



# ***CO-OPERATIVE RESEARCH PERSPECTIVES IN EAST & CENTRAL AFRICA***

Papers and Proceedings of the 2nd ICA Regional  
Co-operative Research and Planning Conference

Lusaka, 18th - 23rd April 1977



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# C O N T E N T S

	Page
Abbreviations .....	i
Foreword .....	ii
Minister's Opening Speech .....	iii - vi
Introduction .....	viii - x
 <u>CHAPTER I:</u>	
POST THE 1974 CONFERENCE EXPERIENCES .....	1 - 24
1. ICA Background Paper .....	5 - 6
2. CUT Background Paper .....	6 - 10
3. Zambia Research & Planning Unit, Background Paper .....	11 - 14
4. Co-operative College, Moshi, Background Paper .....	15 - 19
5. Summary of the plenary discussions on the above institutional back- ground papers .....	20 - 24
 <u>CHAPTER II:</u>	
RESEARCH LINKAGES AND APPLICATION .....	25 - 44
1. The Roles of Research, Consultancy and Training in Co-operative Development .....	25 - 32
- Summary of discussions on the above .....	33 - 34
2. Integrated Rural Development through Co-operatives in Kenya .....	35 - 40
- Summary of discussions on the above .....	41 - 42
3. Research and Documentation .....	43
 <u>CHAPTER III:</u>	
TOWARDS SHARING OF CO-OPERATIVE DEVELOPMENT FUNCTIONS .....	45 - 62
1. The Organization of external supervision/control actions as an integral part of the Co-operative Development Promotion System .....	45 - 59
- Summary of discussions on the above .....	60 - 62

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CHAPTER IV:

CONFERENCE CONCLUSIONS	63 - 70	
1. Research Priorities .....		63 - 64
2. Conference Resolutions .....		65 - 70
.....		
<u>APPENDICES:</u> .....	71 - 76	
1. List of Participants .....		71 - 73
2. Conference Programme .....		74
3. Discussion Groups & Working Committees .....		75
4. Notes on Discussion Papers .....		
Contributors .....		76

ABBREVIATIONS USED IN THE REPORT

<u>Abbreviation</u>	<u>Stands for</u>
ICA	International Co-operative Alliance
RESEARCH UNIT	Research and/or Planning Department/ Section, as applicable
IDRC	International Development Research Centre, a Canadian organization
CUT	Co-operative Union of Tanganyika, the apex co-operative organization in Tanzania
CCM	"Chama Cha Mapinduzi", the ruling Party in the United Republic of Tanzania
NEC	National Executive Committee, the second most powerful organ — after the National Conference — of CCM, Tanzania
MARK & CO-OP. OFFICER (also MCO)	Marketing and Co-operative Officer, (Zambia only) To this, letters like "P" (=Principal) or "S" (=Senior) may be added to indicate level of responsibility
MOVEMENT	The Co-operative Movement
K.T.D.A.	Kenya Tea Development Authority
F.A.O.	Food and Agricultural Organization of United Nations
M.P.	Member of Parliament
MINISTRY	The Government Ministry responsible for co-operative development

FOREWORD

A Research Unit was established at the ICA Regional Office in July 1973, in response to a felt and expressed need from those co-operative leaders of the Region who are responsible for planning co-operative development. In April 1974, the first Regional Co-operative Research & Planning Conference was held in Arusha, Tanzania, and was attended by policymakers and researchers from government, co-operative movements and various academic institutions around the Region. In its summary conclusions, the conference succeeded in identifying co-operative development problems whose solution might require research, and proceeded to draw up a list of priorities. It also came up with recommendations, particularly on ways and means of promoting interaction and collaboration among co-operative researchers through forums to be created.

The Lusaka conference of April, 1977, whose report is presented in the following pages, is a follow-up of the first one held in Arusha in 1974. It is our hope that the report indicates sufficiently, possible linkages and new perspectives for application of co-operative research and planning. More particularly, we hope that the need for co-ordination of co-operative research and planning at national and regional levels will be seen clearly through the recommendations, and will be followed effectively.

Finally, due to factors beyond the control of the ICA, the conference was postponed a couple of times and, in fact, the venue had eventually to be shifted to Lusaka, Zambia. We are sorry for the inevitable inconveniences arising from those postponements. Last but not least, I would like to take this opportunity to record the ICA's profound gratitude to the International Development Research Centre (IDRC), who generously provided the bulk of the funds for this Conference. Our special thanks are also due to the Zambian Government and co-operators who have been bearing the burden of hosting a majority of our various activities since the onset of a cold political climate within the erstwhile East African Community area. The Zambian Government were addedly generous by strengthening our secretarial capacity at the Conference. That Eastern and Southern Africans continue to interact freely with one another in our forums is a measure of the technical role of this Office in the development efforts of this Region and further, is evidence of the maturity and the tenacious common bonds between our fellow co-operators to whom thanks are also due.

D. J. NYANJOM  
REGIONAL DIRECTOR

May, 1977  
MOSHI

OPENING SPEECH BY THE MINISTER OF RURAL DEVELOPMENT,  
HON'BLE P.J.F. LUSAKA, M.P.

Mr. Chairman;  
The Regional Director of the International Co-operative Alliance Office for East & Central Africa;  
The Assistant Director of the International Development Research Centre Office for East & Central Africa;  
Invited Guests; Fellow Co-operators and Friends.

It is a pleasure for me to have been asked to officially open the Second Regional Co-operative Research and Planning Conference which is holding here at Andrews Motel in Lusaka.

This is not the first time that I have had the pleasure of being associated with the activities of the International Co-operative Alliance. On a number of occasions I have been asked to undertake the task of officiating at your various conferences which, through your assistance and that of other international agencies, Zambia has been pleased to host. It was only three weeks ago that the Hon'ble Member of the Central Committee for Central Province, Mrs. Mary Fulano, opened a seminar on Credit and Finance held at the President's Citizenship College near Kabwe. It had been organized under the auspices of ICA Regional Office, Moshi. I have been given to understand that a few more conferences and seminars will be similarly organized in the next few months and that Zambia has again been chosen as the venue for these conferences. This manifestation of trust in our Co-operative Movement's ability to host such conferences is a pointer to the growth and maturity of our Co-operative Movement here in Zambia and is most welcome. I can assure all the participants from outside that Zambia will receive you with open arms. Our philosophy of Humanism teaches us to love one another so that we can live in peace the world over. And I think that is what International Co-operation is all about - to propagate and promote friendly and economic relations between co-operative organizations of all types both nationally and internationally.

Mr. Chairman, I am informed that this Conference is a follow-up to the one which was held in Arusha, Tanzania in 1974. That Conference laid down ground-rules for the establishment of a Regional Research Standing Committee. It also passed resolutions which called for the establishment of Co-operative Research and Planning Units within the co-operative apex organizations in the countries which constitute the ICA Region for East and Central Africa. This is a very timely and important decision. It could not have come at a better time than now when our countries are facing the worst economic recession since the Second World War; we are witnessing high unemployment figures, low productivity, high consumer and low commodity prices and very unstable money markets. All these things have hit our countries' economies and have also

contributed to the instability of our economic systems not only in our Region but also in the whole of Africa and elsewhere in the World. I do hope that the member countries of the Region will endeavour to implement this decision by establishing such research and planning units in their respective co-operative movements. Knowledge, as we all know, is cumulative and only research adds to that growing body of knowledge.

Comrade Chairman, as I stated in my earlier remarks, I am aware of the ideals for which co-operation stands. I am also aware of the numerous problems and shortcomings being faced by co-operatives in general and those of Africa in particular. The failures of many of our co-operative societies over the years have called into question the credibility of co-operatives as instruments for development. Many governments have indicated in their development plans that co-operatives will be used as vehicles for restructuring their rural economies and have lent support to these intentions with generous financial and technical assistance. However, as I have already indicated, these have met with dismal failure. This has therefore raised very pertinent questions which relate to the capacity of co-operatives to achieve an increase in output; a more egalitarian distribution of that output and a more egalitarian participation in the decision-making process which determines the pattern of that output and its distribution.

Mr. Chairman, although I appear to paint a sad picture of the performance of co-operatives, I am not oblivious of the many successes which have been registered in some of the co-operatives. For example, the Co-operative Movement in East and Central Africa is a substantial organization. Statistical information of 1973 indicates that the Co-operative Movement in Kenya did a booming business worth 1,000 million shillings while Tanzania had 800 million shillings and Uganda some 900 million shillings worth of business. A total of roughly eleven million people were affected in one way or another with co-operative activities in the above countries. Zambia, on the other hand, had 934 societies on her register with 50,000 members and did business worth K.4,200,000 or the equivalent of 42-million Kenyan shillings during the same period.

From then up to the present date, the Co-operative Movement in the Region has shown considerable growth in membership, turnover, and increased diversity in business activities. This is healthy. But we must not sit back on our laurels believing that the situation may not dramatically change for the worse. I therefore repeat the theme of my address to you this morning - that of research - because we cannot hope to move forward in the economic, social and political fields without research.

Mr. Chairman, I also believe that research on co-operation in developing countries of the world has so far not done much to narrow the existing gap between economic theory and co-operative philosophy. The dichotomy between simple economic logic and simple co-operative faith has inhibited the answering of questions which the economists have raised. These include such questions as: "Do co-operatives have an economic life of their own, different from and perhaps in conflict with, that of

their members?" And further, "Does management act more as a referee between heterogeneous member interests than as yardstick providers and economic correctors in the market place?" I wish to add that it (the dichotomy) has also minimized or prevented the asking of economic questions on aspects of co-operative functioning. Important among these is the empirical determination of an optional mix between members and co-operatives with the degree of integration of their respective economic activities, the capital contribution and the time dimension of their mutual participation. Nor has such assessment of the net impact of the co-operative activity on individual sectors and/or the whole economy been made. It has also resulted in the absence of a dynamic economic theory of co-operation. In so doing, the gap between economic theory and co-operative philosophy has left practical co-operation straddled, with an ad hoc framework for facing the failure that is disturbing to both its participants and its observers.

However, the beginning of a more analytical approach from within the co-operative experience itself has recently been exhibited: it has tended to develop an economic system devoted to the specification of the relevant economic questions and choices involved in certain aspects of operation of particular types of organizations. These studies may be the necessary first step in developing the desired reconciliation between operational practice, co-operative philosophy and economic theory. It might not be wholly irrelevant to point out that the current intellectually respectable field of labour economics was conceived in the nineteenth century in an emotional setting similar to that from which many co-operative traditions originated and went through long stages of naive idealism, partisan and defensive presentation before it evolved an area in which objective research could be undertaken and in which critical assessment of the operations, role and effects of labour organizations could be made. From the economic, sociological and political writings based on "the good of the cause", a transformation of approaches of impartial analysis for understanding its role in the economy has developed. It appears that a trend in this direction — even though disguised and tentative — is making its appearance in the literature on co-operatives.

Mr. Chairman, the motivations and responsibilities that individuals adopt in society are a reflection of the total social environment and cannot be "co-operative" in nature except where a completely co-operative economy has been established. At the moment, however, this seems unlikely although all signs seem to indicate that in the not too distant future, many of the progressive countries in Africa will move closer to achieving it. Therefore, co-operative activities must, as of now, inspire and be inspired by grassroots participation — that is — through problem recognition by individuals, their willingness and interest in using co-operatives rather than other means in seeking solutions and by significant participation in such activities.

This diagnosis, Mr. Chairman, suggests that established co-operative organizations continue to work hard so as to



identify new demands, lead in the recognition and the provision of goods and services and answer such demands and also to continually upgrade these of their functions that have become traditional and no longer command any exceptional enthusiasm of support. The greatest danger, if I might warn, Mr. Chairman, is in being taken for granted: the dilution of grassroots support that this would entail could eliminate both co-operative intent and form. The drastic and sudden changes that are occurring in our society - rural and urban - will not allow co-operatives to tolerate apathy of that kind. Rather, these changes offer a challenge to co-operation that it must answer both with courage and vision of its philosophy, techniques and method.

I know, Mr. Chairman, that you have a very tight programme before you and that you are anxious to embark on your deliberations as soon as possible. It is against this background that I now take this opportunity to declare this Second Regional Co-operative Research and Planning Conference officially open.

And I thank you.

## INTRODUCTION

A growing interest in co-operatives as vehicles for rapid change, particularly of the rural areas, has been markedly noticeable for sometime now within the "developing world". Even so, the impact of co-operatives in these parts has been like a surge, at times evoking strong straddling emotions among co-operators and government policy-makers. Some co-operatives have even met their golgotha in consequence!

Why is the impact of co-operatives in our Region rather doubtful? Why is it that despite injection of statistically massive finance and manpower into co-operatives by governments and even the movement itself, co-operatives in our Region have not yet attained a stage of self-development and a status of universal credibility and respectability? Can co-operative experience in one country serve as a lesson to practice in the other countries? If so, how and if not, why?

Concern for these and other relevant questions on co-operative development problems led the ICA Authorities in collaboration with the government of The Netherlands to float a regional consultancy service on Research and Planning through the establishment of a Research and Planning Unit at the Regional Office in mid-1973. It is one objective of the Unit to functionalize co-operative research and planning, through the organization of regular conferences, workshops and other forums at both regional and national levels. Accordingly, the first Regional Co-operative Research and Planning Conference was organized at Arusha, Tanzania, in 1974 and this year's Conference in Lusaka, was the second in a series of such Conferences slated to be held bi-yearly.

The main aims of these conferences, workshops, etc., as implied in the 2nd conference advance notice and other Research Unit publications are:

- (i) to focus to a wider audience and perspective, an appreciation of the role and place of co-operative research and planning in this fast changing world;
- (ii) to provide a forum whereby co-operative development and research experience gained by the various countries can be freely exchanged and operationalized;
- (iii) to explore and imbibe new approaches to (co-operative) research and planning vis-a-vis co-operative development;

- (iv) at once to further contacts between co-operative and other researchers and planners inter se and; between the latter on the one hand and co-operative policy-makers on the other; and
- (v) to identify areas for co-operative research.

Some of these objectives were met by the convening of the conferences as such. Others were met by the various exchanges of views at personal and professional levels during the period of the conferences. One, of course, hopes that these exchanges have survived the conferences. The publication of this report is yet another modus of achieving some of these aims, in particular objective (i) above. For the seminars and workshops - as the conference rightly stressed - we hope to draw very heavily on the vast resources of the universities and research organizations within and without the Region.

The 2nd Research and Planning Conference should actually have been held early in the year but was postponed a couple of times due to factors over which even "contingency planning" had mighty little impact. We had commissioned quite a number of presentations to be made at the conference. Unfortunately because of some last-minute responses and a few cancellations of travel plans due to pressing work at home or elsewhere for some of our would-be contributors, the conference programme had to be revised extensively several times, almost to the very opening of the Conference! We, of course, appreciate that there was goodwill in these late responses and cancellations and would hereby like to thank all those - including the various rapporteurs - whose presentations became or would have become the collective reap of the conference participants. Even so, editorial responsibility, except in one or two cases, remains entirely ours.

The Minister's opening address warned the participants to be down to earth so as to bridge the gap between co-operative philosophy and economic theory and thus make co-operatives functional dynamic organizations. Naturally, the conference was going to start off "business" with a kind of "stock-taking" since the first Conference in 1974.

The institutional background papers and the plenary on these formed the stock-taking exercise and generally agreed that despite drawbacks recorded here and there since the 1974 conference, that conference's deliberations had actually become an important and welcome watershed in co-operative development practice and literature in the Region. CUT's (Mr. Cyprian Bgoya) paper, though not dealing specifically with the progress and constraints encountered in the implementation of the resolutions and priorities of the 1974 conference, was nonetheless bracketed with the post-

Arusha Conference experience papers because of its historical context. The present conference tried to give sharper focus and urgency to the role and place of research in co-operative development. Linkages go integrate and apply yourselves!

That brought us to Prof. Goran Hyden's well argued link-up between research, consultancy and (of course) training, so as to avoid wasting time on incorrect diagnoses or, being theoretical and bookish in our training. Which would all mean that we would then fail to be "agents of change", with the net result that either our co-operatives will forever depend on (foreign) consultants or remain in their "original" situation.

Next, Mr. Munuve showed us what may happen to a project when it is (haphazardly) "integrated" with politics. Integrated rural development is a good thing, provided integration is not by the sleight of expression only and provided further, that certain economic and social prerequisites are researched into and subsequent operations planned, guided by the research out-come. This is one reason for linking up research with documentation. From the available documents we would obtain useful material for our researches and consequent project/programme formulations. A Register of Co-operative Research and Planning Documents is therefore very necessary both at regional and national levels. This much the conference echoed.

Assuming that we integrated our development strategies and dovetailed research into other related services, would our co-operatives, ipso facto, stand delivered from their present ills? May be and may be not. Messrs Okumu Odede and Verhagen have, nevertheless, contributed a further point for reflection, namely, that the massive injection of financial and manpower assistance (both foreign and national) into co-operatives may not, per se, bear desired dividends unless "external" supervision and control of co-operatives is designed to systematically and progressively engender auto-development by co-operatives themselves.

That almost brought us to the end of the Conference's deliberations which we hope the resolutions and research priorities formulated at the end of the conference would not allow to be forgotten. Particularly so if we will this time succeed in getting the proposed National Co-operative Research and Planning Committees off the ground around the Region, to join hands with the ICA Secretariat and Standing Committee (the latter held its inaugural meeting at the end of the Conference) to provide momentum and perspective to co-operative research, planning and consultancy.

In conclusion, we would like to thank all those institutions and individuals who positively responded to our invitation to attend as well as those who showed interest in this conference. Finance was and continues to be a constraint with which we must live and work. We are, however, most grateful to the Canadian International Development Research Centre, through their Nairobi-based Regional Office for East & Central Africa, for their generosity in providing the bulk of the funds that made possible the Second Regional Co-operative Research and Planning Conference. With confidence in the future, we would at once like to remind all participants at the two past conferences, as well as inform those interested in or intrigued by co-operative development, that the third conference — which will hopefully focus on as many aspects as possible of research, planning and consultancy — comes up in 1979. That's a date! Meanwhile, however, should you, your associates or others want to contact us on any aspect of our (or your or others') work or interests, we shall gladly welcome any enquiries or information.

Okumu Odede

Research, Planning & Consultancy Department  
ICA Regional Office for East & Central Africa  
Moshi, Tanzania  
May, 1977.

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I. POST THE 1974 RESEARCH CONFERENCE EXPERIENCES

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1. ICA Research Unit Background Paper

Clement Z. Kwayu.\*

i. PURPOSE OF THE PAPER

This paper aims at showing the extent the ICA Regional Office has gone towards fulfilling its obligations as per themes and resolutions of the first Co-operative Research and Planning Conference held in April 1974. The paper will also attempt to point out problems encountered and, suggest certain modifications to some of the first conference resolutions.

ii. INTRODUCTION

The ICA Research Unit, launched in July 1973 is just emerging from its project form. The objectives of the project have been modified occasionally so as to better suit our situation and should now be as follows:

- (a) to provide training facilities for co-operative research and planning officers, particularly, those from co-operative apex bodies within the Region;
- (b) to further contacts between co-operative researchers, planners and policy-makers with a view to making research findings useful in co-operative development;
- (c) to undertake comparative or otherwise problem-oriented research on various aspects of co-operative development, the results of which should benefit, in the first place, the national co-operative apex organizations by strengthening their participation both in the formulation and (hopefully) application of the respective national co-operative development policies;
- (d) to assist in any internal missions and to undertake ad hoc studies at the request of the national co-operative apexes or Government Departments charged with co-operative development;
- (e) to ensure continuation of the services rendered through the Project by the establishment under the Regional Office of a "Research Unit" which should perform the above functions on a continuing basis even when the present financial support from the Dutch Government eventually ceases.

Until November 1975, the project had only one officer. In December 1975, a counterpart joined the project. In May and September the following year a trainee research officer from Uganda and Tanzania respectively, joined the project. Evidently therefore, from the time of the first ICA Regional Conference on Co-operative Research and Planning until very

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\* The views contained in this paper are the common thinking of all the officers of the ICA Research Unit as at March, 1977. Mr. Koenraad Verhagen left the Unit in April, 1977.

recently, the staff of the ICA Research Unit has been rather thin. This has compromised not only its effective accomplishment of the set objectives but also the necessary close follow-up for the implementation of the resolutions of the first conference. Nevertheless, an attempt has been made and some progress has been registered. Above all, reasonable ground has been set for greater accomplishment in the future. Against this background, we can turn to the resolutions and see how far the Unit went in implementing them.

### iii. COMMENTS ON RESOLUTIONS

#### (a) Resolution no. 2: Creation of (i) Country Co-operative Research Committee and (ii) Apex Co-operative Research and Planning Unit

- (i) It is gratifying to note that the co-operative apex organizations have responded fairly positively by implementing the second part of this resolution, namely, the establishment of Research and Planning Units. Both the Kenya National Federation of Co-operatives Limited (KNFC) and Uganda Co-operative Alliance (UCA) have created such units, while the Co-operative Union of Tanganyika (CUT) has gone forth to reinforce its Research and Planning Unit. As far as this part of the resolution is concerned, the ICA has only confined itself to reminding the various people concerned about the importance of implementing it.
- (ii) Co-ordination and collaboration in national co-operative research and planning - a task intended for the proposed National Co-operative Research and Planning Committees - still poses a problem. The ICA Research Unit is of the opinion that this ought to be discussed at each national level. The universities are still very much isolated from co-operative research activities. Neither the state departments for co-operative development nor the national co-operative apexes seem to be making any use of this important source of research resources and facilities.

The original idea of first forming a Research and Planning Committee at each national level, and thereafter form the ICA Standing Committee on Co-operative Research and Planning seems to be unworkable. For one thing, there is lack of adequate formal co-ordination at the national levels and, for another, there appears at once to be institutional rivalry and distrust in some of the States. The Research Unit is therefore of the opinion that the strategy should be slightly changed to favour the formation of the ICA Standing Committee on Co-operative Research and Planning from interested persons. This suggestion was recently endorsed by the ICA Regional Council and accordingly such a Committee is now in being.



As far as assistance to national co-operative apexes in forming research and planning units is concerned, ICA has established a Research Unit at regional level, thus providing limited opportunity for training research and planning officers of the Region. Tanzania and Uganda are already making use of this opportunity.

(b) Resolution No. 3: Creation of ICA Standing Committee on Co-operative Research and Planning

ICA Standing Committee on Co-operative Research has now been established and it will meet for the first time at the end of the 2nd Conference on Co-operative Research and Planning. The resolution recommended a small membership, but the ICA Research Unit, while endorsing the idea of a small committee, is of the opinion that the policy should be open and flexible in order to take into account factors, inter alia, such as availability of funds, and state of affairs existing in a particular country at a particular time.

While endorsing most of resolution 3(c), the Research Unit considers it unnecessary to set up a country Research Register, if the Regional one is promptly updated. The Unit also considers it impracticable for the Standing Committee to nominate delegates from the Region to attend Seminars and Conferences.

(c) Resolution No. 4: Creation of Research Units within Co-operative Departments and Co-operative Colleges

We hope the various institutions have something to report on this.

(d) Resolution No. 5: Organizations which could undertake Co-operative Research

We think that the resolution is still relevant and we hope that the institutions concerned will respond to the appeal by this resolution.

(e) Resolution No. 6: Important research topics for priority consideration

In so far as the research priority list is concerned, the Research Unit stretched itself to play its part even initially, when most of the work was a one man affair. A survey on high level manpower training needs and co-operative education in the Region was carried out and completed. It was discussed at a mini-seminar in which most of the leading co-operative trainers and employers in the Region actively participated, endorsing most of the recommendations contained in the survey and giving further directions on their implementation. This survey, by far does represent the most important achievement of the Research Unit since the last conference.

As regards research on "Co-operative/Government relationship with respect to Supervision and Efficiency," much ground-work has been done, to both structure a relevant research topic and lay down strategy for the carrying out of the research exercise. But until now, field research has not been conducted. After the first conference, Uganda no longer showed interest in this topic. A change in policy regarding co-operatives in Tanzania, made the topic slightly misplaced for the time being as far as Tanzania was concerned. As for Zambia, clearance from the government is still to be obtained. Moreover, the topic has now been re-phrased to "institutionalised supervision/control and co-operative performance" thus enlarging the scope of the study.

Hopefully, after this conference, the Research Unit will be able to go into the field in Kenya from where clearance has been obtained, and in fact, a pre-survey conducted.

Although no research has been conducted on effects of diversification i.e. move from single to multi-purpose societies as per resolution 6(f), some preliminary insights on it have been gained. The Regional Seminar on Multi-purpose Co-operatives in February, 1975, gave many co-operators of the Region an opportunity to discuss and consider the nature, structure, development potentials and problems of multi-purpose co-operatives.

Other priority areas may have been carried out at national level by other institutions. We are for instance aware of a Research on Co-operative Retailing in Tanzania (Mainland) done by the Co-operative College, Moshi, together with the University of Dar es Salaam and the Prime Minister's Office. However, there has not been any study at the regional level by other institutions.

Finally, ICA has fairly significantly contributed towards solving some of the problems reflected in the priority list of research topics through our specialised service agencies, by advising specific country organizations which make use of these services. The services include those of the consumer co-operative expert, insurance expert, savings and credit expert and the education team. Of course, more substantive research could have been evidenced.

(f) Resolution No. 7: Recruitment of researchers and training needs

Resolution number seven with the exception of (d) has been fully implemented. Regarding section (d), the Research Unit is of the opinion that research seminars once or twice a year is far too much. The amount of costs involved may not justify the benefits to be reaped. Seminars absorb a lot of time and money to organize, especially when participants have got to come from distant places. Meaningful substantive research also absorbs quite a bit of time to be completed for presentation at seminars. The

Research Unit is therefore of the opinion that a conference organized every two years should suffice and the ICA Standing Committee on Co-operative Research could very much exercise the co-ordination needed in getting the necessary preparations, including national presentations, into gear.

- (g) Resolutions No. 8 and No. 9: (i) Timing of research activities (ii) Use of co-operative research

We are of the opinion that these resolutions are still valid and ought to be observed by all concerned. Co-operative Researchers cannot isolate themselves from the implementors of recommendations originating from researchers' findings. The researchers ought to be ready to sell the outcome as well as follow up and evaluate the results.

#### iv. OTHER ACTIVITIES

From a practical standpoint, the ICA Research Unit does not exist only to do research. The ICA exists to service co-operative development within the Region in all areas, subject only to its capacity. At times, non-research and planning issues or work absorb quite a considerable amount of time of the Unit. Some of the activities in which the Research Unit has found itself engaged include organization of seminars and conferences on various aspects of co-operative development, organization of study tours (e.g. West African Study Tour by top co-operative leaders from the Region), going on consultancy missions and at times representing the ICA in various international conferences and seminars. These activities, of course, widen the personal and professional horizons of the Unit's staff and as such are welcome. On the other hand, they eat into the time for research work, thereby, limiting the number of completed research.

While realising the problems of involvement in these other activities by the Research Unit, we also sense some limitations within other institutions in conducting actual co-operative research and we appeal to all concerned, to involve the university more than ever before.

Lastly, we are of the opinion that the ICA could organize seminars to discuss studies made by other institutions. This may very much facilitate the exercise of disseminating research findings to relevant institutions.

## 2. CUT BACKGROUND PAPER

Recent Changes in Tanzania's Co-operative Structure and their implications for Co-operative Planning.

Cyprian Bgoya

May I take this opportunity on behalf of the Co-operative Movement of Tanzania as a whole to thank the organizers and sponsors of this esteemed conference on Research and Planning. We in CUT realise that for the reasons beyond the organizer's control, this conference has been postponed several times but despite these problems their efforts did not cease and better still, they were good enough to keep us informed of the changes of dates and venues.

### The changes

I think many of us gathered here are aware of the changes which are taking place in the co-operative movement of Tanzania. These changes are so crucial that, what I am going to discuss is probably relevant today and irrelevant tomorrow. My aim therefore, is to enlighten you about these changes and I hope you can then suggest how best Research and Planning can be carried out effectively. Background papers circulated to us from ICA Research Unit on the implementation of the Resolutions of April 1974 have featured on successes, shortcomings and problems recorded. The Economics Department of CUT has more or less recorded the same. The department started sometime before the ICA Research and Planning conference of April 1974. Economists and other specialists attached to this department have always ranged between two and four people. At the moment the department has only two officers. Since its inception the department has been carrying out research and planning activities for CUT and the affiliated Regional Co-operative Unions (non-existent today). As a result, the Regional Co-operative Unions were able to formulate their first Five Year Development Plans. For obvious reasons, it is not important to discuss how research and planning were carried out under the old structure of the Co-operative Movement. First of all, the old structure has ceased to exist. This means that a new approach on co-operative research and planning has got to be adopted.

The old structure was based on three levels i.e. Primary Co-operative Societies at the bottom, the Regional Co-operative Unions in the middle and the Co-operative Union of Tanganyika at the top of the pyramid. The latter was and is the apex co-operative organization. The new structure has various types of Co-operatives at the primary level. Almost all of these are to be affiliated to the apex level directly. Primary Co-operatives under the new structure are dominated by villages, ujamaa villages and ward co-operatives.

The task of CUT's Economics Department now is to formulate how research and planning should be carried out effectively under the new structure. This is not an easy task. The

Department hopes to collaborate with the Ministry and other institutions dealing with co-operative development.

I admit that, what I discuss with you now is more of a theory than practice and hence I expect and welcome constructive challenges. A memorandum was sent on 27th September 1976 by the Secretary General of CUT to the last ICA Congress held in Paris to explain the new changes. In this memorandum, the Secretary General promised to send a copy of the constitution of CUT which replaces the one based on the old structure. The new constitution of CUT is still under review by the National Executive Committee (NEC) of the "Chama Cha Mapinduzi (CCM)". As soon as the constitution is approved it will be sent to ICA and other institutions concerned.

As to why the Co-operative Movement of Tanzania had to be changed, I would say that there were numerous reasons, all social, political and economic. Tanzania has chosen a policy of socialism and self-reliance and she believes that this policy can succeed if people living in rural areas (villages and ujamaa villages) are made to understand that living and working together are necessary pre-conditions for improving their standard of living. This policy is not limited to villages alone; it also embraces urban people.

The basic policy of the Tanzania Government on co-operatives is stipulated in the Government Paper No. 4 of 1967 which states that "there is no other type of organization (than Co-operation) which is suited to problems and concept of rural development .... It would be impossible for the government administration machinery to deal with numerous individuals requiring government assistance and services.....".

In the Tanzania Second Five Year Development Plan, it was stated that the Co-operative Movement is a socialist institution and as such it is a source of considerable strength for the growth of Socialism. For the Movement to play an important role it must be revolutionised to suit the new structure. The above policies are incompatible with the old structure whereby a co-operative society/union was a marketing (buying and selling) oriented institution. Prior to the dissolution of these marketing co-operatives, the Government established state Marketing institutions such as Cashewnut Authority of Tanzania, and General Agricultural Products & Exports, etc., to deal with the marketing of specific crops. In the early 1970's when these institutions were being created, rural co-operatives started to change their traditional roles and became mere buying agents of these parastatals until 1976 when the former were officially dissolved.

Prior to the dissolution of agricultural marketing societies/ unions in May 1976, an Act of Parliament known as "the Villages and Ujamaa Villages (Registration, Designation and Administration) Act, 1975", was passed. This Act deems Villages and Ujamaa Villages to be "multi-purpose co-operative societies", and disallows any co-operatives (rural and urban) registered under the Co-operative Societies Act of 1968 to operate in the same area with a registered village/ujamaa village. Another Act known as "The Urban Wards (Administration) Act, 1976", was passed to cater

for urban co-operatives. Special types of co-operatives, however, will continue to operate under the 1968 Co-operative Societies Act and its subsidiary legislation.

The Co-operative Movement in Tanzania has undergone changes both structurally and functionally. As such CUT has similarly changed to suit the new set-up. CUT will now perform the following functions for the Co-operative Movement:

- provide Co-operative Education;
- carry out internal auditing;
- provide legal services;
- provide insurance services;
- be spokesman at national, regional and international levels;
- print stationery;
- provide any other co-operative service.

One would hope the Tanzanian new model of co-operative development based on villages and urban wards is not misunderstood internationally. It may be noted for reassurance of the would-be critics that our new types of co-operatives will obey co-operative principles. For example, for the equivalent of members and board meetings we have Tanzanian village/ward assemblies and village/ward councils respectively. Age and election conditions to avoid misuse of power remain the same.

#### Co-operative Planning in Tanzania

It is now obvious that Co-operative Planning in Tanzania will be based on villages and wards. There will be approximately 8000 villages and 300 wards in mainland Tanzania. Each of these villages/wards shall be deemed to operate as a multi-purpose co-operative society. The policy of the government here is to make them production-oriented co-operatives.

Co-operative planning must fit into the overall national planning structure. Accordingly, Tanzanian co-operative planning structure falls under the decentralised planning scheme, whereby every region formulates its own development plan. A regional plan is the integration of all district plans. District Plans on the other hand integrate plans of villages/wards. Each region, therefore, has got its own planning experts in all districts of the region. These regional experts are guided by laid down government policies and, of course, take into account economic factors in each district when formulating regional plans. In short, regional plans originate from villages and wards. At the national level the regional plans when co-ordinated form "The integrated Regional Development Plan".

To be able to formulate regional plans, it is necessary to have enough experts at village/ward level as well as at the co-ordinating regional level. These experts are supposed to provide public services, but at this infant stage of co-operative development they provide co-operatives with management assistance free of charge. The functions already mentioned which CUT will

provide to her affiliated multi-purpose co-operatives will therefore, for the foreseeable future, be provided jointly by the Government and CUT. The government realises that this spoon-feeding will later stop and so it is encouraging villages/wards to be self-supporting particularly in financing their activities. The government is also training experts who will be employed by the co-operatives. These experts will be dealing with the management of co-operatives. Ministries and other institutions directly concerned with the affairs of co-operatives have already initiated measures to assist co-operatives in planning. For multi-purpose co-operatives to be able to manage their day-to-day activities they need a set of some 20 different books collated into a "Management Kit". The Kit includes attendance registers, vouchers, cash books, etc.

Another aspect to consider in Tanzanian co-operatives is the role of financial institutions. These institutions, among them the Tanzania Rural Development Bank (TRDB), the National Bank of Commerce (NBC), and the Tanzania Housing Bank (THB), have been directed by the government to give priority to village and ward co-operatives for development or project financing.

Though the government provides services to the emerging co-operatives still some basic management problems remain unsolved. Those of these problems which need members themselves to resolve will be dealt with sometime this year by elected representatives of co-operatives at village/ward level and at national level. These representatives of co-operatives at all levels will have influence on co-operative planning.

#### Types of Co-operative Planning

Perspective, current and operational planning could be applicable to Tanzanian co-operatives.

Perspective planning, covering a period of five years or more, is useful because it would allow our co-operative planning to link-up with the National Five Year Development Plans. A five-year period is preferred in planning by many countries first because it is ample enough to discover changes which take place, and secondly, the trend of economic activities is clearer during such periods than the trend in shorter periods. Capital investments are usually considered in perspective plans of five years or more. Thorough analysis of utilisation of fixed and current assets, production capacities, organization of labour and other factors are very useful for working out perspective plans.

Current plans are related to perspective plans. The latter is the base for formulating current plans which cover short periods, say, one year. Current plans are more concrete and specific as compared to five year plans. While it is possible to do without perspective plans, current plans, sometime taking the form of a budget, seem to be popular and suitable even for small economic units like village co-operatives. Current plans are usually supplemented by operational plans.

Operational plans are quite necessary especially in industrial co-operatives. These plans cover yet shorter periods ranging usually from one month to one day (or even one hour). This means that all resources utilised in a given period of time can easily be assessed. Practical application of this type of planning is the planning of daily sales in co-operative shops and or production quantities in co-operative industries for a given period of time.

In all planning systems, it is necessary to apply special indicators of efficiency. It is from these indicators that success/failure in planning is detected. Some of the efficiency indicators which could be used in multi-purpose co-operatives are:

- Receipt per shilling expense (RPSE)

or  $RPSE = \frac{RECEIPTS}{EXPENSES}$

- Expense per shilling receipt (EPSR)

or  $EPSR = \frac{EXPENSES}{RECEIPTS}$

- Capital Turnover (CTO)

or  $CTO = \frac{RECEIPTS}{CAPITAL}$

The above indicators are mutually related. Other indicators mostly used in industrial co-operatives are mainly associated with fixed and current assets.

Conclusion

Planning is a complex system. In this paper I have tried to highlight factors likely to influence Tanzanian multi-purpose co-operative planning. Research continues and experience gained from internal and external sources will definitely be useful to our co-operatives.



### 3. Zambia -- Research and Planning Unit Background Paper

M. Lungu

#### i. Introduction

Many changes have taken place in Zambia since the First Regional Co-operative Research Conference took place in Arusha in 1974. These changes are likely to have profound influence on the direction of events in Zambia, particularly on the future activities of the co-operative movement. The former departments of Co-operatives and Marketing have merged to form one new department called "The Department of Marketing and Co-operatives" under a newly appointed Director. The new department takes charge of Co-operative Policy and advises the Ministry of Rural Development on Marketing matters affecting statutory boards such as the National Agricultural Marketing Board, The Dairy Produce Board, The Cold Storage Board of Zambia and The Tobacco Marketing Board of Zambia. The heavy responsibilities that the new department is charged with will necessitate a reappraisal of research priorities that the former department of co-operatives had established in order to take account of the new functions that it is now required to discharge. While the integration of personnel is progressing somewhat at a snail's pace, the Research and Planning Unit is progressively finding its feet in the new set-up. (See Organization Chart at the end of this paper).

#### ii. Implementation of Resolutions of the 1974 Conference.

##### (a) Resolution No. 1: Importance of Co-operative Research.

Recognising the need for Co-operative Research to sound planning, the Government has created posts of professional Research and Planning Officers, thereby effectively establishing a research and planning unit within the Department of Marketing and Co-operatives. This unit has since taken over the responsibilities of the former Co-operative Research and Planning Team which had been established through a bilateral agreement between Sweden and Zambia and was manned by Swedish experts with Zambian counterparts.

(b) Resolution No. 2: Creation of the Country Research Committee and Apex Co-operative Research Unit.

The creation of our Country Research Committee and the Apex Co-operative Research Unit has not yet been made due, in part, to the erstwhile uncertainty of the future of the Co-operative Department following recommendations to merge the departments of Marketing and Co-operatives as mentioned in the introduction above and partly, due to lack of manpower to man the apex co-operative's units. There are, however, other issues which militate against the establishment of such a unit at the present time. While research is very important in enabling solutions to various problems to be found, it is our considered view that for the moment there are well-known problems to which our scarce manpower resources could usefully be directed and hopefully resolve the long-standing problems of mismanagement, poor accountancy, education, etc., within the Co-operative Movement. For this and other reasons it is felt that the establishment of the Country Research Committee and the Apex Co-operative Research Unit have a lower priority rating and will only be created when the situation, particularly in regard to manpower resources, improves. Meanwhile, however, all "research" and planning will be undertaken by the Departmental research and planning unit.

(c) Resolution No. 3: Creation of an ICA Standing Committee on Co-operative Research

Zambia fully supports the establishment of an I.C.A. Standing Committee on Co-operative Research to which the Secretary General of ZCF, and one member each from the Department's research unit and the Co-operative Centre will be appointed.

(d) Resolution No. 4: Creation of Co-operative Department and Co-operative Colleges' Research Unit

While a research and planning unit has been established within the department it has not been possible yet to establish a unit at the Co-operative Centre because of lack of personnel. Again, it is felt as in the case of resolution 2 above that the Centre should concentrate on arranging residential courses, improving the quality of their teaching material, etc., instead of engaging in research.

(e) Resolution No. 5: Organizations which could undertake Co-operative Research

In Zambia, research into co-operative development issues has been carried out by several organizations, e.g. the University of Zambia, ILO, etc., with the support of the Department of Marketing and Co-operatives. However, a copy of the results of such research must be sent to the Research Council of Zambia for record and information.

(f) Resolution No. 6: A list of important research topics for priority consideration

Due to the merging of the two departments into one, there is need to review and draw up new research priorities relevant to the new set-up. And this is currently being worked out.

(g) Resolution No. 7: Recruitment of researchers and training needs

The International Co-operative Alliance Research Unit did carry out some research activities in the area of co-operative insurance, high level manpower training needs and recently a tour was undertaken by two members of the research unit to assess the operational content of ZCF with a view to streamlining its activities. Their report is still being awaited.

(h) Resolution No. 8: The timing of research activities

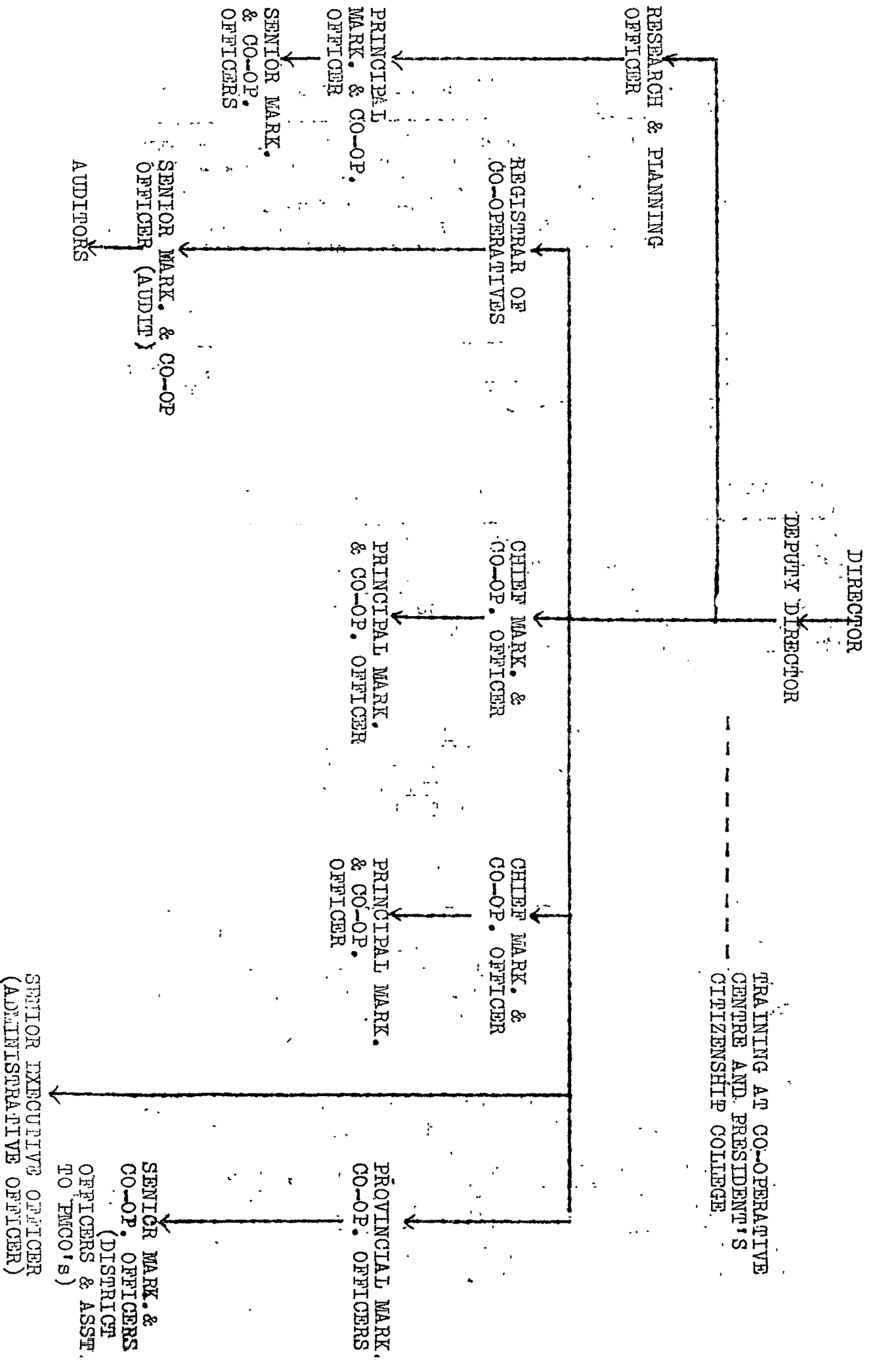
Depending on the nature and objectives of a particular research programme, its timing will of necessity be governed by the availability of funds and personnel.

(i) Resolution No. 9: To what effect co-operative research should be undertaken

The Department's research unit feels that research to be undertaken should be relevant to co-operative problems leading to solutions which will put the movement on a progressive path of development. As such no prestigious research is envisaged for its own sake.

(iii) Other Activities

The Department's Research and Planning Unit carries out other activities such as co-operative project appraisals, making crop forecasts for marketing purposes, arranging for crop purchasing finances on behalf of marketing unions, etc. With the increased responsibilities of the new department, it is obvious that the unit will be called upon to undertake new assignments such as analysing agricultural prices and policies, etc. In addition the unit draws up National Plans for Co-operatives as well as yearly departmental budgets.



#### 4. Co-operative College, Moshi (Tanzania) - Background Paper

R. N. Meghji

##### i. Introduction

This paper will briefly report on the extent to which our institution has progressed in research matters and thereby trying to fulfill the resolutions of the first Co-operative Research and Planning Conference.

Secondly, it would be stressed that due to the fact that the College has just created a new organ for research, there would be very little to report on work achieved, constraints, etc. Also it should be appreciated that the recent fundamental re-structuring of the movement have impacted on priorities, continuities and discontinuities in areas of research that should have been undertaken. Thus some thoughts are given out on future plans of operation rather than on the operations already carried out.

##### ii The 1974 Conference Resolutions

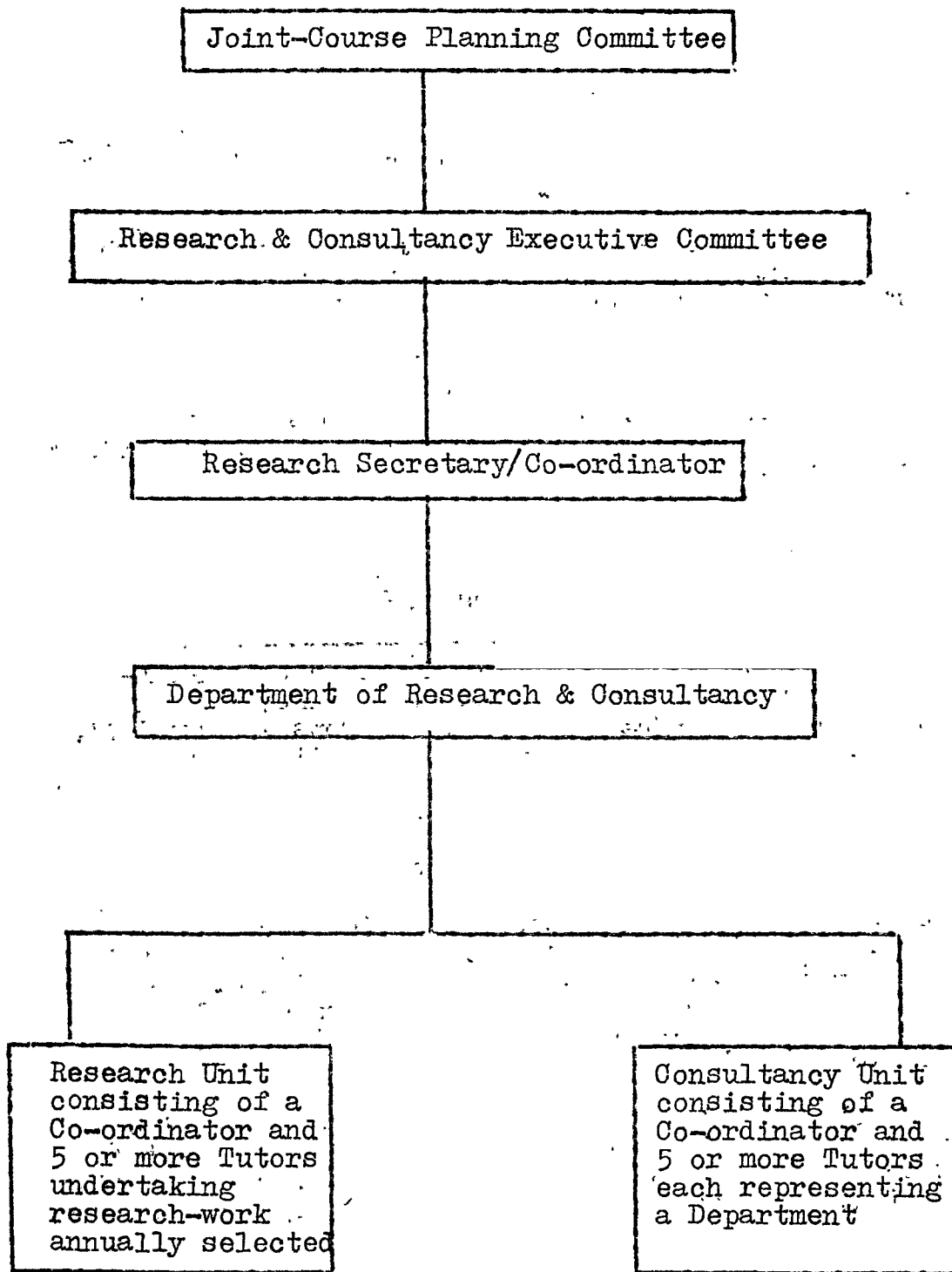
###### (a) Resolution No. 4: Creation of Research Units within Co-operative Colleges

The Tanzania Co-operative College has created a full-fledged Department of Research and Consultancy, having two units within it - Research Unit and Consultancy Unit. Previously, there was a Research Section within the Statistics Unit and was composed of tutors who administered and conducted research on part-time basis.

The College Principal announced the creation of this Department in July, 1976 after the Governing Board seeing the necessity for and importance of having such a machinery, gave it their blessing. It was also decided that a full-time Research Secretary be appointed. The fact that starting with 1976/77 the College had planned to launch 10 research-projects, justified the above modifications to the previous set-up.

Also, the changes in the structure of the Co-operative Movement and latter's changed relations with parastatals and other public organs required the College as a training institution, to very closely follow and study such changes.

College Research Machinery Chart



- The Joint Course Planning Committee whose Chairman is the Chief Academic Officer receives reports on research activities.
- The Research & Consultancy Executive Committee is composed of heads of academic departments or their representatives. The Committee deals with the planning, co-ordination and approval of research proposals, etc.

- The two unit co-ordinators are full-time tutors, who assist the Research Secretary in managing all activities of research and consultancy respectively.
- 5 or more tutors, who are undertaking research projects in a particular year, automatically become members of the unit. Thus, the actual "work-shop" is at the unit-level, with the researchers directly involved.
- The Research Secretary is the only full-time personnel in the Department (i.e. not involved in teaching) and is charged with duties of initiating, planning, making external contacts, editing, publishing of research findings and generally the whole administration and co-ordination of activities.

(b) Resolution No. 6: On the list of important research topics for priority consideration

Although so far no research has been undertaken besides the already published ones, implementation of five research projects has already started. It is expected that all of them will be completed before the end of the financial/academic year i.e. before July, 1977.

Some topics are similar to the ones mentioned in Resolution No. 6, while others are completely different. This is mainly due to the massive re-structuring of the Co-operative Movement in Tanzania which has necessitated a shift of emphasis/interest on priority areas of research. At the time of writing, four of the five projects were in phase I i.e. the pre-survey or pilot survey stage, while, one project has already reached phase II i.e. the actual research-work.

The following are the main themes of the five projects:

- (i) "The role of small-scale industries for socialist development in Tanzania: The case of Kilimanjaro and Arusha Regions."

Possibilities for co-operatives in this field is the main aim of the study which is being undertaken by the Economics Department supported by other disciplines as need arises.

- (ii) "The effect of environmental changes on leadership and the latter's impact upon rural productivity in Singida & Arusha Regions".

The basic unit to be reached for the changes in the co-operative movement is the village. The study is undertaken by the Management and Law Department.

- (iii) "Transport Research". To investigate optimal tonnage capacity needed in a region, given the volume of business, roads and storage conditions". The study is undertaken by the Economics Department.
- (iv) "Effects of Decentralization policy and/or the Village and Ujamaa Villages Act, 1975 on "village" development. The study is undertaken by Political Education, Sociology and Co-operation Department.
- (v) "The fruit and vegetable industry in Tanga Region: Possibilities for processing and canning industry and its relations to co-operative marketing/production". The study is undertaken by the Agricultural Economics Unit.

These five projects would be supported by other specialisations when and if the need arises. Such complementary research-work will be taken up; with the objective of supporting the main aim of the main research-project.

It should further be noted that in relation to resolution 6, other topics of priority consideration have been taken up, either directly or as an overlap of some other research theme being implemented. For instance, (topic (k) in the 1974 Conference Report listing) "A study on the development of rural, small scale industries through co-operatives" has been taken up in our research project No. (i) above. Similarly (f) on "Effects of Diversification, i.e. move from single to multi-purpose societies", we feel, is sufficiently embraced in our research project No. (iv).

Other topics in the resolution have at least been taken up in part, in the students' field-assignments which include small-scale research-work for a period of five to seven weeks. Some of the topics take into account research topics guidelines produced by the Commissioner for Ujamaa and Co-operative Development.

(c) Resolution No. 8: Timing of Research Activities

On resolution No. 8, the Department is very much aware, that if findings are not released in time, especially to those who were respondents or to organizations which provided facilities and/or information, this may have adverse consequences in the long run especially with regard to human relations between the College and them.



Potential users of research in our case are mainly:

- The College itself, in its training programmes.
- The Ujamaa and Co-operative Development Division, (Office of the Prime Minister) and its regional and district offices, and public firms researched on.
- The co-operative movement, in particular the co-operative societies and villages included during research.

Our usual research-work period, is estimated at between one and four months at the most. The Research Executive Committee of the College, has resolved that tutor-researchers should produce reports on their findings in phases. Research is therefore divided into the following phases:

- Phase I - Pre-survey
- Phase II - Actual research-work
- Phase III - Compilation, writing-up and production of the research report.

Each of the phases must be reported on to the Committee. One of the major obstacles to timing the release of findings is, insufficiency of secretarial services but we are hopeful that this will sooner than later be resolved.

(d) Resolution No. 9: To what purpose co-operative research.

All our research work is supposed to be linked up with the consultancy work of the Department. In other words, besides carrying out consultancy services in response to clients' requests, the College undertakes research with the objective that it will help the main objective for which the College was set-up. Accordingly our:

- Research findings should help through a more practical and problem-solving approach, to better train cadres for rural development.
- Research findings should be such that they will be of direct and current interest to policy implementors within the Co-operative Movement and the Co-operative Division of the Prime Minister's Office, etc.

5. Summary of discussions in the plenary session on  
Institutional Background Papers

Chairman: Dr. Goran Hyden  
Rapporteur: Mr. J. M. A. Opio-Odongo

Introduction

Prior to the plenary session, two other papers, one on "research, consultancy and training" and the other on "integrated rural development through co-operatives in Kenya" had been presented. To some extent, these two papers also influenced the direction and content of the deliberations at the plenary.

The mood of the discussions was jovial although issues were treated quite seriously. Some of these have found their way into the conference resolutions. Although some new ideas appeared, the bulk of the discussions hinged on the extent to which the resolutions of the 1974 Conference on Co-operative Research and Planning had or had not been implemented. These were discussed in the order they appeared in the 1974 Conference Report.

1. Establishment of Co-operative Department and Co-operative College Research Units

The institutional background papers indicated that research units for the departments and colleges had not been established all over the region. The main constraints proved to be shortage of finance and manpower. Some countries like Zambia, had, however, since established a research and planning section at the department, but considered it of low priority at the Co-operative (Education) Centre at this stage whilst the Co-operative College, Moshi, has created a full fledged "research and consultancy" department.

Although the issue had been discussed extensively in the various groups, discussions on it at the plenary were not any less searching. To some members, non-existence of a research unit did not necessarily mean absence of research. On the other hand, the majority of people felt that the existence of a research unit would very much facilitate the initiation of, conducting and reporting on research. Having a unit would lead to efforts of finding competent personnel to man it. Research, it was

observed, is time consuming and quite a tedious exercise. One cannot depend on administrators and teachers already fairly burdened in their functional areas, to undertake serious research work for a considerable period of time. Furthermore, having research units would offer organizational clarity in terms of assigning responsibility and thereby create some sense of ownership of and commitment to whatever findings and recommendations emerge.

The plenary therefore reached a consensus that there was a need for research units within the various national co-operative organizations. But before establishing them, the manpower capacity of the organization in question, the Conference stressed, would need to be considered.

## 2. The importance of Regional and National Research Registers

The issue of Research Registers was discussed extensively. The ICA background paper had expressed the view that if the Regional Co-operative Research and Planning Documents Register was promptly updated, there was no need to maintain national registers. Although a few participants were not aware of the existence of the ICA's Regional Co-operative Research and Planning Documents Register, the participants emphasized the importance of a Research Register at both the regional and national levels, pointing out that in both cases the ICA was in a position to help devise a method of collecting and compiling the information in the register. There are instances whereby, even when a research is conducted at national level, the sponsorship and publication of the findings take place outside the region. ICA should collect the information on such research, for inclusion in the register. It was noted that only a few institutions had responded to the ICA request by providing information required for updating the regional register. It was agreed that Co-operative Research Registers should be compiled both at national and regional levels. (ICA should compile the regional register while national institutions should assist ICA by providing the necessary information).

## 3. ICA Research Unit, nature and duration of training of Research Officer - trainees

Many issues on this subject were discussed at length. ICA took pains to explain the history, financing, present set-up and functioning of the Unit.

Some members strongly expressed the view that training would better take place in member organizations so that the national co-operative movement should benefit immediately

from the services of its trainee. While agreeing that for some time the trainee should be at the ICA Regional Office, this group maintained that such a period should be very much shortened. From the ICA point of view, the Regional Office has no major objection to this proposal as long as it is not taken rigidly. The length of period, notably for new trainees who have reasonable research and co-operative background, can always be mutually discussed between the ICA and the organization from which a trainee originates. It was, however, emphasized by the ICA that so far, the apex co-operative organizations are not losing by having the trainees at the Regional Office because the trainees, within reason, become available to the apex organizations whenever there is need to avail them. Moreover, the research conducted by the research unit is to the benefit of the entire co-operative movement in the region. Exposure to the whole field of co-operative development in the region widens the scope and experience of the trainee more than that of a single country.

Members recommended that the ICA should conduct a few intensive seminars yearly for research officers of the region. Such seminars/workshops would cover such aspects as research methodology and application of research findings. Institutions like the universities could be called in to assist in conducting some of the sessions. Some of the participants from the universities responded positively that they will assist if and when they are asked to do so.

On the whole, participants seemed to agree that a minimum of two years of training at the Regional Office was needed. Trainees should be recruited from as many member countries as possible. Since facilities and research manpower at the ICA Regional Office are limited, short national and regional seminars and workshops could be arranged in collaboration with outside staff, including the local and other universities. Even though local institutions were urged to provide as much funding as was feasible in their circumstances, ICA was called upon to look for necessary finance for these seminars and workshops.

#### 4. ICA Standing Committee on Co-operative Research, Planning & Consultancy

The composition of this committee was discussed and a proposal made that persons outside the co-operative movement and the government department responsible for co-operative development

should be co-opted and allowed to remain on the committee as long as they (the "outsiders") maintain an active interest in co-operative research. This was unanimously accepted. Membership of the Committee will therefore now comprise:

- (i) The ICA Regional Director (Chairman)
- (ii) One country representative nominated by each country's Co-operative Research and Planning Committee.
- (iii) A maximum of three "outsiders" practically involved in co-operative research, their continued membership of the Committee being subject to regular periodic review.
- (iv) The Head of the Research, Planning and Consultancy Department of the ICA Regional Office who shall be Secretary to the Committee.

#### 5. Co-ordination of Research

The 1974 Research and Planning Conference had resolved on the formation of National Co-operative Research Committees to co-ordinate co-operative research at national levels. To-date, however, none have been formed. There are several reasons for this but the main one seems to be lack of initiative by the various institutions concerned with co-operative research. Views that either the Co-operative Departments or the national co-operative apexes play this role of co-ordination were expressed by various participants but this was generally found impractical but not ruled out. Whilst appreciating the desirability of flexibility on the matter, the participants nevertheless strongly felt the ICA should take a direct initiative to promote the setting-up of these committees throughout the Region.

On the financing of the co-ordinating committees, Mauritius was certain that in her case adequate local resources would be available. Other countries were requested to work on ways and means of self-financing for their committees.

#### 6. Other Activities: West African Study tour by co-operative leaders from the Region

In answer to a question on the above matter, participants were informed that the leaders' tour was successful. Due to immense problems of communication in West Africa, the leaders had resolved that it would neither be useful nor easy for the analysts to follow them to West Africa as earlier planned. Hence the cancellation of the analysts' trip. The report of the leaders' tour was, however, already published and copies could be availed to those who want to have them.



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## II. RESEARCH LINKAGES AND APPLICATION

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## 1. Research, Consultancy and Training in Co-operative Development

Dr. Goran Hyden

One feature of development, whether in general or in a specific sector, is the trend towards specialization. People grow more and more engaged in a particular type of job or role. If this process, however, is allowed to go on unchecked, many of the benefits that may accrue from the development of society would be lost. Efforts are wasted because they are not integrated and viewed in a more comprehensive perspective.

This problem has already for generations been facing the industrial societies and as a result of this experience attempts have been made to develop techniques which allow society to be more effectively managed. Command of these techniques has now become almost a prerequisite for the development of these societies. The significant thing about these techniques is that their use requires the involvement of many people. Whether we talk of the techniques of corporate planning or programmed implementation, their successful use is dependent on the willingness and ability of the various actors to recognize their inter-dependencies as well as their dependence on the knowledge of these very techniques. To that extent, man is a captive of the system. Techniques are in command.

The experience of the industrialized countries tends to be universalized and thus the models and techniques evolved out of that experience are exported to developing countries on the ground that if they are successfully applied they will help these countries to avoid the mistakes made by the more developed societies. What is often overlooked is that these models and techniques rest on certain cultural and social premises which characterize the industrial societies but which may not necessarily be found in the developing countries. Thus, these techniques are of little value in aiding decision-makers in developing countries to manage their society.

The point I wish to make here is that while certain means of bringing order and understanding of our ever-changing environment are necessary, decision-makers in developing countries are rarely given a chance to develop techniques based on their own experience. There is always some professional consultant ready to "sell" his package of models and techniques to the decision-makers in these countries. Because these aids are presented as providing a "short-cut" to the solution of a given problem decision-makers are inclined to adopt them. Often, however, what happens is that these people fail to make constructive use of the package provided



by the experts. Stepping into somebody else's shoes is always a frustrating exercise. People should be allowed to reflect on their own experience and devise their own models and techniques based on that experience. I maintain that part of the problem of overcoming underdevelopment in Africa stems from the fact that decision-makers in these countries are not given such opportunities.

Equally important is that these decision-makers should be given opportunity to examine closer how their respective activities are linked together, i.e. how in the pursuit of their jobs they are all dependent on each other. The models borrowed from elsewhere become of little value if these inter-dependencies are not realized. An understanding of these comes, in my view, most likely as a result of reflection on one's own job experience and ability to "compare notes" with colleagues in related fields. New patterns of interaction are recognized, techniques identified, etc. at such occasions. That is why I believe that this kind of conferences which the ICA holds at regular occasions is extremely important.

Having made this "philosophical" point I shall now turn to examine research, consultancy and training in the light of the above remarks.

#### Research, Consultancy and Training Linkages

Research, consultancy and training are activities which, because of the specialisation that takes place in society, tend to be pursued independently of each other. To accept their fragmentation into separate activities, however, is a mistake. Thus, in our field we should view them as forming parts of a System of Co-operative Development.

A system is an assembly of interdependent parts (sometimes referred to as sub-systems) whose interaction determine its overall performance. Interdependence means that a change in one part affects the other parts and thus the whole system. Below I shall argue that in order to strengthen our co-operative development efforts, there is a need to stress more emphatically, the interdependent nature of research, consultancy and training.

This is not to overlook the fact that the essence of each of these activities is distinct. Each possesses certain unique properties or characteristics which distinguish it from the other two. Since these differences are not always realised or acknowledged it may be useful to give a definition of each.

Training is basically a guided learning process whereby a trainee acquires knowledge and skills to fill the gap between his initial knowledge and skills and those required for effective performance of a given task. Training differs from education in that it implies the imparting of specific skills while the latter is mainly mind-broadening\*.

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\*. If that distinction is acceptable we should talk of "co-operative training" rather than "co-operative education". That, however, is a semantic point and does not have to concern us here.

Research is an investigative process aiming at the discovery of new facts or testing given hypotheses. Its purpose is to extend knowledge of the nature and principles governing a certain phenomenon and to develop therefrom theories of general application. The applicability of research findings is usually not immediate. They require interpretation and further testing before they are operationally useful.

Consultancy is a counselling process involving a two-way interaction: asking for and providing advisory and other related services. Thus, while research often takes place upon the initiative of the researcher, consultancy work is usually commissioned. The latter involves one or several persons with specialised skills and relevant experience investigating an operational problem with a view to recommending a course of action that would solve that problem. Thus, consultancy is more operationally oriented than research.

It is important in co-operative development work that these activities are allowed to constructively complement each other. To emphasize this point I wish to give my own definition of co-operative development as:

"A process of planned change in which the instruments of training, consultancy and research are brought to bear: (a) upon the skills committee members, staff and rank-and-file membership require for successful performance; (b) upon the environment in which they perform."

From this definition it is clear that none of these activities are ends in themselves; rather they are all means in the overall process of Co-operative Development. It should also be noted that the ultimate objective is to positively affect not only co-operative leaders and their staff but also the environment in which co-operatives operate. Thus, because of the dynamic interplay between several factors in the co-operative development process I reiterate my belief in the usefulness of a "systems" view of that process.

If we fail to accept that these linkages exist our work will fall short of expectations. Let me illustrate this with a few examples.

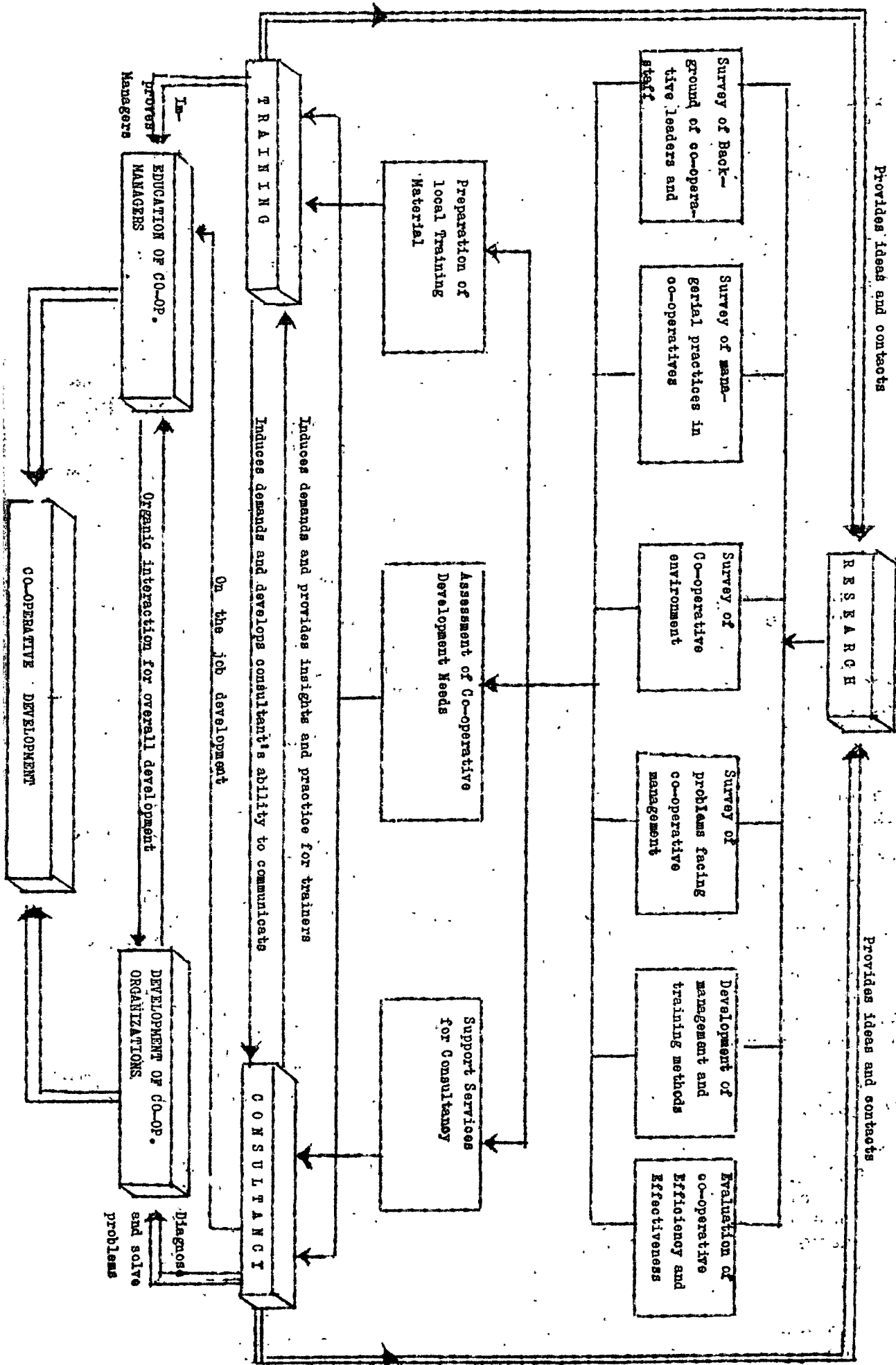
(a) When training is conducted without the suitable information about the background of committee men and staff, their present knowledge and skills, their managerial practices and problems and the environmental factors affecting their performance, all of which can be obtained through research, we can expect:

- no real assessment of training needs;
- uncertainty about the homogeneity of these needs;
- no local training materials and no methods adapted to the local environment;

- a resultant inability to effectively plan and execute training programmes.
- (b) When consultancy is conducted without the back-up information and analysis of research, we can expect:
- longer time is required to diagnose problems and diagnoses may even be incorrect;
  - recommendations may not be suitable.
- (c) When training is conducted with no back-up of consultancy services, we can expect:
- training would be too theoretical and bookish;
  - trainees, upon returning to their co-operative organizations, meet with difficulties when asked to act as "agents of change".
- (d) When consultancy services are not backed up by training, i. e. on-the-job or off-the-job development of the abilities of client co-operative leaders and staff, to solve managerial problems, we can expect:
- longer dependence on the consultant for diagnosis and solution of problems;
  - a probable return to the "original" situation once consultancy is terminated.

From the above examples the dynamic interplay between research, consultancy and training when properly integrated, is evident. Research has to provide the general background data on which consultancy and training can be made more effective. It is the consultant and the trainer, however, who can operationalize this material and make it applicable to the solution of problems in the co-operative organizations. The relationships between research, consultancy and training are further illustrated in Figure 1.

FIGURE 1. THE ROLES OF RESEARCH, CONSULTANCY AND TRAINING IN THE CO-OPERATIVE DEVELOPMENT SYSTEM



### The Situation in East Africa

I think it is fair to say that in East Africa we have been constantly moving towards a more constructive integration of trainings, consultancy and research. Yet, there is room for further improvements.

Co-operative development in the early days i.e. the 1960s, was primarily conceived in terms of training and education. There was a need for improving the skills of the co-operators and their managers. As greater and greater demands were put on training, however, it was gradually realized that there was a need for local teaching material. Most of that could only be developed through research. Thus, the needs of co-operative education produced an impetus for research. In the early 1970s some of us began to ask another set of questions: How effective was co-operative education? Did it really solve the problems of poor performance or were there other factors, which education could not influence, that determined performance in the co-operatives? Some evaluative research was carried out in the early 1970s with these questions in mind.

As one person with some experience of co-operative research in East Africa, I must say we have moved beyond the situation that existed in the late 1960s when we were still fumbling in the dark and the researcher was regarded by the practitioner as someone of little relevance to his problems. Not only has research today become an acceptable part of co-operative development, there is also closer contact between researchers and practitioners of co-operative development, something that this conference bears witness of.

The present problem, which is highlighted in the ICA Research Unit background paper circulated in advance of this Conference, is that the findings of research work are still not fully utilized. Rather than arguing about whose fault this may be, it seems necessary to recognize that there is a structural problem which needs resolution. The character of research work is such that it is not immediately translated into operational solutions. Therefore, the trainer or the manager cannot expect that the research findings are automatically applicable in his situation. There is need for another link in the chain between research and co-operative development practice: consultants who can take advantage of research findings and operationalize these into tools that are useful in the development of co-operative organizations or the training of co-operative managers.

The consultancy link has been the weakest so far in our situation. This does not mean that those who have served in advisory positions in the Movements or Departments have not done their job well. What I am arguing, however, is that they have not been quite as closely in touch with researchers and trainers as they ought to be. This may be the result of the institutional separations that exist: the trainers are housed in a College, the researchers in the University and the consultants in the Movement or the Government Department responsible for co-operative development. Furthermore, most of the consultants have been expatriates serving

here on short-term contracts. Thus, no local consultancy capacity within the co-operative sector has yet been built up.

Consultancy is no substitute for good management in the co-operatives, but given that these institutions still face serious operational problems it is important to ensure the development of a local consultancy capacity. This is probably one of the biggest challenges facing those concerned with co-operative development. It can only be achieved by bringing closer together research, training and consultancy and the people involved in these activities.

How this should be done ought to be one of the items on the agenda of this conference. The ICA Background Paper refers to the problems experienced with the Research and Planning Committees recommended at the Regional Conference on Co-operative Research and Planning, held in April 1974.

Research must not only be seen in relation to planning. It is true that research findings are important inputs into the planning process but in order to be valuable such findings must also have an impact on the day to day operations of the co-operative organizations. This can be done if there are people who can serve as "brokers" between the researchers and the practitioners. The latter will be even more interested in research than they are today if there are people who can translate the findings into operational devices. Rather than depending on formalized committees to take initiatives we should try to create the circumstances under which the natural linkage between research, consultancy and training can flourish. This may not be an easy task but it should be possible.

Some of the steps that could be taken include:

- Concentrating research efforts to those institutions which are not involved in the day-to-day operational problems of co-operative management, i.e. training institutions, universities, independent organizations like the ICA or possibly the apex organizations of the movement.
- Ensuring that research work is relevant by encouraging the practitioners to take the initiative for such work and that it is yielding reliable results by allowing the research to be conducted by those who have the appropriate background for it.
- Strengthening the consultancy component particularly in the training institutions, where such work can help to make training and education more relevant and effective.
- Making the Departments concentrate on planning and the identification of research needs as well as on consultancy operations on a "task force" basis to ensure rapid and positive interventions in operational situations requiring immediate outside assistance.

- Facilitating the exchange of staff between co-operative organizations and the training institutions for co-operative development to achieve a closer link between theory and practice.

The co-operative development work is like a battlefield operation. Each unit has its own function to perform and it must be allowed to do so as effectively as possible. Each unit must also acknowledge the peculiarities of the others but at the same time recognize that the overall task can only be successful if there is mutual understanding between all those involved in that task. Research is the reconnaissance unit which can assist in mapping the environment in which the operations take place. The consultants and the trainers can devise the strategies which are likely to be most effective for the operational units to use. The latter can, in fact, tell the others how these strategies work. Only then is the cycle complete and the possibility there to revise and improve the strategies. We have enough experience of each other and of our work to direct our efforts jointly and more effectively along the lines indicated in the "systems" view of co-operative development.

Summary of discussions on the paper on "Research, Consultancy and Training in Co-operative Development".

Chairman: Mr. J. Gaetsaloe  
Rapporteur: Mr. Okumu Odede

The paper was received with animated discussions ensuing. It unwittingly revealed quite a few interesting linkages between the institutional background papers inter se, and between these and, the paper on integrated rural development through co-operatives in Kenya.

The meaning of research, consultancy and training and their linkages were brought out by various discussants. Consultancy, it was noted, takes over from the point where research has shed some illuminating light on a particular situation. Both of them are, however, on the same continuum. Research, must have as one of its objectives the provision of some new knowledge of lasting value. For objectivity, research is better conducted by people outside a particular "client" institution. Such people, should, however, be very careful and diplomatic in presenting their findings, particularly if these findings differ from what the executives of the institution would like to hear.

The difference between training and education cropped up during the discussions. One discussant, however, pointed out the danger of distinguishing between the two terms warning that such distinction, in his view, could very well produce robots. As used by co-operators "co-operative education" refers to member education whereas the term "training" is used when knowledge is imparted for the application of certain skills. In this context some reference was made to a study made in one of the countries of the Region in 1972. The study had aimed at finding out the correlation between co-operative performance and training. There were four indicators of performance and none of them showed that training contributed to better performance. Some speakers, however, were quick to point out that maybe the findings were what they were because the education and training that was being given was irrelevant to co-operative development in that country. It was, nevertheless, noted with regret that the findings of this research were shelved by the authorities.

A view that consultancy should not be imposed on co-operatives was expressed. Rather, researchers and consultants, it was stressed, should be able to sell themselves and their trade to co-operatives. In this regard some participants wondered how a government's co-operative development department could "play" the neutral consultant, especially when it is at the same time clothed with (vast) powers of supervision and control. It was asserted that for the co-operative



department to be able to play its consultancy role properly, it has got to change its image. Right now it has the image of a ruthless policeman. This does not augur well for consultancy which was considered of vital importance at the present stage of our development. It was reported that in Kenya there is a considerable amount of consultancy work done by the Co-operative Department for co-operative societies. These include, inter alia, designing and implementation of accounting systems, insurance and taxation. Moreover the consultancy component was said to be fully Kenyanised. Which led to the next point.

The need to develop local expertise in the three fields was underscored. The main danger of relying on foreign techniques and models was the waning of our ability to modify these instruments to suit our local environment. This could result in lack of creativity and dynamism.

2. Integrated Rural Development through Co-operatives  
in Kenya:  
Lessons from Lirhembe Development Co-operative Society

Mwinzi Munuve

In this paper, I shall try to outline the problems of the integrated approach to rural development through co-operatives as revealed by the experiences from Lirhembe, one of the five "development co-operatives" so far registered in Kenya.

Due to the increasing awareness of the problem of rural poverty and the increasing economic, social and regional disparities, the need for an integrated approach to rural development through co-operatives has been spelled out in the Sessional Paper No. 14 of 1975. This Policy Paper states that: "The Integrated Co-operative Development Project approach is another tool which the Government intends to use in the development of the rural areas. The major objectives within this approach are to increase incomes by raising farm production and providing social services on a co-operative basis. Integrated co-operative development projects of this nature encompass co-operative activities, that is, production and marketing; agriculture, dairy and crop development; health services, maternal and child care services; community development and social services, nursery schools, social welfare services, adult education and women activities, etc.

There are only five such societies at the moment and it is the Government policy to promote this type of societies to cover the whole country."

The first attempt on this approach was made in Ikolomani Constituency of Kakamega District.

The choice of this area seemed politically motivated and a wrong one because of lack of an economic base which would have enable the society or its members to pay for the social activities. The pressure of population on land is so high here i.e. 600 people per sq. km., that it leaves a very small area for farming (on average 0.14 ha. per person). With the present technical know-how in the area, the people there cannot produce enough food for themselves.

The land resources are not equally divided. Some people were able to acquire more land than others because of their status (e.g. chiefs, traders, civil servants, teachers, etc.) in the community.

This has produced as indicated below very small size holdings:

<u> Holding size</u>	<u> % of farms</u>
1 acre	17
1 - 2 acres	30
2 - 3 "	20
3 - 4 "	11
4 - 5 "	6
5 - 6 "	6
6 + "	10

All the farmers here could be classified as small-scale farmers, but although the difference of their farms are small, they are significant for this area. This brings us to the theory of poverty line which is defined as the equivalent of an adequate food supply per family per year (computed with the help of FAO tables) and an additional cash-income of 200/- per person per year. This implies that a family of 6 people will have to produce 30 bags of maize (selling at 65/- per bag) in order to have enough to eat plus Shs. 200/- extra. As per calory requirement recommended by FAO, each pers will need 2 bags of maize per year. Only about 30% of the farmers here can therefore, reach the poverty line status. In other words, 70% of the farmers have no savings capacity to afford them farm inputs.

These poor farmers are moreover forced by circumstances to market their crops immediately after harvest in order to acquire some essential commodities and later they will have to pay more for the same crop they had sold cheaply. But 30% of the farmers can afford to wait until the prices of the crops go up. This growing disparity of personal economies among people is, of course, a well known phenomenon in development theory and many economists have mentioned it for different regions although no specific studies have been conducted in the area in question.

Their argument usually focuses on lower marginal returns on labour and capital investments as a result of intensification, etc. The rapidly growing population of Kenya, has however, produced certain areas (like the project area in Kakamega), where pressure on the land has grown to such an extent that these arguments are largely irrelevant. A majority of the farmers cannot anymore intensify because they lack the necessary resources.

This widespread inability to generate sufficient income from the farm has, of course, led to a scramble for off-farm income generation, both within the area and by migrating to other places including urban centres (e.g. Nairobi). In these areas 18 - 20% of all heads of households are permanently absent working elsewhere. Their remittances must supplement family incomes, but apparently, one third is not able to do so. One result of the absence of many male heads of households is a drop in farm productivity, so that at least in a number of cases, the actual result for the family is negative. There are a great many possibilities for earning off-farm income in

the area (teaching, trade in home-made beer and petty goods, charcoal, tailoring, motor-vehicle driving, etc.) but, except for jobs that require a high level of formal education, returns from these trades tend to be very low, so that even if we include income from all off-farm activities, still 45% of all households remain below the poverty line. The burden of poverty, moreover, results in a waning interest in farming. It may well be that investing labour in farming activities promises a higher return of say Sh.2/50 per day. But if another job gives an immediate return of e.g. Sh.2/- per day, most people will still opt for this latter opportunity, because they need the money now and not after four or five months. Present income is valued much higher, deferred gratification a luxury which only the relatively rich can afford. Below the poverty line a completely different set of values/social economic mechanisms become operative.

Poverty is also a major social problem, which affects development in a negative sense. In these areas even a casual observer can see a build-up of social tension as a result of jealousies, envy, etc. Arson, cutting down of newly planted tree-crops, theft of stored inputs or maize in the field, etc., are rampant to such an extent that people who could for instance invest in agriculture, refrain from doing so, since they do not expect to reap the full benefits. Especially during the "short rains" which are normally sufficient for a good maize/beans harvest, many people prefer to leave their fields fallow. Dairy cows have been known to be poisoned by batteries, plastic bags, etc. thrown into their pastures.

Although three of the four first integrated rural development co-operatives were situated in this area of widespread poverty, we propose to limit the discussion to the Lirhembe co-operative. Events in the other two societies were similar, but only in Lirhembe have the original plans now been fully implemented. The original choice of Lirhembe may have been accidental: by chance, the brother of the former M.P.\* for the area, met in Nairobi with one Dutch Professor who was then in the Sociology Department of the University of Nairobi. The Professor was greatly attracted by the concept of integrated rural development and especially by the idea of providing social services to the poor through the co-operative movement. With his assistance plans were drawn up for Lirhembe which included:

1. 300 acres of tea. The Kenya Tea Development Authority (K.T.D.A.) refused this programme because the former did not want to expand the "tea area" beyond the scheduled boundaries.
2. 300 acres of maize, sunflower and legumes for marketing.
3. The introduction of 200 grade dairy cattle on 300 acres of improved grassland.
4. The construction of a community centre (cost estimated at K.Sh.213,000) + furniture and equipment (K.Sh.52,000).
5. Tractors & other agricultural machinery (K.Sh.60,000).

\* Initials stand for "Member of Parliament" - Ed.

It was, of course, realized that farmers would need credit for purchasing inputs, including fertilizers, fences, grass seeds, etc., and cattle would be provided on a revolving loan basis. NOVIB, the Dutch Foundation with which the Professor was in contact, agreed to assist the project and made a grant of K.S. 1,020,000 available in instalments. No feasibility studies were made at the time, otherwise, it is certain that it would have been realized that none of the economic programmes were really feasible. Only a look at the results of the 1969 population census should have been sufficient to scrap most of these plans!

The community centre was built the cost of which finally amounted to K.S. 540,000 (before devaluation!). The tea programme as already pointed out, did not, materialize but it would have been unrealistic in any case. The great majority of the people in the area did not have enough land to plant a crop which would not yield anything for three years. Immediate wants simply forestalled such a development!

More or less automatically, it had been assumed that credit was a necessary prerequisite for modernizing farming. So credits were made available for fertilizers and other farm-inputs which farmers were only too glad to accept. Of course, maize and other annual crops do not constitute a sure collateral for loans and in such circumstances the problem of non-repayment must be expected. Even more so in this particular area for which even a much higher yield would often not produce a surplus for sale, implying that credits were simply consumed. Those people who did produce some surplus pointed to the many other loan defaulters and refused (and still refuse) to pay. On top of this, the society had made no arrangements at all for marketing the maize. Consequently, it had no money to pay farmers cash on delivery for their maize. People therefore sold any surpluses they had to private traders, and **this picture** resulted: during the first year, loan repayment was 70%, in year 2 it became 40% and in year 3, there was nothing left for loan repayment, because the society used up the remaining funds on recurrent expenditure.

Cattle - Prices of cattle rose so that only 135 grade cattle could be purchased with the available funds, from Kitale farms. People were naturally very eager to obtain a cow each. As might be expected, members of the management committee and the élite in and around the area, succeeded in pulling themselves to the top of the list, whether or not they had the required grassland available.

Government checks and supervision on the operation were minimal and nepotism was rampant. In any case, many receiving farmers did not have the management capacity/land resources to properly maintain their newly-acquired wealth. Repayment obligations were vague, to say the least. Owners were supposed to give back the first cow-calf. Unfortunately many calves were bulls or died within two years. Worse still, 100 of the original cows died. Lack of proper husbandry - no dipping, no supplementary feeding, no disease control - was a major cause, besides the cases of poisoning already mentioned. Addedly, the fact that no provisions had been made for the purchase or marketing of the milk by the

co-operative did not help matters. Consequently farmers did not have much money income as they were now compelled to sell their milk locally. Conversely, and equally important, the co-operative had no means to force repayment of loans for fencing and the cattle themselves. In a nutshell, therefore, only a few people repaid in heifers and no one repaid the fencing loans.

During all the time the co-operative did not have any income, there was the community centre, the staff (e.g. manager and station hands), passion fruit nursery, etc., to be maintained. There was one tractor with a trailer, plough and harrow. In an area with minute-size farms such an investment (whose usage is moreover highly seasonal), is unlikely to pay good returns. In this case, the tractor being virtually the only possible source of revenue earning, was used to generate income for recurrent expenditure, although, as was mentioned before, part of the revolving cattle fund was used for this purpose. All this, however, was not enough — ostensibly at least — to guarantee the Society adequate finance and in time the society's committee decided to rent the community centre to a Harambee Secondary School, a decision which was duly approved by the general membership of the co-operative.

Yet the rent amounted to K.Ss. 1,500 per annum only, equivalent to the annual school fees of only one of the 400 and odd pupils in the School. As it happens, the committee members of the society also serve on the Board of Governors of the School and this must be a profitable enterprise, the school making at least a net profit of K.Ss. 100,000 (after deducting for building funds for further extensions!)

Of the Society's present membership of 620, some 450 still have debts ranging from K.Ss. 8,500 to K.Ss. 10/-. Total debts exceed K.Ss. 400,000 and the society is virtually bankrupt. The Provincial Co-operative Auditor has now requested for an official inquiry by the Department of Co-operatives into the Society's state of affairs. It may be recalled in this connection that from its inception, the Ministry was only marginally involved in this co-operative and Departmental Officers were, in fact, even refused access to the books, and other assets of the Society. This is because the society seemed to have been a political power-base for the former local M.P., who clearly saw this enterprise as his own private company and therefore resented and blocked all outside "interference". When it became clear that the Ministry would not tolerate this, account books (conveniently?) got lost. Hence the recommended inquiry.

To sum up, achievements and benefits have been nil, and must presumably be assessed negative. In future it will be virtually impossible to inject funds on a loan basis, etc, which is now regarded by the local residents as "Manna from Heaven" for immediate consumption. In part, at least, this situation has also come about because of the local situation, especially the exceptional population pressure, a total lack of proper planning and a disregard for economic principles such as the vital importance of an economic base (income) for the co-operative.

Failures in Lirhembe do not, and cannot, prove the viability or otherwise of the integrated rural development approach through co-operatives. Fundamental mistakes were made in this case. On the other hand, the example of Lirhembe, clearly underlines the necessity for proper feasibility studies and for a much greater attention for basic economic factors, no matter how desirable other social benefits may be.

At present plans are being drafted for Kimalewa Development Co-operative Society (in Bungoma District) which, hopefully, will steer clear from at least the most obvious pitfalls encountered in Lirhembe.

Summary of discussions arising out of paper on Integrated Rural Development through Co-operatives in Kenya

Chairman : Dr. M. Trevor Chandler  
Rapporteur: Mr. Clement Z. Kwayu

The paper was received with mixed feelings. Many considered it an excellent case-study demonstrating problems that may arise when no proper planning is made prior to implementation of projects. Others, on the other hand, were surprised to learn of a situation in which things messed up due to over-simplification of the proposed project's social environment, this despite the fact that one of the prime movers of the unfortunate project was a university professor of sociology! On the whole, the paper drew a lot of lively discussion underscoring the importance of proper research into situations before embarking on new major projects.

Some discussants looked at the paper from co-operative operational view-point. One of the issues raised was on the poor functioning of the marketing system. The reasons why a farmer would sell his crops to a private trader rather than to his co-operative society include among other things, a delay in payment. To the poor farmer, less money now is better than more money later. This problem is common to co-operatives throughout the region. Botswana has tried to solve the problem by advancing some money to the farmers. Mauritius has attempted to solve it by integrating credit with marketing activity for which the co-operative bank provides production and marketing credit facilities of up to 90% of estimated value of the yield.

A few discussants were quick to point out that this was not a typical co-operative society. It was noted though not explicable, that the Government Department responsible for co-operative development had little or no say in the affairs of Lirhembe. Such situations depict a wrong picture of co-operatives. On the other hand, some discussants felt that the socio-political aspects had not been sufficiently described in the case. Even so, from the given socio-political set-up of the project, it would appear very difficult for co-operatives in Kenya to move into food crop areas. In this particular case, the effects of class differentiation and foreign aid seem to have been given scant consideration, if at all. The paper, it was suggested, should have, moreover, addressed itself to some pertinent questions. For instance, how will the Department of Co-operative Development now re-orientate Lirhembe? What cogent analyses have been made and what meaningful conclusions have been reached on them?



What are the conditions that would determine failure or success of such an approach? Although it was appreciated that the Kenya Government was becoming cautious with similar projects by conducting baseline studies before embarking on them in other parts of Kenya, the conference participants noted that already the number of such projects was sizeable enough to brand an almost indelible stigma upon the co-operatives and the Department, unless quick steps were taken to remedy the situation. Indeed, it was a refreshing sign that even if the paper lacked in detail and depth, its presentation was candidly made by a departmental "insider".

### 3. Research and Documentation

#### Preamble:

During the Conference, a number of issues on Research and Documentation were raised. The important points that arose from these issues have found their way in the summary report of the plenary session on institutional background papers as well as in the conference resolutions. This section is a resume of the main issues and deliberations of the conference on the subject.

#### (i) The Research Register

After extensive discussions, the conference re-affirmed the need to have both national and regional co-operative research and planning documents registers, containing updated information on research and planning institutions as well as completed and ongoing research. The ICA Regional Office should assist the national committees in compiling national registers, especially in so far as layout and documentation is concerned. The national committees on the other hand, should provide ICA with information necessary for compiling and updating the Regional Register.

#### (ii) Undocumented and/or unpublished research

It was observed that there had been some research conducted on some of the research topics on the 1974 Conference priority list. Because some of these researches had not been properly documented or were un-published, they were not well known by the co-operative researchers of the Region. As such duplication of research was likely. To avoid this, it was very strongly recommended that the ICA Regional Office take steps to ensure that such research results are properly documented, published and circulated in the Region.



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III. TOWARD SHARING CO-OPERATIVE DEVELOPMENT FUNCTIONS

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"The organization of external supervision/control actions as an integral part of the co-operative development promotion system"\*

Okumu Odede and Koenraad Verhagen

## 1. INTRODUCTION

The suggestions put forward in this paper are first made on the premise that "co-operation" has been chosen by national policy makers in many developing countries as a major and salutary "instrument for rural development". The paper does not, however, discuss the propriety of such choice against alternative rural development strategies.

Our second premise is that there is little likelihood of co-operation in rural areas of the developing countries growing "naturally" at a speed and in a direction commensurate with the high aspirations of the national leaders.

The logical implication of the above premises is that co-operation being an essential service structure in the entire spectrum of the national development planning system, must therefore remain open to some form of state fostering and direction. Thus co-operation becomes the object of engineered social and economic change. This is the rationale behind state application of considerable resources in terms of manpower\*\* and finance to service the emergent co-operative sector through government administered and controlled institutions.

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\* This paper was first presented at the International Colloquium on "Co-operation as an Instrument for Rural Development" organized at the State University of Ghent, Belgium, 22 - 24 September, 1976. Due to pressure of work on them, the authors regret that they have not had time to develop the paper further.

Opinions expressed in the paper are those of the authors and do not necessarily reflect the views of either the International Co-operative Alliance or the co-operators of the countries served by the ICA Regional Office, Moshi.

\*\* Government employed staff (including auditors and accountants):-

Kenya	363 (December 1974)	Tanzania	1441 (May 1975)
Uganda	1060 (April 1975)	Zambia	192 (June 1975)

Source: K. Verhagen "High Level Manpower Training Needs and Facilities Survey Report" ICA Regional Office, Moshi, October 1975.

The inherent danger and consequence of such a set-up is that co-operation becomes identified with its promoters and as such, its potential for auto-development may be stifled by the superimposition of ideas and methods by the representatives of the "development administration" on those "to be developed". The corollary of this outcome is that "external" assistance - external in the sense of not belonging to or not originating from within the co-operative sector itself - creates a situation of dependence.

The history of active promotion of co-operation as an instrument for auto-development in developing countries goes back some sixty years. Despite this advanced age, the search is still going on, at least in our Region, for a co-operative development strategy, which avoids the slipping of co-operation into a situation of increased and perpetual dependence as a consequence of the stunting support and supervision by its outside promoters.

In order to reduce the undesirable consequences of external "assistance", mainly governmental, this paper pleads for:

- (i) A comprehensive and goal-oriented strategy towards co-operative development whereby the final aim of "self-sustenance"\* of the co-operative movement is reflected in the way (see Table 1) functions necessary to induce and monitor co-operative development are distributed between various governmental, and semi- or non-governmental agencies.
- (ii) An official classification of external supervisory and control actions (see Table 2) according to the degree the societies require external supervision and control, the position of each society on the scale thus being an indicator of the autonomy granted and hence, a formal recognition of its auto-development capacities.

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\* E.g. Sessional Paper No. 14 of 1975 on Co-operative Development Policy for Kenya, Ministry of Co-operative Development, Nairobi. See page 21 at which the final objective of "ultimate self-sustenance" for the movement is re-affirmed.

## 2. DEFINITION OF CONCEPTS

### (a) Supervision versus control

Among co-operators there appears to be neither general agreement on the meaning of these two words and their relation, nor clear-cut disagreement. We believe that an effort to remove the fuzziness around the two concepts is worthwhile and necessary when discussing the nature and division of (co-operative) promotional functions.

Webster's Third New International Dictionary (1966) defines to supervise as to "..... oversee, with the powers of direction and decision ....." the work to be accomplished by co-operative societies.

Control, on the other hand, connotes a higher degree of involvement and larger powers of intervention than supervision. Once again being guided by Webster's dictionary, we find that to control is "to exercise restraining or directing influence over; to regulate; to curb ....., to dominate, to rule".

Though one at times hears among co-operators, expressions such as "government supervision" and "member control", expressing in this context a different type of relationship and degree of commitment — the first coming from outside the co-operative movement (= external), the second from within (= internal) — the preponderant co-operative usage of the two words strongly suggests that they are substitutes for each other, complementarily, or causally connected. Therefore, they both stand for: verification, issuing of rules and directives, as well as the enforcement of corrective measures by direct intervention. This seeming interchangeability of the two terms, conceivably, might be one reason, inter alia, which led in the East African context, to the gradual sliding down of co-operatives from mere government supervision into government control, sanctioned by stringent co-operative legislations\* which enlarged the supervisory and control powers of the head of the government department responsible for co-operative development.

Whereas on the one hand, there seems to be a need for a clear demarcation between the two concepts, on the other, the validity of any mutually exclusive definitions might well be

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\* Kenya : "The Co-operative Societies Act, 1966" and Rules, 1969;  
Tanzania : "The Co-operative Societies Act, 1968" and Rules, 1968;  
Uganda : "The Co-operative Societies Act, 1970" and Regulations, 1971;  
Zambia : "The Co-operative Societies Act, 1970" and Rules, 1972.

the subject of an animated but inconclusive debate between linguists and co-operative practitioners. The difference between external supervision and external control, we believe, can therefore be more easily and usefully expressed in operational terms as shown in Table 2, rather than through definitions with a high level of abstraction.

Table 2 shows that the degree to which the intervention affects the society's administrative and/or managerial autonomy has been used as the main criterion for differentiation between external supervision and external control.

For example, the formal approval of a society's budget and provision of operational guidelines by the supervising authority are both ranked under supervision. But other actions which encroach more drastically on the society's autonomy like the counter signature by government officers of cheques for payments to be made for the normal day-to-day running of the society, are classified as external control actions. So is that complex of actions, called management, when ensured by an appointee of the external authority, e.g., a government officer. In order to reduce the number of categories, some supervisory or control actions which in the East African experience often accompany or vary with each other, have been grouped together as joint determinants for a society's categorization.

(b) Co-operative development promotion system

Some people understand by co-operative promotion the active furthering of the establishment of new co-operative societies by motivating and educating prospective members, and providing administrative support for their legal constitution.

We are using the word promotion in a much wider sense to mean: all acts undertaken with the direct aim of furthering the development of co-operatives. These acts can be sub-divided in relation to several functional areas such as planning, education, managerial assistance, etc., which form the constituent parts of the co-operative development system. They constitute together, a complex unity serving one common purpose although for each functional area, distinct objectives can be formulated such as has been indicated in column 2 of Table 1.

It is beyond the scope of this paper to comment extensively on the interrelationship between the various functional areas and the place of each of them in the system. Yet, we feel that some broad comments on the system's goal, working and the distribution of its functions, is useful in order to put our discussion on supervision and control in the right perspective.



### 3. THE SYSTEM'S GOAL, WORKING AND DISTRIBUTION OF FUNCTIONS

In table 1, the components of the system have been termed "functional areas". They have been determined on the basis of the plausible premise that the impetus needed for the start and functioning of the system during the early stages of co-operative development, has to originate from functionaries of governmental or non-governmental institutions which form no part of the co-operative structure itself. Those who have been entrusted with the task of making co-operatives function as effective tools for rural development should bear in mind the fundamental aim to be pursued by their promotional activities, viz., that the co-operative movement at some stage should be able to develop its own dynamics and thus become a self-sustained "movement", at which stage most, if not all, of the promotional functions ought to be carried out and financed by (the movement) itself. This aim is far from being realised in developing countries, where the general picture is still that of an accumulation and concentration of vital promotional functions in the hands of a single government agency.

From co-operative experience in our Region, the "transfer of functions" from ministerial departments to movement controlled organizations has met with great difficulties. In this respect, the absence of a time schedule and clear policy as to when and which functions should be handed over is significant. Concentration of high calibre local and expatriate manpower in ministerial departments, and its contrasting thin scattering in movement organizations, to us seems to be the main obstacle to the implementation of such a policy.

The policy we recommend (ref. Table 1) is that those functions which will eventually but which cannot as yet, be fully performed by the movement, be assumed by a separate organ with the juridical status of a parastatal or semi-governmental body in order to ensure its financial and administrative autonomy. We have called this body "Co-operative Development Centre" and assigned it development tasks as distinct from registration and "police" functions which we have left with the head of the competent government agency. By development tasks we mean such things as planning, management assistance, education, training, etc.

From the foregoing, it follows that as and when the movement is able to withstand the financial burden of fully undertaking its functions without (major) state subventions, there would be no transfer of those functions from the Co-operative Development Centre to the movement but rather, merely the former's legal transformation from a parastatal to a national Co-operative Apex Organization. It should, however, be noted that right from its inception, the instruments setting up the Co-operative Development Centre should allow for non-governmental representation - preferably co-operators - to serve on its board, the number of co-operators thereon progressively increasing in direct proportion to the financial contribution of the movement towards running the Centre.

In order to be continually effective, the "Co-operative Development Centre" should have "its wings" (field staff) at an appropriate regional level.

In Table 1, we have shown for each functional area, the objects to be pursued and the suggested distribution of functions among various institutions. It is clearly not our suggestion, however, that all the different institutional machinery for the various functions must be set-up at the same time. Nor is it possible within the scope of this paper to discuss all the dimensions of the recommended strategy as well as the consequences of their interaction. However, the simple enumeration of functions and objects suggests that the setting into motion and running of the co-operative promotion machinery represents a considerable investment — in time, men and money — which will only pay off in the long run. Co-operation, therefore, should not be conceived of as a generally cheap and quick instrument for solving rural development problems.

#### 4. CO-OPERATIVE SUPERVISION AND CONTROL: A CONTROVERSIAL ISSUE

Supervision and control actions have been a matter of controversy from the very start of co-operation in many developing countries and to-date the controversy remains unresolved to the satisfaction of all parties concerned. Over the years, each country has developed standard patterns and practices with respect to forms and intensity of supervision and control. The general tendency, at least in the countries served by the ICA Regional Office in Moshi, has been the strengthening and widening of the supervisory and controlling powers of the government agency (Co-operative Department) in charge of co-operative promotion. Accordingly, considerable bureaucratic structures have been built and manned by government staff such that, while impressive progress has been made in the range and volume of activities carried out by co-operatives, government's increasing involvement in supervision and control has seriously compromised the managerial and administrative autonomy and capacity of the co-operatives. Although this outcome was admittedly not aimed at, efforts to reverse the trend have so far not been very successful, partly because, as we have already pointed out earlier, governments in developing countries feel it their unquestionable right to determine and direct even sectoral planning. However, in our view the main reason for involved state participation in co-operative supervision and control is the hope that the massive concentration of greater powers in the hands of the chief executive of the government agency directly responsible for co-operative "promotion", would ensure efficient management as well as drastically curb, if not eliminate, embezzlement of funds in a service sector officially deemed vital for rural reconstruction. Regretably, however, experience on both scores, has kept intention and practice fairly wide apart.

There are, of course, several factors accounting for this situation — e.g. the moral sense of a people, the overburdening of (co-operative) societies with development tasks for political convenience, the absence of consistent and timely directions, uninformed membership,

a dearth of expertise, unattractive service conditions, inarticulate conception of co-operation by some state functionaries, dilemma in the accountability of others and the wide variance in the educational and work background of yet others — and although it might be argued that some of these factors may exist whether there was more or no government control, that possibility alone belies the assumed curative effect of state intervention. In the final analysis therefore, irrespective of who exercises what powers, supervision and control being concomitant actions in the co-operative promotion system, must be ordered and phased. Otherwise the drift in co-operatives may not be detected — until rather late in the day — since there would be a tendency to confuse co-operative "growth" with the movement's "development".

In fact there is ample evidence of the confusion as figures of "growth" indicators such as increase in number\* and membership of societies, share capital or turnover, etc., generally or per sector of activity, are often used as proof of (sic) co-operative development. Were such conventional indicators proper evidence of development, the co-operative structure in Tanzania may not have experienced the big shake-up that it did in May this year (1976)! At that time, the primary agricultural marketing societies were dissolved and their functions absorbed by the Village/Ujamaa Village Councils (the legal entities of the Villages and Ujamaa Villages) under the "Villages and Ujamaa Villages (Registration, Designation and Administration) Act, 1975", and by various parastatal crop organizations.

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* <u>Kenya:</u>	<u>Tanzania:</u>
1946 - 75	1949 - 75
1963 - 639	1961 - 857
1969 - 1434	1969 - 1737
1975 - 1952	1975 - 2625 (including 1387 primary agricultural marketing societies and 22 Regional Unions dissolved in May 1976).
<u>Uganda:</u>	<u>Zambia:</u>
1946 - 75	1947 - 10
1963 - 1736	1964 - 220
1970 - 2238	1970 - 1280
1975 - 2685	1976 - 762 (the result of amalgamations)

Source: Annual Reports of Co-operative Departments and Discussion Papers presented at ICA Regional Seminars.

## 5. TOWARDS PHASING OUT GOVERNMENT CONTROL

A scheme of classification, such as is proposed in Table 2, could be helpful in making the promotional system more goal-oriented. Ours shows a division of societies into 9 categories. The criteria used for classification are major supervision and control actions which, both by their nature and downward accumulation gain in intensity with each succeeding category. At the extremes we find, at the top the autonomous society and at the bottom category, the fully state-administered and state-managed society, the subject of ultimate curative (?) intervention by the State. Societies falling into this last category are perhaps called "co-operatives" merely in deference to an implied bona fide intention of the government to loosen its control "sometime" in the future in favour of member control.

It must, of course, be understood that the scheme is intended to be dynamic. Accordingly, by reviewing the gradation periodically, perhaps on a yearly basis, the progress made by co-operative societies in their development towards self-administration and control could be assessed. If progress is too slow or if the trend goes in the opposite direction, the assessment should set off discussions on alternative strategies. A general increase in governmental control should be reflected in more societies (excluding the new or liquidated societies) having been degraded than upgraded in the course of the period under review.

The categorization proposed in the model would inevitably demand greater articulation on the part of the external supervising and controlling authority (-ies) in the way supervisory and control tasks should be organized and executed. For example, instead of regulations, rules and standard by-laws being applied without distinction or modification, on all societies operating in the same sector, as is the current practice in Eastern and Southern Africa, their invocation should vary with the category to which a particular co-operative belongs. Consequently, the passage of a society from one stage to another would necessitate an amendment of its by-laws — which amendment under present legislation in our part of Africa must, with mighty little justification, be approved by the controlling government agency in order to be of consequence. We are, of course, aware that under present legislation in our Region, there is provision for ministerial exemption of a society or a class of societies from any or all the provisions of the main and/or subsidiary co-operative legislations. Yet we are convinced that the systematic tuning of external supervision and control activities to the peculiar needs of each co-operative society has obvious advantages to recommend the introduction of a classification system.

In the different setting of South East Asia, a similar proposal of classifying societies has also been made by Weeraman\* with a view

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\* P.E. Weeraman "The effect of Co-operative Law on the Autonomy of Co-operatives in South East Asia", ICA Regional Office & Education Centre for South East Asia, New Delhi.

to speeding up the "de-officialization" of co-operatives. Weeraman, suggests the setting-up of a "Co-operative Development Council" made up of representatives of the government as well as the movement "to direct the gradual phasing of the project". In our co-operative development promotion system model, we have similarly proposed that the board of the Co-operative Development Centre should comprise government as well as movement representatives. But since the classification scheme we have proposed has been constructed mainly with the Eastern and Southern African situation in mind, we recognise the need for reshuffling, simplification or further elaboration and refinement of its various components so as to keep the model at once versatile and adaptable to the particular conditions of each society and country. We see no body better qualified for those tasks than our suggested Co-operative Development Centre.

While the Table 2 classification system could well serve as an evolutionary model for the individual state-controlled society, the freedom of each of the co-operative micro-units from government tutelage should not be the only criterion for gauging the stage of development of the co-operative sector at the macro-level. The other criterion we advance for consideration is the capacity of the movement to develop and sustain its own growth potential without continued government protection and intervention. Therefore, the extent to which the promotional functions as mentioned in Table 1 can be assumed by the movement itself, is not less important an indicator of that stage than the proportion of societies falling into the upper and lower categories of the Table 2 classification system.

The opinions expressed in this paper are the common thinking of the authors, and are based partly on their practical experience in and with co-operative promotional work in a variety of African countries, and partly, on discussions with co-operative leaders in the Region on actual problems of co-operative supervision and control. We are aware that we have not covered the full range of problems related to the subject of this paper. A more comprehensive exposition would require greater elaboration on such areas as the financing of the supervisory and control activities, the organization of audit and supervision activities through the establishment of a national Audit and Supervision Fund (as in Tanzania), the direction and training of supervisory field staff and the way the efficiency of external supervision and control actions might be affected by the initiatives or counter-actions of pressure groups within or outside the co-operative.

The dynamics of the interaction between those supervising and the supervised, the controlling and the controlled, will in fact be the subject of further investigations through field research in different countries of our Region beginning in a few months' time. Even so, we hope the present paper and forum provide an opportunity to test the validity of some of the propositions likely to be formulated when designing the outline for the fuller treatment of the subject later in the year. For our part now, we have merely attempted to share with you some of our thinking. We would therefore feel uncommonly rewarded if this august group of erudite thinkers and doers, with your immense reservoir of rich experience and practice, will subject our suggestions to critical consideration. For, how else will the lessons of experience be useful for practice!

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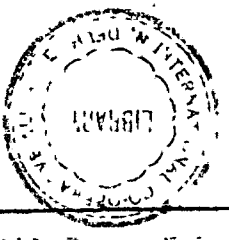
THE CO-OPERATIVE DEVELOPMENT PROMOTION SYSTEM

FUNCTIONAL AREAS (System elements)	OBJECTS	DISTRIBUTION OF RESPONSIBILITIES
<p>1.1. Registration</p> <p>1.2. Amalgamation, Division</p> <p>1.3. Dissolution, Liquidation</p>	<p>- To ensure that only those groups or pre-co-operatives which are capable of effective functioning as economic enterprises and co-operative entities are registered as co-operative societies. Conditions for registration should then be:</p> <ol style="list-style-type: none"> <li>1. Compliance of society's by-laws with relevant Co-operative legislation.</li> <li>2. Prospective membership being informed on duties and rights.</li> <li>3. Social and economic viability.</li> <li>4. Availability of required supervisory and assistance services.</li> </ol> <p>.....</p> <p>- To ensure that amalgamation or division of societies takes place on the basis of the expressed wish of the membership concerned, provided the conditions for registration are maintained. (See para. 1.1. above).</p> <p>.....</p> <p>- To ensure that the registration of societies which are no longer economically or socially viable, or whose purposes are limited in space and time, or which can no longer comply with co-operative legislation, is cancelled and societies' affairs wound up in accordance with provisions of the law.</p>	<p>.....</p> <p>Department of Co-operatives</p> <p>.....</p> <p>Department of Co-operatives</p> <p>.....</p> <p>Department of Co-operatives</p> <p>.....</p>

Cont....

Table 1 (Cont.)

<p>Reconciliation, Mediation, Arbitration,</p>	<p>- To ensure the settlement of disputes within the co-operative movement in accordance with the principles of justice and equity.</p>	<p>- Reconciliation between the disputants. If reconciliation fails then Mediation by a person or persons designated by a society or societies of which the disputants are members. If mediation fails then Arbitration by the head of the Co-operative Department. An award by the arbitrator when disputed, should be subject to review by the regular Courts of Justice.</p>
<p>1. Research</p>	<p>- The undertaking of problem-identification and feasibility studies which could serve as a tool for decision making by policy makers and provide the basic information for planning.</p>	<p>- Co-operative Development Centre* or National Co-operative Apex (Research and Planning Section) Universities and Research Institutions, either on request of the Co-operative Department or Development Centre/National Co-operative Apex, or on the researchers' own motion but after consultation with and approval by the Department and/or Co-operative Development Centre/National Co-operative Apex as the case may be.</p>



Depending on the stage of development a government or a combined government controlled organization, later transforming into the National Co-operative Apex Organization.

Cont...

Table 1 (Cont.)

<p>3 Cont. 3.2. Planning</p>	<p>- Formulation of projects and action programmes</p>	<p>- Co-operative Development Centre/ National Co-operative Apex (Research and Planning Section) Co-operative Bank (Projects Development Section).</p>
<p>3.3. Compilation of statistics</p>	<p>- To ensure that co-operative leaders as well as other persons and institutions concerned or interested, are well informed on actual trends in co-operative development through systematic collection, compilation and presentation of basic figures; indicative of such development.</p>	<p>Registrar (Statistics Section) as well as Co-operative Development Centre/National Co-operative Apex, depending on the type and potential use of information required. Same as under 3.1. above.</p>
<p>4. Financing</p>	<p>- To ensure the availability of funds in sufficient amount through mobilization of internal resources (within the co-operative sector) or if need be, from outside (including foreign sources) through loans, grants or subsidies provided due regard is given to the absorptive capacity of the co-operative society.</p>	<p>The Co-operative Movement, including the Co-operative Bank, where there is one; else Commercial Banks and/or National Development Bank, pending the establishment of the Co-operative Bank.</p>
<p>5.1. Assistance in Accountancy &amp; Financial Management</p>	<p>- To ensure books being kept, and statements and annual accounts being prepared in time. - To strengthen the societies' economic performance by timely detection of short-comings in management through comparative examination of statements, accounts, etc., against set standards of performance.</p>	<p>Co-operative Development Centre/ National Co-operative Apex (Accountancy Section)</p>

Cont.



Table 1 (Cont.)

<p>5.2. 5 Cont. Assistance (or control) in co-operative Management and/or Administration</p>	<p>No. ensure high standards of management performance by the provision of assistance in business operations and administration; e.g. advice and guidelines on technical matters, (or as a temporary and exceptional measure by the assumption of administration and/or management tasks within societies);</p>	<p>Co-operative Development Centre/ National Co-operative Apex (Management Guidance Section)</p>
<p>5.3. Legal assistance</p>	<p>No provide assistance and advice on legal matters such as amendment of by-laws, negotiation of contracts, agreements, preparation of court-cases, etc.</p>	<p>Co-operative Development Centre/ National Co-operative Apex (Legal Section: only required at an advanced stage of co-operative development)</p>
<p>5.4. Insurance service</p>	<p>No ensure that funds, goods and other assets, possessed or owned by the society, are insured against avoidable risks and contingencies, and to devise suitable staff insurance schemes.</p>	<p>Co-operative Development Centre/ National Co-operative Apex (Insurance Section Operating as an agent of one of the established insurance companies until such time that a separate Co-operative Insurance Society can be established)</p>

Table 1 (Cont.)

<p>6. Supervision, Inquiry, Auditing, (control)</p>	<ul style="list-style-type: none"> <li>- To check on accountability errors of omission and commission and to prevent mismanagement through such actions as 1 to 5 in table 2, and if need be, to conduct a comprehensive and intensive enquiry into the society's affairs.</li> </ul>	<ul style="list-style-type: none"> <li>- A team of inspectorate and audit staff working to the Zonal or Provincial Government Auditor who in turn reports to the Head of the Department of Co-operatives. The decentralization of these functions would depend on the size and level of co-operative development in any given country. Government approved Commercial auditors.</li> <li>- <u>Co-operative Development Centre/ National Co-operative Apex (Accountancy Section to carry out internal audit.)</u></li> <li>N.B.: Supervision and Control, external of the co-operative movement, is only needed when the society's performance is far below standards and functions 5.1, and 5.2. cannot be assumed by the National Apex Organization).</li> </ul>
<p>7. Member education</p>	<ul style="list-style-type: none"> <li>- To ensure members' participation in goal-setting.</li> <li>- To ensure the election of capable and honest leaders in accordance with democratic principles.</li> <li>- To facilitate member control and supervision of the society's operations through the development of a suitable system of member information.</li> </ul>	<ul style="list-style-type: none"> <li>- <u>Co-operative Development Centre/ National Co-operative Apex (Education &amp; Training Section).</u></li> </ul>

Table 1 (cont.)

<p>8. Training and education of elected leaders, promotional, supervisory and executive staff.</p>	<p>- No ensure that co-operative leaders, promoters, supervisors and societies' employees are adequately equipped with the required knowledge, skills and motivation for assuming their respective administrative and executive duties.</p>	<p>Co-operative Development Centre/ National Co-operative Apex (Education and Training Section whose major functions should be partly absorbed by a Co-operative College to be jointly administered by the Co-operative Development Centre/ National Co-operative Apex and government).</p>
<p>9. Manpower Management</p>	<p>- To aim at ensuring the continued availability of competent and committed staff for executive positions in the co-operatives and promotional institutions, through offering attractive terms and conditions of service, career prospects, on-the-job-incentives and appropriate staff insurance schemes.</p>	<p>- For movement staff: Co-operative Development Centre/ National Co-operative Apex (Manpower Management Section and Insurance Section: see under 5.4. above). - For government staff: No to be taken care of by general civil service terms and conditions</p>
<p>10. Information and Public Relations</p>	<p>- To inform and arouse interest of national policy makers and the general public on co-operative development issues. - To ensure that proper framework and will for healthy co-operative development exists through discussions and negotiations with public and private authorities on matters affecting co-operatives such as legislation taxation, licences, commodity quotas and prices, operating margins, financial assistance, etc.</p>	<p>- Co-operative Development Centre/ National Co-operative Apex (Information and Public Relations Section in close collaboration with, and under the general direction of the Board of Co-operative Development Centre/National Co-operative Apex). - It is conceivable that at an appropriate stage of co-operative development the Board of the Co-operative Development Centre would have to liaise with the Committees of the sectoral unions in the execution of these tasks.</p>

Summary of discussions on the paper on "The Organization of External Supervision/Control Actions as an Integral part of the Co-operative Development Promotion System"

Chairman: Mr. M. Sidambaram.

Rapporteur: Mr. C. Z. Kwayu

The paper was received with a hot discussion centering on the role of the co-operative development department and the paper's assumption that co-operation has been chosen by national policy-makers as a major and salutary instrument for rural development.

On the role of the department, it was noted that the paper suggests a gradual transfer of supervisory and control powers from the government to the apex. A few discussants felt that there would be no difference to the individual co-operatives whether the same action of supervision comes from the department or the apex. On the other hand, quite a good number of participants expressed the view that there is need to give co-operatives auto-development opportunities. Consequently there is a big difference between government and co-operative apex supervision and control. The apex, the unions and the societies share a community of interests which identify and bands them closer to one another than any of them to the department. Government officers often times interpret their rules and regulations in so dogmatic a manner that sometimes co-operative institutions resent them. In fact, unions and societies more often than not, value more the advice from their apex.

Since the paper had postulated that even when a society is completely autonomous there must be government hand sometime or another in its affairs, some participants suggested that rather than look into ways through which supervisory and control powers are transferred, or shared, one should talk of and look into the effects of government control and supervision. Other discussants were altogether skeptical of co-operative statutes maintaining that as long as there is law which gives the co-operative officers powers over co-operatives, these officers will use those powers whether or not the need to exercise these powers existed in any given situation. Bureaucratic structures moreover encourage this trend. In addition, some thought that whatever the case, some governments would want to supervise and control co-operatives, if for nothing else, to prevent co-operatives from assuming too much political power

as seemed to be the case in Tanzania before the dissolution of the regional agricultural marketing co-operative unions.

There is therefore, a need to change the present police image of the department. In which case, maybe the paper's suggestion of a Co-operative Development Centre might be a way out.

Continuing debate on the same issue, yet a few other discussants felt that if too much power were left to the unions with regard to supervision and control of societies, in case of mistakes, the government would still be blamed. In any case, one participant insisted the apparent assumption in the paper that the governments very much want to control co-operatives is not valid. In Kenya, for instance, countrywide co-operatives are exempted from the Act. Where co-operatives are running efficiently, the government does not interfere. To this argument a rejoinder was given that this explained Kenya situation does not invalidate the basic tenets of the paper. For one thing there is no stated criteria for exemption from the provisions of the Act. For another the stated purpose of the Act, is inter alia, to give more powers to the Commissioner for Co-operative Development for the "... regulation of co-operative societies, and for purposes incidental thereto". A more valid question was raised on the paper's assumption that governments have chosen co-operatives as instruments for rural development. The questioners said that there is need to distinguish between stated policy and actual practice. For instance, in Kenya the government seems to be following a "laissez-faire" policy for co-operatives. The government expects some initiatives from co-operators and this tends to attract more resource-allocation into agriculturally better-off areas of the country at the expense of the marginal agricultural parts where co-operatives need more resources. As to why co-operatives have failed to meet the expectations of the policy-makers and the nations concerned different reasons were suggested:-

- (a) maybe there is a lack of proper co-ordination of co-operative promotional activities;
- (b) maybe there is a lack of proper strategy and plan for realisation of the benefits through co-operatives;
- (c) maybe co-operatives are not the proper instruments.

Reasons (a) and (b) seem to have some bearing and in the opinion of some participants the paper sheds a lot of light on the issues involved.

Issues concerning categorization of societies in Table 2 were also taken. The most important thing to note in this table is that value is suggested for each of the supervisory and control actions to be performed on the basis of whether or not the action materially interferes with a society. Its basic theme is that whereas different societies within any one category should be subject to common forms of supervision and control, supervision and control should be as dynamic as possible to cater for the expected periodic movement up and down the system.

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#### IV. CONFERENCE CONCLUSIONS

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## 1. Research Priorities

In view of changing co-operative policies and development strategies, the Conference appointed a Committee to deal with research priorities in detail. The Conference whilst concurring with the Committee that the following research topics were of great relevance to current co-operative problems in the region and should be given priority consideration, re-ordered and modified them to this final list:-

1. Institutionalized supervision/control and co-operative performance.
2. Comparative efficiency of different systems of marketing of agricultural produce and price structure.
3. The role and performance of co-operatives in the mobilization and utilization of savings.
4. Factors influencing performance in consumer co-operatives.
5. Sources of finance, channels of distribution and administration of agricultural credit.
6. Effects of diversification, i.e. move from single to multi-purpose societies.
7. Effects of co-operative education and training on co-operative performance.
8. Distribution and utilization of agricultural inputs.
9. Integration of research, policy-making and implementation.
10. Terms and conditions of service for employees of co-operative societies at all levels and their impact on job performance.
11. The development of small scale industries through co-operatives.
12. The optimal size of co-operative organizations, as may be determined by either amalgamation or division, bearing in mind both social and economic aspects.
13. Effects of foreign technical assistance to co-operative development.



14. Evaluation of current co-operative movement structures.
15. The role of co-operatives in the planning of national development.
16. The use of co-operatives in integrated rural development.
17. The role and involvement of women and youth in co-operatives.
18. Mode of establishment of co-operative societies and effect on subsequent performance.
19. Utilization of co-operative societies' records as data sources for decision-making.

## 2. Conference Resolutions

Preamble: The participants at the Second ICA Regional Conference on Co-operative Research and Planning, holding in Lusaka, Zambia, whilst acknowledging the efforts of various groups of co-operators and institutions to implement the resolutions of the Arusha Regional Conference on Co-operative Research and Planning and noting further the promising results of the efforts made by these groups, urge that it is necessary that the ICA Regional Office monitors the process of implementation on a continual basis by way of follow-up and/or encouragement. Furthermore, this Second Regional Conference

### 1. Necessity of Implementing 1974 Resolutions

- recognises the importance of the Resolutions of the 1974 Arusha Conference and therefore sees the necessity of their implementation by the various groups concerned in the region. In line with the modifications and additions as will be indicated in the resolutions following, this Conference resolves that the parties concerned must strive for as high a level of implementation as possible.

### 2. Importance of Co-operative Research

- reaffirms the first resolution of the last conference that Co-operative Research is an important and integral part of co-operative development and further resolves that research is fundamental to the development of training, consultancy and management of various co-operative institutions and as such, must be appreciated and utilized.

### 3. Creation of country Co-operative Research Committees and Co-operative Research Units

- endorses the second resolution of the 1974 conference (on creation of country Co-operative Research Committees and Apex Co-operative Research Units) for the realization of which the following should be noted:
  - that a detailed examination of the resolution unearthed a need of creating a national and related committees mentioned;
  - that the composition and functioning of these committees, due to diverse conditions in the countries of the region, should remain the discretion of the individual countries;
  - that there is need for training of research officers under the auspices of ICA which need should be identified by ICA and/or the organization in need.

4. Creation of an ICA Standing Committee on Co-operative Research

(a) notes with appreciation the steps taken to form the ICA Standing Committee on Co-operative Research and Planning and makes appropriate amendments regarding the title of the said Committee by adding "Consultancy" to it. Moreover, the Committee's composition is now modified to include:

- One Representative per country (preferably the national Committee Secretary), designated by a country's Co-operative Research, Planning & Consultancy Committee
- the Regional Director of ICA (Chairman)
- a maximum of three interested "outsiders" who are practically involved in co-operative research, planning and/or consultancy and who should continue to enjoy membership of the Committee conditional upon maintaining the said interest to the satisfaction of the said Committee
- the Head of the ICA Research, Planning & Consultancy Department who will be Secretary to the Standing Committee.

(b) hereby declares the main tasks of the ICA Standing Committee to be:

- Assessment of priorities of research to be undertaken by those Research Institutions which operate on Regional or Inter-State level, and assistance in dissemination of their research outcomes. It is further noted that this task be performed in conjunction with the various national committees in view of their crucial role in identifying research priorities.
- Co-ordination of the activities of national research institutions which participate in research projects which cover more than one country (cross-national research projects).
- Dissemination of information on research activities and outcome, between member countries.
- Collaboration with the ICA Research, Planning & Consultancy Department in keeping the ICA Regional Register on Co-operative Research and Planning up-to-date.

- Collaboration with the ICA Regional Research team in identifying the level, content and timing of research seminars/workshops, etc. For these seminars and workshops, the ICA should make use of the universities and other research institutions (whether local or foreign) to provide resource personnel, if not finance too. This Conference underlines the need to include research methodology in future research conference programmes.
- Consideration of financial, staff and research needs of the individual countries in the Region with a view to presenting them to the ICA authorities for their consideration and action.
- Ensuring that reports are received from the countries' Co-operative Research & Planning Committees on time.

5. Creation of Research Units within Co-operative Departments and Co-operative Colleges

resolves that:

- (a) the units as proposed by the Arusha Conference should now be formed
- (b) the timing of establishment of these units and the relationship of various units within a particular country should be locally determined, taking into account the various local country-specific conditions. Care should, however, be taken so that the inter-dependency between research, consultancy and training is secured.

6. Organizations which could undertake Co-operative Research

echoes the 1974 Resolution which now reads:

It was agreed that researchers attached to the following Research Institutions could undertake Co-operative Research:

- (a) Specialised research sections linked to the Government institution in charge of Co-operative Development (Co-operative Department).
- (b) Research units attached to an Apex Co-operative Organization or other nation-wide Co-operative organizations.
- (c) Departments or specialised Research Institutes linked to the national University or Universities.

- (d) Research units, established on an interstate or regional level.
- (e) Co-operative Colleges or institutions responsible for Co-operative education and training.
- (f) Other institutions e.g. United Nations Agencies, bilateral Aid Agencies, Foundations, Universities outside the region, Voluntary Agencies and Overseas Co-operative Organizations. Care should, however, be taken to thoroughly screen foreign sponsored research or research institutions (See research priority No. 13).

#### 7. Research Priorities List

- strongly recommends that the ICA Research Unit tries to compile existing research findings related to topics listed above as research priorities. In some cases, like the study of consumer co-operatives and the effects of co-operative education, valuable studies have already been carried out and could be used as guides for other studies.

#### 8. Recruitment of Researchers and Training Needs:

- hereby enjoins:

- (a) the ICA to look into ways to expand the training programme and make it flexible enough such that it is mutually convenient to member countries on the one hand and ICA on the other. The said expansion would particularly facilitate the full implementation of Resolution 7 (b) of 1974 (on ICA's assistance to national co-operative apex organizations to recruit and train their research personnel) that had not been completely acted upon as at the time of the Second Conference;
- (b) that when resources are available, the member countries of the region which have not had a trainee in the programme should be urged to take advantage of the opportunity;
- (c) the total number of permanent research staff at the ICA Regional Office be increased to at least 3 with qualifications on research methodology and techniques so diversified as to make their work as complementary to one another as much as possible

#### 9. Timely reporting of research progress and findings.

- reiterates Resolution No. 8 of the 1974 Conference, viz. "Since many research projects may span over a long period of time, it is desirable in (such) circumstances to ensure that potential users of research findings are provided with progress reports, or alternatively, a research project could be split into sub-projects each of which can be completed in a shorter period (and reported on accordingly)."

10. Research and Planning Register

- (a) endorses the idea of setting up a research and planning register at both national and regional levels so that information in the national register can be transferred to the regional register kept by the ICA Regional Office;
- (b) resolves that the ICA Standing Committee sets a mode of collecting the items kept in the national register to the regional register;
- (c) emphasizes that it is necessary that the ICA Standing Committee devises a standard system for compiling the national registers so as to transfer listings from the national registers to the regional one. The standardized system would also make reference easy.

11. ICA Follow-up

- stresses the need for ICA follow-up by way of reminders and checking on the progress of the implementation of resolutions. The participating organizations are also hereby urged to respond favourably by fully implementing the resolutions.

- 12. Finally, the Conference responsibly stresses the need for the ICA Regional Office to be given adequate financial and other resources to enable it fulfil its responsibilities and obligations as outlined in these resolutions.



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A P P E N D I C E S .

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Appendix 1

LIST OF PARTICIPANTS

<u>NAMES</u>	<u>ADDRESSES</u>
1. Patrick O. ALILA	- Institute of Development Studies, University of Nairobi, P. O. Box 30197, <u>NAIROBI</u> , Kenya.
2. Cyprian H. BGOYA	- Co-operative Union of Tanganyika Ltd. P. O. Box 2567, <u>DAR ES SALAAM</u> , Tanzania.
3. M. Trevor CHANDLER (Dr.)	- International Development Research Centre, Regional Office for East & Central Africa, P. O. Box 30677, <u>NAIROBI</u> , Kenya.
4. John GAETSALOE	- Co-operative Development Department, P. O. Box 86, <u>GABORONE</u> , Botswana.
5. C. Haba GASHUMBA	- Research & Planning Unit, International Co-operative Alliance, Regional Office for East & Central Africa, P. O. Box 946, <u>MOSHI</u> , Tanzania.
6. Bjorn GENBERG	- Department of Marketing & Co-operatives, P. O. Box RW595, <u>LUSAKA</u> , Zambia.
7. Hans HEDLUND (Dr.)	- Rural Development Studies Bureau, University of Zambia, P. O. Box 900, <u>LUSAKA</u> , Zambia.
8. Goran HYDEN (Prof.)	- Political Science Department, University of Dar es Salaam, P. O. Box 35042, <u>DAR ES SALAAM</u> , Tanzania.
9. David K. KAZUNGU	- Department of Rural Economy & Extension, Makerere University, P. O. Box 7062, <u>KAMPALA</u> , Uganda.
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19. Absalom M. MTSHALI - Co-operative Development Centre,  
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20. Ramadhan N. MEGHJI - Research & Consultancy Department,  
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21. Chiranjive MOTI - Ministry of Co-operatives,  
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22. Mwinzi MUNUVE - Development Planning Division,  
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23. Aloys P. NG'ASI - Research Section,  
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Tanzania.
24. Dan J. NYANJOM - International Co-operative Alliance,  
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31. Nasim RAWJI - Secretary to the Research & Planning Unit,  
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Regional Office for East & Central Africa,  
P. O. Box 946, MOSHI, Tanzania.

2ND ICA REGIONAL CO-OPERATIVE RESEARCH & PLANNING CONFERENCE PROGRAMME :

TIME	DATE	TIME	DATE	TIME	DATE	TIME	DATE
8.00 - 10.00	APR. 1977.	10.00 to 10.30	10.30 - 12.30	12.30 to 14.00	14.00 - 16.00	16.00 to 16.30	16.30 - 18.30
A R R I V A L S AND R E G I S T R A T I O N							
SUN. 17TH							
MON. 18TH	<ul style="list-style-type: none"> <li>- Introducing Conference Procedures - G. H. Gashumba</li> <li>- Welcome Address</li> <li>- Official Opening - Hon. P.J.F. Lusaka, M.P., Minister for Rural Development</li> </ul>		<ul style="list-style-type: none"> <li>- Introducing the ICA - Dan J. Nyantim</li> <li>- Introducing the IDRC - M. T. Chandler</li> </ul>		<ul style="list-style-type: none"> <li>- ICA Background Paper - G.Z. Kyaly/Okumu Odada</li> <li>- Report from Morogoro Campus, Dar. University - M. Ndamititi</li> </ul>		<ul style="list-style-type: none"> <li>- Recent Changes in the Co-operative Movement of Tanzania - C. Bega</li> </ul>
TUE. 19TH	<ul style="list-style-type: none"> <li>- Integrated Rural Development through Co-operatives in Kenya - M. Muvwe</li> </ul>	<ul style="list-style-type: none"> <li>- Background Paper, Zambia - K. Lungu/B. Gemberg</li> <li>- Background Paper, Co-operative College, Moshi - R. H. Mughji</li> </ul>	<ul style="list-style-type: none"> <li>- Group Work on Institutional Background Papers</li> </ul>				<ul style="list-style-type: none"> <li>- Group Work cont'd</li> </ul>
WED. 20TH	<ul style="list-style-type: none"> <li>- Research, Consultancy &amp; Training in Co-operative Development - G. Hyden</li> </ul>	<ul style="list-style-type: none"> <li>- Plenary Session on Group Reports</li> </ul>			<ul style="list-style-type: none"> <li>- Plenary Session cont'd</li> </ul>		<ul style="list-style-type: none"> <li>- Selection: Resolutions &amp; Research Priorities Committees</li> </ul>
THUR. 21ST	<ul style="list-style-type: none"> <li>- Organization of External Supervision/Control in the Co-operative Development Promotion System - Okumu Odada</li> </ul>	<ul style="list-style-type: none"> <li>- Group Work on Research Priorities</li> </ul>			<ul style="list-style-type: none"> <li>- Group Work on Research Priorities cont'd</li> </ul>		<ul style="list-style-type: none"> <li>- Meeting of the Resolutions &amp; Research Committees</li> </ul>
FRI. 22ND	<ul style="list-style-type: none"> <li>- Plenary Session on the Reports of the Resolutions &amp; Priorities Committees</li> </ul>	<ul style="list-style-type: none"> <li>- Plenary cont'd</li> <li>- Meeting of the Standing Committee on Co-operative Research &amp; Planning</li> </ul>			<ul style="list-style-type: none"> <li>- Official Closing of the Conference - E. Kayungaane</li> </ul>		<ul style="list-style-type: none"> <li>- Meeting of the Resolutions &amp; Research Committees</li> </ul>
SAT. 23RD							

Appendix 3.

DISCUSSION GROUPS

Group One

Mabele - Chairmar  
Gaetsaloe  
Kobia  
Lungu  
Malaza - Rapporteur  
Hedlund  
Kwayu

Group Two

Waweru - Chairman  
Meghji  
Mtshali  
Hyden  
Opio-Odongo - Rapporteur  
Gashumba

Group Three

Alila  
Ng'asi - Rapporteur  
Sidambaram - Chairman  
Chandler  
Munuve  
Mazuba  
Nyanjom

Group Four

Moti  
Oscarsson  
Bgoya - Chairman  
Genberg  
Mlambiti - Rapporteur  
Kazungu  
Odede

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WORKING COMMITTEES

Research Priorities

Moti - Chairman  
Mtshali  
Gaetsaloe  
Waweru  
Hyden  
Hedlund  
Genberg  
Lungu  
Bgoya - Secretary

Resolutions

Oscarsson  
Opio-Odongo  
Mabele - Chairman  
Malaza  
Munuve  
Alila - Secretary  
Meghji

N.B. The ICA staff were left at large to facilitate their individual contribution to the work of both Committees as became necessary or desirable.

Appendix 4

Notes on Contributors to the Discussion Papers

1. Dr. Goran Hyden who has had a wide-ranging long experience with research into East African co-operatives is currently Professor of Political Science at the University of Dar es Salaam, Tanzania. His works on East African co-operatives have been widely quoted in several publications and discussions on African co-operative and socio-political development problems.

2. Mr. Mwinzi Munuve is a Senior Co-operative Officer in the Development Planning Division of the Department of Co-operative Development, Nairobi, Kenya.

3. Mr. Okumu Odede is the current Head of the Regional Office's Research, Planning and Consultancy Department. Prior to joining the ICA in November 1975, he worked for the Kenya Government for some seven years in the Land Titles Registry, Co-operative Development Department and the Co-operative College of Kenya.

4. Mr. Koenraad Verhagen is the former Head of the ICA Moshi Regional Research Unit. He worked in the African co-operative field for nearly ten years in the Malagassy Republic, Ivory Coast and finally for the Regional Office. He has now returned to his native Holland and should presently be joining The Royal Institute for the Tropics in Amsterdam, The Netherlands.