European and another for an African. The difference being a deduction which was credited to a reserve fund called African Farming Improvement Fund.

The markets were situated at such posts where the authorities wanted them to be, usually along main roads. This meant that the people had to travel many miles carrying the produce on their heads to the nearest market. In some cases the market was very far that the farmers did not even return to their homes the same day. Moreover the services were not so satisfactory at all. This retarded acceptance of the new methods of agriculture because the farmers could not sell all that they produced.

The position was further worsened by introduction of Peasant Farming Scheme; also by the government. This was when a number of farms were opened in blocks in an area and occupants were allowed to take them on condition that they were recommended by chiefs and also that they accepted to follow the instructions given by the Agriculture Department to use the new methods of agriculture which was the use of a plough pulled by oxen.

The use of the implements became very popular and spread very fast in some parts of the country especially where cattle were available for example in Southern Province and in Eastern Province that the people did not only accept the Peasant Farming Scheme but also the improved farming scheme. This was a case when farmers accepted the idea to be used on their own farms wherever they wanted them to be. The increase in production was a credit to the governmental department of African Agriculture but at the same time, the production could not improve beyond the limits of marketing facilities. The department tried in vain to solve the problem by buying the produce of all peasant farmers and improved farmers. The government solved the problem by assigning the work of marketing to the co-operative department and from that time the department became to be called "the Department of Co-operatives and African Marketing". European marketing was handled separately (not by the department).

Farmers or marketing co-operatives

The marketing problem existed more on the side of the Africans than of the Europeans. This was because of the following reasons:

Most of the European farmers were situated along the railway route which made delivery to points of sales possible and also along some main roads where vehicles could reach almost the year round.

Most of the Europeans had capital or at least they were able to borrow on security of permanent assets and land which enabled them to buy vehicles of their own or hire them as expenses were paid by the big volume of business handled.

This meant that the European was not faced with local marketing problems at all, because he had all the things to help him or he had all the facilities. The Africans on the other hand were spread all over the whole country and farming whether on subsistence level or on cash crop level was done in all the places where the people lived. The greater part of the entire country had no roads to reach it. The people produced what they could eat and with a little surplus which they exchanged for requirements or what they themselves did

not or could not produce. The land in the Native reserve is owned communally and so no person could borrow money by declaring land as security. The people on hearing about farmers Co-operatives got attracted but with suspicion in most areas at first.

The government employed members of staff to tell the people about the Co-operative ideas, help them with the formation but that the actual running of the Co-operatives remain in the hands of the members. Some of the things the members or the people were told the Co-operatives were to do for them were:

- I. to serve the members by undertaking the sale of all the surplus produce in the area of operation of the co-operative, at highest possible price.
- II to pay back to the members any surplus on members' sales in proportion to their deliveries.
- III to supply the members with requisites some of them being agricultural implements and spares and fertilizers.
- IV, to enable the farmer to discuss the local prices of the produce.

This made a very big difference on the side of the Africans. It was for most of them their first time to hear that they could negotiate the prices of their produce. It was for these reasons that this type of the co-operatives spread and became strong in many parts of the country. It is encouraging that most of the societies formed are bigger and stronger.

The results of this type of co-operatives have been:-

- (a) That where they are strong the area has been opened to traffic
- (b) That markets where deliveries of produce can be made have been available within reasonable distances to the farmer.
- (c) That the people have been able to produce all types of produce that may be marketed.

- (d) That the people have been able to receive the value of their produce in cash instead of in kind.
- (e) That production of the produce has steadily been rising and improving in both quantity and quality, e.g. groundnuts and tobacco in Eastern Province and maize in Southern Province.

Other types of co-operatives.

For a long time all the co-operatives which did not fall under the above headings had European membership - Building Societies, theatre and cultural, Agricultural show and Children's homes, etc. but from January many other types with African membership have been formed. Most of them being producers' co-operatives.

Problems which have faced the movement.

- Most of the co-operatives have been too small to operate economically
- Lack of capital with which to operate on a large scale to compete with big private business concerns
- Lack of trained personnel to organise the business
- Lack of education in members with which to organise and patronise their co-operatives.

Those that escaped the above problems have improved the living standards of the people to a very reasonable scale, by:

- I Making available agricultural implements and other requisites for the farmer to buy at a reasonable price
- II Providing services at a lower price than would have been if such services were supplied by the private concerns
- III Fixing good and reasonable prices on items which are produced by the co-operatives, e.g. cooking fats and mealie-meal.

The operation has been confined to the areas where the co-operatives have been accepted by the people. But from the beginning of this year, the government has launched a very big campaign to form co-operatives. The people have been told that they may form co-operatives to produce enough for the country. The government helps the groups or such co-operatives with initial requirements in kind mostly. Some

land has been opened for the settlement of the people who have long been short of arable land.

This will mean that production of products will become greater, that need for organised marketing facilities will grow relatively, that more trained personnel will be required to handle the affairs of the many co-operatives which are being formed, that amalgamation of societies to form large units should be encouraged as has already started in the Eastern Province where three Unions have agreed to form one big organisation.

The government is encouraging education for members, co-operative employees and government employees. The co-operative school at Katete in the Eastern Province, for members, committee members and primary societies' Secretary managers has received more attention than ever before. Many more government co-operative members of staff were or have been employed this year and many of the senior members of staff have been sent abroad to attend courses. These are both from the movement and the government.

In view of all these, it is anticipated that there will be more and better run co-operative societies than ever before, that with education to members, more business will be expected as suspicion of who owns the co-operatives will be curtailed, and the need to make the country self-sufficient in its requirements e.g. foodstuffs, will possibly see the co-operatives play a very big part in marketing, as production is likely to increase.

At present the movement has taken the following branches:-

- I Consumer Co-operatives - very few ,
- II Thrift and Loan Co-operatives
- III Agricultural or farmers' which include fishing, and charcoal-burning and mining,
- IV Producers' co-operatives which include carpentry and joinery, brick-making and building and transport, etc.

So many of them have come about in response to the President's Appeal in January when he broadcast to the nation that the Government was prepared to assist any group of people who planned to do anything which was for the good of the country with initial requirements.

The government is an advisory body but will not run the business, the members themselves are responsible for the running of the Co-operatives. Success or failure depends very much on the members.

I do hope that with the efforts put in by the government to educate more people, that these trained people, when they take up their positions, will help the rest of the people to know the work of the co-operatives and the part they must play to make them a success.

By Andrew H, Tonga, Zambia.

KF/SCC/AT/BW
14/9/65

THE CO-OPERATIVE MOVEMENT IN THE SOUTHERN PROVINCE
OF ZAMBIA

Introduction

This thesis is written with intention to give readers the general picture of the co-operative development in the Southern Province of the Republic of Zambia with special references and emphasis to general conditions existed as regards to economic and social life of the people in the province before the introduction of the movement.

The thesis will be introduced with two organisational charts or sketches each illustrating the following:

- A. The organisational set up from a member to the Department of co-operatives and African marketing societies.
- B. The co-operative marketing channels of crops from the producer to the consumer through various buyers.

All the two co-operative marketing organisations operating in the province as separate units and whose set up and marketing functions are the same, will be covered. It is my intention also to touch at those very unfortunate other co-operative organisations who either existed or are still existing with limited success with references to the cause of their failure.

Zambia is divided into 8 provinces and each divided into several districts. The country covers 290,587 square miles (about the size of Sweden) and is situated within central Africa. Due to political struggle existed before the country achieved independence, the population remained for many years at 2 million. 3 years ago, after some political pressure from the African nationalists, unsystematic census was conducted which revealed the population of 3 610 000 including 70 000 Europeans and 11 000 Asians. The people, however, are not

convinced because they are still of the high opinion that the country's population was 4 million inhabitants.

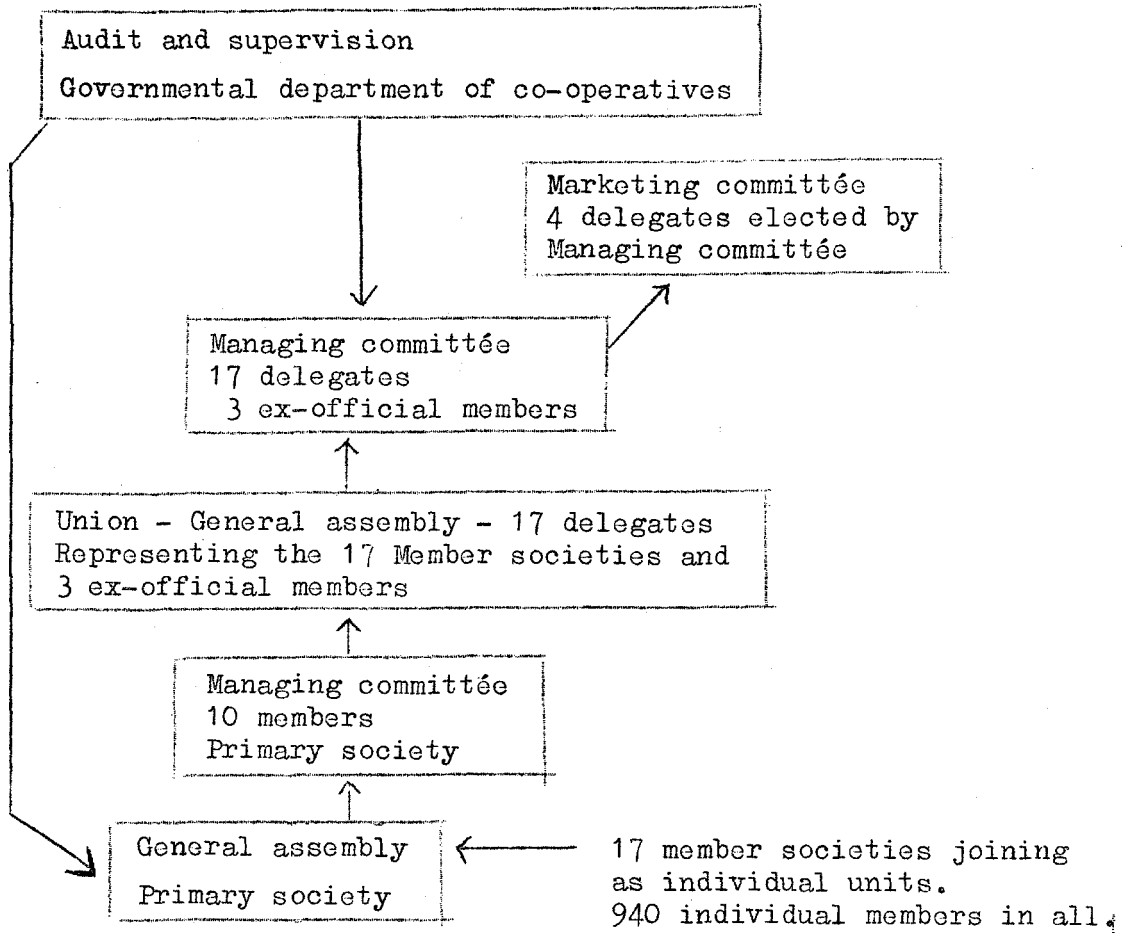
Before independence, the land was divided as follows:

Native Reserves	}	95 %
Native Trust Land		
Crown Land		5 %

The Native Reserve was reserved for Africans only and the Native Trust Land was reserved for Africans with a few exceptions to non-Africans. Both Native Reserve and Native Trust Land were vested in the hands of the Secretary of States for the Colonies. The Crown Land which was known as European Land was made available to Europeans and was the land which was put to full use by European settlers. Zambia's economy was regarded for many years as "mono-economy" because it depended on mineral resources which commanded 90 % of the total exports. The government, therefore, was very conscious of the unbalanced economy by striving to build up agriculture into an industry, second hand only to cope as a source of National Wealth. According to allocation of the land, only 5 % (as stated above) was put to proper use. European farmers took the monopoly of agricultural production of cash crops, e.g. tobacco, cotton, maize and groundnuts. The demand for food production continued to expand after the development of mining industries where 1/5 of the total employed population with rising standard of living were engaged. The government thought that the best way of lifting the vast number of people living from soil is to find some means and ways of changing them from subsistence to commercial farming through co-operation.

SKETCH A

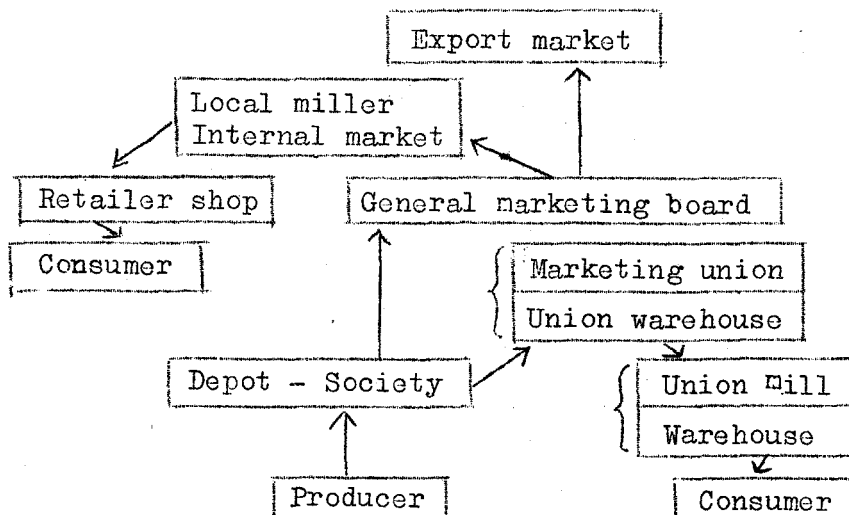
Organisational set up -- member to Department of co-operatives



SKETCH B

Co-operative marketing channels from producer to consumer illustrating the maize marketing

(Note: Price is controlled up to consumer)



Historical background and birth of the co-operative movement

Although co-operation existed in the country as far back as on 16th October, 1914, when the first society was registered under societies' ordinance and 9 more societies were registered in 1946, under co-operative societies' ordinance of 1930, chap. 114 and all now being African societies, the real birth of the movement in the country was in 1948 when the government gave impetus to expansion of co-operatives by formation of the Department of co-operative societies under the Registrar of Co-operative Societies and under co-operative societies' ordinance 1948, chap. 217. This showed, however, that the movement, like in other African developing countries, had started from top down to the member. This was because the people in the country had had no economic influence from neighbouring countries they had been in close contact with. There co-operation had started in a proper form, other countries had international contacts where people could adopt new ideas. The only source of contact with other countries for new ideas was through the government in African developing countries. Certain functions based on social and traditional co-operation existed amongst different tribes in Zambia. For instance, herding of cattle, in terns, seasonal hunting and fishing, ploughing and weeding etc. among Tonga and Ila had been and are still done on a system of social co-operation.

The co-operative movement meets difficulties in the Southern Province in 1951

The Southern Province with its population of 580 000 including 29 000 Europeans living in 5 distrikts is the richest agricultural farming province in Zambia. The farming had been concentrated at large scale of reproductive in the 3 out of 5 districts within a radius of 10 miles on both sides of the line of rail. European and African farmers farmed and sold their produce on different system and at different prices. The Africans were engaged in farming under the "African Farming Improvement Scheme" practising the Rotation of crops under the supervision of the Department of African Agriculture. The Europeanfarmers sold their produce directly to the Maize Control Board at a full government gazetted price known as

"European price". The African farmers used to sell their crops to the Maize Control Board through the Rural Marketing Board which was organised by the Agriculture Department at a marketing price which allowed some profit margin and which was put into a fund called "African Farming Improvement Fund". The Board administering the fund was appointed by the Agricultural Department. All agricultural extension services were paid for out of this fund. For instance, subsidies on scotch carts, seeds, fertilizer, fencing wire, construction of dams, counter ridges, payment of bonus on acreage to registered improved farmers and paying for all expenses incurred in the Rural Marketing. Large warehouses were financed by this fund where the crop was stored before transported to the Maize Control Board depots.

In 1951, the staff from the Department of co-operative societies tried to introduce the formation of co-operative societies among African farmers in the 3 farming districts but were refused permission by the district commissioners who were influenced by the Department of agriculture. Their reasons were:

- A.. The co-operative societies would interfere with the soil conservation scheme which had been started by the Department of agriculture.
- B. The co-operatives would not contribute to African Farming Improvement Fund.
- C. They did not trust that the co-operative societies which were introduced as part of the government development plans could be capable of handling and marketing of crops more efficiently than the Rural Marketing Board. Instead, the co-operative staff were given permission to start co-operation in the other two districts which were outside the Maize Control Board's area.

The staff of the Department of co-operative societies chose the Namwala district which had a small portion in the Maize Control Board's area

Namwala district was one of the smallest districts in the province situated 105 miles from the nearest railway station to the Boma (district headquarters). The co-operative department staff had a lot of difficulties which stood in their way before

they could start the actual work. The people (Ila) were engaged in guiding their large herds of cattle around the Kafue floods. They lived by subsistence farming and were also a nomadic tribe. In some part of the district, a farmer could hardly produce enough to support his family. Very often, in most parts of the district, people were affected by famine and the district commissioner undertook famine relief. The marketing of surplus crops was provided for by the district commissioner who used to buy only food for government employees at the Boma and store some for famine relief and after which permission was given to a private trader who was also Maize Control Board's agent. He used to offer the lowest price he could afford to pay, either in cash or through bartering of goods system for unweighed bags but filled to overflow capacity. Producers were tortured during payment for their produce when they complained of short cash payments. Cash payment was not counted in the presence of the customers and furthermore, no produce receipts were given by his capataos for the delivered produce. All was a black market. Under such circumstances and hardship, people who had surplus crop to sell (usually the richest people who had a lot of herds of cattle and who had a number of poor people depending on them) decided not to sell their produce to the trader but to keep their crops for exchange with cattle in the food shortage areas. So, people who had no cattle could not afford to buy food.

The Ila were the most conservative tribe in Zambia. The cooperative staff found it difficult to convince them to adopt the economic way of co-operation. You could hardly find anyone who could write his name at the meeting of 100 people attending. They used to admit publicly that a Mwila could not possibly manage to follow any European way of co-operation which involved a lot of laws. They did not like to accept anything introduced by a person whom they did not know, because it happened during the B.S.A. Company Rule (1900) that an Ila chief was given a cake of tobacco by a European administrator who in return was allowed by the chief to do some hunting in one of the forests. After the chief had died, the administrator claimed that the whole forest was bought by him from the chief.

This gave the co-operative officials the other way round of approach. Instead of addressing public meetings, they talked to individual chiefs and outstanding rich people who commanded high respects among the people who in return managed to influence the other people to accept the formation of co-operative societies. Some difficulties also existed. For instance, poor communications, because there was only one main road from Choma to the Boma which often became impassable during heavy rains. The paths from village to village were impassable for vehicles.

The formation of 4 Primary Societies

In March, 1951, the first 4 producers primary societies were formed with the initial total membership of 80 individual members. The same people whose initiative helped the formation of the societies helped to form the committee in their own way. On April 1st, 1951, the 4 societies were registered and the meeting of 2 delegates from each society was arranged to consider the formation of the secondary society (union) which could not be done efficiently by small primary societies as single units.

The formation of the Namwala Co-operative Marketing Union Ltd

On April 14th, 1951, the formation of the above union was unanimously accepted at a meeting attended by 8 delegates from the 4 primary societies (2 representing each society). The district commissioner of Namwala and three officials of the Department of co-operative societies. After accepting the model-By-Laws at the same meeting, the first Union committee consisting of the following was formed:

D. Commissioner (ex-official member) was elected chairman.

One representative from each society.

The senior agricultural officer or his representative (ex-official member).

A representative of the Ila Native Authority (ex-official). The application for registration was signed and forwarded to the Registrar of co-operative societies. One of the first marketing functions of the union was to run all the 4 depots which belonged to the primary societies and opened 14 more

depots outside the primary societies' areas of operation. It obtained cash advantages for crop purchases from the A.F.I.F. The union bought 6 000 bags of maize and managed to make net profit of 4/- per bag and furthermore paid 2/6 per bag dividend to members. During the first year, the whole organisation was run and managed by the government staff. Before the end of 1952, the whole district was under co-operative operations with 17 primary societies under one union.

The organisational set up from a member to the Government Department (See also sketch A)

Local societies

There are 17 local societies all over the district which are members of the union. Each local society has its own general assembly which meets once a year under a chairman and vice-chairman who are put in office at the annual general meeting for a period of one year. The general assembly elects a committee consisting of the same chairman and vice-chairman of the general assembly with the addition of not more than 8 as maximum or not less than 3 besides the two chairmen. They are elected for the term of office for 1 year but are entitled for re-election.

Share capital and entrance fees

After a member has been accepted for membership, he has to pay an entrance fee of 1/- which is not withdrawable when he leaves the society. He has also to pay either in cash or in instalment the share capital made of 3 nominal shares of £ 1 each. The society pays 5 % interest on shares.

The Namwala Co-operative Marketing Union Ltd

General meeting

The general meeting of the above union is composed of:

- A. One representative from each of the 17 affiliated primary societies.
- B. The following are ex-official members with full voting rights:
 - I The D. Commissioner or his representative
 - II The Senior Agriculture Officer or his representative

III The Ila Native Authority's representative

The chairman and two vice-chairmen are elected among the above members in accordance with the union's By-Laws for a period of 1 year. The manager/secretary attends the general meeting in his capacity as a secretary but has no voting rights.

The committee meeting

In accordance to the unions' By-Laws the committee of the union shall consist of one representative from each primary society affiliated to the union and the ex-official member who sits on the union's general meeting. This automatically makes the committee to have the same people who sit on the general meeting to form the committee.

The marketing committee

The above committee was created by the general meeting after some attempts to lessen the number of the committee members had failed. It was felt, therefore, that since it was too difficult to reach reasonable decisions at a committee meeting with more representatives and that the expenses incurred by the union in travelling allowance for members attending frequent meetings was high, a committee consisting of 2 elected by the committee together with the chairman of the union should be of great advantage to the organisation. This committee, therefore, meets quite often to decide on the following:

- A. It meets before the buying season starts to make reasonable estimates of new crops and decides on the date of opening of the depots.
- B. It fixes the price for the new crops.
- C. It approves the employment of the societies depot capitals and arranges for their annual course.
- D. It examines reports from time to time from the manager during the marketing season.
- E. It submits wide range of items of urgent nature involved during the marketing to the committee meeting for final decision.

Department of co-operative societies

The staff from the department of co-operative societies form

the most important section of audit supervision in the organisation. They examine the books of accounts of the union and the societies. They take a large role in their advisory capacity, especially on financial and legal matters. They also take the initiative towards the formation of new societies and undertake the responsibility of arranging and running the following courses:

- 1 Training of depot capitalists before the buying season begins
- 2 Training of office bearers of the union and primary societies
- 3 Training of union managers and secretaries at government institutions

The government charges the societies a fee for audit and supervision every year at the rate stipulated in the co-operative societies ordinance chap. 217 of 1948.

Union's share capital and other funds

Every primary society affiliated to the union contributes to the union's share capital 2/3 of every paid up share by its individual member and the other 1/3 is kept by the society. 5 % interest is paid by the union on shares. In addition to its own reserve funds, the union accepts savings on fixed deposits, cheque account and other savings from individuals and member societies. The union runs an agricultural reserve fund which was started as one of its conditions or objects laid down in its By-Laws to replace the A.F.I.F which existed in one part of the district (Mbeza area). The union allocates not more than 35 % and not less than 10 % of gross profit made on crops to this reserve fund. The following are financed out of this fund:

A. Paying subsidies on:

I	Scotch carts	50 %
II	Seeds	50 %
III	Fertilizer	25 %
IV	Fencing materials	50 %

B. Loans to either individual members or member society.

C. A light small grader for use on road maintenance was purchased out of this fund.

The co-operative marketing channels from producer to consumer
 As can be seen from sketch B the marketing of agricultural produce forms the major sector of this organisation together with its primary societies. The marketing operations are seasonal, i.e. during the months of May to October. The Grain Marketing Board, which is the national marketing Organ, receives about $1\frac{1}{2}$ to 2 million bags of maize a year from the 3 major marketing sectors. The price is fixed by government and varies according to the season's external market. The new price is announced every year before harvest.

A. The European farmers deliver their crops as individuals directly to the G.M.B. and receive the full government gazetted price.

B. The Rural Marketing Board markets all crops in areas outside co-operative activities.

C. The co-operative organisations handle $\frac{1}{3}$ of the total crop marketed every year and receive gazetted price. The marketing responsibility divided between the union and primary societies as agencies in the initial stage.

The societies construct depots (markets) at convenient places. They employ depot capitaos on contracts. Capitaos are issued with grain bags, stationeries and all buying equipments. They issue sacks to farmers and receive them back with produce. The bags are weighed and graded in the presence of the farmer and produce receipt is given to the customer showing prices according to produce and grade. He despatches produce on behalf of the union to the G.M.B. and is responsible for the produce from the time he receives it from the farmer until the crop receipt is issued by the G.M.B. He is paid commission of 1/- per bag for the first 500 bags of maize and then 8 d. per bag for the rest. He gets $\frac{1}{6}$ per bag on other produce than maize.

The union's responsibilities in the marketing

A. The union provides societies with sacks, stationeries and buying equipments.

B. Arranges for transport at the rate of 1 d. per bag per mile.

C. Makes arrangements for obtaining bank overdraft for financing the crop purchases and arranges for crop and cash insurances.

- D. Fixes the dates for crop payment (twice a month).
- E. Makes storage available for some crops which are not marketed through the G.M.B. for internal and external market. It also undertakes responsibility of famine reliefs by retaining sufficient crops needed for sale within the district.

The crop price structure

The price paid for crops varies from depot to depot according to distances. It drops by penny per bag per mile. For instance, in 1964, the G.M.B. price was A 37/3 B 36/3 C 35/9. The nearest society which was 36 miles from the G.M.B. got the following prices A 29/3 B 28/3 C 27/9, whereas the furthest society which was 144 miles away was paid A 20/3 B 19/3 C 18/9 after deducting all market costs.

Some miscellaneous functions of the union

A. Grinding mill

The union owns and runs a mill at the Boma. Every season the marketing committee in collaboration with the district authorities make estimate of the food requirement as stated in the later part of this thesis, to be kept back for local consumption within the district. The maize is milled and sold as mealie meal to individual consumers and to various government departments at the Boma.

B. It runs a large warehouse where all agricultural implements, fertilizer, seeds, scotch carts, building materials, fencing materials, cattle drags and other goods are sold to customers.

C. It runs a petrol pump and postal service.

D. An attempt on the following was made but failed:

- I A bakery worth £ 6 000 was in operation for only 6 months but failed because of high running costs which did not allow enough profit margin.
- II It embarked on cattle marketing scheme which failed because of strong competition from private traders.

1957 - Co-operative movements expansion to other districts

In 1957, the farmers in the Choma and Kalomo districts asked their district Commissioners to allow the co-operative department to start forming societies in their areas where the Rural Marketing Board was operating. Primary societies were formed with the total membership of 550 and with initial share capital of £ 2 750 in all. The 7 primary societies joined to form the North-Choma Co-operative Marketing Union Ltd. The formation of this organisation was based on that of the Namwala Co-operative Marketing Union Ltd. except for the following:

- A. Entrance fee 5/- instead of 1/- paid in Namwala.
- B. Share capital 5 shares of £ 1 each instead of 3 shares of £ 1 each.
- C. Basic price paid for produce did not vary according to distance but a contribution of 1/6 per bag was deducted for payment to A.F.I.F.

In 1958, the movement covered Choma, Kalomo and Pemba areas. The Kalomo and Pemba unions were formed. In the same year, the 4 marketing unions in the province amalgamated to form the Southern Province Co-operative Association Ltd. The share capital of the association was made of 5 shares of £ 100 per each union. The general meeting of the association consisted of 2 delegates from each union who elected 1 delegate from each union to form the committee. After 2 years of existence, the Namwala C.M.U.Ltd. broke away from the association because of:

- A. High handling costs on goods which resulted in a rise in selling price on several goods.
- B. Union's reserve funds became weaker and weaker because of trying to build up the association's reserve fund.

Other co-operative organisations in the province

Thrift and Loans societies providing savings facilities among employees are existing at Livingstone, Choma, Namwala, Magahuka and Gwembe districts. Consumer shops were first ran by all primary societies in Namwala, Kalomo and Choma districts but all had failed because of bad managements and could not afford to pay efficient managers. Co-operative societies are being formed to exploit mineral deposits, e.g. gypsum and mica in Gwembe district.

Conclusions and commands

Although the two co-operative organisations in the Southern Province are financial independent their developments have been at a stand still ever since 1960. The two main reasons for their stagnance are:

Firstly, the organisations were organised by reluctant staff of the Department of co-operative societies who could not give more drive for the expansion of the movement to other parts of the province and for new members. The withdrawals of the government staff's influence over the committee members decisions during union meetings had given chance to the committee members to misuse their executive powers by sacking their experienced and trained managers for no reasons and started employing their sons and brothers.

Secondly, the main crop (maize) which was handled by the co-operatives in great quantity had no stable export price. In most cases the government had to subsidise the purchase price. The African farmers, however, are being encouraged to grow cotton and tobacco which have stable market price. The new state has also realized the developing of the agricultural resource by giving co-operative development its full backing in the 5 years' development plan. It is very much hopeful, therefore that the co-operative movement will have a very foreseeable success within the planned period.

By Mr. Henry L. Singongi, Zambia

MALAWI STATE AND CO-OPERATIVE ORGANIZATION

Malawi was discovered in 1859 by a Scotch missionary going by the name of Dr. Livingstone. He named the country by the name of Nyasaland by error because of the foreign tribe he contacted when he asked this tribe the name of the lake. This tribe could not pronounce the name of the lake correctly (Nyanja) meaning great water river. They pronounced the name Nyasa so this Scotch man named the country "Nyasaland" denoting the land of the lake. This country has been under the foreign rule say by the Great Britain for more than seventy (70) years.

The indigenous people of Malawi started to fight for their freedom, say selfrule since 1915 when the first nationalists rising up against the colonial rule. This rise was influenced by one of the shrewed educated Africans, who was the leader of Providence Industrial Mission by the name of Mr. John Chilembwe who was educated in America. This political upheaval took place in the Southern part of Malawi in Chiradzulu and Blantyre area. Eventually this was silenced by the butchering of many Africans and their great leader of the time by the British people.

But the struggle went on for many years though in a small way up to the arrival of a liberator Dr. H.K. Banda, now the Prime Minister of Malawi. He led a tremendous fight for independence from 1958. In 1959 the whole country was in a terrible political commotion, by the leadership of its Ngwazi Dr. Banda, which led the declaration of State of emergency whereby he and other leaders were arrested and more than 60 people were butchered like cattle at a slaughtery house.

This resulted later on to the release of all political prisoners as the only option and a new constitution was called upon which led to the voting rights of the endigeneous people of Malawi.

1961 a general election was performed which resulted into a majority parliament in favour of the Africans. In 1962-63 was the period of full self government but within the Central African Federation which was imposed in 1953 by the white settlers in collaboration with the British government.

The change of wind - at the stroke of midnight of 5/6th July 1964, emerged a new independant African state - Malawi. The country adopted the name Malawi because of the word's significant historical connections.

Malawi is the modern spelling of Malavi, the name used in ancient times not only geographically to denote a large area in Central Africa, but also sociologically to describe the wide spread groups of closely - associated Bantu people whose domicile it was. This area included all of what used to be Nyasaland, together with much of present Zambia and Mocambique.

Malawi is one of the most beautiful countries in Africa as more and more visitors so to say are venturing each year. Etymologically the word Malawi has associations with a general meaning of reflected light or bright haze, which natural enough considering that the country contains Africa's third largest lake.

Area of the country is 36,481 square miles comprised of land and plus 9,266 square miles of water land. The total sq. miles is 45,747. This is nearly almost three quarters of the area of England

The country is divided into three regions:-

Southern region with 12,262 sq. miles

Central region with 13,819 sq.miles

Northern region with 10,400 sq. miles

Geographically Malawi is situated in South East Africa, it is completely land locked, on the East by Tanzania and Mocambique, on the South by Mocambique and on the North by Tanzania and on the West by Zambia and Mocambique. The Southern tip of the country is 130 miles from the sea.

Climate

There are four climate zones but mainly we count two seasons; the dry season which lasts from May to October, the rains occurring intermittently during the rest of the year.

Finance

Malawi has its own national currency issued by the Reserve Bank of Malawi. (The United Kingdom's denominations are used.)

Finance of Institutions are a Central Bank (Reserve Bank of Malawi) two commercial banks, a Post Office, savings banks, a Development Corporation and a Building society.

Industry

The number of industries in the country is 275. Soaps, edible oil and fats, oil cakes, bread, biscuits and confectionary, boats, bricks, cement and lime, shoe polish, scents and brilliantines, cigarettes, clothing, furniture, fishing nets, nails, blankets, rugs, sugar and light metal work.

Power

Total generating power at the end of 1963 was 14.125 kw. This capacity will be considerably increased by the important Nkula Falls scheme currently under contract. The first stage of it which will cost some £ 2.4 million is scheduled for completion by middle of 1966. Two 8 meg watt machines will operate firstly and with a third machine installed during a second period.

Labour

A large population is self employed in agriculture. The number of paid African employees in the principle occupation was in 1963, 121,200 at present the number is increased. There are free registered unions totaling to 26.

Population

The country's population is four million according to previous statistics.

As stated already in the former paragraphs that Malawi is made up of three regions, Southern, Central and Northern and redivided

into 23 districts. The capital is called Zomba and it is situated in the Southern region. The population in respective towns are: Zomba 20,000, Blantyre and Limbe 120,000. The country's commercial and industrial centre Lilongwe (20,000) is the Central region's largest town. In the Northern region the largest centre is Mzuzu. It is planned at present and necessary steps are being viewed to move the capital to Lilongwe.

Railway

A 3 ft 6 in. gauge line, operated jointly by Malawi Railways Co. Ltd., the Central African Railways Co. Ltd. and the Trans Zambezia Railway Co. Ltd. effects the communication with sea at Beira. The principal station in Malawi is at Limbe, but the extension to the line continues to the railhead at Salima. And at Chipoka 17 miles south of Salima, where the trains connect with Malawi railways passengers and cargo service on Lake Malawi.

Road Transports

Malawi is connected to Rhodesia by a road running from Blantyre through Thete (Mocambique) to Mtoko, to Zambia by a road linking Lilongwe and Fort Jameson, to Tanzania by a road linking Chitipa and Mbeya, and to the Mocambique by a road running from Mlanje to Quilimane.

Internal territory roads	1017 miles
Other main roads	779 "
Secondary roads	1211 "
District roads	2818 "

Water Transport

Internal traffic on Lake Malawi is moved by Malawi Railways, operating at fleet of tugs and barges, two 200 ton cargo vessels M.V.'s Mpsa and Nkwaizi and M.V. Ilala 2. The later which has a displacement of 620 tons, carries 100 tons of cargo and accommodates 11 first class, 28 third class and 220 fourth class passengers. The Ilala 2 maintains a regular round the Lake Service and from its decks tourists are able to view in confort some of the most spectacular lake and mountain scenery in Africa.

Habour

Malawi is served by the port of Beira in Mocambique.

Air Transport

The country's main airport is at Chileka, some 11 miles from Blantyre/Limbe. There are 13 outstanding airfields at size of which scheduled internal services are operated. Air Malawi provides all internal aerservices, half the regional services between Blantyre and Salisbury, the Blantyre/Lusaka services and most of Blantyre - Dar Es Salaam - Nairobi services. The Central African Airways Coop. provides the rest of the regional services in conjunction with East African Airways. Air Malawi and D.E.T.A. jointly provides a twice-weekly service between Blantyre and Beira.

Education

The Ministry of Education is responsible for all aspects of education, having taken over on 1st January 1964. Those functions previously exercised by the former Federal Government. Education is regarded as of prime national importance, and it is the policy of the government to develop secondary and higher education as rapidly as possible. The number of pupils entering secondary schools nearly quintupled between 1961 (642 pupils) and 1965 (2.160 pupils). In primary education great stress is laid on local interest in the schools and in methods of self-help for their provision and maintenance.

At the same time, through national and local campaigns, there is emphasis on the widespread of adult literacy, while those whose education is incomplete are encouraged to make full use of the night schools attached to secondary schools in all areas. In these forms of education also emphasis is laid on self-help and voluntary service.

Local Government

Local government in the rural areas of Malawi is the responsibility of District Councils (Country Councils). Each council has a majority of directly elected councilors and a minority of chiefs appointed as ex-officio members. Adult men and women residents are entitled to vote on a widely based none-racial franchise.

In the last few years District Councils have assumed source and more responsibilities for the provision of local services. They are now playing a major part in national effort to develop the country's resources. The principal matters for which councils have substantial responsibilities are:- primary education, water supplies, roads, social development services, education and markets. Some councils maintain local authority forest, provide minor services for improvement of agriculture, run clinics and ambulance services and provide resthouses for the travelling public.

Economy

Malawi is predominantly agricultural country and the majority of the population are primarily in an agricultural system which produces sufficient food for their needs and at the same time offers surplus for sale. The ingrained spirit of adventure of the average Malawians however, causes him to seek employment opportunities outside the country and a considerable proportion of the country is man power at any time will be found working abroad. It is believed that wherever a Malawian has gone to work has one shown to be capable and intelligent. It is further said, how far true it is, I cannot tell, that a Malawian is borne intelligent. It is for others to prove.

The main cash crops in order of importance are: tea, tobacco, groundnuts, rice, coffee, pulses, cotton and tungue oil. In the past manufacturing industries were confined to those associated with the main agricultural products, but in recent years new light industries have sprang up and for the first time, light industry is becoming a significant element in the economy of the country.

Little mining takes place in Malawi other than quarrying for stone although the territory is being actively prospected by both the government and private concerns. Coal deposits occure in the country and there are also large deposits of beauxite on Mlanie mountain. No significant commercial exploitation of the country's minerals has so far been undertaken.

Co-operative Organization and the Government

As narrated in previous pages that Malawi was under British rule for quite a time and it was the very British regime that thought of introducing co-operative movement. By then the British government was led by the Labour party.

It was in the year of 1938 that the government appointed the director of co-operation to plan for the ground of future co-operation, The way was being paved for; unfortunately and inspite of world war 2 a little was advanced or done and ^{the} attempt was jotted or suspended until 1947 where the Co-operative Department was imagined and eventually implemented with a registrar, one co-operative assistant and one office boy.

This was the birth of the co-operative idea in confidence for future co-operative organization.

The work of the young department was to help and endeavour to organize co-operatives throughout the whole country. The greatest need lay in the marketing of produce of the farmers in the remote areas far a way from big European farm capitalists who could not reach these areas to buy their produce and far away from profitable unprofitable marketing centres.

Though co-operative department was formed to organize and develop co-operatives a little was done by the government to sell the co-operative ideas to the mass. This was because most of financiers - private business people were against the idea and had influenced the government to slow the progress. At the same time the government had formed a Body Corporate in collaboration with certain financiers to form a body ^{of} which the purpose was to buy all produce from the farmers. It was named (AP + MB) now F.M.B. On the other hand the government was telling people that there were no educated people to form and run co-operative organizations. I, too one, I had applied for a scholarship from the Israel government on co-operation and I was accepted. But I was told by the government that I was not educated enough for studying the co-operative organization. Yet I was certain and ambitious to study it. Any way I chanced my way to India for same.

Nevertheless, the first marketing development was the organization of co-operative dairy societies in Mzimba and Karonga District. These societies unlike the Swedish dairy societies produce ghee, a cooking oil which is very rich. In fact they do not have large processing plants at all. They are processed by means of out dated machines which do process so much with high costs. Somehow a little is as enough. The fruits were shown to as the benefit that co-operation can bring to people is as evidenced by the fact that in 1947, milk produces in Fort Hill area were getting 2^d per a gallon as first payment with an average bonus of 4^d per a gallon bringing a total return of 1 s 2 d per a gallon to each member.

The problems with these dairy societies start from the farmer who produce cattle. The farmer does not know the modern way of keeping or feeding his cattle in order to give him more milk. The breeding of cattle is a mixed one. The milk produced is often not a standard milk fit for human consumption. The government is doing a lot ^{for/} the improvement of the farmer and his cattle. It has set up veterinary departments in all districts which has trained and experienced staff in livestock which help the farmer to advance himself in modern livestock farming. Eventually, a hope there is that, the progress will be achieved in the long run which a farmer will be benefitted more then, and by following only the government advice. The government takes the trouble of training and employing experts to help in this field.

This is thus, a credit to the old government which introduced co-operation and I had better call it that is was like a blessing or a grace in disguise.

Co-operative High Light

1961-62 is known as the highlight period of co-operation.

As soon as we achieved the political freedom in 1961-62 there was heard a golden voice from the liberator, our first prime minister, the father of the nation, as the Malawian code of calling him. The voice was, that as we had fought for political freedom we had to fight for one more thing and that is economic freedom. This

heard all over the country and the nation was told that to achieve it we had to by organizing co-operative societies of one type or another and the government promised to give all possible help.

As a result societies were formed by people all over the country. I have mentioned that Malawi is an agricultural country so many more marketing, producers' and consumer societies were voluntarily organized with the persuasion of the government. Most of these societies deal with or in marketing produces from the farmers by giving them fair prices according to fair weight. Very few deal in consumer goods and these ^{have} to cater the supply of household goods such as drapery and grocery items.

There is hardly any district now without a co-operative society of one type or another. There were in 1963, 122 societies comprised of:- 101 marketing societies

10 consumer "

5 thrift and credit societies

6 other societies

With a total membership of well over 32,000. The total amount of capital owned was £ 196,208 - 18 - 0.

Made up of paid share capital, 16,6 % = £ 32583 - 2 - 3.

Deposits 0,4. % £ 310 - 7 - 6.

Reserve fund 83. % £ 16815 -15 - 3.

£ 227467-8-1 was the value of major crops marketed through co-operatives and value of consumer goods sold through co-operatives too was £ 379364-3-4. This came up to over two million pounds.

It is twice mentioned more about the work of the Co-operative Department that its main motive is to help to organize co-operatives all through the country. Here now, I want to describe how this work is done.

The department has three principal sections which are purely for the welfare of the society's formation and running. These sections are:- Administrative, Audit and Public Relation. The staff of these sections are financed by the state. The work of ^{P.R.O:s} is to furnish information on co-operative organization as a whole and no member

education is carried through same. The work of the administrative officers is to help the societies how to run their day to day business. Checking all books of accounts to see that all entries or transactions of accounts are well written. It is also observed that the society works within its by-laws and the co-operative ordinance. A monthly report on each society's progress or falter is made by each administrative officer and sent to the headquarters of Co-operative Department to be checked by the Registrar of Co-operatives.

The work of auditors is to audit the books after every half year. And make a full audit report and the state of affairs of the business side of the society is to be written and sent to the Registrar for approval or disapproval.

Illiteracy is one of the greatest ^{enemies} and the department takes the trouble of education. A school was established soon after self government (Co-operative School) where employees of the department go under frequent courses of 3 months duration. The managers of societies go under managerial course for a period of 3 to 6 months.

Financial position in one way or the other of societies is shaky, especially in societies dealing with marketing. To help this the department has negotiated with the F.M.B. a well to do financial institution which formerly had the monopoly of markets of farmers produce, to help the societies to build up capital, by allowing routines to act as its marketing agency for a while. The routines receive commission for being agents. This has proved good to many societies. As a result some societies are buying buildings and machines out of the commission. It will be soon when these societies will stand independently.

The department also is responsible for alteration of the co-operative ordinance or amendment. It forms the model by-laws of different societies and it has the right to approve amendments by societies if it is deemed that the amendment is really for the progress of the society. It keeps a close or a shine eye on the running of the affairs of societies and give every possible assistance it can afford and stop any bad motive intended to

wangle the progress.

All societies buy stationary from the department. It orders the right stationary for each type and different from outside concerns. The societies buy the stationary at cost price and so make no profit over. There is also a big co-operative literature on co-operative organization. All the department's, societies' staff and members are accepted to borrow books from, for 14 days to next without any fee.

I would rather like to add up to this end by mentioning the problems facing our organizations. Among the enemies facing all infant African states nevertheless, Malawi is never exceptional also faced with are, poverty, ignorance and disease. So the growing societies need capital, education and efficiency. For a chance these seem sometimes to be overcome, but alas dishonesty crops in at the same time as a result progress is hindered. All the same we like to keep up with time as people in Europe, America and so on. To do this economically, that is why, the governments of Africa participate in promotion of societies through all activities. Likely enough the Europeans and other nations have come to realize our ^{programmes} and so they are playing a very important role to help the developing countries in this field of economic co-operation through various entities. Sweden happens to be very much interested in the development in African states in almost all spheres, say politically and economically.

I have not touched the societies functions because I believe fellow country men will or have.

By Mr. S.S.M. Banda, Malawi

CO-OPERATIVE MARKETING IN MALAWI

Formation

The idea of forming co-operative movement was introduced by the government in the year 1945 or early 1946, this followed the country's economy since farmers were producing all types of products and could not get market to sell their products. Already then there was a firm called African Producer and Marketing Board and lately it changed to Farmers' Marketing Board. This was formed by European farmers. The aim was to accept all products produced by African farmers at reasonable prices. This firm was partly financed by the government and it monopolized all products so that no other private traders were allowed to buy products in the country. Communication was its problem, in that African farmers had to accept any low first payment they could have for their products without even work out the labour cost. Though the idea was to let the African farmers benefit from their products, during this year the government felt that co-operative movements had to be opened, a Department of Co-operative Development was established under a Registrar. This department carried out the information and propaganda to people. As people were anxious of their products to bring them more money, they willingly agreed to form societies and join them as members and became owners of the organisations. Co-operative consumers stores were also formed and faced heavy competition that made some of the stores liquidated. Although produce co-operative organisations were formed, products like tobacco, tea, cotton, ground-

nuts or monkeynuts were still being marketed through this board. There was no direct relation between the board and farmers in regard to price. The farmers did not know the cost he laboured to produce the products, The distribution was always limited to the Board, Farmers were not happy of their produce as the Board made capital from the farmers. The greatest change of co-operative movements in the history was in year 1960, when the great Prime Minister of Malawi, Dr. Kamuzu Banda, enlightened the members how the co-operative movement was successful in other countries in Europe, where he had been for over 40 years, and abolished some obstacles which were hindering the progress of co-operative movements by returning some of the crops to be marketed through the societies, He also asked for farmers to look into the soil where farmers could use it as industry by enlarging their farms and avoided the societies to borrow money from Commercial Banks. But that societies should make their own capital by accumulating it from the yearly surplus made by the societies from this appeal, farmers had to turn the soil into industry. This was rather effectively and the production has increased rapidly and because of the fact that the farmers were encouraged and more farms are extended the consumption has also augmented.

Organisations

The following are the co-operative organisations now on operation.

1. rice growers co-operative societies.
2. coffee " " "
3. producers co-operative societies.
4. ghee producers co-operative societies.
5. consumers trading co-operative societies.
6. thrift and credit co-operative societies.

Marketing

The marketing systems in these organisations do differ. I should then outlined the marketing procedure of each organisation.

a. Rice Growers Co-operative Society

Rice is accepted in bulk from members and is called Paddy. The

The society is formed in a district level and the top organisation is the District Union. The union has direct link with its markets during the period of purchasing the union erect markets in the district according to areas. The district is divided into area regions, buyers are employed at each market, co-operative members are issued with cards for recording in the amount of paddy delivered and amount of cash paid. The rice is transported to the collecting centre where it is being milled, graded and sold, the buyers at market are employed temporarily only during the period of marketing and are paid according to bags bought. The collection of paddy to the central mill is born by the union. The members are represented by; local market committee member elected by members themselves and each market has its committee member who attends to the disputes arising at the market and at the same time represents the members at annual general meeting. The board of directors are elected by the general meeting, apart from handling paddy the society also deal with selling of petrol and where postal services are inadequate the society becomes an agent for providing such services. Bonus is paid to members worked on the lbs/kilos a member delivered to the society and is paid as a second payment from surplus made by the society.

b. Coffee Growers Co-operative Society

The crop is mostly grown in the nothern region of the country Malawi in the sloping hilly areas and near the boundary of Tanzania in East Africa. The societies are formed in local societies having affiliated to the district union. A processing mill is planted at the centre. The local society automatically becomes member of the union by paying fixed shares. The presentation of directors of the board are drawn from the societies according to shares bought and each local society has it board of directors and staff. Coffee is purchased through local markets having been financed by the union. The coffee at local societies are accepted in parchment after it has been graded by the member and a second grading is being conducted at the local society and the final is at the union. The mill in Malawi can only process and produce grades in parchment. In this way it has been agreed by the co-operative movement in Tanzania (TACTA) to liquor and sell

it on behalf of the Co-operative Union of Malawi. The transportation of parchment coffee from local society to the central mill is born by the individual society and the same applies when transporting it to Tanzania.

c. Producers Co-operative Societies

These societies are newly formed and as mentioned in my first part of explanation. The aim of these societies is to accumulate capital and this can only be achieved by becoming agents to the Farmers Marketing Board. Furthermore the societies do not wish to have any loans from commercial banks, where they could face heavy interests. In this way farmers become members of the district societies and sell their products through these unions. During the marketing period the Farmers Marketing Board provide the union with cash sacks, scales and other materials, when buying are completed, the products are bagged. Both parties count the bags and then the union claim commission on every bag of products purchased. The transportation of products from markets is the responsibility of the Farmers Marketing Board. These unions are working independently and are not affiliated to any other organisation. All perishable crops are sold directly to the consumers by the unions, which is part of the unions' daily activities.

d. Ghee Producers Co-operative Union

Ghee is fat from milk after it has been skimmed. The fat is boiled and turned to ghee or butter. Ghee is mostly used as cooking fat and is mostly consumed by Indians and local consumers. The union is formed in a district level with dairies established in the district. The dairies have a direct dealing with the union and the member delivers milk to the dairy where it is being recorded, skimmed and only the cream is kept by the dairy. The skimmed milk is returned to the member and collected up to the end of the month and then turned to ghee or butter. At the end of the whole process it is being transported locally to the union, where it has to be graded and paid for. Each dairy has a separator planted to serve all members within the area. The board consists of direct members from each dairy, who are elected by local dairy members. The employees at the dairies are employed by the union. Transportation of ghee from local dairy is paid by the union. The union is affiliated to region organisation which markets all ghee. The regional association is composed of members from the union who are elect-

ed at the union general assembly. At the regional association a canning plant is operated for easy packing and transportation to the consumers.

All district unions have permits to purchase milk from members and non members and turn it to ghee or butter. No other private trader is allowed to purchase milk.

e. Consumers' Trading Co-operative Societies

Though during the past the co-operative trading stores faced competition, which led to that some societies were liquidated. Now the members have a keen interest in buying from their stores. The stores are formed to give the best quality of material and a reasonable price. Furthermore all members are entitled to rebate which is calculated on a certain percentage for all purchases made by the member. It has to give dividend on the shares contributed by members. Owing to these methods the societies are increasing in membership.

The societies have not come to the stage where they could manufacture the goods. Most of goods sold to members are purchased from private wholesalers in the country and outside the country.

f. Thrift and Credit Societies

The aim of forming this type of society is to promote best services whereby a member can get a loan on a low interest charge to expand in his dairy social activities and the extension of his farm or business. The societies have not yet started to give loans, but are engaged in building the capital. This is being built by share contributions and cannot detail more at this stage.

Conclusion

The government has a great interest in co-operative movement. In this it has given the first priority to the movement. The government feels that it is only through co-operative movements farmers can get their high standard of living and benefit from their products.

The country is fertile and most of the inhabitants are farmers and peasants and to avoid capitalism in the country members have to market their products through co-operative movement for equal price, except in case of tobacco and tea where it require a good capital to possess the machine to meet the country's economy. Plans are being in all factors to reach the goal of which cannot be expected in a day.

The following are the figures of co-operative crop production for the year 1963:

GHEE		COFFEE		RICE		GROUND NUTS		COTTON	
Lbs	Amount	Tons	Amount	Tons	Amount	Tons	Amount	Tons	Amount
23862	£4574	157.0	£40000	4692	£140098	27619.5	£1062376	10600	£907639

By Mr. Jonathan K. Mkumbira, Malawi

CO-OPERATIVE ORGANISATION IN MALAWI

Before I come to the subject as such, I have to say something geographically about Malawi, a country as it is. It is one of the new nations in Africa (Central). To the east you will find Lake Malawi and Portuguese East-Africa, in the southern part Rhodesia, in the northern part Tanzania and to the west Zambia.

Malawi is divided into three regions, North, Central and South. Zomba, the capital town, is situated in the Southern Region near Zomba mountain. Chileka airport 10 miles north of Blantyre (this is a international airport). Blantyre, the commercial town is situated 42 miles southwest of Zomba. Population of this country is about four million people, but this census population was done in 1945 and another census population is to be held in November this year. We expect to have a little bigger population than before. The country has been under the British rule for well over 50 years. The present government won the first general election in August 1961 which led to self rule and independence on the 6th July 1964 and will become the republic on the 6th July 1966. The Parliament is in Zomba with elected representatives from the constitutions and Dr. H.K Banda is the Prime Minister.

Co-operative societies are not very new in Malawi. Some existed before the first co-operative ordinance was made, but were not known as co-operative societies e.g. Mklvlalwla. Rice produce co-operative society which is one of the big societies in the country. It was operating as a joint stock company, because there was no law to regulate the operation of co-operative

societies.

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The first co-operative ordinance

It was in 1946 in December when this ordinance was made in the legislative assembly which was of course dominated by the heads of difficult government departments. This ordinance provided the formation of co-operative societies and regulated their operations.

Department of co-operative development

This department was formed after the ordinance and was headed by the commissioner, one clerk and the office boy. I will not talk much about this department as you may hear from my colleague.

Although this was there, the societies were not encouraged. The only thing the societies encouraged were the consumers' small shops. As people did not know how to run these societies many of them failed and were negotiated. There were also small dairy societies mostly in the northern part, but their running were not very encouraging. Some of these dairies are still there, but with doubtful lines. The suitable co-operatives during these first years should be producing and marketing co-operative societies.. This should be suitable due to the fact that most of the people are farmers, producing different farmproducts and also should be responsible for the marketing of their products, but instead the marketing activities were monopolized by Europeans. Therefore the farmers could get any price whether good or bad, because they had nowhere to sell except to the people who monopolized the markets. People could produce more, but could sell very little. I am not supposed to tell you about marketing, somebody comes on.

New co-operative ideas

Although people new which societies could do well, but were not permitted to form them. The change in the government gave them the chance to form different societies. This follows by the government announcement that, after sometime of political struggle

the country is politically organized and that people should also be organized economically. Now, then, how can people organize themselves economically? The government had already seen that it was through the co-operative societies where the population could do their marketing democratically.

Back to geographical featur. The country has 21 districts and that the producers' co-operative societies were needed in all these districts.

Producers' co-operative societies

Since 1961 we have in Malawi a producers' co-operative society in every district. If a district is big it is divided into two arease.g.Lilongwe district has two producers' co-operative societies. The main object is the marketing of farm products. There are some objects in addtion to this. Now some producers' co-operative societies are also operating shops. This qualifies then as multipurpose societies.

Thrift and credit co-operative societies

These are mostly organized among farmers in the rural areas where saving activities have been little in the past, then, these thrift and credit societies provide the farmers with saving activities.

Loans on a small scale, short-terms, are also undertaken by these societies. These loans are mostly for farmers' production purposes. These are still small due to the fact that they have been started a few years ago.

Consumers' co-operative societies

These were the first societies after the ordinance was made as I have already said, but they did not succeed. Only a few societies in this line succeeded e.g. the Blantyre & Limbe Consumers' Co-operative Society. Since a few year back, the producers' co-operative societies have gone into retail shops which are of course growing rapidly. The separate consumers have now come

out again and are showing a good progress, because the government is very keen now in training the staff of both government & co-operative societies. I will come to education later. Women have also started to organize themselves into consumers' co-operative societies by operating small shops managed by themselves with the help of the government co-operative offices. Two of these are now working.

Co-operative unions

Co-operative unions also exist in Malawi. We have coffee co-operative union in the northern region and ghee co-operative union also in the northern region. The formation of these union is just the same as in other countries. The primary societies of the same objects come together for the formation of an union.

Wholesale co-operative union

Two years old having the headquarters in Mklvlalwla in the permises of the Rice Co-operative Society. All shops operated by the societies are members to this wholesale. Formerly, co-operative shops had to buy from the private dealers wholesale departments, of course with high wholesale price and societies were suffering. Those societies which were big enough, were able to order direct from factories abroad, but still it could not give good surplus to societies. Therefore, the question of forming up this co-operative wholesale came up. This was meant that, in ordering a big quantity from factories a good price maybe expected. So this wholesale is now responsible for all societies' order to factories abroad.

Each society has to pay a membership fee of £200-2-2.

How the society is organized and registered

People are organized in a certain area to form a society of any kind. These people have to ask the district co-operative officer for his help. The officer asks then to call a meeting in that area where he "the officer" speaks to the audience about the society, how they can run it if formed, how they can get the co-operative education, what benefit they get when they

come together in a form of a co-operative society. If a good number of people have been convinced, then the officer asks them to draft the by-laws of course with his help. This is done by a few people who may also sign the application for registration to the Registrar. After the by-laws are drafted another meeting is called where the drafted by-laws are re-presented to the gathering and explained to them section by section, so that they understand all the drafted by-laws and confirm them. Here also the government officer is to be re-presented and is the one who takes the whole task of explaining, he also explains the government co-operative ordinance, which I have already mentioned in the previous paragraphs.

Ten people are asked to sign the application form together with this form and the drafted by-laws are sent to the Registrar through the regional officer. One shilling is also sent as the registration fee.

The application in the Registrar's office

When the Registrar receives all these documents, he has to go through the by-laws drafted and make sure, they were made in accordance with the ordinance before he approves them. If he sees something in these drafted by-laws he sends them back for revision. He also goes through the application to find out if all ten people signed the application are qualified to be members of a co-operative society.

Therefore, if he feels fit, he registers the society and issues a registration certificate and enters this society in the society's register. Therefore all necessary documents are sent to those people forming this society e.g. registration certificate, the by-laws "with the registrar's stamp to show that they have been approved". One copy of the government co-operative ordinance and the government general receipt for one shilling registration fee.

All these are sent back through the regional co-operative officer, to make them know and also file this society in his region. The co-operative auditor of that region is also informed by the Registrar.

Then the society is registered, all is in the hands of those ten people and the district officer to arrange the first general meeting where the first committees or directors are elected. Also the question of having a full time secretary or not is also discussed at this meeting.

I will not go into details how a society works everybody in this group knows the co-operative principles.

Directors or committees are elected after every one year and of course if one has been good he may be re-elected for the other year. Some people stay on the board for more than two years.

Some societies which are already big and have many members, the system of small meetings in the areas and elect representatives to the annual general meeting is done.

Staff and members education

The government in Malawi has the Public Administration Institute, where courses on different departments are held. There is at this Institute a Co-operative College headed by the U.N. expert in co-operation. The expert do stay at this college for two years then he quits another comes. He is helped by some senior co-operative officers, who are staff on this college. The college started in October 1962 when the first course was taken in, but before that even during the imperialist rule, people were being sent to outside countries in and outside Africa for co-operative education.

The government sends its junior staff to this college on a three months course and after that go out in the district to do the practical work for sometime.

All societies are always asked once or twice a year to send their employees to this college for three or four months courses. The selection of candidates in societies is also confirmed by the district officer, who knows all co-operative societies employees in his area. When people have had their course there and have also proved good practically can also be considered for an overseas course both from the government and the societies.

Members education

This have to start from the people elected on the committee, because even though elected there, do not know much, this education is carried on by the district officer at the premisses of the society. There is much to tell them, but to first make them understand fully, what a co-operation is and members need to his society. Sometimes the district officer goes out in the rural area accompanied by the chairman of the committee with the secretary/manager to speak to members and get them used to government policies on co-operative societies and to repeat to them every now and then the policies of their own society.

Co-operative publicity

Mostly this is carried on by the public relation office this headed by one co-operative officer and his juniors. Their task is to go all over the country talk to people about co-operative societies, make meetings here and there and when they come to the areas, they make a joint programme with the officer of that area and do all meetings together.

By Mr. Adiel Samuel Kachapila, Malawi

SECONDARY AND NATIONAL CO-OPERATIVE ORGANIZATIONS IN UGANDAGeneral Introduction

Secondary and national co-operative organizations in Uganda, like in many other countries, have been founded by groups of local co-operative societies coming together to centralize some of their services and activities for the good of their members. In case of Uganda it was the rural produce marketing societies which voluntarily grouped themselves into regional or district unions in order to centralize the marketing as well as the initial processing of similar commodities. Therefore regional unions have in turn, voluntarily federated to form the national co-operative organizations which carry out more general services on the national level. In this connection it should be pointed out at once that although the federations mentioned above came about as a result of societies and unions coming across some difficulties through working individually, in most cases the state played quite an appreciable role in advising, and to a certain extent, in determining the final form of the federations.

Historical background of secondary societies (district unions)

It has already been stated that the majority of rural co-operative societies in Uganda were formed with the main object of collecting and processing coffee and cotton (their main cash crops) more efficiently and more economically. Rather soon, however, there appeared one great problem which was common to all societies, viz. how to acquire processing plants. Coffee societies needed a curing factory and cotton societies needed a ginnery. The only possible solution to the problem was that a group of

societies in a district had to come together in order to raise enough funds to purchase a ginnery or a curing factory. This solution, once discovered, quickly set the national course by which all the existing secondary societies in Uganda have been formed. This development came about so smoothly and so rapidly that within only a few years almost^a all the administrative districts in the country had each registered secondary society operating (1948 one union, 1953 12 unions). From the foregoing historical background, it can be noticed that no secondary society in Uganda has been formed "from above". The following stage in this development was that most of the secondary societies acquired more ginneries and more coffee factories than they could manage efficiently or even supervise closely. Once again, the state department for co-operative development has had to come in here to advice and guide in what seemed the only possible solution, namely, splitting the society where necessary, into two separate secondary societies. It must be emphasized here that both the splitting and reamalgamation is done voluntarily. As a result of this reformation by the end of 1964 we had in Uganda twentyfour registered produce marketing secondary societies (district unions), well spread in all the administrative districts of the country with exception of one (Karamoja). In most cases two such unions operate in an administrative district. One of the largest cotton unions now owns as many as nine ginneries and in the line of coffee one of the unions operates the most modern coffee curing works which process an average of 40.000 tons of coffee a year. As the acquisition of ginneries and coffee factories continues the tendency seems to be more and more splitting.

Parliamentary set up and democratic control

What has been said already about parliamentary set up and democratic control of primary societies applies equally to all federal societies of Uganda. The supreme power of control is invested in the general meeting of members, which consists of elected representatives from each member society. In all cases the number of representatives or delegates to sit on the general meeting is determined by the number of individual members in each

member society. Each delegate is entitled to one vote and serves for one year, thus the members of the general meetings are elected every year. As in the primary societies, general meetings of federal societies have the final say in all the important matters of the society relating to finance, general conduct of society's activities and also elect and direct management committees. The detailed duties of general meetings and of management committees are prescribed in the state co-operative law and are also clearly stated in each secondary society's by-laws. The same law also limits the number of members which form a management committee to between five and nine. Management committees are elected from the original representatives of member societies and consist of a chairman, a vice-chairman, a treasurer and two to six other members. The co-operative law also prescribes the minimum qualifications for the membership of the management committees. Thus, the management committees are delegated with power from the general meetings to direct and supervise the day-to-day activities of federal societies. Management committees, in turn, appoint professional personnel to carry out different activities of the society. According to the law committee meetings should be held once a month.

Internal organization of secondary societies

Secondary societies in Uganda are divided into three main groups. Those, which handle cotton alone (this is the majority group), those which handle coffee alone and finally those which handle both cotton and coffee. Many of them also market food crops on behalf of their member societies as a supplementary activity. The internal organization of all the three groups is generally the same. At the head there is a chief executive officer who is responsible to the management committee for all the detailed activities and running of the society. Below him are departmental officers or managers, who are in many cases appointed by him; under these are other personnel, both skilled and unskilled. This arrangement has so far been found to be working very successfully in most of the secondary societies.

The relation between the chief executive officer and the management committee has, with a few exceptions, been found to be excellent too.

All the secondary societies function in the same way as far as collecting of produce is concerned. They collect raw coffee and cotton from their member societies and arrange for temporary storage and initial processing. The main marketing functions therefore are; providing crop finance to the local societies, transportation, temporary storage and initial processing. They are also responsible for the quality through processing. Except in one case (Bugisu union) all secondary societies have no direct say in the initial prices which are paid to the growers for their raw coffee and cotton. The prices are fixed by the state. Most of the processed coffee and all the processed cotton are finally sold to the Coffee Marketing Board and Lint Marketing Board respectively. It must, however, be pointed out here that in carrying out the above functions, the co-operatives are working through a very high competition with private enterprises, who are also purchasing, storing and processing both coffee and cotton from both co-operative and non-co-operative growers. It is in this sphere that the co-operative coffee factories and ginneries have got to prove their efficiency in order to earn "price premium" for their members when selling the processed products to the two statutory bodies mentioned above. Such "price premiums" if paid to a secondary society (or co-operative ginnery), will be passed on to member primary societies and finally to the member growers in form of "second payment". It is because of this that all secondary societies consider it as of great importance to employ the best available coffee factory and ginnery managers.

In the line of food crops (or minor crops as they are officially called), the co-operatives are considered new in the trade. As pointed out earlier, most of the secondary societies handle this business as a side line. This attitude has, however, in the recent years formed a subject of intensive dissension amongst the co-operative growers as well as in some of the state quarters. From the point of view of the co-operatives, it is generally felt that since they have up to now been acting merely as coffee and cotton marketing agents, it might be necessary to consider expanding the activities of the secondary societies. The immediate line therefore available is in the marketing of food crops. The state on the other hand, in its considerations on this matter has expressed a determined effort to encourage all the farmers in the country to grow more food crops for economic purposes. The foregoing anticipations indicate that it will not be very long before the marketing of food crops become one of the most important, if not the leading activity of the secondary societies in Uganda. The main crops referred to in this group are; maize (corn), beans of all types, finger millet, sorghum, groundnuts, simsim or sasame and grams, also among other economic crops are castoil seed, sunflower seed and tobacco. All these crops can be grown almost everywhere in Uganda. Fruits and vegetables also fall in this group. It is interesting to note that one of the secondary societies is at present handling vegetables as its main activity.

Problems and achievements

Secondary societies in Uganda started with problems and up to now still work through problems. Amongst the oldest of them is the lack of sufficient capital for investment and expansion. It may have been stated already that when our primary societies join into a secondary society they are required to pay only an initial share capital, in many cases very small amounts, (shillings two hundred "E.A."). After this they have neither the obligation nor effective encouragement to contribute more shares. As a result of this the progress of many secondary societies has been hindered; in fact most of them depend on overdrafts obtained from

commercial banks for their crop finance. This situation has led to many more other serious consequences than can easily be outlined in this paper. The second problem, which is just as big as the the first is shortage of suitable trained personnel to carry out various activities of the societies. In other words the societies are short of the people who have the "know how" which could enable them not only to enter into new lines but also to improve the efficiency of what they are already doing. The third problem is competition. This should not perhaps be listed under problems as it is so common in every field where there is business - that we often do not regard it as such. Uganda co-operatives are facing very high competition in almost every activity they are handling. There is competition in purchasing produce from farmers, in transportation and in processing. The government of the country, however, has realized this situation and has in some cases come to the assistances of the co-operatives through legislation. In spite of this position, our co-operatives are still continuing in the struggle and always hoping for the best. It should be noted, however, that what is listed here is no more than a mere picture of the kind of problems that face secondary societies in Uganda. There are many more problems existing most of them resulting from inadequate co-operative education and information.

Nevertheless, secondary societies in Uganda have some achievements to talk about too. The steady and natural growth of these societies within the last sixteen years is something to be proud of. In 1948 there was only one registered secondary society, in 1954 there were 15 registered societies and by the end of 1964 this number had increased to twentyfour. The rate at which they have been accumulating capital is also rather encouraging. In 1954 their total capital invested in fixed assests, loans to members and in other assets amounted to nearly £450.000 by the end of 1959 this figure had risen to about two million pounds. The number of cotton ginneries and coffee factories has been steadily increasing too, so has the co-operative share of the main cash crops. Estimated figures show, that in 1950 the co-operatives

handled only 12% of the total Arabica coffee production and 1% of the Robusta, by 1958 they were handling 91% of the Arabica and 13% of the Robusta. In the line of raw cotton, the figure given for 1950 is 2% and for 1958 is 13%; the most recent estimated figure 1964 in the line of cotton ginning was 55% of the total Uganda crop. There has been a lot of progress made in many other fields too, but much more still remains to be done of course.

The future of secondary societies

The general future trend for secondary societies in Uganda is that of expansion, both vertically and horizontally. It is almost certain that these societies will become more and more multi-purpose in their nature. The first and foremost pre-requisite to all forms of expansion being contemplated is the increase of capital. This could come about by the extension of membership and by the increase in the number of shares held by each member. But since the extension of membership in this case only depends on new primary societies being formed, the immediate solution seems to be to encourage the existing member primary societies to amend their by-laws to provide for larger shares payable instalments. This would provide extra capital to finance the growth of developing societies and enable the transfer of bonus (or dividends) to share capital accounts to assist share instalment payment.

Another possible line in this attempt to increase capital and at the same time render an extra service to the member societies is to centralize members' deposits and agricultural credit schemes. These services are at present being carried out by only selected primary societies throughout the country. This is possible due to the fact that the secondary society by-laws provide for the acceptance of deposits from members and for the granting of loans to members. It is hoped that if this were to materialize then each secondary society would establish an agricultural credit department which would, in practice, have very close connection with the Uganda Co-operative Bank.

There is expansion also being contemplated in the field of purchasing of members' agricultural requirements. Most of the secondary societies have been carrying out this service on behalf of their members since some years back. But neither the secondary societies nor their national co-operative organization, ever attempted to go into a stocking of the required goods. It is this step that is now receiving careful consideration. If the secondary societies finally decide to go into this form of business, then it would probably mean that each of them would have to establish a separate agricultural supplies department.

Other forms of expansion have already been referred to above; marketing of food and other minor cash crops is one of those items which is receiving the most immediate attention. The processing of cotton seed into edible oils is another step forward being examined.

National or apex co-operative organizations in Uganda

There are three national co-operative organizations in Uganda. The Uganda Co-operative Central Union Ltd., the Uganda Cooperative Alliance and the Uganda Co-operative Bank Ltd.. Generally speaking all the three organizations have been formed with one common object, namely to unify and strengthen the co-operative movement in Uganda, both economically and socially; they are also based on the same membership and registered under the same co-operative law as primary and secondary societies.

The Uganda Co-operative Central Union Ltd.

The Uganda Co-operative Central Union Ltd. was registered in October 1961. It is the national co-operative trade organ. Its organization has been designed to encourage and carry out the functions of distributions, production, manufacturing, marketing, housing, health, insurance, (formerly banking and credit) and any other services or activities to which the co-operative principles and methods may be applied, including obtaining and stocking plant machinery all other types of equipment required by its members.

It is also expected to acquire land and other property and to provide accommodation, transport and other services necessary for the attainment of these objects on behalf of its members.

Membership

Full membership is open to all registered secondary societies (district co-operative unions) in Uganda. At the end of 1964 there were 17 member unions in the Central Union. The by-laws of the Central Union have also recently been amended to accept as associate members, primary societies which are not affiliated to any of the existing secondary societies because of their function and if such membership works in their interests.

Associate members have all the rights and privileges of full members except the vote and the election to the committee.

Provision is made in the unions' by-laws as well as in the state co-operative societies law for withdrawal^{al}, suspension and expulsion of members. A member may withdraw after giving twelve months notice to the Secretary in writing provided that the member is not indebted to the union. Members who act against the interest of the union are suspended or even expelled, when a member is expelled he forfeits all privileges he has in the union including bonus, dividends and interest due to him.

Finance

A member is required to hold at least one full share of 1.000/- (E.A.) each and to pay an entrance fee of shillings 200/- (E.A.) This is the unions' main source of raising "own capital". Other sources of funds are; loans and deposits from members (and from non-members), commission on goods and produced sold or purchased through it and on other services provided. The union may also raise capital in the form of debenture of shillings 500/= each. By the end of 1964 the Central Union had shillings 99.000/= in shares (as compared to shillings 63.000/= the year before); shillings 35.457/= in reserves and shillings 106369/= in surplus (as compared to shillings 47.813/= in surplus the year before).

Present activities

In 1962 the Central Union centralized a number of services common to member unions. Centralized contracts for the purchase of petroleum products for co-operative ginneries and coffee factories, for distribution of insecticides and for insurance covers were among the first of these services. The most recent petroleum products contract for example gave to the Central Union a total discount of -/75 cents per gallon, the insurance contract gave to the member unions a rebate of up to 40% of the total insured value and 20% commission to the Central Union on all net premiums collected. Other activities which are being carried out at present include bulk-purchasing and distribution of ginnery and factory requirements, office equipment, agricultural implements, building materials and bicycle tyres. The marketing of crops other than coffee and cotton is another of the centralized activities which has recently been started. It should be noted that although most of the activities listed above are at present being carried out on an agency basis, it is the ultimate aim of the Central Union to go into direct production, importation or whatever final step that will be needed as soon as its financial position can permit.

Democratic control and management

All of what has been said above of democratic control and management for secondary societies applies equally well to the national co-operative unions. The only difference in the case of the Central Union is in the election of additional representatives from member unions to the central unions general meeting. This is based on business turnover and not on size of membership. The management committee of the Central Union consists of seven members over the age of twenty-one. x/ third retiring annually. What has also been said already of the composition and duties of management committees of district unions applies equally in the national organizations i.e. the powers and duties are prescribed in the Uganda co-operative societies law.

x/and elected from among the representatives of full members.
Their term of office is three years with one-

The day to day running of the unions' activities is entrusted to the General Manager who is the top executive officer and responsible to the management committee. The duties and powers of the Treasurer and Secretary (as prescribed in the law) have also been delegated to him. He in turn appoints, controls and dismisses subordinate staff in consultation with the management committee.

The detailed management of the union is divided in departments headed by departmental managers. In order to attract capable and well trained personnel the Central Union has laid down attractive terms of employment. At the end of 1964 the union's staff strength consisted of four executive officers and six other members of staff. Young as it is, the Central Union is steadily indentifying itself as a powerful co-operative negotiating body.

Problems

The main co-operative problems listed for secondary societies are the same problems facing national organizations. The financial positions of the Central Union as shown above, for instance does not permit it to consider many further developments. Yet, if this body is to carry out all that is expected of it then it requires more fixed capital now than it ever needed before. As I write this article I have no knowledge of methods of raising more capital for the Central Union other than those which exist already. But it must be emphasized that this still remains a very big problem threatening the very future existence of the Union.

The problem of inadequate trained personnel also exists here although not to the same extent as in the secondary societies. The union is so far enjoying the privilege of having at its disposal, expert advisers from the U.S. through A.I.D. (United States Aid for International Development). Competition from the private sector, being one of the problems discussed earlier

is much more formidable against the Central Union than any other co-operative body in Uganda. The success of all the future developments being contemplated by the union, therefore, depends on how well it is equipped to match this competition in all its business operations.

The future of the Central Union

Future plans being consider include the expansion of the existing marketing department to provide for direct export of minor produce as well as hides and skins. No final decisions have as yet been reached as to the final marketing policy to be adopted in this line, but consultations are still going on in different quarters. The future form in which the insurance services could best be given to the members is also being considered in the same way the future use of other negotiating powers given to her by member unions are carefully being examined too. In the direction of new lines, a number of projects are being contemplated. The general tendency is that the Central Union should form a nucleus around which new national co-operative organizations could be formed. Production and transport co-operatives, for instance have already been accepted as associate members of the Central Union. There are also discussions going on with the intention of establishing legal and economic planning departments within the present set up of the Central Union. Once again there could be nothing better than express a sincere hope that the future will be bright.

The Uganda Co-operative Alliance

This is the oldest of the national co-operative unions in Uganda, registered in July 1961, under the Uganda Co-operative societies law. Its main objects are to carry out educational advisory and representation functions of the co-operative movement in Uganda. Other objects include printing and circulation of co-operative information and propoganda, supervision and also arbitration functions.

Membership

Unlike the Central Co-operative Union and the Co-operative Bank, the Alliance has as its members district co-operative unions as well as primary societies. The same provisions also permit the Central Union and the Co-operative Bank to join as members of the Alliance. All the other provisions of the co-operative law regarding membership are the same in the Alliance as in the other co-operative societies. Membership is required by the payment of one share, in the first instance to the value of shillings 100/= each and an entrance fee of shillings 50/= each. There are no provisions for associate membership as is the case in the other national organizations. Its present membership consists of nearly all the district unions and most of primary societies in the country.

Funds of the Alliance

This being a non-trading body has only two main sources of funds required for its activities, viz; shares from members and subscription paid annually by members at the rate of 20 cents for each individual person represented through the member. Other sources include deposits and loans from members (and non-members), charges or levies for services, rendered and donations.

Democratic control and management in the Alliance

The democratic control and management set up is similar to that of the Central Co-operative Union with some modifications designed to provide for the representation of primary societies. The Alliance has established what are known as "District Committees" which are composed of elected members from primary society representatives in each administrative district and nominated representatives from a district union. These committees act as contact bodies for the Alliance and also nominate representatives among them to sit on the Alliance general meeting. They meet at least once in every three months to carry out the work of the Alliance in each administrative district. The national executive body of the Alliance is the

"Administrative Council", sometimes called the "National Co-operative Council". This body consists of elected representatives from each district union member (one original representative plus additional representative based on the number of individual farmers), and special representative from each district to represent produce marketing and non-produce marketing societies. All the National Council members together with one representative from each district committee and one representative from each member union or society form the general meeting of the Alliance which is called the General Assembly. The General Assembly is the supreme authority of the Alliance and carries out all the duties of a general meeting as provided in the Uganda Co-operative Law. The National Co-operative Council, on the other hand, directs the detailed policy of the Alliance subject to any instructions from the General Assembly.

Administrative staff

The National Co-operative Council appoints a General Secretary who manages the day to day business of the Alliance. It also appoints the subordinate on the advice of the General Secretary. The staff strength of the Alliance at the end of 1964 consisted of one executive officer and three other members of staff.

Present activities of the Alliance

Since its establishment the Alliance has some steps towards achieving some of its objects. Although its present activities have very much been limited by the funds at its disposal, noticeable progress has been made in the field of member education through one day courses held in different parts of the country. It has recently acquired a mobile film unit and printing machine both of which were donations. Work has already been started in printing and film making. No direct attempt has so far been made in the field of staff training or co-operative auditing as these duties are at the moment being carried out by the Government Department for Co-operative Development. But it is hoped that when the Alliance eventually becomes more firmly established and strengthens its financial

position, its field of activity will correspondingly expand.

On the line of representation, the Alliance is a member of the International Co-operative Alliance, a member of the International Federation of Agricultural Producers (IFAP) and a founder member of the African Co-operative Alliance (ACA).

Problems and the future

The main problems facing the Alliance are those connected with shortage of funds and technical staff. Many future projects have been proposed including those of building a co-operative college and establishing a library, but all these plans are depending on the future financial position of the Alliance.

Uganda Co-operative Bank

This is the youngest of the national co-operative organizations, registered in May 1964. Its main object is to carry out the banking and credit functions of the Co-operative Movement in Uganda. Although registered under the Uganda co-operative societies law it was expected to fulfil also the provisions of the Uganda banking laws.

Organizational set up and democratic control

Its membership consists of all registered district co-operative unions and registered primary societies. The main sources of capital for the Co-operative Bank are the same as those of any other co-operative society in Uganda. But since its establishment the only source of funds has been shares from members, valued at shillings 100/= each. Although most of the district unions in the country had already joined as members including the Alliance and the Central Co-operative Union by the end of 1964, the Co-operative Bank had not started functioning.

The supreme authority of bank is invested into the general meeting which consists of representatives from member unions, and the detailed planning was being carried out by a management committee.

By Mr. Y.W. Wamboza, Uganda

A BRIEF SURVEY OF THE CO-OPERATIVE MOVEMENT IN UGANDA

Uganda is an independent sovereign state lying astride the Equator near the centre of Africa. She is bounded by Sudan and Tanzania in the North and South and by Kenya and the Congo in the East and West respectively. She is 400 miles long and 350 miles wide and has an area of 93,000 square miles, inhabited by 6-7 million people; 70,000 of whom are Asians and 11,000 Europeans. The rest are Africans. Her port is 800 miles away at the east coast of Kenya on the shores of Indian ocean. She is joined to the port by rail.

Because of her high altitude over 4000 feet above sea level. Uganda's climate is not typically tropical. It is what might be described as mild European summer. The highest temperature is hardly over 80°F and the daily ranges not more than 15°F. She has two major rainy seasons, i.e. March to June and September to November, in between which there are mild dry seasons.

There are two high mountains of volcanic origin. The Mount Elgon in the Eastern Boarder and the snow-covered "Mountains of the Moon" - Ruwenzori on the Western boards. There are several lakes too and the largest lake in the continent is Lake Victoria. She is traversed by several rivers and streams, the most famous is River Nile which has its source at Jinja. All the lakes and rivers are full of fish and a good deal of fishing is carried out in them. The rivers have falls, rapids and and cataracts which are used as a source of electricity.

Uganda's ever green vegetation ranges from the tropical type to the Alpine meadow on the high mountains. Cotton, coffee, millet and banana are among the numerous tropical crops which are grown. She is the largest coffee growing country in the commonwealth. Cattle, sheep and goats thrive well. In the National Parks there are all kinds of game, some of them very rare types. Such animals are, however, only found in the parks and are generally of no mean to the people. The game is of great attraction to the tourists.

Uganda's communication is well developed and her road network is one of the best in Africa. There are railways to the west and northern borders too. There is a modern international airport at Entebbe near Lake Victoria. A good telephone network is available. There are daily and radio broadcasts in English.

There is a hospital in every district staffed with good doctors. The medical service is free except in special wings where reasonable charges are made. The Medical School at Mulago near Kampala is attached to Makerere University College of East Africa.

The Ministry of Community Development is taking care of clubs formed for general and adult education. This Ministry too is taking care of over 300000 refugees who have found their way into Uganda and are still flocking in.

Politically she has a two party democratic system. She is a socialistic state and her foreign policy is of non-alignment. She has a constitutional President elected by the Parliament and a Prime Minister Dr. A.N. Obote, who is also the President of the M.P.C. the ruling party.

As all other developing countries, Uganda is primarily an agricultural country. Over 80% of her national income is derived from agriculture, although there are some industries for cement, sugar, iron, copper, textile and processing plants.

It is therefore understandable that her co-operative movement up to now has been mainly agricultural marketing.

Modern Co-operation was introduced in 1946, through legislation. By then people were co-operative naturally in things like herding etc.. There were also other organisations like the Federation of African Farmers which soon died out mainly because of poor management.

When the co-operative act was passed in 1946, a Department for Co-operative Development was created to join, register, advise and credit the co-operatives. A registrar and his staff were appointed and trained for this task.

The movement had a fertile ground and soon hundreds of marketing co-operatives were organized which operated successfully. By 1950, there were some secondary organisations formed which collected funds for the purchase of processing plants.

The organisational structure is a simple one. Individual members form a primary society. The minimum number required is 10 people of age. The general meeting elects a committee usually of seven, from among the members, to run the day-to-day business of a society. The general meeting is the supreme authority.

By the middle of 1963, there were 1702 such societies classified as follows:

Type	No.
Thrift and loan	28
Consumer	3
Traders' Supply	1
Producers' Marketing	1658
" Fishing	4
" Cattle	5
" Dairy	3
" Farming	2
Total	1702

The turnover of all societies in the same year was shs.263,005 and 983/-. There has been drastic measures taken to boost the activities of the co-operatives since, especial in rural credit and consumer co-operatives. The membership too has increased to over half a million. At the same time the number of co-operatives are being reduced by amalgamation into more economic units. The latest additions to the above classification has been the rural credit societies and the co-operative group farming which are described below.

Secondary societies

The primary co-operatives have united to form district co-operative unions. The unions are governed by a committee of not more than nine persons elected in a general meeting from among the delegates. The number of delegates to the union general meetings is usually based on the individual membership of the constituent societies. Occasionally the business done by a society is taken into consideration.

There are about 25 such unions and are mainly engaged in purchasing, processing and selling members' products. By 1963, they owned over 27 coffee and cotton factories for this purpose. The government has offered financial assistance of between 2/3 and 9/10 of the cost of some of the factories or offered security for the loans.

National co-operative unions

There are three national co-operative federations.

a. The Uganda Co-operative Alliance Ltd..

This was formed with the object of promoting education, publicity and representation. All co-operative organisations can be members of the Alliance. In 1963, the membership was 524 including the co-operative unions. It has eleven sectional boards to carry out its activities. In that year the union conducted sixty-one-day courses attended by 4,500 members. Average 75 members per week. Its major problem is finance.

b. The Uganda Co-operative Central Union Ltd.

1963, was its second full year. Its main object is centralized in trading on behalf of its member unions. This includes purchasing, selling and supply of various commodities. It has saved the movement large sums of money through negotiating trade agreements. The main problem of this organisation is to ensure that its member unions honour the contracts made on their behalf.

c. The Uganda Co-operative Bank

Registered a year ago, this organisation is busy collecting funds to begin operation.

Other Pilot Projects

The Pilot co-operative credit scheme

To inject more capital into the farming industry, successful societies are given loans by the U.C.S Bank for relending to members for production. To qualify for a loan the applicant must have been an active member in his society for the last three years proceeding. He is granted $2/3$ of the average value of his deliveries to the society for the last three years or ten times his share capital, which even is the less. The securities are his crop and two sureties. Loans are issued in kind as far as possible. The result has so far been very good.

Co-operative Group Farming

The object is to block the small holdings into larger units to enable economic mechanical farming and to be able to introduce modern farming techniques thus increasing production. The successful credit societies are admitted into this scheme on application. The land is machine cultivated communally and the plots are distributed to the participants to take care of them individually. Participation is voluntary and a member is free to leave the group farm after 12 months. The tractors, the drivers and technical officers are provided by the government while the loan is provided by the U.C.S. Bank. Members are individually responsible for the loans to their society.

This scheme is being run in conjunction with the agricultural department which provides the technical agricultural assistance while the co-operative department takes care of the financial and social aspects of the scheme.

Co-operative Education

The government has set up a co-operative college at Bukalasa. It conducts three major courses.

- a. The Co-operative Secretaryship Diploma Course for staff and co-operative employees. The subjects were carefully prepared in consultation with Makerere University College. This course which opened last summer is likely to replace the farmer courses held in Longborough Co-operative College.
- b. Basic course for newly recruited co-operative employees includes basic co-operative subjects in addition to field duties, audit and accountancy.
- c. Junior courses for co-operative supervision. This has been tailored to suit their need. Participants in the last two courses have chances to attend the diploma course later after some time on the field.

Co-operative Rural Training School

There are about 14 such schools one in every district. Members, committeemen and the co-operative employees are trained in these schools. It is hoped that each school will train 400 co-operators every year when they are at full swing.

The tutorage is given by government employees and include lectures on agriculture elementary economies etc. on top of normal co-operative subjects. They are all boarding schools and the expenses are met by the government. However, the students pay a small attendance fee. The schools are run in close collaboration with the U.C. Alliance.

One day courses have already been mentioned, but education of members continue at general and committee meetings and other formal courses. They are directed at letting members fully

appreciate their rights and responsibilities in order that they can keep control over the leaders they have themselves elected to run their business. It is also to increase efficiency and loyalty and to strengthen the movement^s a whole.

On top of all these are people abroad on training in Sweden, USA, Canada, Britain, Israel and Denmark. These activities are charged to a senior official at the headoffice.

Correspondence with Loughborough Co-operative College is still run for employees.

The State and Co-operation

The state, recognizes encourages, protects, favours and assists the co-operative movement. The government declared policy is to handover the processing of crops to the producers through their co-operative organisations and to give increased protection to the consumers through the same type of organisations.

The co-operative act was drawn and enacted by the state in 1946. In 1963 it was amended to bring it in line with the present development and to allow the department to deal with knotty problems. The law provided for the creation of a co-operative department to take care of the movement. The following are some of the provisions in the act.

- a. 1/4 of the net surplus shall be credited to S.R Fund.
- b. The Registrar has the power to register and desolve a co-operative society.
- c. He acts as an arbitrator in cases involving co-operatives, its members the committee and employees in matters touching its business.
- d. He approves the qualification of the co-operative employees.
- e. The co-operatives are exempted from nearly all the taxes.

The government recognizes the part that can be played by the movement in improving the standard of living of the commonman especially in increased production. The credit scheme and the

group farming scheme have therefore been channelled through the co-operatives. Rather large investment too is likely to be made on the consumer movement.

The part played by the state in co-operative education has been partly mentioned above. In addition the state, Radio and T.V services have been put at the disposal of the movement for use in propaganda and education. Aiding countries have also been allowed to send in experts to work side by side with co-operative employees as advisors. Technical aids are given to the movement through departmental officers who are responsible for disseminating free information and advice on co-operative principles, practices and organisation. Audits of the co-operatives are carried out by state officials free of charge.

Besides the exemption from various taxes the government has offered financial assistance or security to the tune of £8.247.500 excluding subsidies. It has also set up funds for loans to the members.

The national co-operative organisations are consulted on a number of matters affecting national economy. The organisations are also represented in the national marketing boards.

Some of the government acts have also been assigned to the co-operatives such as the marketing of produce and the distribution of farming requirements. Sometimes in order to protect the commonman the state has made the use of co-operative machinery compulsory.

Problems

Personally I consider that these are some of the problems confronting the co-operative movement in the country.

The government has lived up to its declared policy and the co-operatives have made rapid expansion in the last three years. More pro-

cessing plants have been acquired and more responsibility handed over to the movement. This rapid expansion has presented management difficulties. The right people must be appointed to manage the business and direct the growth of the movement. There is a shortage of government and union employees and training programme has to be stepped up.

Lack of market for minor produce has hindered progress on marketing activities. There has been shortage of capital too to build or rent storage for this purpose. Together with declining prices on export products, these factors have tended to creat apartyly among a small section of the membership.

As the greater number of the **population** are living in the rural areas scattered all over the country sides, the sitting and planning of consumer shops might prove difficult . Capital accumulation will be yet another problem. In the urban areas there will be hard competition against the well established merchants. They are likely to cut down their prices using the past accumulated profits etc.. Here too there will be a problem of finding trained employees.

With credit programme the obvious problems are loan capital, ignorance of the use of money which may result into loan defaults and indeptedness. The declin-ing prices of the tropical farm products in the world market makes the loan repayments even more difficult.

Conclusion

Compared to other countries, the co-operative activities in Uganda may probably look too small. But it has been quite advantageous to the population. I consider the following the advantages of the movement so far:

- a. It has brought about fair business in the marketing trade-fair weights etc..
- b. It has created the spirit of self and mutual help among members.
- c. It has brought farmers of different regions, who now realize their common task as producers.

- d. It has improved quality of certain products through own processing plants - for the last three years running a co-operative ginnery has produced the best quality ginnering results. Improved quality means better price in the world market.
- e. It has given opportunity to the farmers to learn business management and the control of the day today economic side of their lives.
- f. It has provided employment to thousands of the farmers sons and daughters.
- g. It has taught people democratic principles and practices.
- h. It has provided good marketing machinery for the development of internal market.
- i. It has collected and disseminated market information to the producers bringing them nearer to the consumers.
- j. Lastly, but not leastly, it has cut off the major sources of finance for the capitalist exploiters. etc. etc..

There is a bright future for the co-operative movement in Ugnada. Although there are problems with capital and personnel these will not stop progress. The co-operators and the government determined to see that the movement succeed and I am sure it will.

By Mr. J. T. Othieno, Uganda