

MEMBERS' PARTICIPATION IN KENYAN
RURAL COOPERATIVE ORGANISATION:
The Case of Kirinyaga District

by

Samuel Karimi Gatang'i

A Thesis submitted in (part) fulfilment for
the Degree of Master of Arts in the University
of Nairobi

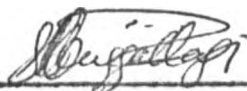
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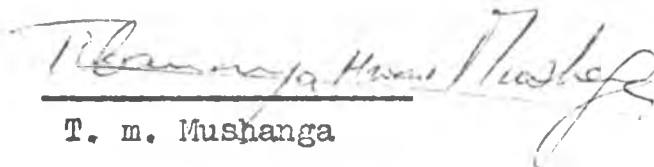


S.K. Gatang'i

This thesis has been submitted for examination with our approval as University supervisors.



S. Schonherr



T. m. Mushanga

ABSTRACT

This study, intended to be part fulfilment for a Master of Arts Degree, was carried out in Kirinyaga District. It emphasized several factors:

1. The vitality of studies based on rural development in the context of national development policies in Kenya;
2. The significance and centrality of agricultural development as a useful component factor for rural development;
3. The crucial role played by cooperative form of organization for most effective development;
4. The significance of small-holder participation in the implementation of rural development;
5. Expected and actual position of small-scale farmer in the entire fabric of cooperative movement in Kenya: the only means by which he can participate in the promotion of rural development.

The problem in the study comprised two main sets of relationships:

1. The relationship between Intra- and inter-organizational coordination and members' participation in cooperative development; and
2. The relationship between equity and participation

The data were collected through survey method, and analysed by means of percentages, gamma coefficient of correlation and chi-square test of significance.

The major findings indicated the significance of several relationships in cooperative organizations. Firstly, it was found that there is a strong positive relationship between coordination among poor members and participation of elected committee members in cooperative development. Secondly, it was proved that there is some strong positive relationship between coordination among the poor members and their active participation in cooperative development. Thirdly, the findings indicated that there is a strong relationship between inter-societal coordination and the activeness of rich members' participation in cooperative development. Fourthly, the study revealed that there is a strong positive relationship between coordination among the poor members and rich members' willingness to participate in cooperative development. Finally, the findings also proved that a strong positive relationship existed between fairness in allocation of benefits to members and poor members' participation in cooperative development.

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	LIST OF TABLES	PAGE
TABLE 1.	Distribution of Respondents By Age	60
TABLE 2.	Distribution of Respondents By Formal Education Level Achieved	61
TABLE 3.	Distribution of Respondents by the Size of Farm They Own	62
TABLE 4.	Relationship <u>Between</u> Coordination Among Poor Members <u>and</u> Committee Members' Participation in Cooperative Development	70 - 71
TABLE 5.	Relationship <u>between</u> Coordination among Poor members <u>and</u> Their Participation in Cooperative Development	73 - 74
TABLE 6.	Relationship <u>between</u> Coordination among the Poor Members <u>and</u> Participation of the rich Members	76 - 77
TABLE 7.	Relationship <u>between</u> Coordination among Societies in the Union <u>and</u> Participation of rich members	79 - 81
TABLE 8.	Relationship <u>between</u> Coordination among Societies <u>and</u> Participation of Committee Members	83 - 84

TABLE 9:	Relationship <u>between</u> coordination among cooperative societies <u>and</u> Participation of Poor Members	85 - 86
TABLE 10:	Relationship <u>between</u> Coordination among the rich members <u>and</u> their Participation	88
TABLE 11.	Relationship <u>between</u> Coordination between the rich and poor members <u>and</u> Participation of rich members in Cooperative Development	89
TABLE 12.	Relationship <u>between</u> Coordination between rich and poor members <u>and</u> Participation of poor members in Cooperative Development	90
TABLE 13.	Relationship <u>between</u> Coordination between rich and poor members <u>and</u> Participation of committee members	91
TABLE 14.	Relationship <u>between</u> coordination among societies <u>and</u> General Participation in Cooperative Development	92
TABLE 15.	Relationship <u>between</u> Degree of Fairness in Allocations <u>and</u> Participation of Committee Members in Cooperative Development	94 - 95

TABLE 16.	Relationship <u>between</u> Fairness <u>and</u> Participation of Poor members in Cooperative Development ...	96 - 97
TABLE 17.	Relationship <u>between</u> Fairness <u>and</u> Participation of Rich members ...	98
TABLE 18.	Relationship <u>between</u> Fairness in allocations (Perceived by Leaders) <u>and</u> General Participation in Cooperative Development	99
TABLE 19.	Relationship <u>between</u> Equity in Distribution <u>and</u> Participation of Rich members	101 - 109
TABLE 20.	Relationship <u>between</u> Equity <u>and</u> Participation of Poor members	104 - 105
TABLE 21.	Relationship <u>between</u> Equity <u>and</u> Participation of Committee Members	106
TABLE 22.	Relationship <u>between</u> Equity in Distribution <u>and</u> General Participation in Cooperative Development.	107

	LIST OF MAPS	PAGE
MAP 1:	Kirinyaga District: Area of Study	51
MAP 2:	Kirinyaga East and West: Unit of Study	54

TABLE OF CONTENTS

	PAGE
ABSTRACT.....	(i)
ACKNOWLEDGEMENT.....	(iii)
LIST OF TABLES.....	(v)
LIST OF MAPS.....	(viii)
CHAPTER	
1. INTRODUCTION:	
IMPORTANCE OF COOPERATIVES	
FOR RURAL DEVELOPMENT.....	1 - 11
2. ROLE OF COOPERATIVES	
FOR RURAL DEVELOPMENT IN	
KENYA.....	12 - 49
HISTORICAL ANALYSIS OF	
COOPERATIVE DEVELOPMENT	
IN KENYA.....	12
PRESENT ROLE OF	
COOPERATIVES AS DEFINED	
BY THE KENYA GOVERNMENT.....	22
PRESENT PROBLEMS FACING	
COOPERATIVE ORGANIZATIONS.....	25
SPECIFIC PROBLEMS OF	
COFFEE AND DAIRY	
COOPERATIVES.....	32
SPECIFIC PROBLEMS	
INVESTIGATED IN THIS	
STUDY.....	35

CHAPTER	PAGE	
3	METHODOLOGY.....	50 - 59
	AREA OF STUDY.....	50
	UNIT OF STUDY.....	53
	STUDY DESIGN.....	55
	DATA ANALYSIS.....	57
4.	ANALYSIS AND FINDINGS.....	60 - 112
	DISTRIBUTION OF RESPONDENTS BY PERSONAL ATTRIBUTES.....	60
	RELATIONSHIP BETWEEN RESPONDENTS' CHARACTERISTICS AND THEIR PERCEPTION.....	63
	EFFECTS OF COORDINATION AND EQUITY UPON MEMBERS' PARTICIPATION IN COOPERATIVE DEVELOPMENT.....	67
	FINDINGS.....	109

CHAPTER	PAGE
5. SUMMARY AND CONCLUSIONS.....	113 - 121
SUMMARY.....	113
CONCLUSIONS.....	116
IMPLICATIONS FOR * RURAL DEVELOPMENT.....	120
RECOMMENDATIONS FOR + FUTURE RESEARCH.....	121
 APPENDIX	 113 - 149
APPENDIX (A)	
BIBLIOGRAPHY	122
APPENDIX (B)	
INTERVIEW SCHEDULES.	129

CHAPTER I

INTRODUCTION:

IMPORTANCE OF COOPERATIVES FOR RURAL DEVELOPMENT

The wider scope of this study is to express our desire that studies carried on national development in Kenya should be based on rural development.

The objectives of rural development strategies should be related to the improvement of the agricultural sector. More particularly, they should be focused to the best methods of promoting those institutions that intensify, extend and accelerate rapid, more viable agricultural development through active participation of small-holders. Most vitally, the objectives should be geared to the promotion of healthy cooperative organizations which play a central role in agricultural development. That is why we feel that much attention be paid to the development of coöperatives movement which involves widest, most effective participation of the rural population: a cooperative movement which is efficient and decisive at local and national levels.

Our major reasons for basing this study upon rural development-and particularly upon agricultural cooperative aspects of rural development - are firstly, that majority of Kenya's population get their livelihood from the rural areas. That is, 90 percent of the Kenyan population live in the rural areas which cover well over 98 percent of the land area.¹ Secondly, although development of the rural areas is still much restricted by the influx of people into the urban areas, there is a continual

growth of rural population at 2.7 to 2.8 percent² per year. Therefore, it should be the concern of developmental researchers to lay heavy weight on solutions to the problems accompanying the rural population and particularly the widening gap between large-and small-scale farmers. Finally, small-scale farmers, who are likely to benefit mostly from improved cooperative movement, occupy 70 percent of the total rural population of Kenya, a factor which further necessitates our attention to the lives of the small-scale farmers.

Rural Development:

The definition of rural development is very wide and involves a multitude of operations, the totality of which account for its accomplishment. Many authors' views seem to converge on the implications and operationalizations of the concept of rural development. Mbithi (1971) observes the concept as "improving the outcomes which people are able to elicit from their environment in order to make achievements correspond with wants - that is to say, sought by people when they are faced with a difference between achievements and wants; a difference motivating them to act."³ Rogers (1969) views rural development as "a type of social change in which new ideas are introduced into a social system in order to produce higher per capita incomes and levels of living through more production methods and improved social organizations."⁴ Kimani and Taylor (1973) call rural development "a holistic concept which recognizes

the complexity and interrelatedness of the many variables which influence the quality of life in rural areas . . . a series of quantitative and qualitative changes accruing among a given rural population and whose converging efforts indicate in time a rise in the standard of living and favourable changes in the way of life."⁵ In all the above definitions, it is apparently clear that rural development is a general process whereby the rural communities are encouraged to participate as parts and parcel of the overall national developmental process for better social and economic growth.

The purposes of rural development have been frequently outlined in Kenyan Development Plans and also in studies carried out by current researchers. Ascroft, et al. (1971)⁶ observed that the objectives should be "to secure a just distribution of the national income both between different sectors and areas and between individuals." That is, it should be policy to seek methods of raising incomes of rural people, and a policy to seek those methods which allow incomes to be equitably distributed across all sectors and individuals in the rural areas. Our study shall focus on these methods by which rural development can be promoted - planned and organized - in order to efficiently and effectively achieve its objectives. Firstly, rural development can be promoted as a coherent process⁷, that is on a multi-sectoral, inter-ministerial coordinated set of action programmes aimed at improving the incomes, the welfare and employment opportunities of rural people. Socially it can be promoted by

enabling individuals and the community to increase their span of control over factors which affect them. Such factors are (a) income fluctuations, (b) production techniques (c) marketing opportunities (d) transportation and other facilities (e) employment opportunities which check rural - urban migration of the essential manpower and, (f) very importantly, local participation in all development activities for all citizens.

Secondly, rural development strategy should - according to Belshaw, et al. (1973)⁸ - be based on a hierarchical structure of the rural development programme. That is, it should (a) be capable of achieving horizontal coordination at the local level, (b) incorporate into public sector rural development activity a closed-loop management system, (c) take cognizance of local variations in both the production environment and in the aspirations of local communities, and (d) include the integration of a large number of local regional plans in a consistent and equitable manner into the overall framework of development plan.

As it is difficult to include all these aspects of rural development strategies in a small study like this one, our concern shall be confined to the agricultural development aspects. Several reasons can be given for our agricultural development bias. Firstly, Kenya is predominantly an agricultural nation. That is, of the 90 percent of her population living in the rural areas, 84 percent⁹ are engaged in agriculture, large-and small-scale, and are for a long time destined to find their employment and livelihood in agriculture. This factor is also observed by Kimani and Taylor

in their stipulation that "agricultural development is a vital component programme for rural development."¹⁰ Secondly, the Kenya Government's current development plan lays greatest emphasis on the promotion of agriculture as the most important source of employment for the majority of Kenya's population. It is from agriculture that more than 80 percent of the population will be primarily dependent for their livelihood during the plan period.¹¹ The Kenya Government has set up certain agricultural goals essential for the attainment of its fundamental goal of national income with faster growth in employment opportunities. These goals include (a) achievement of 6.7 percent target rate of growth of marketed production through intensified land use, (b) improvement of the distribution of rural income by obtaining a significant increase in the proportion of farmers who obtain cash from their land, (c) devising methods of developing the less favoured areas and promoting a more even development among different areas of the country, (d) increasing the opportunities for employment in the agricultural sector, (e) improving the standards of nutrition in the rural areas, and (f) increasing agricultural exports.

Finally this study is based on agricultural development aspect of overall rural development because, despite its conspicuously leading role in rural development, the agricultural sector has tended to lag behind other sectors of the economy.

The other, more specific, aspect of our study is the weight we intend to lay on the small-scale farming populations.

Small-scale farming sector is the target group of the development plan for a number of reasons. Firstly, small-scale farmers account for 70 percent¹² of the total rural population and now provide 50 percent^{of} the overall marketed production.¹³ It is, therefore, felt that to obtain a just distribution of incomes and a balanced rural - and consequently national - development, it is essential to modernize the small-scale sector as this will increase their involvement in the planning implementation and evaluation of rural development programmes. This will eventually alleviate employment, poverty and income distribution problems.

Most significantly, we aim at concentrating upon the instruments that will most efficaciously encourage small-scale farmers' participation in the agricultural and eventually national development. For agricultural development to have a sound basis, it should, among other things, be appealing in the sense that economic return is sufficient and farmers consider themselves adequately compensated in the light of their felt wants and their sense of values, and accompanied by institutions and policies, supplies and facilities for both production and marketing and any other necessary stimulus to incentives.¹⁴ Such institutions are cooperatives which are the scope of this study.

Economic Benefits Through Cooperatives:

Cooperatives play very important social and economic roles in agricultural, rural, and national developments. Firstly, through cooperatives farmers obtain more returns from their

farming than through any other institution. Cooperatives are instrumental in the commercialization of agriculture. They encourage cash crop economy and supply to their members more cheaply farm requisites such as fertilizers, implements and other inputs necessary for better yields.

Secondly, cooperatives assist in processing and transporting farmers' farm produce which would be too expensive for individual farmers without sufficient means.

Thirdly, cooperatives obtain markets for members' produce so that farmers are able to get regular payouts from their produce without individually having to spend much money in facilitating the marketing of their produce.

Fourthly, cooperatives administer credits and loan payments to farmers more cheaply than commercial banks and other financial institutions. In facilitating the expansion of agricultural credit, cooperatives advance technological progress for individual members and the nation as a whole. Members are encouraged to save and reinvest their incomes in farming, thereby promoting the individual, community and national economic growth.

Benefits of Cooperatives for the Weaker Sections of the People:

Perhaps the most important roles played by cooperatives are associated with their social functions for the weaker sections of the people. These were the principal reasons for

cooperatives when they were established by the Rochdale Pioneers* in 19th century England. Cooperatives are supposed to be non-profit-making institutions. When they were instituted cooperatives were intended to free the weaker sections of the society from possible social domination and economic exploitation of the stronger sections, and to facilitate for the members' free entry into the monetary economy along with the well-to-do people. These functions are still upheld todate.

Aims

In modern times, cooperatives' major roles are to uplift the living standards of the peasants. This they achieve through administering credits to farmers at low cost so that they improve their financial commitments without constraints. Cooperatives give peasants some degree of independent control over their economic activities by allowing them an equal say as members at general meetings. Thus cooperatives are guided by the principle of equality for all members. Cooperatives also promote more equitable distribution of wealth by serving the interests of all their members in an equitable and efficacious manner. This function complies with the other cooperative principle of fair share. Cooperatives ensure proportionality, equitability, indivisibility of resources, and distributability of surplus shared on each member in proportion to business done with the society but not according to the number of shares. Also, cooperatives enable their members to make a contribution in the interests of their group and to articulate their needs, wants

and ambitions. Functioning as middlemen between their members and the large corporate boards, cooperatives create a stronger bargaining power and minimize exploitation of the weaker sections by a few rich individuals. Members are, through cooperatives, capable of making their presence felt as partners in development and of demanding their rightful share and place.

Mobilization Effect for Development Activities:

Finally, it is through cooperatives that the masses are enabled to actively participate in planning and decision making. That is, cooperatives mobilize the rural population for development activities. J. C. Re Wilde (1967)¹⁵ makes a similar statement when he says that cooperatives are a vital means of evoking among farmers a sense of participation and responsibility in marketing and processing farm products," or Clayton (1964)¹⁶ when he says that cooperatives motivate members to participate in development through education, wages, introduction of better crops, methods of farming and machinery particularly for the farmers. Thus the members are able to uplift the general development of the local and national economy on a more-or-less equal basis with the progressive sections of the society.

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FOOT NOTES

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7

CHAPTER 2

ROLE OF COOPERATIVES FOR RURAL DEVELOPMENT IN KENYA

1. HISTORICAL ANALYSIS OF COOPERATIVE DEVELOPMENT IN KENYA:

(a) Traditional Cooperation

The idea of cooperation in Kenya did not actually begin with the coming of modern cooperatives. It existed, even in a greater intensity, before the coming of the Europeans. There were cooperatives based on different functions, tribal or clan cleavages, and on times or seasons. For instance, when-ever a person wished to build a house he called on his clan-members or friends of his age from different clans, who responded very willingly. During planting and harvesting, seasons, people used to cooperatively perform the tasks. During initiation ceremonies, there was some cooperation whereby parents concerned used to fix the date for the initiation ceremony and the entire ceremony was accomplished cooperatively. During marriage, the preparation for the occasion was facilitated by the boys and girls of their age grade in order that they obtained the right partners. Clan members used to contribute materially and socially on the wedding day. During the time of war, tribes used to organize themselves together to fight back the invader. Success was facilitated through internal cooperation among tribesmen and clanmen. When the society was faced with draught or famine, people used to pray together and sacrifice an animal to the raingiver in order to obtain rain and plenty. In times of mourning people used to help the deceased in all possible ways like harvesting and cultivating for the deceased.

Cooperation was also demonstrated by communal herding. People from one ridge used to select some grazing area where members of different families or clans looked after their herds daily. People also used to cooperate on cultural or ritual functions like traditional dances. Finally, and perhaps most importantly, people used to cooperate on land ownership. For instance, in Kikuyuland there were "ahoi", "athami", and "athoni". Everybody was entitled to land ownership. Similar patterns of cooperation were prevalent in other African communities, and in some societies - such traditional cooperative patterns still persist and, to a large extent, superseded the efforts to introduce modern cooperatives. This latter is most observable in the Masailand or in such communities having cattle complex" and high degree of conservatism, where modern cooperatives have got to adapt to the traditional cooperative methods if they have to succeed at all.

Cooperatives in traditional Africa were mechanically solidary, symbolically powerful, but economically weak.

(b) Modern Cooperatives In Kenya:

The development of modern cooperative movement in African societies as observed by Hyden (1973)¹ is similar in many respects to that of Kenya. He observes four major phases of development. The first one is the Early Periods (1910 - 1950) in which cooperatives were started on two main groups: first, the group of cooperatives started through direct initiative and, second, the group started in opposition to non - African middleman. The second phase is the Period of "Price Boom" (1951 - 1959), in which Africans started to cooperate in

preparation for nation - hood. The third phase, the Independence Period (1960 - 1964) saw the early politicians who strove to prove their service to local communities by framing ideologies relevant to African socialism as opposed to European capitalist system. Finally, there was the "Post-Independence" Period, in which cooperatives emphasized their quantitative expansion into as many geographical areas as possible.

In Kenya, the earliest modern Cooperatives were first developed before the First World War. In 1908 European settlers established some cooperatives mainly for the purpose of marketing their cereal crops, fruits, and dairy products. This initial cooperative venture in Kenya, unfortunately, was not quite in the spirit of the Rochdale Pioneers² as it did not observe the principle of open-membership. Africans were not entitled to membership into and participation in these early cooperatives³

X In 1931, the British colonial Government instituted the cooperative Societies Ordinance, whereby the present - day country - wide Cooperatives were registered as Cooperatives during the immediate period before the world War Two. These country - wide Cooperatives were the Kenya Farmers Association (K.F.A.) Limited, which dealt mainly with cereals and supplying farm input; the Kenya Planters Cooperative Union (KPCU) Limited, which dealt with coffee in the large-scale plantations owned by the White Settlers; the Kenya Creameries Cooperative (KCC) Limited, which specialized in the dairy products from the white settlements; and the Multicultural Cooperative Union (MCU) Limited, which exported a variety of crops grown by Cooperative Societies and

individual farmers, such as fruits and vegetables. These giant country - wide Cooperatives were dominated by the White Settlers who owned larger - scale farms in the former "White Highlands" and in the Rift Valley.

In the mid - 1940's, the British Government agreed to introduce Cooperation in their African colonies "as piece meal programmes for the development of the African Land Units of the time"⁴ Therefore in 1945, the Government ~~enacted~~ in Kenya the Cooperative Ordinance which provided for the establishment of Cooperatives among African Small-holders! Under this ordinance, 1000 societies had been registered in the last 20 years.⁵ In 1946 a department under a Registrar of Cooperatives was created. Its objective was to promote farm produce marketing cooperatives in the African land Unit. Thereafter approximately 200 cooperatives were registered to market farm produce, generally cereals and also some poultry products. It is, however, pathetic to note that the newly formed cooperatives had no economic base at all - they dealt with subsistence crops only! In the late 1940's and early 1950's, the wake of African Nationalism in Kenya compelled the British colonial Government to allow Africans to grow cash crops. The controls were very strict, though. Africans were only allowed to grow coffee and pyrethrum. Hence, inevitably, Cooperatives were formed as a matter of necessity for processing and marketing purposes, with compulsory membership - that is, only members were given planting licences. Processing and marketing licences were included later.

In the mid - 1950's another stage of development took place in Kenya. Land consolidation and adjudication were introduced into Kenya whereby each farmer was henceforth entitled to a well - defined plot of land. Greater emphasis was laid on cooperatives as the best instruments for facilitating the socio-economic transformation particularly of the rural areas. Such cooperatives were, among other things, entitled to allocate credits to small - holders. The number began to increase especially among the African small-holders and around 1963 - time of political Independence - Cooperatives were widely recognized as vehicles for introducing limited cash to the African small-holders. This was the period of awakening by potential African leaders who framed ideologies in time with the African Socialism for development.

Nonetheless, during the Post - Independence Period (1965 - 1970) a different picture formed. Numerous multipurpose cooperatives were created for the acquisition of foreigners' farms when the new Government issued a policy that all the land formerly owned by the colonial White Settlers should systematically be acquired by the indigeneous inhabitants. Many groups banded into cooperatives with the intent of purchasing land units particularly in the Rift Valley, and managing them cooperatively. In these circumstances, however, a big rush and scramble ensued among the long - starved Kenyans, to acquire the land units which for a long time had been alienated. Then problems were unavoidable; problems of mismanagement; problems of disloyalty to the principles of cooperation; problems of withdrawal; and

problems of liquidation. The cooperative movement which had, for around a decade, started evolving in an atmosphere of tranquility, had plunged into a quagmire of difficulties which would in future make it not an effective, efficient institution.

* This state of affairs necessitated the Kenya Government to pass an Act of Parliament, the Cooperative Societies Act of 1966, which was revised in 1967. The Commissioner for Cooperative Development and his staff in the Department of Cooperative Development all over the country were given powers to supervise the efficiency of the Cooperatives. Specifically the Act of 1966 provided that the Commissioner: (a) dismiss Unions and Society Committees in case of mismanagement; (b) exercise extensive Budgetary Control whereby Unions and Societies had to submit to him monthly trial balances; (c) formalize all out-standing debts as regular loans; (d) and perform many other functions geared to increase the efficiency of the cooperatives to the satisfaction of the Government and for the benefit of more effective participation of the ordinary members. Consequently, problems were minimized, so that by the end of 1969, 1443 cooperatives had been registered with the commissioner and 56 per cent of these were active. In the same year, 1969, Cooperative Societies Rules were formulated which gave the Commissioner for Cooperative Development wider powers to prevent mis - appropriation and misuse of funds and to act as he saw it fit to improve the overall efficiency of the cooperative movement.

In 1970, a Sessional Paper (No. 8) on "Cooperative Development Policy for Kenya" was promulgated. The Government, in order to further promote the development of a stronger Cooperative movement

involving the participation of all the ordinary members, introduced and intensified many policies, the chief of which were (a) the enforcement of Education and financing of the Cooperatives in the allocation of the resources available to the government; (b) the continuance of long - term finance in order to enable the Cooperative Bank to finance agricultural credit schemes to members and also to enable the movement to acquire processing factories such as ginneries, as well as to support staff training at the Kenya Cooperative College; (c) the establishment of a district Cooperative Union registered in practically all the areas of the country in which there is cooperative enterprise and all the cooperative development centred around it; (d) the development, at village level, of viable societies^{which} may, in the long run, meet all the economic needs of its members; (e) the certification, in the case of certain agricultural commodities, such as coffee, dairies and multiculture, that the cooperative structure end up at the national level with the country - wide cooperative Unions which embrace all the district Unions handling the respective commodities; and (f) the assurance that the Unions work in turn to statutory Boards.

This policy was primarily aimed at promoting the small-holders' standards in the rural areas, and follows the same trends as the present Cooperative development programmes

(c) Modern Cooperative Movement In Kirinyaga District:

Un like most areas in Central Kenya, Kirinyaga District Saw the advent of the first Cooperative Societies in 1952. X
Early Cooperatives were, however interrupted by the Mau Mau Emergency which was declared by the colonial Government under

the late Sir Evelyn Baring who was the Governor of the then Kenya Colony and protectorate. The cooperatives were began as part of Embu Cooperative Union, as Kirinyaga was then part of Embu District.

The Cooperative movement, like that of other parts of Central Province, was closely connected with the policy of land consolidation and adjudication and with the systematic introduction of coffee as a major cash crop among small holders.⁶ During these early years there was a split between those who supported the freedom fighters in the struggle for the liberation of African land from the foreigners and those who remained loyal to the colonial administration. The "Loyalists" were able to progress faster than the former group, perhaps because they had a more assured access to loans and other possibilities of the benefits accruing from membership.

Not until 1963, was the Kirinyaga District Cooperative union (KDCU) Limited established at Kerugoya township, the District Headquarters. The establishment of KDCU was a result of the split of Kirinyaga Cooperatives from the Embu District Cooperative Union. Such a split was in accordance with the Cooperative Societies Act which stated that Cooperatives of one Province could not be affiliated to others in another Province (Kirinyaga District was then in Central Province and Embu in Eastern Province) The KDCU initially had only seven coffee cooperatives as members: namely, Ngariamama, Baragwi, Kabare - in Kirinyaga East (Gichugu) - and Inoi, Mutira, Mwerua and Kibirigwi - in Kirinyaga West (Ndia). Each of these societies was named after the coffee growing locations of Kirinyaga, except for Kibirigwi which was named after a coffee factory in Kiine Location because it was felt that Kiine Society would be confused for Kieni Society in Embu.

Soon after its inception in 1963, the KDCU started to expand. It was joined by the following cooperatives: Murinduko, Nyangati, and Kianjiru (Sisal); Lower Ndia Society (cotton); Kirinyaga, and Gichugu (Dairy); Kirinyaga Timber Society; and Southern Ngariama ^{Ranching} Society. The first four Societies dissociated from KDCU in the early - 1970's. Gichugu Dairy was still undecided on full association or total dissociation due to local - political differences between the Gichungu and Ndia peoples. Those difference were rooted on the decision on the right location of headquarters and of who should contribute the leadership in the Dairy Cooperative Society between the two divisions. The Gichugu people felt that, since the KDCU headquarters was in Ndia, the Dairy Union Headquarters should be in Gichugu Division.

In 1969, the Tobacco growers had formed their own Cooperative society, which was either abortive or still exists but is too weak.

Other Cooperative Societies recently formed are the Credit and Savings Cooperative Society, the Consumers Society, and the Planters' Society - all serving the Mwea rice growers but actually not affiliated to the KDCU ! These have got their centre at Ngurubani, Mwea Divisional Centre.

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The initial objectives of the KDCU were to pay to members 80 percent of the growers' gross proceeds of the sale. KDCU, besides the services it has given to its members since it was founded, has made two major investments. Firstly, it has bought

a large coffee farm (Nderutu Estate) which was formerly owned by a white settler near Nyeri Town. Secondly, it has constructed a double - storey building at Kerugoya township which accommodates the District Department of Cooperative Development, the Cooperative Bank Kirinyaga Branch, the Kenya Commercial Bank, Kerugoya Branch, some shops and high-class hotel.

Coffee growers have, however, faced certain problems particularly in the upper cool zone, where due to coffee Berry Disease, members are uprooting their coffee and replacing it with tea which is under Kenya Tea Development authority but not the KDCU: or with dairy farming.

2. THE PRESENT ROLE OF COOPERATIVES AS DEFINED BY THE KENYA GOVERNMENT:

"Today African leaders and government^s are....more determined to give Cooperative^s an increasingly important role...."⁷
This assertion by J.C. de Wilde (1967) is not uncommon to the Kenya government; and the important role played by cooperatives, particularly in the small-scale agricultural sector, is perpetually stressed in the Development plans and Sessional Papers.

The Development Plan of 1966/70⁸ Stated that the contribution of cooperatives would be made through the expansion of agricultural credit and the technological progress associated with it. It further stated⁹ that the growing participation in cooperatives is further sign of a generally favourable attitude toward development and the promotion of the cooperative form of organization was intended to increase the participation of people in development.

In the Kenya Government Development Plan of 1970/74¹⁰, too, the role played by the Cooperatives, particularly in the promotion of a viable, profitable agricultural development in the small scale sector which absorbs a majority of the rural population, was given great weight. The government's intention was to increase its efforts to develop cooperative movement, "for cooperatives had a most important role to play in agricultural development," especially in the small-scale farming areas. Therefore, the government intended to intensify its efforts to encourage the healthy development of a cooperative movement.¹¹

In the Sessional Paper No. 10 (African Socialism and Its Application to Planning in Kenya)¹², one of the major Kenya Government Programmes was "promoting Producer and Consumer

Cooperatives and training people to run them so that larger - scale opportunities are opened to Africans with limited capital. A similar assertion was made in the Sessional Paper No. 8 of 1970, which stipulated that the government would give every encouragement to the cooperative movement as efficiency increased, to enable it to play an extensive role in the agricultural sector. The policy contained in the Paper expressed the hope that the Cooperative movement would be expected to improve its performance and to compete unhindered on an equal basis with other state and private business organizations in those spheres of the economy in which it was allowed to participate.

Finally, the current Development Plan of 1974/1978 outlines the government's outlook for cooperatives. It states that one of the guidelines within which the Plan will be implemented is the encouragement of cooperatives when they will afford greater efficiency, "as they are most beneficial in marketing and in farming where resources - are in short supply or can be provided most economically for larger units of production than prevail."¹³ In the Plan, the Government expects to see cooperatives develop as the major source of seasonal credits for small-scale farmers. For instance, it mentions¹⁴ that while in 1972 more than 25,000 loans were issued through 91 cooperatives for a total of K£270,000, or about K£10 per loan, the government projects this programme over Plan period so that more than 100,000 loans are issued to small-scale farmers by 1978. So far the Government has allocated development funds totalling K£2,900,000 for the 1974/78 Plan period.

46.

70.
25
31

From the foregoing statements in the government Development Plans and Sessional Papers, it is, therefore evident that the role played by cooperatives in agricultural development will for a long time be highly recognized by the Kenya Government.

3. PRESENT PROBLEMS FACING COOPERATIVE ORGANIZATIONS:

Despite their many expected and observed roles in development, cooperatives encounter a multitude of problems which are likely to cripple their operational efficiency. Like any other human organization, cooperatives, in order to thrive, must be efficient and effective. Unlike capital-oriented organizations, however, cooperative organizations' efficiency requires delicate handling as their primary goal is not to accumulate capital as such but to serve their members and ensure that all of them participate in their functioning and reap their benefits on equal basis.

Therefore, before we come to the specific problems as investigated in Kirinyaga District, it will be essential to make a general survey of the bottlenecks hindering the operation of present-day cooperative organizations particularly in the rural African agricultural developing nations.

In the first place, cooperatives have experienced difficulties related to managerial and administrative inefficiencies. Most students of cooperatives have observed that the management and administration of African cooperatives lack foresight and long-term planning capacity essential to benefit the ordinary peasant farmer. Some cooperative leaders lack innovativeness, creative-mindedness, perspective or problem-solving capacity¹⁵ and imagination. This has been evident particularly in the way they spend the members' funds on erecting luxurious hotels and on speculation¹⁶ but not to members' benefit. Some cooperative leaders have been accused of corruption, fraud, nepotism, disloyalty,

and dishonesty to the actual cause of cooperatives. The major reason for general managerial and administrative inefficiency is attributed to the kind of recruitment the staff in the cooperatives receive. Also poor accounting, lack of book-keeping and record-keeping lead to inefficiency. Auschel, et al (1969)¹⁷, say that the inadequate handling of funds, which lead to inefficiency, is also due to the "dual standard of honesty whereby individuals regard funds from government differently from other funds, and to ethnic conflicts in allocation of funds and in the appointment of leaders. Leaders are ethnically biased if they are selected from the location of the cooperative society. On the other hand they are held with suspicion by members if they are selected from other localities. This state of affairs is detrimental to their managerial and administrative efficiency.

A second type of problem facing African rural cooperatives is that of general illiteracy which characterizes majority of their members and leaders. Majority of rural people are not well informed about the proper functioning of cooperatives. They are ignorant of principles and rules of cooperation. The kind of education they might have received is irrelevant, inapplicable, and unrelated to cooperative development. Members are not informed of the values of cooperation, its prospects or objectives. Majority of cooperators are as yet unconscious of the roles of the cooperatives in the overall development of the nation and in the individual member modernization. This weakness in rural

cooperatives was very observable in the area where this study was carried out. Although in every society there were "FIELD COMMITTEE MEMBERS" in charge of instructing poor ordinary members, there was remarkable dissatisfaction and ignorance of cooperative values among majority of the unprogressive members.

Thirdly, cooperatives generally face the problem of stratification or differentiation prevalent in rural areas. This breeds capitalistic or competitive tendencies among cooperators which in turn lead to socio-economic inequalities. One aspect of this rural stratification is the factionalism based on location and clan groups. J. S. Saul (1969)¹⁸ points out that the problems of parochialism lead to uneven distribution, uneven development and local and regional consciousness. Another aspect of the problem of stratification is based on socio-economic classes, which Hyden¹⁹ refers to as "vertical patron-client" relationships," or "bourgeoisie-peasant" relationships. The rich members have been capable of getting more benefits than the poor so that there is mutual suspicion between the rich and the poor over the allocation of resources. Poor members, as a result, lose initiatives, motivation and involvement in the cooperative development, and feel alienated from their organization. Finally, there is the aspect of "intra elite struggle"²⁰ over ownership. The leaders or the powerful members of cooperatives are continually in conflict over ownership and leadership. Possessive individualism overwhelms the vital idea of cooperation, and makes cooperatives capitalist corporations where the progressive farmers compete for

personal aggrandizement, and it is eventually the poor member who is likely to lose in the entire venture.

Fourthly, the problem of monopolistic tendencies has been observed by students of cooperatives as a serious drawback to a successful cooperative movement. In an attempt to buy products from members and sell them to consumers - that is, to play the part of middlemen - cooperative organizations experience goal-displacement. The primary goal of cooperatives should be to ensure that the growers maintain good quality of products; buying products from producers and selling them to the consumers should be secondary goals. According to de Wilde²¹ the trend toward monopoly within cooperatives promotes inefficiency and makes impossible the development of enterprise capable of taking risk and making decisions in the light of these risks. de Wilde seems to imply that the fundamental goal of cooperatives should be to ensure sufficient output; but this must be facilitated by active participation of members in improving the quality with the help of their organizations.

Fifthly, African cooperative organizational efficiency is adversely affected by local - political involvements. Cooperatives are being used as political instrumentalities. Their involvement in rapid expansion of their functions and bureaucratic organizations "overtaxes the management capacities and alienates them from their members, so that members relax their identification with the cooperative organizations; and also subordinates the cooperative economic to their political role."²² Although only by being

political will cooperatives succeed in reaching their basic objectives - because they are supposed to be organizations of weaker sections in the society and bound to struggle against domination by the stronger sections - their engagement in political movement for its own sake causes another goal - displacement. That is, if their basis for political engagement is to cater for sectional, regional or inter - . . . personality or class struggle for individual aggrandisement, then the fundamental socio-political goal, which is the facilitation of the benefits for the weaker sections is nullified.

Furthermore, the powerlessness of African cooperatives poses another serious problem. Their lack of autonomy and spontaneity dates back from the inception of cooperatives through government initiatives. This limitation leads to inter-cultural conflict which affects members' participation owing to the fact that most of the innovations brought about through modern cooperatives by the colonial Government are not complementary with the traditional cultural values, beliefs and norms. Cooperators in the small-scale sector, therefore, lack originality and adaptability to their environments. A problem related to this powerlessness of cooperatives is their positional and situational ambiguity. On the one side there are some powerful statutory boards, such as Coffee Board; and on the other there are some informal self-help groups. These place cooperatives in a dilemma. While the statutory boards have been given power to decide on the prices and marketing of end products, the informal self-help groups are more popular with the local people. Hence in the cooperatives there is no proper

democratic control from below. Moreover, they cannot adjust themselves in the midst of these statutory boards which are popular with the Government and the leaders of the informal self-help bodies, which are popular with local people.

Also, African cooperatives encounter problems of uncertainty or ambiguity of goals. Original goals are displaced by the interests of specific groups: the rural elite. Cooperatives lack economic viability of goals. The definition of expected goals is incongruent with that of the actual goals. Hence members' commitment becomes ambiguous. There is a profusion of interests expected of cooperatives vis-a'-vis the scarcity of resources at their disposal.

Finally, cooperatives in Africa are handicapped by their low capital resources. Being in their infant stages, they are not yet capable of introducing multi-crop, multi-purpose cooperative organizations. The standard of cultivation is still quite low and cooperatives are unable to secure enough loans owing to lack of security to repay them.

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On examining the above problems we get a wide view of the actual and expected problems facing rural cooperatives in the developing countries, particularly East Africa. However, it seems there is still much to be desired about discovering the root cause of these problems. Most of the studies done on rural cooperative organizational efficiency have been principally economic in orientation. None of the authors appears to have touched on the social aspects of the operative organizations adequately. In

order to understand the actual cause of problems facing cooperatives, it is also essential to focus our study on the social aspects of these problems. A cooperative by definition has more of social than economic objectives. This fact, thus, necessitates the scope of this study to be the social links of a cooperative organization.

4. SPECIFIC PROBLEMS OF COFFEE AND DAIRY COOPERATIVE:^S

Problems faced by small-holder coffee and dairy cooperatives shall be our major concerns in this study. However, we feel that social problems encountered by coffee and dairy cooperatives are akin to those expected of any rural cooperatives. Therefore this study could be a microcosm of a wider study carried on other types of rural cooperatives.

Firstly, coffee cooperatives lack amalgamation at primary level. There are restrictions based on locational boundaries. For instance a coffee member in location "A" cannot sell his coffee at a factory in location "B" even if this factory is nearest to his farm. There are also restrictions based on level of progressiveness. That is, the progressive members do not very well associate with the non-progressive ones.

Secondly, coffee cooperatives have been frequently hit by fluctuations on world coffee market. This causes irregularity and inadequacy of payouts to members and consequently members lose morale in improving their coffee.

Thirdly, there are occasional conflicts between locations and divisions over the allocations of resources like loans, credits and other benefits and over representation in leadership. This leads to a general lack of involvement of members in the problems facing other societies.

Fourthly, coffee cooperative members face problems of transportation. Poor members produce is difficult to transport to the processing factories especially during heavy harvest, This

low
causes low motivation and/participation among members in the well-being of cooperatives, especially as members feel their low payouts do not compensate for the pains borne in growing and transporting their cherries.

Fifthly, coffee cooperatives have faced problems related to illiteracy. The field committee members in charge of instructing members are not very conversant with the proper methods of improving their coffee. They are not aware of the proper cure for coffee Berry Disease. Committee members and officials are not trained on organizational practices. This problem has caused some misunderstandings between members and leaders.

Sixthly, there is low communication on decisions reached at general meetings. This is either due to low attendance at general meetings or due to low commitments by leaders in members' problems.

Finally, coffee cooperatives have faced problems of inequality in the allocation of credits and loans. These are allocated only to those farmers who can afford to repay in the short run. On the other hand, those who obtain credits and loans are not well instructed on how to use them and some resort to alcoholism .

The problems facing dairy cooperatives are, to a large extent, similar to those facing coffee cooperatives. However, there are certain drawbacks peculiar to dairy cooperatives. Firstly, milk prices have caused dissatisfactions and thus withdrawal among many members. Members feel that the prices of fresh milk fixed by the Kenya Creameries Cooperative are lower than the prices received from private buyers, moreover, the payouts

are reduced by the KCC because of the expenses incurred in the transportation and other expenses, whereas the KCC resells the milk products at higher profit than the farmers obtain. There is low coordination between the KCC and local cooperatives in the small-scale sector, so that small-holders feel that the KCC caters more for large-scale farmers than for the small-scale farmers.

5. SPECIFIC PROBLEMS INVESTIGATED IN THIS STUDY: *

This study is focused on three problems facing cooperatives in the rural small-scale farming sector. The major bottlenecks perceived in the cooperative development in the area where the study was carried out are concerned with (a) coordination (b) equity (c) and participation. Those three concepts shall constitute the problem of this study.

(a) COORDINATION (Independent Variable).

We are dealing with five dimensions of coordination in the rural cooperative movement. Firstly, whether there is coordination among ordinary (poor) members. This enables them to form a strong opposition against exploitation by a few rich farmers. It also encourages more effective and efficient participation among ordinary members for the achievement of their common goals; ; high income, and high degree of solidarity.

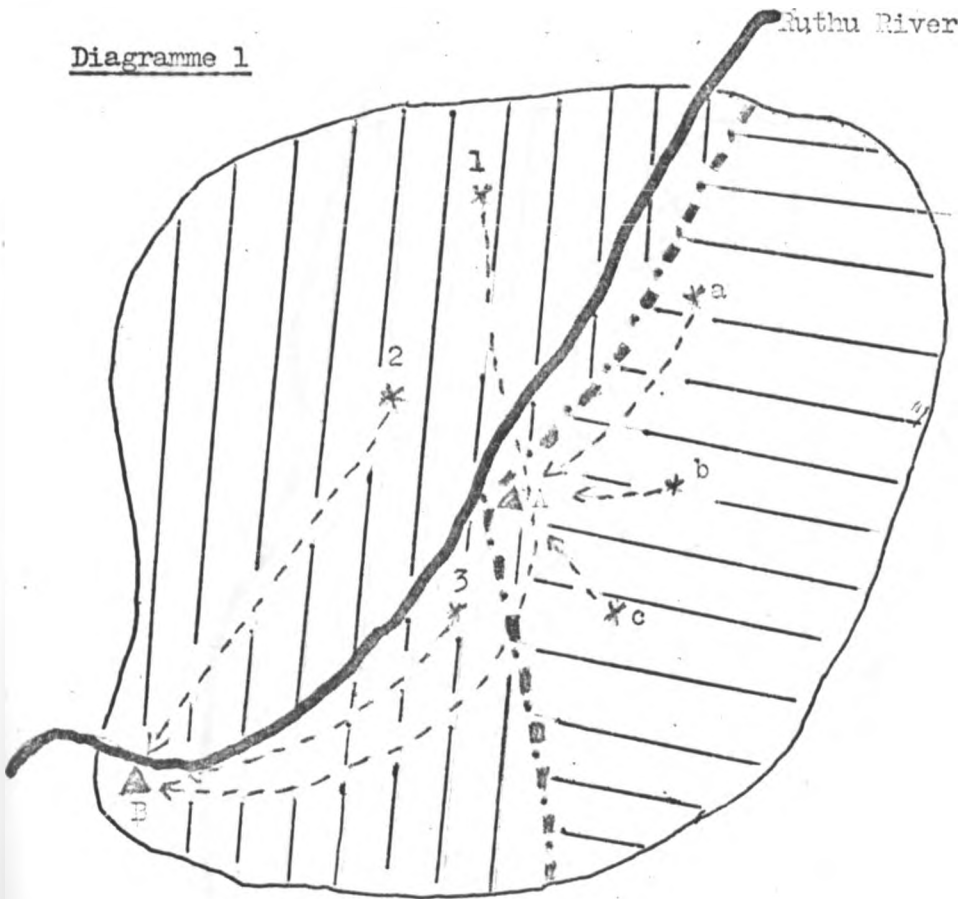
Secondly, whether there is coordination among leaders. This enables them to look into the specific problems facing all their cooperatives such as better marketing, payouts for members, alternatives to the basic crops, and encouragement to the poor members to improve their produce through attendance at farmer Training Courses. Eventually coordination among leaders will encourage higher participation among members.

Thirdly, whether there is coordination between the poor and the rich. This will enable members to take interest in new methods of farming and to obey the instructions given to them on the improvement of their produce. Eventually it will bridge the gap between the poor and the rich and consequently encourage higher

participation in cooperative development for all.

Finally, whether there is coordination between societies, which encourages greater participation through minimizing possible difficulties in cooperative development such as transportation of coffee and milk to the nearest selling centres irrespective of their location. A good example of this type of coordination is illustrated in the diagrammes below. Both illustrations indicate cooperatives belonging to the same district cooperative Union but having no common marketing centres.

Diagramme 1



KEY



Mutira Location



Ince Location



Locational Boundary

- 1, 2, 3, *.....→ Mutira coffee farmers: not allowed to market their produce at A (Kariko factory) which is in Inoe but which is nearer their coffee farms. Only allowed to sell and process their coffee at B (Kagumo factory) which, however, is very far from their coffee farms.
- a, b, c, *..... → Inoe coffee farmers: allowed to market and process their produce at A because it is in Inoe.

Diagramme 2



KEY



Kabare (Gichugu)



Inoe (Ndia)

1, 2, 3,.....Inoe coffee farmers: not allowed to market their produce at A (Mukengeria factory) which is in Kabare, Gichugu but which is nearer their coffee farms. Only allowed to market their coffee at the distant B (rutui factory) and have to go over a steep ridge.

a, b, c,..... Kabare farmers: allowed at Mukengeria

(b) EQUITY (Independent Variable)

We have to dimensions of equity in this study.

Firstly whether there is equity in representation on decision making in cooperatives. Equal representation of members' interests by leaders stimulates more active participation among all members, especially the small holders for the benefit of a united cooperative movement. Representatives in the various societies must make decisions positively affecting the ordinary members, but not a small section of the rich or progressive members.

Secondly whether there is equity in the allocation of resources such as credits, loans and other services. Cooperatives major objective is to ensure fair distribution of benefits among members in order to minimize the gaps between the weak and the

relatively strong sections of the society. Hence issuing loans and credits in an equitable manner determines more active participation of the members.

(c) PARTICIPATION (Dependent Variable)

Finally, and very importantly, our study involves participation among the ordinary members in cooperative development. Only by active participation among small-holders and other members will rural cooperatives be an efficient and effective instrument for uniform rural agricultural and consequently national development. Participation means the engagement of the individual in the system so that he is involved in decisions which affect him as a system member.²³ In effect he has both a voice and a vote in the representation of that subsystem in the larger structure and this type of participation also guarantees him an opportunity to share in the rewards of the group cooperation that constitutes the system.

6. OPERATIONALIZATION OF THE MAJOR VARIABLES

All the variables were operationalized on the basis of members' attitudes or perceptions. The attitudes were arranged according to ordinal scales. Likert scaling procedure was applied.

(a) COORDINATION:

Ordinary members and leaders were asked how much they felt cooperatives work together in the union. The Likert scaling in this case included five categories for responses: Such as

1. Hardly any at all
2. Not much
3. Somehow
4. Quite a bit
5. A very great deal.

Another question was How much coordination a member or leader perceived among the poor, among the rich, or between the poor and the rich, respectively. The Likert scaling included five categories for the responses similar to the ones listed above.

(b) EQUITY:

Likert scaling procedure was also applied in this case. For instance we asked questions like "How much a leader or member agreed or disagreed that equal representation brings about equitable or fair resource allocation of benefits among members. The Likert scaling included five categories for responses such as

1. Very strongly agree
2. Agree
3. Not decided
4. Disagree
5. and very strongly disagrees.

Another question was how much a member or leader agreed or disagreed that equal representation encourages farmers to more actively participate in cooperative development, and the Likert scaling included similar categories of responses.

Another question on equity was: "supposing you were to decide on the allocation system in terms of equal distribution, how would you (member or leader) recommend this? The likert scaling included categories for responses like 1. Very strongly recommended 2. Recommended 3. Not decided 4. Not recommended and 5. very strongly not recommended. Finally we asked members and leaders how they would say, in terms of fairness in the allocations, if they were asked to speak on behalf of their societies. The likert scaling included five categories for responses, such as 1. very fair 2. fair 3. A little bit fair. 4. Unfair 5. and very unfair

(c) PARTICIPATION:

Likert scaling procedure was also applied, with only four categories of responses: For instance, members or leaders were asked among whom: the poor, rich, leaders or officials (respectively) they perceived highest, medium or lowest participation in cooperative development activities. The likert scaling included 1. most actively 2. some actively 3. Less actively 4. Least actively.

Leaders (not members in this case) were also asked how much participation they perceived among different types of cooperatives, categorized by means of single item measurement according to their degree of coordination and equity. Likert scaling was applied for each item. For instance they were asked: How much participation do you perceive among the following types of cooperatives.

	1. Hardly any at all	2. Not much	3. Some	4 Quite a bit	5. A very great deal
a. Most Highly coordinated	1	2	3	4	5
b. Less coordinated	1	2	3	4	5
c. least coordinated	1	2	3	4	5

and so forth for Equity (representation and allocation)

In all these cases, the number of scores in the responses among leaders and ordinary members determined the level of perception of coordination, equity and participation in the cooperatives. Weights of the favourables and the unfavourables were determined by the number of scores in each category from the two samples (ordinary members and leaders).

7. THEORETICAL ORIENTATIONS

In connection with the problem investigated in this study, certain theoretical implications shall be considered.

Firstly, Banard's²⁴ theory that a perfectly cooperative system requires common purpose plus the ability to communicate this purpose is indicative of the idea of coordination among members and between societies forming a cooperative system. Secondly, there must be interest in incentives which induce members to cooperate in achieving organization's objectives or the common purpose mentioned above. Thus, in the context of our study, these incentives are a result of equity in representations and in distribution of resources. Willingness to cooperate - that is, participation in our study - is a direct response to the inducements or incentives offered to the members by the cooperative organizations. In order to participate fully in cooperative development, certain sacrifices are involved, such as attending ^{reinvesting} general meetings, communal work or / money into the cash crops for better yields. Such sacrifices must be rewarded by incentives or inducements like good payouts, equitably distributed loans and credits and other benefits.

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We could also look at our problem in line with Timasheff's theory of a perfectly cooperative situation. When goal seekers interact, they must comply with the norms in force. In addition there must be solidarity, characterized by a community of goals of men meeting each other in an effort to satisfy their needs. There must be knowledge of what to expect from each other. That is, there must be proper communication. In this case we can refer to our

concept of solidarity between societies and among members and leaders of the cooperative societies. They must have joint action - that is, the actions of participants (members) must be similar. For instance, the rich and poor members, and the various primary societies in a given area, must have a similarity of actions in a perfectly cooperative situation. Timasheff mentions two major dimensions of cooperation which are relevant to our problem. First, there is "auxiliary action" cooperation, whereby some participants (in our case the rich members) supplement the weakness or deficiency of others (the poor). In this case the immediate common goal is equal to the lifting level of need satisfaction of the weaker participants; and to a means to a further common goal in which all share. This latter assertion gives us the idea of equity in representation and in distribution of benefits. This is cooperation in its miniature aspects. Second, there is "converging action" cooperation, in which participants, in pursuit of common goals, complement actions to achieve the goal. This is cooperation in its wider perspectives. It is based on "give - and - take" principle. The well - being of the helped (the poor in our cooperatives) is his own goal, the goal, of the helper (the rich and the leaders or representatives), and a common goal of both types of participants. The implication of this aspect of cooperation is that, for a cooperative to succeed, there must be equitable distribution as well as equitable contributions by all.

This complementarity of functions or functional interdependence encourages participation by both the rich and poor, the leaders and the ordinary members.

Finally, our theoretical implications can draw some relevance from ²⁶ Dentsch's theory of cooperation among individuals and groups in a cooperative situation. He says that the goals of individuals and groups in a cooperative situation are promotively interdependent in their definitions, locomotions and facilitations with their fellow members. Coordination between primary cooperative societies in a union is implied in this context. Individual members or groups (primary societies) have a high degree of empathy - that is, there is among them a high degree of knowledge about other active member^s; they have high group orientation, friendliness and high evaluation of group products. Their attitudes are similar with respect to individual functions. There is among the individuals and groups perception of great favourability of efforts of other fellow member^s and, finally, a great feeling of obligation to other members.

8. HYPOTHESIS SYSTEM:

From our problem, we shall try to test certain hypotheses related to the concepts of coordination, equity and participation in rural cooperative organizations.

Firstly, the perceptions, among the ordinary members and leaders, of the degree of coordination among the poor, the rich; between the poor and rich; and between cooperative societies were positively related to their perceptions of the degree of participation among members and leaders in cooperative development.

Secondly, we can hypothesize that the perceptions of the degree of equity in representations and in the allocation of resources such as credits and loans was positively related to their perceptions of participations in cooperative development.

7

FOOT NOTES

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CHAPTER 3

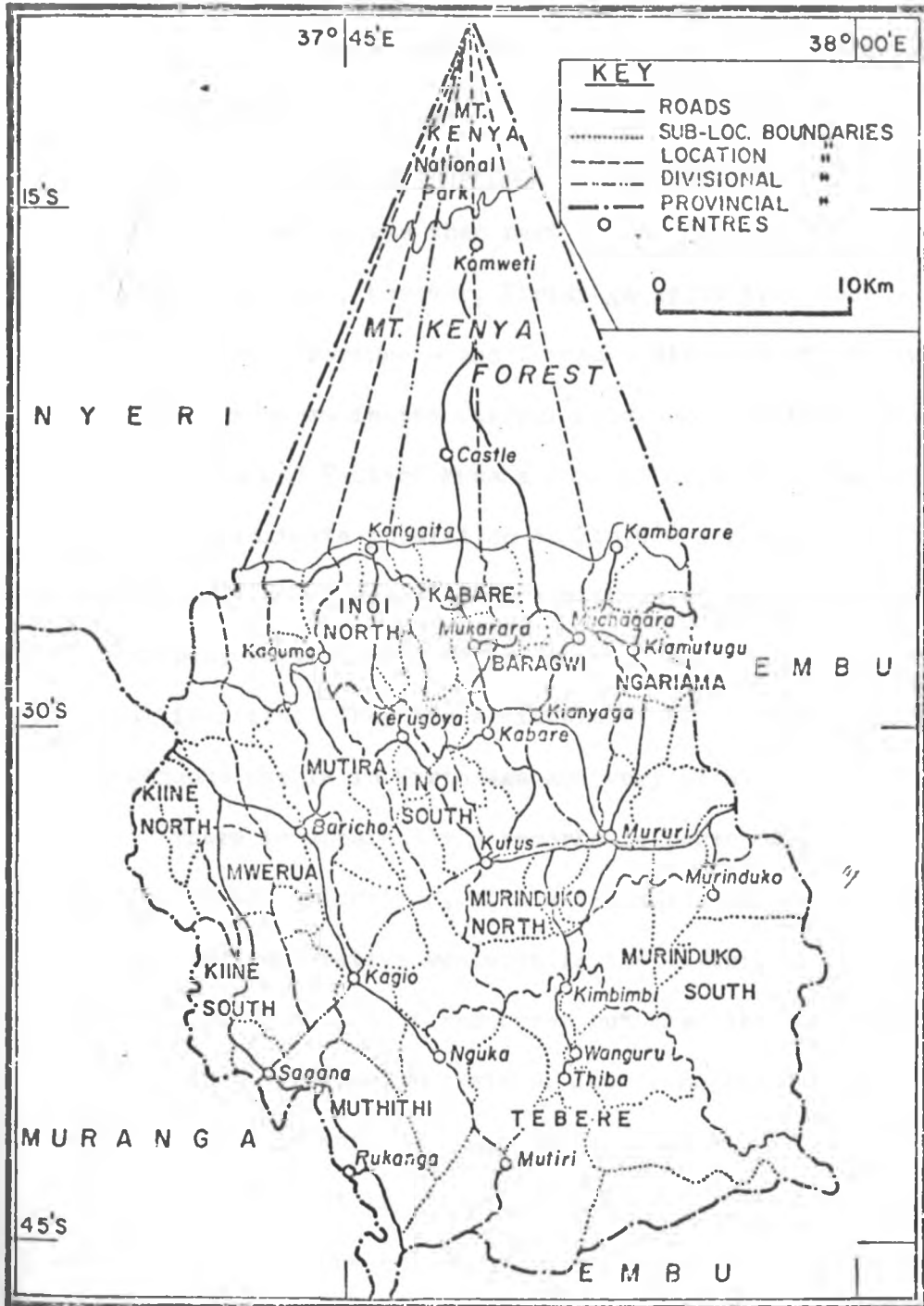
METHODOLOGY

1. STUDY AREA (see Map 1)

Kirinyaga District, where this study was carried out, is situated in the Central Province of Kenya, on the Southern slopes of Mount Kenya, between Latitudes $0^{\circ} 15'$ South in the north and $0^{\circ} 45'$ south in the south, and between Longitudes $37^{\circ} 45'$ East in the West and $37^{\circ} 60'$ East in the east. It is the easternmost and smallest district in the Central Province. It borders Nyeri District in the West, Embu District in east and south and Mount Kenya Forest in the north. Its administrative divisions include Kirinyaga West (Ndia), Kirinyaga East (Gichugu) and Kirinyaga South (Mwea).

The land, although situated at a high altitude (6,000 feet above sea level in the south and 8,000 feet above sea level in the north), is not very hilly. It rises gently towards the mountain. The climate of the district varies abruptly from south to north. In the north, the climate is temperate: wet and cold for most of the time in the year. In the central zone, it changes to a milder tropical-type of climate with two distinct wet seasons during the long and short rains. The southern zone is hot and dry for most parts of the year. The vegetation changes correspondingly with the climate. It is temperate in the north with heterogeneous evergreen trees, Kikuyu grass and high bracken fern dominating the zone. The central zone is dominated by

KIRINYAGA DISTRICT



1. STUDY AREA. (MAP 1)

star-grass and scattered trees particularly in the stream valleys. In the southern zone, the vegetation is predominantly grassland, with some sandy and semi-desert patches.

In the pre-independence period, Kirinyaga was part of Embu District which was then part of the old Central Province of Kenya. In 1963, however, Kirinyaga split from Embu - now in the Eastern Province - and formed a district of its own, but still remained in the Central Province. Western Mwea was part of Ndia and Eastern Mwea a part of Gichugu. The district, with an approximate population of 216,000 according to the 1969 population census, seems to be a mixture of many tribes and sub-tribes, particularly in the south. There is no uniform tribal identity. They are a mixture of Kikuyu and Embu. The indigeneous people in Kirinyaga are very mild.

There is apparently a remarkable segmentalization in the society based on location, clan and zone. This factor seems to pervade the cooperative ventures in the district. It affects not only the distribution of resources but also the participation of members from different divisions, locations and clans in cooperative movement.

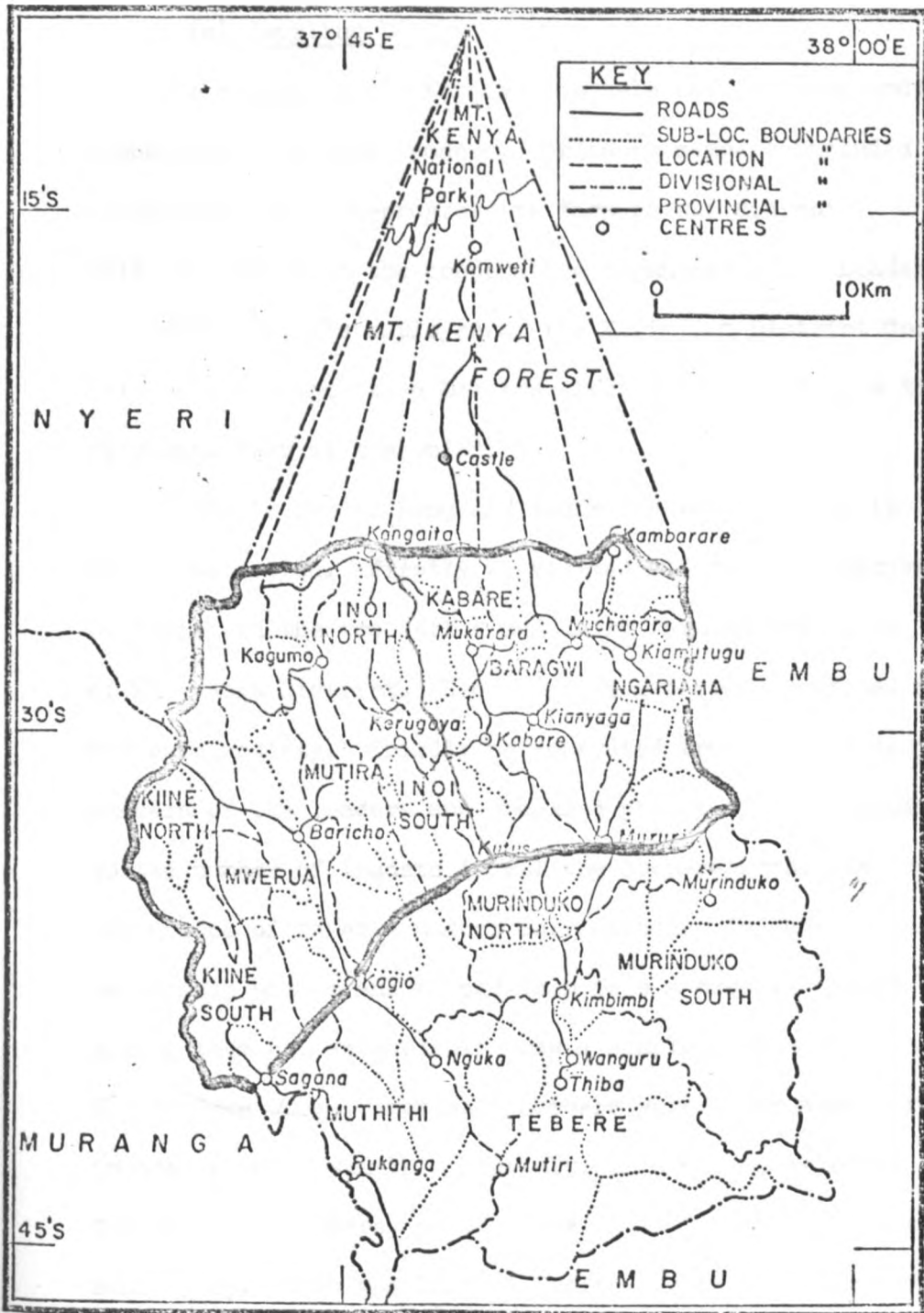
The district is not yet agriculturally advanced. The northern zone is now embarking on small-scale tea and dairy farming; the central zone grows coffee as a major cash crop, and also has some dairy farming also on small-scale. In the southern zone, rice and cotton are the major cash crops. Rice is grown on collective basis, through irrigation in Mwea-Tebere. On the whole, agricultural development in Kirinyaga District is only in

its embryonic stages. This is possibly because of (a) the little or no contact farmers had with the white innovators; (b) the great inaccessibility to major marketing centres due to poor transportation system in the past; (c) the lack of keenness or initiatives among a large majority of farmers to adopt modern farming methods; (d) or the clan-based, locational or divisional segmentalization within the district. The land, by Kenyan standards, is one of the most arable and suitable for intensive and profitable agricultural production.

2. UNIT OF STUDY (see Map 2)

The unit of study included seven coffee and two dairy farmers cooperatives in two divisions of Kirinyaga west and east.

KIRINYAGA DISTRICT



2. UNIT OF STUDY (MAP 2)

2. STUDY DESIGN

(a) Sampling Design

A sample of 400 farmers was selected 300 were ordinary members and 100 were leaders. Ordinary members included progressive and non-progressive farmers who did not hold any post with the cooperative organizations. Leaders included officials employed by the Kirinyaga District Cooperative Union and the Committee Members elected by the members to represent them at the Union.

Simple random sampling technique was employed in the sample selection. Firstly we visited all the cooperative societies in the two coffee and dairy farming divisions of Kirinyaga District. Secondly, we gathered the total membership for each society. Thirdly we separated from each society the numbers of the leaders and prepared pieces of paper equivalent to the number of leaders in all the cooperatives. We gave each piece of paper a number corresponding to each leader's membership number and placed them into a basket. After mixing them up, we randomly drew a sample of 100 from the basket. The leaders whose membership numbers were drawn were our respondents in the leaders' sample. Fourthly, in order to select a sample for ordinary members, we took the society with the largest membership. This was Baragvi Coffee Cooperative Society in Kirinyaga East with a total membership of 3710. We prepared 3710 pieces of paper and gave each a number from number 1 to number 3710. Each number corresponded with a cooperative

(ordinary) member's membership number. We placed these numbers in a separate basket, mixed them up and drew roughly 30 pieces for each of the nine societies to make up approximately 300 respondents. If any piece corresponded with a leader's number, we drew another one. As with the leaders, the ordinary members whose membership numbers were drawn were our respondents in the ordinary members' sample.

(b) Data Collection

The instruments used for data collection were structured interview schedule¹ with majority of close-ended questions consisting of likert scale categories. There were a few open-ended opinion questions. There were two types of interview schedules, one for ordinary members and another one for leaders

(c) Operationalization of the major independent and dependent variables:

This section was discussed in Chapter 3 above. Likert scaling² procedure was used to measure the perceptions of the respondents. The reason for using this procedure is that it was the best measure of variance for this kind of survey. We also used single-item measurement³, which is also advantageous as it enables research to proceed speedily by testing a variety of propositions.

3. DATA ANALYSIS

(a) Preparation

Firstly, the raw data were coded for the purpose of using computer services in the analysis. Secondly, ICL computer cards were punched according to the codes and were ran in a counter-sorter machine in order to obtain frequency distributions, matching independent with dependant variables according to the scores in the Likert-Scale response categories, Thirdly, the frequencies were tabulated and percentaged. Finally, we selected the most important tables containing the relationships in the major hypotheses.

(b) Analysis

We used three different tools of analysis. Firstly, we used percentages to establish the description of the various characteristics of respondents: age, educational level, and farm size which we used in our analysis. Secondly, for the measure of the degree of association between the major independent and dependent variables, we applied Gamma coefficient. Gamma (γ), calculated by the formula

$$\gamma = \frac{C - D}{C + D}$$

is the best known ordinal measure⁴ for grouped data as it excludes ties altogether from the denominator and may be applied to ungrouped data. "C" stands for Concordant (or Consistent) pairs; D stands for Discordant (or inconsistent) pairs. Finally, in order to prove or disprove the major hypotheses, we employed Chi-square test which is given by the

formula

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

"O" stands for observed data and "E" stands for expected data.

Chi-square statistic has been recommended by many authors⁵ as an important test for significance of relationships in hypotheses. For 3 x 3 tables we had a degree of freedom of 4 and for 3 x 2 tables we had a degree of freedom of 2. We used both .05 and .001 levels of significance to test the hypotheses. Our reason for using these two levels of significance was that some Chi-squares were very large and if a hypothesis was accepted at both .05 and .001 levels of significance, we knew it was more strongly supported by the test than a hypothesis which was accepted at .05 but rejected at .001 levels of significance.

FOOT NOTES

CHAPTER 3

1. See Appendix B
2. Banard S. Phillips: "SOCIAL RESEARCH: Strategy and Tactics"
Boston University. The MacMillan Company. New York.
Collier - MacMillan Ltd. London P. 184
3. Op cit. p. 208
4. Hubert M. Blalock, Jr.
"SOCIAL STATISTICS"
McGraw - Hill Book Company 1972
p. 424
5. For instance Ya-Lun-Chon
"STATISTICAL ANALYSIS"
st. Johns University Jamaica,
New York. Holt Rinehart & Winston
1970
Pp 449 - 452.

CHAPTER 4

ANALYSIS AND FINDINGS

1. DISTRIBUTION OF RESPONDENTS BY PERSONAL ATTRIBUTES

(A) Distribution by Age (Table 1).

Majority of the ordinary members interviewed appeared in the young age category (47.48) while the other categories were almost equally distributed (See 1.a.) Similar (See 1.b), majority of leaders interviewed were in the young age category (55.93), but in this case, those in the old age category were in an almost negligible minority (11.86).

Table 1. DISTRIBUTION BY AGE

1.a. Ordinary Members

AGE (Years)	Number	Percentage
YOUNG: 21-40	113	47.48
MEDIUM: 41-50	62	26.05
OLD: 51+	63	26.47
TOTAL	238	100%

1.b. Leaders

AGE (Years)	Number	Percentage
YOUNG: 21-40	33	55.93
MEDIUM: 41-50	19	32.20
OLD: 51+	7	11.86
TOTAL	59	100%

(B) Distribution by Formal Education (Table 2)

Majority of the respondents among the ordinary members did not have any formal education (41.60), while the other two categories - that is those who had attained up to standard 4 of primary education and those who had gone beyond standard 5 - were almost equally distributed (See 2.a.) On the other hand, most of the respondents among leaders had received between standard 5 and standard 8 of formal education (55.93), while very few had gone beyond Form I (15.25) as Table 2.b. indicates. It is curious to note that a fairly large number of leaders had below standard 4 of formal education (28.81).

Table 2. DISTRIBUTION BY FORMAL EDUCATION ACHIEVED

2.a: Ordinary Members

EDUCATION LEVEL	NUMBER	PERCENTAGE
NONE	99	41.60
STD. 1 - 4	68	28.57
STD. 5 AND OVER	71	29.83
TOTAL	238	100%

2.b: Leaders

EDUCATION LEVEL	NUMBER	PERCENTAGE
0 - STD. 4	17	28.81
STD. 5 - 8	33	55.93
FORM 1 AND OVER	9	15.25
TOTAL	59	100%

(C) DISTRIBUTION BY FARM-SIZE OWNED BY RESPONDENT

The results indicated that majority of the respondents in the ordinary members sample owned between 5 and 9 acres of land (50%), while relatively few (9.24) had more than 10 acres of land, and quite a significant number had 4 or less acres of land (40.76) as table 3.a indicates. Similarly, most of the leaders had between 5 and 9 acres of land (54.24), while those who owned 4 acres or less and those who owned 10 acres and above were almost equally distributed as Table 3.b. indicates.

Table 3. DISTRIBUTION BY FARM SIZE

3.a: .Ordinary Members .

FARM-SIZE (ACRES)	NUMBER	PERCENTAGE
0 - 4	97	40.76
5 - 9	119	50.00
10 AND OVER	22	9.24
TOTAL	238	100%

3.b: Leaders

FARM-SIZE	NUMBER	PERCENTAGE
0 - 4	13	22.03
5 - 9	32	54.24
10 AND OVER	14	23.73
TOTAL	59	100%

In summary we could make some comments on the above distributions. Firstly, young people are normally the first to adopt innovations. It is not, then, surprising that a large majority of active cooperative members were young in our two samples. The old, in most cases, perhaps still hold on to traditional farming methods. Moreover, cooperatives are a recent innovation in the district and so those who were young and had land were the first active members. It is also from among the young that leaders are most likely to come.

Secondly, literacy is one of the major problems in the rural small-holder sector. Majority of small-holders are either illiterate or semi-literate. Very rarely do we find farmers with secondary education background. Most of the leaders in the sample had received up to standard 8 of primary education. This also is a set-back for rural cooperatives, as some of these leaders would find it difficult to cope with modern scientific farming.

Thirdly, the area where this study was carried out is high potential, with rapid population growth. Rarely is it possible to find a farmer with more than 10⁰ acres of farming land. The average land holding is seven acres. Only those who could afford to buy more land had more than 10 acres.

2. RELATIONSHIP BETWEEN RESPONDENTS' CHARACTERISTICS AND THEIR PERCEPTIONS:

(a) Coordination:

The highest percentage of those ordinary members who perceived high coordination in their cooperatives were among the young (43.41), those with no education (42.64), and those with 5 - 9 acres of land (53.85).

Among the leaders, the majority of those who perceived high coordination among societies in the Union was among the young (56.10) those with standard 5 to 8 of education (53.66), and those with 5 to 9 acres of land (53.66).

(b) Equity

Among the ordinary members, the highest percentage of those who perceived high relationship between equal representation within cooperatives and active participation was among the young (51.96), those with no education (41.34), and those with 5 to 9 acres of land (52.51). The highest percentage of those who recommended equity in the allocation of benefits was also among the young, (40.82), those who had received standard 5 to 8 education (38.78) and those who owned 5 to 9 acres of land (55.10). Finally, those who perceived high degree of fairness in the allocation of benefits were among the young (44.19), those with standard 5 to 8 education, and those with 5 to 9 acres of land (51.16).

As for the leaders, the highest percentage of those who recommended equity in allocations was among the young (59.46), those who had received standard 5 to 8 education, (56.76), and those with 5 to 9 acres of land (48.65). Those who perceived high association between equal representation in societies and active participation among members were highest among the young (59.09), those with standard 5 to 8 of education, (50), and those with between 5 and 9 acres of land (54.55).

(c) Participation

Among the ordinary members, the perception of high participation was observed in the young age category (45.06), those with no education (40.74) and in the category of those with 5 to 9 acres of land (50.62).

Among the leaders, the perception of high participation was also observed in the young age category (64.52), the standard 5 to 8 education category (51.61), and the 5 to 9 acre category (51.61).

In this section we notice that the relationship between respondents' personal characteristics and their (respondents') perception of coordination, equity and participation mostly corresponded with their distribution in the samples. That is,

1. (a) Majority of ordinary members who perceived high coordination were young, had no formal education and owned between 5 and 9 acres of land.
- (b) Majority of leaders who perceived high coordination were young, had achieved between standard 5 and standard 8 of formal education and owned between 5 and 9 acres of land.
2. (a) Majority of ordinary members who perceived high equity in representation were young, had received no education and owned between 5 and 9 acres of land.
- (b) Majority of leaders who perceived high equity in representation were also young, had received between standard 5 and 8 of formal education and owned between 5 and 9 acres of land.
- (c) Majority of ordinary members who recommended equal distribution in allocations of benefits were young, had achieved between standard 5 and 8 of formal education* and owned between 5 and 9 acres of land.

- (d) Majority of leaders who recommended equal distribution were young, had achieved between standard 5 and 8 of formal education, and owned between 5 and 9 acres of land;
 - (e) Majority of ordinary members who perceived high degree of fairness in allocations of cooperative benefits were young, had received between standard 5 and 8 of formal education * and owned between 5 and 9 acres of land;
 - (f) Majority of leaders who perceived high degree of fairness were young, had achieved between standard 5 and 8 of formal education and owned between 5 and 9 acres of land.
3. (a) Majority of ordinary members who perceived a high degree of participation were young, had no formal education background, and owned between 5 and 9 acres of land; while
- (b) Majority of leaders who perceived high degree of participation also were young, had achieved between standard 5 and 8 of formal education and owned between 5 and 9 acres of land.

*NOTE: The only exceptions were

1. The relationship between ordinary members' education achievement and their recommendation of equity;
2. and the relationship between ordinary members' educational achievement and their perception of a high degree of fairness in allocations.

3. EFFECTS OF COORDINATION AND EQUITY UPON
MEMBERS' PARTICIPATION IN COOPERATIVE
DEVELOPMENT:

As we noted earlier, in this study we are trying to examine two major hypotheses. Firstly, whether there is any relationship:

- (a) between coordination among members of cooperative Societies (intra-organizational coordination) and members' participation in cooperative development, and
- (b) between coordination among societies themselves (inter-organizational coordination) and members' participation in cooperative development. Secondly we try to relate equity in representations and in allocations to members' participation in cooperative development.

In this chapter we attempt to examine these relationships on the basis of respondents' perceptions. For the purpose of describing differences between-and comparability among - groups or categories we used percentages. In order to measure rank order and degrees of association in our categories, we employed Gamma coefficient (γ). Finally, the chi-square test (χ^2) was extensively applied in assessing statistical significance of relationships between dependent and independent variables. Generally, we assessed significance at levels $P = .05$ and $P = .001$. If a relationship attained significance at

$P = .05$ but did not at $P = .001$, we concluded that the degree of acceptability of a hypothesis was somewhat low. If the relationship was accepted at both $P = .05$ and $P = .001$ significance levels, we concluded that the degree of acceptability was high. If, however, there was no significance at both $P = .05$ and $P = .001$ levels, we concluded that the hypothesis was totally rejected. For 3×3 tables we had 4 degrees of freedom. That is to say, the relationship between categories would be accepted if the chi-square value exceeded 9.488 and 18.465 at .05 and .001 significance levels, respectively. For 3×2 tables, we had 2 degrees of freedom. That is, the relationship between categories would be accepted if the chi-square value exceeded 5.991 and 13.815 at .05 and .001 significance levels, respectively.

(A) RELATIONSHIP BETWEEN COORDINATION BETWEEN SOCIETIES AND AMONG MEMBERS AND PARTICIPATION OF MEMBERS IN COOPERATIVE DEVELOPMENT.

A hypothesis would state that the degree of coordination (among the rich members, among the poor members, between the rich and poor members, and between Societies) is positively related to the degree of participation (among the poor, the rich, and the committee members) in cooperative development.

We looked at the findings in terms of ordinary members' and leaders' perceptions. According to ordinary members' perceptions (see table 4.a), coordination among the poor members was quite strongly related to participation among committee members, as Gamma coefficient of .42 indicated. This was confirmed by a remarkably large chi-square value (20.06) which indicated that the relationship was accepted at both .05 and .001 significance levels with 4 degrees of freedom.

According to leaders' perceptions, there was also a significantly strong relationship between coordination among the poor and participation among the committee members. This relationship was shown by a substantially high Gamma coefficient ($\gamma = .75$). A chi-square value of $X^2=16.07$ further confirmed the acceptability of the relationship at both .05 and .001 significance levels (see table 4.b), with 2 degrees of freedom.

TABLE 4. RELATIONSHIP BETWEEN COORDINATION AMONG POOR MEMBERS AND COMMITTEE MEMBERS' PARTICIPATION IN COOPERATIVE DEVELOPMENT

4.a: According to Ordinary Members

		PARTICIPATION (Committee Members)		
		High	Medium	Low
COORDINATION (POOR)	High	68.36 (121)	51.92 (27)	33.33 (3)
	Medium	16.95 (30)	26.92 (14)	-
	Low	14.69 (26)	21.15 (11)	66.67 (6)
TOTAL%		100%	100%	100%
BASE		(177)	(52)	(9)

N= 238

Gamma= .42

Chi-square= 20.06

Degrees of freedom = 4

Significant at P=.05 and P=.001

4. b:

According to Leaders

		PARTICIPATION (Committee Members)	
		High	Low
COORDINATION (POOR)	High	55.32 (26)	16.67 (2)
	Medium	36.17 (17)	25 (3)
	Low	8.51 (4)	58.33 (7)
TOTAL%		100%	100%
BASE		(47)	(12)

N= 59

Gamma = .75

Chi-Square = 16.07

Df = 2

Significant at P = .05 and P=.001

From the above finding we can infer that participation of Committee members is not independent of coordination among the poor members. This relationship is very pertinent in that the poor members who constitute the majority of membership in the rural cooperatives could have a strong influence upon more active involvement of Committee members in the affairs of their cooperatives. That is, the higher the intra-organizational coordination of cooperatives, the more actively involved are their elected Committee members. This phenomenon invokes Deutsch's theory that there is higher degree of efficiency if an organization has promotive interdependence.

According to ordinary members' perceptions (see table 5. a) there was a moderately strong relationship between coordination among the poor and their participation in cooperative development, as a Gamma Coefficient of .46 showed. A chi-square value of 25.54 indicated that the relationship was accepted at both .05 and .001 significance levels. The findings from leaders' sample, however, showed different results, for whereas there was a strong Gamma Coefficient (= .60), the relationship between coordination among the poor and the participation among them was accepted at .05 but rejected at .001 significance levels with chi-square value of 9.89, as Table 5.b indicates.

TABLE 5: RELATIONSHIP BETWEEN COORDINATION AMONG THE POOR MEMBERS AND THEIR PARTICIPATION IN COOPERATIVE DEVELOPMENT

5. a: According to Ordinary Members

		PARTICIPATION (Poor)		
		High	Medium	Low
COORDINATION (POOR)	High	72.84 (118)	51.79 (29)	35 (7)
	Medium	16.05 (26)	26.79 (15)	15 (3)
	Low	11.11 (18)	21.43 (12)	50 (10)
	TOTAL%	100%	100%	100%
	BASE	(162)	(56)	(20)

5.b: According to Leaders:

		PARTICIPATION (Poor)	
		High	Low
COORDINATION (Poor)	High	44.44 (12)	18.75 (6)
	Medium	40.74 (11)	28.13 (9)
	Low	14.81 (4)	53.13 (17)
TOTAL % Base		100% (27)	100% (32)

N= 59

Gamma= .60

Chi-square= 9.89

Df = 2

Significant at .05 (not very acceptable)

The above relationship gives us an idea that the greater the coordination among the poor members the more able they are to participate usefully in cooperative development. This is true as cooperatives are primarily meant for people of limited means, who cannot manage their own enterprises individually.

A cooperative is meant to mobilize its members to work together in order to obtain their benefits more cheaply and more profitably. It is through their joint action that members are able to fight social and economic domination by the rich. The perceptions of leaders, however, indicated moderate relationship as most of them are rich and have acquisitive and individualistic orientations.

Thirdly, the findings indicated that, according to ordinary members' perceptions (see Table 6. a) there was a moderately strong association between coordination among the rich, with a gamma coefficient of .41. The hypothesis was strongly supported by a large chi-square value ($\chi^2 = 50.57$) which indicated a high acceptability at .05 and .001 significance levels. On the other hand, leaders sample exhibited a finding that the relationship was marginally accepted only at $P=.05$ (chi-square=8.04), although gamma coefficient ($\gamma=.50$) showed a moderately strong association, as table 6.b indicates.

TABLE 6: RELATIONSHIP BETWEEN COORDINATION AMONG
THE POOR MEMBERS AND PARTICIPATION OF THE
RICH MEMBERS.

6. a: According to Ordinary Members

		PARTICIPATION		
		High	Medium	Low
COORDINATION (Poor)	High	64.34 (83)	62.67 (47)	11.76 (4)
	Medium	17.05 (22)	24 (18) (18)	17.65 (6)
	Low	18.60 (24)	13.53 (10)	70.59 (24)
	TOTAL % Base	100% (129)	100% (75)	100% (34)

N = 238

Gamma = .41

Chi-square = 50.57

Df = 4

Significant at P= .05 and P= .001

6.b: According to Leaders

		PARTICIPATION (Rich)	
		High	Low
COORDINATION (Poor)	High	60 (24)	36.84 (7)
	Medium	35 (14)	31.58 (6)
	Low	5 (2)	31.58 (6)
TOTAL %		100%	100%
Base		(40)	(19)

N= 59

Gamma = .50

Chi-square= 8.04

Df= 2

Significant at P= .05 (rather unacceptable)

The above results exhibit a stronger relationship between coordination among the poor and participation among the rich as observed by ordinary members than perceived by leaders. However, the findings cannot lead to a fully reliable generalization, as it is difficult to say if coordination among the poor would really influence participation of rich members.

Forthly, it was perceived by the ordinary members that there was a significantly strong relationship between coordination between societies in the Union and the participation among the rich members. A .47 gamma coefficient indicated quite a strong degree of association and a chi-square value of 41.94 showed a substantial acceptance of the relationship at both .05 and .001 significance levels (7.a) Similarly, leaders perceived a very strong relationship between coordination among societies and participation among the rich members, as a gamma of .84 indicated and as a large chi-square value indicated a remarkable acceptance of the relationship at both .05 and .001 significance levels (see table 7.b)

TABLE 7: RELATIONSHIP BETWEEN COORDINATION AMONG SOCIETIES IN THE UNION AND PARTICIPATION OF RICH MEMBERS

7.a: According to Ordinary Members

		PARTICIPATION (Rich Members)		
		High	Medium	Low
COORDINATION (Societies)	High	55.04 (71)	49.23 (32)	6.82 (3)
	Medium	28.68 (37)	29.23 (19)	34.09 (15)
	Low	16.28 (21)	21.54 (14)	59.09 (26)
	TOTAL % Base	100% (129)	100% (65)	100% (44)

N= 238

Gamma = .47

Shi-square= 41.94

Df= 4

Significant at P= .05 and P= .001

7.b: According to Leaders

		PARTICIPATION (Rich)	
		High	Low
COORDINATION (Societies)	High	77.5 (31)	21.0 (4)
	Medium	17.5 (7)	26.32 (5)
	Low	5.0 (2)	52.63 (10)
	TOTAL %	100%	100%
	Base	(40)	(19)

N= 59

Gamma= .84

Chi-square= 21.82

Df= 2

As the findings in the above relationships indicate, when there is high inter-organizational coordination among societies in the Union, there is great participation among the rich members. That is, there is greater promotive interdependence among the rich members, generated by the sharing of ideas. It is difficult for a cooperative organization to function in isolation, and for members to participate for their own selfish ends, rather than for the well-being of the entire Union.

So inter-organizational coordination within the Union can have similar influence upon rich members' activeness in participation as it has for committee members. Contrariwise a very weak relationship existed between coordination among societies and participation among the elected committee members, as the ordinary members perceived. There was a very low gamma coefficient of association (= .16). Also a very low chi-square value ($\chi^2 = 4.34$) indicated a total rejection of the relationship at both $P = .05$ and $P = .001$ (see table 8.a.) However, according to leaders' perception, coordination among societies was substantially related to participation among the Committee members. This was shown by an extremely high gamma coefficient (= .90), and a very high chi-square value ($\chi^2 = 24.96$), which supported the significance of the relationship at both $P = .05$ $P = .001$ (see Table 8.b)

In this case we notice that, according to ordinary members sample, participation of elected Committee members is almost independent of inter-societal coordination. We could explain this phenomenon by the fact that majority of ordinary members interviewed were poor and perhaps had low empathy. So it was difficult for them to say anything in favour of other societies, for they knew only their societies on the other hand, majority of leaders interviewed were also progressive farmers who were likely to view development of their cooperatives in terms of inter-societal contacts whereby it would be possible to copy other societies' ideas and transmit their own to other societies.

Similarly, coordination among societies was perceived by ordinary members (9.a) to be weakly related to participation of the poor members as a considerably weak gamma indicated. The relationship did not attain significance at $p = .001$. But according to leaders' perception (See 9.b), the relationship was strong, with a high (.76) gamma coefficient, and it was supported by 23.23 chi-square test at both .05 and .001 significance levels.

TABLE 8: RELATIONSHIP BETWEEN COORDINATION AMONG SOCIETIES AND PARTICIPATION OF COMMITTEE MEMBERS.

8.a. According to Ordinary Members

PARTICIPATION (Committee Members)				
		High	Medium	Low
COORDINATION (Societies)	High	56.5 (100)	50 (26)	33.33 (3)
	Medium	28.81 (51)	28.85 (15)	55.36 (5)
	Low	14.69 (26)	21.15 (11)	11.11 (1)
	TOTAL%	100%	100%	100%
	Base	(177)	(52)	(9)

N= 238

Gamma= .16

Chi-square= 4.34

Df= 4

Not Significant at P= .05 and P= .001 (weak)

8b. According to Leaders

		PARTICIPATION (Committee Members)	
		High	Low
COORDINATION (Societies)	High	70.21 (33)	8.33 (1)
	Medium	23.4 (11)	25.0 (3)
	Low	6.38 (3)	66.67 (8)
	TOTAL %	100%	100%
	Base	(47)	(12)

N= 59

Gamma = .90

Chi-square= 24.96

Df= 2

Significant at P= .05 and P= .001

TABLE 9: RELATIONSHIP BETWEEN COORDINATION AMONG COOPERATIVE SOCIETIES AND PARTICIPATION OF POOR MEMBERS.

9.a According to Ordinary Members

		PARTICIPATION (Poor)		
		High	Medium	Low
COORDINATION (Societies)	High	56.17 (91)	51.79 (29)	10 (2)
	Medium	26.17 (43)	33.93 (19)	45 (9)
	Low	17.28 (28)	14.29 (8)	45 (9)
	TOTAL%	100%	100%	100%
	Base	(162)	(56)	(20)

N= 238

Gamma= .28

Chi-square= 17.92

Df= 4

Not Significant at P= .05 and P= .001 (weak)

9. b: According to Leaders

		PARTICIPATION (Poor)	
		High	Low
COORDINATION (Societies)	High	59.26 (16)	12.50 (4)
	Medium	26.63 (8)	31.25 (10)
	Low	11.11 (3)	56.25 (18)
TOTAL%		100% (27)	100% (24)

N= 59

Gamma = . 78

Chi-square= 23.23

Df= 2

Significant at both P= .05 and P= .001

The above finding exhibits similar results to those in Table 8. That is, according to Ordinary members, inter-societal coordination does not favourably influence poor members participation in their cooperative development. But, according to leaders, inter-societal coordination favourably influences poor members participation.

Hence the same explanation can be applied in this relationship.

The findings show that according to ordinary members' perceptions, coordination among the rich was very strongly related to participation among themselves. That is, in societies where the rich were cooperative rather than competitive, there was greater contribution among them toward stronger cooperative organization. A strong gamma (.71) indicated the strength of this relationship. The relationship also attained a substantial significance at $P = .05$ and $P = .001$, with a high Chi-square value ($\chi^2 = 42.2$), as table 10 below indicates.

TABLE 10: RELATIONSHIP BETWEEN COORDINATION AMONG THE RICH MEMBERS AND THEIR PARTICIPATION

		PARTICIPATION (Rich)		
		High	Medium	Low
COORDINATION (Rich)	High	77.52 (100)	52.00 (39)	32.35 (11)
	Medium	17.05 (22)	38.67 (29)	32.35 (11)
	Low	5.43 (7)	9.33 (7)	35.29 (12)
	TOTAL % Base	100% (129)	100% (75)	100% (34)

N= 238

Gamma= .71

Chi-square= 42.20

Df= 4

Significant at P= .05 and P= .001

However, the above relationship reveals positive relationship between coordination among the rich and participation among themselves. That is, in cooperatives where the rich are cooperative there is greater contribution toward their Cooperative organization than in those cooperatives where the rich are competitive.

But it was observed that coordination between the rich and poor members was weakly related to participation of the rich members in cooperative development. (Gamma= .27), despite the acceptance of the relationship at both P= .05 and P= .001 (Chi-square=27.76), as Table 11 below indicates.

TABLE 11: RELATIONSHIP BETWEEN COORDINATION BETWEEN RICH AND POOR MEMBERS AND PARTICIPATION OF RICH MEMBERS IN COOPERATIVE DEVELOPMENT

PARTICIPATION (Rich)				
		High	Medium	Low
COORDINATION (Rich and Poor)	High	44.96 (58)	49.33 (37)	2.94 (1)
	Medium	31.01 (40)	32.00 (24)	41.18 (14)
	Low	24.03 (31)	18.67 (14)	55.88 (19)
TOTAL%		100%	100%	100%
Base		(129)	(75)	(34)

N= 238

Gamma= .27

Chi-square= 27.76

Df= 4

Significant at P=.05 and P=.001

The above relationship reveals remarkable independence between coordination between the rich and poor members and participation of the rich. That is, the poor always strive to succumb exploitation by the rich while the rich try to isolate themselves from the poor. The poor would perhaps prefer to organize themselves and catch up with the rich.

Similarly, coordination between the rich and poor members was very weakly related to participation of poor members in cooperative development as indicated by an extremely low gamma ($\gamma=.06$). Chi-square value was also very low ($\chi^2= .28$). Therefore the relationship did not attain significance at both $P=.05$ and $P=.001$ (See Table 12 below)

TABLE 12: RELATIONSHIP BETWEEN COORDINATION BETWEEN RICH AND POOR MEMBERS AND PARTICIPATION OF POOR MEMBERS IN COOPERATIVE DEVELOPMENT.

		PARTICIPATION (Poor)		
		High	Medium	Low
COORDINATION (Rich and Poor)	High	43.21 (70)	42.86 (24)	30 (6)
	Medium	33.95 (55)	35.71 (20)	30 (6)
	Low	22.84 (37)	21.43 (12)	40 (8)
TOTAL % Base		100% (162)	100% (56)	100% (20)

N= 238

Gamma= .06

Chi-square= 3.28

Df= 4

NOT Significant at $P=.05$ and $P=.001$ (very weak)

This relationship also reveals some independence between coordination between the rich and poor members and participation of the poor members in cooperative development (compare Table 11 above)

Also, coordination between poor and rich members was very weakly related to participation among the Committee members. This was shown by an extremely low Gamma ($\gamma = .01$). Furthermore, chi-square value of 6.22 indicated that there was no significance in the relationship at both $P = .05$ and $P = .001$ (See table 13 below).

TABLE 13 RELATIONSHIP BETWEEN COORDINATION BETWEEN THE RICH AND POOR MEMBERS AND PARTICIPATION OF COMMITTEE MEMBERS.

PARTICIPATION (Committee Members)				
		High	Medium	Low
COORDINATION (Rich and Poor)	High	39.55 (70)	42.31 (22)	22.22 (2)
	Medium	35.03 (62)	40.38 (21)	22.22 (2)
	Low	25.42 (45)	17.31 (9)	55.56 (5)
TOTAL%		100%	100%	100%
Base		(177)	(152)	(9)

N= 238

Gamma= .01

Chi-square= 6.22

Df= 4

NOT Significant at $P = .05$ and $P = .001$

This relationship also (compare tables 11,12 above) indicates that participation of committee members is independent of coordination between the poor and rich members.

On the whole as Table 14 below shows, there was a strong relationship between inter-societal coordination and members' (rich, poor, Committee members') participation in Cooperative development. This was indicated by a strong Gamma coefficient (=.89) and a high chi-square value ($\chi^2=24.4$) which supported the relationship at both .05 and .001 significance levels.

TABLE 14: RELATIONSHIP BETWEEN COORDINATION AMONG SOCIETIES AND GENERAL PARTICIPATION IN COOPERATIVE DEVELOPMENT

PARTICIPATION (General)			
		High	Low
COORDINATION (Societies)	High	80.65 (25)	21.43 (6)
	Medium	19.35 (6)	21.43 (6)
	Low	-	57.14 (16)
TOTAL % Base		100% (31)	100% (28)

N= 59
 Gamma= .89
 Chi-square= 24.40
 Df= 2

Significant at .05 and .001 (strong)

The above relationship would lead us to make a general conclusion that participation in cooperative development is greatly and positively influenced by inter-societal coordination.

(B) RELATIONSHIPS BETWEEN EQUITY IN REPRESENTATION AND IN ALLOCATION AND MEMBERS' PARTICIPATION IN COOPERATIVE DEVELOPMENT

The second set of hypothesis we are trying to examine in this study was concerned with the relationships between (1) Equity in representation of members and their participation in cooperative development and (2) equity in allocation of benefits among members and their participation in cooperative development. In this section we attempt to find out if these relationships hold.

In the first place, members were asked whether they felt the allocations in their cooperatives were (a) very fair (b) fair (c) a little bit fair (d) unfair or (e) very unfair. We tried to relate their responses to their perceptions of degree of participation of various categories of members in cooperative development.

As table 15. a. indicates, the degree of fairness in allocations was weakly related to the degree of participation of Committee members in cooperative development.. This was shown by a very low gamma coefficient ($\gamma = .16$). Also χ^2 -square value of 7.816 confirmed that the relationship was rejected at both $P=.05$ and $P= .001$. A more or less similar observation was found among leaders (See Table 15.b), with a low gamma coefficient of .21. However, the calculated chi-square showed some marginal significance at $P=.05$ but no significance at $P=.001$.

TABLE 15: RELATIONSHIP BETWEEN DEGREE OF FAIRNESS IN ALLOCATIONS AND PARTICIPATION OF COMMITTEE MEMBERS IN COOPERATIVE DEVELOPMENT.

15. a: As Perceived by Ordinary Members

PARTICIPATION (Committee Members)				
		High	Medium	Low
FAIRNESS	High	64.97 (115)	63.46 (33)	22.22 (2)
	Medium	19.21 (34)	23.08 (12)	33.33 (3)
	Low	15.82 (28)	13.46 (7)	44.44 (4)
	TOTAL % Base	100% (177)	100% (52)	100% (9)

N= 238
 Gamma = .16
 Chi-square= 7.816
 Df= 4
 NOT Significant at P=.05 or P=.001 (very weak)

15.b: As Perceived by Leaders

PARTICIPATION Committee Members			
		High	Low
FAIRNESS	High	47.5 (19)	42.11 (8)
	Medium	37.5 (15)	31.58 (6)
	Low	15 (6)	26.32 (5)
	TOTAL % Base	100% (40)	100% (19)

N= 59
 Gamma= .21
 Chi-square= 7.816
 Df= 2
 Significant only at P= .05 (weak

This relationship exhibits some independence between participation among Committee members and fairness in allocation of benefits. This means that Committee members' willingness to cooperate is not influenced by the degree of fairness in allocations.

On the other hand, as Table 15 a. indicates, the degree of fairness was quite strongly related to the degree of participation of poor members in cooperative development. This was perceived by ordinary members. The strength of the relationship is backed by a moderately high gamma coefficient ($\gamma = .40$). Moreover, a chi-square value of 57.79 indicated a substantial acceptance of the relationship at both .05 and .001 significance levels.

But according to leaders (see Table 16.b), although the gamma was moderately strong (.51) the relationship was significant only at $p = .05$, though marginally, with a low chi-square value of 6.53.

TABLE 16: RELATIONSHIP BETWEEN FAIRNESS AND PARTICIPATION OF THE POOR

16.a: As Perceived by Ordinary Members

	PARTICIPATION (Poor)		
	High	Medium	Low
FAIRNESS	High 67.90 (110)	55.36 (31)	10 (2)
	Medium 17.28 (28)	23.21 (13)	35 (7)
	Low 14.81 (24)	21.43 (12)	55 (14)
	TOTAL % 100%	100%	100%
	Base (162)	(56)	(20)

N= 238

Gamma= .40

Chi-square= 57.79

Df= 4

Significant at $p = .05$ and $p = .001$

16.b. As perceived by leaders

		PARTICIPATION (Poor)	
		High	Low
FAIRNESS	High	48.15 (13)	18.75 (6)
	Medium	29.63 (8)	34.38 (11)
	Low	22.22 (6)	46.88 (15)
	TOTAL %	100%	100%
	Base	(27)	(32)

N = 59

Gamma= .51

Chi-square= 6.53

Degrees of Freedom = 2

It is observable from the above relationship that the degree of participation of poor members is not independent of the degree of fairness in allocations. That is, if the poor members receive inducements in terms of fair payouts and other benefits like loans, they are encouraged to work harder and to obey instructions and assignments of their societies. The relationship did not show adequate significance in the leaders' sample. Perhaps the leaders, majority of whom are rich members of Cooperatives, are more satisfied with the allocation system than the ordinary members, majority of whom are poor

The findings, as table 17 below indicates, also showed that there was very moderate relationship between the degree of fairness perceived by ordinary members and the participation of rich members in cooperative development. The relationship was, however, strongly significant at both $P = .05$ and $P = .001$, with a chi-square value of 53.44.

TABLE 17: RELATIONSHIP BETWEEN FAIRNESS AND PARTICIPATION OF RICH MEMBERS

	PARTICIPATION (Rich)		
	High	Medium	Low
FAIRNESS	High 57.36 (74)	70.67 (53)	11.76 (4)
	Medium 24.03 (31)	18.67 (14)	14.71 (5)
	Low 18.60 (24)	10.67 (8)	73.53 (25)
	TOTAL % 100% Base (129)	100% (75)	100% (34)

$N = 238$

Gamma = .31

Chi-Square= 53.44

Df = 4

Significant at $P = .05$ and $P = .001$.

The finding alone indicates some moderate dependence of rich members' willingness to participate upon the degree of fairness in allocation as perceived by ordinary members.

On the whole, as table 18 indicates, the degree of fairness in allocation of benefits was only moderately related to general participation in cooperative development. This observation by leaders was backed by a moderately strong gamma coefficient ($\gamma = .48$). But the chi-square test ($X^2=7.72$) indicated that the relationship was significant only at $p = .05$

TABLE 18: RELATIONSHIP BETWEEN FAIRNESS IN ALLOCATIONS (PERCEIVED BY LEADERS) AND GENERAL PARTICIPATION IN COOPERATIVE DEVELOPMENT:

		PARTICIPATION (General)	
		High	Low
FAIRNESS	High	41.94 (13)	25 7(7)
	Medium	41.94 (13)	25 (7)
	Low	16.13 (5)	50 (14)
	TOTAL % Base (31)	100% 100%	100% (28)

N = 238

Gamma = .48

Chi-Square = 7.72

Df = 2

Significant only at $P = .05$

This relationship also shows weak dependence of general participation on the degree of fairness in allocation system, according to leaders' perception.

Perhaps a good majority of the members would feel that allocation should be based on members' ability to repay. That is, those members who are extremely poor and cannot afford to repay big loans should be allocated loans equivalent to their ability to repay.

In the second place, members were asked how much they would recommend allocation system in terms of equal distribution. The responses ranged from those who very strongly recommended, through those who only recommended, those who were undecided, those who just did not recommend, to those who strongly did not recommend. We tried to relate these responses (degrees of recommendation) to members' perceptions of the degrees of participation in cooperative development.

As table 19. a indicates, according to ordinary members sample, the findings reveal some strong positive relationship between equity and participation among the rich members. This was showed by a moderately strong gamma ($\gamma = .43$). Also a large chi-square value ($\chi^2 = 73.7$) indicated a substantial acceptability of the relationship at .05 and .001 significance levels. However, as table 19.b indicates, according to leaders sample, the relationship was very weak, with a very low gamma of .20, and an almost insignificant chi-square of .75 which exhibited a complete rejection of the relationship at both $P = .05$ and $P = .001$.

TABLE 19: RELATIONSHIP BETWEEN EQUITY IN DISTRIBUTION AND PARTICIPATION OF RICH COOPERATIVE MEMBERS

19. a: According to ordinary members' recommendation of Equity and Their Perception of Participation of rich members:

		PARTICIPATION (Rich)		
		High	Medium	Low
EQUITY	High	64.34 (83)	69.33 (52)	8.83 (3)
	Medium	22.18 (29)	20 (15)	14.71 (5)
	Low	13.18 (17)	10.66 (8)	76.47 (26)
	TOTAL %	100%	100%	100%
	Base	(129)	(75)	(34)

N= 238

Gamma = .43

Chi-square = 73.70

Df = 4

Significant at P= .05 and P= .001

19.b According to Leaders

PARTICIPATION (Rich)			
		High	Low
EQUITY	High	47.5 (19)	36.84 (7)
	Medium	30 (12)	31.58 (6)
	Low	22.5 (9)	31.58 (6)
	TOTAL%	100%	100%
	Base	(40)	(19)

N = 59

Gamma= .20

Chi-square= .75

Df= 2

NOT Significant at P= .05 and P= .001 (very weak)

From the above findings, we observe two different phenomena. First, in the ordinary members sample, the participation of rich members in cooperative development was dependent on, and related to, the degree of equity in allocations.

On the other hand, according to leaders, there was very weak relationship between rich members willingness to participate and the degree of equity in allocations.

Our explanation for this variation is that while the ordinary members feel that the rich would be encouraged to work harder for the good of their societies, the leaders feel that the rich would feel discouraged if there was equity between them and the poor in the allocations of benefits. Table 20. a shows a moderate relationship between equity as recommended by ordinary members and participation of the poor members in cooperatives development (Gamma = .41). Chi-square test ($X^2 = 35.79$) indicated a remarkable significance of the relationship at both $P = .05$ and $P = .001$. Leaders' sample, however (see table 20.b) exhibited some weak relationship, as gamma ($\gamma = .20$) shows. a very low chi-square value ($X^2 = 1.61$) also indicated that the relationship could not attain any significance at $P = .05$ and $P = .001$.

TABLE 20: RELATIONSHIP BETWEEN EQUITY AND PARTICIPATION OF THE POOR:

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20.a: According to Ordinary Members

		PARTICIPATION (Poor)		
		High	Medium	Low
EQUITY	High	59.14 (112)	66.07 (37)	16 (3)
	Medium	19.75 (32)	8.93 (5)	25 (5)
	Low	11.11 (18)	25 (14)	60 (12)
	TOTAL %	100%	100%	100%
	Base	(162)	(56)	(20)

N= 238

Gamma = .41

Chi-square = 35.79

Df= 4

Significant at P= .05 and P= .001

20.b According to Leaders

		PARTICIPATION (Poor)	
		High	Low
EQUITY	High	51.85 (14)	37.5 (12)
	Medium	29.63 (8)	31.25 (10)
	Low	18.52 (5)	31.25 (10)
	TOTAL %	100%	100%
	Base	(27)	(32)

N= 59

Gamma = .20

Chi-square= 1.61

NOT Significant at P= 0.05 or

P= 0.001 (very weak)

This relationship indicates that the poor would feel more encouraged to participate if there were equity in the allocations. The Leaders, however, feel there should not be equity. Allocations should be based on members' ability to repay. Participation of leaders is in turn based on the rewards they obtain from their cooperatives in terms of loans and credits.

The degree of recommendation for Equity by ordinary members was somewhat weakly related to their perception of participation of committee members in cooperative development. This was shown by a very moderate Gamma Coefficient ($\gamma = .32$). The relationship attained some moderate significance only at $P = .05$, with a chi-square of 17.9 (see Table 21 below)

TABLE 21: RELATIONSHIP BETWEEN EQUITY IN DISTRIBUTION AND PARTICIPATION OF COMMITTEE MEMBERS

		PARTICIPATION (C.M.)		
		High	Medium	Low
EQUITY	High	69.49 (123)	63.46 (33)	22.22 (2)
	Medium	20.90 (37)	19.23 (10)	22.22 (2)
	Low	9.60 (17)	17.31 (9)	55.56 (5)
	TOTAL %	100%	100%	100%
	Base	(177)	(52)	(9)

N= 238

Gamma= .32

Chi-square= 17.9

Df= 4

Significant only at $P = .05$

The above finding indicates that the committee members' participation in cooperative development is not affected by the degree of equity.

Finally, according to leaders sample, equity in distribution was very weakly related to general participation in cooperative development. The findings indicate a gamma of low magnitude ($\gamma = .26$), and no significance at both $P = .05$ and $P = .001$ with a chi-square of very low value ($\chi^2 = 1.52$), as Table 22 below shows

TABLE 22: RELATIONSHIP BETWEEN EQUITY IN DISTRIBUTION AND GENERAL PARTICIPATION IN COOPERATIVE DEVELOPMENT.

		PARTICIPATION (General)	
		High	Low
EQUITY	High	41.94 (13)	28.57 (8)
	Medium	32.26 (10)	32.14 (9)
	Low	25.81 (8)	39.29 (11)
TOTAL %		100%	100%
Base		(31)	(28)

N= 238

Gamma = .26

Chi-square= 1.52

NOT Significant at $P = .05$ and $P = .001$

It seems from the above relationship the general trend is that there will be more participation if the allocations were made on the basis of a members' ability. That is, for those members who have improved their farms, there should be greater proportions of benefits than for those who have not.

4. FINDINGS

From the analysis of various relationships, it becomes clear that certain important findings will be observable which might help us to prove or disprove our hypotheses.

Firstly both the ordinary members and leaders perceived strong association between coordination among poor members and participation among their elected committee members in the affairs that promote the development of cooperative organizations.

Secondly, coordination among the poor members was perceived to be strongly related to their active participation in the well-being of their cooperative organizations. This means that if the members are coordinated as a group belonging to one common body - the cooperative Union - they become more committed to the improvement of the cooperatives for the benefit of all. They become more empathetic, and are ready to cooperatively struggle to eliminate the domination by the rich sections of the society.

Thirdly, coordination among the societies in the Union was perceived by both ordinary members and leaders to be strongly related to the degree of activeness of rich members' participation in the affairs of their cooperatives. This applies particularly to cases where there are more progressive cooperatives. That is, in higher potential zones, when cooperatives are coordinated in terms of marketing, transport and processing, those in lower potential zones benefit from those in the higher potential zones if cooperatives are well coordinated. When, however, there is

individualism among the rich members, they are the only ones who benefit most from cooperatives.

Fourthly, coordination among the poor was perceived among the ordinary members to be significantly related to the participation among the rich members. The explanation to this finding is that if the poor were coordinated, the rich members would be influenced and get more involved in the cooperative development.

Fifthly, it was observed that coordination among the societies in the Union in terms of locations or sub-locations was strongly related to the general participation among the poor, rich or elected committee members.

Sixthly, the degree of fairness in the allocation of benefits like credits and loans to members was perceived by the ordinary members to be strongly associated with the degree of participation among the poor members. Also there was a strong association between the ordinary members' recommendation of equity in the allocation of benefits and poor members' active participation in the cooperative development. This can be explained in two different ways. On the one hand, the poor members who are in the majority membership are reluctant to attend cooperative functions because they do not obtain sufficient inducements like high payouts and more regular loans. But if their demands are fulfilled fairly and equitably, they will be encouraged to comply with the directions given by the leaders. They will much more be ready to identify themselves

with their cooperative organizations. This has some implication from March and Simon's (1958) theory that "each participant . . . will continue his participation in an organization only so long as the inducements offered him are as great as, or greater than, the contributions he is asked to make"¹. It also complies with their hypothesis that "the greater the number of individual needs satisfied in the group (cooperative), the stronger the propensity of the individual to identify with the group (cooperative)".² On the other hand, the rich members, who are in the minority in rural agricultural cooperatives, do not participate in the cooperative development as they can afford employed labour to participate on their behalf. Furthermore, even if they do not directly or indirectly participate in the development of their local cooperatives, they can in the extreme case establish their own independent way of processing and selling their produce directly to the buyer without bothering whether the poor sections of the society have got their inducements or not.

FOOT NOTES

CHAPTER 4

1. March, J. G. & Simon, H. A. : "ORGANIZATIONS"
New York, John Wiley & Sons Inc., 1958.
Pp. 381 - 382.
2. March, J. G. & Simon, H. A. Pp. 54 - 75.

CHAPTER 5

SUMMARY AND CONCLUSIONS

1. SUMMARY

In this study, our aim has been focused to five major criteria, (which were discussed in detail in chapter 1):

(a) Expressing the importance of rural development in the context of national developmental policies and planning. Our principal observation was that rural development is essential for alleviating the targets aimed at in the entire national development, for

(i) The wealth of Kenya is fundamentally obtained from the rural areas and

(ii) Majority of Kenya's population live in the rural areas and do, and will continue to, obtain their livelihood from the rural areas;

(b) Expressing the significance and centrality of agricultural development as a useful component factor for rural development, for

(i) Kenya is an agricultural country and the vital portion of her resources obtain through effective promotion of her agricultural sector and particularly in the promotion of technology essential for the commercialization of agriculture through cash crop husbandry and animal husbandry; and

(ii) despite this realization, Kenya's agricultural sector has still not been effectively tapped partly because of the tremendous influx of the agriculturally

employable manpower to the city, partly because of the obvious orientations in the training hitherto prevalent in the socialization of youth and partly because only the high potential areas of the country which cover a very small percentage of the entire land area have hitherto been developed;

(c) Expressing the crucial role played by cooperative form of organization for most effective agricultural development;

(d) Expressing the significance of small-holder participation in the implementation of rural development: as he forms the majority of the rural population finding their livelihood in agriculture; and

(e) More particularly, expressing the expected and actual position of the small-scale farmer in the entire fabric of cooperative movement in Kenya - the only means by which he can best participate in the promotion of rural development.

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For the purpose of our understanding member participation in cooperative and thus agricultural development, we singled out of a myriad problems facing cooperatives in developing countries certain important variables which we used to suggest solutions to some social problems affecting cooperative movement in the rural areas: namely

(a) Problem of coordination among the poor, the rich and

the committee members and among societies as groups in a Cooperative Union. We tried to investigate the relationship between coordination problems and active participation of members in the effective cooperative development;

- (b) Problem of equity in the representation of small-holders' interests and in the allocation among small-holders of benefits accruing from cooperatives such as loans, credits, payouts and farm inputs;
- (c) Finally, but most centrally, the problem of participation of members in the developmental well-being of their cooperatives.

Hence we formulated hypotheses in which we intended to prove that the concepts of coordination and equity were each related to the concept of active participation in cooperative development.

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2.

CONCLUSIONS

From the findings in this study it is difficult in line with the selected variables to make fully reliable generalizations on the solutions to the problems of effective participation of members in cooperative development. There are various reasons for this limitation. Firstly, the findings indicated that coordination among the poor is not necessarily related to their participation in cooperative development. For only respondents in the ordinary members sample, according to computations of chi-square, perceived strong positive relationship. Secondly, coordination among the poor members was not necessarily related to participation of rich members, as, again, only ordinary members perceived strong positive relationship. Thirdly, inter-societal coordination was not necessarily related to participation of committee members. This is because only the leaders perceived strong relationship. Fourthly, inter-societal coordination was not necessarily related to participation of poor members. We say this because only leaders perceived strong positive relationship. Nor was coordination between the rich and poor members essentially related to the participation of rich members themselves. For computations of chi-square and gamma indicated some strong positive relationship only in the leaders' sample, but weak relationship in the ordinary members' sample.

Moreover, degree of fairness in allocations of benefits to members was not necessarily related to the participation of committee members. This was exhibited in several aspects of the findings. Firstly, the relationship between fairness and

committee members' participation was, according to ordinary members perception, weak. Secondly, fairness was, according to leaders' sample, weakly related to participation of rich members. Thirdly, the relationship between fairness and poor members' participation was rejected, according to leaders' sample. Fourthly fairness and general participation were weakly related as the computations from leaders' sample showed.

Furthermore, equity as recommended by respondents was not necessarily related to general participation in cooperative development. In the first place, only in the ordinary members' sample was there a strong positive relationship between equity and general participation. In the second place, we found that equity and participation of poor members were strongly and positively related only in the ordinary members' sample. Also, equity and participation of rich members were strongly related only in the ordinary members sample. Moreover, equity was only moderately related to participation of committee members, as computation of chi-square in the ordinary members sample indicated. Finally, the computed chi-square in the leaders' sample indicated a very weak relationship between equity and general participation in cooperative development.

Hence, generally our findings did not lead us to any definite conclusions in favour of equity. For a cooperative organization to be effective, perhaps there must be some amount of competition. Each member strives to improve his produce in order to obtain greater rewards from his cooperative organization.

Once he gets these rewards in the form of higher payouts and bigger loans, he becomes more motivated to offer greater contributions towards his cooperative organization. The cooperative organization in turn gives him more inducements based on his ability. It can also be argued that a cooperator feels prouder and more encouraged to cooperate when a certain amount of competition is encouraged. But the competition should be focused to the ultimate benefit of the entire cooperative organization. The poor and rich members alike aspire to acquire more rewards than their fellow cooperators. Perhaps the kind of equity needed in modern rural cooperatives — oriented as they are toward commercialization of agriculture — should entail equal opportunity and authority for all members. Above all, it should entail proportionality in allocations and representations. Once each farmer is given equal opportunity, backed by incentives provided in terms of adequate and punctual payouts, access to loans when he needs them, and access to the decision-making machinery, then he is encouraged to much more actively participate in cooperative development.

Although the findings cannot lead us to fully reliable conclusions, it may be observed that as all the relationships were positive, the general trend is that inter-intra-societal coordination and equity in allocations and representations are essential for active participation of members in cooperative development.

On the other hand, as some findings indicated, some more definite conclusions can be made on the relationships between inter- and intra-societal coordination and members' participation in cooperative development. Firstly, coordination among poor members and its consequent participation of their elected committee members' participation are a vital prerequisite for more effective and efficient cooperative organization. Secondly, coordination between societies and the concomitant participation of rich members are necessary and sufficient factors for a strong cooperative movement. Thirdly, coordination among rich members is essential for their active participation in rural cooperative organization. Finally coordination between societies in the Union is of fundamental importance for general participation of members in rural cooperative development.

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3. IMPLICATIONS FOR RURAL DEVELOPMENT

The above conclusions lead us to some tentative recommendations essential for more viable rural development.

Firstly, rural development policy makers should encourage active participation through fostering inter-societal and inter-member coordination. This would involve the poor members more profoundly in the promotion of stronger cooperative development essential for more profitable agricultural development. Secondly, rural development planners should ensure that there is sufficient equity in opportunities for representations and allocations in rural cooperatives. This will be instrumental in two major ways:

- (i) in motivating and mobilizing the small-holder to participate in agricultural development through incentives given to him; and
- (ii) in minimizing the gap between the more progressive and the less progressive sections so as to eventually insure a more balanced and stable income distribution in rural cooperative organizations.

This will, in turn, encourage more active participation of members in more effective and efficient rural cooperative organizations.

Ultimately rural development will be more healthy, as small-holder cooperatives are inevitably likely to be a very powerful instrument for more rapid, effective and efficient rural development in future Kenya.

4. RECOMMENDATIONS FOR FUTURE RESEARCH:

Two major dimensions are essential for future research on cooperatives.

(a) First, Future research could be carried out on the interrelationships between types of cooperatives on local and regional bases, and in terms of their services and their differential involvement in the implementations of modern agricultural technology and innovations.

(b) Secondly, future research could be suitably carried on the possibilities of promoting effective cooperative organizations in low potential areas of Kenya: effective in the upgrading of such areas to the modern agricultural technology.

APPENDIX

A

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APPENDIX

B

(1) INTERVIEW SCHEDULE (LEADERS)

Respondents' No.....

Good day. I am from the University of Nairobi, and am trying to learn some things about cooperative organizations in this place. You are one of those randomly selected to provide me with the information. Everybody selected in this area is answering the same questions but in his own way. I would be glad if you spare a few minutes and give me your views. Your information will be very useful to my further understanding of cooperatives. However, any information you give me, your name or any credentials shall not be divulged; I guarantee to keep them strictly confidential. This research has been given full approval by the Office of the President, Harambee House, Nairobi.

A -

1. Name.....

2

2. How old are you ?

21 - 30	31 - 40	41 - 50	51 and over
1	2	3	4

Male		Female
1		2

4. Occupation with the Union.....

5. Education level achieved

None	Std 1-4	Std 5-8	From 1-2	From 3-4	Form 5 and over
1	2	3	4	5	6

6. Farm size

1 - 4	5 - 9	10 - 14	15 - 19	20 and over
acres	acres	acres	acres	acres
1	2	3	4	5

B- Now let us turn to some general questions about cooperative societies:

1. What does a cooperative society mean to you?
.....
2. What is the importance of Cooperative.....
.....
3. How much do you feel Cooperation is important for rural development?

Very	Feel	Not	Dont	Very
Strongly	Quite	Decided	feel	strongly
feel	strongly			don't feel
1	2	3	4	5

(TOQ. 4, 5)

(TOQ. 6,7,8)

4. Why do you "very strongly feel" this ?.....
.....
5. What then are the roles of Cooperative for rural development?
.....

6. Why do you "very strongly not" feel that cooperation is important for rural development ?.....
.....
7. What problems do you perceive cooperatives face in the rural areas ?.....
8. What do you feel should be done so that these problems are solved ?.....
9. What is your opinion of members of your cooperative societies ?
.....
10. What is your opinion of leadership in your cooperative societies ?.....
11. What do you think should be the roles of leaders for your cooperatives ?.....

C -

Now thinking about the entire Union.

1. How much do you feel societies work together cooperatively ?
.....

Hardly any at all	Not much	Some	Quite a bit	A very great deal
1	2	3	4	5

2. How much do you agree or Disagree societies should work together ?

Very strongly agree	Agree	Not decided	Disagree	Very strongly disagree
1	2	3	4	5

3. How much cooperation do you feel there is

	Very much	much	not decided	little	very little
- among poor members	1	2	3	4	5
- among rich members	1	2	3	4	5
- Between rich and poor "	1	2	3	4	5
- Among Committee members	1	2	3	4	5
- among officials	1	2	3	4	5
- Between poor members and committee members	1	2	3	4	5
- Between rich members and committee members	1	2	3	4	5
- Between members and officials	1	2	3	4	5
- Between elected leaders and officials	1	2	3	4	5

4. What benefits do you feel should combination (coordination) among societies bring about to agricultural development ?

.....
.....

5. What factors do you think determine good cooperation?

.....

6. What factors do you think hinder cooperation ?

.....

c. Now I will ask you some questions about leadership in your Cooperatives.

1. What kind of persons would you like to lead your cooperative affairs ?

.....

2. Why say this ?.....

.....

3. What kind of persons would you NOT like to lead your cooperative affairs ?.....

.....

4. Why say this.....

.....

5. How much would you agree or disagree to the following statements ?

	Very strongly agree	Agree	Not decided	Disagree	Very strongly don't agree
(i) Equal representation unites members in the whole district	1	2	3	4	5
(ii) Equal Representation brings about equal and fair recourse allocation	1	2	3	4	5
(iii) Equal Representation encourages farmers to more actively participate in cooperative development	1	2	3	4	5

D-

Now I have got a few questions to ask you on the allocation system benefits like loans in your cooperatives societies:

1. What is the system followed by your societies ?

.....

2. What do you think about this system ?.....

.....

3. Suppose you were to decide on the allocation system in terms of equal distribution among all members, how much would you recommend this ?

Very Strongly recommended	Recommended	Not decided	Not recommended	Very Strongly not recommended
1	2	3	4	5

4. Suppose you were asked to speak on the allocation of benefits in your societies, would you say it is very fair, fair a little bit fair, unfair, or very unfair ?

Very fair	Fair	A little bit fair	Unfair	very Unfair
1	2	3	4	5

(TOQ. 5)

TO Q.6,7.

5. Why would you say "very fair" ?.....
.....
6. Why would you say "very unfair" ?.....
7. What (if "very unfair" do you think is the best thing to do in order to improve the allocation of benefits ?
.....
8. What importance do you think this distribution system has had upon the cooperative development ?.....
.....
9. How much do you agree or disagree to the following statements ?

	Very Strongly Agree	Agree	Not Decided	Disagree	Very Strongly Disagree
	1	2	3	4	5
(i) When cooperatives combine in their functions (marketing, etc) there is higher equitability of benefits					
(ii) When there is equal representation there is more equitable distribution of benefits					
(iii) When there is equitability in allocations, there is higher participation among members in cooperative development				7	

E - Finally I have got some question regarding members' participation in your cooperative development.

1. Who among the following do you think (most, less, least) actively participate in cooperative development ?

	Most actively	Quite actively	Less actively	Least actively
Poor members	1	2	3	4
Rich members	1	2	3	4
Committee members	1	2	3	4
Officials	1	2	3	4

2. How much participation do you perceive among the following types of cooperatives ?

	Most	much	Less	Least
Most highly coordinated	1	2	3	4
Least Coordinated	1	2	3	4
most highly represented	1	2	3	4
Least represented	1	2	3	4
with most equitable distribution	1	2	3	4
with most unequal distribution	1	2	3	4

3. What factors cause high participation among members in your cooperatives ?.....

4. What factors cause low participation among members ?.....

APPENDIX

B (2) INTERVIEW SCHEDULE (ORDINARY MEMBERS)

RESPONDENT'S NO.

Good day. I am from the University of Nairobi, and I am trying to learn some things about cooperative organization in this area. You are one of those randomly selected to provide me with the information. Every-body selected in this area is answering the same questions but in his own way. I would be glad if you spare a few minutes and give me your answers. Your information will be very useful to my further understanding of cooperatives. However, any information you give me, your name or any credentials shall not be divulged; I guarantee to keep them strictly confidential. Thank you very much.

A -

- 1. Name
- 2. How old are you?

21 - 30	31 - 40	41 - 50	51 and over
1	2	3	4

3. Sex:

Male	Female
1	2

4. Education level achieved:

None	Std 1-4	Std 5-8	Form 1-2	Form 3-4	Form 5 and over
1	2	3	4	5	6

5. Farm size (if any):

1-4 acres	5-9 acres	10-14 acres	15-19 acres	20 and over
1	2	3	4	5

B -

Now let us turn to some general questions about cooperative societies

1. What does a cooperative society mean to you? - - - -

2. What do you feel is the importance of cooperation?

3. How much do you feel cooperation is important for rural development?

Very strongly feel	Quite strongly feel	Not decided	Don't feel	Very strongly don't feel
1 (Turn to Q. 4, 5)	2	3	4	5 (To Q. 6, 7, 8)

4. Why do you "very strongly feel" this?

5. What then are the roles of cooperatives in rural development? -----

6. Why do you "very strongly not feel" that cooperatives are important for rural development? -----

7. What problems do you perceive cooperatives face in the rural areas? -----

8. What do you feel should be done so that cooperatives are efficient (i.e., to solve these problems)?

C -

Now thinking about the entire union:

1. How much do you feel the societies work cooperatively?

Hardly any at all	Not much	Somehow	Quite a bit	A very great deal
1	2	3	4	5

2. How much do you agree or disagree that societies in the union should work together?

Very strongly agree 1	Agree 2	Not Decided 3	Disagree 4	Very strongly disagree 5
--------------------------	------------	------------------	---------------	-----------------------------

3. How much willing or unwilling would you be to participate in the cooperative development if societies were combined?

Most willing 1	Willing 2	Not decided 3	Unwilling 4	Most unwilling 5
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4. If cooperatives were combined how much useful do you feel this combination would be to you?

Very useful 1 To Q. 5	Useful 2	Only a little bit useful 3	Not useful 4	Very much not useful 5 To Q. 6
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5. What uses do you feel this combination would bring about to you? -----

6. Why would you feel that it would be unuseful to you?

7. How much cooperation do you perceive?

	Hardly any	Not much	Some	Quite a bit	Very great
(i) Among poor farmers	1	2	3	4	5
(ii) Among rich farmers	1	2	3	4	5
(iii) Between rich and poor farmers	1	2	3	4	5
(iv) Among leaders	1	2	3	4	5

8. What factors do you perceive determine good cooperation
in your societies? - - - - -
- - - - -

9. What factors do you perceive determine the failure of
cooperatives - - - - -
- - - - -

D -

Now let us turn to some questions about leaders in your societies:

1. Do you like them?

Yes	No
1	2

2. How much do you like the issues they decide for you when they hold meetings?

Very strongly like 1	Like 2	Not Decided 3	Dislike 4	Very strongly dislike 5
-------------------------	-----------	------------------	--------------	----------------------------

3. Why do you "very strongly like" the issues (decisions)? -----

4. Why do you "very strongly dislike" them? -----

5. What kind of persons would you like to lead your cooperatives' affairs? -----

6. Why? -----

7. What kind of persons would you not like to lead your cooperative affairs? -----

8. Why? -----

9. In your opinion do leaders improve their own personal interests, their societies' interests only, their locations' interests only, their friends' interests, or interests of every member in the Union?

Personal Interests	Societies'	Locations'	Friends'	Every member in the Union
1	2	3	4	5

10. How much would you agree or disagree to the following statement: "Equal representation encourages members' active participation in cooperative development"?

Very strongly agree	Agree	Not Decided	Disagree	Very strongly Disagree
1	2	3	4	5

E -

Now I have got some questions about your cooperative membership:

1. Why did you decide to join this cooperative? - - - -
 - - - - -
 - - - - -

7. How often do you get loans? - - - - -

Very frequently	Sometimes	Rarely	Very rarely
1	2	3	4

8. What, in your opinion, criteria are used to allocate loans or credits? - - - - -
 - - - - -

9. What do you think about this system of allocation?
 - - - - -
 - - - - -

10. Suppose you were to decide on the allocation system in terms of equal distribution, how would you recommend this?

Very strongly recommended	Recommended	Not Decided	Not recommended	Very strongly not recommended
1	2	3	4	5

11. Suppose you were asked to speak on behalf of the allocation of benefits in your societies, would you say it is very fair, a little bit fair, unfair, or very unfair?

Very fair 1 (To Q. 12)	Fair 2	A little bit fair 3	Unfair 4	Very unfair 5 (To Q. 16, 17)
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12. Why would you say "very fair"? -----

13. Why would you say "very unfair"? -----

14. What, then, do you feel is the best thing to do in order to improve the allocations? -----

F -

Finally, I have got some questions about What you do for your cooperative:

3. Who among the following do you think most, less, least actively participate in cooperative development.

	Most actively	Some actively	Less actively	Least actively
Poor farmers	1	2	3	4
Rich farmers	1	2	3	4
Committee members	1	2	3	4
Officials	1	2	3	4

4. On whose behalf do you participate in cooperative activities?

Entirely own behalf	Partly own Partly others behalf	Collective Behalf
1	2	3

1. Do you participate in any of the following?

	Yes	No
Voting for Committee members	1	2
Standing for Committee membership	1	2
Constructing cattle dips	1	2
Attending Farmers' Training Courses	1	2
Advising other farmers on benefits of cooperative membership	1	2
Attending and participating in general meetings	1	2
Attending cooperative communal functions (repairs etc.)	1	2
Other (specify)	1	2

2. How much do you think your cooperative membership has contributed to your participation in any of these activities?

Hardly any at all	Not much	Some	Quite a bit	A very great deal
1	2	3	4	5