

**THE ROLE OF CO-OPERATIVES IN ECONOMIC DEVELOPMENT IN
NAMIBIA**

**A RESEARCH THESIS SUBMITTED IN PARTIAL FULFILMENT OF
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ABSTRACT

This study is aimed at examining the role of cooperatives societies in economic development with a view to throwing some light on the nature and features of cooperatives, the benefits and the formation and management of cooperatives societies and the specific objective of the study is therefore to examine the role of cooperatives societies in economic development in Namibia with special references to both workers and service categories.

The study used qualitative method. The study used the content analysis whereby data was analyzed by utilizing elements of communication in order to understand the study or to test assumptions and phenomenological studies whereby the researcher focused on understanding people's perceptions, perspectives and understanding of particular situations. Descriptive and inferential statistics was also used to analyze data and draw conclusions.

This study found that it is evident that cooperative enterprises are contributing to development of the Namibian economy through job creation, income generation and poverty alleviation. It also shows that cooperative enterprises are viable and feasible businesses and the business/sales volumes despite the fluctuations due to the demand, natural and market forces shows that they are sustainable.

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- To various Co-operatives members and employees who participated in the interviews.
- And finally, to my employer, the Ministry of Agriculture, Water and Forestry through the Directorate of Planning and Business Development, Division of Co-operatives Development and Regulation for the financial support.

DEDICATION

This study is dedicated to my father Pinehas Kapuka and my mother Beata Tegelela Kapuka, for never giving up on me and for believing in me to put me through school.

DECLARATION

I, Hertha Hanganeni Kapuka, hereby declare that this study **The role of co-operatives in economic development in Namibia** is a presentation of my original research work. Wherever contributions of others are involved, every effort was made to indicate this clearly, with due reference to the literature, and acknowledgement of collaborative research and discussions.

I give consent to this copy of my thesis when placed in the University of Namibia Library, being made available for loan and photocopying, subject to the provisions of the University's library rules and regulations. I also give permission for the soft copy of my thesis to be made available on the web, via the University's digital research repository, the Library Search and also through web search engines, unless permission has been granted by the University to restrict access for a period of time.

The work was done under the supervision of Professor Emmanuel Ziramba, at the Namibia Business School of the University of Namibia.

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Hertha Hanganeni Kapuka

Date

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LIST OF ABBREVIATIONS

MAWF	: Ministry of Agriculture, Water and Forestry
ICA	: International Co-operative Alliance
ILO	: International Labour Organization
UN	: United Nations
UWCC	: University of Wisconsin Centre for Cooperatives
SACCOs	: Savings and Credit Co-operatives
SACCO	: Savings and Credit Co-operative
EWCC	: Eudafano Women's Co-operative Ltd
EWMM	: Eudafano Women's Marula Manufacturing (Pty) Ltd
NNFSGC	: Northern Namibia Farmers' Seed Growers' Co-operative Ltd
OLMC	: Oshikoto Livestock Marketing Co-operative Ltd
OMPMC	: Onankali Mahangu Paper Making Co-operative Ltd
DARD	: Directorate of Agricultural Research and Development
DAPEES	: Directorate of Agricultural Production, Engineering and Extension Services

CHAPTER ONE

Introduction

Just before independence, all functions of controlling cooperatives in Namibia were performed by the Registrar of Cooperatives in Pretoria of South Africa. This was done under the old Ordinance No.15 of 1946 (ordained by the Legislative Assembly for the Territory of South West Africa), and based heavily on the South African version.

After independence, in 1992, the National Cooperatives Policy was adopted and in 1996, the Cooperatives Act 23 of 1996 was enacted. It is recognised that cooperatives have sometimes performed poorly in developing countries due to lack of appropriate knowledge, attitudes, excessive governmental interference, and poor business management as well as lack of skills in relation to the operational principles and practices. However, the stage was then set for Namibians to take advantage of the benefits of cooperatives as a means of providing valuable services and other benefits to their members.

In the sub-section that follows, the thesis provides background information about Cooperatives, overview of the cooperative sector in Namibia, challenges faced by cooperatives in developed countries, challenges faced by cooperatives in other African countries and finally, challenges faced by cooperatives in Namibia.

1.1 Background on Cooperatives

“A cooperative enterprises is made up of a group of people, who join together voluntarily to achieve common social and economic objectives” (Gibson, 2005). “A cooperative is an

autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise” (Vigne, 2001, p. 2). Vigne (2001) goes on to define the cooperative as a business controlled by the people who use it. This means that the cooperative organization is a “business of the members, by the members and for the members”. This is an emphasis he makes to highlight that a cooperative is a democratic member based organization whereby members own and manage the business or enterprise that provides goods and/or services for the benefit of its members.

The University of Wisconsin Centre for Cooperatives (UWCC) also define a cooperative as a business voluntarily owned and controlled by its members and operated for them and by them on a non-profit or cost basis (UWCC, 2002). Finally, Laidlaw (1974) concurred with the previous researchers when defined a cooperative as a business enterprise that aims at complete identity of the component factors of ownership, control and use of service, and these he emphasised that they are three distinct features that differentiate cooperatives from other businesses.

Gertler (2001) found out that today, in an era when many people feel powerless to change their lives, cooperatives represent a strong, vibrant, and viable economic alternative. Bello (2005) stated that cooperatives are formed to meet members’ mutual needs. Bello (2005) further stated that cooperatives are based on the powerful idea that together, a group of people can achieve goals that none of them could achieve alone. For over 160 years now, cooperatives have been an effective way for people to exert control over their

economic livelihoods as they provide a unique tool for achieving one or more economic goals in an increasingly competitive economy.

Ouma (2009) also found out that cooperative enterprises have a special position in development in many countries of the world today, through being based on voluntary bunching cooperative among individual people in order to solve social, economic and business tasks. Cooperatives are therefore neither private nor public undertakings but jointly owned by societies, which belong to larger or smaller groups of members. They mainly function in the direct economic and social distinction and structure, and usually attempt to be of general benefit to wide circles as well.

The term cooperation simply means working together, as Ouma (2009) who researched on the development in Kenya through cooperatives states that, cooperation is as old as the human family, and exists wherever the human family is found. According to him, every human community is a cooperative. It is however necessary to emphasize that, cooperative enterprises cannot exist without some kind of cooperation. As used in the cooperative movement, the term cooperative means the societies that have certain fundamental characteristics and which adhere to cooperative regulations, including cooperative principles.

Cooperatives are essentially democratic organisations. This in effect means that persons who wish to become members of a cooperative or who intend to form a cooperative enterprise should do so from their own free will. People who want to form cooperatives should feel the need and be convinced that through such an organization, their needs will be fulfilled. However, because of the low level of literacy and the general low standard of

education, the majority of the population sometimes are not capable of making the right decisions on certain issues, even those which would be of benefit to them (Ouma, 2009).

Ouma (2009) states that throughout world history, people have combined for certain purposes. Cooperation is the organisation of people with needs in common for any and all purpose, which may improve their lives. It is all embracing and its aims are not only material but also moral. A cooperative enterprise helps to make its members good citizens. It teaches comradeship, it educates adults in thrift, in self-help, mutual help and through participation in a society's affairs. The ordinary man learns very quickly about what may be called the business side of his daily life, whether as a producer or a consumer or even both. In many countries, people have learnt that there is no substitute for cooperation, and that a full life is only obtainable through cooperation.

In Britain, the modern of cooperation had its roots about one hundred and fifty years ago. There were great economic problems and social changes which affected the whole nation. Those who were most hit by these changes were the working class. They saw that in order to exist they should come together to form cooperative enterprises. People formed other kinds of economic association like chartist but cooperative enterprises proved more effective for their needs. The first successful modern cooperative enterprise was founded by the Rochdale Pioneer Cooperative Society in 1844. These people lived in Rochdale village in England. However, other types of cooperatives enterprises followed soon thereafter. For instance, agricultural cooperatives were initiated and organised by Raiffeisen in Germany and credit unions initiated in the United States of America (Ouma, 2009).

The Rochdale Pioneer Cooperative Society was a consumer cooperative. During this period it was difficult to obtain basic needs because of scarcity as a result of the war. The rich people including the landowners, who owned shops were not only charging exorbitant and high prices, but were also selling poor and adulterated commodities. Thus, consumer cooperatives were formed in order to supply to the members pure goods and at fair reasonable prices. It should be noted that several consumer cooperatives had been formed even earlier but failed because of lack of properly organised system of business. The success of Rochdale Pioneer Cooperative Society was as a result of formulation of certain principles, which they then adopted in their business operations. These are the Cooperative Principles which have been accepted and are applicable to cooperatives all over the world (Ouma, 2009).

In Kenya, the modern cooperative organizations came into being by the establishment of Lumbwa Farmers' Cooperative Society in 1908. This was formed by the European settlers. But those organised by Africans were not founded until after 1930s. However, owing to lack of support and encouragement by the colonial government, progress of cooperatives organised by Africans were very slow. The British Government considered the Africans so illiterate, and that it would not be possible to find capable people to manage and keep books of accounts for these cooperatives. The first Cooperatives Ordinance (Act) was passed in 1931 and replaced in 1932 (Ouma, 2009).

However, this was also replaced by the 1945 Cooperative Ordinance (Act). The 1945 Ordinance was passed after an investigation was ordered by the colonial government. It was conducted by Mr. W. K. H. Campbell who recommended and affirmed that cooperatives could play an important part in the economic development of this nation. He

recommended that Africans should be supported and encouraged to organise themselves into cooperative groups. The recognition by the government was followed by the creation of Cooperative Department in 1946. The Registrar, now called Commissioner for Cooperative Development, and a small supporting staff was recruited charged with the responsibility of promoting and registering, controlling and supervising cooperatives (Ouma, 2009).

Cooperatives have become popular as Vigne (2001) who studies the concept of cooperatives extensively states that cooperatives have been in existence since time immemorial. According to Vigne (2001), cooperatives dates back as far as human beings have been organizing for mutual benefit whereby communities/ (“tribes”) were organised as cooperatives structures, allocating jobs and resources among each other, only trading with the external communities. Vigne (2001) further highlighted that, in such environments, trade could only be maintained in organised cooperatives.

According to Gertler (2001), cooperatives are community based in democracy, flexible, and have participatory involvement, which makes them well suited for economic development. Gibson (2005) also indicated that the process of developing and promoting community spirit, identity and social organisation is through cooperatives as they play an increasingly important role worldwide in poverty reduction, facilitating job creation, economic growth and social development.

Another researcher, Somavia (2002) wrote that cooperatives are viewed as important tools for improving the living and working conditions of both women and men. Somavia (2002) emphasized that since the users of the services they provide owned them, cooperatives make decisions that balance the need for profitability with the welfare of their members and the community, which they serve. Somavia (2002) further stated that as cooperatives foster economies of scope and scale, they increase the bargaining power of their members providing them, among others benefits, higher income and social protection, hence, cooperatives accord members the essential elements of opportunity, protection and empowerment in uplifting them from degradation and poverty.

1.2 Statement of the problem

The Namibia’s Fourth National Development Plan emphasized on the economic priorities such as manufacturing, agriculture, logistics, tourism. It indicates that crop production contributes 24% to the overall agricultural output value while livestock contributes 76% of the overall agricultural output value. It also indicates that manufacturing contribute 14.4% to the country’s gross domestic product (NPC, 2012). In Namibia, there are cooperatives that are into crop production and marketing, livestock breeding and marketing as well as those that are into manufacturing. Thus, these show that, cooperatives are also contributing to the economic development as they play an important role in poverty reduction through job creation, income generation, economic growth and social development.

Namibian continues to be characterised by poverty in the midst of plenty of resources, despite the Poverty Reduction Strategy and the Poverty Reduction Action Programme in place for a decade, which tackle inequality and poverty from various angles (NPC, 2012). This is due to the problem of high unemployment the Namibian economy is facing, especially among the youth. Thus, it is suggested that the Namibian youth can organise themselves and form cooperative businesses in order to generate income for themselves, thus, contributing to the development of the Namibian economy.

The economic value of cooperatives as indicated by employment, revenues or business volume, and net income can be measured. The question unanswered in Namibia is whether the structure or form of business results in a different level of economic impact in the rural community or region. This study suggests that cooperatives, by nature of being locally owned and having benefits accruing to the local member owners, result in a higher level of impact than businesses such as corporations where benefits in the form of dividends are mainly distributed outside the community and local ownership is missing.

1.3 Research objectives

The main objective was to analyze the role of co-operatives in economic development.

This main objective was broken down into the following specific objectives:

- To investigate the ways in which cooperatives can act as agents towards sustainable rural community development.

- To examine the influence of cooperatives on economic development through job creation, income generation and poverty eradication.
- To determine whether cooperatives as a form of business result in a different level of economic impact in the community or region.

1.4 Significance of the study

This study provides guidance to the communities and professionals working within the government and private institutions on the role of cooperatives in economic development. The study also helps institutions and the country at large to realize cooperatives as a viable form of business. It also helps the schools and universities to come up with a curriculum on cooperatives as a subject/module. Finally, the study suggests ways on how to better manage and benefit existing cooperatives in Namibia.

1.5 Limitation of the study

The study is limited to the cooperative sector, focusing on the role of cooperatives in economic development, employment creation and poverty eradication. Other limitations included language barriers as the interviews required direct communication with the respondents.

1.6 Research ethics

Ethics are norms or standards of behaviour that guide moral choices about our behaviour and our relationships with others. The goal of ethics in research is to ensure that no one is

harmed or suffers adverse consequences from research activities. The upholding of ethical guidelines refers to whether a researcher demonstrates competency, maintains honesty in the management of the resources, acknowledges sources and the inputs of supporters during the study, and presents an accurate report of the findings (Kapepiso, 2014). The researcher observed the following ethical protocols:

- Sensitive and confidential information was treated as such.
- The interviewees were kept anonymous as no names were mentioned in the study.
- All sources are properly quoted to avoid plagiarism
- The objective of the study was clearly explained to the participants and their informed consent to voluntarily participate in the study was obtained.
- The recorded information was kept in the locked cabinet and was destroyed immediately after the completion of the study.

1.7 Organization of the study

The remainder of the thesis proceeds as follows: chapter two gives an overview of the theories and literature concerning cooperatives and their roles in economic development. Chapter three presents the research methodology, chapter four reports on the findings by focusing on data presentation, analysis and interpretation of findings. Finally, chapter five entails the conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Cooperatives are not formed and managed by government; they are formed by individual members with a common need. The members see the cooperative as a means of achieving their common objective. The government, through its agencies, only creates a platform for cooperatives to operate easily. In cases where the cooperative business generates income, it reinvests most of the money in the cooperative in order to improve the quality of services provided to members. Cooperatives are not independent institutions, they are formed by members who own businesses and have common objective of improving their living conditions and their businesses by deriving benefits such as inputs or marketing services.

A cooperative can be defined as a business owned and managed by its members for the purpose of benefiting the members. Its main aim is not to make a profit for the members, but to provide services to its owners at the best conditions in terms of price and quality, or to create well paid jobs for its members (Adefila, 2012).

2.1.1 Types and operations of cooperative enterprises

According to Ouma (2009), different types of cooperative enterprises are existing in Kenya and they are categorized as agricultural marketing cooperatives, consumer cooperatives, housing cooperatives, savings and credit cooperatives and multipurpose cooperatives.

2.1.2 Agricultural Marketing Cooperatives

According to Ouma (2009), these are cooperatives that are engaged in the agricultural and marketing activities. Their functions are to collect, process, store; and to sell members produce; whereby payments are made to the members at appropriate intervals. These cooperatives also supply members with farming requirements, for example, seeds, fertilizers, farm machinery and implements. Furthermore, they can also arrange for credit and advance payments for the farmers.

Cooperatives in Kenya has for sometimes been associated mainly with marketing. However, as Ouma (2009) points out that, because of social and economic diversification, that continue to take place in various fields of development, including cooperatives, the position has since changed and improved remarkably. Cooperative system has proved to be a very important instrument that can be applied to any area of economic and social developments, to increase personal and national capital resources, thereby increasing the productivity. Increase in productivity will consequently increase national income through export and import revenues. The income earned will enable fresh areas to be put into productive use, as well as enhancing more industrial developments.

It was also researched by Chambo (2009) that the cooperative movement in Kenya covers a wide range of activities which includes marketing, housing, providing consumers goods and services, production, making of handicrafts, rearing of fish and any other fields that can be development and are of some economic benefit. Cooperatives are a key factor for the development of marketing, and do play a vital role in improving marketing facilities, both in the rural and urban areas. The greatest

proportion of the country's population is engaged in agriculture, which yields by far the greatest proportion of the goods that are consumed, as well as those that are exported.

The major agricultural cooperatives are concerned with such produce as coffee, dairy, pyrethrum, cotton, sugarcane, fish and cereals. The main functions of marketing cooperatives include all activities and services from the preparation of the farms up to the time the product is delivered to the consumer. It is an obvious fact that when these activities are carried by an individual farmer, they usually receive very little return, due to high overhead cost. However, group efforts benefit from the economy of scale. It is right to say that, agricultural cooperatives cover a large area, perhaps more than any other form of cooperatives in the country. Many small and individual farmers are usually the victims of the capitalists and the private businessmen, in matters of supplying farm requirements, credit, marketing and so on. In addition, where cooperatives exist, they have gone a very long way towards solving these problems. Through farmers, cooperatives members have been able to receive credits, loans and fertilizers at fair prices, hence enjoyed a well organised marketing system for their produce. In so doing they have been enabled, not only to achieve high economic and social standards, but have also been able to make individual contribution towards nation building, through harambee donations (Mohamed, 2004).

The problems in agricultural marketing cooperatives still continue to recur, year in year out, especially for crops like cotton, sugar cane, fish, cereal and other produce. In these cases, the major problems include lack of storage, lack of transport, non-payments or late payments for proceeds. In case of sugar cane for the small holder farmers, there have been cases where the sugar companies do not accept cane, either because the sugar

cane produced by the company itself is still under harvest, or that the sugar factory complex is under routine major service. It is also known that a farmer whose sugar cane production services, is carried out by the sugar company always receives very little income after all the production costs has been deducted. There is need for appropriate measures to be taken on these issues. Perhaps one possible suggestion would be that sugar cane farmers should be allowed to own some shares in these companies. In this way, they would be able to participate in policy matters affecting sugar cane production and thereby benefit from the produce (Mohamed, 2004).

According to Chambo (2009), there is yet another limiting factor that affects agricultural marketing cooperatives. This is in regard to allocation of industries. Production cost of some of the agricultural commodities goes high because the processing factories, which manufacture the necessary inputs, are allocated far from where the majority of producers of a particular commodity are. For example, fish farmers, or fishermen, around the lakes would be greatly motivated if a factory for fishing nets and allied inputs is built near the lakes. They will save on transport and will have the advantage of time utility.

2.1.3 Consumer cooperatives

These cooperatives are generally formed to meet and to supply members demand for food, clothing and house hold goods. The members fulfil this aim by running consumer shops and also wholesale facilities where these cooperatives would stock and commodities they require. Researchers found out that the first consumer cooperative enterprises in Kenya were formed in the 1960s. These Cooperatives flourished and

were able to pay bonuses to members. Later, they became weaker and their strength began to diminish. The main cause for failure was lack of effective management and loyalty including dishonesty. It is now encouraging to note that the government however has made effort to revive and to strengthen them (Ouma, 2009).

According to Chambo (2009), it is needless to stress that consumer cooperatives if well organised and managed properly, would go a long way to solve artificial shortages, which are sometimes experienced in the country because the government policy of indigenisation of retail trade and acquisition of business has not been very successful. However, it is believed that consumer cooperatives would to a large extent contribute to the success of this policy, if they were organised properly and assisted to acquire these businesses. In this way, they would have helped to stabilise prices of consumer goods for the benefit of members and the nation at large.

Chambo (2009) further clarified that the bookkeeping and accounts of most of the consumer cooperatives were not kept properly and final accounts were never produced. Another major problems and constraints that hinder the progress and paralyse these cooperatives are lack of effective management, lack of trained and qualified personnel, lack of patronage by members, competition from established traders, dishonesty and lack of established wholesale consumer cooperative. Thus, this was in fact the main cause for their failures. It is imperative therefore that solution to these constraints must be found, if consumer cooperatives are expected to be effective channel for the development of Kenya.

In order to reorganise and to encourage development of consumer cooperatives, the controlling factor and pre-requisite is to formulate a policy on these cooperatives. It is true that other types of cooperative development in Kenya such as marketing cooperatives, savings and credit cooperatives, have taken sufficient grip and are making good progress. But others, notably consumer cooperatives require a great deal of support and encouragement, in order that they may survive the stiff competition they face from the more established and those with arrangements for credit and wholesale facilities (Chambo, 2009).

It is also important to organise education for the members of these cooperatives and training for staff. It is through education that awareness would be created, so that members would know the advantages of their cooperatives and the need to be loyal and patronize them. It is also through personnel training that the staff would acquire necessary knowledge and skills needed for effective and efficient performance of their duties. Another important factor which would encourage and facilitate growth and expansion of consumer cooperatives is to give them agency in the supply of certain commodities, particularly essential goods, including tenders to supply some institutions with food items (Chambo, 2009).

In the final analysis however, Chambo (2009) stressed that it is important to stress that it is the members of these cooperatives who must take initiative and practically support these cooperatives. They must endeavour to develop and establish themselves firmly by their own integrity because the government assistance should not be expected to continue forever.

2.1.4 Housing cooperatives

The housing cooperatives provide houses for their members. They build and rent or sell houses to the members. On the other hand they grant loans to their members to buy or build houses, for themselves. According to Ouma (2009), the achievement in housing schemes is based on the principle of group effort. He says that it is a fact that if several people back a project, finance can be more readily obtained than if a single person stands as a guarantor. Moreover, if the risk is shared among a group of people, then the individual's wealth, health and age are less vital matters to those providing finance. It is because of this joint effort of pooling the resources and credit facilities that houses are made available much cheaper, than they would otherwise cost. Cooperative housing schemes includes social amenities, such as provision for schools, social halls, recreation rooms to mention only but a few.

Ouma (2009) further explained that in Kenya, as elsewhere, the availability of decent housing accommodation is in short supply, both in rural and urban areas. It is generally true that effort to find a solution for provision of dwelling houses requires a combined effort and contribution from the government, the private sector including cooperatives. Due to lack of finance and proper organization, housing cooperatives have not featured significantly in solving the housing problem in Kenya. Presently, housing cooperatives operate mainly in the urban areas, because it is where the required finance can easily be generated particularly through savings and credit in other areas where the members contribute monthly shares directly to the society, with a view to accumulating sufficient funds for the acquisition of houses for themselves.

Generally, three types of housing cooperatives exist namely; housing cooperatives which are formed for the purpose of building and providing housing accommodation for the members but once this aim is achieved and all the members have acquired houses, the cooperative may only continue by electing a committee to take care of the maintenance of the houses. Alternatively, the cooperative may dissolve and let each individual member take care of his own house (Chambo, 2009).

The second category according to Chambo (2009) is housing cooperatives whose membership is composed of building experts, in one way or another. For example, carpenters, masons, builders, electricians. The objective of such a group is to build dwelling houses for rental to the public. This would generally be a continuous process and the cooperative will not dissolve, whilst the members continue to receive rent and divide the surplus after paying for the costs and operational expenses. They are of course not barred from building houses for themselves too. But the members who want houses built for them will have to meet the cost accordingly. It is indeed fitting to suggest that the many graduates of Village Polytechnics and Colleges of Technology should form these types of cooperatives (Chambo, 2009).

The third type of housing cooperatives is like the second type. In this case, however, the members contribute sufficient funds, but employ the services of building contractors. Once a house is completed, it is sold out to the public including any member who may wish to buy one. The process continues and the members divide the profit made from the sale of the houses. It is emphasized that there is need, especially for municipalities and local councils to encourage designs for cheap and low cost houses and to consider allocations of housing schemes to cooperatives. This will enable

low income groups to live in decent houses. The use for cheap building materials and where conditions allow the use of prefabricated houses should be encouraged. This is indeed an area where cooperatives should emerge and be able to play a leading role (Chambo, 2009).

In Namibia, so far there are no housing cooperatives. Therefore, awareness creation on these forms or types of housing cooperatives need to be carried out so that potential co-operators may take the opportunity to form housing cooperatives, especially, vocational training graduates.

2.1.5 Savings and Credit Cooperatives

It was explained by (Ouma, 2009) in his research on development in Kenya through Cooperatives that a Savings and Credit Cooperative may be described as a cooperative enterprise whose objective is to encourage its members to save, thereby creating or accumulating capital, which can then be lent to the members at a reasonable rate of interest. The loans are given for provident purposes, that is, to provide for social needs such as buying clothes, radio, paying school fees and wedding gifts. Loans are also given for productive purposes and this in effect are loans for economic development, for instance, a loan to buy a tractor, a cow, a plot or a house. As a source of credit facilities, these cooperatives have generally achieved their objectives. Access to credit is undoubtedly a major incentive to save.

Chambo (2009) further explained that the introduction of thrift savings cooperatives in Kenya were initiated late in the 1950s and a few such cooperatives were then formed.

But most of these cooperatives failed because of lack of better methods of operation and management. However, since the introduction of savings and credit cooperatives based on employment as a common bond and following check-off system, these cooperatives have made a break through and have succeeded in a big way. By common bond, it is meant that all members who work under one employer authorise their employer to deduct an agreed amount of money from their salaries every month and pay it into the cooperative's account. It is in this way that regular savings are accumulated and it is from this that loans are given. The motto for success in savings and credit cooperatives is 'save regularly, Borrow wisely and Repay promptly'.

Chambo (2009) further explained that what is meant by wise borrowing is that after sufficient funds have been accumulated through members' savings, the next stage is to give loans to the members. The loans are given for productive, provident and for cultural purposes. But the loans should eventually make the member to be better economically after utilizing them. Chambo (2009) further gave examples such as that; a member may obtain a loan to buy a graded cow. After a few years the cow will calf, so that when the loan is fully repaid, he will have received some income from sale of milk. In other cases a member receives a loan to pay school fees, or buy a television. All these contribute to person's social and economic development, which a cooperative enables members to acquire with a lot of ease. It easily acquired because a member only pays an interest rate of 1% on loan balances and the main security is his salary and his good character. Whereas if one were to ask for such loans from commercial institutions, one would be required to produce such securities, as title deeds and other tangible assets. Since these cooperatives were initiated, large sums of money have been mobilized and used for varying purposes for the benefit of cooperatives members.

It was however observed that despite rapid and good progress that the majority of these cooperatives are making, they have however been affected by the variety of problems. One of the problems is insecurity of the cooperative employees especially the senior officers. Most of these employees operate at the mercy of the management committees, who in many cases often decide to sack the officers on flimsy reasons based for example on nepotism, political or personal disagreements. In such circumstances the employees have no free hand to organise and to run cooperatives effectively and in the best interests of the members. Therefore, there is a need to maintain a steady staff development if the rapid and efficient growth of these cooperatives is to be sustained (Chambo, 2009).

2.1.6 Multipurpose Cooperatives

(Gibson, 2005); (UWCC, 2002) and (Vigne, 2001) indicated that a cooperative is formed when a group of individual persons who intend to do something for themselves come together. Initially, the intention or objective is a very specific one that is common and is shared by all the members of the cooperative. This is especially so in developing countries, where the number of technicians and highly skilled people, who can manage and organise complex and sophisticated organizations and is still very limited, if not scarce.

In the same way, Chambo (2009) explained that a multipurpose or sometimes called integrated cooperative enterprise is one whose objectives combine several functions or activities. For instance, forming a cooperative to serve as a savings and credit but also operating a consumer's shop. This means that instead of organising a savings and credit

primary cooperative separately from a consumer cooperative, a savings and credit cooperative society is formed but eventually takes on a consumer activity, by operating a consumer shop. It is to be advised that where a multi-purpose society is desirable, only those activities which are reconcilable should be combined, otherwise there may be conflicts amongst the members.

Chambo (2009) further stressed that the main problem that confronts a multi-purpose cooperative is difficulties in management. The burden out on management is considerable and fairly heavier than is normally found in a single purpose cooperative enterprise. There is therefore the likely danger of lack of proper supervision and control. Furthermore, it is not easy to find a manager capable of handling a combination of the various activities effectively. It is therefore most probable that other activities may be neglected because there are complications which arise out of maintaining various activities which may lead to the difficulty of assessing the exact cost for certain operations, owing to difficulties of correct allocation of overhead expenses. It is also possible that savings from another activity may be utilized in others, for example, funds from short term saving deposit account may be utilized to finance the purchase of a lorry to transport agricultural produce. Furthermore, profits made from one activity may be used to defray the deficit arising from other activities. However, it is generally true that the usefulness and advantages of multipurpose cooperatives outweigh its disadvantages.

Ouma (2009) articulated that although the policy on multi-purpose cooperatives societies was adopted recently, multipurpose cooperatives have as a matter of fact been operating almost as long as the existence of modern cooperatives in Kenya. They came

into being with the acquisition of settlement schemes, after independence which was previously owned by European settlers. They were forced to carry out activities such as supply of fertilizers, marketing of produce and other farm requirements on cooperative basis. But these people comprised a mix collection and people with diverse social and economic backgrounds, most of them illiterate, with no practical experience in management, especially in a cooperative system. Hence their failures to run these schemes successfully.

Dow (2003) further stated that the formation of a multipurpose society can increase the viability of cooperatives whose activities could not otherwise be sustained, if such activities were undertaken individually. There is usually reduction in cost per unit since the total cost could be spread over several activities. Consequently, it follows that revenue from other activities would also increase proportionately. This kind of integration would create good relationship between members and the society, thus, forming a stronger bond for stability and understanding among them.

Another advantage as stated by Ouma (2009) is that since it may not be possible to find enough intelligent and literate members within the very community to supply separate office bearers and committee members for several cooperative societies, this problem would not arise. By forming a multipurpose cooperative enterprise, there will be availability of the required leaders to manage and to run the multipurpose cooperative enterprise. The secretary of a savings and credit cooperative society, for instance, may also be the chairman of the consumers, or even a committee member of a housing cooperative society. But it is likely that he may not be effective in all of them. As a result of this, some of the activities may suffer to the detriment of the members.

2.1.7 Overview of the cooperatives sector in Namibia

In Namibia, a cooperative brings together people who have a common need that they want to address jointly, or a group of people who want to create employment for themselves. For example, many individual women make baskets to sell, but it is difficult for them to afford the cost of transporting them in large numbers to markets in the larger Namibian towns and in other countries. But if they come together to form a cooperative, they can pool their resources to hire transport or to buy a car. Similarly, most small farmers cannot afford to buy tractors or bring in fertilizer on their own. They are also likely to have difficulty getting loans from a bank. But if they come together to form a cooperative, they could apply for a loan from the bank to buy a tractor as a cooperative and they could also buy fertilizer in bulk at lower prices. This explains that in a cooperative, people can unite their ideas, their skills and their resources to do things which they would not be able to do on their own (MAWF, 2015). By the year 2015, there are about 135 registered cooperatives in Namibia (Jason, 2015).

Cooperatives in Namibia are involved in diverse economic activities such as sewing, livestock breeding and marketing, savings and credit, construction, small mining and marketing of tin and tantalite and semi-precious stones, welding and joinery, arts and crafts, mahangu marketing, seed multiplication, provision of agricultural inputs such as seeds, fertilizers and ploughing services. One cooperative is involved in first level processing of indigenous fruits such as marula kernels and melon seeds into food and cosmetic oil. Through these, cooperatives contribute to economic development because they provide locally needed services, products, employment, circulate money locally and contribute to a sense of community or social unity. They also provide their

employees with the opportunities to upgrade their skills through workshops and short courses, and offer youth in their base communities short and long-term employment positions. Cooperatives also employ students on casual appointment basis during long vacations (Jason, 2015).

2.1.8 Agricultural sector: Livestock marketing, and Seed Multiplication

Sixty five (65) cooperatives are involved in providing livestock marketing services to their members by organizing auctions, as well as finding buyers for their livestock. Livestock marketing is essential for many livestock farmers as this is the only means of acquiring income from farming operations to sustain their livelihood (Jason, 2015).

Most cooperative members are also members of farmers unions thus have dual membership, but cooperatives as legal business entities can enter into transactions on behalf of their members and provide services to their members. Livestock marketing provides an opportunity to earn a household income. These cooperatives are administered through the Cooperatives Act and are obliged to submit annual returns. The Cooperatives Act allows for some percentage of business with non-members, which is in line with the cooperative principle of ‘concern for community’ (MAWF, 2015).

Conflicts between cooperatives and farmers unions have been observed with regard to the facilitation of auctions for livestock marketing. The two organizations can both exist with different roles and can have a symbiotic relationship because farmers can

be members of a cooperative as well as a farmers union. The issue that needs clarification is basically the benefit that each organization provides to its members (MAWF, 2015).

Two (2) cooperatives are involved in seed multiplication. The cooperatives provide foundation seed to its members that produce certified seeds. Cooperatives buy certified seed from members and facilitate the marketing of seeds on behalf of their members. One (1) of the cooperatives operates from a government research station at Mahenene. The members receive between N\$10 000 and N\$30 000 annually from sales of certified seeds. A total 146 members have benefited. In addition to this business, the cooperative keeps and maintains 100 tons strategic seed reserve on behalf of the government (Jason, 2015).

Major challenges for growth are a lack of transport, collection of outstanding debts and the public willingness to buy certified seeds at a high price instead of grains. For the past years, the cooperative recruited a manager resulting in the improvement of the cooperative operations although it is difficult to recruit and retain a qualified manager, at a salary package the cooperative could afford (MAWF, 2015).

2.1.9 Micro finance sector

The micro finance sector, in particular savings and credit activities are crucial to stimulate rural economic growth. Thirteen (13) cooperatives are involved in mobilizing savings from members and providing access to loans at low interest rates.

Four (4) of the thirteen are pure savings and credit cooperatives and nine (9) are multipurpose cooperatives. The use of money borrowed varies from financing members' small businesses, providing for basic needs such as paying school fees, medical expenses, and any other household expenses (Jason, 2015).

The micro finance is a growing sector that provides banking facilities to the rural poor but because since it is still young, one of the constraints in the saving and credit operations is the lack of Management Information System (MIS) that could provide financial information for planning, controlling and decision making purposes (MAWF, 2015).

2.1.10 Small mining sector

Five (5) cooperatives that operate mainly in the Erongo region are registered for activities in small mining. Activities range from mining of tin, tantalite as well as small precious stones (Jason, 2015). The growths of these cooperatives are hampered by the inability to acquire plant equipment needed to mine a significant volume. As a result the cooperatives have difficulties in finding and maintaining reliable buyers for the products although they have sufficient ores at the claims. Cooperatives involved in semi-precious stones facilitate the marketing of these stones in order to avoid exploitation from buyers who offer unreasonable low prices for the high quality products. The sector is supported by the Ministry of Mines and Energy and Rossing Foundation in terms of technical backstopping and developing of business plans (MAWF, 2015).

2.1.11 Sewing sector

Two (2) women cooperatives are involved in the sewing of products such as school uniform, traditional garments, beddings and so on (Jason, 2015). These cooperatives are ensuring a significant income for their members. The biggest constraint lies in the expansion of the market share for their products; hence they remain micro businesses (MAWF, 2015).

2.1.12 Indigenous plants

A women cooperative with an association membership is involved in indigenous fruits first level processing business (Jason, 2015). The cooperative buys the marula kernels and melon seeds and produces marula and melon seed oil. The oil is sold locally and internationally. The cooperative has a factory where the processing is done and it is supported by CRIAA - SADC technically and with the exporting of oil (MAWF, 2015).

Table 1: Registered Cooperatives in Namibia (2015)

Cooperative Sector	Number of cooperatives	Total members	% by number	% by members
Farmers	65	4 826	48.1	46.6
Women only	3	2 101	3.0	20.3
Multipurpose	48	2 866	35.6	27.7
SACCO	4	187	3.0	1.8
Mining	5	154	3.7	1.5
Manufacturing	2	22	1.5	0.2
Textile	2	38	1.5	0.4
Building	1	27	0.7	0.3
Tourism	1	14	0.7	0.1
Artists and woodcarvers	3	108	1.5	1.0
Game hunting	1	10	0.7	0.1
Total	135	10 353	100	100

Source: The Register of Cooperatives in Namibia (2015)

2.1.13 Challenges

Cooperatives are however faced with the challenges of co-operative governance, inter-cooperation, capitalization and investment, cooperative values, community development, cooperative education, and the challenge of products and services. As such, the first seven challenges must strongly impact the cooperative product/service offered. The challenge of products and services determines whether the first seven cooperative challenges are in fact met (Lafleur, 2005).

2.1.14 Challenges faced by cooperatives in developed countries

One of the biggest challenges to cooperatives is the lack of awareness of their business potential among governments and the general public. It also often leads to mischaracterization of their interests. In Europe, for example, the International Accounting Standards Board is seeking to have member's shares in cooperatives treated as liabilities rather than equity or capital. This means members will be considered creditors of the cooperative rather than equity owners. International cooperative organizations are opposing the proposed treatment as the proposal is contrary to the nature of cooperatives. Another concern is the treatment of cooperatives with large market shares as a monopoly (Birchall, 2008).

For example, the Swiss Competition Commission is concerned about the large market share of the two consumer cooperatives in Switzerland that have between them over 50 per cent of the market, despite the fact that the consumers actually own the cooperatives. These cooperatives are seeking a compromise on the monopoly law. In addition, there have been de-mutualizations in insurance cooperatives, engendered by minimal relationship between members and management and self-perpetuating attitude of board members who are insulated from criticisms. In the United Kingdom, the recent financial crisis has caused problems for demutualized building societies, while those that have remained as mutual building societies have largely avoided the problem (Birchall, 2008).

2.1.15 Challenges faced by cooperatives in developing and other African countries

The preceding optimistic view has to be tempered with awareness of the constraints that cooperatives in developing countries face. A recent study of 450 cooperatives in Tanzania and Sri Lanka reports that cooperatives lack access to loan finance to help them expand their business. Other constraints include lack of technical knowledge and access to new technology, and training in business and leadership skills; lack of access to markets beyond their locality; and lack of knowledge about opportunities for fair trade (Birchall, 2008).

These cooperatives are still held back by issues like over-regulation from governments and poor internal governance which can lead to lack of trust in their own elected officials. Farming cooperatives need assistance to improve the quality of produce for export in a global economy that puts the responsibility on producers to meet quality standards. Credit cooperatives need strengthened capacity to do banking and manage risk. The low level of participation by women is a challenge faced by many cooperatives, a problem that is worse in agricultural cooperatives compared to other types such as credit cooperatives. One way to address this problem is through setting up women's cooperatives like the women's cooperative banks in the South of Sri Lanka. Awareness campaigns, as in the Women's Dairy Cooperative leadership programme in India, helped double the participation rates of women. In addition, the challenge of low level of involvement of young people and the need to provide them with decent work could be addressed through setting up specialised youth cooperatives and running awareness campaign in existing cooperatives (Bichall, 2008).

In Africa, cooperatives face the specific threat from HIV/AIDS. The cost in human resources, loss of trained employees and committed members adds to those imposed by the difficult business environment. In particular, credit cooperatives face increased risks from default on loans, and need to provide insurance that may, in the long run, be costly. One challenge is to meet the needs of members with HIV/AIDS and their families, and this can only be done by businesses that are sound (Birchall, 2008).

Nevertheless, cooperatives are an ideal setting for increasing awareness and HIV education. For instance, in India cooperative networks are being used for health education, while in Ethiopia 400 cooperatives with a total family membership of 2.5 million are developing educational materials. In Calcutta and West Bengal the sex workers of Usha Multipurpose Cooperative Society, with more than 7000 members, have started a micro-credit scheme, help with supply and marketing of handicrafts, and a peer education programme. One opportunity provided by the crisis is to develop new types of cooperatives for home care provision, such as the Soweto Home-based Care Givers Cooperative, which is supported by the Canadian cooperative movement (Birchall, 2008).

Civil wars and ethnic conflicts have caused major disruptions and destroyed cooperative infrastructure and social capital. Yet there is some evidence that even during conflicts cooperatives can survive. In Sri Lanka and Nepal, they have been the only independent organisations allowed by both sides in the civil war zone. In post conflict areas, cooperatives also play a crucial role in restoring both the economy and civil society. In East Timor, with help from the National Cooperative Business Association of the United State of America, a network of 20,000 farmers has been formed, processing one third of

the coffee for export. In Rwanda, a credit union system was rebuilt by the World Council of Credit Unions without regard to ethnicity, and now there are 149 unions with nearly 400,000 members. In Bosnia cheese cooperatives, and in Montenegro dairy cooperatives, have encouraged displaced refugees to return, while in El Salvador electricity cooperatives have boosted the local economy so ex-combatants can find work (Birchall, 2008).

Similar stories can be told of Guatemala, Lebanon, Azerbaijan, Serbia and Montenegro. There is also evidence of cooperatives bridging longstanding ethnic divides; electricity cooperatives in Bangladesh have a common membership among the 28 million users, and in India dairy cooperatives treat members of different castes as equals (Birchall, 2008).

2.1.16 Challenges faced by cooperatives in Namibia

In Namibia, limited understanding of the co-operative concept nationwide that has contributed to a slow pace in the development, limited member commitment, low literacy level among the majority of members and limited entrepreneurial and business management skills are some of the many challenges that are hindering the Namibian co-operative sector (MAWF, 2015).

2.2 Forms of cooperatives

There are many different types of cooperatives, all covered by the cooperative Principles of the International Cooperative Alliance, that have different priorities, have faced different challenges, and have different track-records and social impacts. Yet these

different types of cooperatives fall into main categories: Workers-owned cooperatives and Service-owned cooperatives. Understanding the differences between these is key to the concluding arguments about the role and potential of cooperatives (Philip, 2003).

2.2.1 Workers cooperatives

The key defining feature of workers cooperative is that members in the cooperative own and control it, on the basis of ‘one member one vote’. In this way, worker cooperatives potentially provide a radical alternative to the employment relationship found in conventional enterprises; and many of the difficulties they face relate precisely to this attempt redraw the relationships between ‘owners’ and ‘producers’; when cooperatives members combine both roles (Philip, 2003).

Workers cooperatives combine ownership with mechanisms for the democratic control of production within the enterprises, and are usually initiated as part of attempting to find more empowering alternatives to conventional employment and ownership relations in society. Debates about the role of cooperatives with a wider literature on the productivity and empowerment benefits of worker participation in enterprise decision-making, as well as debates about the benefits of various forms of worker participation in capital ownership, with cooperatives representing full worker ownership and control of the enterprise (Philip, 2003).

Cooperatives still face complex challenges however, and assuming a basic level of business viability, their success or failure is typically determined by their ability to institutionalize internally accepted ways of managing the characteristic tensions that are at the heart of cooperatives as a form of business:

- The tension between democratic worker participation in decision making, and business efficiency;
- The tensions between the roles and interests of workers in their capacity as owners (to whom managers are accountable); and of workers in their capacity as producers (who are accountable, in the context of production, to managers).
- The tensions between the short-term desire of members to improve their quality of life, and the longer-term interests of the cooperative as an economic entity.

These issues are the sub-text of many of the debates in the cooperative movement and associated discourses. Where ways of managing these tensions are institutionalized and accepted across a range of permutations, workers cooperative can thrive. Where they are not, workers cooperative can fail (Philip, 2003).

2.2.2 Service cooperatives

In contrast to workers cooperatives, there are a range of types of cooperatives that can be characterized as service cooperatives. In these cooperatives, the members are users of the cooperative's economic services, rather than necessarily being workers in the enterprise. This applies to a diverse range of types of cooperatives, including cooperative banks, consumer cooperatives, cooperative business associations and agricultural processing cooperatives where the members are farmers who supply the cooperative, not the workers in the enterprise (Philip, 2003).

In these cooperatives, members use collective organization to create economies of scale, as a way to enhance their economic access or to gain economic advantage, whether in relation to purchasing, marketing, access to financial services, access to housing, or social

services such as educare and health. At its simplest, and defined in this way, a service cooperative could be a loosely constituted bulk buying cooperative set up in a neighborhood, to reduce food and transport costs for household purchases from the nearest supermarket, or a group of parents who set up a joint crèche, and share the costs between them, or it could be a complex enterprise such as the Wine cooperatives in the Western Cape, which produce wine from the pooled production or production surpluses of local farmers, who are the members (Philip, 2003).

Farmers all over the world have organized themselves in similar ways, and often with significant commercial success. Typically, members of a service cooperative are not directly dependent on the cooperative for their livelihood; the cooperative is just a way of reducing costs or enhancing income, whether for the members as a consumer, or to enhance the viability of their business. In a service cooperative, the employees of the cooperative generally have no special ownership relationship to the cooperative, and the employment relationships in such cooperatives are usually not different from employment relations in any conventional business. There is no necessary component of worker ownership in a service cooperative. It is also often possible for workers in a cooperative bank, or a consumer cooperative, for example, to be members of the cooperative but their positions as employees does not confer any special terms or rights to them relative to other members. In a service cooperative, surpluses are shared on the basis of formulae agreed by members, but usually linked to the extent of use of cooperative services by members (Philip, 2003).

2.3 Significance of Cooperatives

Cooperatives around the world generally operate according to the same core principles and values, adopted by the International Co-operative Alliance in 1995. Cooperatives trace the roots of these principles to the first modern cooperative founded in Rochdale, England in 1844. However, because of constant changes in social and economic development, that continue to take place, it was always necessary to review them once in a while. Cooperative movements owe their existence and their features to liberal thought, which embodied freedom of association of Christian solidarity and socialistic ideas. Moreover, it is true that important changes have continued to take place in technology, especially in management. The function of cooperative organisations therefore, is more than mere defence of a group's interests. They should be making a positive contribution to the welfare of their participants in an expanding economic system. The needs of cooperatives for large masses of capital and trained man-power will therefore grow, though capital used by them will not dominate, but only earn its fair interest (Ouma, 2009).

2.3.1 Reformulation of the cooperative principles

As the awareness of the demand of the era into which the movement is passing has spread amongst cooperatives, they have reacted at every level, local, national and international. Structural changes involving far reaching consolidation concentration and integration have already been made in a number of national cooperative movements, and more are contemplated. In the past few years, these changes have been the subject of study and exchanges of ideas in the Authorities and the Auxiliary Organisations of the International Cooperative Alliance - a worldwide cooperative institution. But as they carry through their measures of reconstruction, many leading co-operators feel with great urgency, the need

for guidance in matters of principle, the need to distinguish what is essential and must be maintained at all costs from what may be varied, discarded or added, according to circumstances (Ouma, 2009).

They also felt the need of making firmer the common intellectual and moral ground on which co-operators of all nations, of all schools of thought, of all branches of the movements, can unite. It is in the light of this that a Commission was appointed by the International Co-operative Alliance in 1964, to look into the Rochdale Principles and to recommend its findings accordingly. The Report was submitted to the International Co-operative Alliance, at a Conference held in Vienna, in 1966 and the recommendations were approved by the conference. It was observed that the Commission dropped some of the principles, namely, cash trading, political and religious neutrality and supply of pure products (Ouma, 2009).

It was noted by researchers that these principles were adopted by the pioneers because of the prevailing circumstances. Principle of cash trading was adopted due to the difficulties, encountered by earlier cooperative societies, which were started before the Rochdale Cooperative Society. Their failures arose from lack of adequate capital, and were forced to buy goods on credit. However, their bankers took advantage of the position to overcharge and soon these cooperatives collapsed. The Rochdale Pioneer Cooperative Society learnt from this experience, and decided to rely entirely on the capital contributed by their members. Members also had to buy commodities they needed from the society in cash. In this way, the society was able to obtain sufficient cash for the purchase of more goods (Ouma, 2009).

But the principles which were adopted by the International Cooperative Alliance, and which any genuine cooperative enterprise must strictly adhere to are open membership, democratic administration, limited rate of interest, disposal of surplus, education and cooperation with other co-operators (Ouma, 2009). They are explained in details as follows:

2.3.1.1 Open membership

This principle requires that membership in cooperative enterprises should be open to any person who can contribute to its enterprises, and can derive benefits from its services. This means that there should be no restrictions based on any social, political, religion or on any socio-economic differences. Membership should be voluntary and without artificial restriction or discrimination. This should be maintained as a fundamental characteristic of the cooperative system, of economic organisation because it is essential for the achievement of its immediate and ultimate aims. However, there are certain exceptions to this principle which need to be clarified. It should be noted that a cooperative society as well as a government, may stipulate requirements which must be fulfilled by a person who has a desire to join a cooperative enterprises (Ouma, 2009).

2.3.1.2 Democratic administration

Cooperative societies are democratic organisations. Thus, their affairs should be administered by persons elected or appointed in a manner agreed by the members, should be accountable to them. Members of the primary cooperative enterprise should enjoy an equal right of voting – one member, one vote; and to participate on decision affecting their

cooperatives. In a cooperative enterprise, the administration should be conducted on democratic basis in a suitable form. It was observed however, that in certain areas, the members of cooperative enterprises have equal rights which give them the proper basis for democratic management. It is therefore quite consistent to apply the rule of member one vote for cooperative unions, as well as primary cooperative enterprises. It is noted however, that this would work well and satisfactorily only in those cooperative organizations, where there is no great disparity in membership (Ouma, 2009).

Without any exception, however, it should be noted that, whatever the basis of differential voting adopted, the largest constituents are not permitted to possess an unlimited number of votes. Normally, the rules lay down a graduated scale, and impose a ceiling which may not be exceeded. Another point of a fair and reasonable departure from the principle is that of a government which provides or guarantees large loans, or takes out large holdings of share capital in a cooperative institution. It will insist on checking the use which is made of public money, and be satisfied that the technical advice is being taken and due financial procedures exercised. The government may even appoint its representative to sit on the board of management for a time, though not with voting powers, but to make sure that the aid provided is being utilized in the way in which it was originally intended (Ouma, 2009).

2.3.1.3 Limited rate of interest

According to Ouma (2009), [t]he cooperative economic system has broken with the practice of ordinary profit seeking enterprises, not only through its rules of association and democratic control, but also through the rules which determine the allocation and division of the savings and the financial benefits any successful cooperative society yields to their

members. Thus, the share capital should only receive a strict limited rate of interest, if any. In Kenya, the rate of interest payable is 10%. Cooperatives do not pay interest on capital out of any sense of fairness, or in order to encourage savings, but solely out of necessity. Whilst the immediate goal of cooperative effort among them might be, to cheapen the necessities of life for consumers, or to provide a decent living for procedures, the ultimate aim was and still is to establish a new social order, characterised by what they call equity in the distribution of wealth and income.

The capital structure of the different national cooperative movements is not uniform. Three main categories may be distinguished in most of them, but in proportion which may vary widely from country to country, and from one branch of the movement to another. These are the members' share capital, capital owned by the societies in the form of reserves and capital funds on which the individual members have no claim; loan capital which includes external borrowing as may be from banks, government or other cooperative institutions, as well as all kinds of loans made or savings deposited by members over and above their shareholdings. Of these categories, no interest is payable by the society on the second, although it may calculate interest for the purpose of its internal accounting. On the third, the interest rate is not likely to exceed the rates prevailing in the external money and capital markets, or fixed by authority in a central planned economy, for equivalent kinds of investments. Clearly then, it is the first category that the share capital, subscriptions of which is an attribute of membership, and which is closely associated with risk bearing, which is subject to fixed and limited rate of interest (Ouma, 2009).

Admittedly, co-operators are by no means unanimous on the question whether any interest should be paid on share capital at all, and the practice of different cooperative movements varies accordingly. The question however, is not one of the principles, for the principle does not oblige payment of interest at all. The principle is that, if interest is paid on share capital, the rate should be limited and fixed, on the ground that the supplier of capital is not equitably entitled to share in savings, surplus or profit, whatever the term employed to denote what remains of the value of the society's output of goods and services after its costs, including the remuneration of labour, land and capital, when these have been met (Ouma, 2009).

2.3.1.4 Disposal of surplus

The economic benefits conferred by societies on their members, are of various kinds and become available according to circumstances in a variety of ways. They may take the form of money, goods or services. They may be immediate, short-term or long-term. Some may be enjoyed collectively others can only be enjoyed individually. In deciding in what forms and what proportions or amounts the surplus or savings shall be allocated or divided, the members as a body have and ought to have, absolute discretion. The surplus may be paid in form of bonuses or dividends (Ouma, 2009).

The objective of cooperatives is not to make profits. It is true however, that a well organised and successful cooperative should usually end up with a balance of funds at the end of a business period, after payments of all operational expenses, including payments for other statutory requirements, that is, reserve funds. This balance is called surplus and not profit, a term used by other business organizations. Surplus funds arise from the

balances of commission charged on the members' transactions with the cooperative, to cover expenses of the cooperative. It belongs to members of the cooperative and should be distributed to them, in a fair manner, that is, in proportion to members' business with the cooperative so that no member should gain more at the expense of others (Ouma, 2009).

In order to expand the activities of their business, members may resolve to plough the surplus funds back into the cooperatives for various development projects. They may for example decide to purchase a building, a lorry, land and so on. Or they may decide to provide a community service, for example, a dispensary. In this respect, share certificate should be issued to individual members, equivalent to an amount due to the individual members. It must be emphasized that the overriding consideration throughout is that whatever is to be done with a cooperative's net surplus or savings, is determined by the democratic decision by the members, according to their judgement of what is just and expedient (Ouma, 2009).

Meanwhile, cooperative organizations should take note of their competitors' reactions to undermine the power of payment of dividends or bonuses. This reaction takes the obvious forms of discounts, rebates, premiums, which if they represent cash or its equivalent, may appear more advantageous than a dividend or bonus for which the member must wait until the year's or half year's end. Occasionally, cooperatives have felt obliged to make some concession to offset these inducements, as for example, by giving their members the choice of receiving discount at the time of purchasing or waiting for the dividends/bonus ultimately declared. There is no apparent breach of principle in doing so if the rate of discount does not exceed the rate of dividend or patronage refund. The members should however note that the cooperative belongs to them, and that they should as a matter of

principle be loyal to it. They should disregard any attractive inducements they may be offered by the competitors of their cooperatives (Ouma, 2009).

2.3.1.5 Cooperative Education

Researchers suggested that the effort to reshape the economic system on the basis of cooperative principles requires a different discipline from those of either individual or governmental enterprises. Cooperation as a form of mutual aid, appeals to other motives than man's selfish or self-regarding impulses of obedience to duly constituted authority. Cooperation requires of those who would practise it effectively, the acceptance of new ideas, new standards of conduct, new habits of thought and behaviour, in its own interest and for its own survival, to the need for educating its members in appropriate ways (Ouma, 2009).

Researchers further suggested that for the purpose of cooperation, however, education needs to be defined in a very broad sense, which includes academic education of more than one kind but much besides. It should include both what people learn and how they learn it. Every phase of experience, which adds to people's knowledge, develops their faculties and skills, widens their outlook, trains them to work harmoniously and effectively with their fellows and inspires them, to fulfil their responsibilities as men or women and citizens, can have educational significance for cooperation. Less and less in the contemporary world, can education be limited to what is learnt in schools and colleges, at special periods of people's lives (Ouma, 2009).

The cooperative concept is of education as a lifelong process. Thus, this principle aims at ensuring that members of the cooperative enterprises, including cooperative officials, employees and the general public, are well informed about cooperative affairs. It is therefore important that measures are taken to organise suitable training programmes so as to impart the necessary information, in respect of cooperative principles business methods and general management of cooperatives; to all who are concerned with the promotion, supervision, guidance and management of these institutions. It is vital that those who engage in cooperation need to participate in the process of education and re-education. These are, firstly, the members who have established the cooperatives, in order to promote their interests (Ouma, 2009).

These people because of their democratic constitution collectively exercise supreme authority over them. Secondly, there are the office-holders, whether they are the members' elected representatives or professionals employed by the cooperatives. The education required by these groups consists mainly of knowledge, the acquisition of technical skills and training in cooperative conduct and behaviour. The knowledge must be as accurate as systematic and as up-to-date as they have time and capacity to absorb. It will include not only knowledge of the special forms of cooperation in which they are engaged but also knowledge of the economic and social environments in which they operate (Ouma, 2009).

In respect of the elected officers, it will include a great deal of business knowledge. And in respect of the professional employees, it will include all that which will make them at least as competent as those engaged on the corresponding levels of private and public sector of the economy. The employees will also need the best available training in the appropriate techniques. It is not so obvious and therefore needs emphasis, that the democratic

processes of cooperation, need technical skill quite as much as the economic and that the members and their representatives, need to be trained to use these processes skilfully and effectively to their cooperative's advantage (Ouma, 2009).

It may be said that the education of the members, forms part of adult education and is carried on today in a decentralised manner by methods of discussions and various kinds of group work; whereas the education of employees and officials for careers in the cooperative movement, is carried on in technical training institutions and universities. The establishment by national cooperative organizations or governments of central cooperative colleges, like the Cooperative College of Kenya, and training schools, is today becoming normal. The number of universities with special institutes or departments for cooperative studies and research elsewhere is also on the increase (Ouma, 2009).

Yet, another group which needs cooperative education consist of people who are potential members. These are the people who are still outside the membership of the cooperative movement. These people will more and more, with the passage of time, need to join cooperative societies. Every effort must therefore be taken to educate the public and to keep the people better informed than in the past about its aims, its organisation and methods, its achievements and its plans for the future. Therefore, the principle of cooperatives education is in fact, to say the least, what makes possible the effective observance and application of the rest. For the principles of cooperation are more than one verbal, more than articles in a rule book, to be literally interpreted (Ouma, 2009).

In the last analysis the principle embody the spirit of cooperation, which has to be awakened and renewed in every fresh generation that takes over the work of the

movement from its predecessors. That awakening and renewal depends more than anything, upon the care with which each generation keeps the torch of education aflame.

2.3.1.6 Cooperation with other co-operators

This principle was not one of the original principles formulated by the Rochdale co-operative. However, the International Co-operative Alliance decided to adopt it. It was thought to be an important principle, for the purpose of growth by mutual co-operation among cooperatives. This principle says “all cooperative organizations in order to best serve the interest of their members and their communities should actively cooperate in every practical way with other cooperatives at local, national and international levels”. If the cooperative movement is to rise to its full stature, either within each country, or internationally, several cooperative institutions must unreservedly support one another. They must act as members of a common united effort, to realise the objectives and ideas of the movement as a whole. Co-operators around the world should profoundly appreciate that the most important aim of the cooperative movement is the promotion of the social and economic rights of the people, and that the pursuit and achievement of this high aim requires active and concerned efforts towards the realisation of world peace (Ouma, 2009).

Perhaps it needs to be emphasized by way of re-statement of the fact that, all these principles are not associated arbitrarily or by chance. They form a system and are inseparable. They support and reinforce one another. They can and should indeed be observed in their entirety by all cooperatives, whatever their objects and area of operations, if they claim to belong to the cooperative movement. Furthermore, the

principles originated as rules governing the relations of the individual members of cooperatives with one another and with their societies, their application is not confined to primary societies. They should be loyally observed by primary cooperatives and secondary cooperatives organizations including Apex societies, also, with such modifications as are necessary or desirable, for institutions which represent the cooperation of cooperative enterprises rather than of individual persons (Ouma, 2009).

The other remark is that those principles which were not retained by the International Co-operative Alliance are not to be disregarded or thrown aside. The fact that they are not of universal application at present, does not mean that they are no longer appropriate. Cooperatives enterprises which by reason of their youth and inexperience cannot afford to risk strains on their finance or the unity of their membership. These would need to apply the un-retained principles (Ouma, 2009).

In contrast, the principles were revised by the International Co-operative Alliance (ICA) in 1995 and are now as follows:

- **Voluntary and Open Membership** - Cooperatives are voluntary organizations, open to all people able to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
- **Democratic Member Control** - Cooperatives are democratic organizations controlled by their members, those who buy the goods or use the services of the cooperative and actively participate in setting policies and making decisions.

- **Members' Economic Participation** - Members contribute equally to, and democratically control, the capital of the cooperative. This benefits members in proportion to the business they conduct with the cooperative rather than on the capital invested.
- **Autonomy and Independence** - Cooperatives are autonomous, self-help organizations controlled by their members. If the co-op enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the cooperative's autonomy.
- **Education, Training and Information** - Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative. Members also inform the general public about the nature and benefits of cooperatives.
- **Cooperation among Cooperatives** - Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.
- **Concern for Community** - While focusing on member needs, cooperatives work for the sustainable development of communities through policies and programs accepted by the members

The world cooperative body, the ICA, has also agreed on a set of cooperative values, as they should apply in the 21st century. They are as follows:

- **Self-help** – members have the will and the capability to improve their destiny peacefully through joint action which can be more powerful than individual effort, particularly through collective action in the market.
- **Self-responsibility** – members take responsibility for, and answer to their actions.
- **Democracy** – members have the right to participate, to be informed, to be heard and to be involved in making decisions because they are the source of all authority in the cooperative.
- **Equality** – equal rights and opportunities for members to participate democratically will improve the use of society’s resources and foster mutuality, understanding and solidarity.
- **Equity** – fair distribution of income and power within the cooperative and its economic life should be based on labour, not ownership of capital.
- **Solidarity** – individual cooperatives strive to create a united cooperative movement by working with other cooperatives to improve collective well-being.

In comparison, there are also four personal and ethical values that co-operators should observe in their actions with others. These are:

- **Honesty** – since the earliest days of the Pioneers of Rochdale, co-operators have stressed the importance of honesty. Honest dealings with customers and suppliers, reliable quality and fair prices, build a reputation as a trustworthy organisation.
- **Openness** – the endeavour to be truthful requires cooperatives to be open, to disclose information about their products, their services and the way they are organised to

enable all those associated with them to fully participate and contribute as a customer, member and worker.

- **Social responsibility** – this value recognises that cooperatives are an important part of wider society and have a responsibility to these communities to demonstrate their ethical standards as retailers and employers.
- **Caring for others** – this value is about how co-operators relate to each other within the cooperative as well as to others who live in the surrounding communities, especially by assisting them to help themselves.

Research worldwide has shown that cooperative enterprises, understood as membership based, mutual benefit entrepreneurial organizations; represent a limited but growing phenomenon in modern economies (Stickers, 2009). In recent years, these businesses have strengthened resilience to the crisis in most economic systems, by increasing organizational diversity and providing proactive answers to worsening economic conditions. While competitive markets and the public sector are experiencing serious difficulties in most countries, cooperatives are showing more stability and reactivity (Stiglitz, 2009; Birchall, 2013). This is mostly because of their reduced reliance on support from financial markets and the socialized nature of their capital, which means they have suffered less pressure in the recent financial crisis. Some theoretical works have claimed that the socially oriented nature of cooperatives and their inclusive governance may have relevant effects in terms of social cohesion and the sustainability of growth (Dow, 2003; Stiglitz, 2009; Birchall, 2010).

Nembhard (2014) of the Pennsylvania State University in the United State of America stated that cooperatives address market failure and fill the gaps that other private

businesses ignore. These gaps can be provision of rural electricity or other utilities in sparsely populated areas, provision of affordable healthy and organic foods, and access to affordable credit and banking services, to affordable housing, to quality affordable child or elder care, to markets for culturally sensitive goods and arts.

In addition to the values and principles of cooperatives, studies have been conducted on wide varieties of issues relating to the importance of cooperative societies. Veerakumaran (2005) enlightened that cooperatives serve as fundamental tool for achieving food security at household level as they are the best institutional intervention for attaining food security in any country (Veerakumaran, 2005). Meanwhile, (Chambo, 2009) clarified that the developed nations like United States of America, Canada, Australia, almost all European countries and Socialist countries like China have attained food self-sufficiency through cooperatives.

On the other hand, Michael Gertler, explained that cooperatives societies are practical vehicles for cooperation, collective action and they build and reinforce community, stabilize regional economies and provide a favourable climate for further investment; and also, reduce inequality and promote equitable sharing of the cost and benefits of development (Gertler, 2001). These authors emphasize that cooperatives can promote economic democracy and the empowerment of marginalised groups, a symbol of sustainable development and a precondition for shared responsibility.

2.4 Operations/ Governance of cooperatives

According to Nembhard (2014), a cooperative is a legal entity owned and democratically controlled by its members whereby members often have a close association with the enterprise as producers or consumers of its products or services, or as employees. She define cooperative businesses as community-owned private enterprises that combine consumers with owners, and buyers with sellers in a democratic governance structure and solve the general economic problem of under or over production, business uncertainty, and excessive costs.

Another researcher from Nigeria, (Adefila, 2012) stated that cooperatives are primarily organized to provide the necessary common needs of its members that improve and uplift their living conditions within the context of the universally accepted cooperative principles of membership, democratic administration, equitable contribution, savings disposal, education and cooperative co-operation.

2.5 Benefits of cooperatives to small-scale farmers

Small-scale farmers remain the foundation of agricultural production especially in the developing countries including Namibia. Mohamed remarked that farmers are burdened with high prices of farming inputs, inefficiency of farming techniques, inadequate production infrastructure, poor market and heavy constraints in obtaining credits facilities. He observed that the ugly situation is further compounded by the general economic downturn and government drives to remove all subsidies on farming inputs such as chemical fertilizers, and agro-chemicals. He highlighted that, of recent, the co-operative

option comes into focus as a viable way to effectively mobilize farmers to form groups and pool resources so as to become more effective in agricultural production (Mohamed, 2004).

Adefila (2012) conducted a study on the factors influencing the performance of farmers' cooperative organizations in Gurara area, Niger State of Nigeria. The results from the regression analysis revealed that farmers' cooperative organizations are variously involved in agricultural development and that factors influencing their role performance include annual income, experience in farming, leadership training and membership size. The study concluded that cooperatives in whatever form are seriously viewed as catalyst in the process of rural socioeconomic development. Adefila thus suggested that laws should empower cooperatives to perform certain functions, such as strengthening their bargaining power as effective agents of socio-economic rural transformation (Adefila, 2012).

2.6 Access to finance

One of the constraints the Namibian cooperatives face in implementing their activities is lack of credit. This is mainly because financial institutions require conventional collateral to grant credit. In order to facilitate access to credit, two loan guarantee funds were established. The Agricultural Loan Guarantee Fund caters for agricultural cooperatives, while the Bank Windhoek Loan Guarantee Fund caters for non-agricultural cooperatives. The loan guarantee funds are given to ensure that members of the cooperatives are not excluded from access to credit on the grounds of a lack of collateral. Access to credit through the loan guarantee fund enables the cooperatives to finance economic activities.

The implementation of economic activities by a cooperative enhances its chances of financial sustainability, and the members' livelihood (MAWF, 2015).

However, the loan guarantee fund is given to cooperatives on the basis that they submit feasible and viable business plans which are evaluated on all the relevant criteria. The loan guarantee can however only be activated with concurrence of the Division of Cooperative Development and Regulation by way of signature by the Permanent Secretary (MAWF, 2015).

2.7 Economic impacts

It was researched by (Weisbrod, 2007) that economic impacts are effects on the level of economic activity in a given area. They may be viewed in terms of business output or sales volume, valued added or gross regional product, wealth including property values, personal income including wages and jobs. Any of these can be an indicator of improvement in the economic well-being of area residents, which is usually the major goal of economic development efforts. The net economic impact is usually viewed as the expansion or contraction of an area's economy, resulting from changes in opening, closing, expansion or contraction of a facility, project or program. Sometimes there is also interest in assessing the economic impact of an already existing facility or project. This is usually viewed in terms of the jobs, income and/or business sales that are directly or indirectly supported by the facility or project. Such measures are actually represent the gross effect, that is, the facility's or project's role in the economy or contribution to the area of the economy. However, that may not be necessarily the same as the net impact,

particularly if other activities would be expected to enter or expand in the absence of this facility or project.

It was further researched that economic impacts are different from the valuation of individual user benefits of a particular facility or service, and they are also different from broader social impacts. The user benefits and social impacts may include the valuation of changes in amenity or quality of life factors such as health, safety, recreation, and air or noise quality. Yet while these various types of benefits and impacts may be valued in economic (money) terms, through studies of individuals or societies willingness to pay for improving them, they are not economic impacts except insofar as they are also affect an area's level of economic activity. Economic impacts also lead to fiscal impacts, which are changes in government revenues and expenditures. Economic impacts on total business sales, wealth or personal income can affect government revenues by expanding or contracting the tax base. Impacts on employment and associated population levels can affect government expenditures by changing demand for public services (Weisbrod, 2007).

2.8 Measuring the economic impacts

Weisbrod (2007) stated that various measures of economic impacts have very different interpretations. Total employment reflects the number of additional jobs created by economic growth. This is the most popular measure of economic impact because it is easier to comprehend than large, abstract dollar figures. However, job counts have two major limitations: they do not necessarily reflect the quality of employment opportunities

and they cannot be easily compared to the public costs of attracting those jobs through subsidies, tax breaks or public investments.

Aggregate personal income rises as pay levels rise and/or additional workers are hired. Either or both of these conditions can occur as a result of business revenue growth. As long as nearly all of the affected workers live in the study area, this is a reasonable measure of the personal income benefit of a project or a program. However, it is still an underestimate of the true income impact, insofar as there is also some net business owners or else reinvested locally in buildings, equipment or labour training, thus further improving the economic base of the area (Weisbrod, 2007).

Value added, which is normally equivalent to gross domestic product or gross regional product is a broader measure of the full income effect. This measure essentially reflects the sum of wage income and corporate profit generated in the study area. However, in today's increasingly global economy, value added can be an over-estimate of the true income impact on a local area, insofar as it includes all business profit generated there, including that paid out as dividends to owners of the business who do not reside in the study area and that which is reinvested in corporate facilities outside of the study area. Thus, while value added is the most appropriate measure of impact on overall economic activity in a geographic area, the personal income measure is often preferred as a more conservative measure of income benefit to residents of the area. Business output, also referred to as revenue or sales volume, is the broadest measure of economic activity, as it generates the largest numbers. It includes the full level of business revenue, which pays for costs of materials and costs of labour, as well as generating net business income (profits) (Weisbrod, 2007).

2.9 The Role of Cooperatives in Economic Development

Policy makers and community developers are increasingly interested in alternative models for local businesses that will be both responsive to community needs as well as stimulate local economic growth. The cooperative form of business should be an obvious choice. Cooperatives have the potential to foster economic growth at the community and regional level, building on the spirit of cooperation that is already prevalent in rural areas. With local ownership and control, and net profits distributed to those who use the cooperative, cooperatives are considered by some to be an ideal model for local economic development. The structure and objectives of cooperatives compel them to behave differently in their communities than businesses with other organisational structures. In addition, cooperatives offer a way for a group of individuals to pool their limited resources to achieve a critical mass. Cooperatives combine people, resources, and capital into larger, more viable and economically competitive units (Zeuli, 2002).

As direct federal assistance for rural development declines, the potential for locally owned cooperatives to play a more vital and direct role in rural economic development increases. This potential was recognized in the provisions of the last two farm bills, which authorised substantial financial allocations for a rural cooperative development program. Cooperative developers have also acknowledged this potential and in 1994 adopted following principle for their profession: “Cooperatives are development tools and should promote both social empowerment and economic goals” (ICA, 2003).

2.9.1 New community development approaches

In the narrowest sense, community development involves increasing the number or quality of jobs so that individual and aggregate income expands. In recent years it has become common to use an expanded definition of economic development that includes various quality of life measures of residents over time. The use of a broader economic development definition has led to a shift in development strategies. As the negative consequences of some industrial recruitment cases have become clear, communities have begun to reconsider their economic growth programs. While most cities and countries continue to recruit firms from outside their trade regions, they are also increasingly prone to implement a business retention and expansion program and a systematic effort to stimulate the formation of new, locally based entrepreneurial firms (Zeuli, 2002).

2.9.2 Strengths of the cooperative model

2.9.2.1 Community interests

Zeuli (2002) is of the opinion that from a local development perspective, a critical feature of the cooperative model is that it can be owned and controlled by community residents. Therefore, a cooperative is more likely to be interested in promoting community growth than an investor-owned firm controlled by non-local investors. Since community residents control the firm they can ensure their own objectives are met, not those of people who live elsewhere.

2.9.2.2 Flexible profit objectives

Zeuli (2002) also quantified that cooperatives do not have to be concerned about generating high profit values for stockholders. Their objectives are set by their members and often focus on providing services rather than on maximising overall profit for the business, many non-agricultural cooperatives, for example, are created to serve a local need, not to generate profits. Investor-owned firms can be under considerable pressure to grow as fast as possible, often outgrowing their community and relocating to a location where the supply of labour is larger and other inputs can be more easily obtained.

2.9.2.3 Financial advantages

Zeuli (2002) further expanded that cooperatives are eligible to apply for loans and grants from a number of federal and state agencies designed to support cooperative development. These can provide significant sources of low cost start-up and operational funds for the cooperative business. In addition, other non-governmental financial intermediaries such as cooperative banks provide relatively low cost loans to cooperatives. Cooperatives can also benefit from significant tax advantages and finally, cooperatives may also be able to take advantage of lower labour costs, as members may be willing to contribute labour instead of capital as a form of investment in their business.

2.9.3 Quantifying the economic impact of cooperatives

Unfortunately, very few studies have attempted to measure the economic impact of cooperatives at either the state or local level, which means their contribution to economic

development has not been well quantified. Staff at the University of Wisconsin Center for Cooperatives (UWCC) recently completed a study that provides some quantitative measurement of the economic impact of cooperatives (both agricultural and non-agricultural) in the state of Wisconsin. Financial data for 1999 was collected from 798 cooperatives (all of the known cooperatives in the state that time) (Zeuli, 2002).

Wisconsin cooperatives represented a total of 2.7 million members and reported \$5.6 billion in gross sales for 1999. It should be noted that credit unions contributed the majority of that figure, \$698 million, with an additional \$73 million from farm credit associations. The cooperatives generated \$227 million in net profits, of which they returned \$323 million back to members in the form of cash percentage refunds and dividends. The cooperatives reported nearly \$13 billion in assets and almost \$11 billion in liabilities. They employed 17 413 people full-time and 6 021 people part-time (Zeuli, 2002).

The cooperatives reported paying \$583 million in salaries and wages and almost \$80 million in benefits to their employees in 1999. They paid \$64.5 million in federal, state and local taxes. Cooperative businesses do not pay federal or state tax on net profits allocated to members as patronage refunds, although they do pay income tax on net profits retained as unallocated equity. It should be noted that the tax figures reported in the study are probably low, since only 30% of the cooperatives in the state reported tax information in the UWCC study (Zeuli, 2002).

The total economic impact these cooperatives have in Wisconsin was assessed using a social accounting matrix (SAM) model. The SAM, a comprehensive financial accounting

system, tracked the economic transactions spurred by cooperative business activity within the state. The total economic impact that cooperatives have on the state’s economy through direct, indirect, and induced multiplier effects was estimated in terms of jobs, wages and salary, and total income. It is important to remember, however, that the results produced by SAM models are simply estimates produced by economic simulations. In the aggregate, Wisconsin cooperatives support nearly 30 000 full time jobs and generate almost \$1 billion in total income within the state. In addition, they further produce \$140 million in federal, state, and local tax revenues (Zeuli, 2002).

Agricultural cooperatives are responsible for the most significant cooperative economic impact in the state. The \$263 million total income linked to agricultural marketing cooperatives and the \$254 million total income tied to farming supply and service cooperatives together represent 55% of the total economic impact of cooperatives. Credit unions and rural utilities also generate a substantial number of jobs and total income in the state (Zeuli, 2002).

In addition to jobs and income, Wisconsin cooperative (excluding credit unions) returned \$34 million back to members as cash patronage refunds in 1999. Credit unions issued \$289 million in dividends to their members. These dollars represent another important income stream in the state’s economy, ultimately supporting 4 637 jobs and \$114 million in total income after multiplier effects have been considered (Zeuli, 2002).

2.9.4 The total value

The Wisconsin analysis did not attempt to measure the total value of cooperatives to their local economies or to their members. Economic impact analysis does not measure the

savings that cooperatives offer their members and how those savings are then spent in the broader economy. Nor does it account for the increased profitability that members may achieve through their cooperative business and how they spend those personal profits in the broader economy. Cooperatives also offer more to their communities than employment opportunities. They provide market access and essential services to farmers and other community residents. They also help develop local leadership (human capital) that can start and lead other social and business ventures (Zeuli, 2002).

Economic impact studies are a single, not final, measure of the important role cooperatives play in the state's economy. However, such studies are useful because they provide some basic data for policymakers. The continued collection and analysis of comprehensive cooperative data will help policy makers and community development practitioners make more informed decisions regarding the support of cooperatives as alternative business development options (Zeuli, 2002).

2.9.5 Workers cooperatives and mass job creation

It was researched that workers cooperatives can work. When they do, they provide an inspirational example of an alternative form of work organization. But they are complex forms of enterprise, and as such, they do not provide an easy entry point into self-employment of unemployed people, particularly if they fall beyond the reach of a strong support environment. They require high levels of managerial skill internally, or sustained technical support externally to succeed. As a result, they have real limitations as an effective vehicle for mass job creation (Philip, 2003).

But while workers cooperatives have limitations as a vehicle for mass job creation, there are a different set of good reasons to support their growth and development in society. Workers cooperatives have an important role to play in developing alternative forms of work organization, and in building forms of workers control and worker ownership, and they should be supported in playing that role. At present, cooperative development strategies tend to be targeted mainly at unskilled, unemployed people, on the margins of the economy. From a base of often chronic poverty, they are expected not only to employ themselves, but also to lead the way in building alternative models of work organisation, worker self-management and worker ownership (Philip, 2003).

2.9.6 Service cooperatives, economic co-operation and poverty reduction

While there are real constraints in using workers cooperative as a vehicle for mass job creation, there are real opportunities to use forms of service cooperative to enhance livelihoods and reduce poverty across a wide spectrum of activities in poor communities. In looking at the trajectory of cooperative development internationally, it is service cooperatives of various forms that have managed to mobilize the widest participation, and also provide an important support framework within which the viability of worker cooperatives can be enhanced. But service cooperatives have not caught the imagination in South Africa in quite the same way as workers cooperatives. Workers cooperatives have been seen as the vehicle for job creation, and as providing a democratic alternative to conventional forms of work (Philip, 2003).

2.9.6.1 Poverty reduction

Researchers found out that there is a widely held consensus among many actors, including the United Nations (UN), the International Labour Organization (ILO) and the International Cooperative Alliance (ICA), that the cooperative enterprise is the type of organization that is most suited to addressing all dimensions of reducing poverty and exclusion. The way cooperatives help reduce poverty is important because they identify economic opportunities for their members; empower the disadvantaged to defend their interests; provide security to the poor by allowing them to convert individual risks into collective risks, and mediate member access to assets that they utilize to earn a living (ILO, 2015).

For instance, while savings and credit cooperatives (SACCOs) facilitate their members' access to financial capital, agricultural cooperatives help farmers access the inputs required to grow crops and keep livestock, and help them process, transport and market their produce. Similarly, consumer cooperatives make it possible for their members and the society at large to access good quality household supplies like food, clothing and other products at affordable prices. Such services help pull members out of poverty (ILO, 2015).

Agricultural cooperatives are well recognized for their poverty reduction efforts. In Tanzania, improved cooperative marketing of agricultural products like milk and coffee has meant that cooperative members can afford fees for education of their children. In Egypt, four (4) million farmers derive income from selling agricultural produce through agricultural marketing cooperatives; and as compared to Ethiopia, 900 000 people in the

agricultural sector are estimated to generate most of their income through their cooperatives (ILO, 2015).

SACCOs also contribute to poverty reduction. In Kenya, development loans have been used to buy land, build houses, invest in businesses and farming, and buy household furniture. In Ghana, members frequently obtain loans from the University of Ghana Cooperative Credit Union to support informal businesses that supplement their wage income. In Rwanda, members of a cooperative and trade union for motorcycles taxi drivers used loans to buy their own motorcycles, instead of paying extortionate daily rental fees and in Tanzania and Sri Lanka, multi-purpose and SACCOs enable members to receive small loans to support their own self-employment through retail shop keeping, farming or keeping livestock, and provide working capital and loans to grow small businesses (ILO, 2015).

2.9.6.2 Employment creation, livelihoods and equitable growth

The International Labour Organization researched that cooperatives play a significant role in employment creation and income generation. More than 100 million jobs existing in cooperatives globally are cited by the ILO during the year 2015 and ICA during the year 2014. Together with small and medium-sized enterprises, cooperatives are the most significant sources of new employment. While global data on cooperatives contributions to creating employment needs improvement, available country evidence is quite compelling (ILO, 2015).

Recent evidence has found that employment in employee-owned enterprise is less likely to be negatively affected by cyclical downturns and that these enterprises had greater levels of employment continuity over the recent economic downturn. A United Kingdom study found that employee-owned businesses were more likely to adopt longer-term horizons when investing in their business, invested more in human capital, and had a stronger focus on organic growth (ILO, 2015).

Table 2: Employment by Cooperatives in Selected Countries

Country	Number of jobs
United States	2 million
France	1 million
Italy	1.1 million
Brazil	274 000
Argentina	290 000
Kenya	250 000
Indonesia	300 000
India	100 000 diary cooperatives employ 12 million women
Colombia	Nearly 700 000 through direct employment and as a worker-owners in workers cooperatives

Source: ICA (2014), “Cooperative Facts and Figures”

A recent study examined four case studies that showed that enterprises organised and behaved according to cooperative principles – by which democratic control goes together with joint ownership, have weathered the brunt of the crisis and are even increasing employment and restructuring. The study suggested some reasons for this success:

- In the short term, cooperatives are member-based so rather than shedding labour, they think of new activities such as productivity, exports and restructuring.
- Members are aware of an imminent crisis and can prepare for it, due to democratic structures and information sharing in real time.
- Since decision making is participatory and income gaps small among members, cooperatives are more able to take hard decisions that are seen as legitimate.
- Safety and support funds guard against shocks, and common reserves that cannot be withdrawn guarantee financial stability.
- In the long term, cooperatives build pension and education mechanisms for members and target community needs with a long-term vision.
- Restructuring and entering new activities are standard practice for cooperatives.

An increasing body of evidence suggest that employee-owned business also outperform economically in normal times compared with non-worker-owned enterprises, with higher financial returns and greater productivity (ILO, 2015).

Research in the United States has found a consistent positive relationship between employee-ownership and labour productivity. Past research across a number of countries within a range of different sectors suggest that employee-owned businesses provide higher financial returns, greater productivity levels and higher levels of employment stability. Other contributions to livelihoods and equitable growth documented for cooperatives include oncome security, jobs for rural communities, strengthening farmers’ position in the value chain, employment in diverse sectors of the economy, spill over effects on employment, provision of infrastructure and other services, and social inclusion. Evidence from around the world shows the contributions cooperatives have made in promoting

decent work and providing income security, especially among those previously excluded (ILO, 2015).

Research on the dairy industry in India indicates that cooperative members enjoy higher and more secure incomes than non-members within the industry, particularly at the primary level of production. Similarly, recent research in Ethiopia’s agricultural sector demonstrates how agricultural producers organized in cooperatives see better incomes, more savings and reduced input costs, relative to those who are not. An important consideration is how the employment creation impact of cooperatives can be scaled up to massively generate new employment opportunities in those areas where public and private sector initiatives are weak or absent (ILO, 2015).

2.10 Summary

Cooperatives are formed as business organisations in order to provide goods and services to their members. In other words, cooperatives are people centred businesses. The members can go into any type business in order to benefit themselves. In a cooperative, members own the business and control it according to democratic principles. No single member can own or control the cooperative, or take it over. Each individual member has a responsibility to support others and to help the cooperative to develop. Therefore, in the end, the priority is to embrace diverse and inclusive approaches, and to find innovative, flexible and locally-specific ways to use economic co-operation as a means to improve the quality of people’s lives. Whether these are formalised as cooperatives of any kind matters less than that, they contribute to the reduction of poverty, to empowerment, to job creation and to enhanced forms of social mobilization to achieve these ends.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research methodology that supported the research process as well as the analysis and interpretation of the results. It describes the research design, the research population, the sample, the techniques that were used for sampling, the research instruments, the process of data collection and the way in which the findings were analyzed. Qualitative and quantitative methods were used in order to achieve the objectives that were set for the study, and they are: to investigate the ways in which cooperatives can act as agents towards sustainable rural community development, to examine the influence of cooperatives on economic development through job creation, income generation and poverty eradication and to determine whether cooperatives as form of business results in a different level of economic impact in the community or region.

“Methodology” implies more than simply the methods you intend to use to collect data for the purpose of making-business-decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information. It is often necessary to include a consideration of the concepts and theories which underlie the methods (Leedy, 2014).

3.2 Research design

The study used a qualitative method research design, as this was the perfect way to achieve the research objectives and one of the most complete tools used in market and consumer research. The use of a qualitative method has afforded the researcher the opportunity to collect a more holistic data set.

In the handbook of qualitative research, Denzin (2005) describe qualitative research as involving “an interpretive naturalistic approach to the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of or interpret phenomena in terms of the meanings people bring to them.” Another researcher, Leedy (2014) wrote that the term qualitative research encompasses several approaches to research that are in some respects quite different from one another. Yet all qualitative approaches have two things in common: first, they focus on phenomena that occur in natural settings in the real world. And second, they involve capturing and studying the complexity of those phenomena.

The qualitative research design used in this study was descriptive research design which was chosen because it allows for an open minded and flexible approach assessment, which was necessary to fulfil the objectives of the study. Descriptive research design can also reveal the multifaceted nature of certain situations, settings, processes, relationships, systems, or people. It also includes surveys and fact-findings enquiries of different kinds. The major purpose of descriptive research is the description of the state of affairs as it exists at present (Leedy, 2014).

In contrast, Quantitative research design on the other hand is based on the quantitative measurements of some characteristics. It is applicable to phenomena that can be expressed in terms of quantities. It also involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion (Leedy, 2014). Hence, this study is purely qualitative.

3.3 Population

The target population of this study consisted of one hundred and thirty four (134) cooperatives registered with the Ministry of Agriculture, Water and Forestry in Namibia by the end of October 2015. These are all primary cooperatives that are either employment creation or service provision cooperatives.

3.4 Sample and sampling techniques

The sample of this study was drawn from the population using the combination of stratified random and convenience sampling techniques. Stratified random sampling is a method of sampling that involves the division of a population into smaller groups known as strata. In stratified random sampling, the strata are formed based on members' shared attributes or characteristics. A random sample from each stratum is taken in a number proportional to the stratum's size when compared to the population. These subsets of the strata are then pooled to form a random sample. It is used when the researcher wants to highlight a specific subgroup within the population. This technique is useful in such researches because it ensures the presence of the key subgroup within the sample. (Denzin, 2005).

Convenience sampling technique is a statistical method of drawing representative data by selecting people because of the ease of their volunteering or selecting units because of their availability or easy access. Convenience sampling, as the name implies is a specific type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in study. Convenience sampling is a type of sampling where the first available primary data source will be used for the research without additional requirements. In other words, this sampling method involves getting participants wherever you can find them and typically wherever is convenient. In convenience sampling no inclusion criteria identified prior to selection of subjects. All subjects are invited to participate. These sampling techniques were chosen because they ensure a high degree of representativeness of all the strata or layers in the population, convenience and inexpensive (Denzin, 2005).

Cooperatives were sampled according to the two categories. The sample size is eight (8) cooperatives, three (3) of these cooperatives are from the workers' category and five (5) of these cooperatives are from the service category that was selected randomly, depending on the economic sector. The workers' cooperative creates employment for the members and the service cooperative provides service to the members.

The researcher interviewed six (6) executives from each of the sampled cooperatives. Employees including three (3) Managers of some of these cooperatives and six (6) non-executive members from seven cooperatives and three associations from one cooperative were also interviewed. Executives and non-executives are both members of the cooperative. Executives comprises of members who are serving on the boards and those serving on supervisory committees. They are also known as management committees,

while non-executives are ordinary members who are not serving on the boards and supervisory committees. Management committees are across the board. Employees apply to specific cooperatives that employed them depending on the activities. All the eight cooperatives are registered with the Ministry of Agriculture, Water and Forestry. Two cooperatives are fully registered while six cooperatives are provisionally registered. Cooperatives are provisionally registered to start with their business activities while being monitored for viability, complying with the cooperatives Act and while compiling their business plan for full registration. Full registration is for life but before a cooperative can be approved for full registration, it must do a feasibility study and plan its budget. This rule enforces the cooperative to make sure that it has a reasonable chance of success.

The economic sectors that were represented in the sample are paper manufacturing, food and cosmetic oil production, seed multiplication, textile, livestock breeding and marketing, crop production and mining of small precious stones.

3.5 Description of the sampled cooperatives

3.5.1 Eudafano Women’s Cooperative Limited

A registered Community Trade Supplier of the local marula oil and melon seed oil to one of the world’s leading organically based cosmetics manufacturers; the Eudafano Women’s Cooperative Limited was established and provisionally registered in 1999. The cooperative became fully registered ten years later in 2009 and it is one of the most successful cooperatives in Namibia. With its vision “to be the leading cooperative in Namibia renowned for supplying organic natural products to national and international markets”, the cooperative’s mission is “to sustainably harvest indigenous natural products, mainly marula kernels and melon seeds amongst others for the fair trade market, and

mobilise rural women for membership and participation in capacity building endeavours to be able to continuously supply quality products and proactively manage the natural resources for future economic benefits and mitigate rural poverty.”

Eudafano meaning “agreement” in the local Oshiwambo language is a service cooperative with a membership of twenty four associations of over 1170 members in the four northern regions of Oshana, Ohangwena, Omusati and Oshikoto. The cooperative owns a factory at its head office in Ondangwa – the Eudafano Women’s Marula Manufacturing (Pty) Limited. The factory processes the marula food and cosmetic oil and melon seed oil. The members supply marula kernels and melon seed to the cooperative whereby the cooperative supply to the factory for processing marula oil for the use in the cosmetic industry, marula food oil and melon seed oil.

The marula cosmetic oil is exported to the international cosmetic manufacturers for use in the cosmetic industry, whilst the marula fruits are used to produce marula juice for the local market. Organic and nutritional properties of the marula oil can best be described as containing fatty acids which are more stable for oxidation; 4% to 7% linoleic acid and 70% to 80% oleic acid; low oxidation rate due to high antioxidants and contains no solvent or chemicals. It is therefore well suited for the cosmetic and food industries.

The aim of the cooperative is to promote the economic and social interest of its members by providing effective services to its members according to sound business principles and the requirements of the market. The Cooperative has joined the Body Shop Community Trade Programme. This programme pays a fair price to the primary producers and this has improved incomes realised by the cooperative and has been further enhanced by the

organic certification of the oils sold by the cooperative. With the aim of economically empowering poor rural women in northern Namibia through commercialisation of natural products, the cooperative has ensured that primary producers are paid fair prices for their produce. Training and awareness rising on organic production has been done for the primary producers and this has further improved the incomes that they realise from the sale of Marula Kernels. The members are fairly represented in the cooperative’s board that oversees the operations of the cooperative.

3.5.2 Kauvi Women’s Cooperative Limited

It is located in the town of Rundu in the Kavango East Region and it is a workers’ cooperative engaged in tailoring. The group was organised by a lady from Zimbabwe in 1991, who donated N\$5000.00 to them as a start-up capital. At first, they used their own sewing machines. The cooperative was established and provisionally registered in 1998 and became fully registered eleven years later in 2009.

3.5.3 Onankali Mahangu Paper Making Cooperative Limited

Located by the main road to the northern areas of the country, it is a workers’ cooperative and was established in 2002 and is engaged in the value addition of the mahangu stalks by manufacturing papers and paper products from the stalks. Mahangu is a type of pearl millet widely grown in northern Namibia.

The cooperative was established with a focused policy of innovativeness which aims to add value to natural resources of the country. It further aims to assist in poverty alleviation

through rural development and self-employment, capacity building and skills development. This is being done by encouraging local farmers to grow mahangu and sell the stalks to the cooperative, encouraging the youth in the area to add value to the local natural resources through training and innovation and through the generation of much needed income for the members through the manufacturing of papers and paper products for sale to various markets.

Initially supported by the Rossing Foundation and University of Namibia through the provision of business innovation training and paper-making process, the cooperative currently employ fifteen (15) permanent employees with an additional five to eleven temporary employees employed during the peak harvest seasons. The cooperative produces unique products which include A4, A3, A2 paper sheets, notebooks, drawing pads photo albums, gift and greeting cards, fridge magnets and many other paper products. In addition, it print t-shirts for local businesses. Utilising the traditional method of paper making, the cooperative follows a closely monitored production process to produce some of the most unique, environment friendly paper products available.

Stalks are collected from the fields after the harvesting of mahangu and cut into small pieces. These are then boiled in a pot for approximately three to four hours and during this phase, sodium bicarbonate is added to soften the stalks and quicken the process and thereafter, the mulch is then rinsed to get of the brown colour. Next is the process of stomping and pulping which involves the pounding of the stalks, where after water is added to create a pulp which is then drained of all the water and remixed with recycled papers to create a whiter, smoother quality paper. This is again dipped into clean water and

scooped with a sift frame to drain the water. After being covered with a cloth on both sides, it is then put on the layers of five for the final draining process.

The shaped paper is then put onto a press which serves as the final pressing, jacked up and drained of all the remaining water. The remaining moisture is then drained with a roller pin and allowed to completely dry out over a 24 hours period. Once drained, the artists use stencils to create various designs as required by individual clients, hereafter the paper is put onto the stencil and using a tracing process, artwork is transferred onto the transparent paper and put through a silk printing process. The final process involves the cutting of various covers for applications including notebooks, drawing pads and the likes. The cooperative currently sells its products through various craft markets in the immediate areas but require additional market opportunities to ensure that it increases maximises its production capacity and therefore seeks investments and marketing opportunities in the international marketplace.

3.5.4 Northern Namibia Seed Growers’ Farmers’ Cooperative Limited

Located at Omahenene Agricultural Research Station in the Omusati Region, the cooperative was established and provisionally registered in 1997. It is a service cooperative that was formed by fifty (50) founding members in response to the need to supply all farmers in the northern communal areas of Namibia with high quality seeds in order to alleviate food shortages and to improve community livelihoods. The cooperative entered into a management a contract agreement with the Ministry of Agriculture, Water

and Forestry (MAWF) in 1988 to use the facilities at Omahenene Research Station for seed production by members of the Cooperative.

The main functions of the cooperative are to multiply, grade, certify seed (according to specified standards) and market seeds throughout the communal areas. Currently, the Seed Cooperative has eighty (80) active members mainly from Omusati and Oshana Regions. The Cooperative has since been the only source of officially approved seed for the farming communities in the six regions (Oshana, Omusati, Ohangwena, Oshikoto, Kavango West and East) in northern Namibia. The seed cooperative produces certified seeds of different varieties of pearl millet (Okashana 2 and Kangara), Sorghum (Marcia and Red Sorghum), Cowpeas (Nakare and Shindimba), and Bambaranuts (KFBN 9709).

The cooperative purchases from the Directorate of Agricultural Research and Development (DARD) of the MAWF. The foundation seed is then sold to the cooperative members (seed growers) for the production of certified seed. A team of seed inspectors from the cooperative, the Directorate of Agricultural Production, Extension and Engineering Services (DAPEES) of the MAWF and DARD conduct the field inspection to see whether the seed growers has planted the true varieties bought from the cooperative, and also to ensure that the seed fields are free from weeds.

After harvesting, the seed growers have to bring the seeds to the cooperative. At the cooperative, germination testing is conducted to ascertain the germination quality or viability of the seeds before they are finally sold to the public. The seed is certified if it is

pure (not mixed with any other seed) and the germination is 85% and above. If the seed passes the germination test, it is then cleared and graded using a mechanical processing machine. High grade seed is handled in Silos until clearing and grading is completed. Once grading is completed, the seed is packaged in bags and stored under roof awaiting for marketing and distribution.

3.5.5 Oshikoto Livestock Marketing Cooperative Limited

Located in the Onayena in Oshikoto Region, the cooperative was provisionally registered in 2013. It is a service cooperative that was established to help its members market their livestock as well as educating farmers to manage their grazing lands better for them to produce quality livestock and earn increased income from their livestock.

3.5.6 Nguti Cooperative Limited

Before registration as a cooperative, this group was organised and sponsored by the Spanish Red Cross, through the Spanish Embassy. The contract lasted for three years from 2010 to 2013. After the contract has lapsed, the group decided to register a cooperative and it is now a workers' cooperative that was provisionally registered in 2014. It is located at Masialeti Village in Kanono area in the Zambezi Region and it is engaged in producing, processing and marketing of agricultural products, ploughing and planting services and transportation services.

3.5.7 Ûiba Ôas Small Miners Cooperative Limited

Located at the T-junction of the Usakos – Swakopmund B2 Road and Henties Bay D1918 Road in Erongo region, it is a service cooperative that was provisionally registered in 2006. It is engaged in hiring equipment to its members, gemstone cutting and polishing and marketing of members’ products.

3.5.8 Okatunda ka Haudano Savings and Credit Co-operative Limited

Located in Okalongo in Omusati region, it is a service cooperative that was provisionally registered in 2012. It is a Savings and Credit Co-operative (SACCO) whereby members save their money with the cooperative and borrow at the lowest interest rate.

3.6 Research instrument

Research Instruments are measurement tools designed to obtain data on a topic of interest from research subjects. These are the fact finding strategies. They include Questionnaire, Interview, Observation and Reading. Essentially the researcher must ensure that the instrument chosen is valid and reliable. The validity and reliability of any research project depends to a large extent on the appropriateness of the instruments. Whatever procedure one uses to collect data, it must be critically examined to check the extent to which it is likely to give you the expected results (Denzin, 2005).

A structured face-to-face interview schedule was used to gather the information from the cooperatives’ members and employees which was used to analyse the role of cooperatives in economic development in Namibia. According to (Denzin, 2005), “... [f]ace-to-face

interviews help with more accurate screening. The individual being interviewed is unable to provide false information during screening questions such as gender, age, or race. A face-to-face interview is no doubt going to capture verbal and non-verbal cues, but this method also affords the capture of non-verbal cues including body language, which can indicate a level of discomfort with the questions. Adversely, it can also indicate a level of enthusiasm for the topics being discussed in the interview. It also helps to keep focus because the interviewer is the one that has control over the interview and can keep the interviewee focused and on track to completion. Face-to-face interviews can no doubt capture an interviewee's emotions and behaviours". Another advantage of the face-to-face interviews is that if there is a misunderstanding between the two parties, it can be corrected immediately. Also, it enables the respondent to answer the questions as they are being asked, motivate their answers and clarify further if required.

The fifty two (52) questions in total were formulated by the researcher in collaboration with the research supervisor. Twelve (12) questions for ordinary members, twenty five (25) questions for management committees, eleven (11) questions for the Managers and four (4) questions for employees.

3.7 Data collection procedure

The primary data collection for this study was collected through face-to-face interviews while the secondary data was derived from reports, journal articles, internet and books. The primary and secondary data was used to get the detailed information and achieve the research objective. The primary data collection was done from 11 April 2016 to 27 April 2016. Before the interviews were conducted, the researcher made appointments with the

Chairpersons of the cooperatives. After the date of the interview was agreed upon, a copy of the list of questions was provided to the cooperatives for the participants. During the interview, the researcher introduced herself formally and assured the participants that the information collected was to be held in confidence and was to be used for research purposes only. The researcher took notes of, and recorded the participants' answers during the interviews.

3.8 Data Analysis

The data collected from the primary sources as well as secondary sources were checked for completeness. The study used the content analysis whereby data was analysed by utilizing elements of communication in order to understand the study or to test assumptions and phenomenological studies whereby the researcher focused on understanding people's perceptions, perspective and understanding of particular situations. Content analysis is a method for summarizing any form of content by counting various aspects of the content. This enables a more objective evaluation than comparing content based on the impressions of a listener (Denzin, 2005).

Descriptive and inferential statistics were also used to analyse data and draw conclusions. Descriptive statistics provided a concise summary of data. Data was summarized numerically and graphically. Descriptive statistics enabled the presentation of data in a more meaningful way, which allowed the simpler interpretation of the data by using the measures of central tendencies including the mode, mean, median, range and standard deviation. Whereas, inferential statistics techniques allowed the researcher to use the sample to make generalizations about the populations from which the sample was drawn.

3.9 Summary

This chapter explored the research methodology used in conducting the present study. The study adopted the descriptive and inferential statistics research design. Primary data was collected from interviews and secondary data was derived from reports, journal articles, internet and books. The next chapter presents the research findings and discussions of the study.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter presents the findings of the study. The chapter uses the presented findings to determine the ways in which cooperatives can act as agents towards sustainable rural communities' development. It outlines the ways in which cooperatives influence the development of the Namibian economy by looking at how many jobs have been created over the years and how much income is generated on a yearly basis by the sampled cooperatives, and also how cooperatives are contributing to the poverty eradication, as well as to determine whether cooperatives as a form of business results in a different level of economic impact in the community or region.

Out of the eight sampled cooperatives, the researcher could only interview members from seven of them. Furthermore, three of the sampled cooperatives (Eudafano Women's Cooperative Limited, Northern Namibia Seed Growers' Farmers' Cooperative Limited and Oshikoto Livestock Marketing Cooperative Limited) have employees, and members of the other three (Nguti Cooperative Limited, Kauvi Women's Cooperative Limited and Onankali Mahangu Paper Making Cooperative Limited) are classified as workers' cooperatives as they employ their own members.

The seven sampled cooperatives which the researcher managed to interview resulted in a total of one hundred and thirty (130) interviewees. Eighty seven (87) of them were cooperative members while forty three (43) were employees.

4.2 Analysis of the findings

The findings are analysed according to the themes which are in line with the specified objectives of the study and according to the responses that were given by the interviewees during the interviews.

4.2.1 Agents towards sustainable rural community development

In the narrowest sense, community development involves increasing the number or quality of jobs so that individual and aggregate income expands (Zeuli, 2002). It was found out that the interviewed cooperatives have had increases in the numbers of jobs created since their formation.

The researcher found out that out of six (6) cooperatives that have employees, the number and quality of jobs at four (4) cooperatives has been increasing over the years. Of the two cooperatives that are classified as workers' cooperatives, the Onankali Mahangu Paper Making Cooperative Limited (OMPMC) was registered on 25 September 2006, started with eight (8) member employees and now it have fifteen (15) member employees; the Kauvi Women's Cooperative Limited was first provisionally registered in 1998 and then fully registered on 31 March 2009 has started with ten (10) member employees and, currently, the member employees are eighteen (18). However, the other workers' cooperative, Nguti Co-operative Limited that was registered on 26 November 2014 started with seven (7) member employees still has the same number of member employees.

Furthermore, the Eudafano Women's Cooperative Limited (EWC) that was first provisionally registered in 1999 and then fully registered on 31 March 2009 started with only the Administration Officer at a cooperative level. Later on, in 2008, the cooperative

has created twenty five (25) positions including that of a Manager. This was because the cooperative’s business volume has increased and the Eudafano Women Marula Manufacturing (PTY) Ltd (EWMM) factory owned by the cooperative was built in order for the cooperative to produce the marula and melon seed oil for food and cosmetics. Another cooperative, the Northern Namibia Farmers’ Seed Growers’ Cooperative Limited (NNFSGC) that was also registered in 1997 started with an Administration Officer and three (3) Labourers. It has however increased the number of jobs to six (6) permanent positions including two (2) Plant Processing Officers and a Manager. The other cooperative, the Oshikoto Livestock Marketing Cooperative Limited (OLMC) which was registered on 12 November 2013 started with three (3) permanent positions including a Manager and one (1) temporary position and it is currently still the same.

Table 3: Increase in employment (for the interviewed cooperatives) in Namibia

Cooperative Name	Registration Date	Employees at Registration	Employees at April 2016
Onankali M.P.M. Coop Ltd	25/09/2006	8	15
Kauvi Women Coop Ltd	31/03/2009	10	18
Nguti Co-op Ltd	26/11/2014	7	7
Eudafano W. Coop Ltd	31/03/2009	1	26
Northern N. F. S. G. Coop Ltd	21/05/1997	4	6
Oshikoto L. M. Coop Ltd	12/11/2013	3	3
Total		33	75

Source: Members of interviewed cooperatives

However, all the seventy five (75) cooperative members and forty three (43) cooperative employees interviewed agreed that the formation of cooperative businesses in the most remote rural communities will reduce the migration of rural youth in search for better life in urban areas because then they will be engaged in cooperative activities. In the same vein, the respondents agreed that the rural youth can form their workers' cooperatives venturing in, for example, welding, brick making, construction, tailoring, catering, etc. and generate income for themselves, thus developing their rural communities.

4.2.2 Job creation, Income generation and Poverty eradication

It was found out that cooperatives are also contributing to the creation of employment opportunities. The number of people working for the interviewed cooperatives is a proof that cooperatives are contributing to the development of the economy through employment creations. Most of the forty three (43) respondents have been working for these cooperatives since their inception. Also, to most of them it is their first job since they left school. They responded that looking at their highest formal education (which is grade 9, 10 and 12, some failed 10 and 12) and the salaries they are earning, they are not willing to leave anytime soon, because the salaries are more for their education. However, the salary is never enough, and if and when better opportunities arise, they might leave the cooperatives jobs, not only for better salaries but also for growing their career paths and learn new knowledges in the new environments.

As for the respondents who failed high school, they are not planning to leave because they believe they will not get jobs anywhere in Namibia which pay more than what they are earning currently at the cooperatives. Furthermore, three (3) of the forty three employees

are Managers. For these respondents, the highest formal education is university diplomas and degrees. Two (2) of the three managers left their previous jobs to join the cooperatives because the salaries are higher than where they were working. The other reason that was given for leaving their previous employment was the keen interest of learning how things are done in the cooperative business environments. For the third manager, her first job after leaving school was as an Administration Officer and when the cooperative created the managerial position, she was then promoted. However, all managers agreed that if better opportunities arise, they may leave the cooperatives' jobs, and not only for better salaries but for career growth as well.

It was also found out that cooperatives are contributing to the development of the economy through income generation. It was found out that cooperative enterprises are generating money from their business activities and all the interviewed respondents has agreed that business volume has been fluctuating depending on the demand, natural and market forces over the years. They also agreed that when the business volume increases, the cooperatives income also increase and this way, members' benefits including salaries and wages also increase, thus, aggregate personal incomes also increase.

For each of the interviewed cooperatives, the business volumes have been fluctuating as follows: For EWMM, the average for the past five years is N\$1 921 309.28. As for the EWC, the average for the past five years is N\$70 000.00. For Nguti Cooperative Ltd the average for the past five years is N\$25 000, for Kauvi Women's Cooperative Ltd the average for the past five years is N\$225 000, for OMPMC the average for the past five years is N\$70 000, for Okatunda ka Haudano Savings and Credit Cooperative Limited the average for the past five years is N\$150 000, for NNFSGC the average for the past five

years is N\$550 000, for OLMC, it was registered towards the end of 2013. During the financial year ended 28 February 2014, for three months the co-operative recorded a net surplus of N\$72 748.31. For the year ended 28 February 2015, the co-operative recorded a net surplus of N\$375 993.24. However, due to the foot and mouth disease that hit the northern communal areas in the 2015, the movement of livestock was prohibited by the government and the co-operative only recorded the net surplus of N\$47 379.85 for the financial year ended 29 February 2016, from the sales of fodder and vaccination drugs. It was also found out that for Ûiba Ôas Small Miners' Cooperative Limited, the average for the past five years is N\$35 000.

On poverty eradication however, all the respondents agreed that it is really difficult to eradicate poverty as it will forever be there. But the personal income, salaries and wages they earn from their cooperatives help in alleviating poverty. Most of the respondents, especially the cooperative members responded that they had never worked before until the formation of their cooperatives from which they have been benefiting for over the years since the formation of their businesses up to date. The income they get from their cooperatives helped and is still helping them putting their children through schools, feeding their families, taking care of themselves and their families in general and some even bought more livestock from this income. Cooperatives members and employees both agreed that owning a cooperative business is just like owning any form of business and working for or being employed by it is just like any other job. The only difference is the salary scales and the money the business is generating.

4.2.3 Cooperatives’ economic impacts

It was found that five (5) out of the eight sampled cooperatives deals with value addition. A cooperative that is engaged into tailoring, buys fabric materials and all the other inputs that are needed and make clothing products. It was also found out that a cooperative that buys marula kernels and melon seeds from members produce marula and melon seed oil for food and cosmetics. During the autumn season, marula wine and juice is also produced from fresh marula fruits. Small miners’ cooperative that is engaged in mining of semi-precious stones do cut and polish the stones before selling them to customers. They also cut some stones into little pieces and use them for making jewellerys like necklaces and pedants. Furthermore, a cooperative that is engaged into seed multiplication cleans, do quality and germination testing, certify and then package them for sale. Last but not least, a cooperative that buys mahangu and sorghum stalks produce paper products from the stalks for sale.

Furthermore, it was found out that the total employment level reflects the number of additional jobs created by the cooperatives and their contribution to Namibia’s gross domestic product since their formation. It was also found out that aggregate personal income rises as salaries increases and/or more people are hired. Business output or sales volumes has been increasing over the years. However, for the cooperatives whose economic activities depend on the rainfall, the sales volumes have fluctuated depending on how good it rained in a particular year. Also, for the livestock marketing cooperative that have been existing from November 2013, sales volume was not so good in the year 2015 when the northern regions were hit by the foot and mouth disease.

4.2.4 Quantifying the economic impact

It emerged from the interviewed cooperatives, that the total value of the assets is estimated to be N\$54 590 500.000. It was also found out that the total income generated by the interviewed cooperatives on a yearly basis is estimated to be N\$18 205 000.00. Furthermore, the total employment for the interviewed cooperatives is at sixty four (64) employees. Also, it was found out that the salaries of five (5) out forty three (43) employees qualify for the payment of personal income tax.

4.3 Summary

It is evident from the above information obtained from the respondents that cooperative enterprises are contributing to development of the Namibian economy through job creation, income generation and poverty alleviation. It also shows that cooperative enterprises are viable and feasible businesses and the business/sales volumes despite the fluctuations due to the demand, natural and market forces shows that they are sustainable.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The main aim of the study was to analyze the role of cooperatives in economic development in Namibia, focusing on employment creation, income generation and poverty reduction. Chapter 4 presented and analyzed the findings. This chapter discusses the findings from chapter 4 by linking them to the literature reviewed in Chapter 2. The conclusions and recommendations of the study will also be presented in this chapter.

5.2 Discussions of the interviews

As it was discussed in the literature review, there are similarities in cooperatives employment creation, income generation, poverty eradication and rural community development. Employees and members of the cooperatives that were interviewed all agreed that cooperatives benefits their members, employees and the community at large in every aspect of their lives through service provision, wages and salaries. The difference though is, in Namibia, cooperatives employment creation and income generation are moving at a slow pace, because the country is still a developing country.

Through their economic arrangement and simple working machinery, cooperatives serve to channel credit facilities and the relevant information to the members. They are capable of facilitating the implementation of special government credit schemes through beneficiaries, and to carry out appropriate supervision of loans and their timely repayments. Through cooperatives, mobilization of local savings can be effected.

Cooperatives can be used for the supply of domestic requirements, purchase of farm needs and good quality products, on favourable terms will be assured.

The role that cooperatives play to reduce the rate of unemployment is huge. The total labour force employed in cooperative enterprises in Namibia is very important. There is undoubtedly great potential for harnessing more job creation opportunities which exist in the informal sector of the economy. It must be emphasized that success in these efforts would be only readily being achieved if all the stakeholders are honest, committed and dedicated in serving the people.

Cooperatives also contribute significantly with regard to providing consumer goods, including marketing facilities for agricultural and industrial products. Cooperatives are capable of fostering democracy and self-reliance. Indeed, they are institutions which can instill in the people the spirit of selflessness. This is clear that cooperatives are genuinely and in practical form economic institutions which should be promoted and assisted financially.

There are similarities when it comes to the challenges of lack of access to loan finance to help them expand their businesses, lack of technical knowledge and access to new technology, training in business and leadership skills; lack of access to markets beyond their locality; and lack of knowledge about opportunities for fair trade. Another Namibian cooperatives' challenge that is similar to other cooperatives in the world is the lack of awareness of their businesses potential among governments and the general public. The low level of participation by women is another challenge faced by many cooperatives, a problem that is

worse in agricultural cooperatives as compared to other types such as savings and credit cooperatives.

Similar to Africa, cooperatives in Namibia also face the specific threat from HIV/AIDS. The cost in human resources, loss of trained employees and committed members adds to those imposed by the difficult business environment. In particular, credit cooperatives face increased risks from default on loans, and need to provide insurance that may, in the long run, be costly. One challenge is to meet the needs of members with HIV/AIDS and their families.

5.3 Conclusions

An attempt has been made to explain what role the cooperative enterprises are capable of, its importance as a social and economic vehicle and an agency for economic development. It should however be emphasized that a sound cooperative movement is an organization with unlimited possibilities and potentialities for goods and services. But if it is not placed on proper lines, it has equal potentials for harm which will generally fall on the members. It is also believed, contrary to the views held by some people, that rural communities are not poor because great potentialities exist in the rural areas.

Cooperatives should be considered as having a vital role to play in programs of improving agricultural activities. They should be regarded and be used as a means of assessing the problems and interests of the rural population, in the planning and transferring of large estates, settlement schemes, land reform and reclamation. They would enable cultivators to operate holdings efficiently and productively. Thus, allow for possible greater initiative and participation of the members.

It should however be highlighted that government control in cooperatives need not to be viewed as being a negative move, nor is it meant to be permanent. The government’s ultimate goal in the promotion, supervision and guidance of cooperatives is only to ensure the development of a strong and self-reliant cooperative movement in Namibia.

5.4 Recommendations

On the basis of the research findings, the following recommendations have been made.

It is recommended that the Namibian Cooperative Movement should be strengthened and assisted to diversify into new areas such as housing, small-scale agro processing industries and strengthen food crop production, poultry farming and horticulture. The cooperative movement should also be entrusted with the major responsibilities to mobilize rural communities as well as the resources. The activities of the cooperative enterprises should extend to all villages in the country because they are suited to implement development projects effectively and due to their local character, they inspire confidence in the rural people.

It is also recommended that cooperatives should design a follow-up system whereby the proper utilization of loans would be ascertained. Cooperative enterprises should also apply for the loan deduction codes from the Ministry of Finance. The deduction code is suitable for the employed cooperative members because it enables the repayment installments to be deducted from the member’s pay slip. Loans follow-up committees may be suggested, or perhaps, cooperative enterprises should employ a small number of staff for the purpose of

member education on the purpose of the loans and to emphasize more on savings aspects of the scheme.

In addition, the challenge of minimum involvement of young people and the need to provide them with decent work could be addressed through setting up specialised youth cooperatives and running awareness campaign in existing cooperatives.

It is also important therefore to urge farmers in areas where the constraints exist, to plan for themselves for such projects. It is obvious that if the people initiate such projects, the government including other non-governmental organizations, as well as international bodies would certainly aid them.

5.5 Recommendations for future research

It is recommended that further research should be undertaken to explore ways in which sustainable funding mechanisms can be put in place that can help cooperatives that are financially struggling and that are formed by members who are also struggling financially. Future research should also explore the reasons why youth are not engaging into forming cooperatives enterprises.

5.6 Recommendations for School and University curriculum

It is recommended that the teaching of the cooperative business concept should take place in the Namibian schools of subjects such as Social Studies at the Upper Primary level, Business Studies and Life Skills at the Junior Secondary level and Business Management and Development Studies, Economics and Geography at the Senior Secondary level. It is also recommended that a module of Cooperative Management and Development should take place at the Namibian Universities within the Faculty of Agriculture and Natural Resources. Furthermore, certain modules like Principles of Management, Organizational Behaviour, Managerial Management, Entrepreneurship, Small Business Management, Human Resources Management, Introduction to Organizational Theory, Commercial Law, Business Management, should cover a topic on the cooperative business concept and the Cooperatives Act.

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Appendix A

Structured Interview Schedule for Managers

Interviewer:

Interviewed cooperative:

Date:

Time:

Place:

1. When the cooperative was initially formed, how was the sales volume/business output as compared to now?
2. How did the sales volume grow or decline over the years?
3. How did the wealth of the cooperative, including property values increase or decline over the years?
4. How many jobs did the cooperative create since it was formed?
 - a. How did the employment creation grow or decline over the years?
5. When the level of economic impact of the cooperative business grows, how did it benefit the members and employees in terms of personal income, wages and salaries?
6. For how long have you been employed by this cooperative?
7. What qualifications do you have, your highest formal education?
8. Is this your first job?
 - a. If yes, are you planning to leave anytime soon?
 - i. If yes, why?
 - ii. If no, why?
 - b. If no, why did you leave you previous job for the cooperative's job?

9. Does the salary you are currently earning improve your livelihood?
10. How can you rate the staff turnover?
 - a. If there is a high staff turnover, what is pushing the employees away?
 - b. If there is a low staff turnover, what motivates employees to stay?
11. Does the employees of your cooperative pay tax?
 - a. If yes, how many of them those are currently paying tax?
 - b. If no, why?

Thank you for your time and your cooperation.

Appendix B

Structured Interview Schedule for ordinary members

Interviewer:

Interviewed cooperative:

Date:

Time:

Place:

1. How did you become the member/owner of this cooperative?
2. When did you become the member of this cooperative?
3. What type of service/product does the cooperative offer to the members?
4. Do you think creation of cooperatives in the most remote rural areas reduce migration of rural youth in search for better life in urban areas?
5. Cooperatives are considered as vehicles to alleviate rural poverty. What approaches or strategies can the government use to ensure increased participation by rural people?
6. What challenges do cooperative businesses face in claiming a share of the competitive market in Namibia?
7. Does your cooperative contribute to the livelihood of members?
 - a. If yes, how?
 - b. If no, what need to be done and by who?
8. Are cooperatives able to reduce poverty?

- a. If yes, by which mechanisms?
 - b. If no, what need to be done?
9. How can the government promote cooperatives in a sustainable way?
10. How can the government promote cooperative businesses with the aim of reducing poverty?
11. What problems you as members of the cooperative face?
12. To sum up the interview, how did your livelihood change?
- a. If yes, how so?
 - b. If no, can you explain why you remain a member of a cooperative?

Thank you for your time and your cooperation.

Appendix C

Structured Interview Schedule for Management Committee

Interviewer:

Interviewed cooperative:

Date:

Time:

Place:

1. With which Ministry is your cooperative registered and when was it registered?
2. Is your cooperative fully or provisionally registered?
3. How did you become the member/owner of this cooperative?
4. When did you become the member of this cooperative?
5. What was your main source of money to start this cooperative?
6. Which of the following assets do you have in your cooperative?

Type of Asset	Yes or No
Premises (land or building)	
Machinery/Equipment/Tools	
Furniture	
Vehicles	
Others (please specify)	

7. What is the value of the cooperative's total assets?
8. Did the cooperative apply for a loan from the bank since its inception?
 - a. If yes, why?

- i. Did you receive the loan?
 - ii. How much was the loan amount?
 - b. If no, why?
9. What problems are you facing as members of your cooperative?
 10. What problems does your cooperative face as a business?
 11. What challenges does your cooperative face from its operating environment?
 12. What type of support does your cooperative receive?
 13. What other types of support do you think you need for the success of your cooperative?
 14. What is the amount of income generated by your cooperative on a yearly basis, on average?
 15. What kind of value addition does your cooperative deal with?
 16. Do you think your cooperative is financially stable?
 - a. If yes, why so?
 - b. If no, why so?
 17. What factors hinder your cooperative from making more surplus?
 18. Are there any relationship challenges?
 - a. Management committee - members challenges
 - b. Management committee – employees challenges
 19. Are there any constraints regarding the Policy and Legislation?
 20. Are members of the cooperative satisfied with the activities
 - a. If yes, how so?
 - b. If no, how so?
 - c. What factors do the members point out?
 21. Are the employees of the cooperative satisfied with the activities?
 - a. If yes, how so?

- b. If no, how so?
 - c. What factors do the employees point out?
22. Has the cooperative been able to reduce poverty among members?
- a. If yes, how?
 - b. If no, why not?
23. Are the members better off because of the income they earn from the cooperative activities?
24. How many jobs did your cooperative create since it was registered?
25. How did your cooperative benefit the community it is operating from? In other words, what has the cooperative done or is doing to benefit the community it is operating from?

Thank you for your time and your cooperation.

Appendix D

Structured Interview Schedule for Employees

Interviewer:

Interviewed cooperative:

Date:

Time:

Place:

1. For how long have you been employed by this cooperative?
2. What qualifications do you have, your highest formal education?
3. Is this your first job?
 - a. If yes, are you planning to leave anytime soon?
 - i. If yes, why?
 - ii. If no, why?
 - b. If no, why did you leave your previous job for the cooperative's job?
4. Does the salary you are currently earning improve your livelihood?

Thank you for your time and your cooperation.

Appendix E

Informed Consent – Cooperatives

RESEARCH TITLE: An analysis of the role of cooperatives in economic development in Namibia.

RESEARCHER: Hertha Hanganeni Kapuka, Bcom. (UNAM)

I am a student at the Namibia Business School of the University of Namibia pursuing a Master of Business Administration Degree. Part of this program is writing a thesis.

The specific objectives of this research are, to investigate the ways in which cooperatives can act as agents towards sustainable rural community development, to examine the influence of cooperatives on economic development through job creation, income generation and poverty eradication and to determine whether cooperatives as form of businesses results in a different level of economic impact in the community or region. This study will provide guidance to the communities and professionals working within the public and private institutions on the role of cooperatives in economic development and will also help institutions and the country at large to realize cooperatives as a viable form of business.

I seek your cooperation in this academic venture for understanding some of the issues that are important for the research. Participating in the interviews will take approximately two to three hours. You are free to ask any questions about this research or about being a participant and you may call me at 061 – 208 7577 at work or on my mobile number 081 1287 853 whenever you have further questions. Should you also wish to verify the authenticity of this

research, you can do so by calling my supervisor, Prof. Emmanuel Ziramba on his mobile number 081 8539 479.

Your participation in this research is voluntary and you are under no obligation to participate, but your participation will be very valuable and important to the success of this research. You have the right to withdraw at any time without punishment. Your identity will not be revealed while the research is being conducted or when the study is reported or published.

I (the participant) have read the information above and any questions I have asked have been answered to my satisfaction. I agree to participate in this study, realizing that I may withdraw anytime. I also agree that the research data gathered for this study may be published provided I am not identifiable.

PARTICIPANT NAME

DATE

RESEARCHER

DATE