Marketing Cooperatives and Peasants in Kenya

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The project included a field study period in Kenya from January 1979 to May 1979. Most of the field study period was spent in Mwogeto Sublocation in Kisii, where in-depth studies of the marketing cooperatives in the area were made, and a group of peasants interviewed in 1975 by the Centre for Development Research, were reinterviewed.

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It is my hope that the study will be useful to the cooperative movement in Kenya, and that other researchers might find inspiration to continue research activities within this rather neglected area.

The author alone is responsible for views and conclusions.
Contents

Preface

Chapter I
Introduction 9

Chapter II
What is a marketing cooperative? 14

Chapter III
Marketing Cooperatives in developed and developing countries 17

Chapter IV
Development of the cooperative movement in Kenya 20
1. Prerequisites for cooperative development in Kenya 20
2. Policy and role of the Government 21
3. Structure and growth of the cooperative movement 24
4. Regional development of agricultural marketing cooperatives 27
   4.1. Introduction 27
   4.2. Regional cooperative development since Independence 27
   4.3. The integrated approach through cooperatives 33

Chapter V
Case study of a peasant society in Kisii 36
1. Selection of case study area 36
2. Agriculture in Kisii 38
3. Farming in Mwogeto Sublocation 41
   3.1. Introduction 41
   3.2. Farming methods 41
   3.3. Land purchase and tenancy 45
   3.4. Land utilization 47
   3.5. Land differentiation 50
   3.6. Income differentiation 52
4. Capitalist and precapitalist modes of production 58
5. Prospects for agricultural development in Kisii 64

Chapter VI
Case study of marketing cooperatives in Kisii 67
1. Historical outline 67
2. Present structure and situation 69
3. Multipurpose versus singlepurpose societies    71
4. The cooperative credit schemes     75
5. Non-agricultural activities of the cooperative societies     79
6. Members' attitudes towards the cooperative societies    81
7. Concept of the role of the government and the unions   83
8. The membership democracy    85
9. Marketing cooperatives and politics     88
10. The position of women in the cooperatives    91
11. The social characteristics of committee members    92
12. The impact of agricultural marketing cooperatives on social differentiation    94
13. Cooperative marketing versus the parastatal tea marketing system    96
14. The impact of cooperatives on agricultural production    102

Chapter VII
Conclusion    105

Appendix 1    111
References    114
CHAPTER I

Introduction

A comprehensive study of marketing cooperatives in Kenya should attempt to answer the following question:

Can marketing cooperatives in a developing country like Kenya be a means to defend the interests of peasants against transnational corporations, government interference, and dominance by rich peasants, when most members are ill-educated, traditional social structures still play a crucial role, and the marketing cooperatives depend on technology, credit, etc., from the developed countries?

In this study all the above-mentioned aspects will not be studied comprehensively, as it far exceeds the capability of the study with the given resources. External relations, i.e., marketing cooperatives seen in relation to the international pattern, will only be included peripherally, whereas the main focus will be on the relation between marketing cooperatives and the peasant society, which they are built upon. Hence the main issue of the study is the impact of marketing cooperatives on socio-economic relations of the peasantry and vice versa.

A prerequisite for a study of marketing cooperatives in Kenya is naturally a correct understanding of the character of marketing cooperatives and the surrounding society. Often rather idealistic concepts on the character of marketing cooperatives have led to failures, because their limitations and possibilities were not understood properly. Thus it is in this study regarded to be a result of idealistic concepts, when marketing cooperatives are understood as instruments to uplift the social and educational standard of all citizens, or as instruments which automatically lead to a reduction of social and regional differentiation. A brief analysis of some Kenyan experiments, which seemingly have been based on such concepts, has therefore been included in the study.

But as mentioned, the main focus of the study is on the problems of marketing cooperatives in relation to their basis, i.e., the peasants and agricultural production. The scope of this study is consequently broader than most other studies on marketing cooperatives, which have emphasized mainly the internal problems of marketing cooperatives and their relation to governments. The importance of this broadening of the scope relates not only to the more obvious effects that development of the peasantry might
imply for the marketing cooperatives due to for example educational constraints hampering their development or traditional structures leading to conflicts, but is based on the more fundamental hypothesis that an egalitarian basis is of crucial importance for marketing cooperatives. This hypothesis seems to have gained support through the present study, as the results from the selected egalitarian peasant society seem more promising for the prospects of marketing cooperatives than studies from less egalitarian areas of Kenya, although direct comparisons are difficult. The case study therefore seems to indicate that developments of the marketing cooperatives and the small-scale farm sector might support each other in a fruitful and reciprocal way if the production structure is homogeneous and the social structure egalitarian. Thus, marketing cooperatives in the selected area – contrary to experiences from numerous other studies on marketing cooperatives in developing countries – had not been turned into instruments in the hands of a clearly segregated rural elite, and it is our thesis that the main explanation for this difference is the homogeneous and egalitarian basis that marketing cooperatives are built upon in the selected area. Reversely, marketing cooperatives also seem to preserve the existing egalitarian structure, as they are open to all peasants, regardless of their farm sizes and production, and they all benefit in an equitable way from the marketing cooperatives. Hence a fruitful, mutual relationship seems to exist between marketing cooperatives and their egalitarian basis in the selected area.

Most studies of marketing cooperatives in developing countries have ended up with rather negative conclusions on their role as development tools. They have often been reported to be instruments in the hands of a narrow rural elite, and their performance has been poor due to both internal factors like poor management and conflicts among members, and external factors like dependency on government interference.

This study, however, ends up with rather positive conclusions on their prospects based both on the above-mentioned seemingly fruitful interdependency of an egalitarian basis and the marketing cooperatives, but also based on a seemingly positive development trend concerning internal constraints during the last decade. Thus educational standards of staff, committee members and ordinary members seem to have been raised, management and administration seem to have improved, and conflicts and divisions within the peasantry seem to have lessened. The latter seem both to be a consequence of the gradual undermining of traditional social structures, which often caused problems for the marketing cooperatives, as conflicts of external character were brought in through the membership democracy, and on the other hand conflicts have seemingly lessened due to
improvements of management and administration, which leave less room for such articulation of external divisions and internal problems.

The importance of a broadening of the scope of the study so as to include the crucial relation to their basis— the peasantry—is also demonstrated when attempts are made to analyse the prospects of marketing cooperatives in developing countries. Without a proper understanding of the basis of marketing cooperatives such analysis of their prospects can hardly be anything but guessing. Such analysis must be based on a correct understanding of both the type of society and cooperative in question and the prospects for small-scale farming in Kenya. Doubtlessly, the contexts within which cooperatives operate are of crucial importance for their prospects, and furthermore different contexts might also point at different organizational structures. A simple copying of marketing cooperatives in the developed capitalist countries might therefore not be an appropriate solution for marketing cooperatives in developing countries. Concerning the prospects for small-scale farming in the selected area, subdivision of the already small farm sizes is likely to continue in the future, and this process will probably prevent mechanization. Hence, emphasis must also be on labour intensive production in the future, and increasing cash crop cultivation seems to be a necessity in order to counteract the tendency for a falling per capita income. There will therefore probably still be a material basis for marketing cooperatives in the future, and the egalitarian basis is likely to be maintained, as there is no tendency to segregation of a capitalist class of farmers. And as mechanization and specialization probably will not be introduced generally in agriculture, the specialized single purpose structure, which dominates marketing cooperatives in the advanced capitalist countries, will hardly be appropriate for Kenya. Rather, a continuation of the multipurpose and area-based approach to cooperative development, which has been pursued by post-Independence governments, will be appropriate, given the foreseeable social and economic basis.

The emphasis on the need to study marketing cooperatives in relation to their basis also gives rise to a need to better understand theoretically the peasant society. Hence, it is of major importance for marketing cooperatives, if African peasants just are a kind of transformed subsistence peasants, simple commodity producers, or rather should be perceived as firmly integrated into the capitalist mode of production\(^1\), although capitalist relations of production have not been established generally as wage labour

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\(^1\) Mode of production is an abstract, Marxist concept referring to an articulated combination of relations of production and forces of production, the former referring to the relation between social classes, and the latter to the relation between man and nature through labour.
still is insignificant compared to family labour. If the African peasant is a subsistence farmer with some cash incomes, but still linked firmly to the precapitalist structures, he might one day, if conditions deteriorate, turn his back on monetary economy, and thus remove the basis for marketing cooperatives. If he can be perceived as a simple commodity producer, who has gradually been removed from the traditional structures he used to be part of, but who produces with the main aim to provide a living for himself and his family, and when advantageous, produces for a market, he might one day find himself eradicated by a hostile capitalism by expansion of large-scale capitalist farming\(^2\). The egalitarian structure will in that case be broken up, and conditions for the marketing cooperatives will be changed radically. If, finally, he should be perceived as firmly integrated into the capitalist mode of production (though this integration is still not as firm as the one experienced by peasants in the advanced capitalist countries), he will probably not be eradicated by expanding capitalism, as he himself is part of the capitalist social formation, and a reversal to pure subsistence farming is also impossible for him, at least if he wants to maintain a living comparable to that of other social groups. In that case he seems to provide a safe basis for marketing cooperatives. The author inclines to the latter concept, but as theories supporting this concept still suffer from serious shortcomings, an attempt has been made to elaborate on these theoretical matters on the basis of empirical data from the study area.

The optimism resulting from this study does not imply, however, that all the substantial problems related to marketing cooperatives in Kenya have been overcome. Thus the study reveals that rigidity of marketing cooperatives is widespread, and membership democracy still operates in a very dissatisfying way. Also the efficiency of management and administration might still be improved considerably in spite of the positive development during the past decade. These deficiencies were clearly put into relief by the comparison made in the study of the cooperative system and the parastatal system, which has been organized by the Kenya Tea Development Authority, as the parastatal system at present seemingly showed a better performance than the cooperative. The question is raised, however, if the parastatal system, which might be called an "expert" solution, on a long-term basis is a preferable system, as such "expert"
solutions tend to necessitate more "expert" solutions, whereby the peasantry almost will be excluded from participation in the development process.

Another short-coming relates to the extensive government control and supervision of the cooperative movement, as this partly explains the organizational rigidity of marketing cooperatives and the weaknesses of the membership democracy. At present, members in the study area do not perceive marketing cooperatives as their property, but regard them rather as parastatal organizations. Thus continued government interference makes the profile of marketing cooperatives unclear to the members vis-à-vis the parastatal system, and there is a risk that instead of gradually becoming a self-help organization, they rather become a welfare organization depending on external support. It is therefore recommended that the government control should gradually be loosened, especially as the reasons why government control and supervision was introduced partly have been overcome.

As mentioned, the study does not attempt to answer the question on what role marketing cooperatives in developing countries might play internationally, but it does seem unlikely that they can change world market relations in any significant way. The best they can do is to ensure that peasants are paid for their products according to world market prices, without any undue reductions.

It is, however, doubtful if marketing cooperatives in Kenya fulfil this objective, as only a small proportion of the overseas payments appear to flow back to the peasants.
CHAPTER II

What is a marketing cooperative?

No general consensus exists concerning a definition of the term 'cooperative'. The term is used in different ways in different countries, and it covers very different types of cooperatives. Most definitions have been built upon certain formal organizational characteristics, like open membership, internal membership democracy, voluntary membership, and distribution of surplus according to turnover. Such formal characteristics cannot, however, all be applied to all types of cooperatives, as for instance open membership is impossible for a production cooperative, as the number of employees has to be kept at a certain level. Consequently, the International Cooperative Alliance, which builds its definition on such formal characteristics, has been forced to make numerous exceptions from these, as a strict interpretation would have implied that quite many member organizations would have to leave the alliance.

Other attempts to define the term "cooperative" tend to be very vague, probably because the definitions have to cover such different types of cooperatives. Thus a definition of a cooperative as "an organization formed with the primary objective to promote the economic interest of its members by means of a common enterprise", which has been suggested by Hans H. Münkner\(^1\) is quite vague, as it is unclear who the members are, what members roles are within cooperatives, and which types of economic interests are being promoted. So although the definition seems to touch the essential characteristic of contemporary cooperatives, it needs to be made more specific in order to exclude non-cooperative types of enterprises. As it stands, the definition is so broad that it includes investment firms organized by capital-owners with the objective to maximize their profit interests. Thus the definition does not make clear that cooperatives always are geared towards the needs of their members and never are geared towards pure maximization of profit.

A comprehensive definition should include both organizational aspects like the membership democracy, and functional aspects like their need-orientation. We shall not attempt to make such a definition in this

\(^1\) Hans H. Münkner; Cooperatives for the rich or the poor? Marburg/Lahn, 1976, p. 5
study, but shall only elaborate on the type of cooperative in question, i.e., the marketing cooperative. In our view there are two basic types of cooperatives, which can be termed service cooperatives and production cooperatives. The former type is formed by households or enterprises to further their needs as consumers or producers, whereas members of the latter first and foremost are the employees of the cooperative enterprises. On a world scale service cooperatives dominate in the capitalist countries, while production cooperatives dominate in socialist countries. The organizational set-up of production cooperatives is usually different from that of service cooperatives, as the former has to be built upon the internal relation between employees and the cooperative enterprise, while the latter has to be built upon the external relation between producers or consumers and their cooperative enterprise.

Service cooperatives again fall into two main types, which may be termed marketing cooperatives and purchasing cooperatives. Marketing cooperatives are formed by producers in order to process and/or market their products, while purchasing cooperatives are formed by households or enterprises to provide these with commodities they need. Apart from these two main types of service cooperatives, there also exist other types of service cooperatives, which provide certain specific services for their members, for instance banking service and insurance service. Often service cooperatives provide a number of services and may therefore be a mixture of different types of service cooperatives. Thus the cooperatives in this study often were of a multipurpose character, as they both organized marketing and processing of the products of their members, but also supplied peasants with inputs and provided certain other services. But as their main activity was marketing, they will be termed marketing cooperatives.

Although the power of marketing cooperatives formally entirely is in the hands of their members, their actual freedom to decide on cooperative affairs is quite restricted if they operate within a capitalist context, as they have to be competitive compared to other marketing organizations. Their administrative and production apparatus has to be as efficient as that of other organizations, and therefore they are forced to accumulate capital at the same rate as other marketing organizations. And their employees cannot be given major privileges, which undermine their competitiveness.

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2 The necessity of distinguishing clearly between these two types of cooperatives has also been argued by others, e.g., W.B. McAusland: Cooperatives and the Law in East Africa. (Article in Widstrand: Cooperatives and rural development in East Africa. Uppsala, 1970). N. Newiger: Co-operative Farming in Kenya and Tanzania IFO-Institut für Wirtschaftsforschung, Miinchen, 1967, and O. Schiller: Cooperation and Integration in Agricultural Production, Bombay, 1969.
Due to the need-based interest by members concerning their existence, marketing cooperatives may, however, also exist at times when from a pure profit motive it would be uneconomical to establish or run such an enterprise. Thus producer cooperatives are not governed by purely profit-maximizing interests like private capitalist enterprises, and due to their payment systems it is also impossible directly to measure the profit of a producer cooperative. Hence, the dynamic development of marketing cooperatives cannot solely be ensured by means of the rate of profit, but has to be supported by an active membership participation.

As the main aim of marketing cooperatives is to fulfil the interests of producers, the organizational set-up has been geared towards these interests. Thus the surplus of marketing cooperatives is not distributed according to members' shares but according to turnover. All producers may become members, and all members enjoy equal democratic rights (usually one man one vote). These organizational principles ensure that capital interests are subordinated members' interests, and they also aim at ensuring that rights, risks and benefits are shared in an equitable way.

It should be pointed out, however, that marketing cooperatives are not idealistic institutions, but enterprises which first and foremost aim at ensuring the economic interests of producers by maximizing their income. In order to reach this objective, marketing cooperatives aim at reducing deductions caused by processing and marketing activities to a minimum, and at ensuring that no external capital interests make undue profits based on the products of their members.
CHAPTER III

Marketing cooperatives in developed and developing countries

Marketing cooperatives in developed countries have not generally succeeded to establish direct links with marketing cooperatives in developing countries, although this probably could be a means to defend the cooperative sector against the expanding transnational corporations, which control an increasing share of world market trade and threaten the interests of marketing cooperatives in all countries. The main reason for this failure is probably the need-orientation of marketing cooperatives, as the economic interests of producers and consumers in different countries usually will be more conflicting than identical. Thus the economic interests of coffee producers in Kenya do not generally harmonize with those of coffee consumers in Europe or milk producers in Europe.

Before entering into the analysis of marketing cooperatives in Kenya it may be useful as a background, briefly to outline the main historical lessons which can be learnt from the development of agricultural marketing cooperatives in Europe. These lessons might be useful as a background for understanding the nature of marketing cooperatives and the nature of a peasantry which is dominated by the capitalist mode of production. But naturally it is also obvious that any direct transfer of these lessons to developing countries would be hazardous, as both different socio-economic contexts and international positions must be considered.

The model which agricultural marketing cooperatives in developed countries are built upon is basically the same as the one in Kenya. There are certain organizational differences, but the basic organizational principles and main objectives are the same, as both aim at safeguarding the economic interests of agricultural producers. Concerning agricultural development there are also basic similarities between the homogeneous and egalitarian structure, which can be found in certain areas of Kenya, and the structure that marketing cooperatives have been built upon in many European countries. A comparative study of European countries would probably show that marketing cooperatives have been most successful in those European countries which are characterized by homogeneous production structures and egalitarian social structures in agriculture. In fact, there are quite many
similarities between contemporary Kenyan small-scale peasants and those small-scale peasants who first took the initiative in forming agricultural marketing cooperatives approximately a century ago in Europe. The historical lessons from these might therefore be quite interesting as a background to the present study.

In general, the development of agriculture in developed countries has not led to purely capitalist relations of production, i.e., the splitting of the rural population into basically two groups – capitalist farmers and a rural proletariat – although a tremendous development of the productive forces has taken place. The main reasons are probably (i) some specific characteristics of agricultural production (ii) a juridical protection of peasant farms, and (iii) the role of agricultural marketing cooperatives.

This dominance of a peasant farm structure does not, however, imply that precapitalist modes of production dominate. The peasant farms are fully integrated into the capitalist market and the capitalist credit system, and they are forced to accumulate capital in order to survive with a reproduction level comparable to that of wage labourers. The benefits of this accumulation, however, do not generally fall into the hands of the peasants, but are extracted by financial capital through credit and by industrial and commercial capital as a result of increasing monopolization.

Since the Second World War the growth of productive forces within agriculture has been so rapid that it has even exceeded industrial growth. This development has made it possible for one man to cultivate a much larger area than previously, so farm sizes have increased and the number of farms has been reduced. But the process has still not reached a level where capitalist farms expand at the expense of peasant farms. The family's own labour is still by far the most important labour source.

Also within the cooperative sector a tremendous centralization process has taken place during the last two decades\(^1\), leading to fewer and more capital-intensive production units, each covering a much larger area, and more members. The competition with the private sector has made this centralization process necessary, as a similar development has taken place within the private sector. Thus marketing cooperatives have been forced to join the centralization process, although the process makes it difficult for marketing cooperatives to preserve their close relation to producers, as big complicated production units make it difficult for members and committee members to control and manage the cooperatives. The consequence of the

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\(^1\) In Denmark for instance, the number of cooperative dairies has been reduced from 1339 in 1960 to 193 in 1978.
centralization process seems therefore to be that marketing cooperatives now are controlled and managed by employed managers rather than by the democratically elected committee members.

The last decades have also been characterized by a rapid expansion of transnational corporations both within the food production sector and the commercial sector. This has led to an increasing tendency to confrontations between the cooperative sector and the monopolized sector\(^2\), which naturally is dangerous for the cooperatives, as the transnational corporations have certain advantages, foremost in a higher financial strength and better world market positions. The cooperatives, however, still seem to have been able to preserve their market positions generally, although there has been a tendency for cooperatives to remain within the technically less advanced sectors, while the transnational corporations have invested in advanced capital intensive sectors. Marketing cooperatives therefore seem to have preserved sufficient strength to remain a real alternative for the peasantry to the transnational corporations. Thus their existence has probably contributed to preserve the peasant farm structure against establishment of purely capitalist relations of production.

The main lessons which can be learnt from the development of developed countries seem to be (i) that dominance of the capitalist mode of production does not necessarily lead to the establishment of purely capitalist relations of production (ii) that marketing cooperatives contribute to the preservation of peasant farm structures, and (iii) that marketing cooperatives and peasant farms as integral parts of capitalist social formations are forced to follow the general centralization process, which capitalist competition makes imperative.

\(^2\) The term \textit{monopoly} refers not only to the special situation with an absolute monopoly, but also to a situation where several monopolistic firms in spite of their seeming competition can acquire permanent extra profits.
CHAPTER IV

Development of the cooperative movement in Kenya

1. Prerequisites for cooperative development in Kenya

The first cooperatives in Kenya were formed by settlers in the "White Highlands" in the beginning of this century. The first Cooperative Society Ordinance was passed in 1931 but it did not allow Africans to form cooperatives. It was only after 1945, when a new ordinance was passed, that Africans were allowed to form cooperatives.

This restrictive policy was primarily a result of fear among the Europeans that African cooperatives could strengthen the economic position of African peasants, which might lead to difficulties for Europeans in getting a sufficient number of workers for their farms. At the same time, economic positions of that kind could be a political platform for the Africans in their struggle against the racist colonial regime.

Up to the mid-fifties the development of African cooperatives was slow. The majority of literate Africans did not take the lead in this process, and most cooperatives were in fact more a result of Government initiatives. But from the mid-fifties and onwards the situation changed radically. The Swynnerton Plan, which emphasized an increased commodity production on African small-scale farms, led to a rapid increase of cash crop production, particularly coffee and pyrethrum production. New marketing channels therefore had to be established, and marketing cooperatives were useful means to fill the gap. Combined with the increased political struggle, this situation led to a marked growth of the number of African marketing cooperatives.

The change of policy by the colonial Government towards African cooperatives and emphasis on African small-scale peasants must also be seen in the light of increased political tensions. The colonial Government needed a political buffer, and the creation of a class of small-scale peasants could be a means to reach this end. The growing political consciousness among Africans, however, rather led to a reverse effect. The cooperatives were increasingly seen by Africans as a means to avoid non-African businessmen, and to ensure economic independence for Africans. It is therefore not
surprising that a tremendous increase in the number of registered African cooperatives was experienced in the years just before and after Independence in 1963.

Some authors\(^1\) have discussed the role the traditional African society might have played for the formation of agricultural marketing cooperatives. Communal ownership of land and social security systems were elements of the traditional African society, so the **solidarity which** arose from these might be argued to be a prerequisite for the modern type of cooperative. Arguments like these can, similarly, also be found in the debate on the prerequisites for European marketing cooperatives, as cooperation in the precapitalist societies in Europe is seen by some as one of the prerequisites for the rise of marketing cooperatives in Europe approximately 100 years ago. What contradicts these arguments is that the modern cooperative is an entirely different type of cooperative, and also the type of solidarity is different. The marketing cooperative is based on commodity production, and can only be explained in relation to the expansion of the capitalist mode of production. And the solidarity within a marketing cooperative is a narrow economic solidarity only among members of the cooperative based on their self-interests, not a general solidarity among peasants as in some precapitalist societies.

More important prerequisites seem to be the expansion of commodity production in combination with a homogeneous production structure, and specific factors in Kenya like the struggle for independence and the promotion of cooperative development by post-Independence governments.

2. **Policy and role of the Government**

The post-Independence governments in Kenya have actively promoted the development of agricultural marketing cooperatives. In 1966, however, it was recognized by the Government that the rapid quantitative growth since Independence had led to various problems like mismanagement and inefficiency, and the number of liquidated and dormant societies was alarmingly high. In the period 1963 to 1966, 820 new societies were registered, of which approximately half proved not to be viable in the long run. The formation of societies took place without proper examination of economic conditions, management skills, etc., so the great number of inactive societies was in fact not surprising.

\(^1\) Among these Paul Trappe; *Die Entwicklungsfunktion des Genossenschaftswesen am Beispiel ostafrikanischer Stämme.* Berlin 1966.
In an attempt to solve some of the problems, the Government agreed upon a new Co-operative Societies Act in 1966. The main content of this is increased control of the cooperative movement by the Government. Thus, the Commissioner for Co-operative Development was given wide powers, like the right to dissolve elected committees and appoint new, and to force societies to amalgamate or form unions. Furthermore, a District Co-operative Officer was placed in all districts with cooperative activities, who was supposed to supervise and control the cooperatives, including close control of all financial dispositions of the cooperatives. Hence the European tradition for independence of the cooperative movement from government control has not been followed by Kenya.

Also the principle of voluntary membership, which is another of the corner-stones of the European cooperatives, has not been followed in all areas in Kenya. Within the settlement schemes, membership has been obligatory to all farmers, and also in an area like Kisii, where many pyrethrum and coffee societies were formed before Independence, membership is obligatory.

In Sessional Paper No. 8 of 1970 the Government defined its cooperative policy. It recognized the problems that the rapid growth had led to, like:

'...lack of integrity on the part of some union and society committee members and employees, misappropriation and misapplication of funds, excessive costs in handling members produce, and general inefficiency in the business operations of the movement" (p. 1).

Hence the Government policy was changed to "consolidation rather than expansion", and the paper emphasized the need for a multipurpose, and area-based approach to cooperative development. This had already been practiced in the settlement schemes, where most cooperatives were multipurpose. Hence the government aimed at village societies "which in the long run may meet all the economic needs of its members" (p. 3). The policy also involved formation of district unions in all areas with cooperative activities, to which the primary societies should be affiliated. The unions were supposed to organize centralized functions like training programmes, banking activities, transport, etc. The structure is, however, still a mixture of an area-based multipurpose structure and a single-purpose structure. For some crops, single-purpose societies still dominate, and for coffee, dairy and horticulture, country-wide unions exist.

In the years after Independence a great number of so-called Farm Purchase Societies, which are a kind of production cooperative, were formed. Through these societies the members could purchase European-owned large-scale farms. This transfer of ownership was promoted by the Government, but the Government remained practically
inactive in the running of these farms. The result is that most of these have undergone illegal subdivision, and now it is Government policy to subdivide these production cooperatives in the long run. Thus in practice the Government policy has only favoured marketing cooperatives.

In 1975 the Government again presented its policy in Sessional Paper No. 14, which was very much in line with the previous paper. It stressed the importance of continued "consolidation rather than expansion", and also continued the multipurpose and area-based approach to cooperative development. But the paper did contain some new aspects. The idea of using the cooperatives as "vital agents for opening up development in less developed areas" (p. 5) was introduced in this paper, and has continued to be part of Government policy in documents like the Co-operative Development Plan 1976–1980, and the national development plans, although only few attempts have been made to implement the idea. Another new element was the integrated approach through cooperatives. Thus, a chapter on Integrated Co-operative Development Projects was included, wherein the Government defined its policy to "promote this type of society to cover the whole country" (p. 12). As described in chapter 4.3, these projects have not, however, been successful, and the Government is therefore now emphasizing another type of integrated cooperative approach, called Integrated Agricultural Development Projects and Integrated Regional Development Projects.

In 1974 a new ministry, called Ministry of Co-operative Development, was formed. Previously, a Department of Co-operative Development, which had been under a number of different ministries since Independence, had handled cooperative affairs. The actual change was, however, rather limited. Thus, the Commissioner for Co-operative Development continues to play a powerful role according to the Co-operative Societies Act, and cooperatives in the settlement schemes continue to be under the Ministry of Lands and Settlement.

Although the cooperatives in some cases have been given a monopoly by the Government in certain areas, the basic principle has been that cooperatives should "compete unhindered on an equal basis with other state and private business organizations" (Sessional Paper No. 8, 1970, p. 2). In spite of the so-called "African Socialism", which the Government claims to pursue, Government policy in Kenya is thus fundamentally capitalistic. The policy of "African Socialism" therefore appears to be an ideological statement which has little to do with reality. Cooperatives were perceived in this policy to be means to "establish a socialist basis" (Sessional Paper No. 10, 1965, p. 50), although agricultural marketing cooperatives fundamentally are capitalist enterprises. Whether the Government actually believed that marketing
cooperatives were exponents for the path between capitalism and communism, or whether they saw them as means to establish a political and ideological buffer of peasants, which could support the Government in the potential class conflicts that capitalist development implies, is in fact less important in this connection. What is important is that whatever the motives, they resulted in extensive support to the cooperative movement.

The policy, however, has not been without contradictions, which seems to confirm that political motives have been behind the support to cooperatives. The support has been limited to certain sectors, while other sectors have been left for other types of enterprises. This, for example, is the case for tea production, where a parastatal has been given a monopolistic position by the Government in peasant areas, for sugar production, where so-called "outgrowers systems" are promoted at the expense of cooperatives, and for tobacco production, where a private company now has a monopolistic position.

Another contradictory area concerns land policy, which is crucial for cooperative development, as small-scale farms seem to provide the most fruitful environment for marketing cooperatives. A general land reform has never been initiated, so the number of landless is increasing rapidly, while there still are many large-scale farms with little employment possibilities compared to the employment which could result from subdivision of these farms. If the Government really wanted cooperative growth whole-heartedly, a land reform could doubtlessly boost cooperative development significantly. But as great numbers of the large-scale farms now are possessed by the power elite, including many politicians, such a land reform would meet significant political resistance. Therefore, the new Government by President Moi, which came into office in 1978, and seems to have intentions to build more on small-scale peasants, needs to consolidate its position before such a step can be taken. It therefore still remains unclear if the government has got both the will and the strength to initiate a land reform.

3. Structure and growth of the cooperative movement

As mentioned, the cooperative structure in Kenya today has elements both of an area-based multipurpose structure and a single-purpose structure. Historically the Europeans only formed single-purpose cooperatives, and within some sectors they developed country-wide organizations like the Kenya Planters Cooperative Union (coffee), Kenya Cooperative Creameries (dairy), Kenya Horticultural Union, and Kenya Farmers Association (supply of inputs). At Independence the structure of the cooperative movement was,
therefore, basically single-purpose, and due to the racist policy it was split into a "white" and a "black" sector. This racial division gradually disappeared as Kenyanization progressed after Independence, but the single-purpose character remained dominating in spite of Government policy to promote multipurpose cooperatives. The present mixed structure is therefore a result both of historical circumstances and Government policy to promote an area-based, multipurpose structure.

The multipurpose approach has not been very successful. Thus multipurpose societies include only approximately 5% of the turnover and members of agricultural marketing cooperatives. District unions on a multipurpose basis, however, have been formed in most areas, but still there are exceptions, e.g., the Sugar Belt Cooperative Union, which covers several districts, and the two unions within Kisii District, which cover different crops. The single-purpose structure in the strongholds of the cooperative movement has thus proved to be very rigid. This can probably be explained by a number of reasons, like the opposition organizational changes meet from people who risk losing positions, domination of one crop in certain areas, and lack of dynamism among the cooperatives, as they often seem to have failed to take initiatives in spite of favourable conditions.

As mentioned, a Ministry of Co-operative Development was formed in 1974. This has been given the responsibility for all cooperatives in Kenya, except for the settlement cooperatives. It registers the cooperative societies and performs the role laid down in the Cooperative Societies Act. In every district with cooperative activities, the Ministry has placed cooperative officers who control and supervise the cooperatives. On top of the cooperative movement is an apex organization called Kenya National Federation of Cooperatives. But it is neither very powerful nor well-functioning, so its role is limited. Another side-activity of the movement is the Cooperative Bank, which has developed very rapidly and has the main role to canalize loans to members of the societies. Concerning education, the movement has built up an educational system on top of which there is a cooperative college, which educates staff and committee members.

The growth of the cooperative movement since Independence has been impressive. In 1961 the total number of members of African agricultural marketing cooperatives (excluding the European cooperatives) was 177000\(^2\), while the total number in 1977 had grown to 977000\(^3\) members, of which

\(^3\) Basic Annual Statistics 1978. Ministry of Cooperative Development
Table 1. Membership turnover and market share of the most important agricultural marketing cooperatives in Kenya by activity (1977)

<table>
<thead>
<tr>
<th></th>
<th>Membership ('000)</th>
<th>Turnover (K.sh. '000000)</th>
<th>Market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee</td>
<td>349</td>
<td>1777</td>
<td>54 %</td>
</tr>
<tr>
<td>Pyrethrum</td>
<td>75</td>
<td>52</td>
<td>91 %</td>
</tr>
<tr>
<td>Cotton</td>
<td>91</td>
<td>49</td>
<td>94 %</td>
</tr>
<tr>
<td>Dairy</td>
<td>72</td>
<td>52</td>
<td>25 %</td>
</tr>
<tr>
<td>Sugar-cane</td>
<td>15</td>
<td>36</td>
<td>31 %</td>
</tr>
<tr>
<td>Multipurpose</td>
<td>75</td>
<td>79</td>
<td>-</td>
</tr>
</tbody>
</table>

1 For a comprehensive list of other agricultural marketing cooperatives, see table 4.
2 1975.
3 Percentage of the estimated national market production.


approximately 700000 were members of agricultural marketing cooperatives. Thus the agricultural marketing cooperatives remain the dominating type with the majority of the members and approximately 71 % of the total cooperative turnover. Among the other types of cooperatives, the savings and credit societies have been the most successful, while consumer cooperatives, for instance, have not yet been successful, the latter contributing only approximately 1 % of the total turnover, and having only 14000 members.

Other agricultural marketing cooperatives, apart from the ones mentioned in table 1, do not play very important roles, contributing only approximately 2 % of the total turnover of agricultural marketing cooperatives. If the total cooperative sector is compared to the private and state sectors, the cooperative sector seems more or less to have maintained its share since Independence. Within some sectors the cooperatives' share has grown, while it has fallen within other sectors, and for some, like tea, it has simply not been allowed to operate. Thus the cooperative growth since Independence seems to be in line with the total growth of agricultural market production.

4 The figures must be taken with some reservation, as it is possible to be a member of more than one society, and registers are not always kept properly.
5 The 1975 Evaluation Report on the Nordic Project mentions that between 1966 and 1972 the total marketed production rose 68 %, while the turnover of produce handled by cooperatives rose by 86 %.
The growth within sectors which are strongholds of the cooperative movement seems to have been slightly higher over a longer period of time than the non-cooperative growth. But this reflects primarily the growing importance of small-scale farms in Kenya compared to large-scale farms. If seen in relation to the important peasant crops, where cooperatives have no or only a very small share, it must be reasonable to conclude that there has been no major change in the relative strength of the cooperative and non-cooperative sectors since Independence.

4. The regional development of agricultural marketing cooperatives

4.1. Introduction
Agricultural conditions vary widely in Kenya due to both natural and historical circumstances. Large areas are still very sparsely populated and suffer from low rainfall, whereas other areas, like Kisii, are densely populated and very fertile. In the dry areas, commodity production is still exceptional, while both some small-scale farm areas, like Kisii, and the large-scale farm areas, which are predominantly the former "White Highlands", rely largely on commodity production. Thus, conditions of life in the rural areas vary tremendously, and if more equitable conditions of life are to be achieved, the Government must aim at reducing these regional differences. Post-Independence development has not been successful in this respect, as the gap seems to have widened, with the most rapid development experienced in the high-potential areas.

Since Sessional Paper No. 14 of 1975, and also in later Government documents, there have been repeated declarations that the cooperative movement in the future shall play a major role in efforts to reduce regional inequalities. Thus the current cooperative development plan states that cooperatives must "expand geographically with a view to facilitating the move from subsistence economy to monetary economy and thereby opening up new areas for economic development" (National Co-operative Development Plan 1976–80, p. 16). It is, however, still not clear how to implement this target. We will therefore, after an analysis of the regional development of cooperatives since Independence, discuss the possibilities of using the cooperative societies for such a purpose, and we will attempt to outline conditions for a successful development towards this end.

4.2. Regional cooperative development since Independence
Changes of administrative boundaries make it difficult to analyse the regional cooperative development since Independence. Furthermore it also
Table 2. Members and turnover of African pyrethrum and coffee societies in 1961 and 1977 by regions.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kisii District¹</td>
<td>27 %</td>
<td>31 %</td>
<td>19 %</td>
<td>9 %</td>
</tr>
<tr>
<td>Central and Eastern Province¹</td>
<td>61 %</td>
<td>61 %</td>
<td>73 %</td>
<td>87 %</td>
</tr>
<tr>
<td>Rest of Kenya</td>
<td>12 %</td>
<td>8 %</td>
<td>7 %</td>
<td>3 %</td>
</tr>
<tr>
<td>Total</td>
<td>100 %</td>
<td>100 %</td>
<td>99 %</td>
<td>99 %</td>
</tr>
</tbody>
</table>

¹ Kisii District, Central and Eastern Provinces refer to existing administrative boundaries.


seems as if statistics from the Department (later Ministry) of Co-operative Development must be analysed with caution on account of cooperative societies and district officers not always reporting in a satisfactory manner to the Department. This seems particularly important to bear in mind in the years just after Independence, both as a consequence of the major changes of personnel in those years, but also as a result of the very rapid growth.

The present situation will therefore be compared with a pre-Independence year (1961). In 1961 pyrethrum and coffee societies were the only important types of African agricultural marketing cooperatives, so only these are included in the comparison (table 2).

Table 2 shows that pyrethrum and coffee societies were and still are highly concentrated geographically to what is now called Kisii District, Central Province and Eastern Province. It seems as if the regional distribution has remained surprisingly stable during this long period. A closer look at Central and Eastern Provinces reveals that the societies also are highly concentrated within these provinces. Districts like Meru, Embu, Kiambu, Nyeri and Muranga dominated in 1961 and still dominate. If the shares of the rest of Kenya are compared to these strongholds, they will be seen to have even fallen during the period, both concerning members and turnover. The regional development of these two crops, in 1977 contributing 87 % of the total turnover of agricultural marketing cooperatives, has therefore not been in favour of the less developed areas of the country.

It is, however, not fair to judge the cooperative movement only on the basis of these two crops, which require very special agricultural and climatic conditions. But even if the members of all types of agricultural marketing cooperatives per household on a district basis (table 3) are compared, regional cooperative development still seems to be very biased. The table confirms that parts of Central and Eastern Province plus Kisii dominate,
### Table 3. Households in 1969 and members of agricultural marketing cooperatives in 1977 by districts

<table>
<thead>
<tr>
<th>District</th>
<th>Households 1969</th>
<th>Members of agr. marketing cooperatives, 1977&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Members per household, in %&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kiambu</td>
<td>94,615</td>
<td>40,101</td>
<td>42</td>
</tr>
<tr>
<td>Kirinyaga</td>
<td>42,050</td>
<td>36,043</td>
<td>86</td>
</tr>
<tr>
<td>Murang'a</td>
<td>94,303</td>
<td>38,440</td>
<td>41</td>
</tr>
<tr>
<td>Nyandarua</td>
<td>29,950</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nyeri</td>
<td>63,411</td>
<td>65,898</td>
<td>104</td>
</tr>
<tr>
<td>Kīlifi</td>
<td>48,736</td>
<td>5,102</td>
<td>10</td>
</tr>
<tr>
<td>Kwale</td>
<td>36,223</td>
<td>2,252</td>
<td>6</td>
</tr>
<tr>
<td>Lamu</td>
<td>4,882</td>
<td>1,230</td>
<td>25</td>
</tr>
<tr>
<td>Mombasa</td>
<td>66,815</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Taita</td>
<td>24,204</td>
<td>5,488</td>
<td>23</td>
</tr>
<tr>
<td>Tana River</td>
<td>8,975</td>
<td>912</td>
<td>10</td>
</tr>
<tr>
<td>Embu</td>
<td>33,437</td>
<td>22,833</td>
<td>68</td>
</tr>
<tr>
<td>Isiolo</td>
<td>6,581</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Kīnui</td>
<td>61,024</td>
<td>1,191</td>
<td>2</td>
</tr>
<tr>
<td>Machakos</td>
<td>118,145</td>
<td>55,989</td>
<td>47</td>
</tr>
<tr>
<td>Marsabit</td>
<td>7,968</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Meru</td>
<td>96,494</td>
<td>89,536</td>
<td>93</td>
</tr>
<tr>
<td>Garissa</td>
<td>11,936</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Mandera</td>
<td>14,244</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Wajir</td>
<td>14,736</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Kisii</td>
<td>88,346</td>
<td>132,172</td>
<td>150</td>
</tr>
<tr>
<td>Kismu</td>
<td>72,725</td>
<td>15,518&lt;sup&gt;1&lt;/sup&gt;</td>
<td>21</td>
</tr>
<tr>
<td>Siaya</td>
<td>81,635</td>
<td>8,490&lt;sup&gt;1&lt;/sup&gt;</td>
<td>10</td>
</tr>
<tr>
<td>S. Nyanza</td>
<td>90,508</td>
<td>35,985</td>
<td>40</td>
</tr>
<tr>
<td>Baringo</td>
<td>32,198</td>
<td>4,863</td>
<td>15</td>
</tr>
<tr>
<td>E. Marakwet</td>
<td>27,856</td>
<td>4,328</td>
<td>16</td>
</tr>
<tr>
<td>Kajiado</td>
<td>15,355</td>
<td>476</td>
<td>3</td>
</tr>
<tr>
<td>Kericho</td>
<td>85,656</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Kairīpia</td>
<td>14,040</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nakuru</td>
<td>67,104</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nandi</td>
<td>38,156</td>
<td>9,609</td>
<td>25</td>
</tr>
<tr>
<td>Narok</td>
<td>21,703</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Samburu</td>
<td>11,856</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Turkana</td>
<td>21,018</td>
<td>263</td>
<td>1</td>
</tr>
<tr>
<td>Uasin Gishu</td>
<td>32,703</td>
<td>837&lt;sup&gt;3&lt;/sup&gt;</td>
<td>3</td>
</tr>
<tr>
<td>West Pokot</td>
<td>14,304</td>
<td>794&lt;sup&gt;3&lt;/sup&gt;</td>
<td>6</td>
</tr>
<tr>
<td>Trans Nzoia</td>
<td>22,871</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Bungoma</td>
<td>50,376</td>
<td>29,178</td>
<td>58</td>
</tr>
<tr>
<td>Busia</td>
<td>34,528</td>
<td>13,577</td>
<td>39</td>
</tr>
<tr>
<td>Kakamega</td>
<td>138,133</td>
<td>21,835</td>
<td>16</td>
</tr>
</tbody>
</table>

<sup>1</sup> The figures do not include farm purchase societies, ranching societies, savings and credit societies, consumer societies, handicraft societies, fishery societies, transport societies, charcoal societies and other non-marketing societies.

<sup>2</sup> The percentage of members of agricultural marketing cooperatives per household can be used as a rough indicator of the strength of cooperatives in different districts. The indicator is rough as (i) the household number has increased rapidly since 1969, (ii) also urban households are included in the number of households, and (iii) some households are members of more than one cooperative.

<sup>3</sup> 1976.

Table 4. Turnover in 1975 of agricultural marketing societies for various products

<table>
<thead>
<tr>
<th>Product</th>
<th>Turnover (mill. k.sh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cashew nuts&quot;</td>
<td>19.0^1</td>
</tr>
<tr>
<td>Maize and beans</td>
<td>9.3^1</td>
</tr>
<tr>
<td>Other cereals</td>
<td>7.5</td>
</tr>
<tr>
<td>Cattle sales</td>
<td>5.8</td>
</tr>
<tr>
<td>Wool</td>
<td>1.4</td>
</tr>
<tr>
<td>Fruit and vegetables</td>
<td>1.3</td>
</tr>
<tr>
<td>Oilseeds</td>
<td>1.0</td>
</tr>
<tr>
<td>Tobacco</td>
<td>0.6^1</td>
</tr>
<tr>
<td>Sisal</td>
<td>0.4</td>
</tr>
<tr>
<td>Poultry/eggs</td>
<td>0.2</td>
</tr>
<tr>
<td>Pig sales</td>
<td>0.1</td>
</tr>
<tr>
<td>Sheep and goat sales</td>
<td>0.1</td>
</tr>
<tr>
<td>Macademia</td>
<td>0.1^1</td>
</tr>
</tbody>
</table>

^1 Plan target for 1976.
^2 The market share of cashew nuts was 77 % in 1975.


while other areas like North Eastern Province, most of Rift Valley Province, and parts of all other provinces only have reached a very low level of cooperative development.

This is perhaps not surprising against the background of the dominating position of coffee and pyrethrum societies and the limited commodity production in larger parts of the country. Thus the question whether the regional biases are explained mainly by natural conditions or by failures of the cooperatives to expand into the less developed areas still remains to be answered. If the total regional marketed production could be compared with the regional cooperative development level, a more exact analysis could be made, but such figures are not available. The only solution is, therefore, to conduct a more penetrating analysis of societies that are neither pyrethrum nor coffee societies.

As shown in table 1, dairy, sugar-cane, and cotton are the other main products of the cooperative movement, and together with coffee and pyrethrum they contribute approximately 98 % of the cooperative turnover. The remaining 2 % is distributed over a number of different crops and other products as shown in table 4.

The long list in this table indicates that cooperative initiatives have been taken within a number of new sectors since Independence, but most of them have remained without any significance. Particularly, it should be noted that cooperatives have not been successful within maize marketing, although
maize is the most important food crop in Kenya. In fact it seems as if the cooperatives have failed to grasp a fair share of the market for a number of products.

The provincial distribution of agricultural marketing cooperatives that are neither coffee nor pyrethrum societies, indicates (table 5) that natural conditions are a main explanation for the variations, except for Rift Valley Province, where the main explanation for the low cooperative development level probably is the farm structure, as large-scale farms still dominate Rift Valley Province. It also seems evident that the regional biases are relatively small compared to coffee and pyrethrum societies.

This impression is confirmed when districts with low cooperative development level are compared to other districts. In the period 1967 to 1977 the growth of members in weak areas (defined as districts with less than 10 agricultural marketing cooperatives) was 75% compared to 69% for the rest of the country (still excluding coffee and pyrethrum societies). If the turnovers per member in 1977 are compared, it was 879 K. shs on average in the whole country compared to 692 K. shs in the weak areas. Thus there does not seem to be any major difference between the growth in weak areas and the rest of the country for these types of societies.

To sum up, this brief analysis has shown that (i) pyrethrum and coffee societies, which are the most important types, have not developed towards a more equitable regional distribution since Independence. (ii) For some important crops like maize the cooperative movement has not been able to

Table 5. Members and turnover of agricultural marketing cooperatives (excepting coffee and pyrethrum societies) in 1977 by province

<table>
<thead>
<tr>
<th>Province</th>
<th>Members</th>
<th>Turnover (K.sh. '000)</th>
<th>Members per household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nyanza Province</td>
<td>39962</td>
<td>5671</td>
<td>0.12</td>
</tr>
<tr>
<td>Central Province</td>
<td>56174</td>
<td>32357</td>
<td>0.17</td>
</tr>
<tr>
<td>Eastern Province</td>
<td>58520</td>
<td>37818</td>
<td>0.18</td>
</tr>
<tr>
<td>Western Province</td>
<td>41437</td>
<td>29725</td>
<td>0.19</td>
</tr>
<tr>
<td>Rift Valley Province</td>
<td>18729</td>
<td>18777</td>
<td>0.05</td>
</tr>
<tr>
<td>Coast Province</td>
<td>10652</td>
<td>15394</td>
<td>0.06</td>
</tr>
<tr>
<td>North Eastern Province</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Settlements</td>
<td>49936</td>
<td>111102</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>275210</td>
<td>241824</td>
<td></td>
</tr>
</tbody>
</table>

1 Based on the total number of households in the Provinces in 1969 (see note 2, table 8)

Source: Ministry of Co-operative Development Basic Annual Statistics, 1977
grasp a fair share of the market. (iii) The farm structure in large-scale farm areas seems to have influenced cooperative development negatively, particularly in Rift Valley Province. (iv) If coffee and pyrethrum societies are omitted, the regional cooperative development seems to have been more equitable, and the growth rate more or less the same in the areas with weak cooperative development level compared to the rest of the country. The differences can mainly be explained by differences in natural conditions. But also for these types of cooperatives, they have not directly reduced regional differences. Instead, they have preserved existing differences.

The main conclusion is therefore, **that agricultural marketing cooperatives, even when natural conditions are taken into consideration, do not automatically lead to reduced regional differences, but rather preserve existing differences.**

The reasons for this are probably numerous. Some have already been touched upon such as weak cooperative development in some areas due to the farm structure, failures within some important food crop sectors, and limitations set by the Government within certain sectors, where cooperatives are not allowed to operate. A more fundamental explanation, however, seems to be related to the very nature of marketing cooperatives. As marketing cooperatives are little production oriented, the formation of a cooperative does not in itself ensure a necessary material basis for the cooperative in marginal areas, where commodity production usually is of negligible importance. And at the same time internal problems are likely to be serious in such areas during a fairly long period, because of business inexperience, low educational standards and the hampering effects of traditional social structures. In fact, history is likely to repeat itself in such areas, as the problems cooperatives in Kenya have suffered from so seriously, like mismanagement, inefficiency, ethnicity, political problems, etc., are likely to be experienced anew in these areas. The progress of such cooperatives is therefore likely to be rather slow during a fairly long period, unless major managerial and financial support can be introduced from outside. Such support cannot be expected automatically to flow from the more advanced cooperatives, as these are formed to serve the interests of their members, and solidarity with remote areas cannot be expected to reach a sufficient level, unless such solidarity is made obligatory for these cooperatives. Such a step, however, would be contrary to basic principles of self-reliance of cooperatives, and it might also be argued that development of marginal areas is a national task, not only a task involving members of cooperatives.

External financial and managerial support, however, is not an assurance of cooperative success. Thus the financial and managerial support to Farm Purchase Societies, for instance, has not enabled them to overcome their
problems. What might be necessary for cooperative development in marginal areas is, therefore, a new organizational approach like the integrated approach.

4.3. The integrated approach through cooperatives

In the current national development plan (1979–83) the Government has stated that cooperatives will be given an important role to play in relation to Integrated Agricultural Development Projects (IADP) and Integrated Regional Development Projects (IRDP). In Sessional Paper No. 14, 1975 it was stated that the so-called Integrated Cooperative Development Projects (ICDP) should be promoted "to cover the whole country". These different types of integrated approaches, which all involve cooperatives, are seen as instruments for the development of the less developed areas of the country and are therefore of relevance for our discussion of regional development.

The basic idea behind the integrated approach is that it enables a wide range of interrelated causes for underdevelopment to be attacked at the same time. The role of the cooperative is not the same, however, in these different types of integrated approach. Within the IADPs and IRDPs, the role of the cooperatives is supposed to be basically the same as is already known for agricultural marketing cooperatives in Kenya, i.e., marketing, processing, and supply of inputs. The only difference is that the cooperatives operate within a framework where a whole range of constraints to rural development are being attacked. For ICDPs the situation is different, as the cooperatives, apart from the usual activities, also are supposed to organize non-profit activities like preventive and curative health services, social welfare activities, adult education, women activities, nursery schools, etc. In the initial period ICDPs finance these activities through external support and government support, but later on they are supposed to finance them by themselves.

The experience with ICDPs has not been very encouraging. Only a handful of projects have been initiated and some have already failed completely. None of the ICDPs has yet proved able to be self-supporting. The only promising project at the moment seems to be the one situated in Kimalewa, Bungoma District. Contrary to other projects, this was initiated after a feasibility study had been made of the area. It is, however, still too early to predict the future of this project. It has ensured a more viable

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6 According to the 1977 annual report from Farm Management Advisers in Rift Valley Province, a great number of Farm Purchase Societies are illegally subdivided, and those which have received financial support have not been able to repay loans.

7 J.D. Heijnen; Final report of a study conducted in Kimalewa Geography Department, Utrecht State University (mimeo), 1977.
economic basis, but the non-profit activities are still not self-supporting. Compared to previous projects, the non-profit activities also seem to have been kept at a minimum, at least in the initial stage.

The ICDPs have not been tested in very poor areas. The previous projects have been located in areas like Kakamega, Machakos and Bungoma, which are neither very advanced nor very underdeveloped. It must therefore be feared that if the ICDPs were introduced in poorer areas the problems would be even larger than the ones already experienced.

Hence the intention of the Government to promote ICDPs to "cover the whole country" has not been fulfilled, and later Government documents indicate growing scepticism towards ICDPs. In Government comments on the 1976 evaluation mission report on the Nordic Project it was stated that "cooperatives should concentrate mainly on the economic activities" and "resources are still scarce, the expertise and management skills so limited, that cooperatives will be ineffective if overstretched by undertaking burdens, which it is preferable to leave to the state". A similar scepticism is expressed in the Co-operative Development Plan 1976–80, as the Government fears that "too heavy burdens are put on the Movement".

Some have enthusiastically seen the ICDP approach as a solution to the essential problem of reaching the poorest in the Kenyan society and the poorest areas of Kenya. It has been argued that the cooperative movement primarily is an organization for the better-off, while the poorest do not benefit from it. Thus the chairman of the 1976 evaluation mission of the Nordic Project, J. Faaland, had a very negative view of the present role of the cooperative movement: "...(the Kenyan cooperatives) have been given few and purely economic tasks to perform... making the rich and powerful more so, transforming the marginal farmers into relatively prosperous entrepreneurs, but leaving the poor and the already disadvantaged subsistence farmers and landless workers even further behind in underdevelopment and in continued destitution and despair".

On the financial role of the cooperatives, Faaland/Jensen argue that non-profit activities cannot be self-supporting. They need support from either the Government or external sources. Hence the role of the cooperatives is not to finance these activities, but only to organize and coordinate them.

The above arguments for ICDPs seem doubtful. Firstly, it is doubtful whether cooperatives have contributed significantly to increasing social and regional differences. Instead, they seem to have preserved already existing

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differences. And secondly it seems to be contradictory that the cooperative is still a marketing cooperative with only a limited number of the population as members, while at the same time this cooperative is supposed to provide non-profit activities to the whole population in order to reach the poorest. A potential conflict is therefore inherent in the ICDPs between members and non-members. It also seems contradictory that only members of a marketing cooperative organize and control these non-profit activities. It is, in fact, less democratic than the usual system, where these activities are provided by Government and local authorities, where all citizens formally have a say.

The only way of solving these contradictions is to extend the membership to all citizens, as has been done in Tanzania. But this presupposes another type of cooperative and another type of society, as it would contradict the capitalist principles, which the modern Kenyan society is built upon. A cooperative of this type would not be able to survive the capitalist competition, as peasants would seek other marketing channels for their products, if they were paid better prices elsewhere.

This rejection of the basic idea behind ICDPs does not mean that the integrated approach to cooperative development as such is rejected. As has been pointed out, the role of the cooperatives within IADPs and IRDPs is basically the traditional one of marketing, processing and supplying inputs, and if at the same time major efforts are made to increase agricultural production and attack some of the causes of underdevelopment, such projects should have a fair chance of success.
Case study of a peasant society in Kisii

1. Selection of case study area

A comprehensive study of the social impact of agricultural marketing cooperatives under all the different environmental, political, economic and social conditions in Kenya far exceeds the capability of this study. With the given resources, in-depth studies of the social impacts required that the study area had to be very small geographically. Thus the study is not representative for the whole country. Instead, an area has been selected where optimum conditions for development of marketing cooperatives seemed to exist, and hence maximum benefits of these could be expected. The problems which might be discovered in that area might, therefore, be assumed to be more serious in other areas.

Kisii seemed to fulfil these criteria, as marketing cooperatives are relatively well-functioning and the production structure homogeneous. Kisii is an almost purely peasant farm area with limited social differentiation and only small variations of farming methods. Therefore this area was expected to provide the best possible conditions for the development of marketing cooperatives. Historically, coffee cooperatives in Kisii were among the first African cooperatives to be formed, and usually the most elementary managerial and operational problems have been overcome in Kisii.

The study is, therefore, not a representative study of the whole country, but at the same time it is not just a case study of an arbitrary geographical area in Kenya, as the selection of Kisii makes it reasonable to assume that findings of this study are more generally applicable, as problems in other areas are presumed to be worse. Consequently, if cooperatives in Kisii are found to contribute to increased social differentiation, it might be expected that this effect will be even more pronounced in other areas of the country.

Apart from these fundamental selection criteria, there were also other reasons for the selection of Kisii:

(i) A wide variety of crops is grown in the area and different marketing systems for different crops enable a comparison between them, especially between the cooperative system and the system adopted by Kenya Tea Development Authority. The sub-area in Kisii selected for intensive studies
Mwogato Sublocation – covers both high and low altitude areas, so all the three major cash crops – tea, coffee and pyrethrum – could be studied in this area.

(ii) the area was studied through a sample of 101 households by the Centre for Development Research in 1975. Hence reinterviewing of the same sample was possible, and changes in the period 1975 to 1979 could be studied. Although this time span is rather narrow, it was expected that the coffee boom and the reasonably good tea incomes in the period could have led to certain major changes.

(iii) the population density of the area is the highest in rural Kenya. In 1969 the population density of Mwogeto Sublocation was 676 per km², and it can be estimated to be approximately 900 per km² today. With the present population growth of 3 to 4% annually this density is going to be the average also in other high potential areas in a generation’s time, so a study of this area could indicate problems that will occur in such areas in the future. The socio-economic consequences of a high population pressure on land could,
therefore, be studied in this area, including the effects on cooperative performance.

2. Agriculture in Kisii

Kisii is a small-scale farm area which must be characterized as high potential in comparison with other areas of Kenya. The fertility of the soil is generally high all over Kisii, and the climate provides favourable conditions for a wide range of crops. All months have more than 100 mm rainfall, and the yearly rainfall varies between 1500 and 2000 mm. Drought periods are thus practically unknown in Kisii. The average temperature is 19°C, and does not vary much during the year.

Numerous different crops are grown, the most important cash crops being coffee, tea and pyrethrum. The most important food crops are maize, beans, wimbi, sweet potatoes, millet and bananas. Among the other less important crops in the district are sugar-cane, passion fruit, pineapple, tomatoes, onions, carrots, cabbage, and a variety of local vegetables.

The marketing systems for different crops vary. Coffee and pyrethrum are entirely marketed through the cooperative societies, tea through Kenya Tea Development Authority, which is a parastatal organization, while the rest is marketed through private channels. Most other crops are almost exclusively marketed internally in the district, except bananas and passion fruit. Among the three major cash crops, tea is expanding rapidly, while
Table 6. Production and payments to growers in Kisii District for pyrethrum, coffee and tea for selected years

<table>
<thead>
<tr>
<th></th>
<th>Production (tons)</th>
<th>Total payment to growers (1000 K.sh.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1973/174</td>
<td>1977/178</td>
</tr>
<tr>
<td>Pyrethrum</td>
<td>7696</td>
<td>4071</td>
</tr>
<tr>
<td></td>
<td>132168</td>
<td>25335</td>
</tr>
<tr>
<td>Coffee</td>
<td>10916¹</td>
<td>12526²</td>
</tr>
<tr>
<td></td>
<td>15200¹</td>
<td>69626²</td>
</tr>
<tr>
<td>Tea</td>
<td>17000</td>
<td>30886</td>
</tr>
<tr>
<td></td>
<td>10240</td>
<td>67909</td>
</tr>
</tbody>
</table>

¹ 1973.
² 1978.


Table 7. Payments to growers in Kisii District for coffee production, 1976 – 78

<table>
<thead>
<tr>
<th>Year</th>
<th>Total payment (K.sh.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>39,960,000</td>
</tr>
<tr>
<td>1977</td>
<td>104,641,000</td>
</tr>
<tr>
<td>1978</td>
<td>69,626,000</td>
</tr>
</tbody>
</table>

Source: Annual reports. District Cooperative Officer.

Table 8. Coffee production in Kisii District, 1968 – 78 (tons)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24690</td>
<td>20676</td>
<td>25028</td>
<td>20764</td>
<td></td>
</tr>
<tr>
<td>1969</td>
<td>14490</td>
<td>12783</td>
<td>14987</td>
<td>12526</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>11182</td>
<td>10911</td>
<td>18826</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Annual reports. District Cooperative Officer.

Pyrethrum production is declining. Coffee production has been fairly stable during the last 15 years (table 6).

In 1977 the district experienced a tremendous increase of coffee incomes due to the high world market prices (table 7).

Coffee production, however, has not increased (table 8). It seems to follow a three-year cycle with one good year followed by two bad years. It is rather surprising that coffee production does not show any signs of significant expansion following the boom prices of 1977. No doubt, the existing coffee plantations could yield more if they were better cultivated. Often weeding has not been done for a long time, fertilizer is almost never used, and some peasants grow other crops between the coffee trees. Also, planting of new coffee trees does not seem to take place to any notable extent at the moment. Only very few of the households visited in 1979 as part of this
research project had planted coffee during the last 10 years. This is surprising given the high prices in 1977, especially since coffee is the only cash crop which can grow successfully in the lower parts of the district. The main reason is probably that the peasants are sceptical about the durability of the coffee boom.

Most households, even those with very little land, keep a few cows, mainly for home consumption. Only 12 households out of the 89 interviewed did not keep cows. Most cows are the local zebu type, but also grade cows and different mixed types are quite widespread. The cows are not only kept for purely economic reasons, but are also used to pay brideprices. The milk is mostly consumed locally, leaving only a small proportion to be sold to dairies.

Poultry is also very widespread, both local types and grade types. Only 9 households out of the 89 interviewed kept no poultry. They are predominantly kept for home consumption, but some households keep grade hens in greater numbers. This requires feeding with concentrates, the prices of which have been increasing rapidly during recent years. The advantage of this production is that it requires practically no land, so even households with little land can keep grade hens.

Apart from poultry and cows, a quite large number of sheep and goats are kept, mainly for home consumption. But compared to other areas in Kenya this number is, in fact, relatively low.

The main problem in Kisii is scarcity of land. The average population density in Kisii was estimated to 390 per km² in 1975, and the population growth to be more than 3%. Combined with the traditional inheritance system, which implies that every son inherits a piece of land from his father, this population growth is a serious threat to the future. The average number of sons in the selected sample was more than 3, so in a generation's time the average farm size will be reduced to approximately 30% of its present size. Since the present measured average size of farms in the sample was 2.2 ha, the future farm size in a generation's time will probably be approximately 0.7 ha. This is below the present level estimated, with existing means of production, to be the minimum for sufficient subsistence production for one family. A critical situation can, therefore, be expected within a generation's time.

1 The minimum land size for sufficient subsistence production for one family is estimated to 1.1 ha by the University Institute for Overseas Agriculture, Berlin (referred in District Development Plan, Kisii District. 1974–78, [mimeo], Kisii, 1975.
3. Farming in Mwogeto Sublocation

3.1. Introduction

In this chapter we shall analyse at some length a peasant society in Kisii. Such analysis is regarded as relevant for our study of marketing cooperatives, as an understanding of the basis of marketing cooperatives – i.e., the peasantry – is hypothesized to be of crucial importance for our study, both because the social structure of the peasantry might influence the marketing cooperatives, but also because an understanding of the prospects of agriculture is a prerequisite for understanding the prospects of agricultural marketing cooperatives.

As mentioned, a sample of 101 households in Mwogeto Sublocation had been interviewed by the Centre for Development Research of which 89 were reinterviewed by this study in 1979.

The area has the highest population density of all rural areas in Kenya. The people of the area belong to the Abagusii tribe. The area is hilly and separated by a steep ridge, called Manga ridge. The western part of the location is below the ridge and suitable for coffee and banana cultivation. In this area maize can be grown twice a year. The eastern part, which is at a higher altitude, is suitable for cultivation of tea and pyrethrum.

Most of the farms take the shape of a narrow strip of land running from the top of a hill downwards. As subdivision proceeds, these strips tend to become more and more narrow, because all sons want land of the same quality. In most cases land consolidation is already accomplished, leaving only few farms with scattered lands. These cases occur because a father has had scattered lands, and in most cases each son demands his share of each of the plots.

All farms in Mwogeto are registered in the Land Registry in Kisii. But not all peasants have collected their title deeds. Out of the 89 households in this study, 55 had collected their title deeds. In many cases illegal subdivision had taken place since the title deed was issued. In those cases the household boundaries in this study were defined as the actual boundaries following the illegal subdivision, not the official boundaries. This, of course, precludes comparison of the acreages measured in the study with those measured by the Land Registry by air photos.

3.2. Farming methods

The farming methods are predominantly traditional and practically the same for all size groups. Tractors are not used at all due to the hilly area and the small farms. Ox-ploughs are only used exceptionally for the same reasons. This situation is not likely to change in the future due to the
increasing population pressure on land. The tools used on most farms are jembes, pangas, forks, axes and pruning knives. Other tools found are insecticide sprayers, wheelbarrows, spades, saws and slashers. The expenditure for these tools is rather small; in 1978 the farms in our sample used, on average, 1% of their total income for tools. This percentage was approximately the same for all size groups.

Fertilizers and insecticides are only used sparingly. Out of the total income in 1978 our sample used only 0.5% for fertilizers and insecticides (this figure does not include costs of coffee spraying, which is paid for by the societies). In our sample, 24% of the households used fertilizers in 1978 and 26% used insecticides. A study from 1975 by H. Lanting\(^2\) indicates that the use of fertilizers has fallen. He found that 60% of the households in Kisii used fertilizers. The figure on the use of insecticides corresponds quite well, as he also found that 24% of the households used insecticides.

Most households keep cows and other animals. Thus the farming system can be characterized as mixed farming, as it involves both animal husbandry and vegetable production. The manure is used for crop cultivation, but it is still exceptional to find animals being fed with anything but grass. Most pastures are under the crop rotation system, so most crops benefit from the

manure. All peasants seemed to know the importance of crop rotation and manuring, whereas some expressed scepticism towards fertilizers, as they were believed to spoil the soil.

Wage labour is only used to a very limited extent compared to family labour. This implies that purely capitalist relations of production have not been established. It is not possible generally to segregate a class of rich peasants, who exploit poor peasants through wage labour. As we shall discuss below, this does not imply that the capitalist mode of production is not expanding as it can expand at the expense of precapitalist modes of production, even though purely capitalist relations of production have not yet been established.

The expenditure on wage labour for the whole sample in relation to the total income was only 2%. For the high income group with incomes exceeding 15,000 K.sh. in 1978 (11 households), the percentage was 4%. Even for this group this is far less than the incomes these peasants themselves acquire from wage labour (24% of the total incomes).

The group of households employing wage labour for more than 1 man-year (table 9), consists of two teachers (whosubstitute their own labour with wage labour), one relatively poor widow, whose sons pay for a labourer, one old, relatively poor peasant, and finally a peasant who might be characterized as the kulak type. The latter had a yearly income of 29,000 K.sh, was running a posho mill, and had a share in a company farm in Eldoret. But even on this farm the family labour exceeded the wage labour (he had two wives and 16 children living on the farm).

The conclusion is, therefore, that wage labour even among the wealthier peasants only plays a minor role compared to family labour. Peasants with plenty of land do not use it all but only the part which their own family can cultivate. Outside our sample we found during the field study period a few examples of wealthy peasants using wage labour on a larger scale, but these examples seem to be exceptions and their number does not seem to expand.

Most of the wage labour is not permanently employed labourers, not even contract-workers for longer periods, but just groups of people who are

<table>
<thead>
<tr>
<th>Table 9. Use of wage labour on 89 farms in Mwogeto Sublocation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
The bulk of farm work is done by the peasant families themselves, particularly the women. Here picking of coffee (photo: Sv. Å. Lorenz Christensen)
employed for a few days at labour peak periods (mostly women participating in so-called Harambee Groups). The average salary for one day of farm work is as low as 3.70 K.sh, i.e., approximately 95 K.sh per month. This is approximately half the income paid for the lowest unskilled jobs outside agriculture. These figures include only Harambee Groups working for peasants on a wage basis, not the voluntary, reciprocal neighbour help, which does not involve payments. The participants in Harambee Groups were mostly women from very small farms, whose husbands worked elsewhere. The main reason why such women accept low pay is probably that they are forced to find extra income possibilities as their farms are so small, and this type of work is the only opportunity to get additional incomes in the local area.

If permanent workers and contract workers who had employment for more than three months in 1978 were separated from the casual labourers, the average pay for the former was 4.60 K.sh per day, while it was only 2.30 K.sh per day for the latter. Harambee work of this type therefore seems to lead to an intensive exploitation.

The main conclusion from the very minor role played by wage labour is that purely capitalist relations of production have not been established in spite of the very low salaries and the good incomes from coffee and tea in recent years. Although the number of near-landless is growing, this group has usually found employment outside agriculture. Population pressure and scarcity of land therefore does not seem automatically to lead to establishment of purely capitalist relations of production. Rather, the final result will be that also the larger farms in the area will be subdivided into such small units that they cannot ever be transformed to capitalist farms.

This conclusion is confirmed if the present study is compared with previous studies, as there is no apparent tendency towards more widespread use of wage labour. Also the use of fertilizer and insecticides does not seem to have increased (table 10).

3.3. Land purchase and tenancy

Land purchase does not play any notable role in Kisii. Within our sample only two peasants had bought land in Kisii District and two had bought land outside the district. Purchased land thus only amounted to 3% of the total land. The few examples do not permit an in-depth analysis of land prices. It is, however, our impression through talks with peasants, that land prices have increased rapidly. One of the committee members interviewed might illustrate the high land prices as in the period 1965 to 1972 he had bought 5 plots of land in Kisii, totalling 3.1 ha. The average price per ha was 23,000 K.sh. If prices have remained stable since then it means that 1 ha of land
Table 10. Costs of inputs related to marketed output in 1966, 1975 and 1978

<table>
<thead>
<tr>
<th></th>
<th>1966 East Kitutu</th>
<th>1975 Mwogeto</th>
<th>1978 Mwogeto</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour</td>
<td>20 %</td>
<td>6 %</td>
<td>6 %</td>
</tr>
<tr>
<td>Fertilizer</td>
<td>2 %</td>
<td>2 %</td>
<td>1 %</td>
</tr>
<tr>
<td>Insecticides</td>
<td>0 %</td>
<td>0 %</td>
<td>0 %</td>
</tr>
</tbody>
</table>

1 East Kitutu includes Mwogeto Sublocation. Only so-called non-progressive farmers were included in the study.


corresponds to the gross income of an average household for more than two years. Thus, very few people can afford to buy just 1 ha, and compared to other areas of Kenya such land prices are very high.

It is improbable that land purchases are going to play any major role in the future. The population pressure does not necessarily lead to land purchases. If near-landless peasants move to other areas, they usually prefer to leave their land with a brother or rent it to somebody, rather than to sell it. A rich peasant would generally be unable to buy one big piece of land, and usually his only way to expand would be to acquire a lot of small pieces. But, knowing that land prices are much lower in other districts, he would probably in most cases prefer to buy land there, or invest the money in some kind of local business.

Tenancy plays a more important role than land purchases. Forty-three households had rented land in 1978 and 10 households had leased land. Compared to the total owned acreage, rented and leased land amounted to 11%. Included in this figure is land that has been left with a relative while a householder is outside the district, although rent is usually not paid in such cases. The usual renting period is 1, 2 or 3 years, and all the money for the period is paid at once. The average rent per hectare for one year was approximately 400 K.sh. in 1978.

Tenancy is probably going to play a similar role in the future. Some peasants leaving the district or having excess land will be interested in leasing land, while others with too little land compared to their family sizes, will be interested in renting land. But tenancy is not likely to exceed the importance of owned land in the future – instead it will probably be similar to the situation today, i.e., a minor adjustment of the owned land and primarily governed by family labour capabilities and consumption needs.

Another study3 which covers different areas in Kisii District, seems to

3 H. Lanting, Land utilization types in the Kisii District, Kenya Agricultural University, Wageningen. 1977
show that rented land acreages are higher in the less populated areas, but
the frequency does not seem to vary much. Land purchase, however, seems
to vary according to population pressure, as land purchases are much more
frequent in the less populated areas, where land prices also seem to be lower.
Thus, increased population pressure in the future can be expected to make
land purchases even more insignificant in the future. This seems at least to
be a safe conclusion as long as land prices in areas outside the district remain
far lower than in Kisii.

3.4. Land utilization
As mentioned, land in Kisii is utilized very intensively. Mixed cropping is
normal and in many areas it is possible to harvest twice a year. Crop rotation
is also a normal procedure. Most households keep cows and other animals,
so manuring is widespread. A lot of different crops are grown in the area,
both cash crops and food crops. Only 6% of the farms had no cash crops at
all. Maize was grown on all farms. Such a multicrop pattern provides a
security for the households in case certain crops fail or prices decrease. Thus,
it is not likely that these farms will start to specialize very much in the near
future, as too high a specialization implies running a risk, especially
concerning the cash crops so vulnerable to world market fluctuations. There
is still space for expansion of the cash crop areas, especially on bigger farms,
but it is unlikely that smaller farms will stop food crop cultivation completely,
although already today they are forced to buy most of their food through
their wage incomes and cash crop incomes.

Beans are almost always grown mixed with maize, so the incomes from
beans ought to be added to the income from maize (table 11). Thus the
income per hectare from maize/beans is 2969 K.sh. Also the incomes from
other food crops like wimbi, millet and sweet potatoes are rather low. In this
area wimbi and millet are usually grown as monocultures, but sweet
potatoes are often planted after other food crops have been harvested
(usually August/September).

The pyrethrum income per ha is rather low, and as pyrethrum requires
much more labour hours than coffee and tea, it is not surprising that growers
recently have been uprooting their pyrethrum. The low incomes are not
primarily a result of low prices, as prices were raised significantly in 1978, but
more a result of an unknown disease in the root system and the competition
from tea, which has given high incomes in recent years. It also seems as if
the high rainfalls in recent years have damaged the pyrethrum plants.

Coffee and tea incomes seem to have been significantly higher than the
food crop incomes in 1978. Thus it seems reasonable to conclude, in spite
Table 11. Land utilization and crop incomes in 1978 for 89 farms in Mwogeto Sublocation

<table>
<thead>
<tr>
<th>Crop Type</th>
<th>Total area' (ha)</th>
<th>Total area (%)</th>
<th>Income per ha (K.sh)</th>
<th>Percent farms with crop</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grazing</td>
<td>69.4</td>
<td>31</td>
<td>2425(^2)</td>
<td>100</td>
</tr>
<tr>
<td>Maize</td>
<td>44.9</td>
<td>20</td>
<td>2375</td>
<td>100</td>
</tr>
<tr>
<td>Forest/uncultivated</td>
<td>34.7</td>
<td>15</td>
<td>214</td>
<td>72</td>
</tr>
<tr>
<td>Beans</td>
<td>24.4</td>
<td>11</td>
<td>594</td>
<td>78</td>
</tr>
<tr>
<td>Coffee</td>
<td>15.5</td>
<td>7</td>
<td>7301</td>
<td>75</td>
</tr>
<tr>
<td>Tea</td>
<td>13.1</td>
<td>6</td>
<td>6487(^3)</td>
<td>53</td>
</tr>
<tr>
<td>Wimbi</td>
<td>6.2</td>
<td>3</td>
<td>1720</td>
<td>55</td>
</tr>
<tr>
<td>Pyrethrum</td>
<td>4.6</td>
<td>2</td>
<td>4420</td>
<td>40</td>
</tr>
<tr>
<td>Sweet potatoes</td>
<td>3.6</td>
<td>2</td>
<td>4366</td>
<td>54</td>
</tr>
<tr>
<td>Bananas</td>
<td>2.9(^4)</td>
<td>1</td>
<td>5908</td>
<td>64</td>
</tr>
<tr>
<td>Millet</td>
<td>2.5</td>
<td>1</td>
<td>2715</td>
<td>17</td>
</tr>
<tr>
<td>Other crops</td>
<td>5.1</td>
<td>2</td>
<td>2362</td>
<td>57</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>226.9</strong></td>
<td><strong>101</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Only owned land has been measured, not rented land, and approximately 3% of the total owned acreage has not been measured due to different problems, e.g., that land was situated far from the house. Crop incomes, however, are based on both owned and rented land. Thus the incomes are based on acreage, which was approximately 11% higher than the measured acreage. This implies that cash crop areas are almost correct, while food crop areas are too low, as food crops often are grown on rented land. Thus the income per hectare should actually be lower than the figure for the food crops. On the other hand, however, areas with mixed cropping have been attributed both (or all) crops. Thus this factor has made the income per hectare for land used for food crops lower than the actual level (cash crops are seldom mixed). The total effect of these factors is rather insignificant, as they tend to counterbalance each other.

2 Incomes from grazing have been calculated on the basis of incomes from milk + net sales of animals.

3 Incomes from tea per hectare are underestimated, as many tea plantations still are young. The figure would probably be the highest of all crops if it was only calculated on basis of fully yielding plantations.

4 Banana areas are rather unreliable, as bananas on most farms are grown as scattered nees, not as regular plantations.

of the uncertainty of the calculations, that in 1978 cash crop incomes as a whole have been significantly higher than food crop incomes per ha.

The grazing areas, which constitute 31% of the total acreage, seem to yield approximately the same income as food crops. Thus animal husbandry is neither very lucrative nor the opposite. Often animal husbandry has been criticized for being uneconomic on such small farms with traditional farming methods. Such criticism is based on the fact that cows have other values for the Abagusii than the purely economic, partly because cows are used to pay brideprices, but also because the number of cows is one of the indicators of men's wealth. Our figures, however, indicate that these traditional values play a minor role, as animal husbandry gives incomes

Table 12. Land utilization for different farm size groups (%)

<table>
<thead>
<tr>
<th></th>
<th>0.0–1.0 ha</th>
<th>1.1–4.0 ha</th>
<th>over 4.1 ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grazing</td>
<td>18</td>
<td>29</td>
<td>35</td>
</tr>
<tr>
<td>Maize</td>
<td>28</td>
<td>20</td>
<td>18</td>
</tr>
<tr>
<td>Forest/uncultivated</td>
<td>5</td>
<td>8</td>
<td>26</td>
</tr>
<tr>
<td>Beans</td>
<td>22</td>
<td>15</td>
<td>4</td>
</tr>
<tr>
<td>Coffee</td>
<td>7</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>Tea</td>
<td>9</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Wimbi</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Pyrethrum</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Sweet potatoes</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Bananas</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Sorghum</td>
<td>1</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Other crops</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Agricultural income per ha 5684 3536 1926

which are comparable with food crop incomes. So knowing the importance that milk and meat play for nutrition and the importance of manure for the fertility of land, it does not seem wise to encourage peasants to reduce animal husbandry.

Land utilization for different farm sizes shows that big farmers use their land less intensively than small farmers, as they leave large portions as forests, pastures or uncultivated land (table 12). Grazing land, uncultivated land and forests constitute only 23% of the small farm areas, but as much as 61% of the big farm areas. Food crops, on the other hand, cover a larger portion of the area of the small farms, and are also grown more intensively on account of the double or triple cropping that is widespread on small farms. Also cash crops cover a slightly larger portion of small farm areas than big farm areas (17% compared to 11%). Thus there is still space for an expansion of cash crop and food crop cultivation on the big farms, while an expansion on small farms hardly is possible. The dilemma of the small farms is that an expansion of the cash crops area predominantly must take place at the expense of the food crop area, or of animals. Neither of these alternatives is desirable as food crops provide the family with security and the cows are important for the nutrition of the children.

The possibility of an expansion of the cash crop area on big farms makes it likely that the total cash crop area will expand steadily in the near future, but if subdivision continues, it is hard to imagine that this expansion can continue in the long run, as small farms have practically no space for such an expansion. The underutilized character of the big farms indicates another interesting characteristic, namely that these farms are not forced to capital
accumulation as firmly as peasant farms in developed countries. Although there is space for an expansion of the cash crop areas, and this probably would be profitable through wage labourers, the big farms are not being run on such a capitalist basis. On the contrary, economic dispositions are influenced largely by family resources and family needs. Instead of hiring labourers, most peasants with large amounts of land attempt to solve labour problems by marrying more wives, but until this strategy succeeds land is largely left uncultivated, as the family needs can be covered by a smaller cultivated area.

5 Land differentiation

In our sample, land sizes varied between 0.1 ha and 22.2 ha. As mentioned, almost all land is inherited, and the reasons for differences are mainly:

(1) that families with many sons subdivide quicker than families with few sons
(ii) that some families have subdivided recently, while other – perhaps if the sons are still too young – will subdivide later. Therefore it is a general pattern that old men have large amounts of land, while young men have smaller areas.

(iii) that the original lands of the forefathers were not of equal size.
(iv) that lands usually are distributed fairly equally between sons, but a father (or a mother) can decide to give preference to selected sons. Amongst the Abagusii the last born is given special preference, as he is supposed to care for his old parents, and when they die, he usually inherits the land they had left for themselves for their old-age.

Thus land differentiation is quite significant (table 13). This does not, however, imply that land is necessarily a useful criteria for stratification of the sample. The usual grouping of peasants into small peasants, middle peasants and big peasants implies theoretically that small peasants are exploited by the big peasants, while the middle peasants neither are exploiting nor exploited. In Kisii, however, such a relation does not generally exist between small peasants and big peasants, so this grouping is of little use

<table>
<thead>
<tr>
<th>Land Size</th>
<th>Number of Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 1.0 ha</td>
<td>23 households</td>
</tr>
<tr>
<td>1.1 – 2.0 ha</td>
<td>30 households</td>
</tr>
<tr>
<td>2.1 – 3.0 ha</td>
<td>17 households</td>
</tr>
<tr>
<td>3.1 – 4.0 ha</td>
<td>5 households</td>
</tr>
<tr>
<td>More than 4.1 ha</td>
<td>14 households</td>
</tr>
</tbody>
</table>

\(^{1}\) includes both owned land and rented land
Table 14. Economic determinants of 89 households from Mwogeto Sublocation grouped according to land sizes

<table>
<thead>
<tr>
<th></th>
<th>0–1.0 ha</th>
<th>1.1–4.0 ha</th>
<th>more than 4.1 ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gross income in 1978 per household¹</td>
<td>5322 K.sh</td>
<td>10060 K.sh</td>
<td>14876 K.sh</td>
</tr>
<tr>
<td>2. Net income in 1978 per household²</td>
<td>4399 K.sh</td>
<td>7789 K.sh</td>
<td>7852 K.sh</td>
</tr>
<tr>
<td>4. Income from qualified jobs per household³</td>
<td>574 K.sh</td>
<td>1014 K.sh</td>
<td>1133 K.sh</td>
</tr>
<tr>
<td>5. Income from unqualified jobs per household³</td>
<td>857 K.sh</td>
<td>252 K.sh</td>
<td>0 K.sh</td>
</tr>
<tr>
<td>6. Income from casual jobs per household</td>
<td>129 K.sh</td>
<td>28 K.sh</td>
<td>29 K.sh</td>
</tr>
<tr>
<td>7. Income from business per household⁴</td>
<td>240 K.sh</td>
<td>893 K.sh</td>
<td>534 K.sh</td>
</tr>
<tr>
<td>8. Total non-agricultural incomes per household</td>
<td>1800 K.sh</td>
<td>2167 K.sh</td>
<td>1696 K.sh</td>
</tr>
<tr>
<td>9. Expenditures for wages per household</td>
<td>22 K.sh</td>
<td>206 K.sh</td>
<td>585 K.sh</td>
</tr>
<tr>
<td>10. Expenditures for school fees per household</td>
<td>704 K.sh</td>
<td>1398 K.sh</td>
<td>5445 K.sh</td>
</tr>
<tr>
<td>11. Home production ratio⁵</td>
<td>51 %</td>
<td>43 %</td>
<td>38 %</td>
</tr>
<tr>
<td>12. Family members per household</td>
<td>7.0</td>
<td>9.5</td>
<td>14.4</td>
</tr>
<tr>
<td>13. Number of households</td>
<td>23</td>
<td>52</td>
<td>14</td>
</tr>
</tbody>
</table>

¹ Includes the calculated home production income. This has been calculated on the basis of average market prices in the area in 1978. The prices used are the average prices a peasant would have had to pay if he had bought a similar quantity at the local market.
² Gross income minus expenditures for tools, fertilizer, insecticides, land rent, purchases of animals, remittances and school fees.
³ A qualified job is defined as a job where a person cannot be accepted without some previous education, whereas anybody can be accepted for unqualified jobs.
⁴ Business incomes are all incomes which cannot be classified as farm incomes, wage incomes and remittances.
⁵ The calculated home production income related to the gross agricultural income.

when stratifying the sample. The grouping, however, is useful for other purposes.

Table 14 confirms that land size is not a good criterion for the purpose of stratifying the sample. Gross incomes per household increase with increasing farm sizes (1 in table), but the consumption level per household (2 in table) does not show any difference between middle peasants and big peasants, and also consumption levels per capita (3 in table) do not differ significantly between the groups. This can largely be explained by family sizes, as these are much bigger for big farms than for small farms (12 in table). It even seems as if the consumption level of the big farms is lower than for smaller farms, but this is doubtful, as the calculation of net income per capita conceals the fact that the consumption level of a child is not as high as the consumption level of an adult. The conclusion, however, seems clear: consumption levels do not differ significantly according to land sizes.
The major reason is that expenditures for school-fees (10 in table) are significantly higher for big farms compared to the smaller, even when the bigger family sizes are taken into account. Thus the bigger peasants seem to use their higher gross incomes to educate their children, not to develop a capitalist production on their farms.

The total non-agricultural incomes do not differ notably according to farm sizes, but the sources of these incomes differ considerably. The smallest farms get most of their non-agricultural incomes from unqualified jobs, while the middle peasants and the big peasants mostly get such incomes from qualified jobs and business. It is also worth noting that business incomes, even for the big farms, play a minor role compared to the gross incomes (approximately 4%). The expenditures for wages are of course higher for the big farms, but as already discussed, the importance of this expenditure compared to the gross income is of minor importance, even for the big farms (approximately 4%).

All farm sizes are firmly integrated into the monetary economy, including the small farms, where the home production rate (11 in table) is only 51%. If home production for the small farms is seen in relation to the gross income (i.e., including the non-agricultural incomes) the home production percentage is only 30%. Hence monetary economy is dominating compared to subsistence economy for all size groups.

The grouping of farms according to size has thus given useful information, but fails to give clear information on social differentiation. It is possible that the big farms can be divided into two basic groups: one consisting of relatively old and inefficient peasants, who have still not subdivided their lands, and another type – the kulak type – with a much higher income level than the first type. On the other hand, the smallest farms could possibly also be divided into two basic groups: one near-landless type without additional incomes, and another type with fairly high incomes due to wage labour and efficient farming. This can be analysed in further detail through income levels and income composition, as this segregates the kulak type and near-landless peasants.

### 3.6. Income differentiation

A grouping is therefore made of the households according to gross incomes (table 15). Contrary to the grouping according to land sizes, not only gross incomes differ in table 15, but also net incomes per household and per capita.

Only 11 peasants fall into the high income group, and as the income limit has been fixed as low as 15,000 sh, which is only approximately 50% more than the average gross income, this already indicates that income differentiation is fairly moderate. Even for the high income group,
Table 15. Income composition of 89 households in Mwogeto Sublocation for different income groups (%)

<table>
<thead>
<tr>
<th>Gross income</th>
<th>0–5000 K.sh</th>
<th>5–15,000 Rsh</th>
<th>more than 15,000 Rsh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural home production income</td>
<td>51</td>
<td>38</td>
<td>21</td>
</tr>
<tr>
<td>Agricultural cash incomes</td>
<td>25</td>
<td>56</td>
<td>39</td>
</tr>
<tr>
<td>Income from qualified jobs</td>
<td>0</td>
<td>12</td>
<td>22</td>
</tr>
<tr>
<td>Income from unqualified jobs</td>
<td>21</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Income from casual jobs</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Income from business</td>
<td>0</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>Other incomes</td>
<td>1</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>101</td>
</tr>
</tbody>
</table>

| Number of households | 18 | 60 | 11 |
| Net income per household | 2352 sh | 7969 sh | 16054 sh |
| Net income per capita | 378 sh | 760 sh | 1549 sh |
| School fees per household | 461 sh | 1808 sh | 4390 sh |
| Expenditures for wages per household | 97 sh | 172 sh | 884 sh |

1 See table 14, note 1.
2 See table 14, note 3.
3 Only wages for agricultural labour.

Agricultural incomes are dominating (60%) and business incomes are fairly moderate (15%). This, in addition to the limited wage labour in agriculture, makes it evident that the high income group cannot generally be characterized as kulaks. A close look at the group reveals that it consists of three teachers, one army officer, three peasants with less than 2000 sh non-agricultural income, and four peasants with more than 2000 sh non-agricultural income. Eight out of this group had succeeded in establishing some kind of business, but none was very lucrative. It was all petty business with no or few wage labourers.

In the low income group, wage incomes play a fairly important role (23%). This group consists both of the really poor peasants with very little land and no wage incomes, and peasants with wage incomes or fairly good incomes from agriculture. In the group of peasants with incomes below 2500 sh we find only 6 peasants, and among these there are two bachelors and three widows with few children so in fact there is only one normal peasant family in this group. In the income group from 2500–5000 sh we find five with wage incomes and seven without. This group should not be included among the very poor.
Therefore it seems reasonable to conclude that \textit{differentiation of incomes is fairly moderate, and the group of near-landless peasants with no additional income possibilities is still fairly small.}

The income composition shows that the home production ratio varies significantly according to income level (51\% for the low income group, 21\% for the high income group). But even the low income group is highly integrated in the monetary economy, both through integration into the labour market (23\% of the gross incomes) and through integration in the market economy for agricultural products (25\% of the gross incomes). Furthermore, as could be expected, incomes from qualified jobs and businesses play a much larger role for the high income group than for the low income group, while on the other hand a reverse correlation can be observed concerning incomes from unqualified jobs and casual jobs. As expected, expenditures for school-fees are much higher for the high income group, and also expenditures for wages are much higher. But even for the high income group, expenditures for wages constitute only 4\% of the gross income.

A Lorenz diagramme provides a more exact picture of the income differentiation. The nearer the Lorenz curve is to the 45° line (see diagramme 1), the higher is the equality of incomes (and the lower is the so-called Gini-coefficient). As the diagramme shows, the 1978 line is closer to the 45° curve than the 1975 curve, so \textit{income differentiation seems to have been reduced in this period} (the curves have been drawn on the basis of the same 89 households). The Gini-coefficient for the gross income was only 0.32 in 1978 compared to 0.43 in 1975.

The explanation of this change is rather complicated, but it seems to be a result mainly of changes of the income composition and the process of subdivision of farms. As already mentioned, subdivision of farms takes place within all size groups but generally seems to affect the gross incomes of big farms more than small farms, because small peasants are forced to seek alternative non-agricultural incomes, which most of them seem to have succeeded in getting in the period since 1975.

The income composition seems to have changed drastically since 1975. Cash crop incomes have increased rapidly with a total increase of cash crop incomes from 1975 to 1978 of 112\%, which is much more than inflation. And as cash crop areas are relatively bigger on small farms, the income increase on these has probably been higher than on big farms. The rapid expansion of the tea area has doubtlessly also played a role as this expansion seems to have been most rapid on small farms. The total non-agricultural incomes have decreased 10\% since 1975. It would appear as if the good coffee and tea prices have enabled some peasants to withdraw from the
labour market, as they no longer needed this additional income. This, however, appears to be a combined effect of withdrawal from the labour market among those who have a sufficient cash crop area, and increased integration into the labour market among the near-landless, as labour incomes for the latter group have increased. Thus we find, if the 18 peasants with lowest incomes in 1975 and 1978 are compared, that their labour incomes plus remittances have increased from 14% to 24% of the gross income.

The main reason for the reduced income differentiation seems, therefore, to be a combination of a changed income pattern, whereby incomes from small farms
and in the low income group have increased relatively due to increased cash crop incomes and increased wage incomes, while on the other hand subdivision of farms has led to decreasing gross incomes on the big farms, combined with lower incomes in the high income group due to lower wage incomes.

Of course, part of the explanation could also be systematic errors of reliability. The calculations of gross incomes are rather complicated, especially with regard to converting the home production into a monetary value, but such errors should be alike in both years if the calculations are worked out identically. Such errors will hardly lead to systematic errors of reliability, and as discussed in appendix 1, the general reliability of the results seems to be satisfactory.

One systematic error of reliability could, however, be the different definitions of the term "household". In the 1975 study, a household was defined as "people who eat together". This implies that if a husband lived in another area (at least most of the time) he was not counted as part of the household, and his income was not included in the income of the household, except for the portion he remitted to the family. Also, children at boarding schools were not included in the household, although they still depended on the household economically. In the 1979 study, another definition was used, mainly because the objective of the study was the relationship between peasants and the cooperative societies, so it was imperative not to exclude members of the societies from the household, although they lived in other areas. Furthermore, it often seems unreasonable to separate the economy of the husband from that of the household, as these are firmly integrated. He often pays school fees, establishes business in the local area, receives the cash crop incomes through his bank account, etc. And in cases where the relation between his economy and that of the household not only is a fixed amount monthly, but rather a lot of different and often small contributions, it is unlikely that an interview can correctly reveal the remittances.

These different definitions of "household" should lead to an increase of non-agricultural incomes, if the situation is unchanged, as the 1979 study includes all of these incomes and not only the part remitted to the family. But as non-agricultural incomes actually have decreased in the period, this source of error cannot explain the changes.

If a Lorenz curve is drawn on basis of the purely agricultural incomes in 1978, i.e., excluding the non-agricultural incomes, it almost follows the curve of the gross incomes in 1978 (see diagramme 1). Thus non-agricultural incomes do not seem to influence the income differentiation notably. This corresponds with our results from table 15 as non-agricultural incomes were of equal importance for all income groups although they were acquired from different sources. This is an interesting result as incomes from
non-agricultural sources often are presumed to influence income differentiation significantly.

It is also interesting that the changes of income sources analysed above seem to show that the peasants only integrate into the capitalist labour market if they are forced to do so. If they are given reasonable income possibilities on their farms, they generally do not seek wage incomes, apart from those of them who might get qualified jobs like teachers, administrators, etc.

The reduced non-agricultural incomes might be interpreted by some as a withdrawal from the capitalist mode of production back to precapitalist modes of production. In our view, however, as we shall discuss in the next chapter, it is rather a change from one type of integration into monetary economy to another, both of which leading to increased dominance of the capitalist mode of production. Similarly, in a simplistic view, it might also be interpreted as a consequence of precapitalist modes of production that the social differentiation is low, as increasing social differentiation is regarded by some as a necessary consequence of increasing dominance of the capitalist mode of production.

Such discussion of the modes of production in relation to the peasantry might seem rather academic, but it is of major relevance for our analysis of the relation between marketing cooperatives and peasants. Thus it would be contradictory if it is recognized that marketing cooperatives basically are capitalist institutions on one hand, but at the same time also are means to preserve a social structure, which is dominated by precapitalist modes of production. In such a case it would be logical to regard marketing cooperatives rather as precapitalist institutions, but this does not harmonize with their role as employers of wage labourers on the same conditions as other capitalist enterprises and with the limitations placed upon them by capitalist competition.

In our view the explanation is more that the peasantry in question is an integral part of a capitalist social formation, and marketing cooperatives are capitalist institutions, which like spearheads penetrate the precapitalist structures.

Thus, during a transitional period, marketing cooperatives transform subsistence producing peasants to commodity producing peasants, who are an integral part of the capitalist social formation, although they still differ from true capitalist enterprises in a number of ways. In remote parts of Kenya such a transformation process has just recently begun, but in Kisii the process has reached a relatively advanced level with firm integration of the peasantry into monetary economy.

The crucial question, which we shall attempt to answer in the next chapter
in order to support such views, is how it can be explained that the peasantry is an integral part of the capitalist social formation, if it is not through establishment of capitalist relations of production.

One answer to this question could be that the integration of the peasantry mainly is explained by its character as a source of labour for capitalist enterprises. This may be the principal relation between capitalism and the peasantry in some areas, for instance in Southern Africa, where peasants from neighbouring countries migrate to the mines in South Africa, but it does not seem essential for this peasant society, where only a relatively small proportion of the peasants are forced to seek unskilled wage incomes, while the majority mainly derive their income through agricultural commodity production. The explanation therefore has to be geared towards agricultural production itself, and cannot only be found in the migration of peasants to and from capitalist centres. Such migration is important indirectly for our discussion, as it enables peasants to be informed about the comparative level of reproduction of wage labourers in capitalist enterprises, but it does not answer the above question.

4. Capitalist and precapitalist modes of production
The theoretical discussion on how to perceive the peasantry vis-à-vis capitalism has been the subject of much controversy. Among the classical marxists like K. Marx, K. Kautsky, and V.I. Lenin, it was expected that within a relatively short span of time the peasantry would be eradicated by expanding capitalism, and a process of social differentiation would split the peasantry into a class of capitalist farmers and a rural proletariat.

Historical evidence, however, has proved that such a unidirectional process has not taken place. Marxist theories have consequently been the object of criticism, mainly based on the concept that although the peasantry was not an integral part of capitalism, it has nevertheless been able to resist direct capitalist penetration due to certain characteristics like the self-exploitation of the peasantry.

Among the classical critics of marxism is A.V. Chayanov, who developed a theory based on the concept that the peasantry was governed by economic principles which were entirely different from capitalist principles. In his view

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5 K. Marx never elaborated a comprehensive theory on the peasantry, but elements of a theory can be found mainly in *Theories on the Surplus Value* and in the third book of *The Capital*.

6 K. Kautsky's main work from 1899 is called *The Agrarian Question*.

7 V.I. Lenin's main work on the peasantry is usually regarded to be *The Development of Capitalism in Russia* from 1899.

the central economic principle for peasant economies was not profit maximization, but what he termed the labour consumer balance between the satisfaction of family needs and the drudgery of labour. These views have experienced some renaissance in recent years also in the Kenyan discussion on peasant economics. Also E. David might be included among the classical critics of Marxist theory, as he advocated the view that agricultural production itself was governed by other economic mechanisms than industrial production.

Such concepts are still influential and contain elements of truth. Thus there can be little doubt that the main motive for peasants to produce is the needs of their families, not the average rate of profit. What peasants claim is a level of reproduction comparable with that of other social groups, not a reproduction level above that of capitalist wage labourers due to some extra profit. A certain balance therefore exists between their level of reproduction and that of workers in the capitalist enterprises, although it might be lower in absolute terms due to the social values related to peasant production like nearness to the family. But in our view such family-need orientation of peasant farms does not prevent these from being governed basically by the capitalist context. Hence peasant farms in developed capitalistic countries have been forced to invest heavily, i.e., accumulate capital at a fast rate, in the post-war period in Europe and have thereby joined a process of extended reproduction of both labour and capital, which seems far from a pure family-need orientation, but rather should be explained by the integration into these capitalist social formations.

Also E. David's view on agricultural production itself contains an element of truth in the sense that agricultural production historically has been backward compared to industrial production. But since the Second World War labour productivity has increased more rapidly in agriculture than in industry in the developed capitalistic countries, so the backward situation of agriculture has partly been overcome, even though peasant production still prevails.

During the last decade the discussion on such theories has flared up. In spite of all differences it seems that a number of contributors to the debate might be placed in line with Chayanov and David in the sense that they basically see the capitalist social formation and the peasantry as "two


10 E. David's main work is Socialismus und Landwirtschaft. Leipzig, 1922.

11 This conclusion has been drawn for instance by E. Rechtziegler. (Neue Entwicklungstendenzen der Landwirtschaft der kapitalistischen Staaten, Berlin, 1968).
worlds”. They do recognize that there is a certain interaction, but still they perceive the "two worlds" as governed by different economic principles. Some use the expression "articulation of different modes of production", which is not very clearly defined, but always seems to imply that pre-capitalist modes of production continue to exist even though the capitalist mode of production is dominating, and that there is a complex relation between these modes of production, as they co-exist, overlap and interact in a way which is not just an unidimensional process whereby capitalism eradicates the precapitalist structures but is recognized – at least at certain stages – as a relationship which can be beneficial to both. Thus some have suggested that it might, for instance, be beneficial to capitalism to preserve a peasantry, as its self-exploitation seems so high with levels of reproduction below that of wage labourers.

Although this might seem to be a discussion of words, there is in our view a fundamental difference in concept between the "articulation" view and ours, as the "articulation" view, though it recognizes that the capitalist mode of production is dominating, seems to regard the peasantry as basically governed by economic principles, which are different from the capitalist principles, while we regard it as the reverse, although the capitalist principles are modified by family-need orientation. Thus our view implies a concept of "one world", while the "articulation" view basically seems to operate with a concept of "two worlds". We accept that the concept of "two worlds" might be correct at stages when peasants still are a kind of transformed subsistence peasants who have substituted some subsistence production with commodity production, but fairly easily can reverse to subsistence production. At higher stages, however, when commodity production has become dominating and capitalist credit has reached the peasants, the capitalist context increasingly seems to narrow the actual freedom of peasant farms, and in indirect ways which we shall elaborate below, they become dependent on the basic economic categories of capitalism, even though their principal motive to produce is not profit but family needs. The peasant society in our case study seems to be so integrated into capitalism that it best can be perceived by the "one world" concept, although it still is not as closely integrated as the peasantries of the developed capitalist countries.

Although commodity production and credit are important indicators of the extent to which the peasantry has moved away from subsistence farming, they do not provide sufficient explanation of how the peasantry becomes an integral part of a capitalist social formation. Such explanation can be found more in the above-mentioned comparative reproduction level and the co-existence of true capitalist enterprises and the peasantry within many sectors. Firstly, the comparative reproduction level therefore links the
peasantry to capitalism, as their reproduction level in such cases basically is determined by the reproduction level within the true capitalist sector. As an illustration, our study shows that when reproduction conditions improved in agriculture in recent years due to increased coffee and tea incomes, a number of peasants left their jobs in the capitalist sector and returned to their farms. Secondly, the peasantry is also linked to capitalism through the complex co-existence of true capitalist enterprises and peasant farms in many sectors, e.g., tea and coffee production in Kenya. Thus there seems to exist a certain balance at any time between the profit demands of, say, a tea estate and a tea producing peasantry with less advanced means of production at their disposal. The more advanced means of production enable the estate to gain a profit, which the peasantry cannot generally gain. The balance between the two sectors is, however, unstable, and technological innovations may expand the estates at the expense of the peasantry, if they are more applicable to large-scale farming but they may, reversely, also make the profit rate too low for the estates, so they invest their capital elsewhere.12

Thus the balance between the level of reproduction of the peasantry and that of workers in true capitalist enterprises links the peasantry to one of the capitalist economic categories, namely the price of the work force. And the balance between capitalist estates and the peasantry, operating within the same production spheres, links the peasantry to another important economic category in capitalism, namely the average profit rate, which basically governs economic dispositions in a capitalist social formation, as capital continuously flows from sectors with low profit rates to sectors with high profit rates. Furthermore, expanding credit makes the peasantry increasingly dependent on capitalist rent, and the increasing commodity production makes it dependent on capitalist markets. To characterize such a peasantry as an integral part of capitalist social formation, and basically governed by capitalist economic principles, although with some modifications, seems therefore to be justified in our view.

The advocates of the theories of "two worlds" seem to forget that peasant farms do not differ in any essential way from family-oriented economic units within industry, commerce and handicraft, which mostly are based in towns, where a "two world" concept seems unreasonable. And they also seem to neglect the experiences gained by the peasantries of the developed capitalist countries, which clearly demonstrates that the reproduction process of such

12 In J. Boesen, A.T. Mohele: The 'Success Story' of Peasant Tobacco Production in Tanzania, Uppsala, 1979, it is shown that peasant production in Tanzania has expanded at the expense of true capitalist farming within tobacco production.
peasant farms cannot be characterized as simple reproduction, but is extended reproduction of both capital and labour – even though the surplus probably generally is extracted from the peasantries – as a process of accumulation of capital can be observed and the level of reproduction of these peasantries has apparently been raised significantly. The competitiveness of the peasantries is therefore not only a result of their family-need orientation and possible self-exploitation, which these theories emphasize, but is also a result of a remarkable ability to adapt to technological innovations and different contexts.

In conclusion, peasantries may thus be integral parts of capitalist social formations, and marketing cooperatives can be regarded as instruments for penetration of capitalism to the outskirts of the society. Hence it is a truth with modifications, when they are characterized generally as means to defend the economic interests of peasantries, as they rather eradicate subsistence-producing peasantries by transforming them into commodity-producing peasantries. For commodity-producing peasantries, however, they may be instruments to defend their economic interests against establishment of capitalist relations of production within agriculture, as such relations also would be a threat to marketing cooperatives, which seemingly need an egalitarian social structure to be a competitive type of capitalist enterprise. The competitiveness of the peasantries themselves is, however, probably the principal explanation for their continued survival under so different conditions, but marketing cooperatives may be hypothesized to supplement their competitiveness.

On modifications to capitalist principles in the peasant society in question it must firstly be stressed that land purchases still are rather insignificant. Although land has been registered as private property, it is still seldom the object of transactions, and credit on basis of land ownership is also of minor importance, although such credit gradually becomes more common. Land is thus mainly acquired through the traditional inheritance system, which gradually splits land into smaller pieces, and thereby prevents a horizontal concentration of land, which is a prerequisite for mechanization.

The importance of the family-need/family-capability principle, which was central to Chayanov's concept of peasantries, could also be observed in Kisii. Thus our analysis showed that when family members were numerous, the household attempted to rent more land, plant more cash crops and cultivate them more intensively. Consequently the income per hectare was higher on the smaller farms, and also renting of land was more common for small farms. Furthermore, the big family sizes on farms with plenty of land should probably be seen partly as a consequence of their underutilized character, as peasants in that case attempted to increase family capabilities, so they
would correspond better to the land size, simply by marrying more wives. The family-need/family-capability principle, however, should only be seen as modifying and secondary, not as determining, both because the peasantry in our view is an integral part of the capitalist social formation, but also because the field of operation of this principle is narrowed by the private ownership of land in combination with the increasing population pressure. Sufficient regulations of land size according to family size are simply impossible under such conditions.

The modifying effect of the family-need orientation is also illustrated through school-fees. School-fees constitute a very important cost for these peasant families, as 55 out of 89 families paid school-fees, and the average amount paid was 3002 K.sh., i.e., approximately 29% of the average gross income. If middle-size farms are analysed in further detail, i.e., farms with areas between 1 and 4 hectares, 34 of these peasant families paid school-fees, while 18 did not. The average farm size for the former group was 2.2 hectares, while it was 1.9 hectares for the latter, i.e., approximately the same. As farm conditions, furthermore, are almost identical all over the area, variations cannot be explained by different farm sizes or natural conditions. Incomes from cash crop cultivation was for the former group 4920 K.sh on average in 1978, while it was significantly lower for the latter group, namely 2650 K.sh. The cash crop area of the former group was a bit larger on average (0.40 hectares compared to 0.34 hectares), but this difference does not explain the whole difference in incomes, so probably the intensity of cultivation is significantly higher for the former group. The number of family members also varied considerably, when the two groups were compared (10.3 for the former against 7.1 for the latter), so it is reasonable to assume that the latter group consisted of families with fairly young children, who still did not have to pay school-fees (school-fees are only paid in secondary school in Kenya, i.e., after seven years of school attendance). Consequently, it seems evident that a major reason why families not paying school-fees have less cash crop incomes, although they possess almost the same areas, is that family needs simply do not make it imperative for such families to grow their crops as intensively as families paying school-fees.

Finally, the role that traditional beliefs still play in the production process will briefly be touched upon. It seems evident that their importance is declining. Just to mention a few examples; the traditional division of labour has partly been abandoned (for instance, the previous taboo for women to milk cows), the respect for elderly people seems declining, and parents play a less important role nowadays in relation to marriages of their children. A few examples might, however, illustrate that such beliefs still might have a certain impact on production. Thus, the Abagusii participate in a three-day
ceremony after a hailstorm to prevent it from returning, local doctors are still used illegally for both animals and people, animals are sacrificed on certain occasions, and historical events may prevent cultivation of land (in the case study area a certain piece of land was uninhabited and uncultivated, as the Abagusii had fought a bloody battle on that spot some 60 years ago). These examples, however, also illustrate that such beliefs are not very important for production, but rather a curiosity, and it might be hypothesized that the remnants of such beliefs which are allowed to continue to exist, only are those which do not come across contemporary economic conditions in any significant way.

5. Prospects for agricultural development in Kisii
The main explanation of increased agricultural productivity of both land and labour in the developed countries before the Second World War was the mixed farming system and certain innovations. Mixed farming implies a technical integration between vegetable production and livestock production. Animals were used to pull ploughs and their manure was spread on the fields, while on the other hand fodder crops were cultivated to feed the animals. Furthermore, new methods and innovations also contributed to the increasing productivity, i.e., crop rotations, application of fertilizers, new crop varieties, soil improvements, and improvements of the marketing system.

As mentioned, the farming system in Kisii is also basically mixed, although there still is room for improvements, and similar to the early period in Europe, there seems to have been a certain slow accumulation in the post-Independence period. Both productivity of land and of labour seem to have increased over this timespan. Improvements like significant extension of the cash crop area, introduction of hybrid maize, construction of cattle dips, wells, etc., and introduction of grade cows and grade hens, have taken place in this period. However, it must be questioned whether this positive development can continue in the future, possibly in the form of an accelerated accumulation in the case of mechanization. The answer is likely to be negative due to two main factors (i) the population growth and (ii) the situation of Kenya as a Third World country.

Thus, a critical situation is foreseeable within the span of a generation in Kisii due to subdivision. Unless major population outlets are ensured, land sizes are probably going to be so small that they cannot feed a family. Of course, new crops or crop varieties, increased fertilizer application and larger cash crop areas may increase production, but it is hard to imagine that such changes can prevent a falling income per capita in the long run. When the
point has been reached where there is no major land area left to extend the
cash crop area, and fertilizer application has reached its maximum effect,
further expansion seems to be almost blocked. This even presupposes that
no major innovations take place on the competing capitalist farms, which
would make the peasant farms less competitive.

The problem of subdivision might be solved if a significant part of the
population is moved to other sectors or areas. This, however, is not very
likely in the future, as unemployment problems are increasing and the
possibility of initiating settlement programmes is limited as land of sufficient
quality is scarce.

Subdivision makes mechanization unlikely in Kisii, as mechanization
presupposes increasing land sizes. The mechanization process in the
developed countries was only possible in combination with increasing farm
sizes and a decreasing labour force within agriculture. Hand tools will
therefore probably remain dominating in Kisii, and the dominating crops
will be the very labour intensive types, which are difficult to mechanize.
Hence, it is likely that Kisii will find itself locked in a vicious circle in the
future, whereas peasant farms in the developed capitalist countries basically
have followed a positive line of development, as continued investments have
resulted in steadily increasing output per labour hour.

The position of Kenya as a Third World country might also lead to some
different results from those experienced in developed countries. The
integration between agriculture and industry internally in Kenya is still
weak, so inputs to agriculture often have to be imported, or are produced
in Kenya by companies controlled by foreign companies. Furthermore, as a
long-term trend, the terms of trade seem to have been deteriorating for
Kenyan agriculture, as prices for export crops have not increased as rapidly
as the prices for agricultural inputs. The decline of the use of fertilizers which
seems to have taken place must be seen in this connection, as prices for
fertilizers have increased rapidly in recent years. Hence, it is questionable
whether increased fertilizer application is going to take place in the future
at all.

It is, therefore, likely that agriculture in Kisii in the future will run into
increasing problems, probably leading to decreasing labour productivity (not
necessarily decreasing productivity of land) and a decreasing income per
capita.

These gloomy prospects raise a number of essential questions for analysis
concerning the role of agricultural marketing cooperatives. The
consequences for marketing cooperatives of such developments is rather
unclear, but as there is no alternative to cash crops they will probably
continue to play a role. It must, however, be foreseen that the credit and
savings schemes will run into new problems in the future. And there will be a greatly expanded need for the marketing cooperatives to be run efficiently, as well as the need to make all possible efforts to increase production through crop innovation, introduction of new production methods etc., i.e., the marketing cooperatives should become more production oriented. Thus the gloomy prospects for the area do not automatically undermine the marketing cooperatives. On the contrary, their prospects seem quite bright, as the homogeneous production structure based on hand tools, mixed farming and a variety of crops on all farm sizes is likely to be maintained, and the social structure will probably also continue to be egalitarian. The preservation of these structures indicates, on the other hand, that it will be beneficial for marketing cooperatives in this area to continue the multipurpose and area-based approach to cooperative development, rather than organizing a specialized single-purpose structure, which dominates marketing cooperatives in the developed capitalist countries. At least the network of collection centres has to be fine also in the future and an eventual process of centralization and specialization of marketing cooperatives has to adapt to this need.
Case study of marketing cooperatives in Kisii
1. Historical outline

Marketing cooperatives in Kisii were among the first African cooperatives to be formed in Kenya. In 1934 Kisii was given dispensation to cultivate 100 acres of coffee on an experimental basis. This area was later increased and in 1945, when the Cooperative Societies Act was passed allowing Africans to form cooperatives, there were already 290 coffee growers in Kisii cultivating 177 acres of coffee. From 1934 to 1939 the coffee was sold to a European trader but from 1939 the Local Native Council, which was a consultative body appointed by the Governor, took over marketing responsibility. In 1943 the District Commissioner proposed that the growers should take control of the industry. Thus a Board was formed which took over responsibility for marketing and processing activities. However, it was still undecided which type of enterprise to use. A Senior Agricultural Officer in Kisumu suggested that the Board should be constituted as a cooperative society. The Government still did not allow cooperatives to be formed by Africans, but it was decided to let a cooperative expert, Mr. W.S. Campbell, report on the matter. He recommended in July 1944 the formation of a marketing cooperative and its registration under the existing cooperative ordinance. The statutes for the Kisii Coffee Growers Co-operative Society were then drawn up, and in October 1944 an application for registration was forwarded to the Registrar-General.

Until 1949 the new cooperative was not very successful. It faced many problems, primarily of a managerial nature. In 1943 it was decided to reorganize the society, whereby Kisii Farmers Cooperative Union was formed with 9 primary societies affiliated. After this reorganization had taken place the number of growers increased rapidly (2636 new growers in the period 1950 to 1954 compared to 499 new growers in the period 1945 to 1950). The acreage of coffee also rose rapidly (from 270 acres in 1950 to 3425 acres in 1954). The growers who pioneered in this cooperative were primarily relatively wealthy and powerful Africans. Hence, some chiefs were among the first to start cash crop growing.

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This early history of cooperatives in Kisii clearly shows the role of the government and government officers. It was the District Commissioner who suggested the formation of a coffee board. A Senior Agricultural Officer came up with the idea of forming a cooperative society, and a government appointed cooperative expert recommended the formation of a cooperative. Thus the initiative was largely taken from "above". It must be underlined, however, that this idea could not have succeeded if it had faced opposition among the growers. After the cooperative had been formed, it was largely left on its own with very limited Government support, and had it not been for the members' support, it would probably not have survived. As mentioned, it did face some problems, which primarily were caused by lack of education and experience, but the fact that it proved viable in spite of the little support it received, indicates that growers generally were in favour of the idea of forming a cooperative. Hence it would be wrong to regard the formation of the cooperative entirely as a result of initiatives from "above". The local growers were involved in the process all the time and supported the idea when it was raised. So although the initiative itself was taken from "above", the realization of the idea was primarily a result of the efforts of the growers.
In 1945 also pyrethrum growing had been initiated in Kisii on an experimental basis, and in 1950 the Pyrethrum Board decided to support this initiative. In 1953 little more than one hundred acres had been planted, and in the following years also pyrethrum growing increased rapidly in Kisii. In 1955, 460 growers formed Masaba Farmers Co-operative Society, which was reorganized in 1959 into a union and 12 primary societies. In the period 1956 to 1959 the growth of pyrethrum production was very rapid. Production increased from 28 tons in 1956 to 334 tons in 1959, and the number of growers increased from 793 to 11500.

In 1959, tea growing was initiated and 122 acres were planted. Tea growing, however, did not expand as rapidly as coffee and pyrethrum growing, and it was not organized on cooperative principles but by the Special Crops Development Authority in the initial period and by Kenya Tea Development Authority from 1964 onwards.

2. **Present structure and situation**

At Independence, Kisii was one of the strongholds of the cooperative movement, as is clearly shown by Table 2, and it continues to be of great importance. The two principal crops are still coffee and pyrethrum. A secondary activity is dairying, which is organized by Masaba Farmers Cooperative Union.

The post-Independence development has shown very limited changes of the cooperative structure. Coffee marketing is still organized by Kisii Farmers Cooperative Union, and pyrethrum marketing and dairying by Masaba Farmers Cooperative Union. In 1978, twenty-five societies were affiliated to Kisii Farmers Cooperative Union with a total number of 49263 active members and a turnover of 94,579,827 K.sh. Since the early 1970s, Kisii Farmers Cooperative Union has also marketed pyrethrum through some coffee societies. Masaba Farmers Cooperative Union had 26 societies affiliated in 1978, the number of active members was 40502 and the turnover 26,654,208 K.sh. There have been negotiations between the two unions on the question of amalgation, but without result. The main reason is probably that pyrethrum generally is grown at higher altitudes than coffee, so the lower parts of the district are covered by Kisii Farmers Cooperative Union, while the higher parts are covered by Masaba Farmers Cooperative Union. There are, however, also areas where both coffee and pyrethrum can be grown and where both unions operate. In addition to the unions there are a few other societies in Kisii District, namely 5 savings and credit societies, 1 coffee society, 2 farm purchase societies, 1 consumer society and 1 building and construction society.
Apart from marketing activities, both unions have engaged in other activities. In the 1970s both unions were included in the so-called Cooperative Production and Credit Scheme (CPCS). This has gradually been extended to cover all primary societies. The loans are short-term loans (18 months) except for a limited number of middle-term loans (36 months), which by the end of 1978 only had been granted to 8 primary societies. A total of 8,974 peasants had been granted loans by the CPCS scheme by the end of 1978. Both Masaba F.C.U. and Kisii F.C.U. have established special credit teams which administer these loans. Kisii F.C.U. have opened a banking section, which also administers the payments to growers for coffee. Apart from the loan scheme, the unions also administer a savings scheme. By the end of 1978 the members of these savings schemes totalled 51844, i.e., more than half of the total number of the cooperative's members, and the total amount saved was 5,556,194 K.sh. The CPCS loans are given with security on the cash crop. Thus loans are simply paid back through deductions of the payments to members, so if they continue to produce the crop, repayments are almost certain. Generally the repayment rate has also been quite good up to now.

Both unions provide transport for their affiliated societies. The pyrethrum is transported to Nakuru, while the coffee is taken to Kisumu and from there by rail to Nairobi. Many primary societies previously organized their own transport activities, but now most societies have their products transported by the unions. The transport activity by primary societies usually resulted in losses.

The unions also organize educational activities, as the educational bottle-necks still are very serious within the cooperative movement. The educational activities are geared towards staff, committee members and ordinary members. Mostly the educational activity is one-day courses, but for committee members and staff a limited number of longer courses are organized.

The coffee societies employ spraying teams, which are supposed to spray all members’ coffee trees, except for those members who have neglected their fields.

The extension service used to be done by the committee members themselves, although they had no special qualifications for the job. However, now the work is done by trained agricultural officers, who are employed either by the societies or by the Department of Agriculture.

The unions have allocated one secretary manager to each society, regardless of its size. This secretary manager has a very important task both in the day-to-day management and in the guidance of committee members, who are often poorly educated. The theoretical education of these secretary
Managers seems still to be rather low. None of the four secretary managers who were interviewed had more than six months of theoretical training, usually at the Cooperative College. They had all considerable experience, as they all had been secretary managers for many years. However, it seems as if this type of secretary manager with low education and many years of experience will gradually disappear, as young well-educated people nowadays are selected for these jobs. It also seems as if malpractices within the recruitment process are fewer now than previously, although nepotism and ethnicism still seem to play a role.

After the new Government was formed in 1978, pressure was put on all societies to arrange general meetings and elections of committee members. This had been accomplished in all societies in Kisii in 1978, and it seemed as if most societies had arranged additional special meetings. Auditing is not quite up to date, but usually only two to three years in arrears.

3.. Multipurpose versus single-purpose societies
As described in chapter IV, it has been Government policy for a number of years to promote a multipurpose and area-based approach to cooperative development. Inherent in this policy has also been an attempt to diversify cooperative activities.
Cooperatives in developed countries tend to be of the single-purpose type, whereas cooperatives in developing countries like Kenya tend to be of the multipurpose type. In this chapter we shall attempt to discuss the relative advantages of these approaches in Kisii.

The multipurpose approach has had limited success in Kisii. Originally all societies were single-purpose societies, and also the unions were single-purpose. This has changed a little as both unions today market two products, and most societies also market two products. The coffee union has included marketing of pyrethrum, and the pyrethrum union has included milk marketing. But still the situation is far from the ideal multipurpose approach, with one union in each district and one society in each subarea. In some areas of the district the unions and societies overlap each other, and peasants in these areas are often forced to be members of two societies if they grow both pyrethrum and coffee. Concerning activities, the tendency towards diversification has been very limited, although Kisii is an area where a wide variety of crops are grown which could be marketed through the cooperatives. As a whole, the cooperative structure must therefore be characterized as rather rigid.

The reasons for this rigidity are probably many. Concerning amalgamation of the two unions, the main reasons why this has not been done are probably that they mostly cover different areas of the district, and that the union staffs resist such change, as they fear to lose their positions. And the main reason why the societies have failed to diversify their activities is probably the widespread indifference and ignorance towards the cooperatives. This can partly be seen as a consequence of the government control and interference in the affairs of the societies, as this makes them resemble parastatals.

It seems to be difficult for the peasants to imagine that new crops can be marketed through their cooperative, as they tend to be perceived as unchangeable. C. Hyden made the same observation some years ago, that "cooperative societies are an institution that everybody takes for granted". The peasants in Kisii have not, apart from a few who market their milk through the society, been faced with a situation where they could choose between being members of the society or not. All growers of coffee and pyrethrum are compelled to be members of the societies, just as all tea growers must market tea through KTDA.

Although peasants in Kisii know the different marketing systems for different crops, it seems difficult for them to imagine that the situation could be changed, even when the advantages of a change seem quite obvious.

Bananas, for example, are marketed entirely through private channels by a number of private vehicle owners and companies. Prices are the lowest in all Kenya (5 to 7 K. sh a bunch). This activity would require no major investments except possibly extra vehicles, as the existing stores, weighing machines and vehicles could be used. A marketing cooperative would enable growers to bargain collectively with big buyers in the main towns instead of bargaining individually with middlemen. In the lower parts of the district, where almost all peasants grow both coffee and bananas, such an initiative would doubtlessly be successful. It would be quite easy to organize and probably be very lucrative. Initiatives like this would doubtlessly be of great value for the cooperatives, as they would provide practical examples for the members and illustrate the advantages and character of marketing cooperatives compared to private marketing. Such initiatives could very well prove to be more valuable than a number of courses organized by the cooperatives.

But although it is desirable to change the existing rigidity, past experiences show that such initiatives cannot be expected from the members themselves. The failures of the past and the widespread ignorance and indifference toward cooperatives makes it unlikely to expect an initiative from the ordinary members. This is, in fact, a kind of vicious circle for the marketing cooperatives, and although it might sound contradictory, the only solution might be to encourage an initiative from "above", i.e., the cooperative officer or the union. But this initiative should only take the form of idea-raising by arguing for the idea among members and committee members. When the idea is raised, it must basically be left to the members to implement the idea. Without a certain enthusiasm by members it is not likely that the idea is going to succeed and make members more conscious about the character and role of marketing cooperatives. We therefore agree with the argument that it is of great importance that the formation of cooperatives must be basically made by the members, but in the present rigid situation, inspiration from outside also seems to be important.

It has been argued that the multipurpose approach makes administration too complicated, especially as long as administrative training and skills are rather limited. The experience from this area with the inclusion of one extra activity is that it raises no notable administrative problems. On the contrary, it has enabled the more rational use of existing staff and resources. As long as the activities basically are collection, storing and transport of the products, it seems to be an advantage to include more products. Existing stores, weighing machines, vehicles, etc., can be used in a more rational way, and there are no major extra investments for such activities. For members who usually have to transport their products to the store themselves, it is of
great importance that this collection centre is close to their farms, and that they deliver all their product to the same place and receive payments at the same place. At the moment, many peasants have to deliver their products and collect their pay at different places, and as distances often are long and waiting hours many, a lot of time is wasted. It is, therefore, understandable that most peasants in our sample (75%) answered that they would be in favour if it was proposed that their society should initiate marketing of more crops.

Another very important argument for the multipurpose approach is that such societies are better secured than single-purpose societies, as the single-purpose societies risk liquidation if the crop they market fails for some reason. When knowing the high fluctuations of world market prices for some of these crops, and the risk of pests and diseases, this is a serious threat to single-purpose societies. At the moment this is the case for most pyrethrum societies and the pyrethrum union, as production has been approximately halved during recent years due to crop failure and competition from other crops, mainly tea. In 1978 the situation was so serious that the union for some months had to stop payment of salaries to the staff. In such a situation the societies and the union would have much better chances of survival if they marketed more crops. A few societies also market milk, but still this is not sufficient to ensure the survival of the cooperatives.

Another argument for the multipurpose approach is that it could improve the credit and saving schemes. Loan repayments could be deducted from incomes from more products, peasants could provide security for more loans, and the credit teams of the two unions could be amalgated. Twenty-five of the peasants who were interviewed grew both pyrethrum and coffee, so at present they can apply for loans from both the pyrethrum society and the coffee society. This implies double administration and a risk for peasants that they do not qualify for either loan, whereas they possibly would have qualified if the society was the multipurpose type.

Hence there are strong arguments for the recommendation of a multipurpose approach within the Kenyan context. This does not imply that it should be applied uncritically. Certain crops might need heavy investments and special treatment, which makes it more reasonable to choose a single-purpose approach. If tea marketing, for example, was organized by cooperatives, the multipurpose approach would probably not be advantageous. The initial investments for this crop are large, as roads must be improved, capital intensive factories be built and a big fleet of special lorries provided. Furthermore, tea leaves are perishable and must be transported the same day they are picked, so special collection and weighing
places must be constructed, even if it is organized by a multipurpose cooperative.

Arguments for the area-approach based on unions and primary societies are also strong in the Kenyan context. Experience shows that activities like transport, credit, and supply of inputs can be organized better by the unions than by primary societies. The unions also enable the existence of a uniform recruitment practice for society staff and uniform extension service.

Organization of transport seems to have been a particular problem in Kisii when organized by the primary societies, as indicated by the following quotation: "During the last 5 years, the transport activities of the societies affiliated to Masaba Union made a loss of 1.4 mill. sh. The loss was caused by under-utilization and mismanagement of the vehicles" (Annual Report 1977, Nordic Adviser, Kisii District). Therefore attempts have been made to centralize the transport activities to the unions, as maintenance of vehicles can be kept at lower costs in unions with a number of vehicles and qualified maintenance units attached.

Supply of inputs can generally also be better organized within unions than at local level, although problems also are experienced within the unions. Hence the supply of seeds and fertilizers seem to be a problem within the pyrethrum union. Previously, a number of societies were running shops at the local level but most of them have now closed as they were running with losses. The reasons are partly mismanagement and misuse, but also competition from small-scale commerce with very low costs. Hardware shops run by unions in towns, however, have usually shown a profit.

4. The cooperative credit schemes

Two types of cooperative credit schemes are in operation in Kisii, namely the Cooperative Production Credit Scheme (CPCS), which is financed by the Nordic countries, and the Integrated Agricultural Development Programme (IADP) Scheme, which is financed by the World Bank and the Arab Bank for Economical Development in Africa.

The CPCS scheme is by far the most important. Altogether, 8974 peasants in Kisii had received CPCS loans by the end of 1978, totalling 6.595.013 K.sh., while the IADP scheme only had reached 1302 loanees, totalling 1.220.076 K.sh. The IADP loans are seasonal loans (12 months), while the CPCS loans either are short-term loans (18 months) or middle-term loans (3 years). Later it is planned to introduce 5 year loans.

To qualify for a loan from the cooperative societies a peasant must be member of the cooperative society and two other members must guarantee the loan. The CPCS loan amount is calculated on the basis of cash crop deliveries by peasants during the last three years. The main security for CPCS
loans is cash crops, not land, which is used as security for commercial loans. This enables them to reach more peasants and also the relatively poor peasants. In our sample, 16 of the 30 peasants who had been given loans had gross incomes below the average of the sample, and 4 even had gross incomes below 5000 sh. Only near-landless, very poor, peasants seem to be excluded from the cooperative schemes.

The loans are allocated to peasants by a special credit team of the unions in cooperation with the committee members, who judge peasants from their areas. There are always more applications than can be met, so it is not surprising that some peasants claim that the loans are allocated on the basis of favouritism. As many as 33% thought that a special group of peasants received the loans, and committee members plus their friends and relatives were mentioned frequently. If cooperative loans to committee members and ordinary members are compared there seems to be some justification for this accusation (table 16).

Hence, committee members seem to receive loans more frequently and of a larger amount than ordinary members, and it is evident that only part of this difference can be justified by higher production and cash crop areas. Apart from favouritism, these figures can, however, also be explained by the higher information level of committee members. They are the first to know when loans are available, so when attractive loans like the middle-term loans are introduced, committee members are among the first to apply. These loans have been introduced recently and as the size of such loans is much higher than the short-term loans this can explain at least part of the difference in average loan sizes for committee members compared to ordinary members.

The cooperative loans are now far the most important credit source for these peasants as 33% of our sample had received such loans, while only 7% had received loans from other sources. It also reflects a major increase during recent years that only 8% of these peasants had received cooperative loans in 1975.

Table 16. Loans from marketing cooperatives to 27 committee members and 89 ordinary members in Mwogeto Sublocation related to their economic basis

<table>
<thead>
<tr>
<th></th>
<th>Committee members</th>
<th>Ordinary members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage receiving loans</td>
<td>56 %</td>
<td>34 %</td>
</tr>
<tr>
<td>Average loan size</td>
<td>2826 K.sh</td>
<td>1308 K.sh</td>
</tr>
<tr>
<td>Average income in 1978 from coffee and pyrethrum</td>
<td>1619 K.sh</td>
<td>1500 K.sh</td>
</tr>
<tr>
<td>Average area with coffee and pyrethrum</td>
<td>0.30 ha</td>
<td>0.23 ha</td>
</tr>
</tbody>
</table>

1 Some committee members were from neighbouring sublocations.
The loans are given with the aim to improve coffee and pyrethrum production. This can be done even without an increase of the cultivated areas, as weeding often is poor and fertilizers seldom applied. However, the impact on production seems to be quite limited (table 17). Fertilizer application does not seem to have increased at all, and although attempts have been made to distribute fertilizer under the scheme, this has not been successful, both because of problems in the distribution apparatus, and because some peasants needed cash and therefore attempted to sell the fertilizer locally, even at a loss. Apart from this limited element of the loan being supplied in kind, loans are entirely given as cash. As there are no control measures concerning the use the loans are put to, it is not surprising that they are often used for other purposes. It now seems generally accepted in the area that loans can be used for other purposes than the stated ones, also among committee members. Hence, it is also possible for members to get new loans, even if the committee members know that the previous loan has been used for wrong purposes.

Only a small proportion of the loans seems to be used for pyrethrum or coffee production, so it is not surprising that production of coffee and pyrethrum has stagnated or fallen during recent years in Kisii as a whole, even though these loans have become widespread all over Kisii. The income increase from coffee and pyrethrum production since 1975 for these peasants does, however, indicate a limited relative increase of production. For peasants who have received loans, the increase of incomes from coffee and pyrethrum has been 43 % since 1975, compared to 13 % for the rest.

The repayment rate is quite good. Repayments are simply deducted from payments for cash crop deliveries, so if peasants continue production of the cash crop, repayment is almost certain, although the repayment period might have to be extended. So repayment problems can be expected only if the cash crop production stops. As mentioned previously, many producers of pyrethrum have uprooted their pyrethrum plants during the last few months.

### Table 17. Use of cooperative loans by 27 committee members and 89 ordinary members in Mwogeto Sublocation

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Committee members</th>
<th>Ordinary members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-productive purposes</td>
<td>40 %</td>
<td>60 %</td>
</tr>
<tr>
<td>Coffee or pyrethrum</td>
<td>33 %</td>
<td>7 %</td>
</tr>
<tr>
<td>Other productive purposes</td>
<td>27 %</td>
<td>33 %</td>
</tr>
</tbody>
</table>

1 If loans have been used for several purposes, registration has been made according to the purpose that was the most costly.
2 Some committee members were from neighboring sublocations.
years, but still the repayment rate remains high, primarily as a result of the good tea incomes in the period. However, without the good casual incomes from tea, serious repayment problems could have been expected. The development of the saving accounts of the unions indicate how quickly the repayment possibilities might change. Due to falling coffee prices the savings within the coffee union have decreased from 5.1 mill. K.sh on 31 March 1978 to 3.5 mill. K.sh. on 31 December 1978. And the credit team of the pyrethrum union, where incomes have been falling during the last few years, concludes its Annual Report 1978 by stating that "the scheme was started in 1973, but up to now the expansion has always met with little success".

The role of the committees has certainly contributed to the good repayment results. It has been a condition for new loans to the societies that all previous loans had to be repaid, and as the committees have been interested in more loans, especially the middle-term loans, they have put pressure on members for repayment of outstanding loans. The short-term scheme has, therefore, although it has only had limited impact on production, had a positive impact on the repayment moral and the abilities of the societies to administer such loans. This provides a good basis for longer lasting loans, which might lead to a major increase of production.

It can therefore be concluded that the moral concerning use of the loans is not good at all, while it is generally good concerning repayment. The bad moral concerning use of loans is not very worrying for this kind of loans. In fact, it might even be advantageous that peasants can use the loans in the manner they think most beneficial for their future incomes, e.g., planting of tea instead of pyrethrum, as the tea incomes at the moment are much higher than pyrethrum incomes. So it might even be worth recommending that such loans are given without limitations, instead of making rules which nobody cares about. But for longer lasting, bigger loans, such practice could be rather dangerous. The purpose of such loans is not only to cultivate existing fields more intensively, but also to expand the cash crop areas. This is the only way to increase cash crop production in the long run. For such loans, additional control measures ought to be considered. It should also be considered how social bias for such loans could be avoided, as the risk for such bias is bigger the more attractive the loans are. Some wealthy peasants admitted that they had not applied for cooperative loans as they were too small and our figures also indicate that committee members have grasped a relatively big share of the middle-term loans for themselves. If social biases are to be avoided also for these loans, the problem must be attacked consciously by the cooperatives.

*On the whole, the CPCS scheme must be considered successful up to now. It does not*
seem to have led to major social bias, and the repayment rate is good. This can, therefore, be seen as evidence of the possibility to successfully provide credit to peasants through marketing cooperatives on the basis of cash crops.

An extension of the cooperative credit to cover food crops is more questionable. Experience from the IADP scheme is not good and repayments have often only been possible through a cash crop. Another cooperative credit scheme, which reaches poor peasants on the basis of food crops and where the loan is given entirely in kind (Farm Input Supply Scheme) seems, however, to be more successful than the IADP scheme, so credit to such peasants for food crops still needs to be tested more thoroughly.

A major limitation of the cooperative credit schemes is, however, that they only reach members of cooperative societies. The third major cash crop in the area, tea, could provide just as good security for this type of loan as coffee and pyrethrum. If tea was included, credit to peasants could be given on the basis of all three cash crops, whereby also security of loans could be improved. Thus, it is in the interests of all parties that tea is included in the future. This, of course, presupposes an agreement between KTDA and the cooperative societies, which cannot easily be obtained, as both the organizational systems and payment systems are different.

The ideal solution seems to be that one district credit team is made responsible for all types of peasant cash crop credit, and that locally elected committees representing the interests of all types of cash crops, judge applicants. Such a streamlining of the credit system seems increasingly imperative, as the number of credit schemes is growing. Otherwise the well-informed peasants will be favoured and huge variations between different areas and for different crops will be the result.

5. Non-agricultural activities of the cooperative societies

Most societies have invested some money in different kinds of businesses, like running of posho mills, lodging, shop-keeping, etc. Our basic view on such activities is that they should not be encouraged. Very often they are run with losses because of mismanagement and/or malpractices.

Even lodging (which usually is a quite lucrative business in Kenya) gives very small profits when run by cooperative societies. One of the four selected societies possessed a house in Nairobi, which according to the report of the auditors in 1976/17 gave a profit of only 2,387 K.sh compared to 24,840 K.sh collected from tenants. There was an unaccounted balance of rent of 6,786 K.sh, and officers spent 6,651 K.sh on travelling to Nairobi to collect rent for
which 2,420 K.sh was spent in 1975/76. No documents were available from officials after travelling to Nairobi to verify the correctness of the amounts spent on travelling. Therefore, in this case the small profit is most likely to be both a result of mismanagement and corruption.

Another example of mismanagement from one of the selected societies related to a posho mill, which the society had run for some years with a loss. It was therefore suggested and agreed upon that an "honest" peasant should be given the responsibility of running the posho mill. Dispute arose, however, after some time, as the peasant claimed that the posho mill now was his property, and eventually he moved away and took all the machinery with him. The case was still not settled.

Our basic view is based only on a few examples like these, but all the societies have had negative experiences with such activities. Concerning petty business and shop-keeping in the local area it seems understandable that these cannot be run profitably as competition is very high. As has been shown by J. Carlsen³ such activities are based on extremely low payments to workers.

Contrary to marketing of members' produce, such activities are usually not related to the members' economy at all, so the cooperative societies have no special advantages compared to other types of business. This makes them also difficult for members to control, so the risk of misuse increases significantly.

Some of the pyrethrum societies, which face serious problems at the moment, plan to engage in such activities in an attempt to save the societies. This resembles an attempt to pull oneself up by the hair and seems bound to fail. Their only chance of survival is probably to engage in other agricultural activities on a multipurpose basis, if pyrethrum production continues to decline.

Another type of non-agricultural activity is the different non-profit activities which the societies support economically, e.g., building of schools, hospitals, cattle dips, water projects, etc. Unlike the Integrated Cooperative Development Projects, such activities are not organized by the societies, and they are not alone responsible. What they do is to donate some money after a meeting of members has been consulted. Such donations often raise discussions between members, as they only benefit a limited number of members. Thus many peasants answered negatively when asked if they would be in favour of bigger societies, which also covered neighbouring sublocations, as they feared that such donations would not benefit their area.

In one of the societies such discussions had resulted in attempts to divide the society, as some members who lived outside the constituency of the majority, claimed that donations seldom benefitted their area.

This is perhaps not surprising, knowing that the societies are formed for the interests of members, and that the money in fact is taken from the pockets of members. But it illustrates clearly that such activities are not only limited by the available resources but also by the benefit that members get from them. The problems within these fairly small areas also illustrate the problems which would arise if donations were extended to the national level, so that peasants in high potential areas contributed to the development of the low potential areas. Such solidarity simply cannot be expected generally on the basis of this type of cooperative.

6. Members' attitudes towards the cooperative societies

Members' attitudes are difficult to measure quantitatively. General questions cannot be expected to give any significant differentiation, and more sophisticated methods for measurement of the intensity of the attitudes cannot be applied in this case, where many respondents were illiterates. Even hypothetical questions were assumed to be difficult as they would hardly be understood. The questions formulated to reveal the members' attitudes thus had to refer to phenomena well-known to the members and which could indicate members' attitudes. Therefore it was hoped that members' attitudes could be deducted indirectly from a number of questions referring to different aspects of their relationship with the cooperative society. The risk inherent in this method is that the answers might possibly only reflect the reality and not the attitudes. Thus, members were asked why they had decided to become members of cooperative societies, but as they had no choice if they grew pyrethrum or coffee, the answers in this case only reflected that the marketing of pyrethrum and coffee outside the cooperative societies was impossible.

Our assumption that general and hypothetical questions should be avoided proved to be correct. Thus, when asked the general question whether they thought deductions were too high, only 11% agreed, while 41% answered that they would like their society to be independent of the union as deductions by the union were too high. Hence, general questions seem unreliable and there seems to be a tendency to answer such questions in the affirmative. Also hypothetical questions seemed to give unreliable answers, and members found such questions very hard to understand, probably because they were not used to hypothetical thinking. Therefore it
was also difficult for them to imagine that the structure of the cooperative societies could be changed or that cooperatives could market crops other than those marketed at present.

Generally, it seems impossible to make a comprehensive quantitative analysis on the basis of the collected material, so the idea of deducting general attitudes from a certain pattern of answers seems impossible. Quantitative methods cannot alone reveal general attitudes nor the intensity of such attitudes. They must be supplemented with qualitative methods. A quantitative analysis is, however, possible with regard to the answers to questions concerning concrete aspects of how the cooperative societies function.

Generally, ignorance and indifference towards the cooperative societies seemed widespread. An illustration of this is that 24% of the members did not know who owned the cooperative societies. Some thought that committee members were the owners, others suggested the county council, the Government, the chairman, or the cooperative officer.

Most members seemed to be generally positive towards the cooperative societies, but rather indifferent. There were, however, a few members who expressed clear positive or negative attitudes towards the cooperative societies, and who argued in a way that revealed that they were well-informed. The following table lists some of the arguments given by these few members to support their general attitude towards the cooperative societies.

**Positive members**
- societies are members’ property
- members have got most power in the societies
- members get the profit of the societies
- through government control the risk of misuse of the societies is minimized
- societies give loans to members
- societies give employment to local people
- all peasants can join the societies as shares are small
- societies provide extension service to members and spray their coffee trees

**Negative members**
- societies are inefficient
- payment systems are badly organized and payments often delayed
- deductions by unions and marketing boards are too high and members are not informed why deductions are made
- there is too much misuse of funds by committee members and staff
- general meetings are often disorganized
- there is a lot of politics within the societies
- the influence of the government is too high
- committee members are not sufficiently qualified.

But most members did not seem to share such general opinions, neither negative nor positive. What interested them was primarily the payments and the payment systems, not the way the marketing system was organized. Hence, when asked if they preferred to sell to local markets rather than to the cooperatives, 90% answered that they preferred the cooperative societies and the majority gave the reason that if they were selling to a local market, they would get many small payments, and they would use the money gradually instead of saving it. Or when asked if they preferred "that the tea marketing system was organized by cooperative societies instead of being organized by KTDA" a major reason for preferring KTDA was that the payment system was better organized, as KTDA pays monthly and also gives a bonus at the end of the year.

The widespread indifference towards cooperative societies can probably partly be explained by the compulsory membership of pyrethrum and coffee growers. Apart from a few milk producers, the peasants in this area have never been confronted with a situation where they had to consider membership. As most societies were established more than 20 years ago and have taken very few new initiatives of crop marketing in this period, most peasants were almost born to be members of the cooperative societies. This is probably also one of the reasons why peasants find it difficult to imagine that the marketing system for coffee and pyrethrum can be organized by anything but the cooperative societies.

7. Concept of the role of the Government and unions

The role of the Government in relation to cooperative societies is extensive in Kenya, as already discussed. A special Ministry has been set up by the Government to promote and control the development of cooperative societies. Consequently, there is also a District Cooperative Officer in Kisii, who is supposed to guide and control the development of the cooperative societies. He participates in the general meetings of the cooperative societies, participates whenever problems arise in a society, and continuously controls the economy of the societies. He is supposed to countersign all cheques before a committee can dispose of them. Within the Ministry the activities of the cooperative societies are followed by the
Commissioner for Cooperatives. He approves the accounts and activities of the societies, and he decides if a bonus is going to be paid to members. Finally, a special marketing board exists for most crops which deals with marketing of the crops at national and world market levels. These marketing boards are parastatals and the cooperative societies have only got limited influence within them. Of course, all these activities place a certain burden on the cooperative societies and limit their possibilities to make their own decisions, so it could be expected that members reacted against this role of the government.

According to the area-based approach to cooperative development almost all societies are affiliated to unions, which run a number of activities. Of course, these activities also result in certain deductions being made, and it could be expected that members would react negatively against them. One coffee society in Kisii, Gesarara Cooperative Society, was independent of the union and ran its own transport system etc., so the consequences of being under the union were well known to many peasants in the area.

There does not seem to be a general negative opinion on the role of the Government and unions (table 18). The most common reason for members to feel a need for dependency on the Government was that they perceived it as a security for the members against misuse of the societies. The concept of the role of the union was more negative than the role of the Government, the main reason being that the members felt that the deductions made by the unions were too large.

The answers of committee members more or less follow the same pattern as the answers of the members, so it does not seem as might have been expected, that the committee members felt the need of being independent stronger than other members.
8. Membership democracy

The membership democracy may be an important dynamic factor within cooperative societies. Thus, active members contribute to the running of the societies and inspire their elected committee members in a very important way. On the other hand, passive and uninformed members are a burden, as the societies are forced to call them to general meetings and to follow decisions made at such meetings that might be taken on the basis of insufficient knowledge. Thus, it is very important for the cooperative societies that their members are active and well-informed. This is their advantage compared to other capitalist business organizations, where the profit motive is the only dynamic element. Fifty-nine percent of members answered that they had participated in the last general meeting. However, we doubt that they answered honestly. According to the minutes of three of the societies in Mwogeto sublocation, 1545 members participated in the general meetings in 1978 out of a total membership of 8513 active members (18%). So it seems as if only a small proportion of the members attend the general meetings. The reason for non-attendance might, of course, be sickness, work, etc., or they might simply not have received the message that the meeting was taking place. But still it leaves us with a large proportion who seem to be rather indifferent towards the cooperative societies.

If membership democracy was working perfectly, all members would be expected to answer that the members themselves had the most power in the cooperative society. In answering our question on who had the most power, 60% in our sample said that members had the most power, 21% said committee members, and 19% the government. On the other hand, all committee members answered that the members had the most power in the cooperative societies. Thus the low percentage of ordinary members who realised that they themselves had the power could be another indicator of shortcomings of the membership democracy.

Also the previously mentioned reduction of pyrethrum production and passivity by the union and the Pyrethrum Board point in the same direction. As mentioned, pyrethrum production has been approximately halved during recent years in Kisii, and in the two selected pyrethrum societies production had fallen from 608 tons of dry flower in 1975176 to 259 tons in 1977178. Prices do not seem to be the main explanation of this decrease, as the average payment to members of these societies rose from 5.85 sh in 1975176 to 7.70 sh in 1977178. The expanding tea areas undoubtedly contribute to the decline, as the comparative income from tea has been higher in recent years (in our sample the average income per hectare of tea was 6487 sh per year compared to 4420 sh for pyrethrum, and this figure
even underestimated the income of tea due to young plants). This comparative disadvantage is made even worse, as pyrethrum requires more labour hours than tea. But it does also seem as if some kind of disease affected pyrethrum growing significantly. Whether this disease is caused by changed weather conditions or other causes is unknown and apparently nothing has been done to find out why the root system of the pyrethrum is being attacked. The disease results in falling yields and incomes. The income per hectare has fallen from 4557 sh in 1975 to 4420 shin 1978 in our sample in spite of the increased prices, and the pyrethrum content also seems to have fallen (1973174: 1.62, 1975176: 1.47, 1976177: 1.33 in Tinga Society). The reasons for the decline of pyrethrum are, therefore, both high tea incomes, which are mainly determined by external factors, and a failure by the cooperatives and the Pyrethrum Board to fight the disease.

Naturally most growers had observed that their pyrethrum was not doing well. They had raised the question at general meetings and the societies had asked Masaba Union to take action. Masaba Union in turn asked the Pyrethrum Board to investigate the causes of the declining production, but had seemingly never received an answer and had not bothered to ask again. This passivity is surprising, as the declining production threatens the existence of the union, and as Kisii is a major pyrethrum producing area in Kenya, the Pyrethrum Board ought to have been interested in finding out the reasons for the decline. Furthermore, the 1979–1983 Development Plan sees pyrethrum as one of the most promising crops in the period, as "pyrethrum extract... prices are... expected to rise significantly" (p. 209), so "high rates of growth are projected for both volume and value of exports of pyrethrum extract" (p. 219). If these optimistic price expectations are fulfilled, it seems even more disastrous that so little has been done to stop the decline of pyrethrum production, as this might lead to a continuous crisis throughout the plan period. All that has been done, apart from increasing the prices, is to undertake some campaigns to encourage members to grow more pyrethrum. The main content of these campaigns is that committee members visit members and discuss the problem with them. But even the committee members themselves often have stopped their own pyrethrum production, such campaigns have little chance of succeeding. Among the 14 committee members of pyrethrum societies, three did not grow pyrethrum any more, and the rest only grew, on average, 0.32 ha, (compared to an average of 0.74 ha of tea). What is needed in this situation is not only price increases and campaigns, but also research to find out the reasons for the declining production (which should be undertaken by the Pyrethrum Board), and introduction of new seeds by the union. Both seem to have failed largely in this respect.
A perfectly working membership democracy should bring such problems from members to the society, union and marketing board, and the pressure from below should ensure that some action was taken. The membership democracy should, so to speak, partly substitute the profit motive of private companies, where falling profits also would lead to some kind of action. The profit motive within the cooperative societies and unions is not sufficiently strong to lead to immediate action, but has to be supplemented with the membership pressure. Societies and unions can, namely, survive with no profit, and for a number of years even with negative profit if they increase commissions, so membership democracy is crucial for the dynamics of the cooperatives.

The above situation indicates that membership democracy has worked quite well at the primary level but that the gap between societies and union and between union and marketing board seems to be too wide. The pressure from below was not felt seriously in these institutions and consequently it could be neglected.

Election of committee members usually results in enthusiastic participation of members. Much more people turn up at general meetings than at special meetings, where no election of committee members takes place. Often candidates who challenge committee members do a lot of political work before the meeting in order to gain supporters. Criticism of the present committee is necessary for such candidates if they are to succeed. Such political games seem to be enjoyed by the members, and often seem to cause chaotic situations at general meetings. To the extent that such elections only are guided by some members' political aspirations without any reasonable criticism, they might have a somewhat negative impact on the work of the societies. Such political strifes disturb the work of the committees, prevent necessary discussions at general meetings and tend to disunite members. Naturally, election of committee members is a necessary characteristic of cooperative societies. But for the society to be well-functioning these elections should be based on the capabilities of the candidates and their ideas concerning the society, while personal political aspirations based on unfounded criticism should be avoided. Unfortunately, it seems that the latter plays some role in the selected cooperative societies.

The average period that committee members had held their posts was 5 years, which seems quite reasonable, as both too short and too long periods should be avoided. If members are dissatisfied with the sitting committee, they do not seem to hesitate to vote them out of office, so a committee can never feel sure of reelection. In this respect, the membership democracy seems to fulfill its mission.
9. Marketing cooperatives and politics

Politicians have played a major role in the development of Kenyan cooperatives. Particularly in the years just after Independence, politicians encouraged the formation of African cooperatives in their constituencies as they were considered as means of reaching some of the goals in the struggle for Independence, but also because cooperatives were instruments which could be used by individuals in the political struggle. Through cooperatives it was possible to reach a great number of the peasants and support of them could be one of the ways for politicians to ensure their popularity in the electorate. On the other hand, positions within the cooperatives could also be a means to fulfil political ambitions.

Thus politics have played and continue to play a role within Kenyan cooperatives. This is particularly so because of the political system adopted by Kenya. Political struggle in Kenya is, in fact, a struggle between candidates on the basis of the initiatives they have taken locally rather than a struggle on basis of national politics, ideology, etc. In practice only candidates who have made themselves known locally through popular initiatives like Harambee projects, cooperative initiatives, etc., which are material contributions to the development of that particular area, have got a chance of winning a seat. Hence there is always an increase in the number of Harambee projects and donations from politicians in campaign periods, and it is practically impossible for a candidate without some personal wealth to win a constituency, no matter what his policy might be on countrywide matters, foreign policy, ideology, etc.

In such a situation, where politics is primarily a question of local politics, at least in campaign periods, it is not surprising that politicians continue to play a role within cooperatives. Candidates continue to cultivate their relations with the leaders of the cooperatives, and they are often successful in reducing the leaders to a kind of local servants for their personal ambitions. So generally the leaders of cooperatives seem to have a patron-client relationship to politicians rather than to be within the same power elite. The leaders of the cooperatives, especially the chairmen, are usually a kind of local politician who also hold posts within school committees, Harambee groups, etc. The cases where cooperatives have been used by cooperative leaders as a means to fulfil political ambitions at national level seem, however, to be exceptions, both when compared to the total number of cooperative leaders, and also when looking at parliamentarians. Positions as leaders of other organizations like private enterprises, state organizations, etc. seem to be just as useful means to fulfil national political ambitions. Cooperatives, however, are useful means to reach political ambitions at the local level, and the cooperative leaders must
therefore generally be regarded as a type of local politician, who still are integrated in the local community and hence are not too remote from the problems of the peasants.

Therefore the negative effects of national politics on cooperatives (apart from the government control of cooperatives, which has been discussed above) are not so important as local political strifes. The reference group of peasants in Kenya is still primarily their kinship group, and strifes between such groups and their candidates do often affect the cooperatives negatively. Usually one candidate is elected from each sub-area under the cooperative so there is a large risk that different, hostile kinship groups get their candidates placed in the same committee. Members still perceive the committee member from their area as their representative, and they almost exclusively vote for candidates from their area. Thus 93% of the interviewed members from Mwogeto Sublocation who participated in the last general meeting, had voted for a candidate from Mwogeto, although only 7 out of 27 committee members in our sample were from Mwogeto. In itself this is a positive system, as it enables good contacts to be established between the committee members and the local area, whereby continuous information and feedback is made possible. But in the Kenyan context it has had certain repercussions on the efficiency of the cooperatives in some areas.

It is, however, our impression from Kisii that these problems are not disastrous. We know that individual parlamentarians also in this area put pressure on the cooperatives, e.g., to make them contribute to Harambee projects, and that they use chairmen in the area as their contact persons for this purpose. We also found some cases where there was rivalry within the committees between persons who represented different kinship groups. But the general impression was that these were exceptions rather than the rule, and that most committees apparently worked without internal problems. When compared with the emphasis this question has been given by other authors (e.g., Geoff Lamb4 and G. Hyden5), it seems that either these problems have been more grave in other areas, or there has been a tendency for such problems to fade out gradually over time.

If such problems are less now, one reason could be that the social structure which links peasants so firmly to their kinship groups gradually is being undermined by expanding capitalism. In such a case the conflicting group interests which tend to disintegrate marketing cooperatives as they are brought in from outside through the membership democracy, may have lessened, and the individual strifes, which seem numerous in this area, are

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not as dangerous for marketing cooperatives, as they usually are solved through trials rather than through group strifes.

As long as such problems continue to exist, they must be continuously fought by the marketing cooperatives, particularly as they often compete with other marketing systems which do not suffer from such problems to the same extent, as they are not linked as closely to the local community. It is in this light that the power of the Commissioner for Cooperative Development should be seen. He can dissolve elected committees and appoint new, and he can also order amalgamation of societies. Such intervention must, however, be looked upon as a final solution, when all attempts to solve the conflict from within the movement have been made, as such intervention has small chance of really solving the problems, especially in cases where the vast majority of the members are involved in the conflict.

Kenyan cooperatives have experienced many problems with misuse of the cooperatives. Instead of controlling each other, the local notables, politicians and bureaucrats have often been linked firmly together. Naturally, it is not possible to measure the misuse of the cooperatives, but there is no doubt that misuse has been a serious problem, at least in the past, and it was one of the main reasons for the control measures introduced in 1966. Thus, misuse leads to increased bureaucratic burdens on the movement, and makes cooperatives resemble parastatals. It is, therefore, imperative for the movement to fight the misuse.

In the selected sample, 34 % of the members answered that they “had experienced misuse of the cooperative societies for personal purposes”. But many added that misuse had not taken place in recent years. Eighty-four percent were satisfied with their present committee and 81 % were satisfied with the present society staff. Misuse might, thus, have decreased over time, and the reasons are probably the increased government control and the improved administrative practices. The government control was regarded by most members as a protection, and concerning administration, improvements narrow the possibilities of misuse. As long as administration is poor and accounts often not audited or audited years in arrears, the risk of misuse seems higher, simply because the chances of being exposed are less. The improvement of administrative practices seems partly to be a result of the Nordic Project for Cooperative Assistance to Kenya. A new loose ledger system has been introduced by the project, and it has been implemented all over Kisii. All managers and book-keepers expressed satisfaction with this new system. Auditing was usually two or three years in arrears, but this delay seems mainly to be caused by the accountancy section of Kenya National Federation of Cooperatives.

Staff recruitment might be another indicator of misuse of the
cooperatives. Previously, staff recruitment was primarily local and nepotism seemed widespread. But as the recruitment procedure has been taken over by the unions, the present procedure seems to be fairer, and as a consequence young managers and other staff seem better qualified for their jobs. Nepotism and clanism is, however, still a problem but it does not seem to be significantly more serious than in other organizations in Kenya.

The positive attitude by most members towards Government control of their cooperatives indicates a confidence by peasants in the Government. And as a whole this area seemed to be an ideological and political stronghold for the Government, probably partly a result of the role of cooperatives. Cooperatives are also means for political and ideological mobilization of the members, e.g., concerning Harambee Projects, and they tend to blur class differentiations. Cooperatives appear to be "neutral" institutions operating for the benefit of peasants, so the Government, which supports these cooperatives, is also seen as "their" Government. This does not necessarily imply that it is a false consciousness, as cooperatives have improved the economic situation of their members, and also seem to have prevented increasing social differentiation. What should be stressed is, however, that they also seem to be means to increase the political and ideological support from cooperative members, so the cooperative policy of the Government should consequently, also be seen in this light. As has been pointed out previously, Government support to cooperatives does not always seem whole-hearted, as support also it given to other marketing set-ups. If the Government support to cooperatives thus is motivated largely by political and ideological considerations, there is also a risk that this support might be withdrawn if the Government consolidates its political and ideological position. With the aggravation of the unemployment problem it does not, however, seem likely that the Government can risk losing the peasant buffer, as the growing number of unemployed and landless is likely to sharpen class conflicts.

10. Position of women in the cooperatives
It is well known that women in Kenya often work more on the farms than men. Kisii is no exception. On the other hand, it is also well known that only very few women are allowed by their men to be shareholders in the cooperative societies. Only if the husband is working somewhere else might this be the case. Among the 27 committee members interviewed, only two were women. And at a general meeting of one of the cooperative societies, only three participants were women compared to approximately 80 men.

A change in this situation is of course difficult to bring about, as it concerns
### Table 19. Economic determinants for average peasants, committee members and high income peasants in Mwogeto Sublocation. (K.sh. per year)

<table>
<thead>
<tr>
<th></th>
<th>Average peasant</th>
<th>Committee member</th>
<th>Peasants with gross incomes above 15000 K.sh.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross incomes per household</td>
<td>9874</td>
<td>13744</td>
<td>23362</td>
</tr>
<tr>
<td>Cash incomes from agriculture per household</td>
<td>3918</td>
<td>5196</td>
<td>8951</td>
</tr>
<tr>
<td>Business incomes per household</td>
<td>668</td>
<td>845</td>
<td>3418</td>
</tr>
<tr>
<td>Incomes from permanent qualified labour per household</td>
<td>778</td>
<td>1376</td>
<td>4960</td>
</tr>
<tr>
<td>Incomes from unqualified labour per household</td>
<td>498</td>
<td>111</td>
<td>436</td>
</tr>
<tr>
<td>Incomes from casual labour per household</td>
<td>54</td>
<td>887</td>
<td>56</td>
</tr>
<tr>
<td>Expenditures for agricultural wages per household</td>
<td>218</td>
<td>498</td>
<td>884</td>
</tr>
<tr>
<td>Disposable area per household</td>
<td>2.4 ha</td>
<td>2.6 ha</td>
<td>5.3 ha</td>
</tr>
</tbody>
</table>

1 Some committee members were from neighbouring sublocations.
2 Includes allowances from cooperative societies.

The fundamental relationship between men and women, which is reproduced in many ways. On the other hand, the cooperative societies could be a means to promote a change of this kind by letting the women participate in general meetings and in committees in greater numbers. Perhaps one way of bettering the situation would be to allow both husband and wife to participate, although they only have one share. This would, of course, put a polygamist at an advantage over a bachelor, but it might be the only way of changing the unfair position of women.

### 11. Social characteristics of committee members

Compared to the average peasant, committee members do better economically, but not as well as the high income group (table 19). The average lands of committee members are not significantly larger than for the average peasant, but they are able to get higher incomes both from their farms and from business activities. They seem to follow the same income pattern as the high income group in comparison with the average peasant, as both groups have higher business incomes, lower incomes from unqualified labour, and higher expenditures for wages. But it is evident that the average committee member does not have as high an income as the high income peasants, and that they should be regarded rather as a kind of middle group between average peasants and the high income group. A certain economic success therefore seems to be a prerequisite for election to committees, which is not surprising, as prestige among the Abagusii mainly
is acquired through richness (having many wives, children, cows, large lands, many business activities).

Another prerequisite seems to be a certain educational level, and a reputation for having "natural wisdom". Forty-three percent of the peasants had no education, while all committee members had gone to school. Fifteen percent of the committee members had secondary school education or higher education. Also concerning attendance to courses, committee members were doing much better. Only 26% of the committee members had never attended any courses, compared to 64% of the peasants. Sixty-three percent of the committee members had attended a farming training course, and 37% a course at the Cooperative College.

A third characterization of committee members was that they held many posts in other organizations. Seventy percent held such posts, and more than half of these held more than one post. The type of organization was mostly local, democratic organizations like school committees, Harambee groups, county council, maternity wards, market committees, parents' associations, and development committees. Such posts usually give no or very low incomes, so they are probably mainly held for reasons of prestige. Only few committee members sat on the Board of Directors of private companies.

The income that committee members get from the cooperative societies is rather limited. They get certain allowances, like sitting allowance (approximately 25 sh per sitting), safari allowance, when they travel somewhere on duty, weighing allowance when they control the crop weighing procedure, and special allowances which only are paid to committee members upon approval of a general meeting. The average income per committee member for these posts was 707 sh in 1978, which is about 5% of their average gross income. Hence it is not a lucrative post unless some indirect advantages can be proved.

It is, of course, impossible to estimate the dimensions of corruption and other illegal benefits, but checks can be made whether committee members benefit unreasonably from the cooperative loans and cooperative extension and spraying service. For loans it was shown in table 16 that there was a certain bias, as committee members got more loans and loans of bigger size than could be justified from their production. Concerning extension and spraying services, there did not seem to be any bias according to our interviews. Both members and committee members had been visited twice on an average by the spraying team in 1978, and twice by extension officers.

The main conclusion concerning the committee members is, therefore, that they do not distinguish themselves clearly from the rest of the peasants. They are a bit wealthier and better educated than most peasants, but this seems only to be a difference of degree, not a qualitative difference. And despite their numerous
democratic posts, these are usually locally based, so on the whole they do not seem to be too remote from the problems of the peasants.

12. The impact of agricultural marketing cooperatives on social differentiation

The analysis has shown that the social differentiation of the peasantry in this area is very low, and that committee members do not distinguish themselves from the average peasants in any qualitative way. Thus cooperatives do not seem to have led to increased social differentiation although, on the other hand, neither have they contributed to any great extent directly to a reduction of the social differentiation. They do not favour small farms more than big farms, but provide the same conditions for all farm sizes.

If private marketing and cooperative marketing is compared under the assumption that they are equally efficient, it seems evident that cooperative marketing is a more democratic type and the risk of increasing social bias is less within the cooperative marketing system. All growers can participate and become members of the societies, as the necessary share is very low (usually between 50 and 100 sh). In principle, all growers are paid the same price per kg, as deductions per kg delivered crop are the same for all growers. Deductions for transport, processing, spraying, extension service, administration, etc. are the same per kg for all growers. This would not be the case for private marketing, as peasants with high production would benefit relatively more than other peasants, as their purchasing and selling power is higher, costs for transport can be reduced relatively, etc. Therefore private marketing can be expected to lead to increased social differentiation compared to cooperative marketing, and if private marketing is replaced by cooperative marketing, reduced social differentiation might even be expected. This, however, presupposes a similar level of efficiency within marketing cooperatives and private companies. If private companies are more efficient, so big peasants prefer them or deliver their products directly to the factory or market, then cooperative societies do not have this effect. On the contrary, they tend to become organizations for the weak and are thereby weakened even more. Hence, inefficiency might lead to a vicious circle which increases social differentiation.

If the cooperative marketing set-up is compared with the parastatal set-up, the impact seems to rely on the type of activity. If the means of production mainly are hand-tools and growing of the crop is open to all peasants, which mostly is the case for tea growers, the effects of this set-up on social differentiation within the peasantry are more or less the same as for the cooperative set-up. But if a certain minimum land size is a condition for
growing the crop, and modern mechanized methods of production are being applied, increasing social bias will be the likely result.

The main difference between the first type of parastatal set-up and the cooperative does not seem to concern the impact on the social differentiation of the peasantry, but relates to the organizational structure and the distribution of profit, as growers do not have the same democratic rights within the parastatals, and profit is not only distributed according to deliveries, but also according to the capital invested.

The social impact of Kenya Tea Development Authority (KTDA), which is a parastatal body organizing peasant tea production, seems consequently to be much the same as the social impact of marketing cooperatives. There are no special advantages for growers with high production, as deductions for transport, processing, etc., are the same for all growers. Furthermore, the average farm size for tea growers is almost the same as for average peasants (3.1 ha compared to 2.4 ha), and the average plot size is quite small (0.28 ha). Thus it seems evident that tea growing also has reached the small farms, and the impact on social differentiation is that tea growing is preserving the social differentiation than rather increasing it. There has, admittedly, been a certain bias in the policy of the KTDA in favour of the richer peasants with rather large holdings, but seemingly this bias has only led to increased illegal tea-growing on the smaller farms. We therefore disagree with J.S. Steeves in whose view "introduction of the new crop (i.e. tea, T.B.) led not only to a significant differentiation of land owners but, given the high labour content of cultivation, also sharpened the class division between owners and labourers". What has happened is that tea-growing, in spite of a certain orientation towards rich peasants by KTDA, gradually has spread to all farm sizes. The class division between owners and labourers in peasant areas like Kisii has therefore not sharpened, and on a country-wide scale tea cultivation in peasant areas, which has expanded more rapidly than tea cultivation on estates since Independence, has created income possibilities for a great number of peasants, who otherwise would have had to seek employment elsewhere. Tea-growing has therefore in our view prevented the proletarianization of small peasants that otherwise would have occurred. The increasing number of near-landless in Kisii is consequently not a result of introduction of new crops, like tea, but rather a result of the population pressure on land combined with a traditional inheritance system.

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6 In 1970 it was revealed that 2000 tea-growers in Kisii had acquired their planting material illegally. (Minute 5 of the Meeting of the Kisii District Committee, 6 January 1970).
8 Ibid. p. 132.
The parastatal system may therefore have the same impact on social differentiation as marketing cooperatives, and as it also seems to function in a more efficient way than marketing cooperatives, it might be interesting to compare these two marketing systems in further detail.

13. Cooperative marketing versus the parastatal tea marketing system

In colonial times, tea was only grown on large estates and it was not regarded as suitable for small-scale cultivation, primarily because it is highly perishable. Good quality tea can, namely, only be made if the tea is processed on the same day it is picked. In 1964 the new Government changed this policy and began to introduce tea growing in the peasant areas. KTDA was formed with this aim, and credit was obtained from external sources like the World Bank and some transnational corporations. The initial investments were high, as roads had to be improved or built in many areas before tea growing could be initiated.

The introduction of tea in peasant areas has been an immense success. It is a labour-intensive crop and quite small areas can keep a family busy. According to estimates by B. Gyllström the labour requirement for tea is 1.9 man-years per hectare. In 1978, 122348 peasants grew tea on 46861 ha., and the peasant share has been steadily increasing compared to the estates since 1964.

For growers the tea marketing system resembles the cooperative marketing system in a number of ways. Like the pyrethrum societies, KTDA pays a certain bonus at the end of the year to growers according to the economic result of the factories, extension officers visit the growers, meetings are held in order to inform/educate growers and elect some representatives, and growers can buy shares. It is, therefore, understandable that most peasants and committee members of cooperative societies saw no major difference between the cooperative marketing system and the KTDA system. Fifty-nine percent of the committee members could not explain any difference between the two systems.

The similarities, however, cover some essential differences. Shares which growers buy yield dividends, and votes at general meetings are according to shares, so growers do not control the tea factories. They have certain limited representation but not the majority. As mentioned, representatives for growers are elected at meetings where all growers can participate. These representatives are members of the district tea committees, which also elect

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Both on estates and peasant farms tea picking is done by hands (photo: Sø. Å. Lorenz Christensen)
representative to the Board of Directors of the factories and to the Tea Board. Thus KTDA has given growers a certain limited influence but it is not a fully democratic system like the cooperative system, where all members participate in a general meeting and the committee is elected by members on a one man one vote basis. The aim of the KTDA system is apparently to give growers a feeling of having influence, and to ensure that information is received from growers, so that problems can be quickly tackled. The system is, therefore, essentially a reciprocal information system which ensures feedback mechanisms.

The system seems to work quite well and in Kisii there was no indication of any kind of growers' revolt against the system. Growers usually expressed very positive attitudes towards KTDA, primarily because payments had been high and the payment system seemed to work efficiently. The question of democracy was obviously perceived as less important, if it was perceived as a problem at all.

In addition to the representative system, a grower's organization, Kisii Tea Growers, had also been established which, however, did not seem to be any kind of threat against the interests of KTDA. The chairman did not seem to show any consciousness of interest conflicts which could arise between growers and KTDA. This can be illustrated by one example from our interview, as at that time production of tea in Kisii was in excess of the factory capacity, so some tea could not be processed and had to be wasted. A debate had therefore arisen, also in parliament, on who should carry the loss, as it seemed unfair that casual growers should suffer. The chairman, however, did not consider this to be a problem as "it is the grower's risk, if there is no buyer".

On the whole it seems as if KTDA has succeeded in establishing a smoothly running system, which can prevent potential conflicts with growers from breaking out into real conflicts. Thus as long as the growers' organization is rather weak and the economic result satisfying for growers, no changes in the system should be expected. For growers, decisions appear to be taken "neutrally" by "experts", not by somebody everybody knows and might hope to influence as is the case for the cooperatives. Therefore the internal problems of politics and clanism are not likely to be as widespread within the KTDA simply because local peasants have less power, and only few are involved in the system.

Growers were generally satisfied with KTDA, as it was usually perceived as efficient. In fact, criticism of the marketing cooperatives was more widespread than criticism of KTDA. A major reason for this is probably that the payment system of KTDA seems to function very efficiently. Growers receive an initial payment for deliveries every month, and the rest as a bonus
Table 20. Payments to growers of coffee and tea compared to overseas payments for selected years

<table>
<thead>
<tr>
<th></th>
<th>Average overseas payment per kg for Kenyan tea</th>
<th>Average payment to KftDA growers per kg</th>
<th>Payment to growers in % of overseas payment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tea</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average for</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1976 and 1977</td>
<td>15.72(^1) Rsh.</td>
<td>2.50(^2) K.sh.</td>
<td>16 %</td>
</tr>
<tr>
<td>Coffee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1975/76</td>
<td>20.93 Rsh.</td>
<td>2.01 K.sh.</td>
<td>10 %</td>
</tr>
<tr>
<td>1976/77</td>
<td>44.30 K.sh.</td>
<td>5.04 K.sh.</td>
<td>11 %</td>
</tr>
<tr>
<td>1977/78</td>
<td>39.70 K.sh.</td>
<td>5.56 K.sh.</td>
<td>14 %</td>
</tr>
</tbody>
</table>

\(^1\) Calculated on the basis of the official exchange rate 1 dollar = 8.32 K.sh.
\(^2\) Transport costs 0.31 sh per kg are deducted. Based on average of 1975/76, 1976/77, and 1977/78


at the end of the year according to the economic result. The payment operation is **compuatorized**, while it is manual within the cooperatives. Especially the payment system for coffee was often criticized, as it was very slow. Coffee growers receive payments every 3 months, but often they are delayed more than a year after deliveries. The societies claimed the main **problem** was within the banking section of the union and Kenya Planters Cooperative Union (KPCU). The union blamed KPCU, while KPCU explained that unions and societies were to blame, as 200 sh per bag was paid immediately to the unions, when deliveries reached the stores (for Kisii the store is in Kisumu). The rest is paid when coffee is sold, and the final account is settled at the end of the year according to the economic result. Therefore the societies should be able to pay a monthly advance, and the rest as a yearly bonus.

But apart from the payment system, it is difficult to compare the efficiency of the two marketing set-ups. On the whole, tea seems to need higher initial investments than coffee due to its perishability, which makes it necessary to build tea factories, improve and maintain roads, and keep a big fleet of lorries to collect the tea. Thus, the marketing costs for tea, if the systems were equally efficient, should be expected to be the highest. An exact and detailed analysis of the marketing costs for these two crops is impossible due to lack of information. However, some rough calculations can be made of payments for the two crops to growers, compared to the world market prices.
Table 20 shows a wide gap between payment to growers of both tea and coffee and overseas payments. The wide gap is difficult to explain. For coffee the total deductions of the gross sales at union and society level are approximately 20% (18% in 1977, 24% in 1978), and according to the Coffee Board, payment to planters was 89% in 1977 and 88% in 1978. If the coffee quality in Kisii differed significantly from the average, this could also explain some of the difference, but as 82% of all coffee from Kisii in 1978 was classed as grade 4 to 6 (grades 4 and 5 are sold above average prices, while grade 6 is sold below), this factor cannot be significant. Also the local sales, not included in the figures on overseas payments, can only explain a small part of the difference, as they only constitute approximately 5% of the overseas sales. So it is unclear how a price per kg of 39.34 sh in 1976/77 and 26.07 sh in 1977/78 to planters according to the Coffee Union, can be reduced to payment per kg to cooperatives (i.e. before deductions are made) of 6.13 sh per kg in 1977 and 7.30 sh per kg in 1978. According to our material, it can only be explained by transport, administration and processing costs, but the gap is so wide, that there might be other explanations. The official KPCU deduction is only 0.25 sh per kg. Whatever the reasons might be, it does however seem safe to conclude that the actual payment to growers in Kisii in recent years only has been approximately 10–15% of the overseas price. The price per kg in Kisii to growers of approximately 5 sh per kg in the coffee boom period is in accordance with our interviews with growers in the area, and there is no reason to doubt the accuracy of the overseas prices stated by the Coffee Board.

A similar low percentage is found for KTDA, as on an average for 1976 and 1977 growers only received 16% of the world market value of the produced tea. Also here the same sources of errors exist, namely that KTDA tea qualities might differ from the average, and that there are some local sales which are not included in the figures. It is also known that 0.31 sh per kg is deducted for transport, and 0.95 sh per kg by the Tea Board. Finally the profit extracted from the tea industry by investors might naturally influence the payment to growers, but it does seem unlikely that any of these factors can explain the wide gap.

Any conclusion on the relative costs of these two different marketing systems seems hazardous as long as the reasons for these wide gaps have not been analysed in further detail. What can be concluded is, however, that if the gaps mainly are explained by marketing costs, these seem to be shockingly high for both systems.

The relative organizational advantages of the two systems have been summarized below:
**KTDA system**

A representative system ensures a reciprocal information flow between growers and KTDA and feedback mechanisms.

Growers cannot get full insight into the affairs of the factories and KTDA and they have no real possibilities of controlling the price they receive.

Local conflicts and problems are seldom brought into the system. Political and ethnical problems are limited. Staff are almost entirely recruited on the basis of qualifications.

Decisions are primarily taken by well-educated people, who are qualified for their jobs.

Only few growers are involved in the tea system, and growers' knowledge and skills are usually only improved concerning technical aspects of tea growing.

Very complicated marketing systems can be organized efficiently, and high initial investments can be made.

**Cooperative system**

A democratic system also ensures, when efficient, information flows and feedback mechanisms.

All growers participate in general meetings, which is the supreme body of the society. Ideally, growers have full insight into the affairs of the society, and they and the committee members control the societies (except for the Government interference).

Political and ethnical problems often affect the societies, and recruitment of staff is also affected by such problems, not only by qualifications.

Decisions are in principle taken by ill-educated peasants, or by committee members, who usually also have low education.

Growers are involved in the development process, and their knowledge and skills are gradually improved, not only technically, but also concerning problems of running a society.

Local and less complicated marketing systems can be organized easily, but complicated systems, which also require high initial investments are difficult to organize in an efficient way.

The tea system can be characterized as an “expert” system, while the cooperative rather can be called a “democratic” system. It is worth repeating, when this comparison is being made, that neither of these systems seems to lead to increased social differentiation of the peasantry. Both systems seem to have certain relative advantages, but this presupposes for the cooperative system that the democracy is real. If the membership democracy fails to work in a satisfying way, and Government control is extensive, it resembles a parastatal and in such a case the purely parastatal solution might be preferred, as this system suffers less from local, political and ethnical problems. If the cooperatives in reality are a kind of parastatal which is less
efficient than other parastatals and rampant with internal problems, the idea of the cooperatives might as well be discarded. It might also be argued that as long as the educational problems are so serious, and local political and ethnical problems so many, it is hazardous to form cooperatives. Such considerations, however, could turn out to be very short-term, and in reality the judgement is then only made on basis of the actual working profits of the two systems. This is too narrow a point-of-view, as also general social aspects must be considered, and if the cooperatives succeed in overcoming their problems, which again opens the way for less government control and real democracy, they might be preferable in the long run, as they involve peasants in the development process and thereby contribute to an uplifting of their general skills and knowledge. This study, although it is not dynamic, has indicated that a positive development trend is underway within the cooperatives, and it is our opinion that the key to a solution of the social constraints to rural development must be found within the peasantry itself. Based on the active participation of peasants in the development process, it seems worthwhile supporting the cooperatives. The parastatal solution, which might seem advantageous at the moment from a purely economic point-of-view, in reality neglects these social constraints by imposing a smooth running "expert" system, which they do not understand. Thereby there is a risk that the constraints will not be solved, and the peasantry run the risk of being left behind as a backward element of the population. Easy "expert" solutions might therefore be expensive in the long run, as it seems to lead to a vicious circle of underdevelopment and "expert" solutions.

14. Impact of cooperatives on agricultural production
How would agricultural production have developed if cooperatives had not existed? This is, of course, a hypothetical question, but if it is raised on the basis of a situation with few marketing channels like the pre-war situation, the impact of the cooperatives has naturally been very positive, as they have contributed to a rapid increase of coffee and pyrethrum production in this period. This result has mainly been reached indirectly, as cooperatives affect agricultural production simply by provision of a marketing channel. The direct impact, however, appears to have been limited, although the extension service, coffee spraying, credit schemes and supply of fertilizer and seeds have had a certain impact.

To be relevant, however, the above question should be raised on the basis of a comparison with other marketing set-ups rather than on a basis of a pre-marketing period. In this light the impact of cooperatives on production is much more questionable. With regard to the parastatal set-up, the previous chapter has shown that concerning tea marketing, it has had a
similar impact on production as cooperatives. It even seems as if organizational problems have been less on a short-term basis, whereas the long-term benefits might be bigger for cooperatives through higher involvement of peasants. Compared to private marketing, cooperatives are not simply advantageous because they make middlemen superfluous. Often competition between private traders is actually so intensive in Kenya that a major price increase for agricultural products cannot be expected just by a change to cooperative marketing. There are, of course, cases where local competition between traders is so limited, or peasants so unorganized, that prices are kept below the average market prices. This, however, seems to be the exception rather than the rule. The benefits of cooperatives should therefore not primarily be seen as a short-term benefit but as a long-term benefit, as they provide a more stable and uniform marketing system and a system where growers through involvement might increase their skills and general knowledge, which in the long run might have a positive impact on production. Furthermore, cooperatives can be used as means to reach peasants, including the small-scale farms, with credit, which would be impossible through a private marketing system dominated by small-scale business. Private marketing systems might, however, also be dominated by big companies, which is an entirely different situation, as growers in such cases can be heavily exploited. Short-term benefits of cooperatives might therefore be expected in such cases. But even if competition between private companies is intensive, the cooperative system seems advantageous in the long run through peasants' involvement, and because it does not lead to social bias.

In some cases other marketing set-ups might be more beneficial than the cooperative from a narrow economic point-of-view. As mentioned, a parastatal set-up might be advantageous at least in the beginning, when the technical and financial problems are so many that they cannot all be solved through local resources. Again, private marketing might be more beneficial when markets are very small and unstable. This might explain why cooperatives have had rather limited success within food crop marketing. The advantages of cooperatives therefore seem highest for cash crops which only require low investments, and where there are reasonably large markets. This does not, however, imply that the existing sectoral divisions in Kenya solely can be explained by such relative advantages, as there still seems to be room for expansion of cooperatives into a number of sectors and areas. But a major prerequisite for such expansion is that choice of marketing set-ups not only be made on the basis of the immediate economic benefits, as both long-term benefits as well as social and political considerations must be included.
The advantages of cooperative marketing could probably be larger in the future if they were more production-oriented. To overcome the problems caused by increased subdivision in Kisii, and also to solve the problems of cooperative development in marginal areas, a higher production orientation seems necessary. Such production orientation implies that cooperatives in a more direct and efficient way should aim at increasing production on peasant farms.
CHAPTER VII

Conclusion

The types of cooperatives analysed in this study are agricultural marketing cooperatives. Their basic function is to market and process agricultural products, and to supply peasants with inputs. Thus, their role is to provide peasants with services which they need in order to develop their farms.

Agricultural marketing cooperatives in Kenya are basically organized like similar cooperatives in the advanced capitalist countries. They are formed to serve the self-interests of individual producers, and profits that might result from the activity are shared by members according to turnover. The cooperative is open to all growers, and members and their elected committees can decide on a one man one vote basis on all matters.

A fundamental question that can be asked concerning these cooperatives is whether they can develop in a similar way to agricultural marketing cooperatives in developed countries, and whether their impact will be different on account of both internal and external conditions of a developing country like Kenya. The answer to this question might well result in recommendations pointing at other organizational structures and functions, and in fact these cooperatives already deviate from the ones in the developed countries, as government control and supervision is extensive, and a multipurpose area-based approach is being promoted.

Such recommendations of changes of structures and functions according to the specific conditions in Kenya must, however, be based on a realistic understanding of the type of cooperative and society in question. In our view the basic idea of Integrated Cooperative Development Projects is not based on such a realistic understanding, as it presupposes both another type of cooperative and society, namely a cooperative where all citizens are members, operating within a socialist environment. If extra organizational and financial burdens are placed on agricultural marketing cooperatives, which basically are capitalist institutions operating within a capitalist environment, these will lose the competition with other types of capitalist enterprises. Similarly, an equitable regional development cannot be obtained automatically through agricultural marketing cooperatives, which operate for the self-interests of their members. The regional cooperative development since Independence does not seem to have contributed to a more equitable regional development. Thus financial and managerial
support from the Government to cooperatives in marginal areas seems necessary if such a goal is to be achieved, and it also seems necessary to specify the role of cooperatives as part of an integrated approach, where a number of causes of underdevelopment are attacked simultaneously. What particularly should be considered is how sufficient production for viable cooperatives can be assured, and if it is possible to make agricultural marketing cooperatives more production-oriented in order to assure such production.

The major focus of this study has been on the impact of cooperatives on the social structures and, conversely, how the social structures have influenced the cooperatives. For this purpose a densely populated small-scale farm area was selected for in-depth studies.

Social differentiation in this area was very low, and did not seem to be growing. Although incomes during recent years have been high, there were no signs of mechanization on these farms, and although some of the big farms have excess lands, which the family cannot cultivate, and cheap labour is available, there were no signs that these farms were in a process of changing to capitalist farms based on wage labour. It is, therefore, not likely that increased social differentiation will be the result in the future, as also the big farms are going to be subdivided.

It might be feared that this process of subdivision leads to a change back to subsistence production, but this does not seem to be the case today even for the very small farms. Moreover, if world market prices remain reasonable for the major cash crops in the future, a change back to subsistence production will not be advantageous for the peasants. There is still room for some expansion of the cash crop area, especially on the bigger farms, but the expansion will probably be slower in the future, as mixed farming with several crops, including food crops, still is likely to be preferred by peasants. Also, there is still room for some increase of production due to improved farming methods, innovations etc., but growth will probably be slower in the future. Thus it is probable that there will be a role for the cooperatives to play in the future, but problems are likely to increase in the area, as production cannot continue to increase as fast as the population with the limited land available. Therefore there will be an increasing need for cooperatives to be run efficiently, and to be more production-oriented so new production methods, innovations, etc., can be spread quickly.

The low social differentiation is primarily a result of the production methods, which make small-scale farming as efficient as large-scale farming. But cooperatives probably contribute to preserve the existing structure, as there are no special advantages for large-scale farms within them. The same deductions are made per kg in principle, regardless of the deliveries, and
profit is not shared according to investments, but according to deliveries. Compared to private marketing, cooperatives therefore seem to operate as a means to prevent increasing social differentiation of the peasantry.

The social determinants of committee members are another indicator of the low social differentiation. Committee members are generally doing a little better economically than the average peasant, and generally they are slightly better educated. But these differences are basically quantitative differences, not qualitative, and compared to the high income group, committee members are less successful economically. Thus committee members do not seem to be too remote from the problems of peasants generally. In relation to the power elite, like the politicians, committee members should not be seen as part of it, but the relation is rather a patron-client relationship. Consequently, there are no indications that cooperatives operate as instruments for a rising capitalist class and that committee members are exponents of such a class and associated closely with the power elite.

That cooperatives preserve the existing social differentiation is confirmed by the impact of the cooperative CPCS-credit scheme. On a whole, cooperative credit seems to have been distributed in a fairly equal way, and has also reached the poorer parts of the peasantry. There are, however, indications that the more beneficial middle-term loans might lead to social bias, as they are more attractive for the wealthier part of the peasantry, which often has shown little interest in the short-term loans. Such bias should be counteracted consciously by the cooperatives and in order to ensure that such loans are used for productive purposes, tightening of control measures should be considered.

The question might be asked, why cooperatives being basically capitalist institutions as they employ staff on the same basis as other capitalist enterprises, and operate within a capitalist context, at the same time preserve a production structure based on peasant farms, i.e., without capitalist relations of production?

The basic explanation is that a peasant farm structure not always is dominated by precapitalist modes of production. As experiences from the developed capitalist countries show, such a structure can be integrated into and dominated by the capitalist mode of production. Such peasant farms become integrated into the market and increasingly dependent on capitalist credit institutions. Indirectly they depend on the average profit rate in the society, as they have to compete with purely capitalist farms, and as their level of reproduction must be comparable to that of workers within the purely capitalist sector. So, although precapitalist modes of production play a more important role than in the developed capitalist countries, and
accumulation not yet is as imperative as in these countries, it is our view that the capitalist mode of production is now dominating, and a process of breaking up the previous social traditions and economic principles like the family need/family capability principle, which related to precapitalist modes of production, is underway. The peasantry in question was therefore seen as an integral part of a capitalist social formation.

However, the remaining influence of the previous social system still affects the cooperatives. Thus, the cooperatives have been rampant with political and ethnical problems, and inefficiency and misuse of cooperatives have been widespread. Such problems are both a result of low educational standards and the traditional African society based on kinship groups. These problems have made the government tighten the control and supervision of the cooperatives, which on the other hand has made these resemble parastatals, and probably has also contributed to the present rigidity of cooperatives. As a result, cooperatives are not generally perceived as the members' own organizations, which ensure members' interests. On the contrary, ignorance and indifference is widespread among members towards the cooperatives. The government control has also laid administrative burdens on the cooperatives, which make them less competitive. Therefore, it would probably be advantageous to loosen control gradually, particularly as some of the problems which caused the control measures seem to have been overcome. The educational standards and administrative efficiency have undoubtedly improved, and traditional social structures are gradually being broken up.

In spite of the cooperative policy of the Government, parastatal marketing set-ups have been preferred for some crops, particularly tea. This solution seems to have been very successful, and complaints from growers about this system seem to be fewer than complaints about cooperatives. It seems to be run efficiently and internal problems seem less. Concerning social differentiation, the impact seems to be the same as for cooperatives. For the peasants it is very difficult to see any difference between these two systems, both because the government control has made cooperatives resemble parastatals, but also because the organizational structure of the parastatals resembles cooperative structures. Thus a bonus is paid at the end of the year according to the economic result, and there is a certain internal democracy, as growers elect representatives to the tea boards and the Board of Directors of the tea factories. It is, however, evident that these representatives are a minority and do not control the parastatal system. But the system ensures a flow of information to and from growers, and the internal divisions and conflicts of the peasantry are usually not brought into the system as the representatives are few and have little power.
Compared to the democratic cooperative system, the parastatal system might be called an "expert" system. To the peasants, decisions appear to be taken "neutrally" by "experts", not by somebody everybody knows and might hope to influence. On a short-term basis this system will probably be more efficient than a cooperative system, as the internal problems are likely to be less, and decisions are usually taken by qualified staff, not by ill-educated peasants. But on a long-term basis the benefits are more doubtful. The "expert" system, which only involves peasants very little in the development process, and therefore tends to leave them behind as an ignorant peasantry, might lead to a vicious circle of "expert" solutions, as peasants will not learn to handle their own affairs. Instead of solving social problems such solutions may tend to suppress them. So the democratic system – the cooperatives – probably has certain disadvantages on a short-term basis, but on a long-term basis the higher involvement of peasants in the development process is probably the key to removal of the social constraints to rural development. Therefore, when a choice between the two systems is to be made, a short-term perspective is not sufficient, and also it is not sufficient only to consider the technical and financial aspects.

If the cooperatives in the future shall compete successfully with the parastatal marketing set-up and private marketing, it seems imperative that they make use of their fundamental character of being owned and managed by peasants in the interest of peasants. This cannot be reached only by removing the control measures which make cooperatives resemble parastatals, although this seems to be a prerequisite for overcoming the rigidity of the existing cooperatives. But it also seems necessary that the cooperatives consciously attempt to clarify their character, and what the differences are between cooperatives and other marketing set-ups. Hence it is also necessary that members are involved in the formation of new cooperatives, although there still seems to be an important role to play for the government officers in order to encourage, inspire and support such initiatives. Since, if cooperatives are formed from "above" with little involvement by peasants, such new cooperatives are not likely to be perceived by peasants as their cooperatives.

On a whole, this study leads to rather optimistic conclusions on the prospects of marketing cooperatives in Kenya. This optimism is both based on the positive internal development of marketing cooperatives during the last decade and on the solid basis which a competitive commodity-producing peasantry provides for further development of marketing cooperatives. This competitiveness of the peasantry implies firstly, that a material basis for a continued development of marketing cooperatives is ensured, and secondly, that the egalitarian social structure, which seemingly provides a fruitful
social basis for marketing cooperatives, is likely to be preserved. A fruitful mutual relationship between the peasantry and marketing cooperatives may therefore continue to exist, and may even be reinforced if the performance of marketing cooperatives in the future is improved, so they better fulfil their prime objective: to safeguard the economic interests of the peasantry.

This objective, however, can only be reached if the Government policy enables marketing cooperatives to operate in a satisfactory way. Doubtlessly, it would be beneficial for marketing cooperatives if the Government ensured that no extra administrative burdens were placed on their shoulders, and that all the surplus obtained at the world market flows back to them. Additionally, it would also boost cooperative development if a land reform was initiated in those areas of the country where large-scale farming dominates.

Hopefully, this study has led to a better understanding of the need to study the prospects of marketing cooperatives in relation to the peasantry. But, as mentioned, a comprehensive study of marketing cooperatives should also include their role at the national and international levels, which we have touched only peripherally. Further research should therefore also include these aspects, particularly the problem why so little of the overseas payments appear to flow back to the peasants.
Research methods

Sampling method
The reasons for selection of the case study area have been elaborated in chapter V.1.

The sample was obtained in 1975 as a representative 10% sample on the basis of a tax register. 101 peasant households were selected for interviewing, of which 96 were interviewed in 1975 and 89 re-interviewed in 1979. The difference is caused by migrations and deaths since 1975. The sample included peasant households with very different farm sizes and income levels, and also off-farm jobs and businesses of many different kinds. There are no indications of biases in the sample.

All cooperative societies within Mwogeto Sublocation were selected for detailed studies (two pyrethrum societies and two coffee societies), and 27 out of a total of 30 committee members were interviewed. Only 7 of these lived within Mwogeto Sublocation, as the societies often cover several sublocations, but as living conditions are very similar in neighbouring sublocations, this can hardly cause major biases.

Visits to peasants
As all peasants had been visited in 1975, they were not unfamiliar with the situation, and as furthermore the same research assistants were used, the team was usually received as old friends. An introduction was always made in local language, so peasants were informed of the purpose of the study, and assured that their answers would be anonymous. A few expressed some scepticism towards the purpose of the study, e.g., if the interview could imply that land would be taken from them or taxes increased, but none finally rejected interviewing.

One of the research assistants was a local peasant, and it is our impression that this made peasants more confident. As an illustration of this confidence, some peasants gave us information about illegal economic activities like changaa brewing and illegal veterinary practices. Usually our visits created a minor sensation in the area, and neighbours gathered to listen to the interview. This could not be prevented, but we insisted that we only wanted the peasants’ own answers.

Some peasants had to be visited several times if they were not at home. If we finally did not succeed in meeting a peasant, an interview was made with his wife (or one of them), which only included the farm data. Hence only 70 peasants were interviewed concerning the cooperative societies. It was evident that in most cases it would have been advantageous to make the interview on farm data with the wife, as women are more active within agricultural production, but this would, on the other hand, have affected the husband negatively, as he is supposed to know more than the women and be the natural interview partner, according to the traditional roles of men and women.

After the introduction, the land was measured. Each field was measured separately. Most peasants were very eager to show us their lands, as they wanted to know the size of their holding. The information we received during this measurement process could often be useful during the interview as peasants might forget a crop, or the production figures could seem unreasonable when compared with the crop acreage.

Method of land measurement
A special measurement wheel was used for this purpose. It is a fairly quick method and seems reasonably accurate for this purpose. The measurement process lasted from half an hour on small holdings to three hours on the biggest holdings. Most holdings are easy to measure in
Kisii, as they usually run from the top of a hill downwards as a narrow strip. Each field is therefore small and usually of a rectangular shape. Bigger holdings with irregular fields and large areas with bush and forest were the most difficult, and probably the accuracy of these measurements is lower. Compared to other methods, the wheel follows the terrain, which should make results slightly too large, but on the other hand fences are often not included completely, which affects the results adversely.

A comparison with the official acreages used by the land registration office in Kisii was not possible as many peasants have subdivided illegally, and moreover, the land register might use other boundaries than the ones used in the sample, as boundaries in the land register have been drawn on the basis of air photos, which usually have not been adjusted according to the peasants' own opinion of the boundaries.

It is not sufficiently reliable generally to ask peasants about their land sizes and their estimates were often wrong when compared with our figures. In the 1975 study a combination of peasants' estimates and the estimates by research assistants and researchers were used. Unfortunately, these figures seem to be so unreliable that they cannot be used for a dynamic analysis of the cropping pattern. The total area of the 89 farms (minus farms which have been subdivided) is 35% lower in the 1975 study compared to the 1979 study. It seems as if especially the large areas with bush, forest and swamp have not been included sufficiently. But also figures on cash crop areas seem to be unreliable, as they show that the cash crop areas have decreased significantly. Hence, for example, the coffee area has been reduced in the period, although coffee prices have been very high. These results seem too unreliable to be believed, so no attempt has been made to compare the cropping pattern and crop yields per hectare for the two years in question.

**Reliability of answers**

The reliability of answers has already been touched upon in part. Peasants seemed to answer frankly in most cases, but often they simply did not remember the correct figures. They are not very familiar with arithmetic and figures, and often they even faced problems when asked how many children or cows they had. Bookkeeping was only used by a few peasants.

The figures given by peasants on cash crop production are probably less reliable than those on food crop production, as cash crops usually are delivered in many small portions throughout the year, and often wives or children transport the crop to the delivery place, while most food crops are harvested at one time, so the harvest is easier to remember.

Cash crop deliveries could in most cases be cross-checked with information from the societies and KTDA, and when possible this official figure was used. In a number of cases, however, it was not possible to make this cross-checking because of confusion of names. Most peasants have both a Christian name and a local name (or in some cases even two local names), and they seem often to use them at random, so the risk of mistakes is high. Another source of error is that the name of a relative or a friend might be used, because some societies pay better prices than other, or because some peasants are not members of any society. With these sources of errors and the problems of remembering exactly the deliveries, it is not surprising that peasants' figures often deviate significantly from the official ones. These diversifications, however, can be approximately equalized if information from many peasants is summed up, provided no systematic errors of reliability affect the results. If peasants' incomes are summed up in the cases where information is available for both the peasant and the official source, coffee incomes are 9% higher than peasants' own stated incomes (based on 75% of the coffee growers), tea incomes are 20% less (based on 63% of the tea growers), and pyrethrum incomes are 47% less (based on 47% of the pyrethrum growers). Compared to other studies of farm incomes and having the small number of growers in mind, these deviations seem
reasonable. No systematic source of error seems to affect the results, as official coffee incomes are higher than peasants' stated incomes, while they are lower for tea and pyrethrum.

Food crops are, as mentioned, generally harvested once or twice a year, which makes it easier to remember them. But there are also some additional sources of error for food crops. Maize, for example, is in most cases placed in a store near the house just after harvest, and unless some is sold, it is never put in bags. Therefore, it is difficult for peasants to estimate the number of bags. Furthermore, the method for calculation of the money value of food crops is a source of error. As a basis for such calculations the average market price at local markets in 1978 has been used, i.e., the prices peasants would have had to pay, if they had been forced to buy the crops instead of producing them. Such average local market prices vary according to the quality and quantity of the crop, local supply/demand conditions, and the countrywide seasonal fluctuations. The average price for the crops was calculated on the basis of the questionnaires as the average of all the prices at which peasants had been selling their food crops in 1978. If this was not possible due to too few sales, the actual market price at Manga market in April 1979 was used (in April prices are neither very low nor high, as harvest usually is in August/September).

Although our general impression was that peasants answered frankly, some questions seemed to be too sensitive for a frank answer. One such question was on remittances which peasants had received or given during 1978, as 45 peasants answered that they had given remittances, while only 18 admitted, they had received any. The latter were usually rather large amounts of money from sons or close relatives, while the former usually were small amounts to friends. It therefore seems as if peasants failed to inform us about the small amounts some of them received from their neighbours and friends, and the basic reason is probably that it is regarded as a disgrace not to be able to look after the family. Another example concerns renting and leasing of land, as 48 peasants rented land, while only 10 peasants leased land. The same pattern was found in 1975, as 26 peasants rented land and 4 leased land. The explanation is probably similar to the above, as it is a disgrace not to be able to cultivate all the land. In some cases it was also revealed that peasants "forgot" some incomes, e.g., illegal incomes, as they ended up with negative net incomes.

Naturally there is also a risk that some peasants answer questions they are not capable of answering, probably because they want to show that they are intelligent, informed, etc., especially when face to face with a foreigner. So when most peasants answered that deductions by the societies were too high, it must be judged with some reservation, as they actually did not know even approximately the deducted amounts. Not even for specific activities like spraying of coffee plantations, which is done by the societies, could they give any estimate of the deducted amount. In many cases they were also unable to give any reasons for their answers, but by always asking them "why", this source of error was minimized.

Apart from the quite good correspondence of official crop figures and peasants' own figures, the family size figure also seems to support the general impression of good reliability. With an expected population growth of approximately 4%, the average household size of 7.8 persons in the 1975 study should be expected to have grown to approximately 9.1 in 1979. The actual number was 9.6 persons, and as some householders and boarding school children have been included in the 1979 study due to different definitions of households, a 5–10% increase of the calculated figure could be expected. The correspondence of these figures is, therefore, good.
References


Kenya has a fairly developed cooperative movement, the backbone of which is agricultural marketing cooperatives. Studies of the cooperative movement in Kenya, however, are still exceptional, particularly studies which highlight the impact of marketing cooperatives on the socio-economic relations of the peasantry and vice versa.

Some have seen the marketing cooperatives in Kenya as instruments in the hands of a rural elite, which is linked firmly to the political elite and the bureaucrats. Others have emphasized their parastatal character. Very few have ended up with positive conclusions saying that they are instruments in the hands of the peasantry, which further the interests of the peasantry.

This study also reveals numerous shortcomings of the marketing cooperatives, based on an in-depth study of a selected peasant society. They still suffer from organizational rigidity, low educational standards, and indifference on the part of most peasants. But on the other hand the development trend during the last decade has been positive, and the marketing cooperatives have not led to increasing social differentiation in the selected study area. On the contrary the marketing cooperatives rather seem to have preserved the existing egalitarian social structure, and reversely the egalitarian social structure seems to provide a fruitful basis for the development of marketing cooperatives.