

The cooperative movement in Kenya and its potential for enhancement of ICT livelihoods

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ABSTRACT

The viability of ICT for the enhancement of human livelihoods is an idea that needs no overemphasis. The potential of ICT in the improvement of lives is a human-given that is yet to be fully realized in developing countries in general and Kenya in particular. One of the major challenges to the realization of the power of ICT potential in human livelihoods is the relative unawareness of the majority of the populace about the role ICT in socio-economic and cultural environment.

The cooperative movement in Kenya is one of the nationally organized institutions available for all cadres of persons. Its agenda is usually based on locally determined proposals whose aims are to empower citizens to realize their socio-cultural and economic capacities using locally available/generated resources. It is believed that people within a specific geographical or institutional locality have similar perceptions about how to resolve common issues in their lives. Often, cooperative societies bring together various classes of people regardless of their socio-economic status and their agenda would be one only-to share ideas, suggest and implement viable practices that are likely to bring development and uplift economic status of members. The various forums they organize for education purposes are often devoid of political, ideological or socio-cultural emotivism that may derail focus.

In this paper I suggest that the principles upon which the cooperative movement in Kenya is built could harness awareness regarding the power of ICT in improving livelihoods. I identify ways and means by which a cooperative society may enhance its capacity to incorporate ICT for livelihoods in theory and practice within its operations for efficient and effective achievement of its objectives.

INTRODUCTION

One of the biggest challenges that nations in the developing world face is finding successful solutions to the problem of poverty by improving the human development condition and livelihoods. For instance, about 56% of the Kenyan people live below the poverty line and about 80% of these live in the rural areas. For the urban poor, the majority of them eke out a living on agricultural related activities (Ministry of Information & Communications 2006). The poverty that such people experience has multiple and complex causes. They do not only lack basic resources but also access to information that is vital to their lives and livelihoods.

In order to deal with the complexities of poverty, the livelihood approach to empowering people seeks to gain an accurate and realistic understanding of people's strengths (assets or capital endowments) and to discover how they endeavour to convert these into positive livelihood outcomes. Livelihoods include not just income-earning opportunities, but also the capabilities, assets (including both material and social resources) and activities required for a means of living (Chambers & Conway 1992). They therefore encompass consumption levels; access to assets; embeddedness in social networks; levels of human capital; and the absence of inequality as well as processes such as resilience, coping and adaptation.

ICT AS A TOOL FOR SOCIAL EMPOWERMENT

ICTs are defined as technologies that facilitate communication and the processing and transmission of information by electronic means. They have an enormous potential as tools for increasing information flows and empowerment of poor people. It is emerging as an important medium for communication and exchange as well as a tool for development. ICTs, whether older ICTs such as telephone, radio and television, or the newer ICTs such as VCDs, computers or the Internet, can help in several dynamic ways to bridge gaps in livelihood opportunities by providing localized and relevant information to the community.

Evidence from developed countries has shown that ICT can play a dramatic role in enhancing economic and social development by acting as a production sector for economic growth and an enabler for social development (The Ministry of Information & Communications 2006). ICT applications have enabled these countries to make substantial improvements in both productivity and quality in agriculture, manufacturing, infrastructure, public administration and services such as finance, trade, distribution, marketing, education and health. The Government's key objective is to transform the Kenyan economy through ICTs by promoting and facilitating the private sector to serve as the driver for economic development through innovation in the ICT sector. The strategic focus of Kenya's ICT Strategy for Economic Growth is to simultaneously target the development of the ICT sector and to use ICTs for employment creation, poverty reduction as well as a broad-based enabler for economic recovery and the achievement of national developmental goals.

Due to its dynamism, ICTs promise fundamental change in all aspects of human life including knowledge dissemination, social networking, economic and business practices, political engagement, education, health, leisure, and entertainment (Duncombe & Heeks 2005). ICTs are also useful either as tangible goods in their own right or as value-adding services that improve efficiency and effectiveness (Stiglitz 1989; Romer 1993; World Bank 1998). More specifically, ICTs can provide reliable access to markets (local, regional and international) through increased use of affordable communications (phone, fax, email). ICT, broadly, allows for a reduction in transactions costs, improved access to timely and usable knowledge, improved communications with markets and within the supply chain, acquisition of appropriate skills for enhancement of productivity and improved information about new opportunities.

ICTs may be used to assist the poor by providing the following among others:

1. Better access to market and other production technology information such as prices for their inputs and outputs. Its impact is measured in terms of improved incomes, profits and sales, lower costs for all business transactions, increased efficiency, competitiveness and market access.
2. Better understanding of the distribution systems, rights and policy enforcement mechanisms. The impact is measured in terms of improved access and quality of the services obtained.
3. Better enhancement of social networks measured in terms of improved perceptions of connectedness, empowerment and reduced isolation.
4. Exposure to the E-mail/Internet/Websites appropriate to the livelihoods of the members of the particular cooperative society or group.
5. Enhanced use of the telephones, SMS text, beeping and creation of a telephone address using mobile communication facilities, for instance. Those who are in the service provision such as telephone kiosks would be able to create partnerships and have a better understanding of the needs of each other through collaboration.
6. Improved social interaction which contributes to efficiency. The impact is that services will be rendered promptly and regularly: For instance, the rural nurses and doctors would be able to receive information and render timely services.
7. Improved information flows and communication services. The impact is felt through availability, cost effectiveness, quality, diversity, spread and relevance of information.

8. Improved strategy for education and training through strategic application of technologies and ICT enabled skills development and in-service support. The impact is measured in terms of availability of quality educational materials/resources that improves input, process and product.
9. Increased awareness of the links between traditional and modern ICTs. For instance, entrepreneurs may create a database which has the telephone numbers of potential customers saved in a mobile phone.

DEFINING COOPERATIVES FOR SUSTAINABLE LIVELIHOODS

The International Cooperative Alliance (ICA 2004) defines a cooperative as “...an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise”. A cooperative is meant to embody the values of self-help, honesty, openness, self-responsibility, social responsibility, democracy, equality, equity, solidarity, mutual caring, efficiency, effectiveness, transparency and accountability. ICA identifies seven principles that ought to guide the formation, organization and activities of cooperatives:

- (a) Voluntary and open membership
- (b) Democratic member control
- (c) Member economic participation
- (d) Autonomy and independence
- (e) Education, training and information
- (f) Cooperation among Cooperatives
- (g) Concern for Community

The following benefits accrue from adherence to the above principles: entrepreneurs achieve economies of scale, bargaining power and capacity to invest in more advanced stages of the value chain including storage, processing, marketing and distribution of products and services. As transaction costs are reduced, relationships with commercial enterprises are built. In addition, as community institutions, cooperatives devolve decision making to the community level, build social capital, nurture community spirit and pride (Reynolds 1998). Today governments expect cooperatives to inform policy making and engage in advocacy while the cooperatives themselves seek a more pronounced, active and permanent role in decision-making (Mercoiret 1999). The shared spirit of cooperation and empowerment leads to engagement in larger projects such as reconstruction of schools or health facilities.

COOPERATIVE SOCIETIES IN KENYA

The Co-operative Movement in Kenya may be traced to the period immediately after the country's independence. The movement is supposed to play an important role in wealth creation, food security and employment generation and hence participate in poverty alleviation. To date, there are over 11,200 registered cooperative societies country-wide. The membership is over 6.1million and has mobilized domestic savings estimated at over Kshs. 125 billion. The cooperatives have employed over 300,000 people besides providing opportunities for self-employment. Indeed, a significant number of Kenyans, approximately 63% draw their livelihood either directly or indirectly from cooperative-based enterprises (Republic of Kenya 2007; International Monetary Fund 2007; The Kenya High Commission in the United Kingdom 2007).

The policy objective of the Kenyan cooperative movement is to spur sustainable economic growth by focusing on achievement of desired outcomes through strengthening of the movement, improving cooperative extension service delivery, corporate governance, access to markets and marketing efficiency (International Monetary Fund 2007). The cooperatives have an immense potential to deliver goods and services in areas where both the public and the private sector have not ventured (Verma

2004). In most cases cooperatives are local institutions that address “local needs”, employ “local talent” and are lead by “local leaders” either directly or through local branches.

The Cooperatives in Kenya are organized into service and producer cooperatives. The producer cooperatives’ objectives are to promote the use of modern technology and contribute to national development through production. The service cooperatives are responsible for procurement, marketing and expansion services, loan disbursement, sale of consumer goods and member education. The cooperatives have made remarkable progress in agriculture, banking, credit, agro-processing, storage, marketing, dairy, fishing and housing. Service cooperatives are the closest to communities and are organized on a shareholder basis formed by individual members of organizations voluntarily working in a specific geographic area. For instance, primary level sugar cane farmers cooperatives provide a collection point for the farmers’ produce, negotiate the per ton cost of sugarcane.

TOWARDS COOPERATIVE ICT FOR LIVELIHOODS IN KENYA

The cooperative movement in Kenya has become a success story mainly in the areas of disbursement of loans. However, it continues to miss opportunities in the use of modern ICT. There is a need for it to re-focus and re-assess its capacity not just to mobilizing financial resources further, but also to manage them well for faster economic growth. Networking of Cooperatives through state-of-the-art technology is essential, as it will facilitate achievement of the following:

- Building of relationships and alliances
- Re-engineering and integration of cooperative processes
- Sharing knowledge and experiences
- Enhancement of innovation
- Promotion web-based business trading

One focus for pro-poor community driven cooperative ICT networks is the potential application, feasibility and comparative benefits of adopting “open access” approaches for addressing gaps in network infrastructure to the poor and rural/underserved areas, addressing challenges to open access at the level of regulatory regimes and financing mechanisms (Okello 2006). Several initiatives in Kenya are already providing linkages between ICTs and sustainable livelihoods in activities such as agriculture, pastoralism, entrepreneurship and provision of employment vacancy information. The examples include the use of mobile phone text messaging to provide market prices to farmers, employment vacancy alerts and local news to disadvantaged communities and slum dwellers (Mungai 2005).

Other initiatives apply WorldSpace satellite radio receivers to disseminate locally relevant content in audio data formats to pastoralists in arid areas. These, along with the use of geographical information systems in the protection of the environment in the Lake Victoria basin are initiatives that exploit the information dissemination capacity of ICTs to address national sustainable development priorities. The Arid Lands Information Network (ALIN) provides farmers and pastoralists in drought prone areas with information for sustainable livelihoods. Through a network of Community Development Workers (CDW), ALIN encourages people in the dry lands to share experiences and ideas on good and bad development practices in agriculture or pastoralism and the use of ICTs (Mungai 2005). ALIN also publishes newsletters that are distributed to CDWs and partner organizations. As part of the Open Knowledge Network (OKN) in Kenya, ALIN has set up access points in dry lands around the country where CDWs and community members can access information on sustainable farming practices. Each access point has a computer, printer and a WorldSpace satellite radio receiver with a multimedia adaptor that enables users to download specific content via satellite.

CHALLENGES OF ICT LIVELIHOOD FOR COOPERATIVES IN KENYA

The major challenges inherent in the cooperative movement in Kenya is the poor governance and limited transparency in the management of cooperatives; lack of capacity in management, market intelligence

and market research; weak capital base; infrastructural weaknesses (International Monetary Fund 2007). There is also limited infrastructure, high deployment and maintenance costs, inadequate financing or adoption of 'high-margin low volume' financing models, lack of awareness and 'disposable' income for ICTs within rural areas (Okello 2006). All these challenges may be easily overcome by employing an administrative approach that exploits the potential public private partnership (PPP) in ICT and management information system environments.

CONCLUSION

The cooperative sub sector in Kenya cuts across all sectors of the economy and is an area that may be exploited for strategies on cooperative ICT livelihoods. The cooperatives take care of agricultural production, processing, marketing and service industry. Overall, the major benefits that accrue to Kenyans through cooperatives include creation of employment, settlement of the people, and generation of income and acquisition of property. In addition to the more conventional functions of marketing and production, cooperatives increasingly serve as agents of social and economic change, and are therefore vibrant civil society actors. In this regard, cooperatives are unique institutions that balance and negotiate relationships between their members, communities, traders, the state and international commercial traders.

It is envisaged that directing the operations of cooperative societies to addressing poverty related issues is one of the possible Livelihood Strategies. Each particular strategy would be geared towards achievement of Livelihood Outcomes associated with the richness of the potential livelihood goals set by the group that has defined a common purpose and destiny.

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