

**A STUDY ON THE PERCEPTION OF MEMBERS ON THE PERFORMANCE
OF MUFUMBWE DISTRICT COOPERATIVE UNION. A CASE STUDY OF
MUFUMBWE DISTRICT.**

**BY
NDONYO EMMANUEL**

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OF MUFUMBWE DISTRICT COOPARATIVE UNION. A CASE STUDY OF
MUFUMBWE DISTRICT.**

**A research report presented to the department of agricultural
economics and extension education of the University of Zambia.**

**BY
NDONYO EMMANUEL**

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LIST OF ABBREVIATION

AGM	Annual General Meeting
CDP	Cooperative Development Policy
DCU	District Cooperative Union
DACO	District Agricultural Coordinator
FRA	Food Reserve Agency
FAO	Food and Agricultural Organisation.
FSP	Fertilizer Support Programme.
FNDP	Fifth National Development Programme.
GDP	Gross Domestic Production
HIV/AIDS	Human Immune Virus.
ICA	International Cooperative Alliance.
ILO	International Labour Organisation.
MACO	Ministry of Agriculture and Cooperatives.
NGO	Non Governmental Organisation
NAMBOARD	National Marketing Board.
PCU	Provincial Cooperative Union.
PLWHA	People Living With HIV/AIDS
SPSS	Statistical Package for Social Sciences.
SCCO	Savings and Credit Cooperative Organisation.
UNDP	United Nations Development Programme.
ZCF	Zambia Cooperative Federation.

ABSTRACT

A STUDY ON THE PERCEPTION OF MEMBERS ON THE PERFORMANCE OF MUFUMBWE DISTRICT COOPARARIVE UNION. A CASE STUDY OF MUFUMBWE DISTRICT.

Ndonyo Emmanuel
University of Zambia, 2009

Supervisor
Mr F. Maimbo.

This report presents an assessment of the perception of the members on the performance of Mufumbwe District Cooperative Union (MDCU). The main purpose was to determine the social-economic performance of (MDCU) as perceived by the co-operators.

The research survey was conducted in Mufumbwe district in North-Western Province. A structured questionnaire was administered to collect data and 110 (i.e. 68% of these were male folk) respondents were successfully interviewed. The data was analysed using Statistical Package for Social Sciences (SPSS). Survey findings revealed that MDCU offers inputs and marketing services only; 69.1% of the respondents who fairly accessed services acknowledged that cooperative services improved their household income. The incidence of food insecurity was shown to be evident by 45.5% and 25.5% of the members that had joined the cooperative in the last five years and between six to ten years, respectively. However, cooperatives have not created any employment in study areas as attested to by 96.4% of the respondents.

Based on the findings it is recommended that the government and other concerned stakeholders should continue to provide cooperative incentives in order to improve production and productivity. Such involvement should also include innovating and enhancing investments in marketing, plants and machinery, poultry and high value crops, processing and transportation in order to solve the problem of member low capital base. Likewise, the government ensure that cooperative members' capacities are improved through training, infrastructural development, irrigation and credit provisions.

CHAPTER 1

INTRODUCTION

1.1 Background

A cooperative is an association of persons who have voluntarily joined together to achieve a common end through the formation of a democratically controlled organization, making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking in which the members actively participate. ILO, (2001). In Zambia the cooperative movement started around 1914. That time it was meant for some commercial farmers to service the white settlers who raised some dairy animals and grew grain. Cooperatives acted as formal organisation or systems of inputs delivery, marketing and production of agricultural commodities to feed the urban populations on the mines and along the line of rail and were able to participate in the economy as pace setters. The movement got momentum in 1948 which saw the formation of the cooperative department. By 1964 up to two hundred twenty (220) cooperatives were registered. In 1980, a four (4) tier system was established with Zambia Cooperative Federation (ZCF) at the apex, provincial cooperative unions as well as district cooperative unions and primary agricultural societies. The major economic activity of cooperatives has been maize marketing.

The Government re-introduced the co-operatives, a unique kind of farmer organisation. The department of co-operatives within Ministry of agriculture and cooperatives (MACO) was mandated to play a major role in promoting the formation of and development of co-operatives in order to enhance their effective participation in agricultural production and marketing. FNDP, (2004). Co-operatives have been identified as strategic avenues through which socio-economic development programmes could be delivered to the people particularly the small-scale producers in rural areas. To this end, the draft Co-operative Development policy (CDP) which has been initiated for implementation during the Fifth National Development Plan (FNDP) will seek to provide an enabling institutional and legal environment for the development of autonomous, viable and demand driven co-operatives. Since co-operatives are not only agriculture in nature, a broad based approach to promoting co-operatives will be adopted during the FNDP to include transportation, tourism, housing, mining, saving and credits and construction. The CDP will

among other things provide conceptual and policy framework within which co-operatives development will be spearheaded in the country. It will also provide guidelines on the appropriate institutional framework to support co-operatives across all sectors of the economy.

As an association of persons who have voluntarily joined together to achieve a common goal and through the formation of a democratically controlled organization, making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking in which the members actively participate” (ILO, 1966, Geneva N.127). Cooperatives are founded on traditional ethics, values and principles.

According to the Zambian cooperative act enacted on 12th October, 1998, an individual cooperative society by-laws stipulates that membership is by way of application and payment of membership fees and minimum share capital. The cooperative becomes a formal business organisation upon registration with the registrar of cooperatives and a certificate of registration issued. For effective participation and increased cooperative benefits in cooperative activities members need to understand their rights, liabilities, duties and responsibilities. According to International Labour Organisation cooperative network (ILO coop net) the benefits among others include, keeping economic benefits within the community, promoting democracy, building open markets, raising human dignity and acting as systems of development.

Cooperatives can involve in many types of activities including; farming, marketing, housing, mining, forestry and serving and credit. As autonomous and democratic systems of development, they are private business organisations free from political interventions but subject to government regulation. Cooperatives therefore are viewed as pace setters and power balancers especially in this fast-paced and complex business environment in the sectors of inputs supply, marketing, finance and service industries. However they are faced with many internal constraints such as the horizon and portfolio problem and the internal free rider problem. Some of the problems cooperatives face come from outside such as the increasing global connectivity, liberalisation and privatisation. Other limitations contain the ideological and self-help constraints. The findings and recommendations of this study are therefore expected to contain and provide potential solution to address these aspects.

1.1.1 The nature of co-operatives

Introduction

Co-operatives are unique business organizations. Their operation is guided by co-operative principles, values and ethics. As they operate they ensure that they maintain the co-operative identity, which may be difficult to uphold. A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise and whose activities are not prohibited by law.

1.1.2 Co-operative ethics

Are the expected standards of behaviour co-operative members must display. They include honesty, openness, social responsibility and caring for others. Living by these standards co-operative members is able to achieve the objectives of their enterprise in a group and minimize conflicts among members.

1.1.3 Co-operative Values

These are important as they help members direct their efforts towards the common goals as seen from the definition of co-operative. Values help the farmers (co-operators) to direct their efforts to priority areas. Below are some values as indicated by ICA.

1.1.4 Co-operative principles

There are seven co-operative principles adopted by the International Co-operative Alliance ICA in 1995 and which countries world over have agreed to uphold.(Appendix 1)

- **Voluntary and Open Membership**

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibility of membership, without gender, social, racial, political and religious discrimination.

- **Democratic Member Control**

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights one member, one vote and co-operative at higher levels are also organized in a democratic manner.

Members in a co-operative have equal voting rights regardless of the number of shares paid for one member one vote .To maintain democracy it is advisable that a uniform number of shares are open for purchase to all members in a co-operative.

- **Member Economic Participation**

Members contribute equitable to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surplus for any or all of the following purpose, developing their co-operative, setting up reserves, patronage benefits in proportion to their transactions with the co-operative and supporting other activities approved by the general meeting.

- **Autonomy and Independence**

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy. However, autonomy does not mean the co-operative is above the law, as explained above they are subject to government laws and regulations as provided in the co-operatives Act or any other legislation.

- **Education and Training Information**

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can effectively contribute to the development of their co-operatives. They inform the general public, particularly young people and opinion leaders about the importance and benefits of the co-operative.

- **Co-operation among Co-operatives**

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

- **Concern for the Community**

Co-operatives work for the sustainable development of their communities through policies approved by their members. They should not be involved in activities that harm the welfare of the community and are prohibited by law but instead help promote developmental initiatives through direct and indirect involvement.

1.1.5 The Co-operative identity.

This refers to the ethical behaviour or conduct of co-operative members as outlined in co-operative ethics, values and principles. It is this prescribed behaviour of co-operatives that makes them different from other forms of enterprises or social organizations.

1.1.6 Types of Co-operatives.

Co-operatives can be classified either by sector or industry on one hand or by the activities the co-operative society is involved in on the other hand. A co-operative which is involved in only one type of business activity is called single purpose co-operative. For example, carpentry co-operatives make and sell wood products and related services. It is single purpose because it deals only in this kind of business. While one which has more than one type of business activity is called multipurpose co-operative. For example, a consumer co-operative may be trading in retail merchandise and at the same time selling products from its members on commission bases. The following are examples of activities co-operatives engage in:

Agricultural Co-operatives: supply agricultural inputs and related services to farmers. The inputs may include fertilizers, seeds, chemicals and pesticides and equipment or cooperative agricultural education.

Marketing co-operatives: These market products on behalf of the farmers. The commodities marketed include maize groundnuts, beans, poultry and dairy products.

Housing co-operatives: These build houses which the members can buy or are sold to non members and the money ploughed back into the co-operative capital.

Mining co-operative: these are involved in the extraction and sale of minerals these may be at the different levels of capital investment.

Forestry co-operatives: are involved in timber businesses or honey processing and using resources from the forests.

Savings and credit co-operatives: are those that are capital in nature and mobilise savings from members which they in turn lend to the members who pay back with interest.

1.1.7 Cooperative Benefits

The ILO-Co-operative network (ILO-Coop net) identifies five (5) broad benefits of co-operatives:

- **Co-operatives keep economic benefits within the community.**

Profits are not siphoned out by outside interests because the co-operative members own and keep it within the co-operative or community. Cooperatives exist to fill a need in community that is not being met by other businesses for example.

- **Co-operatives Build Open Markets**

As more and more governments privatize state-owned enterprises, there is a danger that these monopolies may be moved intact into private hands.

- Co-operatives help avoid this pitfall by ensuring wider participation by the users of the former state services.
- Co-operatives spread economic power and encourage competition in the economic environment of the nation as price setters.
- They provide market leverage to small producers victimized by powerful cartels or sole-source companies.
- They undercut middlemen and money lenders, whose charges are often exorbitant and exploitative in their operations.
- By ploughing profits back into the business, co-operative can operate on narrower margins. Thus they help drive down unfair prices, and set a competitive price range for goods and services.

- **Co-operatives raise human dignity.**

Poor people always feel worthless and socially rejected .They are traumatized and emotionally detached, feeling no one cares or loves them. They need company, love and encouragement.

- Co-operatives help people escape poverty and achieve dreams, such as owning a home or giving their children education or having a decent meal.
- Since educated decision-making is essential to a co-operative society's success, co-operatives also teach new skills, from adult literacy to business operation.
- Co-operatives empower individuals by giving the chance to participate in decisions, which have an impact on them.
- Armed with the ability to effect change, members find solutions to social and economic needs
- Co-operatives provide an organized way for low-income people to relate to sometimes distant governments and economic power structures or institutions.

- **Co-operatives are systems for development.**

Co-operatives draw community businesses into regional and national networks through Apex organizations such as Unions and federations. The following are associated benefits:

- Local co-operatives benefit from large business volume, operating efficiencies and professional management of apex organisations.
- The economies of scale enjoyed by co-operatives enable farmers to purchase supplies at volume discounts, and receive profits from value-added processing.
- Credit unions pool their resources together and are able to transfer surplus savings to credit unions in lower income areas.
- Electric co-operatives join together to buy power at a low cost. They become an engine for development, spurring the growth of enterprises not possible without reliable energy.

1.2 Problem statement

The performance of Cooperatives in Zambia has not been impressive (declining). Despite the efforts and cooperative extension education by the government and other parties to achieve high cooperative service delivery efficiency, very few farmers have improved their agricultural production. Ojermark P & Chabala C (1994) found that the cooperative member income has continued to be lower despite the favourable policy and business conditions. The fact that the sustained weak financial position and the generally low level of welfare among the co-operators has been on the downturn in the light of the cooperative services shows lack of understanding, appreciation and efficiency in the utilisation of cooperative services by co-operators (Members). In spite of the efforts, very few co-operators have responded up to the expectation of the cooperative services. The reasons for the low levels of social and economic welfare of co-operators are not known despite the many advantages, social and economic benefits. It is against this background that this study attempts to find out the performance of the (MDCU) as perceived by the members. The results of this study will provide an understanding of the status quo and through the recommendations also help MDCU and many primary cooperative societies (PCS) active only during the fertilizer acquisition time change to become active and sustainable businesses.

The cooperative movement in Mufumbwe is not exempted from the social economic hustles that affect other cooperative in Zambia especially of the rural setting. Very few farmers have responded up to the expectation of the cooperative movement. Despite the provision of national cooperative extension service, farmers have not developed a high cooperative spirit to foster the unity required for community development work in rural areas in order to achieve the cooperative intents. This lack of cooperative attitude distorts the values and principles of cooperatives. This has perpetuated isolation, inequalities, lack of coordination and poverty. Cooperatives have not been key players in combating environmental concerns and challenges. The issue of deforestation, land degradation, soil erosion, pollution and water and air management are not formally integrated in the institutional functions of cooperative societies.

1.3 Research rationale

Given the importance attached to cooperative societies in terms of assisting farmers, acquire inputs and arranging for better markets, their role in economic development and protection of the farmers from exploitative tendencies displayed by unscrupulous traders cannot be over emphasized. It is therefore of prime essence that the performance of cooperatives in a liberalised economy, their viability and sustainability be ascertained. Hence the lessons drawn from this study will be used to make recommendations necessary for better delivery of business performance and utilisation of cooperative services in the Mufumbwe district cooperative union general membership in order to enhance operational efficiency, employment creation, improvements household income and food security.

Cooperatives in Zambia have the potential to enhance economic growth and reduce poverty. Good performance in the sector would translate into overall improvement of the country's Gross Domestic Product (GDP), create jobs and expand the tax base. This potential can be enhanced by promoting cooperatives that are very effective in the mobilisation of the people towards development purposes.

1.4 Study objectives

1.4.1 The general objective

- The general objective of the study is to assess the performance of Mufumbwe District Cooperative Union services to welfare improvement of the co-operators.

1.4.2 Specific objectives

- To find out what cooperative services the MDCU offers to its members.
- To determine whether the cooperative services have improved farm household income.
- To find out how the cooperative activities have affected household food security.
- To determine whether cooperative services create employment.

1.5 Structure of the report

This report is composed of five chapters. The first chapter covers background information about cooperatives in Zambia, the second section deals with the problem statement, study objectives and rationale. Chapter two contains the literature review. It highlights the findings of some previous studies and theoretical literature relevant to this study which was collected as secondary data and information. The third chapter consist of the research methodology of the study. It outlines the approach that was used to establish the results of this study in that it gives a description of the data that were collected and specifies the method that was used to collect the data as well as the tools of data analysis. Chapter four presents the findings of the study. The fifth chapter contains the conclusion of the study potential recommendations that would contribute to the sustainable operation of cooperatives in Mufumbwe. The schedule below will guide in the execution of the project survey. It summarises a clear fashion of the various parts of the research project and show how they fit. It includes the description of tasks to be performed, when and who to perform the tasks. (See appendix 4).

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This section presents information from some studies done in Zambia, the role of government and stakeholders, cooperative challenges and central and southern African regional cooperative development. It also blends in secondary information got from the district agricultural office (DACO), and national headquarters offices as well as informed persons from the Zambia cooperative federation, and the fifth national development plan and indeed from the some personal work experience with the marketing and cooperatives department.

2.11 Review of cooperative studies in Zambia

A study on the assessment of net returns of Nkana multi-purpose cooperative society on the copper-belt reviewed that cooperatives use intuitive planning other than efficient and effective planning techniques like linear programming hence incurred losses. The study also found that there was no enterprise diversification. The study recommendation encouraged co-operators to use the linear programming technique to assist in allocating scarce resources to alternative enterprises efficiently (Kaonga A. 1994). However the study did not assess the welfare benefits to the members. Studies by Mulenga E 2008, on business performance analysis of cooperatives in a liberalised economy, a case study of musisa cooperative society in chongwe district found that the cooperative was performing well as indicated by its business financial ratios but the social welfare of the members was not analysed to indicate the impact of the services on the members. The recommendation however encouraged the co-operators to improve cooperative management by keeping records as well as establishing better local market and market linkages. Both studies recommended diversification into crop and animal activities, marketing and service enterprises.

A study on the development of independent cooperatives in Zambia concentrated on the development of the cooperative idea in Zambia, the cooperative laws and regulation and the role of government in the process. The study however did not assess member benefits and welfare

improvement (Orjemark P and C Chabala, 1994). This study recommended future projects to consider assessing the performance of cooperatives and member welfare improvement.

2.2 Essential roles of the government in co-operatives development in Zambia

Within the policy framework government supports the development of strong and vibrant co-operative movement. To be more effective in this regard, the government's essential role according to MACO (2005) has been:

➤ Co-operative promotion

Government actively creates awareness of the co-operative concept and benefits. To achieve this, government undertakes promotion activities such as sensitization, dissemination of technical information, inspection and supervision to enhance cooperative work in order to achieve sustainable community outputs.

➤ Facilitates provision of co-operative education, training and information.

Government facilitates the provision of co-operative education, training and information to both practitioners and the general public, by ensuring access to mass communication facilities. The main focus were on building capacities for both co-operative members and ministry staff in areas such as training, interpretation of members' rights and obligations, entrepreneurship development and enforcement of co-operative values among other things.

➤ Support co-operative financing.

Government encourages the development of an appropriate institutional and legal framework for the establishment and strengthening of co-operative institutions. Government also supports the provision of technical assistance to these institutions to enable them development appropriate policy instruments, procedures and management techniques to improve efficiency.

➤ Research, monitoring and evaluation.

Government facilitates the development of research, monitoring and evaluation mechanisms both within the co-operative movement and the parent ministry of agriculture and co-operatives to influence policy direction. It also promotes the development of legal and institutional framework to strengthen the monitoring process.

➤ **Registration and liquidation of co-operative societies.**

Government, through the ministry of agriculture and co-operative facilitates the development of economically viable co-operative enterprises, and minimizes the bureaucratic procedures for the establishment and registration of co-operatives. It may also deregister and liquidate co-operatives that are not performing in accordance with the provisions of the co-operative societies act.

➤ **Enforcement of the co-operatives societies' act.**

Government ensures that statutory rules and regulations on co-operatives are practically enforced and followed, by deliberately enhancing viably operated co-operative enterprises, whatever their level and sector of operation.

➤ **Arbitration/ conflict resolution.**

It is the responsibility of government to ensure harmony in the co-operative movement by resolving conflicts when they arise between and among co-operatives as well as with other non co-operative entities. Development can only take place if there is a peace and harmony.

2.3 Roles of stakeholders in co-operative development

There are other organizations and individuals that have interest in promoting grass root development through co-operatives such as private sector, non-governmental organizations (NGOs), international donor organizations and financial institutions, faith based organization and community based organizations and individuals such as members of parliament.

More often than not these could have interest in the provision of commercial and economic services, which are very critical for co-operative development. These institutions got potential to provide other technical and social services that the co-operatives would take advantage of to support its activities.

2.4 Challenges of cooperatives in Zambia / limitations of cooperatives:

2.41 Demand for quick results

Members of the cooperative may expect quick results which may not come in short period. As a result, some of them may be frustrated. The quest for quick results may be at expense of

members' ability to manage, control and finance activities. As such some members feel demoralized and their participation in co-operative activities is reduced.

2.42 Lack of Long-Term Planning

The demand for quick results has often resulted in lack of long term planning by co-operatives. However, co-operatives must be viewed as institutions for long-term development. Therefore it follows that they should develop gradually within the confines of available resources. Even in the situation where they have been assisted by external sources so that they could quickly achieve their objective, they should not be rushed beyond their capacity to control and manage the enterprises.

2.4.3 Dual Nature of Co-operatives

Usually there is conflict between members' interests as users or and their interests as investors. This conflict creates at least three critical problems which limit co-operative enterprise development (ibid), namely:

a) Horizon problem:

This problem arises when members do not have hope in their cooperative. Therefore they rather use the cooperative services than invest in it. They are reluctant to invest in their cooperative for the following reasons.

- Members feel getting money now is much more important than getting money later as a result of investment made today.
- They may not invest because they do not trust the cooperative or do not view it as a sustainable venture that will help them increase their wealth over the long run.
- They may simply see themselves as cooperative users or customers, regarding the management or the government as the real owners.

b) The Portfolio Problem

Members have choices about how they use (invest) their personal recourses. It could be in a cooperative or other business. Therefore they compare the benefits and apt for the ones that give

the highest benefits. In cooperatives, shares may receive low dividends and do not appreciate in value. This may create a disincentive for the farmers to invest in their cooperative despite their desire to use its services. Because membership is open at any time for anyone with some interest to join a cooperative, those who join later enjoy the same benefits as the older members. The capital that these new members provide through purchase of prescribed shares is little compared. In addition, the capital of new members may not have impact on the development of the cooperative. So older members may feel that new members are benefiting without much inputs free rider problem as are results members may be discouraged to invest their resources in co-operatives.

c) Ideological constraints:

The ideological constraint emanates from the attempt to preserve the cooperative identity. Some of the ideological constraints are depicted in the following:

➤ **Economic and social Purpose**

While economic success is important for the co-operative to be able to provide the needed services to members, this has been done at the expense of eroding member control as well as inhibiting the operation of co-operative principles and values as viewed by the strict bureaucracies of the system. If profit maximization is the primary concern of the co-operative, there may be a temptation to employ practices of capitalist enterprise that ignore member control, equity and fair dealing. In this case, co-operative principles and values would not be made to operate and the co-operatives lose co-operative identity.

Member Control While it may be a good thing for co-operatives to work together and create nationwide institutions to serve them, there is a danger that members may lose control of such institutions and therefore the co-operative identity may not be upheld. It may not be true that those upper organizations may ably represent them and assure them of member control. Chomba A (2004.)

➤ **Political motives**

Co-operatives strive to provide services required by members, otherwise there may be attempts by some members with political motives to take advantage and use the co-operative to further their political interest. Active member participation has been very important so that those with political interest are prevented from furthering their political ambitions through the co-operative institutions. (ibid).

➤ **Government Control**

Government support to co-operatives has been important and can speed up cooperative enterprise development. However, it can weaken self-help and self-reliance and promote dependency on official support. This ultimately may surrender control of the co-operative to government. Other government action may constrain co-operative enterprise development such as interference and unsuitable policies.

➤ **Constraints on Self-Help**

Any action from any source which constraints the process of self –help, administration (member control) and self-direction is harmful to genuine co-operative development and acts as a constraint upon it. Policies that heavily depend on out ward finance sourcing are examples of this kind of a constraint.

➤ **Organizational Constraints**

These are constraints that arise from the organizational nature and characteristics of co-operatives that affect the efficiency and development of the enterprise. These include the following:

- **Expectations**

If expectations are not realistic, understood and attainable, they become constraints on co-operative development. Therefore, it's important that co-operatives ensure that expectations are based on the ability of the organization if they have to be achieved.

- **Structure**

Co-operatives create and operate an appropriate structure at primary, secondary and tertiary levels that members effectively control and manage, and which can also serve their interests. It becomes a deterrent to co-operative development as it is costly to sustain these structures. The structure of the co-operative movement is guided by the needs of members and their ability to sustain upper tiers.

- **Capital**

Misuse of capital, insufficient capital resources and the problems of strengthening the capital base (i.e., horizon, portfolio and free rider problems), inhibit co-operative development. Most cooperative capital stocks have been depleted mainly due to provision of services to free riders who have no concern for cooperative recapitalisation. (ibid)

- **Management**

Lack of management expertise and difficulties arising from the democratic nature of the co-operative enterprise also contribute to constraining co-operative development. This condition has worsened mainly due to lack of management synergy, capacity building and exposure to the information highway for better policy making decision processes. (ibid)

- **Education and Training**

It's been noticed that members do not receive adequate and appropriate education and training; the enterprise do not develop effectively as a genuine co-operative, because they do not run in accordance with co-operative principles and values. This therefore becomes a constraint on enterprise development. (MACO, 1998)

2.5 Regional cooperative development

Cooperative sustainability depends on member participation, legislation and policy environment, internal management capacity, and internal and external governance. The survival of cooperatives depend first on the commitment and involvement of the members in terms of resources (finance and human), secondly on the extent to which the external environment is enabling and thirdly the extent to which their operational infrastructure is sustainable. In Zambia, important sources of inputs that sustain the cooperative movement include the government, capital based institutions and internal resource mobilization. Government represents a major provider of services to cooperatives in Malawi, Tanzania, Kenya, Botswana and Zambia. While this may reflect the state of development of cooperatives, it may not guarantee sustainability as priorities of government change (A Chambo et al, 2006).

The emerging shift in the key aspects that drive governance such as policy and legislation, and supervision and regulation as well as in areas like marketing infrastructure, finance and credit, supplies and inputs, hire of staff and banking, puts cooperatives in a difficult position to respond effectively to the challenges of autonomy and the challenges of the market. Cooperatives have tended to operate with the mind-frame of the government being on their mind as a saviour of last resort. This constrains development of cooperatives and does challenge them to open up to be proactive and innovative. (ibid).

Cooperatives provide a viable institution for reducing income poverty. Income poverty is measurable and the objective history of cooperatives is about the alleviation of income poverty as the bottom line. This is achieved through mobilization of all the poor people against income poverty in many forms of interventions, for example increasing agricultural production, agricultural marketing and financial services. Though production and marketing are coincidentally affected by liberalization and market competition are the major activities where the greatest proportion of the poor people both in rural and urban areas can be engaged in. If the agricultural sector is developed, income poverty will be reduced as a direct consequence, since about 80% of the population in Africa derive their livelihood direct from agriculture. Ethiopia has the highest number of agricultural cooperatives followed by Tanzania, Kenya, Malawi, Botswana and Swaziland. Chambo A (2006).

Primary cooperative societies access farm inputs usually in association with other institutions. They survive as individual organization and not as a network. Small farmers know that with agricultural marketing available there is a market for their crops. For example in Swaziland, the structure of consumers stores within the primary societies offers market outlets for some unscheduled consumer goods such as beans, peas, sugar cane and vegetables.

The financial services, savings and credit cooperatives though they have an urban history employee – based, they are now finding their way into the rural areas. In Malawi, Swaziland, Tanzania and Kenya, professionals like teachers have organized national wide primary saving and Credit Cooperatives SACCO, Kenya's Mwalimu SACCO, the Malawi Teachers Savings and Credit and the Swaziland Teachers SACCO. Such structures have national connections and can connect other professions in the rural areas if they open up their common bond. Critics to this single financial house have advanced the reasoning that it would have negative welfare impact because of inefficiency associated with monopoly and oligopoly. Chambo A (2006).

Supporters of the same argument advance the idea that organized monopoly is part of ring fencing and capacity development against external forces. The advantage of this was that information and communication connectivity became an invaluable asset of the totality of the financial cooperative system. These are shared services, low unit cost, research and development and new product development. This is a great need for the cooperative movement in Africa. In Zambia, development of this kind of primary society is limited. Historically cooperatives have been investment organizations. They are involved in the mobilization of financial resources and

invest them to create wealth and thereby participating in national economic development. Because of this, cooperatives must be recognized as important organizations in contributing to indigenous development and an important part of national economic systems (Ojemark P and Chabala and, 2004).

In Tanzania cooperatives have had investments in real estate spread throughout the country. The marketing cooperative unions and the national federation have had buildings throughout the regional centres of the country. In Kenya a number of cooperatives have invested in office buildings in major urban areas. The cooperative bank has been another major investment opportunity for both cooperative organization and individual members who are shareholders. Cooperatives have also encouraged the participation of members in the Nairobi Stock Exchange by providing access to credit for share purchase during initial public offers where companies are floating shares. All these investments are through resources mobilized from the membership. It would be important to take inventory of the extent of cooperative investment in each country or region to have a fair view of its contribution to wealth creation and economic development. Chambo A (2006).

2.51 Employment creation.

Unemployment has been one of the greatest challenges to the development of Africa. It is estimated that the unemployment rate in sub-Saharan Africa region is higher than the rest of the world, PRSP (2002). The slow growing economies are unable to generate enough job opportunities to absorb particularly the large number of young people entering the job market every year. Cooperatives have made significant contribution towards direct and indirect employment creation in this area, though this is subject to investigation. In most of the countries in Africa, registered cooperative societies on average employ five persons either as managers, clerks, and casuals. Some bigger cooperative institutions like the Cooperative Bank of Kenya employ over 1000 people both professionals and technical staff (ibid).

In addition cooperatives have contributed significantly towards employment creation through member enterprises. On individual enterprises basis these may not seem significant, but the aggregate contribution is very significant particularly within the informal sector. The indirect employment creation results from the multiplicative activities of cooperatives, such as members

who borrow from (SCCO), become investors in transport, grocery, poultry, and farm machinery, and small business, purchase of commercial building and running of housing schemes. All these ventures create employment either at the household level or by direct employment of various skilled, semi-skilled and unskilled labour forces.

2.5.2 Institutional Framework

For many years cooperatives in Africa have operated on a four tier structure that was made up of primary, secondary, national, sector organizations, and the national apex bodies (federations). This structure has been challenged by changes brought about by liberalization and in most countries the structure does not exist in this form. The cost of maintaining such structures do not go by the current demands of the market which is value driven. The study found that the primary societies do not attest to the material value of a distant national umbrella body because the primary need fast business results not the long tier system (ibid).

The dilemma however, is that the national level structures which in most cases is supported by legislation (cooperative Act) need primaries for their survival. In most cases apex bodies find themselves in competitive situation with the bodies they should be supporting or they provide services, which can be obtained elsewhere more easily and cheaply. However, national bodies are acknowledged for the provision of support in these areas that need collective voice or action, or are of national importance and cannot be handled on a sector basis. The design of the national body will ultimately be determined by what the primary societies expect of it and it should not just be there to perpetuate its institutional and historical existence. The study reveals that in all the study countries there are no viable apex bodies. In Botswana the apex body is non functional with no activities on the ground, Kenya has been on a long drawn re-organization process. Tanzania functions on a weak and limited basis but is undergoing transformation, Swaziland has a creation of the law but has never been formed. Ethiopia has an elaborate structure on the drawing board but yet to be implemented. The law in Malawi provides for an apex body, but it has not been actualized. Kenya has very strong national organizations. Ethiopia and Tanzania have some strong crop based national organizations (ibid).

There is need to re-look at primary society expectations from the apex bodies and work towards structures that will focus on fundamental issues and embrace the interests of the movement on all

multi-sector basis. The primary focus of the body should be macro- policy and issues of national importance. It should have the ability to promote and protect the cooperative agenda on wholesome basis. This kind of apex bodies should aim at supporting economically viable primary societies who are carrying out businesses on behalf of their members.

2.5.3 Cooperative Policy and Legislation

Cooperative policy and legislation exist in many African countries and has undergone second or third generation changes and revisions in response to developments that have taken place in the political and social-economic environments. A number of significant observations have been made regarding policy and legislation in central southern Africa. All cooperative policies recognize the critical importance of the grassroots primary societies and their critical role for member mobilization and hence the growth of the cooperative movement. The policy promotes members participation, but legislation is a mixture of the ideals of member participation and state control. Policy and legislation create the conditions for cooperatives to be confined to specific sectors and because of such confinement, cooperatives are unable to contribute effectively to broad national policy and legislation debate. The traditional four-tier structure of affiliation is theoretically and practically costly on the membership. There is absence of efficient regulatory framework with effective delivery mechanisms in almost all countries. The cooperative movement in all the study countries (Malawi, Swaziland, Botswana, Tanzania, Kenya and Ethiopia), looks to government to put in place and manage systems for regulation while the rest of the world is moving towards self regulation. Chomba A (2006).

In almost all countries, the policy formulation and legislation development process is government driven with minimum participation of the movement. In some of the countries, the governments have still taken the paternalistic legislation. The governments tightly manage the process of implementation of the policy and legislation.(Appendix 2 & 3.)

However, from the information above it can be noted that there are efforts to formulate broad and enabling macro-economic policies by all governments in the surveyed countries. There are national development strategies for the reduction of poverty in all countries and a number of them recognize the role of cooperatives in the reduction of poverty. There is also a new focus of development action targeting the development of agriculture and a shift of development activities

towards the district and village levels. This is providing important opportunities for cooperative-government partnerships at the local level. However, lacking in most of the cooperative policies is the linkage between the cooperative policy and the National Development Policies (NDP), and how cooperatives would integrate into the shift on decision-making process to the local levels. The analysis revealed that policy and legislation has acceptance of the cooperative movement. The policies and legislation reveal major weaknesses in almost all the seven cooperative principles. This shows that cooperatives have not come to a stage where they are operating as private enterprises that are member owned and controlled and have ownership of the cooperative principles.

2.5.4 Cooperatives and cross cutting issues

It is reported that Sub-Saharan Africa is more heavily affected with human immune-deficiency virus and acquired immune deficiency syndrome (HIV/AIDS) than other regions of the world. An estimated 24.5 million people were living with HIV/AIDS at the end of 2005 and approximately 2.7 million new infections occurred during the same year. The social and economic consequences of the pandemic is already being widely felt not only in the health sector, but also in education, industry, agriculture, transport, human resource and the economy in general. The estimated number of people living with HIV/AIDS, adult prevalence rates, the number of deaths from AIDS, and the number of orphans due to AIDS at the end of 2005 is given in the table below (See Appendix 5)

The role of cooperatives in issues related to gender, youths, HIV/AIDS and environmental conservation has not been clear and definite and has not had impact. Going by studies conducted, the rural households' income (or cooperative member income) has not been sustainably higher despite partial production subsidy by the government, favourable policy and business conditions (Ojermark P and C Chabala, 1994). Findings indicate that Botswana is experiencing one of the most severe HIV/AIDS epidemics in the world. According to Botswana HIV/AIDS surveillance data (2003), the HIV infection rate among pregnant women aged 15 – 49 years was 37.4% (<http://www.cdc.gov/botswana>). This is the productive age of the economy. The UNDP estimates that by 2010, more than 20% of all children in Botswana will be orphaned (Botswana 2003 second generation HIV/AIDS surveillance). Even with this high prevalence of the disease with

those infected and affected, few of the cooperatives have put in place mitigation measures or HIV/AIDS policies in their cooperatives.

The National Strategy for Growth and Poverty Reduction addresses HIV/AIDS as a major critical issue. The national institutional framework and NGOs have funding support from international donors. But when it comes to cooperatives, major differences are clearly noticed that the cooperative policy has failed to recognize HIV/AIDS pandemic as a major issue to be integrated into cooperative development processes. With a few exceptions, most cooperatives are more concerned with the business side of their members than their health and HIV/AIDS.

Even though the cooperatives in most countries provide one of the most elaborate structures that can be used in the fight against HIV/AIDS, the involvement of the movement in most countries including Zambia is very minimal. There are no countries where for example the movement is actively engaged with the national agency coordinating the fight against HIV/AIDS. Local initiatives among cooperatives are also lacking since the fight against HIV/AIDS is largely seen as the work of NGOs and donor agencies. In most cases it is seen to be driven by external funding. Each of the countries has a national agency coordinating the fight against HIV/AIDS in most, the cooperatives unlike other stakeholder groups are not involved within the national framework. There is almost no engagement between the national agencies' interventions at the movement. However, a number of interventions at the movement level have been noticed e.g. in Malawi, the cooperative movement have adopted the study circle concept. In Kenya the programme is targeting its members while in Botswana the movement is offering some support for home-base care.

2.5.5 Youth

It is evident from demographic statistics that the population of Africa is very youthful. Though there is no common definition of youth, almost 50% of the population of most African countries are below the age of thirty-five (35) years. The youth are generally left at the margins of the public sphere and political, socio-economic and cultural processes. Many of the youth in most countries in Africa have little access to quality education, employment and livelihoods, healthcare and basic nutrition. (ibid).

The need to promote youth's empowerment for greater engagement in cooperative socio-economic activities such as skills training and income generating has been recognized in many countries, and has challenged cooperatives to seize opportunity for promoting youth enterprises and self employment. The cooperative can also work as an agent for promotion of greater integration and effective implementation of national youth policies and programmes. The cooperative policies have not addressed the integration of the youth into the movement neither are there any programmes at the state, regional or grassroots levels that address the youth affairs. However, few individual primary and secondary cooperatives have come up with programmes and activities aimed at addressing the youth. For example, in Tanzania the cooperative movement runs a programme through which it provides support to 200 orphan children every year. The youth are an important group in cooperative development though the group does not involve itself effectively in the cooperative agenda and national poverty reduction strategic plans. Chambo A (2006).

2.5.6 Gender

Gender issues have for a long time not been mainstreamed in broader cooperative development agenda for most countries in Africa. Women still form a large segment of the less endowed in both urban and rural areas. Society norms and practices, cultural factors and access to resources and inheritance of property have continued to perpetuate gender inequalities. Men still tend to control the decision making process, particularly in the agricultural process including what to grow, how and where to grow. Men control cash incomes from sales of major crops such as coffee, cotton, maize and tobacco. An observation is that in commerce, women engagement in the informal sector tends to be on the toil end as small-scale trade and local food processing. Chambo A (2006).

There is no evidence in many African countries of how cooperatives re engaging with issues that affect women in order to address gender disparity, especially when it comes to access to resources and to encourage effective involvement of women in decision and policy making processes. Despite the stated aims of equality and democracy of the cooperative movement much development aimed specifically at women has been in the form of isolated projects that have not been integrated into the mainstream economy. This calls for expediting the socio-

economic development process with the required gender sensitivity. Furthermore, the lack of gender disaggregated data makes it difficult to assess the extent of gender disparities within the cooperative movement. Mayoux (1989).

2.5.7 Environment

According to Chomba A (2006) about two-thirds of the population in the countries of study included in the study live in the rural areas and rely on agriculture and other natural resources for income. However, their environmental resource base is shrinking rapidly. The environmental problems in these study countries include air, soil and water pollution, deforestation, soil erosion and loss of soil fertility, and a decline on biodiversity. The attention that is given to environmental conservation is therefore very minimal. In most countries apart from Malawi, cooperatives have not developed programmed and activities that address environmental issues. In Malawi, mainly because of tobacco farming, there are intensive tree planting activities and a number of cooperative societies; particularly in the tobacco growing zones are engaged in tree planting activities. Most of them have a tree-planting week with net targets of the number of trees to be planted per farmer.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This component explains the manner in which the research activities were undertaken. It also states the area of study, the sample frame and sample unit as well data and information collection and analysis procedures.

3.2 Study area

The study was conducted in Mufumbwe district of North-Western Zambia. A hundred and ten (110) respondents were randomly selected from the population using simple random sampling with a household as a sampling unit. The sample survey was conducted using administered structured questionnaires.

3.3 Sampling designs

Probability sampling was used to allow each potential respondent equal and non-zero chance of inclusion in the working sample. The basic probability design of simple random sampling was used. The sampling frame was comprised of an up-dated list of all members of the Mufumbwe district cooperative union.

3.4 Data collection and methods.

Primary data was collected using a questionnaire document containing questions and other types of enquiry tools designed to solicit data or information for appropriate analysis. The Secondary data collection was sourced from the district cooperative union (DCU) secretariat, ministry of agriculture head quarters (HQ) and cooperatives offices (MACO) Mufumbwe district.

3.5 Data analysis

Data was organised, edited and analysed for descriptive statistics in SPSS soft and descriptive statistics were generated to make explanations and relations of the actual results obtained to the objectives set. This was done through analyses of the frequency and cross-tabulation tables as well as charts and figures

CHAPTER 4

RESEARCH STUDY FINDINGS

4.1 Introduction

This section presents the findings for the survey that was implemented in Mufumbwe district. First of all the composition of the total respondents (demographics) and the kinds of cooperative services has been brought to the fore and further describes the contribution of the cooperative services in the areas of household income ,food security and employment creation.

4.2 Social economic characteristics of respondents

4.2.1 Age structure

The table below shows the age structure of the sample. Sixty four percent (64.5%) are youths that is those who are forty years and under while thirty six percent (35.4%) were forty one years (41yrs) and above. This entails that the majority of the members of MDCU, are potential young people who can carry the cooperative tradition in the future. It also indicates that the most vibrant age group of the society is involved with cooperatives.

Table 1: Age distribution of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Age in 20-30 Years.	14	12.7	12.7	12.7
31-40	57	51.8	51.8	64.5
41-50	26	23.6	23.6	88.2
50-70	13	11.8	11.8	100.0
Total	110	100.0	100.0	

Source: Own Survey Data (2008)

4.2.2 Gender

Table 2 below shows that males make up sixty-eight point two percent (68.2%) of the respondents, and the females form about thirty-one point eight percent (31.8%). This shows that women are not just sitting but are taking an active position in the activities of the cooperative movement. This is a potential strength as its key that both genders are involved in programmes meant for poverty reduction. It is more important that this trend continues so that more and more women take active roles in the operations of the cooperative.

Table 2: Respondent composition by gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	75	68.2	68.2	68.2
Female	35	31.8	31.8	100.0
Total	110	100.0	100.0	

Source: Own Survey Data (2008)

4.2.3 Marital status

The table below indicates that seventy nine point one percent (79.1%) of the respondents were married people, thirteen point six percent (13.6%) were single household heads, five point five percent (5.5%) divorced and one point eight percent (1.8%) was separated couples. This indicates that the majority of the members are married people.

Table 3: Marital status of respondents

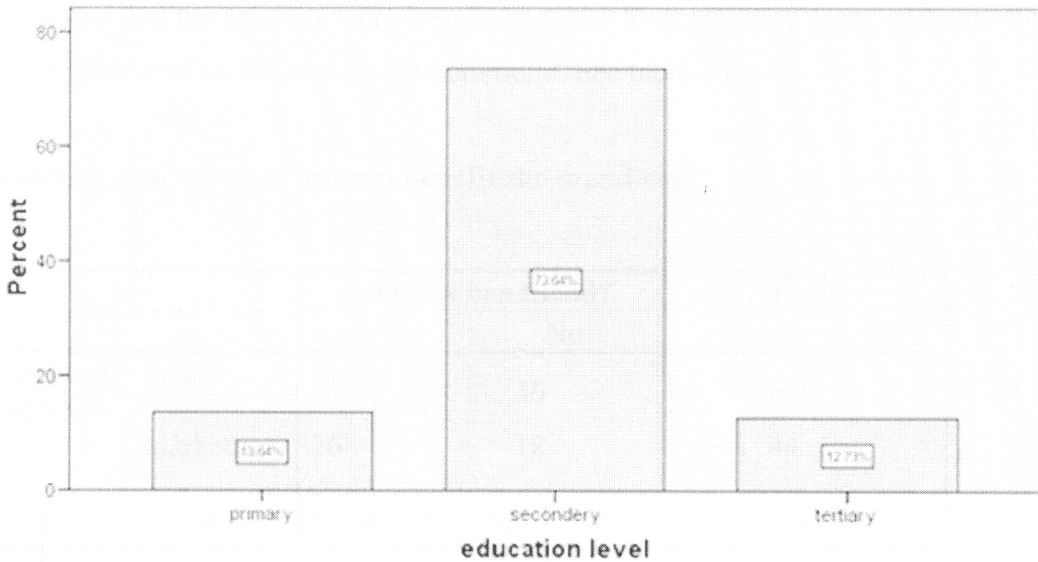
	Frequency	Percent	Valid Percent	Cumulative Percent
Single	15	13.6	13.6	13.6
Married	87	79.1	79.1	92.7
Divorced	6	5.5	5.5	98.2
Separated	2	1.8	1.8	100.0
Total	110	100.0	100.0	

Source: Own Survey Data (2008)

4.2.4 Education status

Only twelve point seven percent (12.7%) of the respondents attained tertiary level school, thirteen point six percent (13.6%) attained primary education while seventy three point six percent (73.6%) of the respondents attained secondary education level. This indicates that the majority of the members got basic education to perceive and evaluate the performance the cooperative operations. See figure 1 below.

Figure 1: Education levels of respondents



Source: Own Survey Data (2008)

4.3 Type of services offered

From the findings MDCU offers only inputs and marketing services to its members. The cooperative union operates as an agency of the Fertilizer Support Program (FSP) and Food Reserve Agency (FRA) in providing inputs and marketing services to its members. Sixty percent (60%) use inputs while forty percent (40%) use marketing services. The cooperative union is not able to provide other services due to lack of capital investment, low working income and lack of diversification. See the table 4 below.

Table 4: Services offered by MDCU

	Frequency	Percent	Valid Percent	Cumulative Percent
Inputs	66	60.0	60.0	60.0
Marketing	44	40.0	40.0	100.0
Total	110	100.0	100.0	

Source: Own Survey Data (2008)

It can be noticed from the findings that fifty point nine percent (50.9%) of the respondents indicated that the services were beneficial while forty nine point one percent (49.1%) said that the cooperative services were not beneficial. See table 5 below.

Table 5: how services offered benefit the members.

	Services beneficial?		Total
	Yes	No	
services offered Inputs	30	36	66
Marketing	26	18	44
Total	56(50.9%)	54(49.1%)	110

Source: Own Survey Data (2008)

4.4 Cooperatives services and household income

From table 6 below seventy six point eight percent (69.1%) of the respondents who fairly accessed the services indicated that they had fair increase in their household income though the magnitude of the increase was very small. This is an indication that there is potential that co-operators can improve their income through the cooperative movement. However twenty one respondents out of the hundred ten interviewed indicated that their household income remained unchanged despite their involvement with the cooperative activities.

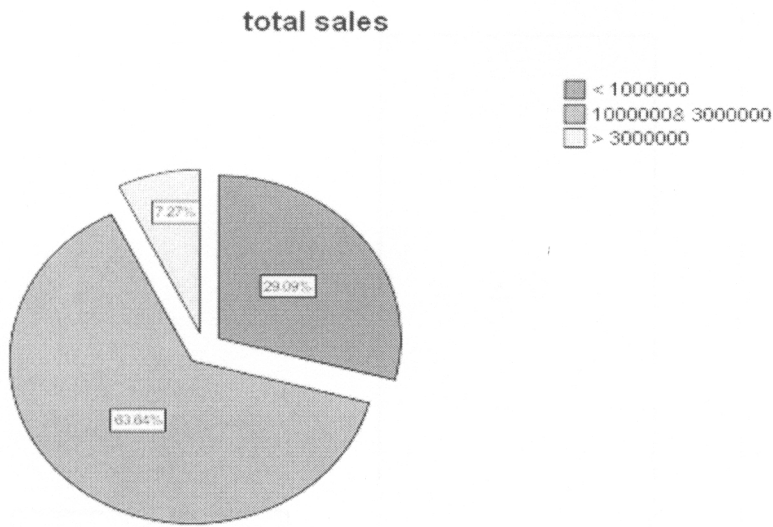
Table 6: Assessment of household income by members

		access to services			Total
		very easy	fairly easy	Difficult	
increase in income	Highly	1	2	0	3
	Fairly	7	76(69.1%)	2	85
	No change	1	21	0	22
	Total	9	99	2	110

Source: Own Survey Data (2008)

Figure 2 below shows that, 63.6% of the respondents had incomes ranging from one million to three million kwacha. Only 7.2% were able to get incomes of above three million kwacha, while 29.09% of the respondents indicated annual total sales of less than one million kwacha. An annual total farm income of less than three million kwacha limits household living expenses and farm investment. This condition has perpetuated the poor conditions of the small scale farmers. The reason for the low income is lack of inputs for large scale production.

Figure 2: Household annual total farm sales income



Source: Own Survey Data (2008)

4.5 Cooperatives services and food security

In this section the food security status of the households is assessed. It is an indication of the perception by members that cooperative efforts have contributed to the household food security situation in Mufumbwe district.

From table 7, ninety percent (90%) of the respondents fairly access cooperative services. Out of these only twenty one point two percent (21.2%) indicate that cooperatives services improve household food security. While 78.8% said that the food security condition of the households was not improved. See table 7 below:

Figure 4: Assessment of employment creation by members



Source : Own field data (2008)

Generally the study found that the income base of the MDCU was very weak due to little contribution from the members. Also that the expectation from the members for services and benefits were high and not being met. Another finding from secondary information was that the expectation of the farmers about cooperatives performing and helping farmers improve their welfare was enhanced by political pronouncements.

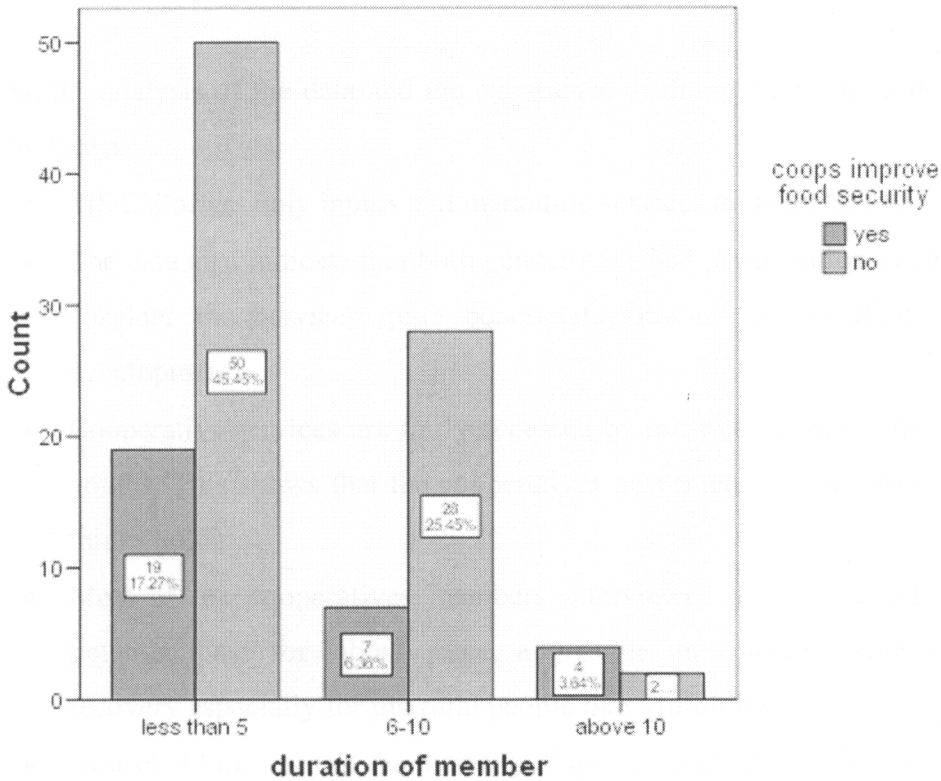
Table 7: Access to services improve food security

		coops improve food security		Total
		Yes	No	Yes
access to services	very easy	8	1	9
	fairly easy	21 (21.2%)	78 (78.8%)	99 (90%)
	Difficult	1	1	2
Total		30	80	110

Source: Own Survey Data (2008)

Figure 3 below shows, the majority of respondents who are ten (10) years and below stated that the food security was not improved while only 3.64% of those that were ten years and above indicated that cooperative services improve food security.

Figure 3: food security assessment by members' perception



Source: Own Survey data (2008)

4.6 Cooperative services and employment creation

The contribution of the cooperative movement to employment creation is analysed in the table below. It shows the level of enhancement of job creation by the cooperative movement as viewed by the respondents. See the table below;

Figure 4 below shows, that the majority of the people (96.36%) indicated that the cooperative movement has not contributed to either direct and indirect employment creation of the members that is there has been no enhancement of multiplicative activities of cooperative members such as investment in transport, grocery, poultry and small businesses.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 CONCLUSIONS

From the analysis of the data and the experience of the research the following conclusion have been drawn:

- MDCU offers only inputs and marketing services to its members.
- The data also indicate that both gender have had participation in cooperative services and consider the services quite beneficial. This is an important aspect in cooperative development.
- Cooperative services are fairly accessed by most co-operators the majority of whom are youths. This shows that the cooperatives movement can be carried on into the future all things holding.
- Most of the cooperatives members interviewed are of secondary education level. A potential base for labour force, a gigantic unexplored resource critical to economic recovery especially for the rural people like Mufumbwe.
- Household incomes of the majority of the respondents have continued to be low. This has perpetuated the income poverty of the members negatively affecting farm input acquisition, working capital and the general standards of living of the co-operators.
- From survey data examination the household food security has not improved. The respondents interviewed indicate that the cooperative services have not resulted in sufficient staple food production and distribution for all cooperative beneficiaries as evidenced by the findings from both primary and secondary data and information.
- The cooperative movement has not enhanced creation of employment amongst the co-operators because of the low capital base and diversification is not practiced.
- Despite the many advantages of cooperatives, from the findings and analysis it can be concluded that MDCU is not doing its very best to service its members in their pursuit to improve social and economic welfare.

5.2 RECOMENDATIONS

This section contains suggestions recommending something to do or use in the similar circumstances the Mufumbwe co-operators operate. Other situations may require particular investigations for appropriate proposals. These endorsements express proposals or commendations for reference in the advocacy for what good to put in for sustainable cooperative development for Mufumbwe and Zambia in general.

- From the findings of the research it is recommendable that cooperative extension education continues as a capacity building tool of the system. This would enhance knowledge and skill in identifying opportunities strategic management awareness and decision making processes thereby improving cooperatives developmental initiatives and entrepreneurship.
- It is been found that the maintenance of buffer stocks of the main staple food by the government is essential though at a cost, so that affordable access to food especially in deficit period for the most majority vulnerable co-operators is made easy. This is with the finding that most farmers do not have proper storage facilities and they either sell a great deal of the scant agric outputs or consume it all without efficient food budgeting hence transitory food shortages. It's against this background of alarming trends on food production, consumption imports or shortages combined with periodic crisis or drought and famine that policy makers should give increasing priority to the food security objectives in Zambia.
- To avert the problem of low income, cooperative agricultural diversification in the areas of non traditional crops (exportable) should be encouraged to boost foreign exchange reserves that could be used to improve infrastructure, import food in deficit periods and acquire the much required irrigation machinery and other elements of farm mechanisation. In this same vein public private partnership cooperative service agencies should emerge in the areas of finance, communication, capacity building and entrepreneurship.
- Following the scarce credit resource base for cooperative funding, the government agricultural finance and business sector provision of banking, marketing information and

skills and the establishing of the local agricultural financial institutions and crops and livestock banks would highly increase cooperative economic life. This could well be coupled with the public private partnership schemes to improve competitive management strategies. This is a critical recommendation for cooperative capitalisation.

- To increase access to cooperative services the agencies involved in the development of cooperatives should put in place a clear and sustainable agricultural cooperative policy framework and have a very strong political will on execution. This would entail that the ministry responsible for policy backstopping champion (MACO) be strengthened (structured and capacitated) in order to monitor and evaluate implementation of cooperative projects, to capture problems and find appropriate solutions.

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APPENDICES

APPENDIX 1: ASSESSMENT AGAINST COOPERATIVE PRINCIPLES

(Ratings: 5 is a very high, 4 is high, 3 is average, 2 is low, 1 is very low)

PRINCIPLES	BOTSWANA	ETHIOPIA	KENYA	MA
Voluntary/open membership	4	4	5	
Democratic member control	1	2	4	
Member economic participation	2	2	3	
Autonomy and independence	1	2	4	
Education, training & information	2	2	3	
Cooperation among cooperatives	2	1	3	
Concern for community	1	2	2	
Total	12	15	26	

Source: Chomba A , (2006)

APPENDIX 2: STATUS OF LEGISLATION

COUNTRY	CURRENT LEGISLATION	REMARKS
Botswana	Cooperative societies Act 1989	The Act does not give complete autonomy. It leaves decisions with the Commissioner and the Minister.
Ethiopia	Proclamation No. 148/1998 Cooperative Societies Proclamation	
Kenya	The Cooperative Societies Act 2004.	
Malawi	Cooperative Societies Act No. 36 of 1998 and Cooperative Societies Regulation 2002.	
Swaziland	The cooperative Societies Act No. 5 of 2003.	The Act sets the Agenda for cooperative development and control
Tanzania	The Cooperative Societies Act 2003 and the Cooperative Societies rules 2004.	The cooperative business part of the Act still under control of the government 1991. Cooperative structures still existing.

Source: Chomba A (2006).

**APPENDIX 3: CURRENT SITUATION WITH APEX BODIES IN SELECTED
SUB-SAHARAN COUNTRIES**

COUNTRY	NO. OF TIERS IN COOPERATIVE STRUCTURE	GOVERNMENT DOCUMENT SOURCE
Botswana	3	Cooperative Act
Ethiopia	3	Cooperative proclamation
Kenya	4	Cooperative Act
Malawi	3	Cooperative Act
Swaziland	3	Cooperative Act
Zambia	4	Cooperative Act
Tanzania	2	Cooperative Act

Source: Chomba A, 2006

APPENDIX 4: RESEARCH IMPLEMENTATION WORK PLAN

Activity	Place to visit	Responsible person	Time Frame	Cost
Preparation of the proposal &(110) questionnaires	In campus (University of Zambia)	Researcher: Ndonyo Emmanuel.	Up to end of November,2008	K 500,000.
Data collection. (administering questionnaires)	Mufumbwe	Researcher Ndonyo Emmanuel.	December, 2008	K1, 000, 000.
Editing of questionnaires	Table work	Researcher Ndonyo Emmanuel.	December/January, 2008	-
Data analysis	In campus (University of Zambia)	Researcher Ndonyo Emmanuel.	February/ March,2009	K300, 000.
Report writing and binding (first draft).	In campus (University of Zambia)	Researcher Ndonyo Emmanuel.	April 24 th ,2009	K500, 000.
Final presentation of the finding.	In campus (University of Zambia)	Researcher Ndonyo Emmanuel.	To be advised	-
Final editing of the report (final draft & final copies.)	In campus (Unza)	Researcher E. Ndonyo	Before end of second semester. To be advised.	K500, 000.

APPENDIX 5: BASIC DATA ON HIV/AIDS

COUNTRY	PLWHA	ADULT FREQUENCY RATE (%)	AIDS DEATHS	ORPHANS DUE TO HIV/AIDS
Botswana	270000	24.2	1000	120 000
Ethiopia	420000 1300000	3.5	130000	870000
Kenya	1300000	6.1	140000	1100000
Malawi	90000	14.1	78000	550000
Swaziland	220000	33.4	16000	63000
Tanzania	1400000	6.5	140000	1100000

Source: Chomba A, 2006

APPENDIX 6: HOUSEHOLD SURVEY QUESTIONNAIRE

(VIEWS OF MEMBERS ON THE IMPACT OF COOPERATIVE SERVICES ON COOPERATIVE MEMEBERS)

SECTION A: RECONNAISSANCE

DISTRICT: -----

CAMP: -----

VILLAGE: -----

SECTION B: DEMOGRAPHIC DATA

1. Name of respondent: -----

2. Sex: **1. Male** []

2. Female []

3. Age: -----

4. Marital status:

1. Single []

2. Married []

3. Divorced []

4. Separated []

5. Widowed []

5. Level of education attained:

1. Primary []

2. Secondary []

3. Tertiary []

SECTION C: MEMBERSHIP

6. Are you a paid up member?

1. Yes []

2. No []

7. How much do you pay as membership fees? -----

8. Do you think this amount is reasonable? **1. Yes** []

2. No []

Give a reason for your answer. -----

-
-
9. How long have you been a member?
1. > 5 years []
 2. 6 to 10 years []
 3. 10 years & more []

10. Would you like to have more members in your cooperative?

1. Yes []
2. No []

11. Give a reason for your answer in question 10.

SECTION D: UTILISATION OF COOPERATIVE SERVICES.

12. Do you appreciate cooperative movement services?

1. Highly []
2. Fairly: []
3. Don't care: []

Give a reason for answer

13. What services does your cooperative offer?

1. Farm inputs: []
2. Marketing: []
3. Advocacy & lobbying: []
4. Bonus/Dividends: []
5. Credit: []

14. Are the services provided by your cooperative beneficial to the community members?

1. Yes []
2. No []

15. Which services do you yourself utilize the most?

- 1. Farm inputs: []
- 2. Marketing: []
- 3. Advocacy & lobbying: []
- 4. Bonus / dividends: []
- 5. Credit: []

16. How have these services helped you improve your (community) household welfare?

17. How easily do you access cooperative services? (Tick where applicable)

- 1. Very easy. []
- 2. Fairly easy: []
- 3. Difficult: []

SECTION E: COOPERATIVES AND EMPLOMENT CREATION.

18. Does your cooperative offer any employment to members and or community?

1. YES: [] 2. No []

If no why? -----

19. What employment activities does your cooperative involve in?

Reference items:	1.intensive	2.Medium	3.no activity
Carpentry			
Farming			
Honey business			

Marketing of maize			
Trading in a shop			

Other cooperative activities (specify):-----

SECTION F: COOPERATIVES AND HOUSEHOLD INCOME.

20. Being a member to a cooperative, has your household income been enhanced?

1. Highly: [] 2. Fairly: [] 3. No Change [] 4. Worse []

21. What enterprises do you grow?

1. Crops [] 2. Livestock [] 3. Marketing []

If other specify -----

22. How much overall on average do you realise from your business sales per annum?

1. Less than K 1000000 []
2. Between K1000000 & K3000000 []
3. Over K3000000 []

23. Is the price that you get for your sales with reference to 21&22 satisfying?

1. Yes []
2. No []

24. Give a reason for your answer in question 23.

25. How would you want to improve your income through cooperative membership?

1. Loans: [] 2. Collective sales: [] 3. Incentives: [] 4. Diversification []

Other ways of improving household income:

SECTION G: COOPERATIVE SERVICES AND FOOD SECURITY

26. How many bags of maize did you used to produce per hectare before joining the cooperative?

1. < (5 by 50Kg) : []
2. (6-10 by 50 Kg) : []
3. > (15 by 50Kg): []

27. How many bags do you now produce that you access cooperative services?

1. <(5 by 50Kg) : []
2. (6-10 by 50 Kg) : []
3. > (15 by 50Kg) : []

28. How many meals does your house hold consume per day?

1. 1 [] 2. 2 [] 3. 3 []

29. Give a reason for answer in question 28?

30. Where does the food that you eat come from?

1. Own production. []
2. Own production and buying food from shops []
3. Food for work []

31. Do you think the cooperative services are helping to improve household food security?

1. Yes []
2. No []

32. Give a reason for your answer in question 31? _____