## Contents

List of Abbreviations .......................................................................................................................... 4

Introduction ...................................................................................................................................... 6

1. General Overview and Historical Context .................................................................................... 7
   1.1 Era of state control (post-colonial, 1960s-1985) .................................................................... 7
   1.2 Era of liberalization (1990s-2010) ........................................................................................ 8
   1.3 Era of Devolution (on-going) ................................................................................................ 9

2: Co-Operative Sector as Part of National Economy Today .............................................................. 10
   2.1 General references ............................................................................................................ 11
      2.1.1 Vision 2030 – Big 4 ....................................................................................................... 11
      2.1.2 Social and Cultural Context ........................................................................................ 12
   2.2 Characteristics of the Cooperative Sector ........................................................................... 13
      2.2.1 Number of registered cooperatives and distribution per region/county .................... 13
      2.2.2 Number of Cooperative Societies and Unions by Type ............................................. 14
      2.2.3 Active or Inactive Status ............................................................................................ 18
      2.2.4 Number of Cooperative Members .............................................................................. 18
      2.2.5 Women in Cooperatives ............................................................................................ 20
      2.2.6 Economic Performance of Cooperative Societies ...................................................... 20
      2.2.7 Employment by Cooperatives .................................................................................... 24
      2.2.8 Role of Cooperatives in National Economy ............................................................... 24

3. Enabling and Business Environment ............................................................................................ 25
   3.1 Legislative framework today .............................................................................................. 26
   3.2 Cooperative Networks and Support Mechanisms ............................................................... 28

4. Public Perceptions of Cooperatives ............................................................................................ 30
   4.1 Positive attitude towards cooperatives .............................................................................. 30
   4.2 Trend: On-going search for ways to improve performance ............................................. 30
   4.3 Trend: If members do not gain, they leave and find other ways to satisfy their needs .......... 32
   4.4 Trend: Impact of cooperatives on the community must be recognized ............................ 32

5. Legacy review ............................................................................................................................... 34

KEY LITERATURE and selected references......................................................................................... 45

ATTACHMENT .................................................................................................................................. 50

SELECTED STUDIES ON KENYAN COOPERATIVES (BY YEAR OF STUDY) .................................................. 50

1. Overview of Corporate Governance Issues for Cooperatives (2007) ........................................ 51
5. Corporate Governance Practices and Performance of Coffee Farmers’ Cooperative Societies in Bungoma County (2010)........................................................................................................ 57
6. The First Mile: The Potential for Community-Based health cooperatives in Sub-Saharan Africa (2010)........................................................................................................................................ 58
8. Engaging Cooperatives in Addressing Local and Global Challenges. The Role of Cooperatives in Generating Sustainable Livelihoods (2012)........................................................................................................ 60
10. Factors Affecting the Growth of Micro and Small Enterprises: A Case of Tailoring and Dressmaking Enterprises in Eldoret (2013)........................................................................................................... 63
11. The Challenges Facing Cooperative Societies in Kenya A Case Study: Kenya Planter Cooperative Union - KPCU (2013)........................................................................................................................................ 64
14. Challenges and Opportunities facing SACCOs in the current devolved system of government in Kenya: A case study of Mombasa County (2014)........................................................................................................ 68
16. Role of Inventory in Management on Performance of Manufacturing Firms in Kenya – A Case of New Kenya Cooperative Creameries (2014)........................................................................................................ 70
17. Assessment of the Role of Materials Management on Organizational Performance – A Case of New Kenya Cooperative Creameries Limited (2014)........................................................................................................ 71
18. Good Cooperative Governance: The Elephant in the Room with Rural Poverty Reduction (2014) ...................................................................................................................................................... 72

# List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACDI/VOCA</td>
<td>Agri-and Cooperative Training and Consultancy Services Ltd.</td>
</tr>
<tr>
<td>ATC</td>
<td>The Cooperative Alliance of Kenya</td>
</tr>
<tr>
<td>CCI</td>
<td>Communications Cooperative International</td>
</tr>
<tr>
<td>CDO</td>
<td>Cooperative Development Organization</td>
</tr>
<tr>
<td>CDP</td>
<td>Cooperative Development Program</td>
</tr>
<tr>
<td>CHF</td>
<td>CHF International (now Global Communities)</td>
</tr>
<tr>
<td>CIC</td>
<td>CIC Insurance Group Ltd.</td>
</tr>
<tr>
<td>CUK</td>
<td>The Cooperative University of Kenya</td>
</tr>
<tr>
<td>DEC</td>
<td>Development Experience Clearinghouse (USAID)</td>
</tr>
<tr>
<td>DT-SACCO</td>
<td>Deposit Taking Savings and Credit Cooperative Organization</td>
</tr>
<tr>
<td>EURICSE</td>
<td>European Research Institute on cooperatives and Social Enterprises</td>
</tr>
<tr>
<td>EAC</td>
<td>East Africa Community</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>ICMIF</td>
<td>International Cooperative Mutual Insurance Federation</td>
</tr>
<tr>
<td>I-NGOs</td>
<td>International Non-Governmental Organizations</td>
</tr>
<tr>
<td>KNBS</td>
<td>Kenya National Bureau of Statistics</td>
</tr>
<tr>
<td>KIPPRA</td>
<td>Kenya Institute for Public Policy Research and Analysis</td>
</tr>
<tr>
<td>LOL</td>
<td>Land O’Lakes</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labor Organization</td>
</tr>
<tr>
<td>NACO</td>
<td>National Cooperative Organizations</td>
</tr>
<tr>
<td>NACHU</td>
<td>National Cooperative Housing Union</td>
</tr>
<tr>
<td>NCBA/CLUSA</td>
<td>National Cooperative Business Association/</td>
</tr>
<tr>
<td>OCDC</td>
<td>The Overseas Cooperative Development Council</td>
</tr>
<tr>
<td>SACCO</td>
<td>Savings and Credit Cooperative Organization</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>SASRA</td>
<td>SACCO Societies Regulatory Agency</td>
</tr>
<tr>
<td>USIU</td>
<td>United States International University – Africa</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>WOCCU</td>
<td>World Council of Credit Unions</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
</tbody>
</table>
Introduction

*What Difference Do Cooperatives Make?* is a multi-year, multi-country cross-regional research study conducted under the guidance of the OCDC Research Group. It focuses on the effects that cooperatives have on the social and economic well-being of individuals and their broader effects on communities where they are located. The focus is on the primary society but may take into account second and third level bodies in all countries. The study’s goal is to find evidence that will enhance future cooperative development programs.

The outline of *Context Study-Kenya* mirrors a similar study of Poland in 2017. The purpose of these studies is to give a brief overview of the situation of cooperatives in the given country as it may help to interpret the results obtained through qualitative and quantitative surveys, rather than provide an in-depth analysis of issues and conditions in which cooperatives work.

With the above purpose in mind, several limitations must be noted:

- Depending on the source, statistical data used in the literature and discussions of the empirical studies is sometimes confusing because the authors may use different periods. In this document, whenever reasonable, we use data for 2014 provided by the Kenya National Bureau of Statistics (KNBS), knowing that data for 2016-2018 is identified as ‘provisional’ in the KNBS documents.
- A considerable body of literature is available about Kenya’s economy, on various developments that have occurred in that country and have impacted specific sub-sectors of the economy. No attempt has been made to cite these sources extensively; rather, a general reference is made to key publications.
- An effort was made to identify and briefly describe the results of key empirical studies conducted in Kenya since 2009, with a focus on cooperative societies. These are summarized in the Attachment to the *Context Study*.
- As of this writing, certain nation-wide processes with an impact on the operation of cooperatives are in progress. Specifically, devolution, based on the constitution of 2010, is not yet complete and several regulations, including the law on cooperatives, have not been adopted at the county level. We note these circumstances and their status as of August 2018, as they may herald significant changes for Kenyan cooperatives.
- A brief inquiry into the legacy of USAID-funded programs supporting the cooperative sector before 2010 is included. This date was determined as the commencement of the current phase of the cooperative development programs (CDP) funded by USAID. They are mapped out and discussed in greater detail in a separate study by EURICSE for OCDC to which we refer. Some of these programs are on-going.
1. General Overview and Historical Context

The purpose of this section is to look at key events that impacted the cooperative sector within the period of study.

Over the past decade (2008-2018), Kenya has made significant political, structural and economic reforms that have largely driven sustained economic growth, social development and political gains. While economic activity faltered following the 2008 global economic recession, growth resumed in the last three years, reaching 5.8% per annum in 2016 and placing Kenya as one of the fastest-growing economies in sub-Saharan Africa. However, Kenya’s key development challenges still include poverty, inequality, climate change and the vulnerability of the economy to internal and external shocks.

The cooperative sector has been evolving as well. From this perspective, several historic milestones are typically pointed out.

1.1 Era of state control (post-colonial, 1960s-1985)

At independence, the new governments of many African countries, including Kenya, saw cooperatives as tools to implement the ideal of ‘African socialism’, as a ‘third way’ between capitalism and communism. Cooperatives received massive state support, but the state supervised their formation and promotion and co-opted them to carry out state functions. In Kenya, the Cooperative Societies Act, Cap 490, was passed in 1966 to oversee their development. The government further entrenched its control by publishing co-op rules in 1969 as an operational oversight procedure for all cooperatives by the commissioner, including their registration, amalgamation, approval of budgets, borrowing power and supervision. This failed to provide an environment for the growth of an independent and autonomous sector able to operate without interference from the government (Wanyama, 2009: 2; Mumanyi, 2014: 21-22). A tarnished reputation and a broader crisis of cooperative identity ensued due to the failure of the state-driven cooperative movement and the top-down management style that replaced a people’s democracy (Chambo-Tiruhungwa 2009:5-7).

---


2 For historic overviews, see Wanyama (Cooperatives for African... 2009:2) and Wanyama, Develtere, Pollet (Reinventing... 2009:3-21); Chambo (2009) with cited literature. Schwettmann (2014: 2-5) distinguishes four periods: colonial – the top-down approach; after-independence - the era of ‘cooperativism’; structural adjustment and democratization characterized by the end of government control; and the current Fourth Generation period.

3 Ibidem. On broader legacy issues in developing countries, see Shaw 2006 p. 17-18, who noted that government control and intervention in the cooperative sector ‘deriving from the colonial origins of the co-operative sector involved a regime of government control and influence with damaging results that are still evident today.’
1.2 Era of liberalization (1990s-2010)

Economic liberalization and structural adjustment programs resulted from the widespread search for structural and political changes. Among the reasons for justifying such changes were overall disillusionment with economic results, inefficient and often corrupt cooperative organizations, growing calls for democratic reform, and the abandonment of cooperative development as a target and instrument of cooperation policies, to focus, instead, on the promotion of individual small enterprises. In the words of one commentator: ‘Consistent with the new economic environment that was sweeping across Africa in the 1990s, many countries introduced new policies and legislations ostensibly to liberalize the cooperative sector. The main content of the resultant framework was to facilitate the creation of a commercially autonomous and member-based cooperative organization that would be democratically and professionally managed, self-controlled and self-reliant.’

On the legislative side, these reforms resulted in the passing of the Cooperative Societies Act Number 12, in 1997 (the Republic of Kenya, 1997b). This introduced a new economy where the government was to relax some of its tight control over the cooperative sector to allow member autonomy and to prepare cooperatives for free competition. However, the majority of cooperatives were not prepared and, in several cases, the new rules were abused, which resulted in failure, mismanagement, and corruption. Because of these developments, the Cooperative Societies (Amendment) Act (Republic of Kenya, 2004a) re-introduced some controls while amending the act of 1997. The main content of the Act of 2004 reinforced state regulation of the cooperative movement through the office of the commissioner of cooperatives development (CCD).

Drawing lessons from a decade of experience in liberalization, one commentator stated: ‘Though in interim many cooperatives succumbed to fiercely competitive market forces, which continue to adversely affect some cooperative organizations, the majority of these organizations have survived the liberalization storm’ (Wanyama, 2009: 28-29 Surviving). The author concluded: ‘Overt governmental control of the cooperative movement is counterproductive, but there is still need for some governmental regulation of cooperatives to ensure that unscrupulous leaders do not exploit the other members...’ (Wanyama, 2009:10, Cooperatives for African...). Other commentators noted a need for further studies and a better understanding and education in these areas to strengthen the rejection of control and

---

4 Wanyama, Develtere, Pollet (2009:1-3). These authors also said: ‘Through the adoption of the [World Bank’s] Structural Adjustment Programmes (SAPs) in the 1990s, cooperatives entered a new era as they were arguably afforded a beginning to run their affairs following the “retrenchment” of the state from the development scene.’ The impact of liberalization on different cooperative models is also discussed (2009:10-20).

5 Wanyama (2009): ILO Cooperatives for African..., Schwettmann (2014). According to Mumanyi, the immediate impact of liberalization on cooperatives was primarily negative. ‘To the detriment of primary cooperatives, the newly acquired freedom was dangerously abused by elected leaders’ (p. 14).

6 Mumanyi (2014) (p. 14-15) notes that the Amendment of 2004 responded to the reported cases of corruption and gross mismanagement by officials, theft of cooperative resources, the split of viable cooperatives into smaller units, and the failure of employees to surrender member deposits to cooperatives, particularly SACCOs.
interventions and allow cooperatives to take full advantage of market opportunities.\textsuperscript{7}

1.3 Era of Devolution (on-going)\textsuperscript{8}

With the passing of the 2010 Constitution, a bicameral legislative house, a devolved county government, a constitutionally tenured judiciary and electoral body were introduced. Forty-seven (47) counties were formed, replacing 8 major regions [although the latter are still used for statistical data purposes and sometimes co-op-related data are referred to as regional subdivisions].

Kenya’s Constitution requires Parliament to pass specific laws that cement both the spirit and letter of devolution into the governance framework. In 2016, USAID supported legislators in their efforts to advance 17 national policies in support of devolution. To help develop policies at the county level that address the needs of their constituents, USAID and the Kenya Law Reform Commission developed 51 model laws.\textsuperscript{9}

In 2018, the process of devolution of specific functions from central to county-level, including cooperative function, remains in progress.

As a national-level apex organization, the Cooperative Alliance of Kenya (CAK) has been deeply engaged in the process of developing a model law and conducting intensive field consultations. But the passing of co-op laws at the county level is still a complex and difficult process and continues as of this study’s writing (2018). Several OCDC members working in Kenya with USAID funding, including Global Communities, were part of activities to promote co-op law reforms. For example, Global Communities assisted CAK and worked at the county level to engage various local actors in the process, as well as coordinate with other I-NGOs. As a result of these efforts, two counties -- Machacos and Macueni -- passed co-op laws in 2017 and several others are moving towards this end although at a different pace. [Refer to Sec. 3 on enabling and business environment and Sec. 4 below on perceptions where there is more on the conference, Nairobi, March 26-27, 2018 organized by Cooperative University of Kenya (CUK).] Various aspects of current cooperative issues were discussed.

\textsuperscript{7} Shaw 2006:9, 17, 26 called this the ‘Renaissance? Era’ and noted that ‘Kenya provides an example of a liberalization process partially rescinded when co-operatives proved themselves ill-prepared for the new era and the withdrawal of government regulatory powers in 1997. The results were largely negative with corruption and mismanagement all too common... so that the new act in 2004 reintroduced state regulation.’

\textsuperscript{8} Schwettmann (2014:4-6) calls them ‘the fourth-generation cooperatives.’ This author compiles information across 27 African countries and states: ‘the contemporary cooperative landscape in Africa is much more diverse, more colorful and less structured than twenty years ago. Traditional forms of cooperative coexist with modern ones, and formal cooperative societies coexist with informal self-help groups. Almost everywhere on the continent, cooperatives are free from state control – and can no longer count on state support.’

\textsuperscript{9} For more on ways in which USAID-Kenya assists this process, see USAID Kenya Annual Report 2016:26-27.
A map of the administrative division of the country into 47 counties showing devolution.


2: Cooperative Sector as Part of Present National Economy
It was suggested that in international development there is ‘sufficient evidence to suggest that at the very least the decline of the cooperative sector appears to have halted and that there are
This section is sub-divided into two parts. The first provides general references and background information against which to place the cooperative sector. The second focuses on data relating to the cooperative sector, with quantitative data based, to a large extent, on Kenya’s National Bureau of Statistics (KNBS): Statistical Abstract 2017.

2.1 General references
A significant amount of data on various aspects of Kenya’s economy are available – reference below is made to selected/key sources for further details – links in literature references, below.

Kenya National Bureau of Stats (KNBS)
- Economic Survey 2018-The Elephant

Kenya Institute for Public Policy Research and Analysis (KIPPRA)

World Bank
- Kenya Overview 2017
- Kenya Economic Update. Policy Options to Advance the Big 4, April 2018, Edition #17, World Bank Group
- Doing Business 2018 – Kenya, WBkG

2.1.1 Vision 2030 – Big 4
Vision 2030 aims to turn Kenya into a globally competitive and prosperous country with a high quality of life by the year 2030. This would mean transforming the country into a rapidly industrializing middle-income country by that date. The Vision identified 3 Pillars:

1. Economic, (2) Social, and (3) Political and Governance Pillars

As well as 4 priority areas:

1. agriculture and food security; 2. affordable housing; 3. increase share of manufacturing, and (4) universal health coverage.

---

10 Growth targets were estimated to be above 7% each year to meet the Millennium Development goals (MDGs) by 2015 and the Vision by 2030.
Achieving the goals of Vision 2030 would help Kenya to move towards a *middle-income economy* with a high standard of living.\(^{11}\)

As of this writing (Aug 2018), achievements within the economic pillar seem mixed. According to World Bank commentators: ‘After multiple headwinds dampened growth in 2017, nascent rebound in economic activity in Kenya is gaining momentum. Economic growth decelerated to a 65-year low of an estimated 4.8 percent in 2017.’\(^{12}\) GDP growth is projected to recover to 5.5 percent in 2018 and steadily rise to 6.1 percent by 2020.

At the same time, Kenya’s position as the economic, commercial and logistical hub in Eastern Central Africa, places the country as one of the best global investment destinations.\(^{13}\) Foreign Direct Investment (FDI) has been rising and is the strongest in East Africa. Additionally, the re-based Gross Domestic Product (GDP) figures of USD 58.1 billion in 2014 elevated Kenya to a Lower Middle-Income Country, one of the largest economies in sub-Saharan Africa and among the fastest growing in the world. Kenya is the dominant economy in the East Africa Community (EAC), contributing more than 40% of the region's GDP.

Kenya is a member of both the EAC and COMESA economic regional blocs, which have a combined market population of over 400 million, about half of Africa's population.

2.1.2 Social and Cultural Context

As of 2017, Kenya’s population was estimated at 47 million.\(^{14}\)

The country is diverse – in a geographic, ethnic (with 10 largest native groups and foreign-rooted populations),\(^{15}\) and socio-economic and cultural sense. History and other factors resulted in inequities, which are expected to be overcome through a series of reforms, including devolution of 14 key functions from a central to a local level. The process of reform is on-going. ‘At the root of Kenyans’ great hope in devolution is the promise to resolve geographic and social inequities by improving the quality and reach of public services’ (USAID Annual 2016:34).

---

\(^{11}\) WB Kenya Overview.

\(^{12}\) Kenya Economic Update, WBG, Policy Options to Advance the Big 4, 2018:3-4.

\(^{13}\) Ibidem.


\(^{15}\) The largest native ethnic groups in 2009 when Kenya had a population of 38,610,097, per KNBS: Kikuyu (6,622,576), Luhya (5,338,666), Kalenjin (4,967,328), Luo (4,044,440), Kamba (3,893,157), Kisii people (2,205,669), Mijikenda (1,960,574), Meru (1,658,108), Turkana (988,592), and Maasai (841,622). Foreign-rooted populations included Somalis (2,385,572), Asians (81,791), Europeans (67,000), and Kenyan Arabs (40,760).
Vision 2030 includes another important goal: eradicating poverty by 2030. Achieving this goal is closely linked to progress in agriculture and depends on a combination of ‘higher growth that is increasingly driven by the private sector and translates to more rapid poverty reduction.’

2.2 Characteristics of the Cooperative Sector
The Draft Co-op Policy prepared by the Ministry in June 2017 provides a comprehensive sector assessment and policy guide [Available from CAK]. It contains key policy recommendations and formulates implementation-related strategies for follow-up. It does not include in its draft version detailed economic data showing the impact on the national economy.

The information below and brief observations are based on materials available from KNBS (KNBS Statistical Abstract 2017).

2.2.1 Number of registered cooperatives and distribution per region/county

Master list of all cooperatives in Kenya by county is available from the Ministry and other websites: [https://www.businesslist.co.ke/companies/co-operatives](https://www.businesslist.co.ke/companies/co-operatives). For data before 2009, see Wanyama (2009).

Other presentations visualize registered cooperatives in the regions and counties (below).

The largest concentration, by number of registered co-ops, seems to be in the Rift Valley region (6,308) and the second-largest in and around the capital of Nairobi with 5,573. The smallest number (84) is in the North East, a large part of which has a harsh dry climate, difficult for any type of activity. In all, concentration is predominant in the southern part of the country.

---

16 Even though poverty dropped from 43.6 percent in 2005/6 to 35.6 percent in 2015/16 with poverty reduction driven by increased consumption for the poorest especially in the ag sector. As below:


18 Cooperative Development Policy. Draft (June 2017).

19 Similarly, in a speech by CAK President, D. Marube (2018).
2.2.2 Number of Cooperative Societies and Unions by Type

Traditionally, in Kenyan statistics and literature, the following groups of cooperatives are listed:

- Agriculture
- Non-Agriculture, including financial (SACCOs), health, housing, crafts, transportation, and
- Unions

However, changes in the sectoral composition of the national cooperative movements have been observed recently (Schwettmann 2014:6). These changes are observed in other African countries as well, while the co-existence of traditional forms of cooperation along with modern ones is also indicated (ibidem). In Kenya, the dominance of financial societies (SACCOs) resulted in the popular perception that all cooperatives are SACCOs. Changing this

---

21 Source: USIU materials for OCDC.
KNBS data on the number of cooperative societies and unions by type is as follows (KNBS 2017:186):

![Table 8.14: Number of Societies and Unions by Type, 2010 - 2016](image)

<table>
<thead>
<tr>
<th>Type of Society</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coffee</td>
<td>557</td>
<td>566</td>
<td>594</td>
<td>597</td>
<td>600</td>
<td>605</td>
<td>613</td>
</tr>
<tr>
<td>Cotton</td>
<td>59</td>
<td>60</td>
<td>61</td>
<td>78</td>
<td>60</td>
<td>61</td>
<td>62</td>
</tr>
<tr>
<td>Pyrethrum</td>
<td>146</td>
<td>147</td>
<td>148</td>
<td>148</td>
<td>146</td>
<td>146</td>
<td>146</td>
</tr>
<tr>
<td>Sugar</td>
<td>152</td>
<td>179</td>
<td>191</td>
<td>191</td>
<td>191</td>
<td>192</td>
<td>199</td>
</tr>
<tr>
<td>Dairy</td>
<td>278</td>
<td>313</td>
<td>343</td>
<td>376</td>
<td>412</td>
<td>427</td>
<td>465</td>
</tr>
<tr>
<td>Multi-Purpose</td>
<td>1,925</td>
<td>1,974</td>
<td>2,019</td>
<td>2,068</td>
<td>2,118</td>
<td>2,169</td>
<td>2,222</td>
</tr>
<tr>
<td>Farm Purchase</td>
<td>114</td>
<td>114</td>
<td>115</td>
<td>116</td>
<td>116</td>
<td>117</td>
<td>118</td>
</tr>
<tr>
<td>Fisheries</td>
<td>71</td>
<td>76</td>
<td>80</td>
<td>86</td>
<td>92</td>
<td>94</td>
<td>99</td>
</tr>
<tr>
<td>Other Agricultural</td>
<td>1,364</td>
<td>1,398</td>
<td>1,435</td>
<td>1,518</td>
<td>1,605</td>
<td>1,643</td>
<td>1,706</td>
</tr>
<tr>
<td>Total Agriculture</td>
<td>4,686</td>
<td>4,847</td>
<td>4,988</td>
<td>5,178</td>
<td>5,340</td>
<td>5,454</td>
<td>5,630</td>
</tr>
<tr>
<td>Non-Agriculture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SACCOs</td>
<td>6,287</td>
<td>6,902</td>
<td>7,341</td>
<td>7,942</td>
<td>8,592</td>
<td>8,914</td>
<td>9,567</td>
</tr>
<tr>
<td>Consumer</td>
<td>185</td>
<td>186</td>
<td>190</td>
<td>192</td>
<td>185</td>
<td>186</td>
<td>186</td>
</tr>
<tr>
<td>Housing</td>
<td>732</td>
<td>732</td>
<td>961</td>
<td>1,132</td>
<td>1,333</td>
<td>1,477</td>
<td>1,706</td>
</tr>
<tr>
<td>Craftsmen</td>
<td>89</td>
<td>90</td>
<td>92</td>
<td>92</td>
<td>92</td>
<td>93</td>
<td>94</td>
</tr>
<tr>
<td>Transport</td>
<td>58</td>
<td>64</td>
<td>66</td>
<td>66</td>
<td>66</td>
<td>67</td>
<td>68</td>
</tr>
<tr>
<td>Other non-agricultural</td>
<td>1,130</td>
<td>1,147</td>
<td>1,244</td>
<td>1,253</td>
<td>1,262</td>
<td>1,281</td>
<td>1,225</td>
</tr>
<tr>
<td>Total non-agriculture</td>
<td>8,467</td>
<td>9,121</td>
<td>9,894</td>
<td>10,677</td>
<td>11,530</td>
<td>11,945</td>
<td>12,846</td>
</tr>
<tr>
<td>Unions</td>
<td>103</td>
<td>105</td>
<td>109</td>
<td>109</td>
<td>99</td>
<td>99</td>
<td>98</td>
</tr>
<tr>
<td>Grand Total</td>
<td>13,256</td>
<td>14,073</td>
<td>14,900</td>
<td>15,964</td>
<td>16,969</td>
<td>17,498</td>
<td>18,574</td>
</tr>
</tbody>
</table>

Source: Ministry of Industrialization and Enterprise Development

*Provisional

The overall trend seems upward: over the listed years, the number of registered cooperatives increased from 11,635 in 2007 to 13,256 in 2010 and 18,574 in 2016 (above). Thus, for 10 years between 2006/7 and 2016, the number of registered Kenyan co-ops has increased by 59.6%. The increase is noticeable in all types of societies, both agricultural and non-agricultural, although at different rates. It should be noted, however, that the Ministry and Cooperative Commissioner’s data indicates a lower number of registered cooperatives.

---

22 Wilcox, K. on USAID Makretlinks Aug 2018. When analyzing data on consumer cooperatives, one author noted that in 2015 their number stood at 211, with only 3 new ones registered in the course of 14 years between 2000 and 2014 (Gicheru 2018:35). However, note that the Table above shows 186 consumer co-ops in 2015 thus illustrating an inconsistency so often found in numbers about local cooperatives.


24 As cited by Wanyama (Surviving… 2009: 19-21).
Agriculture:

Multipurpose and ‘other ag’ seem to dominate in this category; their number grew by 27.5% (from 4,414 in 2007 to 5,630 in 2016). Within this overall category, the numbers for specific types of ag activity either decreased (as in coffee co-ops) or stayed more or less unchanged. A slower rate of growth of ag cooperatives has been noted by various commentators and may be linked to difficulties experienced by the whole ag sector. As of the WBkG update for 2017, "the contribution of the ag sector to GDP growth in 2017 dropped from a historic average of about 1.2 percentage points to just 0.2 percentage points for the first three quarters of 2017. Growth in the sector declined to 0.8 percent (first three quarters) from 5.0 percent for the same period in 2016. This was the lowest agricultural sector growth since 2009, an indication of the severity of the drought." However, the number of dairy co-ops increased by 67.2% (from 278 in 2010 to 465 in 2016) and the dairy sub-sector is sometimes referenced as a success story within the broader ag sector.

In the coffee sector, the number of cooperatives grew by 8.11% (from 567 in 2010 to 613 in 2016). This traditional Kenyan industry experienced various difficulties including a severe drought in recent years. As of the WBG update, "better rains in the second half of 2017 improved the sector’s fortunes, with solid recoveries recorded in Q4 2017 for tea, cane, and coffee output (Fig 5)." Sugar co-ops increased by 22.8% (from 162 in 2010 to 199 in 2016).

Schwettmann speaks of ‘stagnation, if not decline, of agriculture cooperatives’ (p. 6). Gweyi and others (2013) note that even though cooperatives have made ‘remarkable progress in ag, dairy, credit, agro-processing, banking, marketing fishing, storage and housing’ that success has been mostly in the areas of loans disbursement (p.2). The authors note that, unfortunately, the potential of rural cooperatives has not been fully utilized (p. 3). An earlier study focusing on agriculture notes the declining ag performance and analyzes key policy issues and analytical framework to apply the ‘Drivers of Change’ (Alila, 2006 p.1-40).

WBG (2018) Policy options... p. 3: ‘The weakness in the sector’s performance reflected in the contraction in output of key agriculture exports such as tea and coffee, and staple food such as maize, kale, and potatoes.’

Chiyoge, B.S. (2014) gives an example of the Fresha cooperative and its impact (p. 1, 5-6). For other studies on this sector, see Attachment.

WBG (2018) Policy options... p. 3. The graph in Fig 5 shows the ups and downs from Jan 2016-Jan 2018. More on the coffee value chain and strategies to improve performance, Muthoni (2914) (p. 210-212) analyzed the case of Kenya Planters Cooperative Union which included 300 cooperatives as its members, apart from small scale farmers and private estates (refer to Attachment for findings of other studies of this sector). On the latest developments in the coffee sector, including massive restructuring plans through mergers to create bigger and more economically viable entities, see Waitathu, N. “Coffee sector on the cusp of major reforms to boost farmers’ income”. The Cooperative. CAK, Issue July 2018, p. 44-46.
Non-agriculture

In this category, financial cooperatives (SACCOs) dominate, showing a growth of 87.15% over the last decade (from 5,122 in 2007 to 9,567 in 2016). Refer to various publications documenting their growth and impact.29

An important distinction has to be made, however, between the Deposit-Taking and Non-Deposit Taking SACCOs (or ‘DT’ and ‘non-DT’ SACCOs). According to the Regulatory Agency, SASRA, 30 there were 177 licensed, 2 de-licensed, and 13 with restricted license DT-SACCOs in 2016 (thus, a total of 188=177-2+13 DT-SACCOs). The remainder in that group (i.e. 9,379=9567-188) were the non-DT SACCOs, which do not fall under SASRA’s regulations and were established based on the Cooperative Societies Act (see chart 4 p. 22). Their standards of financial performance are lower than those of DT-SACCOs.31

In the same period, housing cooperatives grew 133% (from 572 in 2007 to 706 in 2016). Other cooperative ‘non-ag’ types also grew (from 1,107 in 2007 to 1,225 in 2016). However, within that group, a decline of certain categories has been noted (e. g. consumer cooperatives) and the appearance of new types (Schwettmann 2014: 6). Re-emergence of service and worker cooperatives in recent years has also been noted.32

29 Mumanyi (2014); Schwettmann (2014) shows data for Kenya among 27 African countries: in the mid-1990s, the number of Kenyan financial co-ops and their members reached 5,595 SACCOs and 2.3m members. These numbers almost doubled to 10,800 SACCOs and 5.5m members in/around 2010. According to the Ministry website, accessed Aug 2018: http://www.industrialization.go.ke/index.php/departments/co-operatives-directorate/division-of-co-operative-finance-and-banking, there are 5000 registered SACCOs with 230 operating Front Office Service Activity (FOSA). The SACCOs have mobilized savings to the tune of 420 billion KSH with an asset base of 500 billion KSh. The savings account for 35% of national savings. There are also over 500 transport SACCOs that play a key role in the transport sector by way of savings mobilization and instilling discipline in the matatu sector. According to an interview with a representative of the union KUSCCO, the growth of savings and credit co-ops (SACCOs) occurred due to concentrated government actions of the late 1960s/early 1970s to encourage savings and credit. The ease of setting up these groups, their rural location and managerial support provided by the government also contributed to their prevalence.

30 The SACCO Supervision Annual Report 2016. SARSA pp.17-22. As stated in the Report ‘This expansion of the financial services to deposit-taking led to the emergence of the Deposit Taking SACCO Societies (DT-SACCOs), thereby giving rise to two clusters of SACCOs; namely, the Deposit-Taking segments (DT-SACCOs) and the non-deposit-taking segment (non-DT-SACCOs). It is important to underscore that this is unlike other jurisdictions where there is no distinction between deposit-taking and non-deposit-taking SACCOs. On trends in growth, pp. 29-37. List of all DT SACCOs with contact information is also included, pp.94-135.


32 KIPPRA Policy Brief No 10/2017-18: There is a role for housing co-ops to play in achieving Vision 2030. See also Global Communities presentation at CUK 2-nd annual conference, March 26-27, 2018 on the increasing role of service cooperatives.
Unions

The number of unions fluctuated over the years, falling to 98 in 2016. This number seems to reflect structural and managerial problems experienced by the unions, as noted by several commentators (refer to Sec. 4 below on networks).

2.2.3 Active or Inactive Status

Estimates vary from 30-35% to as high as 50-60% of registered cooperatives deemed inactive. If an average of 45% is used (considering the low-high range of 30-60%), that would effectively mean that out of 18,574 co-ops registered in 2016, 65% (or est. 12,073) were operating. The verification of these estimates is in progress. According to a recent update, the Ministry is conducting a review of all registered cooperatives to re-affirm their status based on the financial documents of each society. According to AACOSCA, the estimated completion of this activity is expected in early 2019.

Additional estimates are made to include ‘pre-co-ops’ or business groups operating ‘like cooperatives’ in the form of community-based organizations (CBOs). In 2007, one estimate, based on available information, pointed to the existence of around 250,000 groups that operate like cooperatives (Wanyama, 2009, p.19).

2.2.4 Number of Co-operative Members

Along with the number of registered cooperatives, membership numbers increased over the last decade. In the view of CAK President, the ‘Co-operative movement in Kenya has continued to grow as most Kenyans prefer to use the model to do business.’

In KNBS data (2017: 186):
Rate of membership growth

Depending on the source, data slightly vary. The KNBS number (table above) shows 10,840 million in 2016 while CAK President Michiri, in the President’s speech of 2016, cited a higher number of over 14 million in 20,000 co-ops. For 2018, CAK spoke of 15 million in 22,000 registered co-ops. According to KNBS, in the last 6 years, SACCOs have grown by 8.3% (from 7.2 million in 2010 to 7.8 million in 2016). Total ag co-ops show a membership growth rate of 5.8% (from 1.7 million in 2010 to 1.8 million in 2016).

Looking at the growth in co-op membership over 20 years, it increased from approximately 5 million in 2008/9 to 15 million in 2018. Thus, the number of co-op members in registered cooperatives tripled during that period.

Co-operative Density

Cooperative Density is defined as the number of co-operative members divided by population. Using mid-1990s and 2010, one author determined:

---

35 Speeches of CAK President Michiri (2016) and CAK President’s interview, Marube (2018).
• Mid-1990s: #co-ops: 5,595, members 2,395,729, density 10%
• Around 2010: #co-ops: 10,800, members 8,507,000, density 22%36

If Kenya’s population in 2015 was 47,236,259 and total cooperative membership was 10,712,000 (see table above), cooperative density would have reached a similar level of 22.6%.

2.2.5 Women in Cooperatives

KNBS statistics do not provide details on cooperative membership by gender. However, according to the ILO-COOPAfrica study, the estimate for women in 2010 was 30%.37 The same study identified several limitations impacting women’s ability to join a cooperative, including, for example, if only one member per household is allowed, if a land-ownership requirement is attached to membership, or if patronage requirements cannot be satisfied by women due to a lack of control over land/assets. While identifying various levels of benefits due to female membership in cooperatives, the Coop-Africa survey also found that women, even when members, sometimes do not benefit to the same extent as men (How women fare...2012, 29).

2.2.6 Economic Performance of Cooperative Societies

Overall assessment of cooperative performance under liberalization has been mixed. While examples of excellent performance exist (Wanyama 2009, Chyoge 2014), there are also admitted failures. Mismanagement, lack of internal governance, lack of responsiveness to member needs, and inability to meet competition demands were cited as factors contributing to poor economic performance in certain sub-sectors and as reasons that have spurred recent internal reforms. Analysis of some of these cases relating to well-known and seemingly strong unions that failed is available: see Attachment for reviews of cases of KCPU- Planters Union (Baka 2013) or that of New Kenya Cooperative Creameries (Kimaygo-Ochiri 2014), or Gwiyi 2013).

At the same time, as pointed out, available empirical material is still limited, although the Cooperative University of Kenya (CUK) and other local universities have expanded their areas of interest and research in the last years.38 Several studies focus on governance and, specifically, on the relationship between cooperative performance and governance. As stated by one commentator: ‘Empirical recent studies on co-op forms of business have remained relatively limited; however, studies on the governance models of firms, including labor managed

36 Schwettmann (2014) (p.5) notes that in Eastern and Southern Africa ‘the average ‘cooperative density’ (the number of cooperative members divided by total population) has remained stable during the past twenty years, despite massive population growth and the fundamental restructuring of the cooperative movements in the region.’
38 See agenda of CUK’s 2nd Annual Conference held March 26-27, 2018 and a variety of themes addressed by presentations.
firms and cooperative business models have addressed the question of why co-ops and other worker-owned business models are relatively rare (Hansmann, 1996). Typically, the failure of the co-op model is explained by its democratic governance structures which prevent effective control over managers and profit distribution systems that lead to shorter time horizons’ (Shaw, 2006; for local discussion, see Musuya 2010, p.5).39

Total Turnover (income) of Co-op Societies and Unions

The Bureau of Statistics data (KNBS 2017 p.187)

<table>
<thead>
<tr>
<th>PERCENTAGE SHARE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee</td>
</tr>
<tr>
<td>Cotton</td>
</tr>
<tr>
<td>Pyrethrum</td>
</tr>
<tr>
<td>Sugar</td>
</tr>
<tr>
<td>Dairy</td>
</tr>
<tr>
<td>Multi-Purpose</td>
</tr>
<tr>
<td>Farm Purchase</td>
</tr>
<tr>
<td>Fisheries</td>
</tr>
<tr>
<td>Other Agricultural</td>
</tr>
<tr>
<td>Total Agriculture</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>44.65</th>
<th>56.79</th>
<th>66.48</th>
<th>72.28</th>
<th>73.69</th>
<th>75.21</th>
<th>78.37</th>
<th>79.30</th>
<th>81.34</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Housing</td>
<td>0.17</td>
<td>0.19</td>
<td>0.16</td>
<td>0.12</td>
<td>0.13</td>
<td>0.12</td>
<td>0.13</td>
<td>0.13</td>
<td>0.12</td>
</tr>
<tr>
<td>Craftsmen</td>
<td>0.39</td>
<td>0.27</td>
<td>0.20</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Transport</td>
<td>0.09</td>
<td>0.10</td>
<td>0.08</td>
<td>0.08</td>
<td>0.07</td>
<td>0.06</td>
<td>0.12</td>
<td>0.11</td>
<td>0.10</td>
</tr>
<tr>
<td>Other non-agricultural</td>
<td>0.10</td>
<td>0.09</td>
<td>0.08</td>
<td>0.08</td>
<td>0.07</td>
<td>0.07</td>
<td>0.05</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>Total non-agriculture</td>
<td>45.72</td>
<td>57.45</td>
<td>66.82</td>
<td>72.57</td>
<td>74.27</td>
<td>76.58</td>
<td>78.89</td>
<td>79.90</td>
<td>81.61</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>25.64</th>
<th>20.83</th>
<th>12.94</th>
<th>10.20</th>
<th>9.89</th>
<th>8.39</th>
<th>7.09</th>
<th>6.87</th>
<th>5.97</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Ministry of Industrialization and Enterprise Development

<table>
<thead>
<tr>
<th>PERCENTAGE SHARE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee</td>
</tr>
<tr>
<td>Cotton</td>
</tr>
<tr>
<td>Pyrethrum</td>
</tr>
<tr>
<td>Sugar</td>
</tr>
<tr>
<td>Dairy</td>
</tr>
<tr>
<td>Multi-Purpose</td>
</tr>
<tr>
<td>Farm Purchase</td>
</tr>
<tr>
<td>Fisheries</td>
</tr>
<tr>
<td>Other Agricultural</td>
</tr>
<tr>
<td>Total Agriculture</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>44.65</th>
<th>56.79</th>
<th>66.48</th>
<th>72.28</th>
<th>73.69</th>
<th>75.21</th>
<th>78.37</th>
<th>79.30</th>
<th>81.34</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Housing</td>
<td>0.17</td>
<td>0.19</td>
<td>0.16</td>
<td>0.12</td>
<td>0.13</td>
<td>0.12</td>
<td>0.13</td>
<td>0.13</td>
<td>0.12</td>
</tr>
<tr>
<td>Craftsmen</td>
<td>0.39</td>
<td>0.27</td>
<td>0.20</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Transport</td>
<td>0.09</td>
<td>0.10</td>
<td>0.08</td>
<td>0.08</td>
<td>0.07</td>
<td>0.06</td>
<td>0.12</td>
<td>0.11</td>
<td>0.10</td>
</tr>
<tr>
<td>Other non-agricultural</td>
<td>0.10</td>
<td>0.09</td>
<td>0.08</td>
<td>0.08</td>
<td>0.07</td>
<td>0.07</td>
<td>0.05</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>Total non-agriculture</td>
<td>45.72</td>
<td>57.45</td>
<td>66.82</td>
<td>72.57</td>
<td>74.27</td>
<td>76.58</td>
<td>78.89</td>
<td>79.90</td>
<td>81.61</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>25.64</th>
<th>20.83</th>
<th>12.94</th>
<th>10.20</th>
<th>9.89</th>
<th>8.39</th>
<th>7.09</th>
<th>6.87</th>
<th>5.97</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Ministry of Industrialization and Enterprise Development

39 Musuya 2014:10: corporate governance practice mitigates the agency conflict. Separating the roles of the board chair and CEO improved performance. Refer to other studies in Attachment.
Agriculture

For 2008-2016, total turnover in agricultural cooperatives increased from 9,251 million KSh to 12,604 million KSh (a 32.6% increase), although the percentage share of total turnover declined from 28% in 2008 to 12.42% in 2016.

Within the same period, ag group, dairy co-operatives have almost doubled their turnover (from 2,606 million KSh in 2008 to 5,554 million KSh in 2016). Despite this, within the same period, as a percentage share within the sector, it diminished from 8.07% to 5.47%.

Turnover in other key ag crops varies: cotton remained at a more or less similar level while coffee, pyrethrum, and sugar declined from 2008 to 2016, as did the fisheries.40

Non-agriculture

As with the total number of registered SACCOs, these seem to dominate in terms of volume and percentage of total turnover generated over the last decade – an increase of 468% between 2008 and 2016 (from 14,520 million KSh in 2008 to 82,518 million KSh in 2016). Studies focused on the financial services sector analyzed their rapid growth and indicate that SACCOs contributed 45% of GDP (Mumanyi (2014: 24); see also Ministry website.41

Craftsmen co-op businesses noticeably declined over these years (from 126 million KSh in 2008 to 2 million in 2016), a drop of 98.41%. Similarly, consumer cooperatives show low levels of turnover, causing some authors to note that they almost disappeared (Schwettmann 2014:4).

Unions

Turnover of the unions also declined over the period, as did their percentage share in the total turnover of the cooperative sector (from 25.64% in 2008 to 5.97% in 2016).42

40 Detailed economic analysis of data is beyond the scope of this study – the purpose of the comments in this section is only to draw attention to general trends. A broader economic context of each type of activity would be required. Several activity-specific studies are cited in the Attachment to this report.

41 Cooperatives have mobilized savings of over 502 billion KSh or about 30% of national savings, - leading to an increase in investments – see source below] See also Co-op Policy Development draft of 2017 on the role of SACCOs, related regulation and position vis-a-vis co-op structures. However, during personal interviews, some questioned these numbers, saying they were unreliable and unsubstantiated. There seems to be an on-going effort in the SACCO representative groups to ‘clean up’ the numbers and verify available information through a coordinated action of all organizations collecting relevant data (KNBS, Ministry, and various trade organizations).

42 For more on unions and their challenges and failures, see below sec. 3.
Based on data for 2008-2016, total share capital has increased in all types of cooperative businesses, although at different rates. In total, an increase of 125% (from 142,270 million KSh to 320,961 million KSh in 2016) is noticeable.

In the ag category, a significant increase of 975.6% has been recorded in dairy (from 156 million KSh in 2008 to 1,678 million in 2016).

SACCO increased share capital by 128% (from 136,212 million KSh in 2008 to 310,639 million KSh in 2016). In other types of cooperatives, increases were also noted, e.g. 364% in housing (from 505 million KSh to 2,344 million KSh).

---

**KNBS Abstract does not define ‘Share capital.’ However, based on definitions in Cooperative Act Cap 490 ‘‘capital’ means the permanent members equity in the form of common stock and includes all disclosed reserves, retained earnings, grants or donations’ and ‘‘share’ means the amount represented by a member’s portion in the equity of a society as a co-owner. Thus, “Share capital” represents the irredeemable (although transferrable) shares that show member ownership in a cooperative. As noted by ACCOSCA representative in August 2018 interview, ‘these shares are transferrable if one withdraws their membership though we don’t have a clear mechanism to aid this process. So, it’s more likely that when members withdraw, they lose their share contributions.’ This may indicate an unsolved problem.**

43 KNBS Abstract does not define ‘Share capital.’ However, based on definitions in Cooperative Act Cap 490 ‘capital’ means the permanent members equity in the form of common stock and includes all disclosed reserves, retained earnings, grants or donations’ and ‘share’ means the amount represented by a member’s portion in the equity of a society as a co-owner. Thus, “Share capital” represents the irredeemable (although transferrable) shares that show member ownership in a cooperative. As noted by ACCOSCA representative in August 2018 interview, ‘these shares are transferrable if one withdraws their membership though we don’t have a clear mechanism to aid this process. So, it’s more likely that when members withdraw, they lose their share contributions.’ This may indicate an unsolved problem.
These higher levels of share capital seem to be a positive sign of members investing in their business organizations. Overall, however, the trend seems to be the opposite: ‘worryingly, the contribution to growth from private investment has been decelerating in recent years’ (Figure 11). (WBkG 2018:5, Policy Options...). Various reasons are given for why private investment has lagged, including sustained crowding out of the private sector (weakening private investment by the rapid expansion in government spending, thereby leading to increased domestic financing requirements), consequences of the interest rate cap law since 2016, which has incentivized the banks to reallocate their portfolios in favor of the public sector. For 2017, ‘headwinds from heightened political tensions, which led to a wait-and-see attitude and held back private investment’ (ibidem).

2.2.7 Employment by Cooperatives

Depending on the source, employee numbers vary between 300,000 and 500,000 of those directly employed by cooperatives while also ‘providing self-employment to over 1.5 million people both in rural agriculture and in the formal and informal groups across all sectors of economic activities, namely, production, marketing, service delivery, banking, insurance, health care, transport, housing, education and training’ (CAK). Broader estimates indicate that ‘cooperatives provide sustainable livelihoods to its members as well as to 32 million people as indirect beneficiaries that translates to 65% of the total population’ (CAK). For 2009, one author stated: ‘63% of Kenya’s population of approx. 23.4 million are participating directly or indirectly in economic activities that originate from the cooperative movement.’ (Wanyama 2009:26, Surviving...).

For the employment of women, refer to How Women fare... 2012: 11-13. In Kenya, according to 2010 data, women comprised 45 percent of employees in the financial cooperatives and 36 percent of employees in agricultural cooperatives.

At least one empirical study found evidence that: ‘agricultural cooperatives have played significant role in reducing the unemployment problem ... by generating permanent and temporary employment to both skilled and unskilled individuals, providing credit and/or grant-based financial support to unemployed people, which enable them to engage in micro and small activities, and building the confidence and awareness of the local people about self-employment via intensive discussion and training’ (Gweyi 2013:10).

2.2.8 Role of Cooperatives in National Economy

For the period before 2009, Wanyama commented on the significance of cooperatives in Kenya’s economy referencing the GDP for 2007 as equivalent to 1,338,039 million Kenyan shillings ($17,840 million). According to this author’s estimate, in agriculture, ‘cooperatives previously handled over 72 percent of coffee sales, 95 percent of cotton sales, 76 percent of dairy produce sales and 90 percent of pyrethrum sales.’ These numbers dropped, however,
within the period of his study so that the author noted: ‘with the exception of coffee and dairy co-ops (whose market share in the total market has remained stable), other ag marketing cooperatives have seen their market share fall below 40 percent, with cotton cooperatives recording a paltry two percent of the marketed bales of lint in 2008. Nevertheless, the greatest contribution of co-ops to Kenya’s social and economic development is in the financial sector’ (Wanyama 2009: 3-4).

It should be noted that general assessments of the contribution of cooperatives to the national economy have not been updated in the last decade or so. Thus, a general claim that a 45% contribution, which is sometimes encountered in publications or public statements, requires further verification and corroboration.

Cooperatives as part of the solidarity economy

ILO defines a solidarity economy as ‘a concept designating enterprises and organizations which have the specific feature of producing goods, services and knowledge while pursuing both economic and social aims and fostering solidarity’ (definition adopted by the participants of the ILO regional conference ‘The Social Economy – Africa’s Response to the Global Crisis’ – Johannesburg, 19-21 October 2009).

The role cooperatives play in the solidarity economy has been broadly recognized. Schwettmann says, for example, that ‘proliferation of social-economic initiatives in Africa was triggered by liberalization, deregulation and democratization processes of the 1990s, and the legislative reforms that ensued’ (2014 p.12). In Kenya, cooperatives work to achieve greater equity and social justice, fight exclusion and facilitate popular decision-making. Traditional cooperative forms continue to strive and are even expanding while new ones may appear.

Empirical studies show that the role of cooperatives is still limited, although their number is growing (see Attachment, below).

3. Enabling and Business Environment

Overall, the business environment for cooperatives is improving. In the words of CAK President, D. Marube: ‘as much as the cooperative function is fully assigned to the counties, the cooperatives’ sub-sector has made tremendous strides on evolvement and growth. Over the years, cooperatives have grown from tender institutions to what we now see as entities of no mean repute’ (CAK Interview 2018). Formation and operations are supported through the cooperative directorate, one of the key departments within the Ministry of Industry, Trade,

---

45 Wanyama cited an estimate that 63 percent of Kenya’s population participates directly or indirectly in cooperative-based enterprises (referring to Ministry data of 2008) and that 80 percent of Kenya’s population derives income either directly or indirectly through cooperative activities (Wanyama 2009 p. 3-4).

46 Also, refer to Cooperative Development Policy, Draft (2017:21) which speaks to the role cooperatives can play in achieving social as well as economic goals.
and Cooperatives. The scope and quality of such support improve continuously, with the Ministry’s website expanding and facilitating registration, promotion, access to information and educational programs, auditing, and other areas.


**Relationship between co-op performance and legal environment**

Although relevant data based on reviewed studies are still limited, several authors comment on the inter-relationship and negative impact on performance when legislative frameworks are not conducive to cooperative development. Commenting on the period of liberalization in Kenya, some authors say that the changed framework (i.e. introduction of market rules and the need for cooperatives to adapt to them) was unsatisfactory and that the majority of cooperatives were not prepared and found themselves foundering. Wanyama (2009: Surviving...). Similarly, the authors of several empirical studies commented on the relation between cooperative governance (or lack thereof) and performance, suggesting that the absence of a clear and supportive framework negatively impacts performance. This indicates a need for change in the business environment and the continuation or acceleration of the process of regulatory changes, however complex and time-consuming (Wanyama, Shaw, Musuja P. 5, Gweyi). Their voices confirm the need for further work on reforming cooperative law at the county level.

At the same time, the principle of self-help as a core part of the co-op model is recognized and is an important part of the business environment (Schwettmann 2014:6).

From a broader perspective, the World Bank’s Doing Business Index for 2018 shows Kenya with a Distance to Frontier or DTF score of 65.15 (rank 80) and a change of +2.59 (Doing Business 2018. Reforming to Create Jobs. WBG p. 4, 13).

**3.1 Legislative framework today**

Work on devolved legislation, including cooperative law, continues. Since the 2010 Constitution declares that Kenya consists of 47 counties, each one must pass appropriate cooperative legislation at its level. This is a complex and lengthy process involving multiple levels of consultation, stakeholder engagement and decision making.

---

47 From USAID-Kenya Annual 2016: ‘*Four years in, nascent county governments are functioning better and are more effectively managing their resources, while establishing the necessary policies and systems to accountably provide services to citizens. According to a 2017 Council of Governors’ report, promising signs of development have occurred at the county level.*’


Cooperatives have a fully assigned function, which means that the counties have the power to legislate on cooperative issues and that such legislation is needed to create a suitable regulatory environment. CAK developed and proposed the County Cooperative Societies Bill to provide guidelines on how county governments could exercise the function or power within the framework provided by the constitution. However, because there are cases where a function or power was conferred on more than one level of government, they are within the concurrent jurisdiction of each level of government. This, in turn, means that in certain areas the national law becomes necessary. These are:

- **Registration of cooperatives** – because of (a) the need to synchronize and harmonize registration to avoid confusion resulting from having cooperative societies from diverse counties bearing similar names and (b) because of cross-county operations (a cooperative society, though domiciled in a specific county at any given time, is more likely to carry out its business activities both inside and outside the borders of the county of its domicile).

- **The power to issue Agency notices against errant employers** - This happens when employers (who may not necessarily be restricted to the territory of a given county) fail to remit deductions made on members’ salaries. This power (or service) was exercised earlier by the Commissioner for Cooperative Development and was not limited to a given county. If this is allowed, the same is likely to negatively impact the achieved growth and development of cooperatives.

- **Settlement of disputes** - the judiciary is a fully assigned function or power of the central government. For this reason, settlement of disputes within the cooperative has now been spelled out by the constitution to be a function of the judiciary and, by extension, a function of the national government. The Cooperative Tribunal is therefore expected to operate from the central level to service all cooperatives regardless of which county it belongs to.

- **Positioning the Apex, National Cooperative Organizations (NACOs), Cooperative Unions and Primary Cooperatives traversing more than one county** – their nature and existence crosses the boundaries of 47 county territories – raises the question of where to place these organizations. According to CAK, having national legislation for their regulation and development will, in essence, take away that which has been assigned to the county governments which would be unconstitutional. The discussion continues about how to handle this scenario.

So far, two counties – Machakos and Macueni – have adopted the model bill. Their experience serves as an example for others. The need for communication, awareness-raising and engagement at all levels is intense, as is the need to ensure there is and will be the capacity at the county level to operationalize new procedures once the bill is passed. At this time, counties are still limited in their capacity and need support to understand the inter-linkages of factors impacting cooperatives.

---

Overall, there seems to be an understanding that a devolved system could contribute to the growth of cooperatives ‘if the county leadership would put in place a development agenda for cooperatives and would support them’ (Mwamuje, Mukare, Baya 2015:1300-1301). Opportunities for cooperatives under a devolved system seem to outweigh possible challenges. Cooperative leaders and members are advised to keep learning best practices and how to engage country governments (ibidem).

3.2 Cooperative Networks and Support Mechanisms

Cooperative sector support

The Cooperative Alliance of Kenya Limited (CAK) replaced the earlier National Apex in 2009, taking over the mandate for lobbying, advocacy, collaboration and networking. Other functions are to promote cooperative development, to unite the cooperative movement and to represent the cooperative interests on all matters of policy and legal framework, and to be the spokesperson of the cooperative movement in Kenya.

Today, the structure of the Kenyan cooperative movement resembles a pyramid of four tiers:

- Primary cooperative societies are at the bottom of the pyramid
- Followed by secondary cooperative societies
- The National Cooperative Organizations (NACOs) form the third tier, and
- The Apex – the Cooperative Alliance of Kenya Limited is at the top of the pyramid.

CAK objectives include:

1. Lobby and advocacy for a favorable legal and policy environment.
2. Collaboration
3. Networking
4. Representation and
5. Promotion of the growth and development of the Cooperative Movement
Active National Cooperative Organizations (NACOs) offer various services such as banking, insurance, housing, financial, consultancies, ICT, agricultural produce marketing, and others, namely:50

1. Cooperative Bank of Kenya for offering Financial Services
2. Cooperative Insurance Company (CIC) offering Insurance Services
3. Cooperative University College of Kenya for Cooperative Education and Training,
4. Kenya Union of Savings and Credit Cooperatives (KUSCCO), the union for urban savings and credit cooperatives
5. National Cooperative Housing Union, (NACHU) for the Housing Cooperatives in Kenya,
6. Kenya Rural SACCO Societies Union, (KERUSSU) for the Rural Savings and Credit Cooperatives
7. Cooperative Development Information Centre (CODIC) for Computer Software Information Management, Kenya Co-operative Coffee Exporters (KCCE) for Value Addition and Marketing of Coffee
8. New Kenya Co-operative Creameries (New KCC) for Processing and Marketing Dairy Produce

Ministry’s Support to Co-operatives

An illustrative list of projects and programs undertaken by the Ministry as advertised on their website includes:51

- Development of implementation to actualize co-operative Share trading platform and Agency banking for SACCOs
- Develop Management Information Systems for the co-operative sector
- Establish Agribusiness Development Advisory centers (ADAs) in 13 counties and one headquarters
- Train Co-operative officers and co-operative chief executives on Management Information Systems
- Expose co-operatives to best practices
- In collaboration with Purdue University, plans to set up incubation centers for value addition
- Link Agricultural co-operatives to program and projects in the agriculture sector supported by development partner
- Facilitate the formation and implementation of new business ventures in the co-operatives
- Promote, liaise and manage relationships with investors and other development partners
- Monitoring and Evaluating the ongoing projects

50 Over the years, CAK as an apex facilitated the formation of key NACOs.
4. Public Perceptions of Co-operatives

4.1 Positive attitude towards co-operatives
The co-operative brand is well recognized in Kenya. Research by the weekly magazine ‘The East African’ shows that 75% of people preferred dealing with the co-ops because they fairly price their products.\(^{52}\)

In the words of CAK President: ‘People like this method of doing business’ (Marube 2018:13) and this attitude seems to be reflected in the growing number of co-operative and/or co-operative-like businesses and the number of members. Co-operatives are widely recognized in rural areas as they are ‘not altogether foreign to African concepts.’ (Wanyama 2009: 3-7 Co-operatives for African…; Schwettmann 2014: 4). On the contrary, they were rooted in local communities even before the colonial ‘introduction’ of this model and given their acceptance in the villages, survived the difficulties brought about by years of collectivism and following liberalization.\(^{53}\) Today they are recognized as having the ‘power to incorporate women affairs in their by-laws and develop positive outlook in the local communities by minimizing the cultural and religious challenges against women.’ \(^{54}\)

4.2 Trend: On-going search for ways to improve performance

Co-operatives are seen as ‘engines of growth’ through their potential to share information, build skills, share specialized knowledge and thus contribute to the quality of life, income generation, unemployment, equality – all important aspects given Vision 2030. To ensure better performance, there is a continuous push to gather empirical data impacting the development of policies based on their results. Looking for better ways to do business and to adapt to changing global market conditions is an on-going concern and focus of Kenyan academics as well as practitioners. The attached list of key studies that analyze co-operatives in several counties (dairy, coffee, other ag, or financial services) reflects these concerns. For more details, see Attachment. Noticeable themes include:

\(^{52}\) Cited by Mumanyi (2014: 18-19).
\(^{53}\) An interesting study by Wairimu (2004: 24-67) presents a detailed history of one agricultural co-operative in Nyandarua county, including the post-colonial era of enforced collectivization, difficulties resulting from an inability to adapt and meet competition as well as steps taken to overcome these difficulties through its actions and a partnership with local county authorities.
\(^{54}\) Schwettmann (2014); Gweyi and others (2014:3, 6) also note: ‘Every member of a co-operative has become aware that women are an engine of development and can play a leading role to reduce food insecurity. 80% of the selected co-ops in the study area have provided special financial support for women from their capital budget to enable them to realize their full potential and solve their interrelated problems.’
**Focus on good co-operative governance:**

These studies confirm other empirical studies positing that corporate governance compliance enhances performance and allows processes (or activities) within co-operatives to be undertaken more effectively. As a result, their positive impact, including on poverty outcomes at the village level, is observed.

- Musuya (2014) studied coffee farmers to determine the relationship between the board size and composition and their impact on performance
- Hannan (2014) analyzed 2 dairy farmer co-operatives observed over 5 years. Where corporate governance was adhered to, performance improved
- Otieno-Ombuna (2015) found that corporate governance guidelines contributed ‘only’ 21.3% to the coffee societies’ performance, but was nonetheless considered significant

**Focus on using and training in new technology/tools:**

- Kimaiyo-Ochiri (2014) focused on the role of inventory management and how the use of new tools (IMS) led to better performance.
- Keitany-Wanyoike-Richu (2014) focused on how to boost performance using new management strategies and tools, and how to increase the effectiveness of New KCC Ltd (Kenya Co-operative Creameries) and other dairy companies. He found training in the use of technology to be a key element of success.
- Mumanyi (2014) noted that co-operatives failed to take advantage of their brand recognition to get more members and attributed this to poor technological adaptation; he found that because of these deficiencies, there was no positive connection to prospective markets.
- USAID-Kenya Annual Report (2016) included a success story that reporting on dairy farmers who thrive using mobile innovation, potentially serving as an example.
- CUK’s Second Annual Conference, Nairobi 26-27, 2018, was entitled: *Innovations for Sustainable Co-operative Development* and its agenda reflected a focus on new technology, economic and financial performance, human resource development, motivational factors affecting performance and other issues highlighting contemporary problems faced by Kenyan co-operatives.55
- Ngeywo-Were-Ayuma (2018) argued for the application of activity schedules by coffee co-ops given their significant positive correlation and impact on performance.

**Focus on how co-operatives face the challenges and opportunities:**

- Baka (2013) analyzed challenges facing the Kenya Planters Co-operative Union and ways in which they could be overcome.
- Gweyi-Ndwiga-Karagu (2013) analyzed the impact of agricultural co-operatives in rural areas, noting their strong impact on reducing unemployment and building confidence at the village level.

55 According to the conference agenda and list of thematic presentations.
• Wanyama (2013) focused on the role co-operatives have in attaining sustainable development goals and poverty reduction.
• Mumanyi (2014) studied issues faced by SACCOs in the current devolved system in the country.
• Mythoni (2014) focused on the coffee value chain and determined that co-operatives must be responsive to production needs and streamline their operations to survive in the current market environment.
• Mwamuje-Mukare-Baya (2015) looked at opportunities for co-operatives under the devolved system and determined that they far outweighed possible challenges.
• Gicheru (2018) analyzed the correlation between consumer co-operatives and the labor movement in Kenya.

These illustrative examples show the willingness to invest time and effort to deepen the knowledge of the co-operative model of doing business and finding ways to use experience and newly appearing opportunities to improve their overall performance to improve the situation for their members.

4.3 Trend: If members do not gain, they find other ways to satisfy their needs

Responsiveness to members’ needs is recognized as a key factor for driving co-operative success. Liberalization triggered a transformation in structural organization of co-operatives causing many of them to fail or be taken over by stronger entities. As noted, if members lost interest because of unmet needs, they did not engage or stay loyal, engaged in side-selling, generally lost interest, which caused the co-operative to diminish or cease operations (although not necessarily de-registering formally, thus high estimates of inactive co-operatives). (Wanyama, 2009: 26-28 Surviving...; 2009: 10-11 Cooperatives for African...).

Similar processes affected federations or unions. If they did not provide to satisfy member needs, member societies withdrew or reorganized to provide needed services themselves [Baka (2013), discussing the example of Planters Union (KPCU), which at some point had 300 co-operatives as members but lost power, needed substantial reforms].

4.4 Trend: Impact of co-operatives on the community must be recognized

Several authors noted that ‘The originally visualized member-driven, self-governing, self-reliant, democratic institutions have over the years constantly remained underutilized. Although the co-operative movement contributes much to the economy, residents and leaders have not taken much interest in co-operatives as they ought to.’ This was attributed to ‘deep impairment of governance and ignorance’ (Gweyi and others 2013: 3, 8), as well as to the inability to fully avail themselves of the opportunities opened by a vast number of outreach programs.

56 Also, Mythoni (2014:210) notes that coffee co-ops must be responsive to production needs and streamline their operations to meet competition.
To close this gap, the authors of the study looked at impact co-operatives in Kericho county. They found:

- **Impact on community infrastructure**: 38% identified such impact as ‘very high’ and 28% as ‘high’ (Figure 3)
- **Impact on poverty eradication**: 61% of respondents acknowledge co-operative’s positive role in that area (Fig 4) for reducing unemployment and empowering poor women
- **Impact on community development**: 55% acknowledged that co-operatives meant effective service delivery and 23% saw them facilitate the achievement of vision 2030 (Figure 6)
- **Impact on accountability and transparency** on projects implemented: 15% acknowledged this impact
- **Vital role in protecting the environment**: 80% of the ag co-operatives in the study areas have actively participated in the environmental rehabilitation activities and actions to protect the local environment from degradation (p. 10).

These examples show the focus of current studies. Future areas of research and actions to promote co-operative impact are also suggested.

5. **Legacy review**

5.1 **Assistance to Kenya’s Co-operative Sector**

This section looks at the legacy of USAID-funded Co-operative Development Programs (CDP), phase 2004-2009, as part of broader USAID assistance to Kenya between years 1999 and 2010. Based on information from OCDC-member organizations an estimated $3.3 million went directly to assist Kenya’s co-operative sector:

- **Fund used jointly by all CDOs; resulted in three joint OCDC projects**:
  - Est. $260,000 of total funding
  - Results: CLARITY I (2006), CLARITY II (2009), and METRICS (2009)
  - All still used and appreciated today [see Kuala Lumpur conference of 2017]
- **AAC/MIS**
  - Less than $100,000
  - Used to benefit program countries indirectly via learning events [info from Ed Potter]
- **ACDI/VOCA**
  - $4.6 million multi-country CDP activities implemented 2004 and 2010
    - *Estimated $900K for Kenya component*
  - Program ‘to improve the governance, management and productive capacity of business-oriented, professionally managed, farmer-owned and operated organizations’ (for more, see below)
- **NCBA-CLUSA**
  - $7.1 million multi-country CDP activities
    - Estimated $1.4m for Kenya component (7,117,614 / 5=1,423,522 for
each country and HQ)
  o Program (CDP III) addressing food security, nutrition of mothers and children under five years, formation and strengthening of farmers’ groups and co-operatives, and good governance (for more, see below).

- WOCCU
  o $3.9 million multi-country CDP activities
    ▪ Estimated $ 654K for Kenya (One of 5 country components and HQ; \(3,925,366/6 = 654,227\) per component)
  o Program assisting advocacy and regulatory work to improve the environment for savings and credit groups (for more, see below).

Two OCDC member-organizations—namely, Land O’Lakes and CHF International (now Global Communities)—implemented programs in Kenya under separate non-CDP awards:

- Land O’Lakes under funding from USDA:
  o Kenya Dairy Development 2001-2003
  o Kenya Dairy Dev 2001-2008
  o USAID K D Sector Competitiveness Program

- CHF International – various funding sources including under RHUDO-HIG.

5.2 Legacy Examples

In the words of one commentator, before 1990 donor assistance was seen as ‘not very helpful’ since ‘donor support was easily turned into patronage resources for aligning co-operatives to the state.’ (Wanyama 2009:10, Co-operatives for African...)

After 1990, donor assistance was considered necessary but only effective if based on the specific recipient’s needs. ‘Good examples’ are cited, including references to ACDI-VOCA work with co-operative college (now CUK), to WOCCU’s work in support of sustainable SACCO growth and building local capacity, and to CDP work by WOCCU, ACDI and other US NGOs (Wanyama 2009:23-27 Surviving...; Pollet (2009) 28-30).

5.3 CDP Examples and Testimonials

Comments below are based on recent interviews in the U.S. with former and current CDP managers, as well as interviews with former staff and representatives of various local organizations in Nairobi, Kenya, August 2018.58

---

GLOBAL – All CDOs

- The Co-operative Law and Regulation Initiative (CLARITY) resulted from joint work of all OCDC member organizations united in the desire to help national and international co-operative development organizations by formulating a set of principles and analytical tools for evaluating co-operative laws and regulations in the light of the new consensus emphasizing autonomy from governments and the removal of barriers to co-operative enterprise in all sectors of the economy. CLARITY does not endorse any specific model law for all countries and CLARITY principles are not a model law. Rather, CLARITY principles are meant to be used by a local co-operative movement to analyze a legal and regulatory environment and to institute a process for recommending necessary changes (www.clarity.co-op). CLARITY was used in several countries to analyze the existing legal environment, including Rwanda, Mongolia, Tanzania, Tunisia, Kenya, and recently, Madagascar.

- Measuring Co-operative Success. New Challenges and Opportunities in Low- and Middle-Income Counties (METRICS) also resulted from the joint work of all OCDC members in collaboration with Dr. John W. Mellor, development economist. The proposed set of questionnaires vetted through the focus groups and tested on a wide range of partner co-operatives, defined measurements and common ground for analysis of co-operative success (www.ocdc.coop).

WOCCU work with financial service co-operatives (SACCOs)

Education and training:

- Under MOU with Strathmore Word Council African Management Institute (SWAMI), a Leadership training program was designed as well as several training modules and other English materials prepared. The three-tiered training program ran for about 4 years, attended by many SACCO leaders and board members. Upon completing the program, SACCO professionals were issued a certificate.

- Application of the PEARLS Monitoring System developed and popularized by WOCCU in the early 2000s continues in Kenya today. According to a representative of the national union KUSCCO (www.kuscco.coop), the system is used in training and as a tool to help SACCO managers compare their organizations to recommended standards, using them as benchmarks. ‘PEARLS-like’ standards were adapted by SASRA in their regulation and guidelines.  

Advocacy and legal framework work at the national level:

- WOCCU’s work at the regulatory level resulted, over time, in passing the SACCO Societies Act No. 14 of 2008, regulation issued under this Act, and in creation of SASRA (SACCO Societies Regulatory Agency) in June 2010. According to a recent report from the Agency, there are now more than 180 Deposit-taking SACCOs (the DT-SACCOs, regulated or licensed SACCOs). They come under SASRA oversight and represent better financial standing and adherence to higher financial standards as enforced by SASRA.

- Advocacy continues, particularly with local partners such as KUSCCO, currently a member of WOCCU.

Individual /primary co-operatives level:

- As an example, WOCCU’s work with MAWLIMU co-operative was cited (comments by C. Ford, former CDP manager). This society, formed by secondary school teachers from across the country, developed programs focusing on HIV/AIDS awareness and prevention while also working with WOCCU on improving internal structures and governance procedures.

Asked what was particularly helpful and important with hindsight, the following aspects of WOCCU’s work in Kenya were indicated:

- Advocacy and regulatory work were important because the SACCO law gives confidence to new members that a deposit-taking SACCO is regulated, that it has its internal systems in order, and that must comply with standards and be subject to oversight.

- SACCO regulation helped stabilize deposit-taking activity and increase membership. This helped SACCOs to grow, sometimes described as ‘phenomenal.’

59 Strathmore-WOCCU_African_Management_Institute_Program
62 Ibidem. For a list of licensed DT-SACCOs, see Licensed-SACCOs.
• Through work with local partners, WOCCU helped develop new financial products that better fit current needs and growth patterns. For example, loans to farmers are now offered through KUSCCO’s Central Finance Fund and Agribusiness Unit.63

• To non-regulated SACCOs, i.e. those established under the Co-operative Law, WOCCU’s work was also beneficial. As smaller organizations, limited to members and to what they offer (no bonds, no expansion beyond basics), these SACCOs are not sufficiently developed to adhere to SASRA standards. However, WOCCU’s work with local partners provided a platform for them to improve, and incentives to automate, to audit, and/or to connect to E-pesa/mobile platforms. These actions result in strengthening their systems, expanding their reach, and in facilitating operations.

Land O’Lakes (LOL) work in the dairy sector

Over the years, significant changes have occurred within the dairy sector.64 Before LOL started its work in Kenya in the early 2000s, the sector experienced a shift from vitality to collapse caused by policies promoted at that time. Once the government pulled its support as part of changes brought about by the liberalization period (the 1990s), co-operatives were expected to stand on their own and compete in local and global markets. Unfortunately, without tight policies in place, this led to mismanagement and some leaders abused their positions. The Kenya Co-operative Creameries (KCC) collapse in 1992 contributed to the crisis. As a result, many farmers turned away from co-operatives. Rather than stay in old co-operatives, farmers formed CIGs – or Common Interest Groups or other informal self-help groups intended to manage their businesses efficiently.

63 See Brochure, KUSCCO KILIMO LOAN, 2018, and comments by J. Thiboutot, current WOCCU-CDP Manager.
64 See studies summarized in Attachment, item 15 and 16, discussing the situation of the dairy sector and its actions to reorganize in the liberalized market.
LOL began work in Kenya under several USAID-funded programs, including Dairy Development for Kenya, (8/2001-2/2003), Kenya Dairy Development Program (2002-2008) and Kenya Dairy Sector Competitiveness Program (5/2008-4/2013).65 Michael Kibinge, LOL’s Country Coordinator between 2000-2002, said: ‘We did a huge amount of good work and helped a great number of small dairy farmers to raise their incomes. And on a national level, we led to the establishment of the Dairy Task Force at the then Ministry of Livestock Development. Looking back at my professional life, I am most proud of my work with LOL’ (interview, November 2018, Nairobi, Kenya).

LOL’s work proceeded along the value chain, from bottom to top. In the words of another former staff member, Mary Munene, this was ‘an initiative that transformed the whole sector – and LOL played a big part in it.’ These programs facilitated market-based solutions to support raising smallholder incomes and used innovative approaches, including restoring the use of a co-operative model.66 Examples of focused improvement actions included:

- setting targets to follow;
- setting standards on how to value the work of individual value chain participants;
- addressing concerns about productivity and sustainability;
- introducing methods to ensure interest in meaningful participation in programs (e.g. keeping everyone ‘on their toes’ through year-to-year activities and expectations to work hard to continue to obtain support).

Mary said that thanks to work by LOL, the ‘systems put in place at the time work till now’. ‘LOL was a mentor to partner organizations and individuals,’ developed manuals crucial in teaching new ways, and how to ensure that things continue after the program is over.67

On a personal level, similar to comments expressed by participants of WOCCU programs, Ms. Munene said that this was an opportunity to learn, particularly through working directly with beneficiaries along the VC (‘I benefitted immensely from LOL,” she said, ‘and enjoyed every minute of it.’ Now, in a new position as Advisor on agriculture and co-operative matters in Embu county, Mary plans to apply everything she has learned and push for policy and management changes to improve conditions within the sector.68

66 Given the number of members, actions targeting co-operatives had a wide reach. For example, 10 co-operatives participating in LOL’s first Dairy Development Program for Kenya represented 25,340 members. Regarding continuous efforts to mobilize smallholder dairy farmers into economically viable business groups (including co-operatives), see the KDSCP report, pp. 34-39. These provide examples of the impact on individual businesses.
67 For a list of program partners and beneficiaries, see the KDSCP report (pp. 88-89), which includes Kenya Dairy Board and Bureau of Standards, livestock associations, and various smallholder business organizations.
68 Quotes from interview Nairobi, August 2018 and with Greg Grothe, former LOL manager, in September 2018.
For examples of lasting changes within the co-operative sector, current CDP Manager, Greg Grothe, pointed to two co-operatives participating in earlier LOL programs: Githunguri co-operative (dairy only)\(^69\) and Meru Central, a federation of around 30 co-ops including dairy. All benefitted from capacity building and technical assistance provided by LOL programs and continue to apply their knowledge; both co-operatives are doing well today. ‘They are a legacy to remember,’ said Grothe.

**ACDI/VOCA work on co-operative education**

Historically, ACDI/VOCA worked in Kenya for many years under the CDP program, from 2004-2010,\(^70\) aiming ‘to improve the governance, management and productive capacity of business-oriented, professionally managed, farmer-owned and operated organizations to better meet the needs of their male and female members through targeted technical assistance and capacity building activities.’ Within this broad scope, ACDI worked to strengthen the capacity of local institutions by offering training and educational services to co-operatives, thus contributing to and laying the groundwork for the current success of functioning institutions. ‘Yes, definitely, strengthening co-operative education is our institutional legacy,’ said former CDP manager for ACDI/VOCA, Hayden Aaronson.

- The Co-operative University of Kenya (CUK) ([www.cuk.co.ke](http://www.cuk.co.ke)). ‘Now very professional, doing an excellent job of teaching, and showing new ways,’ said Aaronson. Today, CUK is a vibrant university offering a variety of programs within its Schools of Business and Economics and School of Co-operatives and Community Development. Earlier collaboration with ACDI/VOCA contributed to technical as well as organizational areas of learning and numerous training events conducted over the years (Wanyama 2009:23-27 Surviving….; Pollet 2009: 18-19).

ACDI’s Co-operative Learning and Information Centers (CLICKS), pioneered under the CDP, promoted access to learning tools to improve operations and performance of co-operative organizations. Through collaboration with another OCDC member, CCI (Communications Co-operative international), ACDI assisted in designing and introducing new distance learning systems. Even though the first years were not without challenges, today e-learning has a formal and solid place among CUK programs under the Directorate of Computing and e-learning.\(^71\)

---


\(^70\) See [kenya-cooperative-development-program-cdp](https://www.ica.coop/en/co-operative-development-program/kenya) and [global-cooperative-development-program-ii-cdp-ii](https://www.ica.coop/en/co-operative-development-program/global). ACDI/VOCA was awarded the $4.6 million multi-country Co-operative Development Program for 2004-2010 and extended for 2010-2018. Activities included Kenya in the early years but were limited to Ethiopia and Liberia in 2016-2018.

\(^71\) According to the website, [www.cuk.co.ke/dcel](http://www.cuk.co.ke/dcel), the Directorate’s objectives have been aligned to the current University’s strategic objectives.
The Agribusiness Training Centre of The Co-operative University of Kenya (ATC) ([www.act.co.ke](http://www.act.co.ke))

The ATC was launched in July 2004 by the Co-operative College of Kenya and four other founding partners, including ACDI/VOCA. Due to rapid changes in the business environment in 2007, ATC was formally registered as a private company limited by guarantee and today functions as the Agri- and Co-operative Training and Consultancy Services Ltd (the Corporate Arm of the Cooperative University of Kenya).

Both institutions continue to collaborate with OCDC member organizations, WOCCU, LOL, as well as Global Communities.

**Global Communities’ (formerly CHF International) work in housing**

CHF International’s work in Kenya also preceded work funded under the CDP. When asked to summarize CHF International’s impact in the housing sector in Africa, the following areas were mentioned: national housing policy, national institutional development, pioneering self-help housing programs for affordable housing, integrated community-based housing delivery model, and innovative local government training programs.

**At the national level:**

- **Assisting with the formulation of national housing policy.** CHF conducted several feasibility and other studies to support this effort, including a study of co-operative housing for low-income workers for the Ministry of Cooperative Development and the Central Organization of Trade Unions. The study’s findings included recommendations on the new institutional framework, local and external sources of capital, co-operative organization, land and technical issues, proposed housing program and action plan.

**National Institutional Development:**

---

72 See, for example, Establishing the Relationships among Dairy Co-operatives, SACCOs and Individual Dairy Farmers: The Case Study of the Mount Kenya Region in Kenya. A Research Report for Land O’Lakes International Development. By the Agri- and Cooperative and Consultancy Services Ltd and the Co-operative University of Kenya. 8th August 2018 (obtained from LOL).

73 Based on comments by Dr. Judith Hermanson and Dick Owens, former CHF International staff, Oct-Nov. 2018. Apart from Kenya, CHF International also worked in Botswana, Lesotho, Namibia, South Africa, Swaziland, and Tanzania.

74 At the time, support for housing and urban programs was funded through USAID’s Office of Housing and Urban Development (RHUDO), which had a contract with CHF to provide technical assistance under its Housing Investment Guarantee (HIG) program. See report titled ‘FCH International program Background Information for AID Review Meeting,’ January 3, 1979.
Work with NACHU: In the late 1980s, CHF International conducted a series of missions to assist the establishment of the National Cooperative Housing Union (NACHU), whose purpose was to sponsor co-operative housing programs for workers throughout Kenya. This institution was originally set up as a technical service organization but became member-driven and controlled by a democratic governance structure with priorities of housing micro-finance, capacity building and technical services. Former CHF staff member, Dick Owens, remembered: ‘With Endette Katambo, NACHU’s General Manager at the time, Judith [Hermanson] and I visited a cooperative housing project it was organizing in a large slum settlement in Nairobi. During the same visit, we also offered a training course on the role of a co-operative housing technical service organization in the development and management of housing cooperatives.’ As Owens recalled, CHF used its co-operative development grants to cover the technical assistance and provided support.

Today, NACHU is a vibrant national-level organization with 1,200 co-ops as members; [www.nachu.co.ke](http://www.nachu.co.ke). Its services range from technical support and training to financing and implementing local housing projects. According to a NACHU representative, several I-NGOs assisted over the years, including those from the US, Canada, and the UK. NACHU considered these programs extremely important to strengthen the organization as a local institution as well as to prepare customers of cooperative housing programs – without training, typical members lacked knowledge and understanding of the co-operative model and their responsibilities as participants in a housing project. Today, NACHU serves as the developer of cooperative housing projects, provides financing and technical assistance to on-going co-operative projects, and engages in advocacy on housing-related matters. With demand for housing units estimated at 500,000 units annually, NACHU hopes to contribute significantly to Vision 2030 in which housing is among 4 areas of concern. Its vision is to develop affordable and decent homes for its members.

**Working to improve access to finance:**

- Under USAID funding, CHF analyzed the credit union system (1988) and facilitated a session on “Resource Enhancement of Habitat Credit” at Plan International’s “Habitat Program Design” Workshop in Nairobi (1997). Under another program “Housing Finance for the Poor: Innovations and Good Practices from the Field,” CHF assessed the enabling environment for housing microfinance in Kenya and three other countries in Latina America and Asia to supply knowledge and information about how to provide these services more effectively to the urban poor (2001-2002).

75 Based on information from Jimmy Mahiri, NACHU Housing Finance Officer, obtained during an interview on Nov. 13, 2018.
From 1980 to 1982, CHF also worked with Kenyan officials and the AID Office of Housing (PRE/H) to formulate a co-operative housing program, including HIG loan and technical assistance grant to enable the Kenyan private sector and cooperatives to package and deliver housing affordable to families with incomes below the median. These efforts were continued by NACHU in later years [Source: *June 1993 report* p.16].

**NCBA CLUSA work under earlier phases of CDP**

Since 2004, NCBA CLUSA has implemented the CDP program in several countries, including Kenya, to create and scale workable solutions to key co-operative development issues, including food security, legal and regulatory reform, sustainable trade relationships and knowledge management. Several phases of this program included developing approaches to community-based health (Phase I and II) and addressing food security, nutrition of mothers and children under five years, forming and strengthening farmers groups and cooperatives, and good governance (Phase III).  

**National level advocacy and regulatory work:**

- Although needs and partnerships changed over the years, this type of work continued and does so today, designing legislation that enables co-operative development. See, for example, a press release on NCBA CLUSA’s signing MOU to support strengthening the legal framework for cooperatives: *Ncba-clusa-to-support-kenya-strengthening-legal-framework-for-co-ops*.

**Work at Primary level:**

- NCBA CLUSA’s approach to co-operative development is premised on the belief that local ownership and broad participation empowers communities to sustainably address their most pressing economic and social needs. Thus, activities range from helping groups establish new cooperatives and other group enterprises, to building the institutional capacity of these businesses and to enhancing the scale and visibility of co-operatives and other member-owned businesses.
- A case study for broader application of a community-based health-model was presented (Nadeau, 2010:1-17) based on NCBA-CLUSA’s work with over 2000 communities to form a village, multi-village, women’s and youth-based health associations and to develop and implement community-based health plans. The program also included training of over 4,000 village-based community health workers. Altogether, over one million community residents in Kenya benefitted from this program. Groups were urged to convert to formal cooperatives so that business orientation and formal legal status help these community organizations become sustainable.  

---

76 See NCBA program highlights – although work in that country preceded CDP. For more information, see CDP Phase III.

77 Nadeau E.G (2010). Further details are in Attachment, item 6.
ICMIF’s work with Insurance Co-operatives

Work at the national level to strengthen institutions and promote insurance products:

- Today, CIC Group Ltd. in Kenya, www.cic.co.ke, is quite successful, including receiving funding from other-than USAID partners and donors. It has 24 branches in Kenya as well as regional offices beyond Kenyan borders. Its assets are chiefly composed of investment in property, holdings of government securities and deposits in other financial institutions. Motor insurance leads the list of its products and services followed by medical and fire insurance. It offers Life Assurance Business, wealth management and other products. 78

- In the words of CIC’s representatives, over the years CIC, as well as the Cooperative Bank, benefitted from assistance from various international donors. These included the International Fund for Agricultural Development (IFAD), Canadian SIDA, and International Co-operative Mutual Insurance Federation (ICMIF). 79 According to the chairman of CIC: ‘When the liberalization period came, the government withdrew and everyone was to fend for themselves – we could not do without help.’ A specific focus of each of these projects was different but together, they helped build CIC’s strength as an organization, offering a variety of insurance products. For example, IFAD helped look at youth issues, which is important given that 70% of the population in Kenya is under 35. In farming, because the weather is unpredictable, CIC’s work with Canadian SIDA and with Malawi on ‘basic weather indicators’ is promising, even though still nascent (in Africa, the concern is chiefly droughts and delays in rain, not hurricanes). USAID as a funding organization also had an impact, recently in connection with the farmers’ lending project in which CIC worked in collaboration with CAK.

CDP work to promote micro-insurance:

- Under the CDP, work focused on the Americas as implemented by the Americas Association of Co-operative/Mutual Insurance Societies (AAC/MIS). However, numerous dissemination and experience-sharing events organized under this program benefitted participants in various other countries where ICMIF programs of support were implemented. These included Kenya. Participants took part in cross-country learning, discussed new product ideas and the application of best practices, all of which contributed to making their local organizations stronger. 80 Today CIC in Kenya is involved in ICMIF’s micro-insurance development program based on its ‘5-5-5 Mutual Microinsurance Strategy’ launched in January 2015. The strategy set out to reach five million uninsured low-income households and provide protection to 25 million individuals over five years. 81

---

78 In 2017, the Group recorded a 300 percent increase in the year’s pre-tax profits (from 112,567,000 KSh to 447,356,000 KSh). Further data on the current status see J. Okoth. Despite the harsh economic times, brought about by drought and political impasse, CIC Insurance saw its business grow last year. [in] The Co-operative. Magazine of the Co-operative Alliance of Kenya (CAK), May-June 2018 pp. 12-13.

79 Based on notes from meetings with representatives of CIC Insurance Group Ltd. in August 2018, Mr. Japheth Magomere, Chairman and Mr. Tom Gitogo, CIC Group’s CEO.

80 As described by the then ICMIF/Americas’ Executive Director, Ed Potter, this $3.7 million project implemented between 6/2004 – 5/2009 focused on the Dominican Republic, Colombia, and Nicaragua.

81 See ICMIF’s latest updated report showing progress since the adoption of the strategy.
KEY LITERATURE and selected references:


Co-operative societies act ammended 2004, Ministry’s website.


Economic Survey 2018. The Elephant, KNBS


Kenya Overview. World Bank – Country


Kenya-Country-study. EURICSE.


Maleko, Grace and Msuya, Richard. Women Participation in co-ops – Challenges and Prospects. The Case of Selected SACCOs and Amcos in Kilimanjaro and Arusha Region Tanzania, East Africa. Journal of Business Administration and Education. Volume 7, Number 1, 2015, 81-111.


The SACCO Supervision Annual Report 2016, SARS, downloaded from web site www.sarsa.co-op accessed Aug 19, 2018


The SACCO Supervision Annual Report 2016. SARS – pdf on SARS’s website


Wanyama, Fredrick O., Cooperatives for African Development: Lessons from Experience, 2009


<table>
<thead>
<tr>
<th>Who</th>
<th>Linda SHAW, the co-op College, Manchester, UK</th>
</tr>
</thead>
</table>
| When-Where   | • Refers to research into corporate governance practices in the co-op sector in Kenya undertaken by the Centre for Corporate Governance (p. 23)  
• Involved: two (2) national co-op societies, four (4) secondary co-op unions, twelve (12) district unions and twenty-four (24) primary societies |
| Why-Purpose  | • Explore the corporate governance agenda within the framework of the cooperative sector  
• Review the distinctive nature of cooperatives, relevant trends and issues within corporate governance |
<table>
<thead>
<tr>
<th>What - Main findings</th>
<th>Noticeable gaps in information and cooperative data; uneven evidence, p. 6,9</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Co-op identity (ICA) reaffirmed; global reach and membership increasing</td>
</tr>
<tr>
<td></td>
<td>o In international development, there is ‘sufficient evidence to suggest that at the very least the decline of the cooperative sector appears to have halted and that there are signs of a renaissance. This is not just linked to rising membership and business turnover but also to a renewed confidence in the importance of value-led business’</td>
</tr>
<tr>
<td></td>
<td>Non-traditional forms of co-ops are emerging (Chaddard and Cook 2003)</td>
</tr>
<tr>
<td></td>
<td>There is evidence for widespread cooperative renewal; two major trends emerging:</td>
</tr>
<tr>
<td></td>
<td>o To compete on global markets, larger co-ops have moved towards more capitalist forms either by (a) creating commercial corporations as flexible forms of growth or (b) merging with companies outside the social economy.</td>
</tr>
<tr>
<td></td>
<td>o Rapid growth of newer cooperative in most member states, often originating at the micro-enterprise level. They operate in education, health and rural development together with other forms of shared services and have played an important role in community economic development</td>
</tr>
<tr>
<td></td>
<td>Corporate governance issues for cooperatives in developing countries p.17 – emerging as key</td>
</tr>
<tr>
<td></td>
<td>o Starting point is the legacy of government control and intervention into the cooperative sector – ‘deriving from the colonial origins of the co-operative sector which involved a regime of government control and influence with damaging results that are still evident today.’</td>
</tr>
</tbody>
</table>
|                      | o Renaissance-era – rejection of control and interventions – see Shaw 2006, p. 9, 17. Reviews studies of corporate governance issues for cooperatives in the OECD countries – showing the importance of understanding how boards work/do not work, why studies are needed. Pp. 11-15, 17. Specifically on Africa pp. 19-26 and K: ‘Kenya provides an example of a liberalization process partially rescinded when cooperatives proved ill-prepared for the new era and the withdrawal of government regulatory powers in 1997. The results were
largely negative with corruption and mismanagement all too common... so that the new act in 2004 reintroduced state regulation.'

- Report on Kenyan study pp. 23-25 in the co-op sector undertaken by the Kenya Corporate Governance Centre (KCGC); findings based on a nationwide survey which involved 2 national, 4 secondary, 12 district unions and 24 primary societies [no date when undertaken]. Found:
  - The majority used standardized frameworks provided by the government, without adapting them to their specific needs
  - 90% did not understand the governance role of the board
  - A significant underrepresentation of women in decision-making structures
  - Agency conflicts between members and boards
- Following this research, the Kenya Corporate Governance Centre has produced a set of guidelines – reproduced on pp. 23-24

**Overall conclusions and recommendations:**
- A growing interest/focus emerging that good practice in corporate governance in cooperatives is key; studies and discussion to continue
- Still, lots of questions remain as to ‘who owns the issue’, what role co-ops, co-op apexes, government, NGOs are to play? New standards across all sectors? What are the clearly defined rights and responsibilities of three key groups: members, directors, and managers? (pp. 32-33)

<table>
<thead>
<tr>
<th>Who</th>
<th>Wanyama, Fredrick O., Develtere, Patrick, Pollet, Ignace</th>
</tr>
</thead>
<tbody>
<tr>
<td>When-Where</td>
<td>Research in 11 African countries incl. Kenya</td>
</tr>
</tbody>
</table>
| Why-Purpose| • Explore the impact of the liberalization of economic environment on different models of cooperative development; consider the successful or unsuccessful adaptation of African cooperatives  
  • Discuss: a unified cooperative model, a social economy model, a social movement model, a producers’ model, and an indigenous model |
| What - Main findings | **Background:**  
  Two main eras noticed in cooperative development in Africa: the era of state control (up to the early 1990s) and that of liberalization.  
  • The first one saw the origin and substantial growth of cooperatives on the continent under state direction (rather than people’s common interests and own motivation); served the interests of the state; were subsequently beguiled into state politics to the extent that the failures of state policies found expression in the cooperative movement.  
  • Liberalization era – was triggered partly by calls for a change, given state policy failures.  
  • World Bank studies acknowledged the potential role that cooperatives could play in the development process but only if they were restructured and disentangled from the state to be run on business principles in line with the then evolving market economy. P.1. ‘Through the adoption of Structural Adjustment Programmes (SAPs) in the 1990s, cooperatives entered a new era as they were arguably afforded a beginning to run their affairs following the “retrenchment” of the state from the development scene. Consistent with the new economic environment that was sweeping across Africa in the 1990s, many countries introduced new policies and legislations ostensibly to liberalize the cooperative sector. The main content of the resultant framework was to facilitate the creation of a commercially autonomous and member-based cooperative organization that would be democratically and professionally managed, self-controlled and self-reliant.’  
  **Key finding:**  
  • Cooperatives in Africa have survived market forces and continued to grow in number and membership. Authors see ‘a slow but sure erosion of the unified model and the adoption of a social economy model. Cooperatives in Africa are re-examining their organizational forms and diversifying their activities in response to members’ interests and needs’ |

<table>
<thead>
<tr>
<th>Who</th>
<th>Fredrick O. WANYAMA, School of Development and Strategic Studies, Maseno University, Kenya</th>
</tr>
</thead>
<tbody>
<tr>
<td>When-Where</td>
<td>• Documents review</td>
</tr>
<tr>
<td>Why-Purpose</td>
<td>• A historical overview of cooperative development in Africa</td>
</tr>
</tbody>
</table>
| What - Main findings | • State-controlled co-op development till end of the 1880s, p.2  
• Liberalization of 1990-2009 (article date, p.3-9) |
| Lessons re: | • **State regulation**, p.10: ‘overt government control of the cooperative movement is counter-productive, but there is still need for some governmental regulation of co-ops to ensure that unscrupulous leaders do not exploit the other members. Such regulation should also guarantee a conducive environment for cooperatives to transact their business. The challenge is to strike a balance between the freedom for cooperatives to organize and state power to effectively regulate the cooperative movement. In this regard, the legal framework should emphasize the facilitation of the freedom to organize and do business rather than supervision and control of cooperatives.’ 
• **Donor support to co-ops**, p. 10: Available evidence suggests that during the period of state-control over co-ops donor support directed through the state seemed to reinforce state control ‘to the detriment of cooperatives’...
  o Cooperatives [...] served governments as mechanisms for realizing national development and exercising political control. [...] donor support was easily turned into patronage resources for aligning cooperatives to the state.  
  o The success of co-ops in Africa requires support or partnership with donors, but ‘such support should be channeled directly to the cooperatives and it should be based on the interests and needs of recipient cooperatives.’ This is because each cooperative operates in a specific environment and under peculiar circumstances, which necessitates equally unique support services that are in tandem with the business needs of the cooperative.’ 
  o There are examples of co-ops that received aid and ended up successful, e.g. Oromia/Ethiopia or Kaupa Kokoo but they asked for a specific form of aid and received as requested.  
  o Effective membership participation (p.10-11): ‘Effective membership in co-ops is a function of their alignment with people’s interests.’ |

<table>
<thead>
<tr>
<th>Who</th>
<th>Frederick O. WANYAMA</th>
</tr>
</thead>
</table>
| When-Where   | • Based on data as of 2008  
              • Qualitative interviews with leaders or key orgs, stats |
| Why-Purpose  | • Historic: moving from state-control era to liberalization of the 1990s  
              • Purpose: To respond to questions by providing evidence-based indicators of the state of the cooperative movement in Kenya at the macro (policy and legislation), meso (the vertical and horizontal organization of cooperatives as well as their support orgs), and micro levels (number of co-ops and their membership) as of the year 2008.  
              o Qs: have co-ops survived the stiff competition of the liberalized market or have they withered away?  
              o What has been the org-al response of co-ops to the new econ enviro into which they were suddenly plunged?  
              o Are co-ops fairing comparatively better or worse than they did in the first era of cooperative development? |
| What-Main findings | • At the end of 2007 according to Ministry data, there were 11,635 registered co-ops  
                        • Cumulative figures from the register do not tell how many are active, dormant or deregistered. Estimated a significant portion, up to 35% of those registered, to be dormant [p.19]  
                        • Numbers also exclude ‘pre-coops’, i.e. unregistered groups which may be operating; some call themselves ‘community-based organizations’. Estimated over 250K CBOs which operate more-or-less like coops.  
                        • Membership: in 2007 reported at 8.5 mil  
                        • Annual Turnover data for years 2003-2007 pp. 21 |
| Role of donors, p.23-25: | • Direct donor support declined drastically at the onset of liberalization policy – more as of 2009. Key donors: Swedish and Canadian Cooperative Assoc., others to include GTZ, DfID, ICA, FAO, World Bank, USAID (CDP program mentioned on p. 25).  
                        • WOCCU – focus on supporting sustainable SACCO growth, build local capacity, mitigating impact of HIV-AIDs  
                        • ACDI-VOCA - help to College  
                        • Other references to WOCCU, ACDI-VOCA, and CDP program pp. 23-25, 27 |
| Significance of cooperatives in Kenya’s development: | • Create employment, generate income, reduce poverty, p. 26  
                        o Est’d 63% of 23.4 million (Kenya’s population) ‘to be participating directly or indirectly in econ activities that originate from the co-op movement.’  
                        • Provide social protection  
                        o Co-ops ‘that do not provide economic gains in Kenya tend to be deserted by the members’ – as evidenced by co-ops that are dormant (p. 26)  
                        o ‘Social protection associated with cooperatives rides on the shoulders of their economic success.’  
                        o Examples, p. 27: SACCOs offer quick disbursing advance schemes, also benevolent funds to which members contribute regularly but only draw when they are bereaved, or protections related to conducting business activities |
<table>
<thead>
<tr>
<th></th>
<th>Provide cooperative representation and advocacy: KNFC ineffective, expect reforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience of over a decade after ‘liberalization’ (p.28)</td>
<td><strong>Based on economic analysis, ‘economic liberalization has not seen the cooperative movement wither away. Though in the interim many co-ops succumbed to the fiercely competitive market forces, which continue to adversely affect some co-op orgs, the majority of these orgs have survived the liberalization storm.’ Data show they continue to grow in numbers and membership, with non-ag (particularly SACCOs) recording higher growth than those in ag.</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Liberalization triggered a transformation in the structural organization of coops:</strong></td>
</tr>
<tr>
<td></td>
<td>o Federations and some unions faded away b/o could not provide services to members</td>
</tr>
<tr>
<td></td>
<td>o Primary co-ops are making new alternative arrangements to provide the same services to members (p. 29) - it ‘has given co-ops the impetus to re-examine their organizational formations to reorganize in their best interest, rather than in the interests of the state.’</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Who</th>
<th>David Nandasaba MUSUYA</th>
</tr>
</thead>
</table>
| Where     | • Targeted 20 coffee farmers’ co-op societies in B county as of 1996  
|           |   o Targeted 90 respondents, 3 from each society  
|           |   o Data for the period 1999-2008  |
| Why-Purpose | • To establish the relationship between board size, board composition, and CEO status on performance of coffee farmers’ co-ops in B county between 1999-2008  
|           |   • To determine the role of the corporate officials in B County between 1999-2008  
|           |   • To establish what challenges are faced by coffee farmers societies in practicing good corporate governance in B County between 1999-2008  |
| What-Main findings | • Lists earlier studies showing similar results (not accessed): there is a relationship between the business environment and co-op performance:  
|           |   Gama & Komo 2002: attributed under-performance to the fact that most co-ops were unprepared for liberalization; Mwangi 2003: investigated the determinants of corporate governance practices; Kegode 2005: studied application of corporate governance on the performance of the Kenya sugar board; Mululu 2005; Lang’at 2006: study on the effect of corporate governance on performance for listed firms; Gathura 2007: studied corporate governance structure and performance of manufacturing listed firms on the Nairobi Stock Exchange; Nyoro and Ngugi 2008: in a study cited on p. 5 on Kiambu County coffee farmers’ co-ops found that 67% of respondents attributed the poor performance to the difficult business environment as a result of liberalization; Wanyama 2009: the resulting policy framework and legal environment from liberalization negatively impacted on the performance of most co-op societies.  
|           |   • Study revealed a linear relationship between performance and Board size, Secretary-manager (CEO) status and board composition;  
|           |   o Shows a correlation between performance and the governance mechanism (p.27)  
|           |   o Typical board size of 7-8 but the study showed that ‘most of the directors somehow did not understand their duty towards creating value for the farmers they represented. The results revealed that the role separation of the office of the CEO and Chairman significantly had the most impact on performance.’  
|           |   • Generally, corporate governance compliance enhances performance (p. 28)  
|           |   o Societies that had a clear role separation of the board chair and CEO showed improved performance (p.28)  
|           |   o Board composition did not significantly show improved performance  
|           |   o The non-executive directors were not independent since they both came from the govt side being ex-officials from the ministry |
### 6. The First Mile: The Potential for Community-Based health cooperatives in sub-Saharan Africa (2010)

http://www.uwcc.wisc.edu/pdf/Staff%20Papers/Community-Based%20Health%20Cooperatives.pdf

<table>
<thead>
<tr>
<th>Who</th>
<th>E.G. Nadeau</th>
</tr>
</thead>
<tbody>
<tr>
<td>When-Where</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 4 case studies with which NCBA worked over the 10 years of activities under the CDP program funded by USAID</td>
</tr>
<tr>
<td></td>
<td>• Located in Western Province, as well as 3 locations in Coast Province (Northern, Central and Southern Coast), Kenya</td>
</tr>
<tr>
<td>Why-Purpose</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Discuss experience to-date and applicability of the model used by NCBA in the broader region of Sub-Saharan Africa</td>
</tr>
<tr>
<td>What-Main findings</td>
<td>Case A – Western Province</td>
</tr>
<tr>
<td></td>
<td>• 23 villages represented; testimonial to NCBA’s work</td>
</tr>
<tr>
<td></td>
<td>Case B – Northern Coast Province, Kilifi</td>
</tr>
<tr>
<td></td>
<td>• 20 village representatives interviewed; close links between health issues and how village health plan developed 2007 addresses it</td>
</tr>
<tr>
<td></td>
<td>Case C – Southern Coast Province</td>
</tr>
<tr>
<td></td>
<td>• Women’s self-help association involved in the study; reports generating income for group investments and help to vulnerable members in the village</td>
</tr>
<tr>
<td></td>
<td>Case D – Central Coast Province</td>
</tr>
<tr>
<td></td>
<td>• Two villages and Rabai Farmers’ cooperative involved in the study; interested in revitalizing the co-op and linking it with emerging new health coop</td>
</tr>
</tbody>
</table>

**Applicability in other countries:**

- Groups function as community-based organizations; urged to convert to formal cooperatives so that business orientation and formal legal status help these organizations become sustainable  
- Donor assistance needed for the expansion of the model to several other countries beyond Kenya; Rigorous evaluation of effectiveness would help.  
- Although the model focused on rural areas, it could also be effective in poor urban neighborhoods.

<table>
<thead>
<tr>
<th>Who</th>
<th>Gicheru, Esther; Migwi, Wanjohi; and M’Imanyara, Kirianki</th>
</tr>
</thead>
</table>
| When-Where    | • 78 SACCOs participated with focus on individual entrepreneurs who are members of ‘matatu’ SACCOs, as well as elected leaders and employees of such SACCOs  
• 15 Stakeholders in the public transport (district co-op officers)  
• 8 provinces of Kenya involved in 2010 |
| Why-Purpose   | • According to government strategy, all current and para-transit operators were directed to upgrade their 14-seater vehicles to the high capacity of more than 25 seats and to establish ‘matatu’ SACCOs, as a condition for licensing their operation as public service vehicles.  
• Study purpose: analyze the socio-economic impact of this integrated policy efficacy on 14-seat SACCOs in Kenya |
| What - Main findings | Finding:  
• the survival of the 14-seat transport SACCOs is a ‘ticking time bomb that may explode in the next few years’ (p. 34). Reasons include:  
  o lack of visionary and shared leadership  
  o low capital base  
  o low level of lending to members  
  o insufficient knowledge about the policy and education of members and management  
  o faulty phasing out of strategy |
### 8. Engaging Cooperatives in Addressing Local and Global Challenges: The Role of Cooperatives in Generating Sustainable Livelihoods (2012).


<table>
<thead>
<tr>
<th>Who</th>
<th>Gicheru, Esther, CUK</th>
</tr>
</thead>
<tbody>
<tr>
<td>When-Where</td>
<td>(not clear: 2010?)</td>
</tr>
<tr>
<td>Why-Purpose</td>
<td>To present the sustainable livelihood approach (SLA) as a way to improve understanding of the livelihoods of poor people, drawing on the main factors that affect poor people’s livelihoods and the typical relationships between these factors.</td>
</tr>
<tr>
<td></td>
<td>To discuss the role of cooperatives in promoting and enabling opportunities for sustainable livelihoods, with particular attention on their role in addressing youth employment and providing greater income security for informal economy workers</td>
</tr>
<tr>
<td>What - Main findings</td>
<td>SLA has 7 guiding principles: (1) being people-centered, (2) being holistic, (3) dynamic, (4) building on strength, (5) promoting micro-macro links, (6) encouraging broad partnerships, (7) aiming for sustainability. Sustainability is important if poverty reduction is to be lasting (p. 3)</td>
</tr>
<tr>
<td></td>
<td>One of the strategies in Kenya is the mobilization of youth to establish various cooperatives incl. SACCOS-transport, worker-based co-ops in ICT, service and consumer. Various government support programs. P. 6-7. No numeric data available but it could be as high as 25%... <em>'it may be safely estimated that the cooperatives in Kenya have created about 60,000 jobs.'</em></td>
</tr>
<tr>
<td></td>
<td>Youth:</td>
</tr>
<tr>
<td></td>
<td>Informal sector:</td>
</tr>
<tr>
<td></td>
<td>In 1072 ILO in its Kenya Mission Report first defined informality —since then, many more definitions; Face a myriad of common socio-econ challenges but the co-op model holds several advantages including jointly owning an enterprise, provision of basic needs and creation of wealth, workers with similar skills to offer/satisfy service markets; can combine service and production activities, Etc.</td>
</tr>
<tr>
<td>Conclusion:</td>
<td>‘For centuries, cooperatives have had a significant impact in addressing both local and global challenges and it has tremendous potential to address the on-going challenges to youth employment and creating more secure livelihood prospects for informal economy workers’</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Who</th>
<th>Majurin, Eva</th>
</tr>
</thead>
<tbody>
<tr>
<td>When-Where</td>
<td>• Developments and trends concerning the status of women’s cooperative membership in Kenya, Tanzania and Uganda were based on information available from secondary sources, as well as from CoopAFRICA surveys. The data from these survey results have been synthesized into country-specific and regional and sectoral averages, calculated from the data provided by cooperative managers for their cooperatives.</td>
</tr>
<tr>
<td>Why-Purpose</td>
<td>• To assess the status of women in East African cooperatives, identify the benefits and limitations faced by women. • To recommend policy and practical solutions to identified issues</td>
</tr>
</tbody>
</table>
| What - Main findings | **NOTE: only findings about Kenya are highlighted below**  
• Based on data for 2009/2010, women represented 30% of the total membership  
  o Significant regional and sectoral differences were noted, p.7  
• Although current cooperative acts are gender-neutral in terms of membership conditions and access to leadership positions, de facto limitations to a woman’s ability to join may occur. For example, if only one member per household is allowed, if a land-ownership requirement is attached to membership, or if patronage requirements cannot be satisfied by women due to a lack of control over land/assets.  
• In terms of women’s leadership, the survey showed that women’s presence on financial cooperative boards in Kenya reached 24%, with 18% of surveyed co-ops claiming to have a provision relating to the minimum proportion of women on the board. However, in agricultural cooperatives, in Kenya, only 7 percent of the surveyed cooperatives claimed to have such provision [**NOTE: recent legislative changes of 30% required women participation level**]  
• Factors limiting women participation in cooperatives included, p. 17-18:  
  o **Socio-cultural barriers**: Traditional conceptions on the roles of women and men and their expected behavioral patterns.  
  o **Time and labour inequality between women and men**: In most communities, women have to devote a disproportionate share of their time and energy to unpaid care work or other forms of unpaid work, leaving little time and opportunities for engaging in cooperatives.  
  o **Inequality in access to and control of resources and opportunities**: In many countries, women have lower levels of literacy, limited access to education and (for instance entrepreneurship) skills development, land, credit, productive inputs as well as information, which both, directly and indirectly, hinder their ability to join and use the services of cooperatives.  
  o **Gender differences in (self) employment patterns**: Cooperatives are prominent in the cash crop sector, in which they were historically promoted, while women’s employment is more heavily concentrated in non-cash crop agriculture, as well as, outside of the agricultural sector, |
in areas such as services where cooperatives are comparatively rare in Africa.

- **Legal obstacles**: While direct legal discrimination in cooperative legislation is rare, indirectly discriminatory provisions in cooperative laws or by-laws or unequal treatment under related legislation (such as land ownership or inheritance laws) may harm women’s ability to join cooperatives.

- **Inconducive policy environment**: A lack of government practical and financial support to women’s greater participation in cooperatives and gender-blind investments in the cooperative sector means that the incentives for and capacity of cooperatives to achieve a gender balance are limited.

**Economic benefits to Women, pp. 24-25:**
- Coop’s ability to enhance their economic activities, and hence incomes, identified as a key benefit
- Membership is seen in the community as enhancing their credit-worthiness, and hence of being able to more easily obtain informal financial support from outside of the coop
- Their improved ability to pay for their children’s school fees as well as to access better quality housing and required health services. At family level – women more likely to invest in children’s education and their enhanced economic status reduces the risk of girls being absorbed into paid or unpaid child labor

**Social and psychological benefits to Women, pp. 26-29:**
- Enhanced sense of self-worth
- Increased respect from the community
- More harmonious family relationships and higher status in the household

**Benefits specific to the co-operative model, pp.29-30:**
- For financial co-ops: a bigger capital and larger loans (than offered by the smaller scale and informal groups)
- More democratic and better-controlled governance thanks to audits and more regulated and equal relationships between members
- More scope for support from external organizations as co-ops have better networking abilities
  - Downside: joining formal co-ops often poses more challenges for women than does membership in smaller informal groups (which partly explains the multiplication of women groups in recent years)

**Benefits specific to women, pp. 29-30:**
- In ag and non-ag self-employment where women’s technical and managerial skills are lower, services offered by co-ops are a key element of maintaining and developing the performance of their economic activities
- Women access to fin institution, especially in rural areas, is lower than men’s so SACCOs offer a much-needed response to their needs
  - From a practical perspective, economic benefits are particularly relevant to women given their role in ensuring family nutrition and health
  - Joining a co-op offers a means of exchanging experiences, exercising voice and accessing leadership roles, confidence-building and exposure.


<table>
<thead>
<tr>
<th>Who</th>
<th>James K. MBUGUA, Susan N. MBUGUA, Magdaline WANGOI, Joash O. OGADA, Jane n. KARIUKI (U. of Kabianga, Maasai Mara U, Moi U)</th>
</tr>
</thead>
</table>
| When-Where | • In Eldoret  
• Targeted tailoring and dressmaking enterprises with less than 50 employees and licensed to operate in Eldoret  
• Used Questionnaire with both structure and unstructured questions; interview and observations  
• 130 out of 148 samples enterprises returned a satisfactory questionnaire (87.2% return rate) |
| Why-Purpose | • Identify and analyze factors that affect the growth of these enterprises  
• Establish characteristics of these enterprises and those of the proprietors  
• Problem: why, despite the potential, is this sector in Kenya dogged by non-growth of its enterprises? |
| What - Main findings | • Tailoring and dressmaking in E dominated by men – 76 out of 130 respondents (58.5%) were male against 54 (41.5%) respondents were female  
• Out of 130 respondents, only 6 were funded by a bank/fin institution. All the others got seed capital from either friends/family or by own equity through saving or sale of personal assets.  
• Second-hand clothes and imported ready-made garments reduced market share for the tailoring and dressmaking products  
• Tested hypothesis considering:  
  o business management (training in), level of marketing, and availability of finances.  
  o For characteristics of entrepreneurs looked at # of years in self-employment, the motive of going into self-employment, the marital status of the owner  
  o Detailed numeric results p. 290-291  
• Revealed that most tailoring and dressmaking in Eldoret experienced minimal or no growth despite their potential of being a crucial tool with which to reduce poverty and create employment. A majority still at the start-up phase, mainly due to lack of finances |
| | • Recommended (p. 292):  
  o that the government, together with other stakeholders, helps in training and funding of these nascent enterprises;  
  o the government put in place policy measures to protect the entrepreneur from unwarranted competition.  
• These measures recommended as a precursor to improving the tailoring and dressmaking enterprises in Eldoret and by extension, to all micro enterprises |


<table>
<thead>
<tr>
<th>Who</th>
<th>Leonard O. BAKA (Jomo Kenyatta U of Ag and Technology)</th>
</tr>
</thead>
</table>
| When-Where   | - Interviews, some questionnaires, observations, desk studies  
               - 10 employees from KPCU and 10 from the Min of co-op & Dev, including:  
                  o 5 top managers  
                  o 5 middle-level managers  
                  o 10 lower-level managers  
               - [not quite clear when the study was conducted – 2012?] |
| Why-Purpose  | - Could the union have been saved if the above issues were well monitored? The study looks at leadership in the Kenya Planter Cooperative Union (KPCU) as the main challenge (apart from other common problems associated with weak legislation, poor financial mgt, governance and political interference);  
               - Aims to enlighten those that are managing cooperative societies to improve the way they conduct the affairs of co-op societies  
               - In the study (p. 35-36): Dependent variable: performance  
               - Independent variables: leadership, political interference and financial management |
| Background:  | - KPCU the largest union (established 1937) but: leadership disputes, corruption and mismanagement have adversely affected the financial and organizational stability, as well as fin performance; major disagreements between Board and Management; delayed payments to farmers so some affiliated co-ops sell through private agents adversely impacting KCP; secondary co-op unions started providing services that KCPU used to provide.  
               - In the study (p. 35-36): Dependent variable: performance  
               - Independent variables: leadership, political interference and financial management |
| What - Main findings | - KPCU problems are rooted in its dual registration – as a co-op union AND under Companies Act as limited liability company– this compromised leadership styles used to make decisions and manage; Government tried to reconcile various interests between small-scale farmers and estate producers; in 2012 Government intended to take over  
                  - (p.41-42) Cooperative societies are faced with a challenge of:  
                     o Leadership – 40%  
                     o Political interference – 30% (see p. 36)  
                     o Financial management – 30%  
               - These factors were identified as the main challenges facing co-op society; specific actions must be taken to help strengthen them (p. 42)  
               - Recommended (p. 42):  
                  - Leadership: assist co-ops in hiring qualified and experienced employees; train staff, invest in training, create awareness of co-op members’ rights so they demand good governance. i.e. transparency and accountability  
                  - Financial management: invest in developing sound management and accounting models for adoption by co-ops in a more liberalized economy; set up watchdog systems to improve internal/external accounting, budgeting, etc.; increase penalties for fraud and misappropriation  
                  - Political Interference: set up systems to eliminate. Typical ways include:  
                     o Government imposes individuals on top leadership  
                     o Formation of fictitious entities by politically connected individuals for the provision of services at inflated prices (conflict of interest)  
                     o Illegal contribution of member funds to political activities or parties. |

<table>
<thead>
<tr>
<th>Who</th>
<th>GWEYI, Moses Ochieng; NDWIGA, Peter Musangi; KARAGU, Jeremiah Mugo</th>
</tr>
</thead>
<tbody>
<tr>
<td>When-Where</td>
<td>• Conducted in Kericho County, Kenya</td>
</tr>
<tr>
<td></td>
<td>• Targeted the entire county cooperative societies (1200 drawn randomly; included 35 SACCO management committees, 61 SACCO staff, 120 SACCO ordinary members and (24) community, leaders</td>
</tr>
<tr>
<td></td>
<td>• The research sample of 240 residents i.e. 20% of the total target population</td>
</tr>
<tr>
<td>Why-Purpose</td>
<td>• Investigates the impact of the cooperative movement in rural development in Kenya – on employment generation, poverty eradication and infrastructure development</td>
</tr>
<tr>
<td></td>
<td>• Determine why rural cooperatives have not fully utilized the enormous potential opened up by its vast outreach programs; over the years, cooperative institutions have ‘constantly remained underutilized’</td>
</tr>
</tbody>
</table>

What - Main findings

Co-ops impact on:

Poverty eradication, Fig 4 p.9:
• 61% of respondents acknowledge cooperatives’ role on poverty eradication; 39% see no such role

Income generation activities, Fig 5 p. 9:
• 80% acknowledge cooperatives’ role (very high and high responses)
• 13% see an average role, 7% very little role

Impact on infrastructure development, Fig 3 p.8:
• Very high (38% of respondents) and high (28%); average impact – 20%, very little impact 14%

Impact on local community development, Fig 6 p.10:
• 55% acknowledged effective service delivery
• 23% argued that co-ops facilitate achievement of Vision 2030
• 15% argued co-ops promote accountability and transparency on implemented projects
• 7% thought ‘the cooperative movement is meant for SACCO management committee effectiveness’ [Not sure what this means]

On Unemployment:
• This role remains unrecognized
• Found that ag co-ops have played a significant role in reducing unemployment ‘by generating permanent and temporary employment to both skilled and unskilled individuals, providing credit- and/or grant-based financial support to unemployed people, which enable them to engage in micro and small activities, and building the confidence and awareness of the local people about self-employment via intensive discussion and training.’ P.10.
• Also, considerable contribution in ‘empowering poor women by actively participating in minimizing traditional beliefs against women, enshrined the principle of gender equality in their by-laws to develop a positive outlook on the local people and the adoption of affirmative initiatives (a special privilege in credit access, training and financial support).’

Impact on environment and environmental initiatives p. 10:
- Vital role in protecting the environment from degradation through making their members conscious of the impact/effect of environmental degradation and undertaking various rehabilitation initiatives
- About 80% of the ag co-ops in the study area have actively participated in environmental rehab activities.

<table>
<thead>
<tr>
<th>Who</th>
<th>Muturi Phyllis MUTHONI</th>
</tr>
</thead>
<tbody>
<tr>
<td>When-Where</td>
<td>Desk review, interviews with key actors</td>
</tr>
<tr>
<td></td>
<td>[Not clear when conducted?]</td>
</tr>
<tr>
<td>Why-Purpose</td>
<td>KPCU is a unique organization with a unique role but in crisis</td>
</tr>
<tr>
<td></td>
<td>1990-2001 under pressure from the World Bank, the GOK took a series of steps to loosen its control over the cluster. Steps included: pulling out of co-op management in 1991; ending in 1995 financial support to coops, the KPCU and Coffee Research Foundation; relaxing applicable regulations</td>
</tr>
<tr>
<td></td>
<td>Membership of 700,000 small-scale farmers, 300 co-ops and 2,000 private estates (FAO 2004), had 4 coffee mills.</td>
</tr>
<tr>
<td></td>
<td>In 2007 GOK/EU funding, ordered an independent study of KPCU to establish bottlenecks – indicated poor governance was one of the major hindrances</td>
</tr>
<tr>
<td>What - Main findings</td>
<td>There are various opportunities for KPCU to seize to improve performance in the VC. There are also challenges [p.210-212]</td>
</tr>
<tr>
<td></td>
<td>Issued: quality dropped over time, poor soil quality due to lack of organic manures, lack of services to help improve farm husbandry</td>
</tr>
<tr>
<td></td>
<td>Re co-ops: p. 210</td>
</tr>
<tr>
<td></td>
<td>o Introduce more market discipline at the co-op level. Ensure info reaches farmers to enhance informed decisions and elect managers who will spur the co-ops to greater heights</td>
</tr>
<tr>
<td></td>
<td>o Monitor activities of co-ops which will help improve performance; Government should help co-ops by providing them with subsidies and relevant market information which may boost production and help farmers to improve quality</td>
</tr>
<tr>
<td></td>
<td>o Elections of managers in co-ops should be manned to avoid rigging of elections</td>
</tr>
<tr>
<td></td>
<td>o Improvement of infrastructure is paramount to ease the agony of some farmers when transporting their produce to the factories (Chege, 2012)</td>
</tr>
</tbody>
</table>

|                        | Urgent reforms are needed in the co-op sector to make them more responsive to producers’ needs as well as streamlining their operations [p. 215] |

<table>
<thead>
<tr>
<th>Who</th>
<th>Evelyn Anguche Libendi MUMANYI, Jomo Kenyatta U of Ag and Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>When-Where</td>
<td>• Desk research method</td>
</tr>
<tr>
<td>Why-Purpose</td>
<td>• Identify challenges facing SACCOS in Mombasa</td>
</tr>
<tr>
<td>What-Main findings</td>
<td>• Various authors noted the importance of leadership and governance</td>
</tr>
<tr>
<td></td>
<td>• SACCOS fit into Econ Pillar of Vision 2030 but need to be more assertive to ensure they do not lose relevance and opportunities in their own business and national development</td>
</tr>
<tr>
<td></td>
<td>o [p. 16] overriding challenge: how co-ops can remain positively focused and intensify investments and other efforts in the poor tiers of the population while balancing sustainability with profitability i.e. doing good and doing well at the same time.</td>
</tr>
<tr>
<td></td>
<td>• Cites research on brand name recognition: [p.18]: ‘A research by the weekly magazine ‘The East African’ showed that 75% of people preferred dealing with the co-ops because they fairly price their products. But the co-ops have failed to take advantage of this fact to get more members and this is due to poor technological adaptation by the same co-ops so there is no connection to the prospective markets.’</td>
</tr>
<tr>
<td></td>
<td>• P. 19: Ministry changes: now cooperative issues are subsumed into the ministry of industrialization and enterprise (formerly there was Mon of Co-op Dev and marketing) – this is a challenge; co-ops need to be promoted as community development strategy since by their nature they behave differently than other institutions in terms of pricing, commitment to community, ability to provide goods and services.</td>
</tr>
<tr>
<td></td>
<td>• Co-ops must use technology more effectively [p. 19-20]</td>
</tr>
<tr>
<td></td>
<td>• Co-ops need good visionary leaders [p. 20-21]. Unfortunately, through their democratic and open membership they ‘attract undesirable leaders who threaten the future of the cooperatives, (Parnel, 1995) leaders with selfish motives and personal interests are hard to remove since they are skilled at manipulating members to retain their support. Weak co-op leadership antagonizes employees and members, leads to low productivity, high costs, apathy, low morale, inefficiencies and resistance to change.’ But there are GOOD EXAMPLES like Cooperative bank of K, Union KUSCCO, or cooperative insurance company.</td>
</tr>
<tr>
<td></td>
<td>• P. 24: Generally, the study has revealed that ‘there is rapid growth in SACCOs in Kenya’; they have come up with new products for youth and women</td>
</tr>
<tr>
<td></td>
<td>• But they will do better if they ‘continue to move away from the tag of being perceived as social welfare units to establishing themselves as serious business entities and it is the feeling of many that they need a stand-alone ministry.’</td>
</tr>
<tr>
<td></td>
<td>• List of challenges and opportunities for SACCOs p. 22-23-24</td>
</tr>
<tr>
<td>Recommendations—pp. 24-25</td>
<td>• ‘Cooperatives are advised to keep national politics away from the SACCOs politics since it divides its membership into political zones as is portrayed in the country. This will only be successful if members are educated often and reminded of the main purpose of the society, why they are members, their respective roles and responsibilities.’</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Who</th>
<th>David N. MUSUYA, Kibabii U College</th>
</tr>
</thead>
<tbody>
<tr>
<td>When-Where</td>
<td>• Surveyed all farmers’ cooperatives societies in Kenya with the largest target population constituted the farmers in Bungoma County; studied financial documents</td>
</tr>
<tr>
<td></td>
<td>• 20 co-op societies involved</td>
</tr>
<tr>
<td></td>
<td>• The relationship between the society’s governance structures and performance were measured by multiple linear regression model, p.8</td>
</tr>
<tr>
<td>Why-Purpose</td>
<td>• To establish a relationship between the performance of coffee farmers’ cooperative societies and corporate governance mechanisms</td>
</tr>
<tr>
<td></td>
<td>• To fill the gap: empirical studies on how corporate governance issues impact co-ops in Kenya still very few, p.6</td>
</tr>
<tr>
<td>What - Main findings</td>
<td>A correlation is shown in all studies between performance and the governance mechanisms: regression coefficients for the board size and board composition were negative indicating an inverse relationship while for CEO status indicated a positive relationship. p.9-10</td>
</tr>
<tr>
<td></td>
<td>• Board composition – did not significantly show improved performance, p.9-10</td>
</tr>
<tr>
<td></td>
<td>• Board size (in most societies 7 or 8) - did not significantly show improved performance</td>
</tr>
<tr>
<td></td>
<td>• Roles of the board – clearly separation of the roles of the board chair and CEO showed improved performance</td>
</tr>
<tr>
<td></td>
<td>o The survey showed that ‘most of the directors somehow did not understand their duty towards creating value for the farmers they used to represent.’ P.9-10</td>
</tr>
<tr>
<td></td>
<td>o Co-ops that did attempt to separate the role of Chairman from that of manager-secretary standing in as CEO, performed better during the period.</td>
</tr>
<tr>
<td></td>
<td>o In those societies that did not attempt to separate these functions, the agency costs were significant. P.10</td>
</tr>
<tr>
<td></td>
<td>• Separation of the roles of Board Chair and CEO, the appointment of non-executive directors and board size limit mitigate the agency conflict – thus corporate governance mitigates the agency conflict. P. 10</td>
</tr>
</tbody>
</table>

General finding: in agreement with earlier empirical studies that corporate governance compliance enhances performance


<table>
<thead>
<tr>
<th>Who</th>
<th>Kiplagat Kennedy KIMAIYO and George OCHIRI, Jomo Kenyatta U of AG and tech</th>
</tr>
</thead>
</table>
| When-Where | • The targeted general staff of 500 of New KCC (Kenya Cooperative Creameries); sample size 83 respondents  
• Used a descriptive research design; Both q&q data, statistical analysis |
| Why-Purpose | Need to validate how inventory management (IM) enhances the performance of manufacturing firms in Kenya; reference to New KCC.  
**Background:**  
Studies have shown that the tremendous cost savings and potential revenue can be generated by the enhanced management of distribution and inventory. But:  
• In 2012, New KCC was affected by poor inventory management related cases leading to low performance (p. 3). This caused erratic/late deliveries, and inflexibility hence affecting customer satisfaction with/in their downstream chain. Customers are concerned with the unavailability of the product and the ability of the firms to meet their needs in a timely fashion.  
• Integrated IM system was unavailable to New KCC which led to reduced profits in the downstream chain (hence leading to loss of chain profits)  
• Few studies, only some of how IM adopted in the public sector in developing countries |
| What - Main findings | • Holding stocks and ordering costs may increase the performance of an organization  
  o Inventory cost reduction eliminates wastages on the materials used in the production of milk at KCC.  
  • Cost reduction helps in preparing employees towards managing the inventory ideology:  
  o Cost reduction helps in preparing employees towards managing IM and also in achieving profitability objectives  
  o Inventory Management System (IMS) is a good tool! Will help save costs and increase performance  
  o IMS facilitates resource integration and decision-making through cross-functional teams that improve efficiency and effectiveness – one way to improve is to set up automated inventory tracking from the time you accept merchandise at the receiving dock or factory floor to the sale of your goods  
  • Cost reduction equips an organization with sufficient resources and inventory; cost reduction helps in achieving profitability objects  
  • The inventory control system, organizational development, info sharing and channels relationship affect the performance of manufacturing firms  
  o Supplier demand affects the performance of the New KCC: info sharing, channel relationships affect perf. |

<table>
<thead>
<tr>
<th>Who</th>
<th>Pauline Jeruto KEITANY, Daniel M. WANYOIKE and Salome RICHU, Jomo Kenyatta U of Ag and tech</th>
</tr>
</thead>
</table>
| When-Where           | • Focused on New KCC, Eldoret, Kenya  
|                      | • 56 employees; sample 49 respondents selected from this population using the stratified random sampling technique,  
|                      | • focus on 7 departments which deal directly with materials |
| Why-Purpose          | Kenyan production and manufacturing firms, and specifically, businesses in the dairy sector are facing competition in the current markets which has led to the need for coming up with better ways and strategies of managing material resources hence eliminating waste in the VC and thus enhancing organizational performance. KCC was mismanaged until it collapsed in the 1990s. |
| What - Main findings | • Results that ‘there was a significant increase in organizational performance as a result of inventory control system involvement  
|                      | • The lead time was highly significant through acquiring and delivering the needed materials within the shortest time possible  
|                      | • To achieve significant cost savings, must reduce waste and production costs; this to achieve an increase in profitability and product quality  
|                      | • Recommended that dairy companies use Info Comms techo (ICT), proper codes, and training employees in the use of inventory control systems  
|                      | • Recommendations to New KCC and other dairy companies – how to boost Materials Management; recommit to training to use of info-technology |

<table>
<thead>
<tr>
<th>Who</th>
<th>Rowshan HANNAN, U of Leeds, UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>When-Where</td>
<td>• Considers a case study of two dairy farmer cooperatives in Kenya pp. 705-707 observed over 5 years: 2007-2012 (incl. drought of 2009)</td>
</tr>
<tr>
<td></td>
<td>• Field research in July-October 2012, 2 co-ops studied, in the same district (semi-arid region)</td>
</tr>
<tr>
<td></td>
<td>• Board directors were representing villages since 2007</td>
</tr>
<tr>
<td></td>
<td>o A – active membership of 215, 33% female, 9 in Board</td>
</tr>
<tr>
<td></td>
<td>o B - 140 members, 45% female; before 2007 considered financially solvent; vote of non-confidence in 2012, big problems</td>
</tr>
<tr>
<td>Why-Purpose</td>
<td>To obtain empirical material to study the effect of governance relationship</td>
</tr>
<tr>
<td>What - Main findings</td>
<td>Key findings</td>
</tr>
<tr>
<td></td>
<td>in A:</td>
</tr>
<tr>
<td></td>
<td>– the director suggested changing of governance related to a relationship where ‘members and staff are moving away from control to more of a balance with partnership’ p. 708</td>
</tr>
<tr>
<td></td>
<td>-the board relinquished the day-to-day management of the society to the manager, recognizing their role as ‘beyond the petty things.’ Adopted a more strategic role within the governance of the society</td>
</tr>
<tr>
<td></td>
<td>-Leveraged support from outside stakeholders</td>
</tr>
<tr>
<td></td>
<td>In B:</td>
</tr>
<tr>
<td></td>
<td>-found evidence of members struggling to exert control on management and the board – a more top-down approach to identifying needs, p.709</td>
</tr>
<tr>
<td></td>
<td>- members used meetings more for exerting control on leadership than as an engagement in partnership; little evidence of wider member consultations;</td>
</tr>
<tr>
<td></td>
<td>Leadership and members are not necessarily working together</td>
</tr>
<tr>
<td></td>
<td>-unable to effectively leverage support from outside stakeholders</td>
</tr>
<tr>
<td></td>
<td>-An imbalance between operations and effective representation resulting in reduced effectiveness linked to networking and negotiating for other service provision, p.710</td>
</tr>
</tbody>
</table>

**Good governance allows processes (or activities) within cooperatives to be undertaken more effectively, impacting poverty outcomes at the village level.**

<table>
<thead>
<tr>
<th>Who</th>
<th>Githinji Catherine WAIRIMU</th>
</tr>
</thead>
<tbody>
<tr>
<td>When-Where</td>
<td>Review of historic (1908-1963) and current data relating to cooperatives</td>
</tr>
<tr>
<td></td>
<td>Nyandarua county-wide and, specifically, focused on Karagoini Cooperative Society (1967-2000)</td>
</tr>
<tr>
<td></td>
<td>Focus on the impact of liberalization of the agricultural sector of the society (1980-2000)</td>
</tr>
<tr>
<td></td>
<td>The study employed purposeful sampling to capture samples of informed respondents. A total of 40 informants between the age of 45 to 80 years were interviewed between 2008 to 2014. These included members of the society, management teams and co-operative officers in the county.</td>
</tr>
<tr>
<td></td>
<td>Used four types of data, namely archival data, oral and written interviews and library research. Provided question guides.</td>
</tr>
<tr>
<td>Why-Purpose</td>
<td>To assess the impact of liberalization on Karagoini co-op</td>
</tr>
<tr>
<td></td>
<td>Identify needs for future support</td>
</tr>
<tr>
<td>What - Main findings</td>
<td>Historic:</td>
</tr>
<tr>
<td></td>
<td>Formed after members acquired individual plots in 1967 after paying the expected fee as a requirement for voting. Membership in the Karagoini Co-operative Society was compulsory as one acquired land.</td>
</tr>
<tr>
<td></td>
<td>Several co-operative societies were formed in the Sub-county from 1965. Karagoini members produced common commodities, such as pyrethrum, milk, maize and wheat which they sold through the societies. This was advantageous to control sales and avoid exploitation by private traders</td>
</tr>
<tr>
<td></td>
<td>Current:</td>
</tr>
<tr>
<td></td>
<td>Liberalization has been viewed as a major cause of the rise of private merchants. The dairy sector was highly affected during the wave of liberalization in 1992. Most of Karagoini members declined to take their produce to the co-operative society especially when their payments were not made on time. The society became less active from late 1999 when KCC was unable to buy milk or pay the members. Farmers started taking their milk to private traders and companies which offered better payments.</td>
</tr>
<tr>
<td></td>
<td>that the government promoted the co-operative societies in Nyandarua County after independence. This was mainly achieved through education and training.</td>
</tr>
<tr>
<td></td>
<td>Findings:</td>
</tr>
<tr>
<td></td>
<td>the leaders and managers were not well-positioned for competition in a liberalized, globalized and technologically competitive market economy. The co-operative sector has been losing out on its previously dominant position to other sectors in the national economy.</td>
</tr>
<tr>
<td></td>
<td>There is a need for rigorous policy analysis, which can stimulate co-operative growth, though this has not been an obvious priority for co-operative leaders.</td>
</tr>
<tr>
<td></td>
<td>There is a vast gap between co-operative policy analysis and decision making.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Who</th>
<th>Simeyo OTIENO &amp; Evans Hedson OMBUNA</th>
</tr>
</thead>
</table>
| When-Where | • Surveyed 10 coffee cooperative societies in Kisii Central  
• A total of 80 respondents consisting of 40 executive committee members, 30 supervisory committee members, and 10 managers  
• Secondary data included complaints, sales data, reports and other records  
• Used simple regression to establish the relationship between the guidelines and the extent to which they had been practiced and their effect on performance |
| Why-Purpose | Three objectives: to establish  
1. the extent to which coffee cooperative societies in Kisii Central District have practiced the Government Corporate Governance guidelines  
2. the level of Society performance of the coffee societies in Kisii  
3. to analyze the relationship between the extent to which Coffee societies have practiced the corporate governance guidelines and their level of performance |
| What - Main findings | Objective 1:  
• the only guideline well practiced is the transaction and documentation within the specified time. Most coffee societies do not implement the guidelines on members’ issues attended to and responded to immediately, and high moral values practiced contrary to the requirements of the Public Officer Ethics Act, 2003.  
  o P. 150: looked at adherence to GovGuidelines such as 1. Documentation and transaction completed within a specified time (highest score); 2. Services to members within a specified time (moderately), 3) members issues attended & responded to immediately (low), 4) open leadership and democracy practices (moderately), 5) high moral value practiced.  
  o P. 151 – if members’ issues are not attended to, they will not patronize the society. Finding similar to Mudibo 2005  
• Performance - Asked about whether:  
  o 1. There has been accurate weighing and recording members’ coffee --poor b/o of lack of proper scales machines,  
  o 2) the society has consistently and timely processed members’ produce -- moderate, most still operate old processing facilities which may be slow and break down often,  
  o 3) the society increased the number of coffee bags marketed – moderate, not clear why societies cannot be consistent  
  o 4) coffee payment rate has been improving over time – moderate; 46% admit that membership remains constant; suggest that societies do not do enough to increase membership!  
  o 5) prompt payment of dues – wanting, members want better!  
• The practice of corporate governance, P. 156: practices have not translated into overall better performance of these societies - Corporate governance guidelines contributed only 21.3% to the coffee societies’ performance –which is nonetheless considered significant. |
| Recommended | Train on governance to help improve coffee societies in management and decision making; Sensitize members of the sector; Government needs to update corporate governance guidelines |

<table>
<thead>
<tr>
<th>Who</th>
<th>Mwatsuma Kitt MWAMUJE, Mary Chari MUKARE, Owen Yaa BAYA</th>
</tr>
</thead>
</table>
| When-Where | • conducted in Kilifi county in September 2014; all active co-ops in Kilifi county; employed a cross-sectional survey;  
• A total of 74 co-ops surveyed; SACCOs comprised 73% of all active cooperative societies in the county, ag-marketing 16%, co-op unions 1%, housing 7%, and non-ag-marketing 3%; 83% response rate  
• The total membership of 32,944 men and 19,671 women – totaling 52,615 members who directly benefitted from the co-op movement |
| Why-Purpose | • The study used Kilifi data as of 2012 as a starting point  
• Against this background, assess new challenges and opportunities brought by the devolved system of govt (following devolved governance structure based on the constitution of Kenya 2010) to enhance cooperatives performance  
• Identify determinants of performance of Kilifi county coops |
| What -Main findings | • Savings and credit co-ops remained the most vibrant and high in numbers  
• 41.9% of respondents noted that the coming in of the devolved system of govt had created an opportunity for them to have their capacity built in terms of skills and resource support from the county govt  
• Devolved system has the potential of enhancing performance across the country if the county govt would support them; the devolved system would contribute to the growth of co-ops if the county leadership would put in place a development agenda for coops  
• Opportunities for co-ops under the devolved system far outweighed the possible challenges  
• Cooperative leaders and members need to keep learning best practices and how to engage country govt |
| | • STRONG POSITIVE CORRELATION  
  o Between a co-op’s number of workers and turnover  
  o Between the savings a co-op made and the turnover  
  o Between the turnover of a cooperative and how many members it had  
• WEAK POSITIVE CORRELATION  
  o Between how many times the co-op changed its chairman and the savings it made  
  o Between the age of a company and the savings it made  
  o Between the age of a cooperative and the turnover it made  
• NO CORRELATION  
  o Between the turnover and how many times a co-op conducted an AGM since inception  
  o Between the turnover and how many times a co-op changed the CEO since inception  
  o Between savings and how many times a cooperative conducted an AGM since Inception. This is the weak positive ... b/o changes of chairman and savings |

<table>
<thead>
<tr>
<th>Who</th>
<th>Scott Bellows, Rosalie Hall, Mark Matabi, Kristin Wilcox</th>
</tr>
</thead>
<tbody>
<tr>
<td>When-Where</td>
<td>• Studied 12 counties; randomly selected 19 cooperatives</td>
</tr>
<tr>
<td></td>
<td>• Various sectors included</td>
</tr>
<tr>
<td></td>
<td>• 506 members surveyed in 2017</td>
</tr>
<tr>
<td>Why-Purpose</td>
<td>• Study of trust and its impact within cooperative structures</td>
</tr>
<tr>
<td>What - Main findings</td>
<td>• There is complete mediation (via Trust) of the effects of Interactional Justice on Satisfaction, Commitment, and Political Empowerment</td>
</tr>
<tr>
<td></td>
<td>○ There is no remaining direct effect of Justice on these three outcomes</td>
</tr>
<tr>
<td></td>
<td>• The effects of Interactional Justice on Perceived Voice and Social and Psychological empowerment are significantly carried through Trust, but there is also a remaining direct effect of Justice on Voice that is not mediated by Trust</td>
</tr>
<tr>
<td></td>
<td>• The effects of Interactional Justice on Active Membership are significant, but they are not carried through Trust.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Who</th>
<th>Ngeywo, Javan; Were Edmund; Ayuma Caroline</th>
</tr>
</thead>
</table>
| When-Where | • Research carried out in Trans Nzoia County in 30 coffee coops  
  o 29 of which affected by dismal performance in the recent past leading to the closure of 5 of them  
  • sample size of 346 respondents selected at random from among 3,274 small-scale coffee farmers  
  • used a cross-sectional survey using self-administered structure questionnaires; SPSS program used to analyze data |
| Why-Purpose | • Little attention was paid to the activity scheduling process plan implementation in coffee production performance, especially in the co-op society sector; study to determine their importance |
| What-Main findings | • Activity schedules have a statistically significant influence on organizational performance (P<0.05). The existence of activity schedules in the coffee coops have a significant relationship with:  
  o Time utilization  
  o Reduced and efficient labor force  
  o Increase efficiency in decision making  
  o Increased individual responsibility in work  
  o Led to a reduction in waste  
  • Also, the statistically significant relationship with enhanced operational timeliness of activities  
  • But, the insignificant relationship between who prepares the activity schedule and various improvements; it does not matter who prepares the activity schedule so long as it was well prepared and implemented  
  • Respondents viewed activity schedules as beneficial in improvements of time utilization, reduced cost, reduction of wastage, enhancing timeliness |
| Recommendation | Activity schedule process planning implementation is important for performance; Coffee co-op societies need to adhere to the activity schedule as a process planning tool to enable them to perform optimally. |

<table>
<thead>
<tr>
<th>Who</th>
<th>Gisheru, Esther; M’Imanyara, Kirianki; Maiyo, Silas</th>
</tr>
</thead>
</table>
| When-Where   | • Covered 4 out of 12 counties in which consumer co-ops historically operated, and 10 out of 211 registered consumer co-ops in Kenya  
• 10 key informants; incl. 10 co-op reps, 1 national government, 4 county government officials, 2 trade union reps, 1 co-op organization |
| Why-Purpose  | • To establish the number, status, and membership of consumer co-ops in Kenya; to assess their contribution to national development  
• To understand the link between consumer co-ops and the labor movement in Kenya; how it helped  
• To establish factors that facilitate or limit the development of consumer coops |
| What - Main findings | On the number of consumer co-ops, on status of active-inactive: More than 40% inactive: 59.7% of the total number registered is active; 12.3% dormant; 2.4% liquidated; 25.6% no info or status unknown (p. 36).  
On the contribution to the development of consumer co-ops: large/huge (43+14=57%) because of members in terms of promotion of social inclusion, social integration and social cohesion among workers from different communities; food security and health general satisfaction of needs. Also, to social protection and participation (p. 36-37).  
On the role of the labour movement: considered minimal; the general perception that the labour movement has disconnected itself from cooperatives in general, and consumer cooperatives in particular (p. 38).  
Factors that hinder/facilitate development: low support from Government and labor movement; low financial contributions from members, poor policies and laws (p. 38-39). |