ABSTRACT

KAHAWA YETU-OUR COFFEE
A NEED FOR BETTER ORGANIZATIONAL CAPACITY IN KENYA’S COFFEE COOPERATIVES. A NEED FOR BETTER ORGANIZATIONAL CAPACITY IN KENYA’S COFFEE COOPERATIVES. A CASE STUDY OF NEW GATANGA COFFEE COOPERATIVE SOCIETY.

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The advent of structural adjustment reforms in the early 1990s in the coffee sector saw the decline of government involvement in Kenya’s Coffee Cooperatives. The withdrawal of the state in the agricultural cooperative sector witnessed major coffee cooperatives struggle with the production of premium coffee. The production of coffee by cooperatives has greatly declined over the years, which has negatively affected the lives of thousands of small-scale farmers that belong to coffee cooperatives. A decline in cooperative coffee production has led to a decline in the number of coffee farmers witnessed attending cooperative meetings.

This situation has further weakened the organizational capacity of the coffee cooperative as a key institution for small-scale coffee production. This thesis attempts to unearth those barriers that restrict cooperative members from attending meetings. A mixed methods approach is used to investigate participation levels at New Gatanga Coffee Farmers Cooperative Society. Understanding the fundamental issues behind the boycott by small-scale coffee producers in rural Kenya will provide a platform for constructing positive policies that will be used to improve the livelihoods of coffee cooperative members.
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CHAPTER ONE
INTRODUCTION

1.1 Introduction

Humans have learned to work together even before modernity; people have pulled together in times of hunt, feast, planting, harvest and drought to overcome and survive on earth. It is this very spirit of togetherness that utilises our social temperament and allows us to collaborate and achieve common goals. It may be instinctual that when people are faced with challenging circumstances they then work even more closely to overcome much enduring forces, which individually might be insurmountable. The world coffee market may be one such arena that begets such occasion. Peasant coffee farmers in rural Kenya organize themselves through collectivism to overcome the highly technical task of growing and selling premium coffee on the world market.

Coffee is the second most valuable traded commodity after oil in the world (Ponte 2002). In Kenya coffee is in the top five of its agricultural exports. It is further estimated that six-million Kenyans are employed directly or indirectly in the coffee industry (Kenya Coffee Board, 2011). Small-scale farmers in the highlands produce majority of the coffee. They work closely together through cooperative societies to increase their significance in the coffee trade. They join coffee cooperatives to achieve this. Coffee cooperative societies market and semi-processes raw coffee so it can be sold on the global market at a competitive price.

However, countries in Africa produce only a small share of the global export market for coffee, but they rely on the crop for a very large proportion of their export earnings (Ponte, 2001). The commodity plays a vital role as a major foreign exchange earner, where coffee export
revenues represent a large share of national income and employment (Ponte, 2002). Forming cooperatives is one way to allow small-scale farmers to participate in the global trade of coffee by selling coffee collectively farmers aim to get better market prices and buy farm inputs at lower costs. Therein their small quantities of coffee yield collectively can create a meaningful bread win.

Collectivism has favoured these farmers since independence in 1963. However a slump in the coffee sector in the mid 1980s to date has caused much speculation about organising small-scale farmers in agricultural cooperatives. Amidst poor coffee prices, widespread cherry hawking¹ and insecurity, coffee cooperatives have also been branded as corrupt organizations exhibiting gross mismanagement (Mude, 2006).

However, poor performance over the past few decades has not deterred small-scale farmers from participating in coffee production. Although the amount of coffee they grow and their direct involvement in cooperative societies has greatly declined. It is important to note that by law cooperative organization is the only means to market participation for small-scale farmers. Hence the significance given to understanding whether organizing small-scale coffee farmers in cooperative societies is a realistic model to continue to follow to boost their livelihoods, as it is the only option for coffee production.

One way to look at the practicality of coffee cooperatives is to examine their organizational capacity. Over the years fewer member have been attending cooperative meetings. The absenteeism present at the cooperative meetings breaks down the efficiency of cooperative operations. In turn the organizational capacity of the cooperatives is further weakened by the

¹ Cherry Hawking is the sale of coffee cherries in the coffee black market, the concept is further explained in Chapter 4 pp 63
member absence, herein it is important to look at the reasons why farmers refuse to attend meetings, given their limited options as coffee farmers.

A number of factors have been attributed to why members refrain from meetings, but blame has been ascribed largely on macro-level policies, such as the inauguration of liberalization policies to the coffee industry in the early 1990s. Nonetheless it is also important to examine which factors are responsible for member’s absence, at a grassroots level, because the poor state of cooperatives affects member livelihoods. This thesis will present research that examines the level of member participation at cooperative meetings. It will do this by unearthing those barriers that restrict cooperative members to actively participate in their cooperative society. Using New Gatanga Cooperative society as a case study will help to act as a window into understanding aspects of the dilapidated state of coffee cooperative societies in the region.

Understanding whether cooperatives still summon the might to once again transform the rural landscape through agricultural development is critical in building sustainable policies that will see Kenya realize a brighter future for her citizens. The Government of Kenya has recently embarked on nation wide reforms that touch on all areas of the economy as of the year 2010. Such policies include the implementation of the New Constitution 2010, Vision 2030 and Land Reform act which all pertain to the future of agricultural development.

Agriculture remains an integral part of the economy and coffee is one of its pillars; as the country moves through a period of reform it is important to highlight the value of coffee cooperative societies. So too is the aim of this thesis to guide government and farmers alike in making quality policy prescriptions in bridging the development gap patent to rural Kenya.
1.2 Problem Statement

Kenya is an agriculturally rich nation. Dependence on the agriculture sector as a strategy and vehicle for economic growth was prescribed during British colonial rule, and the remedy remains the norm way into the years of post-independence. Seventy percent of her labour force is engaged in the agriculture sector. The sector accounts for 25 percent of the total GDP, 60 percent of export earnings, 75 percent of raw materials for the industrial sector and 45 percent of government revenue (Gitu, 2004). A key player in the agriculture sector is coffee, which is the fourth largest earner after tourism, tea and horticulture (Karanja, Nyoro 2005).

Coffee is the second most important agricultural commodity after tea, contributing up to 20% of the total hard currency revenue (Agwnda, et.al 1993). It is further estimated that out of the 70% of Kenya’s workforce engaged in agriculture, 30% are employed by the coffee industry (Omondi et al., 2001). It is evident that a great number of rural residents around the country rely on coffee for their daily bread. There are approximately 700,000 small-scale coffee farmers in Kenya, who account for 65 per cent of her coffee output (Government of Kenya, 2010).

Small-scale farmers by law have to grow coffee through cooperative societies. Kenya has over 500 coffee cooperatives devoted to improving crop yields, quality and return by offering key services to farmers at cost and ensuring farmers produce premium coffee (GOK, 2010). Coffee cooperatives provide milling, extension services and coffee husbandry, processing factories, and the provision of access to credit to manage the marketing of coffee (KPCU, 2010).

The agricultural cooperative movement has been noted as a key instrument that can lead to agricultural and economic development in the region (GoK, 2010). However, over the past two decades cooperatives support given by the government has greatly declined which has left a
large number of coffee cooperatives functionally aloof. As the government has taken a back seat role in the coffee sector, in the processes various structures in place to support small-scale coffee farmers have collapsed.

Under pressure from the World Bank, the government took a series of steps between 1990 and 2001 to loosen its control over the sector. Such steps included: pulling out of cooperative management (1991); ending financial support to cooperatives and the Coffee Research Foundation (1991); relaxing regulation of upstream processes (1999); allowing growers to choose among pulping factories, millers, and marketing agents (1999); limiting the role of the Coffee Board of Kenya as regulator (2001); privatizing the coffee auction and allowing a portion of coffee to bypass the auction and be sold directly to exporters; and increasing the number of marketing licenses issued from three to twenty-five (Mude, 2006).

Previous to reforms the government administered District Cooperative Officers (DCO), who were officials legislated by the government to ensure zero graft at cooperative societies (Mude, 2006). DCOs had to be present at the annual general meetings, as well as guarantee free and fair atmosphere during voting and meetings. They were also responsible for major financial transactions and had to co-sign financial transactions with cooperative management. When cooperatives needed loans or were disbursement dividends to members, DCOs had to make their mark. With the advent of liberalization policies DCOs play an advisory role to the government and cooperative societies. Their key role is reporting advancements of cooperatives to the government in their various districts in the nation. Presently they have lost their influence in the politics and daily running of cooperatives.

This environment has created room for corrupt cooperative members, who are often more wealthier, to take advantage of other members. Corrupt members rig elections by means of
bribes, hiring hooligans to attend elections (so as to evoke fear among opposition), these are some of the strategies employed to deter democratic member participation at cooperative societies (Mude, 2006). Once this type of official becomes elected cases of corruption become the norm.

In this new environment managers and committee members often collude and manipulate figures in the cooperative receipts. Inflating operating costs and falsely reducing the going coffee price, so they can squander the difference in sale with middlemen coffee buyers. Cooking the books and the general unprecedented levels of corruption discourages members from participating in cooperatives. The lack of good cooperative management in the country has contributed to the dismal performance of cooperative societies.

Fewer members are reported to be attending annual general meetings yearly, with complaints such as a lack of transport, poor returns on crop harvest and corruption, explaining their absence (Mude, 2006). The situation has lowered the morale of members at societies and has caused a breakdown in the organizational capacity, which in turn has been reflected by a decline in coffee output.

Among the ills theft is becoming a major concern for small-scale farmers. According to the coffee board of Kenya, 1,216 bags of the beans were stolen between July and December 2010 (All Africa, 2010). In coming years theft is likely to increase given an increase in global coffee prices and the vulnerable state cooperatives find themselves in. Coffee theft is spreading rampantly throughout the country; originally cases were reported in Central Province but have now become prominent in Rift Valley and Western Province. The Coffee Board has admitted that these incidences are not petty theft but well coordinated efforts of private millers, coffee dealers and officials at cooperative factories (Coffee Board of Kenya, 2011).
Similarly cartels target factories known to produce premium coffee. In some instances factory guards have been killed. This crime wave has been underway given the lax position the government has taken on the coffee industry. It is reported that a great deal of the stolen coffee is sold in neighboring countries. This black market operation is costing Kenya a hefty sum of foreign exchange currency, which is well needed at a time where the shilling is depreciating drastically. The country also faces regular food shortages due to drought; so importing food with weak currency only exacerbates the situation.

The Coffee Board of Kenya reported that the Kenya coffee export revenues in 2009/2010 amounted to KES 16 Billion (Approx. 160$ million CAD). Coffee farmers earned as much as KES 140.00 (Approx. 1.50$ CAD) a kilo, a return that has not been experienced in near past (East African Fine Coffee Association, 2011). This recent improvement in coffee prices globally is encouraging more farmers to grow coffee particularly those who had neglected their coffee over the years. It is difficult for farmers to fully return to the coffee cooperatives in their dilapidated state. Trust has to be built and the spirits of farmer’s uplifted if positive outcomes are to be realized.

Before structural reforms became a customary part of the coffee sector, coffee was Kenya’s top foreign exchange earner. Rural areas that grew coffee were well on their way on the road to economic development. Back then the government played a key role in regulating the activities of the nation’s cooperatives (Mude, 2006). After reforms the government backed off cooperatives as a requisite for liberalization. This move came as a devastating blow to the coffee cooperatives, as payments made to coffee growers plummeted and the coffee smallholder industry found itself mired in increasing levels of corruption, political opportunism and gross mismanagement (Mude, 2006). Similarly this milieu forced members to reduce their
involvement in cooperative societies and good coffee production, as their livelihoods were vulnerable to exploitation at societies.

The lack of members at meetings further reduces the effectiveness of cooperative to support its members. A lack of participation in the agriculture sector beckons for urgent attention because whilst the performance of the sector is poor, coffee still remains the backbone of highland rural areas in Kenya. Coffee affects those who plant and sell it relying on it as a lifeline, it is then necessary to delve into those issues that hinder members’ participation in cooperative meetings as their livelihoods are jeopardized by this boycott.

1.3 Research Goal
The goal of this research is to find out the level of active participation by members of New Gatanga Coffee Cooperative Society. This will be accomplished by examining what barriers limit cooperative members from attending cooperative meetings.

1.4 Objective
The general objective of this research is to explore what barriers limit the participation of coffee cooperative members in their coffee cooperatives. To explain the objective further three main objectives have been presented: -

1. To determine whether a member’s level of education, income, land size, sex, marital status and age of members limit their participation in cooperatives. (Hypothesis)

2. To identify other barriers that limit active participation of members at cooperative meetings.
3. To prescribe policy from findings, that will allow for better collaboration between members and their cooperative societies.

1.5 Hypotheses

The first objective will be refined further by testing the following hypothesis (A) through subsequent hypothesis (B).

(A) ‘Improving member participation in agriculture producer cooperatives enhances cooperative organizational-capacity’

(B) The following hypotheses will be tested in this research:

1. *Male members of coffee cooperatives attend more meetings than women members.*

2. *Coffee cooperative members with higher levels of education attend more meetings than those with lower levels of education.*

3. *Older members attend more meetings than newer members of the coffee cooperatives.*

4. *Members with positions (titles/rank) in the cooperative attend more cooperative meetings.*

5. *Members with higher gross farm sales attend more cooperative meetings than those with lower gross farm sales.*

6. *Members with more land under coffee production attend more meetings than those with less land under coffee production.*

7. *Married members attend more meetings than non-married members.*
1.6 Limitations of Study

Some limitations were realized when measuring participation at the New Gatanga Coffee Cooperative Society. Cooperative members who took part in the survey were interviewed after delivering coffee to the cooperative factory. In essence these members were among the more active cooperative members in their society. These members were more involved in cooperative affairs, as they attempted to meet the coffee cooperatives goal of producing semi-processing coffee. Speaking to the cooperative manager and looking at the cooperative registry revealed that many members did not produce any coffee in the low harvest period (April –July).

Out of 705 members I witnessed approximately 400 different farmers bringing their coffee to the cooperative society for a period of six weeks, which leaves the cooperative factory operating at about 60% of its capacity. Some days I would not get any members to interview because it would be the very same members from previous days delivering coffee. Of equal importance is the fact that I was interviewing farmers in the low harvest period. However the cooperative manager said that more members attended cooperative meetings than those that were witnessed delivering coffee. Therefore the attendance of meetings did not mean that cooperative members produced coffee.

1.7 Summary

Testing the following hypothesis will give way to identifying other barriers that restrict cooperative members to actively participate in their cooperatives. Herein the findings will help in constructing positive policies that will be used to improve the participation of members at their cooperative societies in Kenya. Improving the participation of cooperatives should improve their
organizational capacity. As the organizational capacity is enhanced, so too is the ability of a cooperative society to achieve its own agenda. In the case of coffee cooperatives, we anticipate greater coffee output from societies, which will translate to higher incomes for small-scale coffee farmers in the country.

This research is an attempt to consolidate efforts by small-scale coffee farmers with those of policymakers that decide their fate. In the past, the government through the enactment of various agricultural policies has prescribed policies that affect the coffee cooperative sector without the input of coffee cooperative members. Thereby the research should assist in cultivating sound policies that will help strengthen the support small-scale farmers need to reach their former glory. To accomplish this goal, small-scale farmers need to fully participate in their cooperatives. Once small-scale farmers are empowered by ameliorating their cooperative societies’ they will become financially empowered to better participate in the development of rural Kenya.

Understanding the reasons for absenteeism at coffee cooperative meetings will direct the Government of Kenya in demystifying the infamy associated with many coffee cooperatives in the country. The fix small-scale farmers find themselves in comes at a time when world coffee prices are on the rise, at this juncture the government need to step-in to correct the present policy oversight, so that small-scale coffee producers in the country can benefit from this positive omen. This research is going to assist in bridging the gap evident in literature when it comes to tackling the absenteeism menace present in cooperative societies. The next chapter will showcase current literature that speaks largely to liberalization as a felon in the dire state cooperatives find themselves in and whilst this may be the case this research looks to cooperative members to solve their problems as an active and not passive stakeholder in the policy formulation and implementation processes.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

The aim of this chapter is to explore the literature on coffee cooperatives so as to identify barriers restricting efficient coffee production by small-scale farmers in Kenya. Most of the literature presented will point to liberalization as a culprit to the poor state of coffee cooperatives in the country. Whilst it is important to look at the overarching dilemmas, one should recognize that small-scale farmers continue to produce under these stringent conditions. It shall benefit small-scale farmers to seek better ways in which they can better enhance their organizational capacity under this disconsolateness.

2.2 Kenya’s Kahawa Sector

Coffee is synonymous with Kenyan agriculture and even before the first colonial plantations were established wild varieties of coffee existed in the country (Githae et al. 2011). Naturally, Kenya boasts an ideal climate where agriculture activity remains robust and coffee is well propagated. About seventy percent of the world’s poor live in rural areas (World Bank, 2009). In Kenya rural areas account for about 80% of the population and agricultural activity remains the standard occupation (IFAD, 2007).

Growth in the agricultural sector has proved to be two to four times more effective in raising the incomes of the poor than non-agricultural activities (World Bank, 2009). Herein, agriculture is the country’s heartbeat and its performance as a sector determines the livelihoods and economic standing of millions of small-scale farmers in rural areas. Therefore it is
imperative for economic development to take place in the countryside and through agricultural growth as its masses are deeply rooted in agrarian activity.

Dependence on the agriculture sector as a strategy for economic growth predates colonization. The native tribes had been practicing agriculture widely for hundreds of years, where the trade of cattle and crops was commonplace between tribes. Colonialists also took advantage of the land the nation offered and began cash cropping an array of agricultural commodities to be sold internationally. The Kenyan government to date puts agriculture first and relies on the industry for economic growth (Government of Kenya, 2010).

Although the beneficiaries of the agricultural sector may have changed post independence agriculture remains the way of life for most Kenyans. Kenya’s agriculture sector demands 70 percent of her labor force, 25 percent of the total GDP, 60 percent of export earnings, 75 percent of raw materials for the industrial sector and 45 percent of government revenue (Gitu, 2004).

One of the key players in agriculture is the coffee sector, which is the fourth largest earner after tourism, tea and horticulture (Karanja and Nyoro 2002). In 1995 it was the second most important agricultural commodity after tea, contributing up to 20% of the total hard currency revenue (Opile et al., 1993). It is further estimated that out of the 70% of Kenya’s workforce engaged in agriculture, 30% are employed by the coffee industry (Ayiecho et al., 2001). Moreover they are about 700,000 small-scale coffee farmers accounting for approximately 65 per cent of Kenya’s coffee (GoK, 2010).

To many rural residents coffee is a major lifeline, coffee occupies thousands of acres owned and controlled by small-scale farmers. These farmers make up for the majority of coffee production in Kenya. Interestingly enough the last two decades have witnessed a substantial
decline in coffee production, Nyoro notes that between 1985-2001 small scale production fell from 70% to 48% of total market share (Nyoro & Karanja, 2002).

The fall in coffee production has impeded the livelihoods of small-scale farmers. The decline in productivity has meant a fall in gross farm sales, over the period. Due to their size, small-scale farmers are limited in how much they can individually contribute to the entire coffee production process. When production falls the returns for those remaining farmers becomes extraneous. Coffee is a production intensive crop that requires high-tech equipment (machinery) to be processed in order to reach its desired readiness to fetch a competitive price in the world market (ICO, 2011).

2.3 Coffee Cooperative Sector

International Cooperative Alliance defines a cooperative as 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 (ICA, 2012). Cooperatives are a widespread phenomenon occurring in rural areas across the globe. Over 800 million people around the world are involved in cooperatives (ICA, 2012).

More than 50% of coffee farmers in Kenya are smallholders, the rest are coffee estates (large scale farmers). Since independence (1963), the cooperative sector has experienced rapid growth, rising from 1,030 cooperatives in 1963, to 9443 in 2000, and to 11850 by the end of 2008(GoK, 2009). The coffee cooperative movement plays a significant role in the numbers of cooperatives found in the country.

Coffee cooperatives offer key services to small-scale farmers in rural Kenya. Cooperative factories enable coffee to be processed cost effectively by offering pulping storage and drying facilities to small scale-farmers (Nyangito, 2002). Private factories exist which are
exclusively owned by estates and private holdings. However most of the factories in the country are owned and operated by cooperatives. Cooperatives can have a number of factories depending on the land size and coffee production. Any farmer with fewer than five acres of land under coffee production is classified as a smallholder and has to belong to a cooperative society (Mude, 2006).

The smallholder coffee sector is organized into cooperatives in order to facilitate regulation and to improve the effectiveness and efficiency of coffee production. Under Kenyan law individuals classified as smallholders, essentially small-scale coffee farmers are required to process and market their coffee through their respective cooperatives (Nyangito, 2001). Coffee cooperatives bring together small-scale farmers and produced about 60% of the total production (Export Processing Zones Authority, 2005). Figure 1 below presents the contribution of coffee production from large-scale farmers (estates) and cooperatives (small-scale farmers collectivizing production)(Export Processing Zones Authority, 2005).

Figure 2.1 Kenya’s Coffee Production by Cooperatives and Estates

Figure 1.1 shows that cooperatives produce more coffee and control a larger percent of market share than estates though their output has been declining. This situation in Kenyan coffee
has been seen as the result of changes in cooperatives management, arising from structural reforms in the early 1990s. The experienced changes could be a major cause of the poor state of the coffee sector, as the depression in the coffee industry follows the same trajectory as liberalization policies.

A downward trend has been witnessed in the sector; where coffee exports fell from 2.1 million bags in 1987 to 0.9 million bags in 2006 (ICO, 2011). Coffee quality fell in a similar fashion. Approximately 20% of Kenya’s coffee that was considered premium coffee in 1993 fell by half, recording only 10% premium in 2003 (ICO, 2011). The last two decades has seen a substantial decline in coffee production in both quantity and quality. Even so Kenya still remains a most ideal location for the cultivation of the crop, and its production remains significant for the most part.

2.4 Small-scale Coffee Production

Kenya’s countryside consists of vast highlands, rich in volcanic soils, both prerequisites for good coffee production. The nation boasts swaths of farming land located 1400-2000 meters above sea level, and rainfall is evenly distributed throughout the year. This allows for continuous flowering and two harvest seasons of coffee (Coffee Board of Kenya, 2011). Arabica coffee (Coffea arabica) accounts for more than 90% of the country’s production and is considered of higher-grade world over, compared to its overly grown counterpart Robusta (Coffea canephora). Arabica catches a higher price in the world market and is often blended with Robusta to improve taste and aroma (Ponte, 2002). Kenya’s Arabica coffee (Colombian Mild) is much sought after for its blending qualities and demand in specialty coffee stores world over.

Coffee is a specialty crop that requires a lot of care in both pre and post harvest. Without some of the services offered by cooperatives to small-scale farmers it would be impossible for
farmers to individually semi-process coffee. The following narration of post harvest activities that get the coffee bean to the market place by Nyoro et.al will expound on the situation (Nyoro et.al 2002).

“When the coffee cherries are harvested they begin to ferment, a process that affects the quality of the bean. This requires the cherries to be pulped as soon as possible after they are picked. Pulping stations are thus needed to be sufficiently close to the farmer in order to assure prompt delivery. As pulping stations involve large setup costs that are prohibitive to individual small growers, and as one pulping station can cater to hundreds of growers, it made sense to pool their resources together within a cooperative framework to share the setup costs and enjoy the resulting local economies of scale. These pulping stations are called “factories”. A single cooperative can encompass multiple factories.

At the factory, the cherries from each grower are weighed, recorded and then put through the initial phase of processing. Primary processing involves the sorting and pulping (removing the coffee bean from its outer fruit) of the cherry. The beans are then laid out to dry and thereafter stored in the form of “parchment coffee”, awaiting transportation to millers for secondary processing. Millers hull and clean the parchment coffee to produce what is known as green (raw) coffee. They then sort and grade the coffee by size and quality, bag it according to expected value, and send it forward to the coffee auctions through which, by law, all Kenyan coffee must be sold. The coffee in each bag belongs to one particular factory within the cooperative.

The farmer would not individually be able to accommodate all this costs on his/her own. Due to the high capital costs exclusive to coffee production. If coffee is to be grown by small-scale farmers it is important to root out some of the nuisances that suppress coffee development in rural areas. Given that some problems may be beyond the control of the small-scale farmer, but those in his reach should be uprooted. Some of those hindrances are entangled in the management and organizational direction present among cooperatives and its members.

2.5 Kenyan Cooperatives Pre-liberalization

Coffee was first grown commercially in 1839 in Kenya but its first plantations were established at the turn of the 20th century (Coffee Board of Kenya, 2011). Realizing the crop had good potential, colonialist occupants began to grow the crop throughout the highlands. Coffee was so lucrative Africans were not allowed to cultivate it at first but after mass plans by the then
Kenya government to promote its growth. As well as significant uprising by the natives to join the economy, Africans were allowed to grow coffee in 1933 (Barnes, 1979). Nevertheless they were only granted a few acres of the precious commodity.

The cooperative movement was brought about by colonialists to the indigenes of Africa, in Kenya the British used it to step up coffee and tea production and not for the interests of the natives who had to join cooperatives to grow these crops (Develtere, 1994). This strategy was not any different in French, Belgium, Dutch and Japanese colonies; ungraciously this form of colonial entropy has been referred to as cooperative paternalism. Cooperatives were seen as instruments of acculturation and education, since the indigenous population did not understand the benefits of cooperative structures they were to be created not by them but for them (Develtere et al., 2004).

To this day little has changed. The Kenyan government has adopted a similar approach as their predecessors and they continue to play a paternal role in the formulation, disbandment and legislation of policy associated with cooperatives (Tegemeo Institute of Agricultural Policy and Development, 2012). Cooperative members are often left in the dark, providing little insight during phases of adjustment in the cooperative sector. This ignominy however, does not fully encompass the general direction agricultural and cooperative policy has followed in post-independence.

However, the major difference is that the current cooperatives movement in place is to the benefit of a multitude of native cooperative members and not a few white farmers (Barnes, 1979). As before the native trade of the crop was highly restricted and Africans were subjected to join cooperatives that would act as instruments of extension, processing and milling. On the other hand the marketing of the crop was left to the white Kenyan government that regulated
prices according to world supply and demand. Buying cooperative coffee in times of coffee 
booms, and would be more reluctant to purchase it during bust periods when world demand was 
low (Barnes, 1979).

However, in the near recent past farmers in Kenya have joined cooperatives to improve 
support for their coffee crop. In the post independent era cooperatives have been supported by 
the government to improve yields, quality and return by offering key services to farmers at cost. 
Coffee cooperatives provide milling, extension services and coffee husbandry, processing 
factories, and the provision of access to credit to manage the marketing of coffee, these are but a 
few of the ventures in place (Kenya Planters Cooperative Union, 2010).

Kenya has over 500 coffee cooperatives devoted to improving crop yield and the general 
plight of farmers. The agricultural cooperative movement has been noted as a key instrument that 
can lead to agricultural and economic development in the region (Government of Kenya, 2010). 
Although in the colonial era the potential of cooperatives was not realized they only began to 
flourish after independence for Africans.

In the early years of the post independence period the cooperative movement was 
recognized as a major way farmers could collaborate to achieve economic development and 
agricultural might in the region. By strengthening the organizational capacity of farmers 
cooperatives could internally solve conundrums within the sector. The government of Kenya 
supported this initiative through the cooperative societies it backed and created through the 
ministry of agriculture. People in rural areas were encouraged to grow coffee and the 
government was ready to support them by providing seedlings and agrochemicals and loan and 
credit facilities (CBK, 2011).
A cooperative bank was setup under the Cooperative Societies Act in 1965 (two years after independence) which would act as lender to cooperatives in the provision of credit to build factories, start-up costs and general loans (Cooperative Bank of Kenya, 2011). The government also had an extensive agricultural extension program for coffee within the country. Coffee research stations were erected in various highlands where coffee was grown and officers engaged farmers regularly. Promoting the use of fertilizers and pesticides in an effort to see the coffee industry transform itself into a powerhouse.

2.6 Liberalizing Kenya’s Coffee Sector

The last few decades gave way to a push towards market liberalisation that saw government support for the coffee sector dwindle as the country conformed to external pressures. Under pressure from the World Bank, the government took a series of steps between 1990 and 2001 to loosen its control over the sector. Such steps included: pulling out of cooperative management (1991); ending financial support to cooperatives and the Coffee Research Foundation (1991); relaxing regulation of upstream processes (1999); allowing growers to choose among pulping factories, millers, and marketing agents (1999); limiting the role of the CBK as regulator (2001); privatizing the coffee auction and allowing a portion of coffee to bypass the auction to be sold directly to exporters; and increasing the number of marketing licenses issued from three to twenty-five (Mude, 2006).

Liberalization was seen to be advantageous because policy makers deemed competition to be positive to the sector, increasing the quality and the quantity amongst cooperatives. However, liberalisation has done little in terms of increased competition, and although there are 569 registered coffee cooperatives, competition is limited between them, because farmers have to process cherries within 24 hours of harvest (Mude, 2006).
In the advent of widespread market liberalisation the government currently plays a more back seat role supporting the cooperative institution rather than directly supporting coffee cooperatives.

The government still budgets for a ministry aligned to meeting the needs of cooperatives in the country, a cooperative college, cooperative bank, are all initiatives tailored to support agricultural cooperatives (Ministry of Cooperative Development and Marketing, 2011). Given this cooperative mantra upheld by the Government of Kenya, cooperatives are still far from perfect. They face major challenges, experiencing organizational hardships in their organizational capacity to directly address the agricultural issues coffee producers face in a free market regime.

More than 50% of coffee farmers are small-scale, collecting together is seen to be paramount in attaining excellence, hence the large number of coffee cooperatives found in the country. The smallholder coffee sector has traditionally been organized into cooperatives in order to facilitate regulation and to improve the effectiveness and efficiency of coffee production, marketing and the provision of key inputs such as fertilizers, pesticides, and credit and extension services. In the event of liberalization problems were created, but remain unsolved; with the new policies in place some of the supporting agents of old have become outmoded.

Cooperatives therefore have now more responsibilities on behalf of their members, with less support and direction from the state. The relationship between cooperatives and members has been ruffled with the proliferation of the liberalization doctrine, coffee cooperatives find themselves in a state of upheaval, it becomes difficult for them to operate professionally given a situation of widespread mismanagement in the sector.
2.7 Coffee Cooperatives Post-liberalization

The current government has identified the agricultural cooperative movement as a key instrument in leading agricultural and economic development (GoK, 2010). Cooperatives are seen as a self-emancipating approach to attaining sustainable development in rural areas (Van Heck, 2003). Promoting the capacity of the poor to mobilize for collective action is increasingly championed as an effective mechanism to empower the poor and amplify their ability to leverage resources for their benefit (Mude, 2006).

Cooperatives are recognized as organizations where the poor can play a role in improving their welfare. In theory coffee cooperatives can be seen to be wholesome organizations that allow coffee stakeholders to take ownership of a highly technical agricultural process that can be highly rewarding. By strengthening the organizational capacity of farmers, cooperatives could internally solve conundrums within the sector and give small-scale farmers a competitive edge in the world market. Recently coffee prices have been soaring around the world, as global population grows, especially in those countries that consume majority of the world’s coffee, so too does its demand.

World coffee consumption has been increasing at a steady compound annual growth rate of 1.6% over the 1993-2003 period with a total consumption of 6.8 metric tonnes in 2003 (World Resource Institute, 2005). In spite of this, the performance Kenya’s coffee has been declining in terms of quantity and quality. The poor state of the coffee sector has been attributed to a plethora of factors resulting from institutional changes occurring in the late 1980s and early 90s, during the era of structural adjustment. The removal of state involvement from agricultural cooperatives as a prerequisite to liberalization has been suspected as a key culprit (Karanja & Nyoro, 2005).
A once heavily supported coffee cooperative sector before structural adjustment is now a market liberal cooperative enterprise controlled solely by members. Institutional reforms, which were aimed at reducing the government’s involvement in the management of coffee cooperatives and delivery of key services, have been triumphant. Coffee factories have been left predominantly to small-scale farmers. This has culminated in disagreements that have arisen in cooperative institutions, greatly affecting their performance (Nyangito, 2002).

Liberalization has caused some problems in the sector, birthing the propagation of tribalism, nepotism, and corruption - identified as key nuisances in the coffee sub-sector's quest for success (Karanja and Nyoro 2005). Factory management is burdened by the problems that nepotism causes, as an employee must be a coffee grower or a family member of a coffee grower. This requirement often overrides academic or other qualifications. As a result, most factories employ managers who are not well qualified, leading to their being mismanaged and run down (Nyangito, 2002). Village politics based on the ‘big-man’ mentality and grotesque levels of corruption have been reported.

The government, which offered cooperatives a great deal of support, controlled the appointment of executive members to cooperatives prior to liberalization. This was based on merit and expertise rather than tribal or ‘unrighteous alliances’- requirement based on the best woman/man for the job. The government’s exit as a cooperative overseer allowed small-scale farmers to take control of the management of cooperatives along tribal lines, notwithstanding a widespread lack of technical expertise. This situation created conflict within cooperatives as executive positions meant controlling not only the processing of coffee but also its marketing and control of its sales receipts (Mude, 2006).
Farmers with more endowment rose to executive positions at cooperatives, consequently weakening the democratic doctrine cooperatives are grounded on.

“Election capture”, describes the process by which self-interested and corrupt candidates illegitimately manipulate the electoral process in order to secure their victory (Mude, 2006). Wealthier small-scale farmers often perpetuate election capture as they possess more land, greater yields and external sources of finance, and can use these assets for their own benefits (Mude, 2006). Consequently this drama pushes marginalized farmers to the periphery of cooperative participation.

Currently farmers have complained of a lack of payment from cooperatives and levels of coffee theft and misconduct are high, further ignoring traditional cooperative practice (Nyangito, 2002). Situations where payments made to coffee growers plummeted, and the coffee smallholder industry found itself mired in increasing levels of corruption and political opportunism. Gross mismanagement only exacerbated the crisis further (Mude, 2006). It is not surprising then when a large number of members are absent at meetings. Few members are reported attending annual general meetings; absenteeism has been linked to the weak state of coffee in the country (CBK, 2010).

2.8 Absenteeism at Cooperative Meetings

Although farmers are absent from meetings they are still accessing cooperative resources such as the use of factories, marketing and credit services. Governed by law to market and process coffee through cooperatives, marginalized small-scale farmers are being further cornered by the dire state of their coffee cooperatives. A lack of participation within coffee cooperatives in the country limits the organizational capacity of cooperatives to support member activities,
especially coffee productivity, which has slumped over the period. Coffee cooperatives are unable to properly represent farmers, as members boycott meetings, among other factors.

As absenteeism is widespread in coffee cooperatives in Kenya, the predicament negates participation efforts by other cooperative members. The vacuum caused by neglect weakens the ability for cooperatives to carry out basic tasks. Including stakeholders in the decision-making processes strengthens the discourse, which allows for smooth functioning of an organization in carrying out its desired goals. Without farmer participation it becomes difficult to strategically navigate a farmer-based cooperative sector successfully.

Participation is the involvement by local farmers, and at times, additional stakeholders, in the creation, and conduct of a program or policy designed to change their lives. Built on a belief that citizens can be trusted to shape their own future, participatory development uses local decision-making and capacities to steer and define the nature of an intervention (Jennings, 2000). Research by Jennings has linked employees' participation in decision-making with job satisfaction and performance. Participation in decision-making has been demonstrated to change thinking and actions, help personnel achieve a heightened sense of ownership and create personal investment in making the plan a success (Jennings, 2000).

While this approach is taken from a corporate viewpoint it gives good insight to why the morale of cooperatives members declined and can be credited as a potential reason for a fall in coffee output over the years. The non-attendance of members weakens the true strength of a cooperative, which is its organizational capacity. Simply put, an organization’s capacity is its potential to perform—its ability to effectively apply its skills and resources to accomplish its goals and satisfy its stakeholder expectations (Horton, 2003). By building the organizational capacity of coffee cooperatives we anticipate better cooperative responsiveness to its members'
needs, this situation can be achieved if cooperative members are at the forefront of the decision making process.

Among a myriad of factors responsible for successful organizational capacity is participation. Member absenteeism to cooperative societies weakens the ability for cooperatives to act efficiently in helping members to produce high quantities of premium coffee. Many development projects have been produced in order to create economic development in rural areas, but few have included the cooperative members input in the formula. Although cooperatives are recognized by the government as a key force in bringing about positive change, little evidence in the role a cooperative member plays is bringing about change is brought about in the literature.

However we can follow the Participatory Rural Development philosophy, which is an approach in development theory and is extended in practice; it recognizes the importance of having an all-inclusive process. Participatory rural development is a popular strategy in the field of development. Based on the premise that to engage communities and individuals in the development process is inherently a positive thing, expectations for participatory rural development were very high and today, virtually all development practitioners write participatory elements into their project plans.

The participatory approach to rural development was developed in the late 1980s and early 1990s and the goal was to empower rural people and communities to take control of the development processes in their region and to set their own priorities for change (Biggs & Ellis, 2001). Participatory rural development ideology was as a result of disappointments in earlier development project strategies. PRD is built on the principal that community participation and empowerment is inherently ‘good’ (Cleaver, 1999). One of the primary ideas behind the strategy
of participatory rural development is the shift from a subject (active donor) to object (passive recipient) relationship to a subject-to-subject relationship (Campbell & Vainio-Mattila, 2003). This approach makes stakeholders equal.

In the past cooperative members have been seen as recipients or beneficiaries of the cooperative movement, rather than partners in the development of their livelihoods. Cooperative members are seen as instruments, enabling the betterment of the entire nation through economic development in the agricultural sector. The literature presented speaks to the efforts in place to improve the cooperative movement as it is seen globally to create the economic and social development of cooperative members. However, the literature does not give the cooperative member a chance to say what they feel needs to happen to improve the cooperative movement.

Instead this dogma focuses on blaming ‘liberalization’ and not the effects on which it had on cooperative members for quelling the former cooperative movements’ glory, as though it would be possible for cooperatives to function without member participation. Liberalization could be the overarching problem with the coffee cooperative movement in Kenya, but this rhetoric further distances the cooperative member from having control over his fate, leaving member livelihoods in the hands of policy makers and external players. In the absence of cooperative member ordinance in the literature, a grassroots approach to solving the weak state of the cooperative movement is warranted.

A paternalistic view maybe the very reason the industry finds itself distanced from cooperative members. Members may feel attending cooperative meetings is selling out to a system least interested in their wellbeing. It might be difficult to say exactly whether a decrease in meeting attendance by cooperative members is due to a failing coffee sub-sector or whether a collapse in the coffee sub-sector is the result of members failing to attend meetings. All the same,
the study does not wish to prove cause or effect, it only hopes to shed light on an issue buried by the discourse perpetuated by cooperative experts and policy makers.

In seeking to fill the gap in literature about the importance of cooperative participation at cooperative meetings, this study will allow cooperative members an opportunity to share their problems. The literature presented divulged institutional failures as obstructing a positive environment for coffee cooperatives to thrive, blaming the government and western pressures for the shift towards liberalization. However true the notion, it hampers efforts for cooperative members to change the situation they find themselves in, blocking them from participating, limits any understanding on why cooperative members refuse to attend meetings. A conceptual framework has been presented to assist the study provide a better understanding to the importance of member attendance at cooperative meetings.
2.9 Conceptual Framework

- Greater support from NGOS and support groups to cooperative society
- Implementing policy that encourages cooperative member participation in the coffee sector
- Greater government support given to small-scale farmers
- Greater attendance by cooperative Members at cooperative meetings
- Improved organizational Capacity in cooperative societies
- Better cooperative management in societies
- Better technical assistance given to cooperative members by society
- Improved coffee productivity by small-scale farmers
- Higher coffee yields of premium coffee
- Improved livelihoods for small-scale coffee farmers
- Better coffee marketing by cooperative Society
The conceptual framework (Figure 2.2) shows the effects of unearthing barriers that limit cooperative members from actively participating in their cooperative societies through the study conducted in this thesis. The boycott by members of coffee cooperative societies has diminished the organizational capacity of coffee cooperatives. Exposing the barriers currently in place will give way to the realization of a positive cooperative environment. That will improve the functionality of cooperative societies, through boosting communication and trust in the organization. Once barriers are identified they will be used in preparing constructive policies for the coffee sector, which will lead to active participation in societies.

Good policies geared to amending the disappointing state of coffee cooperatives will create a positive environment where cooperatives can function productively. A good environment shall benefit cooperatives, by allowing a medium where better technical assistance can be given to cooperative members. Better technical assistance shall facilitate the incorporation of extension work that will propel the production of premium coffee by members. In order for this to occur concerned stakeholders such as NGOs and the government will need to endorse policy prescriptions.

More assistance to farmers under a more democratic (less corrupt) coffee sector will lead to more members actively participating in their societies. Greater participation by members in a democratically run cooperative society will lead to improved organizational capacity of the society; as more members contribute, vote and take ownership of their society. Better communication, a good work ethic all under a less overbearing system, shall only make them
more competitive in the global coffee economy. Small-scale farmers will be able to produce the best coffee they can (premium coffee) through the help of their functionally apt cooperative society, and stakeholders. They will be able to seek out buyers on the global market and sell their coffee at a competitive price.

Once the organizational capacity is improved as a result of better technical assistance from better policy implementation in the coffee sector farmers’ will be able to generate more income form their crop. As their livelihoods improve so too does Kenya’s agricultural sector. Moreover coffee exports will lead to a higher GDP and greater foreign exchange earnings, subsequently allowing for the enablement of a better economic standing and social empowerment of small-scale farmers in rural parts of the country.

2.10 A Grassroots Approach to Enhancing Coffee Cooperatives

Improving upon the organizational capacity of cooperatives will enhance the competence of a cooperative to reach its proposed targets, given that the active participation of its members is a principal component of organizational capacity. It is important to determine those factors that limit cooperative members from actively participating in their cooperatives. For the reason that improving upon the hindering factors that limit coffee cooperative meeting participation, such as a member’s gross farms sales, education, gender bias, land size under coffee and the years spent as a cooperative member will inherently heighten the level of participation experienced at cooperative meetings.

Increasing cooperative members’ participation in meetings should improve the assistance farmers receive from cooperatives as dialogue and collective power is strengthened by improving limiting factors. Factors such as gross farm sales can be increased through the provision of better credit to farmers. This situation will allow cooperative members to access superior fertilizers
pesticides and extension services. Assistance can then be met through specific subsidies that reduce the costs of production for coffee farmers.

In hope of revealing some of the factors responsible for absenteeism by cooperatives members it is important to recognize that most factors will require support from the Kenyan government to be attainable. The current literature presented speaks to the changes caused by structural adjustment. The changing of recruitment policies at a macro level by the Kenyan government has resulted in mismanagement within coffee cooperatives. Without assistance from the government, coffee cooperative members misuse cooperatives, by unfairly enabling themselves to occupy executive positions undemocratically. Rigging elections, corruption, nepotism and tribalism are the norms entrenched in coffee cooperative politics and although their existence may have been brought about by government policies, some cooperative members themselves are partly to blame.

The unresponsive culture found in today’s coffee cooperatives members requires an in-depth analysis to determine why cooperative members are absent at meetings, which can help identify causes for gross misconduct. The absence of many small-scale farmers who still find themselves accessing cooperative resources tells us that member non-attendance of meetings is as a boycott by members who think that cooperatives are unjust. By unveiling those root causes we can begin to prescribe solutions that the government and cooperatives can undertake in an effort to revitalize the coffee sector.

The literature presented highlighted the effects liberalization of the Kenyan coffee sector had on the small-scale coffee farmers. The literature helped to uncover the effects of a failed coffee cooperative sector through the adoption of structural adjustment packages within the sector. With the removal of the state instrument in the coffee sector, cooperatives were
inadequate in the production of premium coffee. The autonomy of the cooperative sector muted the volumes and quality of coffee produced by cooperative societies.

Small-scale farmers who belonged to cooperative societies failed to work together efficiently. The blow the cooperative sector suffered greatly lowered the morale of cooperative members, as a result widespread absenteeism occurred. Fewer cooperative members attended annual general meetings. Annual general meetings offer a platform for cooperatives to deliberate on the ongoing affairs of their coffee and the way forward for the coming year. Without the cohesion and unity in cooperative societies many members are inactive in their society, which disables their functionality.

The literature presented shows the effects of liberalization as a root cause of the downfall of the coffee cooperative sector. It does little to show ways in which the turmoil can be reversed. Whilst the government offers new ways through liberalization on how the cooperative society can be revamped, there is an evident gap in the literature exhibiting ways in which small-scale farmers can pick themselves up. This research intends to seek new ways in which cooperative members can work together through a grassroots approach. It is important to ask small-scale farmers themselves why they do not attend meetings. It may very well be as a result of the failed nature of the cooperative meetings themselves (corruption at meetings). Nevertheless, members continue to pick coffee berries off their trees and bring their produce for processing at cooperative factories.

Cooperative members continue to produce coffee under an unfavourable climate because by law they have to sell their coffee through cooperatives, and because they lack the economic power to process and market the coffee individually, they are forced to operate in poor conditions. This literature review exposes their inauspicious existence but relays that for any
good policy to be adopted properly by farmers they have to take part in the process of policy creation. Small-scale farmers had no say to whether they wanted liberalization, which in turn shunned them away from cooperatives. They have little say in the literature presented on them and it is this gap the research hopes to fill. Macro solutions to the coffee problem are important for developing the nation, but more attention needs to be paid to the farmer. Once the farmer begins to participate in her/his own development we then can anticipate a positive transformation of the coffee cooperative sector in Kenya.

2.11 Literature Summary

This chapter helped to highlight some of the factors responsible for the poor state of the coffee cooperative sector. Liberalization policies forwarded by structural adjustment packages have been credited for the lack of government support in coffee sector. Reduced government support was blamed for mismanagement experienced at cooperative societies, which has lead to a boycott by members who avoid meeting attendance. However a paternalistic view upheld by the government has been attributed for the lack of the cooperative member voice in the policy formulation and implementation, which can be seen as the root cause for reduced government support. Nevertheless involving cooperative members in the policy conversation for cooperative societies will involve improving the organizational capacity of cooperatives, by improving the current low participation levels.
3.1 Introduction

This chapter provides an explanation of the techniques used for the collection and analysis of data. It defines the methodology used to assess the barriers limiting the participation of coffee cooperative members in New Gatanga Cooperative society. A mixed methods approach is used to reach the studies proposed goals and objectives.

3.2 Area of Study

Figure 3.1 Kenya Map
The research was conducted in Kenya in two provinces, Nairobi the capital city that doubles up as province and Central Province. However, the bulk of the research was carried out in Central Province, Gatanga District in Gatanga location of Gatanga Division which is located in the shaded area in the map. Gatanga is a rural area that lies between latitudes 0°56.4’ to 0°59.4S and longitude 36°54.5’ to 37°0E. Gatanga district has a population of 103,048 and an area that is 251.1 kilometers squared (Thika Strategic plan, 2005-2010). Gatanga’s altitude is 1500 meters and it receives an annual rainfall of 1100mm in a bimodal pattern. The soils of Gatanga are Nitosols, which are acidic and of low plant Material (Murethi et.al 2004).

This climate allows for many crops to be grown in the locale. Coffee is extremely favorable crop and has been farmed in the region for over half a century. Naturally most residents are employed by agriculture. Coffee is the major crop cultivated followed by tea and an assortment of staple foods such as maize and beans and fruits and nuts. The average farm size is between 0.1-2 hectares (Murethi et.al 2004). Gatanga consists of hilly terrain and coffee farms are set between river valleys.

Gatanga experiences a biennial production cycle, which enables two harvest seasons for coffee. March and May are long rains whilst October to December is the short rains period. Coincidentally this is when coffee flowers mature to coffee berries. For coffee farmers these seasons are the busiest times where they harvest cherries and take them to their factories for processing. The early picking season starts in April and ends in July and the late season is from October to December, though the late season produces most of the coffee.

3.3 New Gatanga Farmers’ Cooperative Society

The Gatanga Cooperative society began in 1950 and was an initiative to improve coffee production in Gatanga area by the colonialist government. The society’s first coffee factory was
established in 1958. The old Gatanga coffee cooperative had 25 factories by the late 70s but in 1995 members demanded that the factories should be split into different societies, because they felt coordinating the management of a large society was becoming difficult. This resulted in a downsizing of the New Gatanga cooperative society, leaving the current society with four factories, Mukurwe, Kiharika, Gathanji and Kiama. Kiama factory acts as the headquarters of the New Gatanga Society and is the area chosen for the majority of the research conducted in this study.

3.4 Kiama Factory: Cooperative Management

Kiama Factory is set on a five-acre plot on the slopes of a river valley where coffee is semi-processed to green (parchment) coffee. The New Gatanga cooperative society is comprised of 2,855 members who occupy 1,934 acres of land. This land accounts for approximately 870,000 coffee trees, which are responsible for the crop processed at the societies factories. The Kiama factory has a total of 705 members, which account for about a third of New Gatanga Cooperative members.

Kiama factory has its own autonomy as a factory from the New Gatanga Farmers society but it also acts as the head office for the New Gatanga Cooperative society (Society Chairman’s Office). The factory has one manager and four permanent members of staff and an unpredictable number of casual labourers. The number of casual staff varies from year to year depending on the size of the crop harvested. During the peak season the factory employs about six casual labourers while on off-peak at most one casual worker is retained. The permanent staff is responsible for processing the coffee; tasks include weighing, pulping, selecting, drying and grading coffee.
3.5 Participation at New Gatanga Farmers Cooperative Society

Every year the cooperative society has an average of six meetings. However the Annual General Meeting (AGM) is the main one, which all farmers have to attend. The AGM allows farmers to critique the performance of the cooperative over the previous year. Voting, grievances and the way forward for the cooperative society are all decided here as well as dividends analysis. Fewer less formal meetings are also held when the cooperative board decides.

Concurrently, other meetings are also held throughout the year but are not compulsory for members. These meetings are held by NGOs, Government and cooperatives and for the most part act as extension opportunities for farmers to learn better ways to manage their farms and processes coffee. Over the years fewer members have been witnessed attending any meetings at New Gatanga Cooperative Society, this study intends to understand reasons for their absence.

3.6 The Study

This study will utilise a mixed methods approach to evaluate which factors limit the participation of coffee cooperative members in cooperative organizations. So as to arrive at a singular predisposition that holds firm to the belief that in order for cooperatives to effectively assist their members; members have to actively participate in meetings. Member participation is required at meetings in order to advocate and formulate constructive cooperative policies. Such an environment should bolster the organizational power cooperatives can exercise to foster a positive relationship between members at meetings, where pertinent issues are raised and subsequently resolved.

The population of interest consists of members of Kiama factory. The research employed the use of systematic sampling, where 194 members were selected from New Gatanga Coffee
Cooperative Society in Gatanga District, approximately 100 kilometres east of Nairobi. Using a survey method, the respondents answered an eight-page questionnaire, which is analysed further in the chapter four and five. Similarly, in an effort to better understand the coffee cooperative movement in the country, four face-to-face structured interviews were conducted on key informants who are coffee/cooperative specialists.

3.7 Explanation

The quantitative data was collected through a survey, where 194 questionnaires were administered at the New Gatanga Coffee Cooperative society (Kiama Factory), Gatanga District, Central Province, Kenya. Systematic random sampling was used for a period of six weeks (June 1st – July 15th 2011), as 194 members of the New Gatanga Cooperative Society answered questionnaires as they brought their coffee to the factory for weighing and processing. Every second member who brought in and weighed coffee was selected for the survey. Kiama factory has a total of 705 members thereby sampling 194 members’ gives us a sampling error of 6% based on the program Psizel developed by John FitzSimons.

3.8 Quantitative Analysis

Quantitative analysis was conducted using data gathered from the questionnaire, which was inputted into SPSS statistic package for further analysis. The tests carried out on SPSS included Mann Whitney, Chi-Square, Correlations and Principal Component Analysis. Non-parametric (descriptive) statistics were also used to define the variables and their correlations. Descriptive analysis, included the use of mean, mode, median, standard deviations, graphs, charts, percentages frequency tables which were all used to describe the different variables patent to the participation of members.
3.8.1 Mann Whitney

Mann Whitney T-test analysis tool is used to test significant differences between dichotomous variables (Babbie, 1998). I used Mann Whitney T-test to determine whether there was any significant difference between participation and various variables proposed in the hypothesis.

3.8.2 Chi-square

Chi Square is a quantitative analysis tool used as a test of independence between variables (Babbie, 1998). I used Chi-square to determine the likelihood of correlations between participation and key socio-economic characteristics.

3.8.3 Descriptive statistics

Descriptive statistics were used to describe the socio-economic characteristics of members of New Gatanga cooperative society. I presented income, age, marital status, and educational level through the use of graphs, charts and tables.

3.8.4 Principal Component Analysis

Principal component analysis (PCA) is a multivariate analysis method, which is used to extract dominant patterns in the Likert scales found in the questionnaire (Abdi & Williams, 2010). The correlation between a component and a variable estimates the information they share. In the PCA framework, this correlation is called a loading (Abdi & Williams, 2010). Using PCA provided information on the inter-correlations of the most significant variables present in the Likert scale. PCA was used to determine certain factors that members felt were important to the attendance cooperative meetings. Those factors that loaded heavily were stated and will be presented in the results.
3.9 Description of variable used in Quantitative Analysis

3.9.1 Member participation

Participation was measured against a myriad of socio-economic variables. So as to see whether certain socio-economic characteristics had any influence on participation. This study looks at participation in two parts (1) Attendance – The number of times a member attends meetings (2) Contribution during meetings – The number of times an individual speaks (contributes) at meetings. I will be using the first measure of participation, to run various tests of significance. To collect data on participation the following question was asked in the questionnaire, how many times do you attend meetings in a year? {Participation: 1= (high) = attended 3 or more than 5 meetings a year 0= (Low) = attended 1 or 2 meetings, or they did not know how many times they attended in a year}.

3.9.2 Sex of member

Although the study did not account for an equal amount of men and women respondents it did not discriminate against sex. Thus it was important to know how women cooperative members participated in their cooperative against their male counterparts. In this study the sex of the member was determined from the sample where systematic sampling dictated the sex of the respondent. The study aimed to determine whether male or female members have different levels of participation. The hypothesis stated that men will have higher levels of participation than women. (Male=1, female=2).

3.9.3 Marital status of member

The marital status of the members was characterized as single, married, divorced or widowed. Members who are single or divorced were hypothesized to have a lower level of participation than married or widowed members (1= Married, 0= Otherwise).
3.9.4 Member’s highest educational attainment

The education level of member was characterized into the various levels, no formal education, primary school, high school, college diploma and university degree. Those respondents with the highest level of participation were predicted to be those with the highest educational attainment (1= College or University, 0 =Otherwise).

3.9.5 Monthly income

Eight income levels characterized monthly income. The study hypothesised that the more income members had the higher their level of participation. (0= High above 5000 Shillings a month from coffee return, 1= Low below 5000 Shillings a month from coffee return).

3.9.6 Age of member

The study hypothesized that the older the member of the cooperative the greater the participation of an individual member. (Continuous Variable)

3.9.7 Rank in the Cooperative

Whether a member was part of the cooperative management (executive) determined the level of participation in a cooperative. The study hypothesis indicated that if a member had a rank in his/her cooperative factory the greater the level of participation (1=Executive, 0= Not Executive).

3.9.8 Acreage under coffee

Acreage under coffee is all land with coffee bush presently grown on it. The study’s hypothesis indicated a higher level of participation to be observed by members holding larger pieces of land occupied by coffee. (Continuous Variable)

3.9.9 Acreage under competing crops

Acreage under competing crops was any farmland owned by the cooperative member that had alternative agricultural activities to coffee production. The study hypothesized that the larger the acreage under competing crops the smaller level of participation by a member.
3.9.10 Household size

Household size was observed as the number of individuals living in one homestead dependent on the income of the coffee cooperative member. The study hypothesized that the larger the household the greater the level of participation. (Continuous Variable)

3.9.11 Expenditure on farm inputs

Expenditure on farm inputs was the total amount of money spent towards growing coffee in an entire year. The greater a member’s expenditure on farm inputs the greater the level of participation(Continuous Variable)

3.9.12 Quantitative Analysis summary

Different quantitative analysis techniques were used to help us understand those factors that underlie or predict cooperative members ability to participate in their cooperative. Using different methods strengthens the validity and reliability of the study. To further reinforce the study qualitative methods were also used. Whilst quantitative methods help to present the data in a manageable way, qualitative data is equally important for giving the reader broader insights on certain topics in the analysis.

3.10 Qualitative Analysis

Qualitative analysis was used in this study to supplement and compare the results obtained from the quantitative analysis. The qualitative analysis was conducted from data obtained from the questionnaire as well as structured interviews of coffee and cooperative specialists in Nairobi and Central province. Grounded theory approach was used to generate emerging questions and test them against data that was analysed using quantitative methods. Open coding themes were used to group results.
3.10.1 Open Coding

Open coding is a qualitative research technique used in grounded theory. It is an analytical process through which concepts are identified allowing for the discovery and identification of properties of the data presented (Strauss & Corbin 1998). In this study all the open-ended questions presented in the questionnaire were coded using open coding allowing for the identification of certain themes that came about from interviewing respondents. Open coding was similarly used in the open-ended questions present in the structured interviews.

3.10.2 Structured interviews

Qualitative research involved conducting four in-depth interviews congruently to the open ended questions in questionnaire. Four key informants in the coffee and cooperative movement in Kenya were interviewed. Structured questions were asked to Key Informants and their responses were coded using the open coding.

3.10.3 Key Informants (Coffee/Cooperative specialists)

1. **Key Informant 1**: High Ranking Official in the Government involved in the formulation of cooperative policy and management in Kenya.
2. **Key Informant 2**: Member of Parliament in a Coffee Producing Constituency in Kenya.
4. **Key Informant 4**: A District Cooperative Officer in Central Province Kenya.

3.10.4 Structured questions form the questionnaire

Similar questions used for key informants were asked in the questionnaire. Answers from the 194 questionnaires administered were further analysed using open coding.
3.10.5 Qualitative Summary

Once the interviews from the key informants were conducted their responses were coded and compared with those responses of New Gatanga Cooperative society members (survey) in order to examine the important themes. Assessing responses from stakeholders over coffee cooperative organisation in the country gave insights into why small-scale coffee farmers participated less in their cooperative societies. Allowing the study to group responses in an orderly fashion exhibited particular issues as well as solutions to improving member participation at coffee cooperatives in the country.

3.11 Methods Summary

The research in this study adopts a post-positive as well as an exploratory research design. A mixed methods approach is called upon using both quantitative and qualitative techniques to better understand aspects of the coffee cooperative movement in Kenya. This research uses both members of New Gatanga cooperative society as well as coffee and cooperative experts as the unit of analysis. Their responses become the needed data used in tackling the lack of participation in New Gatanga Cooperative Society.

Analysing the data provides greater access into understanding what policies are needed to improve coffee cooperative capacity in the future. After determining which characteristics act as barriers to cooperative members, I note the similarities therein, hence mapping out those socio-economic factors that need to be addressed to improve member participation, and coffee farmer organization in Kenya.
CHAPTER 4
QUALITATIVE FINDINGS: DETERMINING THE LACK OF PARTICIPATION AT NEW GATANGA COOPERATIVE SOCIETY

4.1 Introduction

This chapter is going to showcase the results gathered from qualitative data analysis. The results from the analysis will assist in unearthing barriers cooperative members face in participating in their cooperative societies in Gatanga, Kenya. The analysis will also touch on relevant topics relating to the various hypotheses tested in the study.

4.2 Overview: Qualitative Findings

The qualitative data analysis was conducted to expose barriers small-scale coffee farmers face in participating in the coffee cooperatives, as well as the overarching problems present in the coffee cooperative sector. Several key themes emerged and have been presented in the diagram below. Throughout the qualitative section of this paper these themes will surface in the analysis presented.

Figure 4.1 Crosscutting Themes in Coffee Cooperative Participation
4.3. Structured Open-Ended Questions

Structured open-ended questions were asked in the questionnaire to members of New Gatanga coffee Cooperative Society. Similarly structured open-ended questions were asked to key informants in the coffee/cooperative sector in the in-depth interviews. All the responses have been analysed in this section of the paper. I will begin by giving the results from the questionnaire and thereafter proceed to giving the results from the in-depth interviews. Findings are presented under each question and sub-heading; results are presented through both charts and narratives. Most cooperative members spoke at great lengths to the open-ended questions asked, but only what they felt was the paramount issue was stated.

Table 4.1. What cooperatives can do to improve meeting attendance.

Table 4.1. Shows what respondents felt needed to be addressed in order to improve attendance at cooperative meetings. (Respondents were speaking towards attending the AGM).

<table>
<thead>
<tr>
<th>Responses</th>
<th>No. of findings</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision of financial incentives</td>
<td>124</td>
<td>Members wanted to be financially rewarded for attending meetings</td>
</tr>
<tr>
<td>Better Information</td>
<td>27</td>
<td>Members claimed that information on meeting times was not properly disseminated</td>
</tr>
<tr>
<td>Better Prices</td>
<td>19</td>
<td>Members wanted higher prices for their coffee as current prices were very low</td>
</tr>
<tr>
<td>Penalties</td>
<td>10</td>
<td>Members that attended meetings regularly proposed penalties for absent members</td>
</tr>
<tr>
<td>Better Cooperative Management</td>
<td>5</td>
<td>Members said the management of their cooperative had been run down over the years to unsatisfactory levels and needed an uplift</td>
</tr>
<tr>
<td>Better Inputs</td>
<td>5</td>
<td>Members demanded premium farm inputs at lower prices</td>
</tr>
</tbody>
</table>

Cooperative members felt that for more members to attend AGMs, financial incentives should be adopted to cooperative meetings to entice more members to attend. One member said
that in the past the cooperative had given them lunch when they attended or 100 shillings which paid for their transport. Another member echoed similar sentiments only this time raising the bounty, saying that members should receive 200 shillings for attending meetings, and if this stipend were met by their cooperative then all members would be present during cooperative meetings.

Other members complained about a lack of knowledge about when meetings were to be held, protesting that information was not passed in a timely fashion. As a result when meetings were set members had other obligations. Another major proposition was the idea of low prices. A good number of respondents felt that the absence of members at meetings was a direct link to the coffee performance in the past few years. These members felt that people did not attend because coffee prices were low, and there was no point going to a meeting when there is little remuneration for hard work. Therefore supposedly if better coffee prices were offered then members would go to meetings.

The view that penalties should be prescribed to members who refused to attend meetings was upheld by members who regularly attended meetings, alluding to the view that instead of receiving 100 shillings, 100 shillings should be deducted from the absent members’ dividends. Members also called for cooperative management to be improved and if it were more members were to attend meetings.

Some members claimed that it was the corrupt nature of the Society that deters members from showing up, pointing to the increased levels of theft ongoing in cooperatives in the country. “Last year coffee was stolen from our factory and for sure it was an inside job”. So if these corrupt individuals were brought to justice then more members would be seen attending meetings.
Other members felt that cooperatives did a poor job of providing farm inputs such as pesticides to farmers, so their coffee was of poor quality, and there was no need for these members to attend when they knew they produced an inferior crop.

**Table 4.2. What cooperative members thought could be done to improve participation at meetings.**

Table 4.2. Shows what members felt their cooperative members needed to do improve participation during meetings. Participation during meetings was the second description of participation in the study. Participation is the contribution during meetings that is the number of times an individual speaks (contributes) at meetings.

<table>
<thead>
<tr>
<th>Responses</th>
<th>No. of findings</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Nature</td>
<td>74</td>
<td>Members felt that dialogue at the meetings was predetermined by a member’s social character</td>
</tr>
<tr>
<td>Better Democratic Environment</td>
<td>55</td>
<td>Members demanded a more democratic space at meetings</td>
</tr>
<tr>
<td>Educate members on participation value</td>
<td>22</td>
<td>Members wanted the value of participation to be emphasized during meetings</td>
</tr>
<tr>
<td>Provide incentives for participation</td>
<td>18</td>
<td>“Lunch or money should be provided to boost the morale of members at meetings”</td>
</tr>
<tr>
<td>Better prices</td>
<td>18</td>
<td>Members wanted higher prices for their coffee as current prices were very low</td>
</tr>
<tr>
<td>Reduce Corruption</td>
<td>2</td>
<td>Members felt corruption was high at their cooperative and it should stop to improve democracy during meetings</td>
</tr>
</tbody>
</table>

Cooperative members found it difficult to answer this question because they felt the reason why some people spoke during meetings and others did not corresponded directly with individual member characteristics or human nature (a direct translation from the Kikuyu language). Some members are inherently outgoing and these are the ones who would speak the
most whilst others were introverted and spoke less. However there was a general feeling that some members who spoke or raised points, or sided with particular agendas could have been paid to do so. Hence there was nothing one could do to improve the number of times individuals spoke at meetings as their ability to speak was not dependent on the meeting but on their personality.

The undemocratic nature of meetings repressed some members’ opinions. Therefore improving participation during meeting would require overhauling the entire process to make meetings more democratic. Similarly, members felt that many members did not know/see the value of their contribution during meetings, because they thought that meetings were rigged by default. These members did not feel that whatever they had to say during meetings would be important because there were people in the meeting with better knowledge of the goings on of coffee. Therefore to improve participation members needed to be educated on the benefits of contributing during meetings.

The gloomy mood found in the coffee sector was expressed at cooperative meetings. Under a very poor coffee environment boosting morale should be important to cooperatives. Once incentives are provided then people will feel good vibrations and contribute during the meetings. Members blamed poor prices, which brought down the morale of members reducing the degree to which they felt they needed to contribute at meetings. So improving coffee prices is key to overcoming the lack of dialogue during meetings. A fewer number of members blamed corruption for the lack of contribution during meetings. Therein reducing corruption would increase people’s contributions at Society meetings.
Table 4.3. What members felt was the main cause of absenteeism at cooperative meetings.

Table 4.3. Shows what respondents felt were the main causes for absenteeism at cooperative meetings. Absenteeism is linked to the first definition of participation which is attendance described as the number of times a member attend meetings in a year.

<table>
<thead>
<tr>
<th>Responses</th>
<th>No. of findings</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ignorance</td>
<td>85</td>
<td>Members felt that those members who refused to attend meetings had no reason to boycott</td>
</tr>
<tr>
<td>High Cost of Food</td>
<td>36</td>
<td>Inflation had hiked the cost of living so much that some members turned to other livelihood strategies to secure a meaningful income</td>
</tr>
<tr>
<td>Poor Management</td>
<td>29</td>
<td>Members said the management of their cooperative had been run down over the years to unsatisfactory levels and needed an uplift</td>
</tr>
<tr>
<td>Poor Coffee Prices</td>
<td>17</td>
<td>Over the years coffee prices had plummeted to the point that some members had abandoned the crop</td>
</tr>
<tr>
<td>Illness</td>
<td>9</td>
<td>“Most members of the cooperative were old and could not on occasion attend meetings due to health reasons”</td>
</tr>
<tr>
<td>Lack of Democracy</td>
<td>7</td>
<td>Members felt that their was a lack of free speech at meetings</td>
</tr>
<tr>
<td>Low Coffee Output</td>
<td>4</td>
<td>Coffee production had dropped significantly over the years to the point that some members had abandoned the crop</td>
</tr>
<tr>
<td>Lack of Knowledge</td>
<td>3</td>
<td>Members claimed that information on meeting times was not properly disseminated</td>
</tr>
</tbody>
</table>

Members at the cooperative society felt demoralized by the poor state of the coffee sector and linked absenteeism to ignorance. Members said that they had other sources of income to supplement income they received from coffee. Thereby they felt going for meetings would work against their income stream. These members choose to boycott the meetings out of necessity rather than abstinence; rising food costs would not permit them to skip other employment opportunities that catered to their daily food needs.
Another agenda raised explaining absence during meetings was that members did not possess prior knowledge of meeting times. The cooperative did not do a good job of informing all members when meetings were taking place. Once again poor coffee prices tallied as a major reason why members did not attend meetings.

Illness was endorsed as a major reason for the low number of members present at meetings. Members said sickness was a problem among the old, thus some members would not be strong enough to attend meetings, without the help of another individual or motorized transportation. (Gatanga is a very hilly region that can be difficult to manoeuvre for older members).

Fewer members felt the lack of cooperative members attending meetings was due to poor management within the cooperative. This stemmed from a lack of democracy in the cooperative society, which was a factor raised by members that attributed the lack of a democratic space at meetings to the diminishing number of members present at AGMs.
Table 4.4. What member’s felt was the major problem with the coffee sector in Kenya.

Table 4.4. Shows what cooperative members felt were the major problem with the coffee sector in Kenya.

<table>
<thead>
<tr>
<th>Responses</th>
<th>No. of findings</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>Insecurity</td>
<td>70</td>
<td>37.0</td>
</tr>
<tr>
<td>Lack of Inputs</td>
<td>36</td>
<td>19.0</td>
</tr>
<tr>
<td>Financial Support</td>
<td>35</td>
<td>18.6</td>
</tr>
<tr>
<td>Poor Pricing</td>
<td>18</td>
<td>9.5</td>
</tr>
<tr>
<td>Corruption</td>
<td>23</td>
<td>12.5</td>
</tr>
<tr>
<td>Marketing</td>
<td>7</td>
<td>3.7</td>
</tr>
</tbody>
</table>

Numerous members felt that the major problem with coffee sector in the country was the lack of financial support small-scale coffee farmers received from the government. Speaking mainly to the lack of micro-finance available to farmers. Members also tied the lack of finance with the lack of farm inputs. Loans could be used to acquire the much needed farm inputs. Such inputs included the provision of fertilizers and pesticides to cooperative members, which were largely absent in their cooperative.

Another point made by farmers was the low prices farmers were receiving for their coffee. If coffee prices could improve then the coffee sector would flourish but because coffee prices were low the sector remained in dismay. Members claimed that the problem with the coffee sector in Kenya was the way in which coffee was sold. These members claimed that the
marketing of Kenyan Coffee was very low. More marketing and branding of Kenyan Coffee was necessary in order to enhance the sector.

There was also growing concern over the past few years with security in the region. Insecurity had become a serious problem with coffee particularly within Central Province. Members agreed that they had experienced great losses from coffee theft occurring at their factory. Some members claimed that the government needed to improve the security because coffee was often stolen when prices of coffee were high and this situation caused a double loss for farmers.

The management of the sector was another complaint members pinned on the poor state of the coffee sector in the country. They said that the lack of good cooperative management was a direct link to the poor state of the coffee sector, which echoed the way in which the government ran the coffee sector in Kenya.

4.5. Measures cooperatives members felt their cooperative could adopt to improve support towards members.

Table 4.5 shows what members felt their cooperative society can do to improve support towards its members

<table>
<thead>
<tr>
<th>Responses</th>
<th>No. of findings</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Interest Loans</td>
<td>69</td>
<td>The cooperative needs to source micro-finance options for its members</td>
</tr>
<tr>
<td>Provide Inputs</td>
<td>65</td>
<td>The cooperative needs to secure premium farm inputs at affordable prices throughout the year</td>
</tr>
<tr>
<td>Better Management</td>
<td>28</td>
<td>For anything to improve at the cooperatives the management style has to improve</td>
</tr>
<tr>
<td>Security</td>
<td>8</td>
<td>The cooperative needs to increase security at the factory at peak times</td>
</tr>
<tr>
<td>Better Prices</td>
<td>8</td>
<td>The cooperative needs to seek better avenues for higher cooperative coffee prices</td>
</tr>
</tbody>
</table>
Most cooperative members felt that they did not get good loans, which had low interest and a short payback period form their cooperative society. The only loans offered by the cooperative were those with a direct link to the amount of coffee members produced. With these types of loan services members felt that they could not invest appropriately to improve the state of their coffee crop, as coffee prices were very low. Members also felt that that the cooperative should provide members with farm inputs at a lowest cost. Members complained that the cost of fertilizers and pesticides offered at their cooperative was high and of a lower quality. To improve the coffee they produced they needed superior farm inputs at low prices.

Similar to other responses, members also felt that the management of their cooperative needed to be improved, as rates of corruption and mismanagement were high in the cooperative, including theft. If security were tightened members felt that there would not be cases of theft. Currently the cooperative only has one elderly guard. Some members felt the installation of police officers at the factory during peak harvest times would help counter theft.

There was also a feeling among some members that their cooperative society does not do a good job marketing their coffee. They said other cooperatives marketed their coffee internationally and sold their coffee abroad directly, and not via middlemen in Kenya. This cooperatives received better prices for their coffee and members of such cooperative had premium coffee as they could afford to reinvest in their enterprise.
4.6. Measures cooperatives members felt the government could adopt to improve the state of their coffee cooperative

Table 4.6. Shows what members felt the government can do to improve the state of coffee cooperatives.

<table>
<thead>
<tr>
<th>Responses</th>
<th>No. of findings</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Provision</td>
<td>68</td>
<td>The government needs to budget for micro-finance loans that cooperative members can utilise</td>
</tr>
<tr>
<td>Better Cooperative Auditing</td>
<td>38</td>
<td>“Improving the coffee cooperative will call for more efficient government inspection of cooperative books for foul play”</td>
</tr>
<tr>
<td>Good Markets</td>
<td>35</td>
<td>The government should improve its marketing and branding of Kenyan coffee internationally</td>
</tr>
<tr>
<td>Security</td>
<td>23</td>
<td>The government should crackdown and provide sufficient security to ensure no coffee theft occurs</td>
</tr>
<tr>
<td>Provide Inputs</td>
<td>20</td>
<td>The government needs to make available premium farm inputs at lower prices for coffee cooperatives</td>
</tr>
<tr>
<td>Debt Removal</td>
<td>7</td>
<td>“Previous debt owed by farmers continues to affect coffee productivity, the government should help farmers by removing debt”</td>
</tr>
</tbody>
</table>

Cooperative members felt that the government could improve the loans they provided to cooperative members in an effort to improve the state of their coffee cooperative. They also felt the government did a poor job of auditing cooperatives. If they improved the auditing of cooperatives the management in their cooperative would improve, by lowering corruption.

Members also felt that the government should do a better job of seeking markets for Kenyan coffee. They felt that coffee prices were high globally but the government was not doing enough to market Kenyan coffee internationally. The provision of inputs was also not forthcoming in the sector. For agriculture and coffee in the country to improve members felt the
government needed to source farm inputs that were effective, such as premium agrochemicals. They said that the agrochemicals in place were expensive and needed to be better subsidized so that small-scale farming could become lucrative.

Some members felt that although the government had removed historical debt in the sector many members were still indebted. The removal of debt would only work to enhance the agricultural sector, as farmers were the backbone of the Kenyan economy. Other farmers felt that the recent appreciation of coffee prices in the past five years was being countered by the problem of insecurity that was growing around the country. They said that their welfare was at risk and the government needed to act fast to eradicate the growing menace.

4.4 In-depth Interviews

This section of the qualitative results is going to exhibit what key informants in the coffee sector felt about issues pertaining to participation within the coffee sector in Kenya. Issues that will be discussed include the ability for women and youth to participate in the organisation of cooperative coffee sector in Kenya as well as the overarching problems responsible for the current state of coffee in the country. Key informants also helped to expand on some plausible solutions to the ways the cooperative sector can be improved. Thereafter those issues that were crosscutting between cooperative members and key informants will be highlighted.
4.4.1. Women’s and Youth’s Participation in Coffee Cooperative Sector

Figure 4.2. Sex and youth participation roles in small-scale farming in Kenya

<table>
<thead>
<tr>
<th>Coffee Production</th>
<th>• Youth, women and men participate in coffee husbandry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperative Meetings</td>
<td>• Men and widows participate in cooperative meetings</td>
</tr>
<tr>
<td>Coffee Payment</td>
<td>• Men and widows collect coffee payment</td>
</tr>
</tbody>
</table>

Figure 4.2 shows the distinction in the participatory roles women and men play in small-scale coffee farming in Kenya. Most Key Informants thought that women and youth were not necessarily restricted in the participation of their cooperative society, but were limited in the level of participation exhibited at different stages of coffee production. A High-Ranking Government Official from the Ministry in charge of Cooperatives said,

"Offering a western lens to the situation may have made women look restricted in participating in the coffee sector in Kenya”.

African culture has different marital values, where the role of a man and woman are clearly defined. A western perspective would accuse African culture of diminishing the value of a woman. However this would be a shallow approach to looking at a woman’s role in the household. A woman’s role is similar to that of a manager, who administers her homestead, so that social, cultural and economic arrangements are met to the benefit of her family.

A direct statement from a High Ranking Official in an International Non-Profit Organization involved in Agricultural Development in Nairobi Kenya below, asserts that insinuating that a women’s participation is limited in coffee cooperatives sector is archaic. The
economic contribution a woman effects on the cooperative sector is far more superior to that of a man.

“Coffee being a man’s crops is an old ‘myth’ but because men have had access to land. Then from an external perspective men’s participation would seem much higher than women’s in the coffee cooperative movement.”

The official from the non-profit agrees with the government official that the limitation of a woman in a cooperative is based largely on the principal portraying the story. Following the principles of African culture may paint a different picture than western culture when it comes to female participation in coffee farming. Nonetheless the international non-profit official points to the issue of land. He says because a man has access to land compared to women, the discourse on coffee farming in Kenya favours men. Similarly the district agricultural officer from Central Kenya says that women are not restricted in coffee participation per se but rather in land ownership that limits their involvement in the coffee cooperative.

“Women are not restricted in the level of participation they have on cooperatives, however land rights have not favoured them in the past, given cultural norms, but with the new constitution things are changing. Women do participate greatly in the cooperative movement just at a different level than men. Women are highly involved in coffee production”.

The dichotomy between coffee participation and land is not to very clear, and perhaps this is where the Kenyan view disagrees with the ‘western view’ (mentioned by two key informants). The Kenyan view may not see the need for a woman to own her father’s land because of the cultural values attached to marriage. The New Kenyan Constitution passed in 2010 seems to agree with the western view on land rights, which promotes women’s right to land. A Member of Parliament from Central Kenya is a strong proponent on the issue, he explains below the limitation women face when participating in the coffee sector in Central Kenya.
“Yes, women are limited in their participation in the cooperative movement in Gatanga. The patriarchal system plays a major role in limiting women from participating in the coffee cooperative movement.”

On the surface all Key Informants credited women as having made the greatest contribution to the coffee production process. However they alluded to the fact that the level of participation women possessed was limited after they delivered coffee to the factory for primary processing. After that, the ‘bulk’ of the work was left to men, who were to collect coffee payment in due time, and allocate it to their families. Similar sentiments by key informants were shared on the level of participation youth had on the cooperative sector. A quote by the government official helps to shed light on what the coffee industry thinks about youth involvement in the sector.

“Youths want to own farms faster than fathers are willing to divide land, making them feel that they are limited in the way they participate in the cooperative sector.”

The Official from the Non-Profit reiterates what was said by the government official. He claims youth face similar resistance as women in land ownership in rural Kenya in the quote below.

“The youth in the rural areas may have access to land but not ownership of it; therein they will not be able to be a member of a cooperative society.”

He bridges the dichotomy between coffee participation and land. He differentiates between access to land and ownership. Land ownership guarantees membership to the coffee cooperative society. Access to land only guarantees labour services offered to coffee, or ownership of other activities practiced on the land-with authorisation from the landowner.

The men (Husbands/ Fathers) on the other hand were said to have more entitlement to the coffee than youth and women. Their names appeared on the membership card of the cooperative society. The men collected the dividends from the cooperative society and attended the annual
general meeting. In this regard key informants found women’s participation limited as only members of the cooperative society were allowed to attend cooperative meetings.

Key informants agreed that although women were not restricted in coffee husbandry and there was a direct link between land ownership and cooperative membership. The link was land tenure; those who owned the land owned the coffee and were granted access into their respective cooperative society. Land in Gatanga was largely acquired through inheritance.

In Gatanga Kikuyu culture is practiced, and inheritance is a culturally determined process. Kikuyu culture is patriarchal, where sons and not daughters inherit their fathers’ land. The male heir’s name appears on the title deed. However women do have access to land. During their youth girls help on their family farms. Once a woman is married she belongs to her new family and she farms her new land that is in her husband’s name.

Nevertheless farming is not the same as control, and although women have access to land they do not have access into the institution (cooperative society) that aims to efficiently coordinate small-scale coffee farming with which they are dearly entrenched. Herein the reward for coffee is awarded to a man, whilst women take part in the production processes, men decide how they will allocate the coffee payment to their wives. A woman’s reward is left in the hands of a man. The organizational capacity of small-scale coffee farmers is successively interrupted by the subordination of women as labourers and not decision makers in the jointly controlled processes of coffee husbandry.

Men become decision makers, as they are the members of their cooperative society so they are able to attend meetings, vote and consequently receive payment for coffee production, a right many women are denied by their inability to secure a membership card. Youth like women are faced with a similarly challenging dilemma. Like women, youth have access to their family
land but because they do not own land they are barred from the membership at cooperative societies.

However things in Gatanga were changing, as is noted from the Member of Parliament’s quote below. He said most women currently participating in coffee cooperatives are widows who inherited their late husbands’ memberships. However some residents of Gatanga refrained from cultural norms dividing land equally between their sons and daughters. Those women with capital endowment were also able to purchase land and farm coffee and became cooperative members through land acquisition.

“… A woman’s husband seems to be in full control of the coffee crop. However things are changing. Fathers are subdividing land to their daughters and the numbers of widows and women who buy farms does continue to grow and so does their participation at meetings.”

4.4.2 Kenya’s Coffee Sector Dilemma

Figure 4.3 Themes attributed to Coffee sector problems

Figure 4.3 below shows major themes identified within the coffee sector in Kenya. These themes arose from key informant interviews with respect to what the major problems are with the coffee sector in Kenya. The major themes identified included the lack of good governance and a clear policy direction in the agricultural sector (good policy environment). Similarly a greying labour force in the coffee sector without replacement, and a need for sufficient marketing and branding of Kenyan Coffee internationally was apparent. By and large key informants felt that the support given to coffee cooperatives was inadequate.
The Non-Profit Official felt that the government policy was often confused as to how much the government should support cooperative societies. The tug of war between policy following a free market coffee sector, and one that was more state controlled often took centre stage, which muddled the cooperative culture that small-scale coffee farmers were used to. An era of impunity helped exacerbate the situation further by allowing for corruption to infiltrate top levels of the coffee sector. His quote below helps to expound on the situation.

“... New policies to reform the coffee sector allowed for major players in the coffee sector with vested interests to dominate top positions in the coffee sector. Examples include very large-scale coffee estates/companies holding key positions in coffee board and determining coffee prices at the auction. Major market players are given licences to market coffee independently through brokers which has caused widespread cherry hawking.” (Cherry Hawking is the sale of coffee cherries in the black market. Coffee cherries are often stolen from cooperatives/farms or sold illegally by them to unscrupulous middlemen, who sell coffee to cartels that have access to foreign and domestic market prospect)

Poor governance that accepted a culture of impunity to flourish and has reduced the support coffee cooperatives receive from the government. Furthermore cases of theft and cartel dealings within a black market for coffee became established. Although it was evident that this was a stifling development the government has done little to bring these illicit factions to justice. In addition proactive coffee marketing has also taken a back seat role. This quote by the
agricultural officer offers to capture the inadequacy in marketing experienced in the coffee sector.

“Coffee marketing has caused major problems in the coffee sector middlemen seem to undercut farmers. By buying coffee at low prices from farmers and then selling at much higher prices on the international market. Cherry hawking is also a great problem that has caused much insecurity in central Kenya.”

The coffee auction is the only avenue for many cooperatives to sell their coffee. In spite of this the government has done little to brand Kenyan coffee and seek out alternate markets for Coffee that would fetch competitive prices through the auction. The government official speaks to the breakdown with marketing at cooperatives.

“Farmers do not follow through with the value chain so they are underpaid a large amount of the time. Farmers/cooperatives should market their coffee directly to the world market.”

The government official also speaks to the growing labour shortages in the coffee industry. He says that coffee is threatened by youth who have abandoned the crop in the quote below.

“Major problem with the coffee is the shrinking labour force. Older farmers account for the majority of coffee farmers but lack younger farmers to replace them after retirement.”

The high age of coffee farmers threatens the future of coffee farming in Kenya. Youth are turning away from agriculture in general and more specifically traditionally farmed cash crops, by either substituting coffee for horticultural activities, such as fruit, vegetable and flower farming or to other industries in urban spaces. The rural economy may collapse entirely in years to come if there is a lack of replacement labour. The non-profit official gives the mean ages for farmers in Kenya in the statement below. He alludes to a future crisis if nothing is done to replace the large numbers of old age farmers with younger farmers.

“The average age of a farmer in Kenya is 60 years whilst the average age of a coffee farmer is 75 years and the average age of a horticulture farmer is 45 years.”
However key informants say that the quandary found within the coffee sector can be reversed and solutions to this goliath are addressed in the next section.

**4.4.3. Proposed Solutions to Alleviating Kenya’s Coffee Sector**

Key informants saw the aforementioned government inadequacies on the coffee sector as the hindrances obstructing the development of the sector. They advocated for more government support to improve the coffee sector in Kenya. They believed that government should put in place those agricultural policies that would encourage small-scale farmers to grow coffee. Such policies would mean greater government investment in rural areas or in the cooperative sector.

The government official proposed increased electrification in rural areas as a venture the government could follow in hopes of enhancing coffee processing. Processing would then move from the primary processing to secondary processing that would involve roasting coffee. Herein coffee would fetch a higher price from value addition in global markets. The Member of Parliament in the statement below shared the same view.

“They should invest in processing equipment rather than selling the coffee green, they can sell it roasted (processed) which will fetch a better price. They should also search out global retailers and market their coffee directly thereby cutting out middlemen. However all this is only possible with the support of the government encouraging coffee cooperatives and providing the necessary infrastructure to the small scale coffee farmers.”

Like the Member of Parliament the non-profit organisation official felt that the government should improve the marketing techniques it uses to market Kenyan coffee. “Kenyan coffee is of higher quality worldwide and the government needs to market this niche”. He also suggested alternative organization of small-scale farmers, as another strategy the government should consider.

“It would make more economic sense to do away with fence lines for small-scale farmers. They would then grow their coffee on estate style (one large farm) as opposed to cooperatives, which currently does not take advantage of the economies of scale at the production stage.”
Tentatively the future exhibits problems that would arise from a lack of farmers. An elderly farmer population without the support of youth entrenched in agriculture, would mean the collapse of Kenya’s coffee sector. The agricultural officer emphasized the need to address the issue of labour, saying, “cooperatives need to find youth activities that can attract youth into the coffee sector”. He proposed intercropping crops that youth are interested in as a panacea, which would curb the lack of youth in participation in the coffee cooperative movement.

The government official favoured this solution and suggested government policies that would enable the youth to join agriculture at a tender age allowing them to gain skills to take coffee farming to the next level. He also suggested the amalgamation of coffee cooperatives with others such as dairy.

“The merging of cooperatives is a similar strategy that can be used diversification of agricultural activities on a coffee farm to improve farm output.”

Nonetheless because of the dire state the coffee sector is in, the government may seek the promotion of crops that grow well with coffee. This would lure more youth into agriculture because they would make more money from farming a variety of cash crops with different payback periods throughout the year.

The Member of Parliament said that to improve the coffee cooperative sector small-scale farmers needed to be provided with farm inputs that would enhance their productivity. As can be seen from his remark below,

“The government should support coffee cooperatives as much as they can in making farm inputs available at affordable prices to the small scale farmers.”

According to Key informants most of their solutions spoke to addressing a lack of government support. The current structures in place in the cooperative sector needed both policy changes at national level but also at the cooperative level. Enhancing the coffee cooperative
sector would require an overhauling process, which would bring members of the cooperative sector as well as government and other key stakeholders to the table. They would then be able to formulate solid policies that would improve the participation of small-scale farmers a productive coffee sector. Cooperatives would then produce quality coffee that would attract retailers from around the world who would buy Kenyan coffee at a competitive price.

4.5. Qualitative Summary

The table below summarises this chapter with those issues that were discussed by cooperative members and key informants on the coffee cooperative sector in Kenya. A lack of support on the coffee cooperative sector from major stakeholders is lacking and a need for better cohesion between stakeholders is required to improve the small-scale coffee farming. Although this chapter touched on cooperative participation, more emphasis will be paid to participation in the quantitative section, which will link the discussion of participation in the qualitative section with those issues that emerge from measuring the level of participation in quantitative section.

Table 4.7 Crosscutting Issues Raised by Key Informants and Cooperative Members

<table>
<thead>
<tr>
<th>Issues</th>
<th>Cooperative Member Responses</th>
<th>In-depth Interview Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Support</td>
<td>Members felt that the government had abandoned the coffee sector in Kenya and needed to improve its support.</td>
<td>Key informants felt that the government needed to increase the support it gave to the coffee cooperative sector Through the provision of proactive policies that encourage youth participation as well as infrastructural and cooperative structure amendments.</td>
</tr>
<tr>
<td>Coffee Pricing</td>
<td>Members felt that coffee was poorly priced especially from the “factory gate price”. They knew the global prices of coffee were</td>
<td>Key informants raised the issue of prices and linked it to the lack of processed coffee. They suggested that if cooperatives roasted</td>
</tr>
</tbody>
</table>
high but could not understand why prices on the ground were so low. They also called for the crackdown of illicit cartels and unscrupulous middlemen as a price ‘control’ measure. Coffee they would be able to sell coffee at high prices. They also linked poor prices to the current state of the coffee auction that is downplayed by large coffee sector players having key positions in the coffee board.

### Farm Inputs

| Members felt that supply of superior farm inputs such as agrochemicals was insufficient. The felt that their cooperative with the help of the government needed to seek out good farm inputs at lower prices. | The member of parliament felt that the government needed to provide superior agro-chemicals to farmers at affordable prices in order to enhance coffee productivity. |

### Marketing

| Members felt that marketing of coffee was mainly the responsibility of their cooperative. However cooperatives needed the government to provide information and more opportunities for cooperatives to sell coffee directly internationally. | Key informants felt that cooperatives needed to brand Kenyan coffee and seek out international markets. |

### Insecurity & Corruption

| Members felt that the coffee sector was under attack from corruption. Their cooperatives had become ripe with graft. More auditing of the cooperative sector by the government was needed to reduce corruption at societies. Better security was also required at factories; members attributed insecurity to the high levels of impunity in the country. They blamed cartels by powerful individuals in the sector and a growing black market for coffee for Cherry Hawking and theft. | Although key informants addressed the poor state of coffee cooperatives on array of factors, Cherry Hawking and a lack of fair play at auction were posed as outcomes of corruption. In their solutions to tackling the coffee sectors dilemmas they did not discuss the reduction of corruption as an option. |
CHAPTER FIVE
QUANTITATIVE FINDINGS: MEASURING MEMBER PARTICIPATION AT NEW GATANGA COOPERATIVE SOCIETY

5.1 Introduction

Descriptive measuring statistics analysis has been employed in this chapter to describe the socio-economic characteristics of respondents from the New Gatanga Coffee Cooperative Society. Different tests of significance have been used to determine whether the proposed hypotheses explain how cooperative socio-economic characteristics affect cooperative participation levels at the New Gatanga Cooperative Society. Additionally Correlations were utilized to explain some interesting relationships found in key variables. Principal Component Analysis was also used to identify factors that members felt influenced meeting attendance considerably.

5.2 Quantitative overview

This chapter uses data analysis techniques to expose barriers small-scale coffee farmers face in participating in the coffee cooperatives, as well as some overarching problems present in the coffee cooperative sector. Socio-economic characteristics of cooperative members were presented together with the results of the proposed hypothesis. This chapter discusses the importance of the relationships found between the chosen variables and their implications on the importance of cooperative member participation.
5.3 Demographic Information

Figure 5.1. Educational Attainment (n=190)

Most of the members had a primary school and high school level of education. Only 2% of members had a college or university education. No significant difference was found between the participation of members with different levels of education. However because there was little disparity between members who received a higher education and those with primary and high school it was difficult to predict whether a higher education resulted in higher level of participation at cooperative meetings. I rejected the hypothesis that stated that members with higher levels of education attend more meetings than those with lower levels of education. However the table below reveals that members with higher levels of education receive higher incomes from coffee.
Table 5.1 Crosstabulation between Education Level and Income

<table>
<thead>
<tr>
<th>Highest educational attainment</th>
<th>Income</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No Formal</td>
<td>Primary School</td>
<td>High School</td>
<td>College Diploma</td>
<td>Non-Formal Education</td>
</tr>
<tr>
<td>Low Income</td>
<td>9 (4.7%)</td>
<td>78 (41.5%)</td>
<td>51 (26.8%)</td>
<td>0 (0.0%)</td>
<td>6 (3.2%)</td>
</tr>
<tr>
<td>High Income</td>
<td>1 (0.5%)</td>
<td>12 (6.3%)</td>
<td>29 (15.3%)</td>
<td>3 (1.6%)</td>
<td>1 (0.5%)</td>
</tr>
</tbody>
</table>

Table 5.1 shows difference between the incomes levels of cooperative members with different levels of educational attainment. Most members earn a low monthly income (Coffee payment/12 months) from coffee. In fact all the members that receive low income from coffee (less than KSH 5000 a month) do not have post secondary education. All the members with post secondary education receive high income from coffee.

Figure 5.2 Marital Status (n=189)

Figure 5.2 shows the marital status of members of the New Gatanga Cooperative Society. Most members of the cooperative were married, 7% of members were widowed whilst 5% were single and only a member was divorced. The Mann Whitney Test of significance revealed no
significant difference in participation levels of those members who were married compared with non-married members.

Figure 5.3 Age Variation among Members (n=189)

Figure 5.3 shows the age variation among members at the New Gatanga Cooperative Society, most members of the cooperative are between the ages of 40-80. Though there were more members in the 41-60-age category. The average age of members was 57.8 years. The youngest member was 24 and the oldest members were 85 years of age. A Mann Whitney test revealed no significant difference between the level of participation and the age of a member at the cooperative. Therefore older cooperative members do not attend more meetings than younger members, as the hypothesis suggested.
Most cooperative members had spent 30-40 years or more than 40 years as cooperative members. These members had all joined the cooperative before the 1980s, where Kenya had experienced a coffee boom however a large number of members had joined the cooperative society between the year 1990-2000. However cooperative members who had been members of the cooperative for 10-20 years are the largest single group. These members all joined during the coffee slump period in Kenya. A Chi-Square test of significance revealed no significant difference found between the number of years spent as a member and the level of member participation at the cooperative society. Therefore the number of years as a member did not affect the number of times cooperative members attended meetings, as was stated in the proposed hypothesis.
Members of the cooperative had small plots of land where they farmed coffee. Most members had half an acre or less. A Chi-Square test did not reveal a significant difference between the level of participation at the cooperative society and the land size members held for coffee production. There was little disparity in farm size amongst members which could explain the lack of significance found in the sample. The hypothesis stated that members with more land
under coffee production attend more meetings than those with less land under coffee production, but this was not evident from our results.

Table 5.3 Mann Whitney Test of Difference: Executive Membership and Attendance

<table>
<thead>
<tr>
<th></th>
<th>Frequency (n)</th>
<th>Percentage (%)</th>
<th>Mean Rank</th>
<th>Sum of Ranks</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Attendance</td>
<td>97</td>
<td>51.3</td>
<td>90.29</td>
<td>8758.50</td>
<td>.038</td>
</tr>
<tr>
<td>High Attendance</td>
<td>92</td>
<td>48.7</td>
<td>99.96</td>
<td>9196.50</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>189</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Conducting a Mann Whitney test revealed that executive members had a significantly higher level of participation than non-executive members. I therefore agreed with the hypothesis that stated that members with positions (titles/rank) in the cooperative attend more cooperative meetings than non-executive members. Executive cooperative members are more aware of cooperative meetings than non-executive members. Speaking to executive members in the field revealed that most of them belonged to sub-committee groups in the cooperative. These groups are responsible for information dissemination of extension services offered by the government or NGOs. Executive members are by default responsible for most meetings held throughout the year.
Income received from coffee sales per month (annual payment/month) was low. A quarter of members reported having less than 1000 shillings (aprox. 10$ CAN) a month from coffee (which is less than a dollar a day for a month). Half received between 1000-5000 shillings a month (aprox. 10-50$ CAN). 12% of members received between 5000-10000 shillings a month (aprox. 10-50$ CAN). Similarly only 12% received more than 10,000 shillings a month (over 100$ CAN a month). A Chi-Square test of significance revealed no significant difference between the income and the level of participation at cooperative meetings. I therefore do not agree with the hypothesis that states that members with higher gross farm sales attend more cooperative meetings than those with lower gross farm sales.
Table 5.4 Cross Tabulation between Sex and Income (n=190)

<table>
<thead>
<tr>
<th>Sex of Member</th>
<th>Low Income</th>
<th>High Income</th>
<th>Total</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>105 (72.9%)</td>
<td>40 (87.0%)</td>
<td>145 (76.3%)</td>
<td>.051</td>
</tr>
<tr>
<td>Female</td>
<td>39 (27.1%)</td>
<td>6 (13.0%)</td>
<td>45 (23.7%)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>144 (100%)</td>
<td>46 (100%)</td>
<td>190 (100%)</td>
<td></td>
</tr>
</tbody>
</table>

Conducting a Chi-Square test revealed that there was a significant difference between the level of income and the sex of member. Men cooperative members received significantly higher income from coffee than women members. While there was no significant difference found in the participation level between women and men members one of the hypothesis stated that members with higher gross farm sales had higher levels of participation. Therefore because there are more men at the cooperative society, men’s levels of participation at the cooperative society will be higher than that of women.

Figure 5.7 Percentage of farm income spent on farm inputs (n=189)
Farm input costs accounted for a large amount of the income members received from coffee. 20.1% of member reinvested between 31-49% of the income they received from coffee back into farm inputs used to produce coffee crop. 36.5% of members reinvested more than 50% of their income back to coffee production. 43.4% of these members invested less than 30% of their income into coffee. For coffee production to be more profitable for member’s cooperative must work to reduce farm input cost. The more money cooperative members make from growing coffee I anticipate the higher the level of participation witnessed at their cooperative society.

Table 5.5 Fertilizer Usage

<table>
<thead>
<tr>
<th>Fertilizer Usage (Inorganic)</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>79</td>
<td>41.6</td>
</tr>
<tr>
<td>Sometimes</td>
<td>99</td>
<td>52.1</td>
</tr>
<tr>
<td>Never</td>
<td>11</td>
<td>5.8</td>
</tr>
<tr>
<td>Total</td>
<td>189</td>
<td>100</td>
</tr>
</tbody>
</table>

Fertilizer was the most important farm input for farmers its use was high among members. Only 5.8% of farmers reported to never using fertilizer. Fertilizer usage was influenced by the cost and availability of fertilizer, as well as income received from coffee. A reduction in the cost of fertilizer ceteris paribus, would result in an increase in coffee output for members, ceteris paribus.

Table 5.6 Advisory Services
Most cooperative members used Extension services only 12.1 % of members reported to never using extension services. Their cooperative society as well as NGOs and the government offered extension services. These services for the most part were offered through meetings, which members had to attend to procure services. Those farmers who failed to use extension services missed out on numerous cooperative meetings, which reduces the level of participation found at their cooperative society.

### 5.4 Participation at New Gatanga Cooperative Society

#### Table 5.7 Attendance the Cooperative Society

<table>
<thead>
<tr>
<th>Attendance Level</th>
<th>Frequency</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Attendance</td>
<td>97</td>
<td>51.3</td>
</tr>
<tr>
<td>High Attendance</td>
<td>92</td>
<td>48.7</td>
</tr>
<tr>
<td>Total</td>
<td>189</td>
<td>100</td>
</tr>
</tbody>
</table>

Participation at the New Gatanga Cooperative Society was low. 51.3% of member’s attendance to cooperative meetings was low. These members attended one or two meetings a year or none. However 48.7% of members exhibited high attendance where they attended three to six meetings a year.

#### Table 5.8 Participation by Sex

<table>
<thead>
<tr>
<th>Advisory Service Use</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>42</td>
<td>22.1</td>
</tr>
<tr>
<td>Sometimes</td>
<td>124</td>
<td>65.3</td>
</tr>
<tr>
<td>Never</td>
<td>23</td>
<td>12.1</td>
</tr>
<tr>
<td>Total</td>
<td>189</td>
<td>100</td>
</tr>
</tbody>
</table>
The average number of times members attended meetings was 2.85 in a year. Most members attended the AGM, nevertheless an average of six meetings was held each year for extension purposes. The average number of meetings members attended was below half of the average number of meetings held each year. Attendance among members of the cooperative was low.

Conducting a Mann Whitney Test revealed that there was no significant difference between the attendance of men and women members. Therefore I do not agree with the hypothesis that stated that male members of coffee cooperatives attend more meetings than women members. However our sample had a smaller number of women observations than men.

**Table 5.9 Contribution at Cooperative Meetings**

<table>
<thead>
<tr>
<th>Contribution at Meetings</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never</td>
<td>86</td>
<td>45.5</td>
</tr>
<tr>
<td>1</td>
<td>54</td>
<td>28.6</td>
</tr>
<tr>
<td>2</td>
<td>32</td>
<td>16.9</td>
</tr>
<tr>
<td>More than 3</td>
<td>17</td>
<td>9.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>189</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The Majority of members contributed to decision making at cooperative meetings. However, similar to attendance at the cooperative society about half of the members exhibited low levels of participation, 45.5% of members never contributed during meetings. Conducting different tests
of significance revealed no significant difference found in the level of contribution between sex, age, income, and education.

**Table 5.10 Perception of respondents about Cooperative Members Level of Participation**

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inactive</td>
<td>32</td>
<td>17</td>
</tr>
<tr>
<td>Active</td>
<td>156</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>188</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 5.10 shows what cooperative members thought about the participation levels of other members in their society. Seventeen percent of members felt that most members of their cooperative society were not actively participating in their cooperative. However, 94% of members thought they were active members who participated in cooperative society. Similarly 4.7% of members felt that they were not active members of their cooperative society.

**5.5. Variables Exhibiting Statistically Significant Relationships**

**Table 5.11 Correlation between Participation and the Importance of meetings to reducing corruption**

<table>
<thead>
<tr>
<th>Participation</th>
<th>Spearman’s Correlation</th>
<th>How important is the attendance of meetings to reducing corruption</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>0.16*</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.03</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>188</td>
</tr>
</tbody>
</table>

Table 5.11 displays a positive relationship between the numbers of times cooperative members attended meetings and how important members felt their attendance of meetings led to the reduction of corruption in their cooperative society.
Table 5.12 Correlation between Education and Income, and the importance of meetings to improving Coffee Quality

<table>
<thead>
<tr>
<th>Education</th>
<th>Spearman’s Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.23**</td>
<td>0.00</td>
<td>190</td>
</tr>
</tbody>
</table>

Table 5.12 displays a positive relationship between the education level and the income levels of members.

Table 5.13 Correlation between Income and Land Occupied by Coffee, and the Annual Farm Input Cost

<table>
<thead>
<tr>
<th>Income</th>
<th>Land occupied by Coffee</th>
<th>Annual Farm input cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.15*</td>
<td>0.25**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.04</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>188</td>
</tr>
</tbody>
</table>

Table 5.13 displays a positive relationship between member income and the amount of member land occupied by coffee and their annual farm input costs. As member income increases so too does a members input cost on the crop as well as the area of coffee farmed by a member. The availability of land a cooperative member posses dictates their total farm sales.

Table 5.14 Correlations between Age of a Member and Years Spent as a Member, and Land Occupied by Other Crops

<table>
<thead>
<tr>
<th>Age of Member</th>
<th>Years spent as a member</th>
<th>Land occupied by other crops</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.74**</td>
<td>0.25***</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>188</td>
</tr>
</tbody>
</table>
Table 5.14 displays a positive relationship between the age of member and the years spent as a member as well as the land occupied by other crops. The older you are, the higher the chances that you have been a member of a cooperative for a longer period than younger members.

5.6. Member Perception on the Importance of Meetings

**Table 5.15 Factors that Underlie why Respondents Attend Meetings**

<table>
<thead>
<tr>
<th>Importance of Attendance</th>
<th>Community Development &amp; Coffee Quality</th>
<th>Coffee Productivity</th>
<th>Livelihood Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Building</td>
<td>0.685</td>
<td>0.164</td>
<td>-0.098</td>
</tr>
<tr>
<td>Improving Coffee Quality</td>
<td>0.658</td>
<td>-0.359</td>
<td>0.145</td>
</tr>
<tr>
<td>Improving Status in the Community</td>
<td>0.657</td>
<td>-0.125</td>
<td>0.104</td>
</tr>
<tr>
<td>Reducing cost of production</td>
<td>0.312</td>
<td><strong>0.525</strong></td>
<td>0.116</td>
</tr>
<tr>
<td>Development of New Business Idea</td>
<td>0.167</td>
<td>0.463</td>
<td><strong>0.604</strong></td>
</tr>
</tbody>
</table>

**Table 5.16 KMO and Bartlelts Test**

<table>
<thead>
<tr>
<th>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</th>
<th>.723</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td></td>
</tr>
<tr>
<td>Approx. Chi-Square</td>
<td>237.064</td>
</tr>
<tr>
<td>df</td>
<td>55</td>
</tr>
<tr>
<td>Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

The Principal Component Analysis (PCA) was used to identify those factors that cooperative members felt were important in determining their attendance to meetings from a Likert scale with eleven items\(^2\). PCA reduced the eleven items to five underlying factors that loaded heavily and have been highlighted in table 5.15. The percentage of variance for component one was 23.735; the percentage of variance for the second component was 12.976.

\(^2\) The eleven items from the Likhert Scale can be found on the questionnaire pp 122
Component three had a percentage variance of 10.011, 47% of variance was explained by the three components. These components were categorized into three groups. Component one was identified as community development and coffee quality because community building, improving status of the community and improving coffee quality loaded heavily, on the importance members place on meeting attendance.

The attendance of meetings was most important to members if matters of community building, improving status of the community and improving coffee quality were addressed at meetings. Coffee productivity was identified as the second component that was a result of the importance members placed on the reduction of costs of coffee production for coffee. The third component was identified as livelihood security. Livelihood security was adopted from the importance members placed on the discussion of new business ideas at their cooperative meetings. In an era where coffee production had declined it was important to discuss alternate business ideas that members could pursue to substitute for the fall in their coffee income.

5.7 Quantitative Summary

Cooperative member participation at the New Gatanga cooperative society was low. The data indicated that approximately 50% of sampled members had low attendance. The sampled members felt that 17% of the cooperative members were inactive. So even if there were members attending cooperative meetings it did not mean that they are active coffee farmers but only that at a point in time they produced coffee.

I did not accept a number of hypotheses posed in this study that proposed that participation levels at cooperative meetings were affected largely by the socio-economic standing of cooperative members. Hypothesis were not accepted because participation levels are
very low at New Gatanga, so that the socio-economic characteristics of a cooperative does not affect. I found that participation at New Gatanga Coffee Cooperative was based primarily on coffee production and a range of societal factors that influenced the willingness of cooperative members to attend cooperative meetings.

Among the factors corruption at the cooperative, rank/title in the cooperative, and the capacity for coffee productivity by cooperative members were fundamental findings limiting the ability for cooperative member participation. Chapter six discusses barriers facing cooperative member participation at New Gatanga Cooperative Society as reasons for the low attendance witnessed in coffee cooperatives in Kenya.
6.1 Introduction

The results from the qualitative and quantitative chapter indicated that most cooperative members attended few cooperative meetings throughout the year. Reasons for the low levels of participation were blamed on a number of factors identified in the findings chapters. Principally four themes were identified:

Figure 6.1 Factors Responsible for Low Member Participation Levels at Coffee Cooperatives in Kenya

The aforementioned themes in Figure 5.1 will be presented in this chapter as subtopics. A number of issues fall under the following themes, however for purposes of organization the following themes act only as an umbrella to intricacies of the area under discussion in this study. This chapter endeavored to seek out those issues that restricted the participation of cooperative members from their societies. Cooperative member participation was earlier identified as a requirement needed for the proper running of a cooperative society.
6.2 The Participation Void at the New Gatanga Cooperative Society

Coffee Cooperatives provide self-employment opportunities for small-scale coffee farmers. The act of collectivism by small-scale farmers is seen as an affirmative move that can lead to the production and sale of premium coffee, which in turn translates to the improved livelihoods of coffee farmers. Research by Jennings linked employee participation in decision making with job satisfaction and performance (Jennings, 2000). The lack of member participation at New Gatanga Cooperative Society implies a lack of job satisfaction and participation experienced by cooperative members.

This was evident from the low operation capacity witnessed at the cooperative factory and the low level of coffee husbandry by members of the cooperative. The lack of solidarity in a self-help organization like a cooperative limits the ability for a cooperative to achieve its proposed goals. For New Gatanga that goal is to maximize the production of premium coffee that it sells. This goal is under threat from the low levels of participation found at the cooperative. The following sections discuss those factors that this study found limited cooperative member participation at New Gatanga Cooperative Society.

6.3 Corruption and Impunity: Vices that Forward Paternalist Discourse

The somber mood of respondents during interviews gave away their feelings of disappointment towards the coffee sector in the country. Key informants and cooperative members who partook in the study identified corruption in the coffee sector as major let down creating insecurity, distrust and inequity at cooperative societies. Cooperative members attributed corruption in the coffee sector as an outcome stemming from ignorance by the government on small-scale coffee farming. Reduced government support given to coffee
cooperatives over the years without the consent or input by small-scale farmers has left coffee cooperatives functionally inept.

In this regard the government continues to uphold the belief that cooperatives are production agents in the coffee sector rather than partners in the process of coffee production. Therein the government continues to perpetuate the paternalistic discourse that sidelines the voice of the small-scale farmers in coffee sector policy implementation. Further damaging the coffee cooperative institution is the government acceptance of vices such as corruption, which aid the disablement cooperative functionality.

The Kenya Anti-Corruption Commission defined corruption as hidden deception that creates unethical conduct, which in turn destabilizes social safety nets (Kenya Anti-Corruption Commission Strategic Plan, 2009-2013, 2009). Viewing a coffee cooperative as a safety net for small-scale coffee farmers portrays how farmers can lose faith in their cooperative as a result of corruption. Corruption works to reduce the level of trust in an organization hence increasing skepticism; Wang linked the level of trust in an organization to its welfare (Wang & Wan Wart, 2007). Results from quantitative and qualitative analysis in this study corresponded with Wang’s view.

Members of the New Gatanga Coffee Cooperative Society illustrated through interviews that corruption affected the level of participation witnessed at their cooperative society. Similarly running a correlation analysis revealed a statistically significant relationship between the numbers of times cooperative members attended meetings and the degree to which meetings led to the reduction of corruption in their society. Cooperative members were aware of corruption in their society and in the coffee sector. Participation levels have fallen as corruption levels increased in the society. This trend follows the government’s involvement in coffee cooperative
affairs over the past few decades. Prior to the implementation of liberalization policies in the agricultural sector in the late 1980s to date the Kenyan government played a more active role in the organization of the coffee sector.

Government acted as a regulator and overseer of cooperative affairs. The government used to provide key advisory services to coffee cooperatives. Among these services, the government sourced qualified staff for coffee cooperatives, equally ensuring zero-graft at the cooperatives. However, in the absence of government, wealthier cooperative members have hijacked cooperative management. Nepotism and tribalism are common strategies employed to assist the members in ascending to top levels of the cooperative hierarchy. This situation has undermined the cooperatives ability to carry out its goals, as decision-making is often swarmed with political patronage tolerated by high corruption levels.

Reduced government involvement in the marketing and pricing of coffee produced at cooperatives has endorsed the amelioration of corruption pedigree in the coffee sector. This move by the government has enabled cooperatives to sell coffee independently. The window for self-marketing of coffee by cooperatives has allowed cooperatives to choose and negotiate prices with buyers of their choice. This unregulated environment has led to the rise of middlemen who buy green coffee from cooperatives and sell it to millers, exporters and coffee cartels.

Middlemen have been accused of exploiting cooperatives and small-scale farmers. Instead of coffee farmers, middlemen capture the bulk of the income generated from coffee. Cases of theft and cartel dealings within a black market are often observed. Cherry hawking has become the order of the day promoting theft through the collusion of cooperative staff with illegal coffee cartels and middlemen, leaving small-scale farmers with little to no returns for their coffee.
Coffee cartels are organized by wealthier more connected individuals in society who continue to steal from the poor, but because of impunity few people have been caught for the offenses. Without the proper regulation in the coffee market coffee trade has become a game of fortune. Perpetuating criminal activities in the coffee sector as global coffee prices rise, however government has done little to bring these illicit factions to justice. Inadvertently the government has allowed large stakeholders who are already in the coffee sector such as millers, exporters and large estate farmers into key positions of the coffee board, coffee auction and other decisive coffee sector instruments.

Individuals in the coffee industry with significant pull control the coffee auction in Nairobi, which is a breach of conduct. Vested interests in the coffee sector intimate foul play. Under such conditions it would not be ‘blasphemous’ to say that small-scale farmers are at the mercies of their government when it comes to dealing with issues of corruption and impunity. Small-scale farmers are treated as only producers of coffee crop but not the real beneficiaries of the commodity. Small-scale farmers become a peasant class, producing coffee for the benefit of the elite, who have managed to secure the bulk of market power undemocratically.

The government refuses to acknowledge the need for farmers to take full control of the coffee process. There has been little effort to encourage small-scale producers of coffee to add value to their coffee or seek better markets directly where their coffee can catch higher prices. The small-scale farmers have been reduced to being mere workers who receive wages through the coffee they produce on their land, whereas coffee millers share the real profits with exporters and middlemen who are all based in Nairobi. The state of the coffee cooperative sector is appalling and the trend has helped to demoralize small-scale farmers.
Cooperative members assist Kenya to meet its much-desired quota that places her as a major coffee producer in Africa. How can one think there is prestige associated with coffee production when the actual coffee producers face overwhelming hardships? The government took a more back seat role in supporting small-scale farmers as a prerequisite to liberalization. However liberalization has worked against the interest of small-scale coffee farmers. Liberalization has allowed corruption to infringe on cooperative welfare. Corruption has caused distrust and an undemocratic environment at coffee cooperatives, as a result capping the potential level of member participation realized at cooperative societies.

6.4 Coffee Productivity: The Agrochemical Fiasco at Cooperatives

The cost of production for coffee in Kenya is higher than many other coffee producing nations that produce similar grades of coffee. In Kenya it is estimated that a kilogram of coffee (fob) costs US$ 1.73 compared to US $ 1.30 per Kilogram in Columbia and US $ 1.38 in Costa Rica (Poverty and Social Impact Assessment, 2006). This fiasco has been made possible by a number of factors that have ultimately caused the disinterest of coffee farming by small-scale farmers.

The low availability of farm inputs is impeding upon the productivity of coffee by members of the New Gatanga cooperative society. To catch higher coffee prices cooperative members need to produce premium coffee at low cost. The use of quality agrochemicals such as fertilizers, pesticides and herbicides on their crop allows farmers to produce quality coffee. Members in Gatanga farm on the most fertile land in the country for the production of premium Arabica coffee. Without the proper farm inputs coffee productivity is at risk from disease, pests and unsurprisingly low yields.
The qualitative analysis revealed that cooperative members did not have ample fertilizer in storage at their factories to meet their crop needs. The fertilizers offered at the factories were expensive and of low quality. Members who choose to use factory fertilizer had to pre-order it, more than often the fertilizer runs out for members who fail to make orders on time. Pesticides, fungicides and herbicides are also ordered by the cooperative for member usage. The cooperative offered these services, by providing a sprayer (optional labourer) or spraying unit with the chemical required for the farmer at a cost. The costs of agrochemicals bought by farmers were deducted from their annual coffee payments.

The results showed that members who farmed smaller plots of coffee did not favour buying agrochemicals from the cooperative because they felt that if they purchase farm inputs this cost would deplete any earnings at the end of the year. The use of agro-chemicals from the cooperative was an alternative to either using inorganic components found at their farms i.e. manure, or the outsourcing of these chemicals from retailers at urban centres. Nonetheless buying the fertilizers from retailers was more expensive than cooperative procurement. However most members only used agro-chemicals sometimes because of the high cost incurred.

The inability for coffee farmers to use agrochemicals regularly reduced their productivity and limited the amount of premium coffee they could produce at the cooperative. Farmers wanted to use all the necessary inputs so that they could get a high payback for their coffee. However the cost of farm inputs was high for most members. The majority of members surveyed had less than an acre of coffee and received less than 5000 shillings a month from coffee (annual dividends from Coffee /per month).

Cooperative members grew coffee not out of its profitable nature but rather for its virtue. The crop had been a blessing many years ago but more recently it was becoming a curse. Coffee
is seen as a Kenyan jewel and for those who have it they must preserve it. Even so, members cannot leave on coffee alone and have to seek alternative survival strategies to buffer the low value of their output. Coffee production had once been a highly lucrative activity, which dissuades members from cutting coffee trees. Coffee farming has now become an unaffordable pastime for many cooperative members. Shifting focus from coffee farming to other income earning activities has lowered coffee productivity. With low returns received from an inferior crop members will not allow the allure of higher yields from the use of agro-chemicals to jeopardize their meagre earnings.

However for farmers to maximise their profits they must increase the use of inputs so as to produce high quality coffee. Coffee is sold by grade, which is determined by an array of factors determined by pre and postharvest conditions. To improve coffee quality farmers need to improve their pre-harvest techniques. Currently small-scale coffee farmers are faced with high input costs and low returns, making coffee farming unprofitable for many cooperative members.

6.5 Cooperative Membership: Youth, Sex and Land Tenure and the Lack of Kahawa Farmer Replacement

Cooperative membership is a requirement for the participation of small-scale coffee farmers in the coffee market in Kenya. By law farmers who farm less than five acres of coffee have to belong to a coffee cooperative. Coffee cooperatives offer extension services, marketing opportunities and the provision of critical farm inputs at low rates to farmers. Cooperative members own land which they farm coffee. However the study identified that women and youth face challenges in joining coffee cooperatives. At the same time women and youth are responsible for a large portion of coffee production at small-scale coffee farms.
Small-scale farmers largely acquire land through inheritance. Tradition dictates the transference of land to male children and women after the death of the male owner (Husband/Father), or the subdivision of land to married men. Membership certification is granted on the number of trees an individual has, on the number of coffee trees grown on land. Since women and youth coffee farmers have limited access to land they are not able to fully participate at their coffee cooperatives because they cannot acquire cooperative membership.

Women and youth forgo coffee husbandry advice, coffee price information, voting and the political agenda discussed at cooperative meetings. The barring of women and youth farmers from the cooperative meetings limits the organizational capacity of cooperatives to meet their proposed goals. By excluding women and youth cooperatives face the mountainous task of maximizing the production of premium coffee without the participation of key stakeholders.

Apart from the threat of underproduction as a result of low participation at cooperatives, cooperative organization risks collapsing as most of its members are in their retirement years. The average age of a Kenyan coffee farmer is 75 years (Key Informant 3: Coffee Expert), the average age of a cooperative member in this study is 57.7 years. Evidently most cooperative members have spent 30-40 years or more than 40 years as cooperative members. These members had all joined the cooperative before the 1980s, where they received tremendous support from the government.

Less than half of the New Gatanga member’s joined their cooperatives in an era of little government support and falling prices, although prices are on the rise it would be difficult to convince current members to invest in coffee farming or encourage others to join the cooperative movement. Participation restriction alienates youth farmers from coffee farming in the future. Youth become indifferent to coffee production and seek other occupational opportunities in
urban centers. More evident is the duality of this burden on female youths, who have fewer chances of owning land and farming coffee in the future.

Most youth have not witnessed the potential coffee cooperatives have to transform their lives; all they have is stories of the glory days from older farmers. The cordon by cooperatives of key stakeholders because of the land ownership requisite only helps to repel youth coffee farmers from continuing with the production of coffee. The exodus of youth from rural areas to urban centres in coffee zones in the country is an indicator that the coffee sector is no longer an appealing agricultural activity. Failure to have sufficient economic activities in rural areas to retain youth farmers threatens not only coffee cooperatives but also the social fabric ever-present in rural areas dependant on coffee farming.

6.6 Coffee Pricing and Marketing: *After Liberalization*

Since 1990 the Kenyan government has reduced its control over the coffee sector. Control of coffee marketing has shifted from a state controlled enterprise to market-oriented model. Nowadays cooperatives are able to choose their marketing agents unlike before when all cooperatives had to sell their coffee through the Kenya Planters Cooperative Union. Similarly a portion of coffee is allowed to bypass the auction and be sold directly to exporters. There are more marketing agents allowed to sell coffee, and the number has risen from three to twenty-five (Mude, 2006).

One would expect that in a free market enterprise that small-scale farmers would benefit from closer interaction with buyers. In spite of this market participation of cooperative members is still limited. Take for example the case of the coffee auction in Nairobi, which is now privatized. The coffee auction is now called the Nairobi Coffee Exchange (NCE). Eleven people
from the industry run the NCE six producers and five traders as follows: Three dealers, two commercial millers, three farmers representing large estates and three farmers representing cooperative societies (Kenya Coffee Producers and Traders Association, 2012). Cooperative Societies produce most of the Kenya’s coffee but represent less than a third of the seats at the coffee auction. This picture reveals fouls play that even though cooperatives produced more than half of Kenyan coffee they are not responsible for selling all their coffee. Liberalization has facilitated higher levels of bureaucracy in the coffee market. Instead of cooperative members dealing with one organization they deal with different middlemen who are also trying to make a buck. This has worked to distance the cooperatives from cooperative retailers. The table below helps to explain the inequity in coffee prices cooperatives receive compared to other market agents in the coffee sector.

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>3.35</td>
<td>33.00</td>
<td>14.51</td>
<td>7.50</td>
<td>70.00</td>
<td>26.50</td>
</tr>
<tr>
<td>2004</td>
<td>3.00</td>
<td>31.00</td>
<td>16.89</td>
<td>6.00</td>
<td>50.00</td>
<td>28.00</td>
</tr>
<tr>
<td>2003</td>
<td>1.50</td>
<td>28.00</td>
<td>12.68</td>
<td>12.00</td>
<td>12.00</td>
<td>12.00</td>
</tr>
</tbody>
</table>

(Poverty and Social Impact Assessment, 2006)

The current state of cooperative marketing exemplifies reasons for the poor prices offered at cooperative societies, justifying the boycott by cooperative members to meetings. The results indicated that members felt that coffee was poorly priced especially from the “factory gate price”. Members knew the international prices for coffee were high but could not understand why prices on the ground were so low. Low prices were limiting the participation of cooperative members from participating at their cooperative. Many cooperative members I spoke to said they would fully return to coffee farming when prices improved.
However it is not entirely fair to blame the government for poor pricing cooperative themselves have been given the opportunity to locate retailers internationally and apply for licences to begin trade. Some cooperatives have taken advantage of this and have become certified. Certification through worldwide organic labels and fair trade allows cooperative coffee to catch higher prices. Certifying coffee lessens the effects of the marketing bureaucracy in place by bypassing middlemen and the auction. Other avenues include having contracts directly with international coffee retailers such as Nestle or Starbucks.

Nevertheless with few educated members in cooperative societies it is difficult to achieve market penetration. Only 2% of cooperative members in the survey had a college or university education. The lack of educated members limits the ability of cooperative members to negotiate profitable deals with international coffee retailers. Cooperatives members require proactive government interventions to strengthen their marketing efforts, so they can be able to freely explore world markets. Without the much-needed support, cooperative members reject focusing their efforts towards coffee production. This leaves coffee prices in the hands of a few middlemen and auctioneers, who are indifferent to the plight of small-scale coffee farmers.

6.7 Summary

This chapter discussed those areas this research identified as nuisances downplaying cooperative member participation at cooperative societies in Kenya. The shift to liberalization was an issue that appeared numerous times as a culprit relating to issues responsible for the low levels of participation witnessed at New Gatanga Cooperative Society. The themes touched on a number of issues that stemmed from the shift in Kenya’s coffee sectors to a more free market oriented system.
The lack of participation was seen as an obstructive force towards the promotion of premium cooperative coffee. The lack of participation was seen to reduce the organizational capacity of the cooperative institution, which in turn reduces cooperative output. As a result Kenya continues to miss out on the much-needed foreign exchange. Kenya remains a net importing nation; where increased coffee exports would only work to improve Kenya’s foreign exchange reserves, which would in effect, reduce the costs of living for many of her people. The cost of farm inputs would also fall; a flourishing cooperative sector would enhance the lives of thousands of Kenyan farmers.

However the coffee sector needs to mature from its current stagnation. The development of coffee cooperative capacity has to be achieved. So those cooperatives are able to handle the complex nature of the global coffee market. The collaboration of cooperative stakeholders is needed to deliberate, and mark the way forward for the coffee sector. These efforts can be implemented if the proper policies are put in place. The next chapter suggests steps that can be taken to ensure participation levels of small-scale farmers are improved.
CHAPTER SEVEN

SUMMARY OF FINDINGS, CONCLUSIONS, POLICY PRESCRIPTIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

7.1 Introduction

This final chapter presents a summary of findings, conclusions, policy prescriptions and recommendations for future research. The summary of findings shall give a brief overview of the entire thesis up to this point. Highlighting major themes in each chapter presented as a narrative. Policy prescriptions will be tailored to meeting both macro and micro level requirements to boost the organizational capacity of coffee cooperative societies in Kenya. Micro level policies will target the audience of coffee cooperatives nationally and their members, whilst macro policy will be aimed at government and NGOs as sector wide initiatives. Recommendations for future research will reveal drawbacks as well as newly identified objectives that can be followed up from this thesis.

7.2 Summary of Findings

The first two chapters revealed that over the past two decades Kenyan coffee cooperatives have experienced a decline in attendance of members to cooperative meetings. The boycott by members has led to a decline in cooperative member productivity, which has downplayed the organizational capacity of cooperatives around the country. This thesis endeavoured to find out why a large number of cooperative members were absent from meetings by seeking out those limiting factors obstructing cooperative member participation. Participation was introduced to this thesis as a component of organizational capacity.

Improving upon the organizational capacity of a coffee cooperative requires the participation of cooperative members, which would increase the overall efficiency of cooperative
operations. Attendance by all members to cooperative meetings would foster trust, and strengthen organizational capacity and solidarity at the cooperative. This would allow a cooperative to attain its goal of community development, through the maximisation of premium coffee via a democratically controlled process.

Qualitative results showcased the decline in cooperative participation at New Gatanga Coffee Cooperative society over the years. Members described how member participation was progressively lowered. Low participation levels negatively affected coffee yields, where the production of premium coffee declined at the same rate as participation. The decrease in participation was attributed to a decline in coffee productivity as a result of increased prices of farm inputs and a general stagnation of local coffee prices. Liberalization policies adopted by the government post 1980s allowed government withdrawal of key services it provided to cooperatives.

The vacuum in the cooperative sector created by liberalization allowed for corruption to permeate through both micro and macro levels of the coffee sector. As a result corruption increased at cooperative societies and member participation declined. Thereby member participation has suffered from the dilapidated state of the coffee cooperative sector, making cooperative members sceptical of their cooperative society and blaming the government for the lax stance it has taken towards securing the interests of small-scale coffee farmers.

Quantitative results exhibited the demographic characteristics of members of New Gatanga Cooperative Society through the use of descriptive statistics. Most members were found to be poor producing a small amount of coffee on small plots of land and receiving little income from coffee. The attendance at cooperative meetings was also found to be particularly low for most members, whereby most farmers chose not to contribute during meetings and attend less
than half of the required number of meetings in a year. Comparing participation with a number of different socio-economic characteristics revealed a significant difference between participation and rank in a cooperative. I accepted the hypothesis that stated that members with positions (titles/rank) in the cooperative attend more cooperative meetings. All other socio-economic characteristics found in the hypothesis did not affect member participation levels. This was found to be a result of the overall low levels of participation exhibited by most members of the cooperative society.

I also found a statistically significant difference between income and sex. Men made significantly higher income than women and members with higher education levels made significantly higher income from coffee than those with lower education levels. The Spearman’s correlation revealed a positive relationship between cooperative meeting attendance and the reduction of corruption at the cooperative society. Similarly conducting a principal component analysis highlighted that New Gatanga members placed a lot of importance on community development and coffee quality, productivity as well as livelihood security to be addressed at meetings to their willingness to attend meetings, as these factors loaded heavily in the component matrix.

Blending the results from chapters four and five helped to establish themes that I found impeded the participation of cooperative members in the New Gatanga Cooperative Society. Corruption and impunity, coffee marketing and pricing, coffee productivity and access to cooperative membership were all classed as barriers restricting participation to cooperative members. These factors were tied to the lax stance government has adopted towards supporting coffee cooperative in Kenya. Thereby more support from the government would assist in
revitalizing coffee cooperatives, and improving the lives of thousands of small-scale coffee farmers in the rural areas of Kenya.

This chapter is going to discuss corrective measures stakeholders in the coffee sector can adopt to ensure cooperatives improve their organizational capacity, by improving upon cooperative member participation. However the concluding remarks shall be made before I present the policy recommendations.

7.3 Conclusion

This study wanted to find out what barriers had more recently worked against limiting the attendance of coffee cooperative members at New Gatanga Cooperative Society. Using the New Gatanga Cooperative Society as a case study assisted me to model potential problems and solutions to the issue of cooperative member participation across the board, so as to remedy the coffee sectors slump in coffee production. A decline in premium coffee production was linked to a decline in organizational capacity. Reduced organizational capacity was attributed to a decrease in cooperative member attendance to the annual general meetings over the years, and vice versa.

The weakened capacity was blamed on a number of socio-economic characteristics. However there was room for exploratory research that suggested other reasons. Socio-economic characteristics were thought to be major barriers to cooperative member participation. These included members level of education, marital status, farm sales, land size, sex, rank or title in the cooperative and age of members, which were all, hypothesized to affect participation. However, after further analysis only marital status and rank in the cooperative exhibited statistical significance with participation levels.

I relied more on explanatory and qualitative data findings to unearth barriers that were
impeding upon member participation. Findings pointed to a lack of government support for
dilapidated coffee cooperatives. I did not ignore quantitative findings, which I combined to come
up with themes to those issues that were restricting cooperative members from attending
meetings. I found, small-scale coffee farmer willingness to attend coffee cooperative meetings
(cooperative member participation) was influenced by coffee prices, coffee marketing,
membership requirements, coffee productivity, cooperative management and corruption in the
coffee sector among other factors.

Improving upon the price of coffee, marketing by cooperative, small-scale farmer coffee
productivity and cooperative management should improve the willingness for small-scale coffee
farmers to attend cooperative meetings. On the other hand increasing the rate of corruption and
cooperative requirements should reduce the willingness to attend cooperative meeting by small-
scale farmers ceteris paribus. These factors do not act independently of other factors, or one
more dominant than another. Simply put these factors dominated the findings from the analysis
conducted in both qualitative and quantitative chapters of this thesis. Policy recommendations
have been drafted in the next section for the aforementioned factors.

In order to improve the livelihoods of small scale coffee farmers in Kenya cooperative
societies need to be able to grow premium coffee that can sell at competitive price on the world
market. The productivity of coffee cooperatives needs to be tweaked so cooperative members
can be able to profit from coffee production. Taking the New Gatanga cooperative case study as
an example has assisted me to be able to provide potential avenues key stakeholders in the coffee
sector can undertake to improve the organizational capacity of small-scale farmers that belong to
cooperative societies in Kenya.

However to address barriers signals the assistance of all coffee stakeholders to take a
proactive approach to coffee cooperative development. Paternalistic discourse inherited from colonialist principles on agricultural cooperative development has sidelined efforts by small-scale farmers in policy implementation. An all-inclusive approach is necessary so that coffee cooperatives can be brought on board.

Thereafter small-scale coffee farmers will be able to participate fully in the coffee sector in Kenya. Nevertheless a weak cooperative organizational capacity will limit the degree small-scale farmers will participate in the coffee sector. Policies that boost the organizational capacity of cooperative members are presented in this chapter as a start-up measure to embarking upon participatory rural development in coffee producing areas in the country.

**7.4. Policy Prescriptions: Building the Organizational Capacity of Coffee Cooperatives**

The figure below helps to explain the outline the policy recommendations subscribe to at different stakeholder levels in Kenya’s coffee sector.

Figure 7.1 Policy recommendations at the Micro and Macro level in Kenya’s Coffee Sector
7.4.1 Pricing Policy: Improving Coffee Prices and Coffee Marketing in Kenya

There is a need to address the issue of poor prices cooperative members receive for coffee compared to that received by other stakeholders. The government should pursue policies that lead to equating the disparity brought about by price differences in the domestic coffee market. Bridging the price gap can assist in distributing the wealth generated by coffee producers in Kenya more evenly. The Ministry of Cooperative Development and Marketing should adopt improving the capacity for cooperatives to sell their coffee directly on the world market as a strategy to bridge this gap.

The ministry should increase the number of marketing licences offered to coffee cooperative societies, so that registered cooperatives can have access to multinational retailers that can help improve the coffee prices they receive. This endeavour has to be supported by programs that increase the number of cooperative staff with the necessary skills required to market and negotiate coffee prices and seeks audience with international retailers. Training existing members can be adopted by the Ministry of Cooperative Development and Marketing through the Kenya Cooperative College, therein boosting the technical capacity of cooperative Societies. Nevertheless supplementary support is required to put coffee marketing by cooperatives on the world stage.

Similarly Kenyan coffee should be well branded to popularize it among coffee drinkers the world over. Currently Kenyan coffee accounts for less than 0.1 % of the world market share of coffee (ICO, 2010). However Kenya’s Mild Arabica coffee is much sought after for its blending qualities (Ponte, 2002). Therefore the government through the Coffee Board of Kenya should make an effort to brand Kenyan coffee perhaps by funding the promotion of Kenyan coffee at beverage and food shows around the world. The move to brand Kenyan coffee should
be accompanied by a certification campaign. Fair trade coffee offers small-scale coffee farmers better prices. This vantage point would allow cooperatives to bypass auctions and middlemen.

Middlemen and cartels facilitate cherry hawking a situation that reduces the potential of cooperative societies to capture competitive prices. The government needs to increase the penalty associated with black market coffee dealings to discourage individual’s involved in grand coffee larceny. Enabling a fairer coffee market for coffee cooperatives will strengthen cooperative ability to market coffee on their own which will improve organizational capacity as more members concentrate on maximising the production of premium coffee.

7.4.2 Management Policy: Improving Cooperative Management in Coffee Cooperatives in Kenya

The current state of cooperative management is deplorable; improving the cooperative management will take efforts by both cooperative members and the government in cooperative reorganization. Both these stakeholders need to play an integral role in ensuring that good management practices are applied at cooperative societies. New guidelines need to be prepared by the Ministry of Cooperative Development and Marketing that accentuate the need for good management at cooperatives. Such guidelines created by both ministry and coffee cooperative representatives should stipulate that executive members of cooperative must possess the necessary qualifications needed to be able to properly manage a cooperative society, whereby cooperative societies will only be allowed to hire competent members.

Competency of executive members will require possessing the necessary managerial, coffee marketing and cooperative skills from a post-secondary institution. Having qualified staff at the cooperative level will set up cooperatives to be able to pursue proactive initiatives. An initiative that can fall under the jurisdiction of the new cooperative management mandate is the
diversification of cooperative functionality to secure the livelihoods of its members. The accommodation of other agricultural and non-agricultural activities is necessary for the survival of coffee cooperatives. Alternative agricultural activities can help support the production of coffee as well as meet other livelihood security needs during periods pending coffee payment.

Intercropping food crops can be adopted as a strategy that can see the food needs of cooperative members met. Additionally the intercropping of horticultural cash crops such as fruits and nuts can be pursued as an alternative cash generating activity. Horticultural crops can be sold through the cooperative arrangement. These crops will have a higher turnover than coffee ensuring cooperative have money all year round. Substitute activities at the cooperative will provide supplementary income to coffee farmers. Animal husbandry can also be used in the same way as alternative cash crops. Poultry, dairy and fish farming can be adopted. In addition animal waste can be used for manure, thus substituting cheaper organic inputs for conventional fertilizers. This approach will require assistance from NGOs to build the capacity for coffee farmers to learn new farming methods.

The cooperative can also undertake non-agricultural ventures. These investments can be in the form of community development. A certain percentage of income generated by the cooperative can be invested in social goods for the community. Services such as hospitals, schools, and university funding for children should be established for the community. Such ventures may call for the collaboration of multiple coffee cooperatives in an area. The boosting of credit facilities during the pending of financial payment can be setup through the same avenue.

Non-coffee activities would require a cooperative manager with a large set of skills, who could efficiently amalgamate a myriad of tasks into the cooperative society. By broadening the
cooperative safety net, these efforts will bolster participation and improve upon cooperative organizational capacity. However these ideals are only possible with the involvement of cooperative members wanting managerial change as well as social change at their cooperative society. Otherwise, neglecting the under workings of political patronage that corrode cooperative organizational capacity may vacillate positive managerial change.

7.4.3. Cooperative Registration Policy: Decreasing Cooperative Registration Barriers

Cooperative membership is many times a right associated with land tenure in rural Kenya. The ownership of land is a decisive factor in cooperative membership. The study found that women and youth were limited in their ability to own land and to participate at cooperatives. This situation threatens the future of coffee farming by small-scale farmers as current members were in their later years of coffee farming. Similarly women faced the double burden once in their youth and then again as single women not to inherit land.

Although it was noted that some farmers of New Gatanga Cooperative society were more recently dividing land for their daughters, participation at cooperatives was still dominated by men. The 2009 Kenya Land Right Policy defines land tenure as the terms and conditions under which rights to land and land based resources are acquired, retained, used, disposed of or transmitted (Kenya Land Right Policy, 2009). Land rights policy acknowledges the need for special protection for youth and women. However it does little to assist youth participation on land when youth’s parents are still alive.

In Kenya the majority of the population are below the age of 30 it is important for the agriculture and Cooperative ministries as well as coffee cooperative societies to make necessary accommodation for the youth to participate in agriculture otherwise youth could be lost to other sectors leaving the rural economy behind in economic and social development (GOK, 2010).
Similarly involving women participation in coffee cooperatives is also crucial as women like youth could be lost to other sectors that better accommodate them located in urban spaces. Women farmers should be supported by comprehensive land tenure reforms that consider marriage, inheritance and land contract rights.

Imposing a multi-membership requirement for all coffee cooperative members by the Ministry of Cooperatives and Marketing, where a wife, a husband and their children are all members at the same time, can amend addressing the lack of participation by women and youth in cooperatives. This commitment would improve upon the cooperatives’ organizational capacity. Cooperatives should also embark on youth based programs that promote youth activities in coffee farming. The government can assist by setting aside land that will allow youth members to grow coffee.

Similarly all cooperative members should register their mobile phone numbers to their cooperative, where they will be summoned for meetings and other coffee affairs. This recommendation will curb the lack of information claimed by members on meeting times. Member participation is needed to boost organizational capacity, once the ownership of land is not a sole condition of cooperative membership. More people in the cooperative will be able to partake in coffee cooperative activities, increasing the capacity for cooperatives to take better control of the development opportunities in their community.

7.4.4 Productivity Policy: Increasing Coffee Cooperative Productivity

Improving coffee productivity is needed to increase the volumes of premium coffee produced by coffee cooperatives. Implementing this policy would require the involvement of stakeholders at the macro level of the coffee sector because of the high investment costs. The need for superior farm inputs, extension services and land use policies is evident. Cooperative
members are willing to produce premium coffee. They will provide the labour and land to produce premium coffee if other essential support systems are in place. Agrochemicals such as fertilizers, pesticides and fungicides are costly and of substandard quality.

The ministry of agriculture needs to better collaborate with the ministry of industrialization to provide superior agrochemicals at affordable prices so that farmers can effectively apply them to coffee production. Providing affordable agrochemicals will require government subsidisation. Most agrochemicals (or their components) are currently imported, thus farmers are forced to incur transport costs. The government can combat high prices by providing incentives for domestic production of affordable agrochemicals. The government can also provide farmers with micro-credit solutions to allow them to purchase agro-chemicals before coffee payments are realized.

Extension services are also a requisite to improving coffee productivity. The government should increase its investment in research and development for coffee. Thereby increasing the number of research stations and trained staff, as well as increasing the number of extension workers available to disseminate new research. Organic agriculture practices can be used in coffee production, which would see higher prices for organic coffee. However this initiative necessitates the support of extension workers that can assist farmers to make an efficient transition from agro-chemical reliance.

Land availability impedes upon the productivity of small-scale farmers. Fence lines that take up land demarcate cooperative member farms. Removing fence lines will allow farmers to benefit from economies of scale as well as provide additional land for coffee production. Coffee cooperatives are currently compelled to sell parchment coffee through the wet pulping technique
that uses outdated machinery. Cooperatives need to invest in modern coffee machinery to increase their productive capacity.

However this can only be achieved through government investing heavily in rural infrastructure. New machinery would require rural electrification, which is in short supply. Once electricity is provided in rural areas cooperatives can focus on adding value to their coffee. Cooperative can be able to mill their coffee, which would increase their profits that is often lost to outsourcing millers. Cooperatives can also add value through the production of non-roasted coffee products, selling caffeine rich products rather than coffee beans. Such products will avoid the barriers associated with beans designated for foreign coffee roasting.

7.4.5. Anti-Corruption Policy: Corruption Removal in the Coffee Sector

In order for policies to be workable the government as well as cooperatives have to eliminate corruption in the coffee sector. This would create a positive policy environment that can help bolster cooperative organizational capacity through the proposed policy recommendations. The government has to crackdown down on the issue of coffee theft, and cartel dealings that encourage cherry hawking by empowering anti-corruption agencies. Similarly cooperatives have to eradicate nepotism and tribalism that maintain inequity and allow for high levels of corruption.

Similarly the Ministry of Cooperative Development and Marketing needs to create accountability by auditing cooperative societies regularly and prosecuting corrupt members. Nevertheless, the government needs to create a fairer environment where cooperative representation is increased in coffee sector institutions. This move will ensure that the needs of cooperative members are addressed. A lack of cooperative representatives in coffee institutions
perpetuates the exploitation of cooperative through corruption by larger players in the coffee market.

Cooperatives to have a major role to play in getting rid of corruption from their societies; they have to put in place measures that prevent the occurrence of corruption at cooperatives. The use of money trial systems, which would see the transformation of the current money tender based system to an e-system, which will allow cooperatives members to access the availability and use of money at any given time at their cooperative. Mobile phone technologies can help bridge the technological gap in rural areas. The same system could also provide cooperative members with coffee prices both locally and internationally giving them choice over coffee markets. Voting could also take place on the same platform and reduce rigging and bribery.

Digitising coffee cooperatives will require building the technical capacity of cooperative members through government and NGO support. Implementing this policy would greatly reduce corruption at cooperatives by ensuring executive members become accountable for the sale of coffee. This will improve upon the capacity for cooperative members to capture indecencies of corruption at their cooperative society. Reduced corruption at the cooperative level will reduce the cost of doing business and allow for better cooperative member cohesion.

7.5 Future Research

The results of this study showed that small-scale farmers in rural Kenya are willing to transform the current state of the coffee cooperative institution in Kenya. For this reason more research needs to be undertaken to enhance the organizational capacity of coffee cooperatives in Kenya. Even though the coffee industry is scared by macro-level policy changes that have affected the small-scale farmer, problem solving needs to be a grassroots approach.
Therefore Research should continue to look at the how coffee cooperatives continue to survive in Kenya. Looking at organizational capacity as a tool used to gauge the efficiency of cooperative one can measure participation levels of other types of cooperative organizations such as tea or dairy in Kenya. Organizational capacity measurement can also be looked at from an ethnographic viewpoint, where cooperative meetings are observed to understand the power dynamics at the cooperative society, this would provide better understanding to why cooperative members continue to grow coffee through dysfunctional organizations.

Macro-economic analysis can also be conducted to take a closer look at the effects of liberalization in Kenya’s Coffee Sector. This would improve cooperative member participation by better understanding whether cooperative member participation levels are influenced more at a micro or macro level. This study can be duplicated in other coffee growing areas of Kenya so as to do a cross comparison study that would allow coffee cooperative to learn from each other. As well as providing avenues that give way to better policies that will allow coffee cooperatives to organize themselves more efficiently to grow premium coffee and meet their social economic goals.
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Mount Marsabit Forest Kenya. Department of Land Resource Management and  
Agricultural Technology, University of Nairobi, P. O. Box 29053-00625, Nairobi,  
Kenya, Research Programme, Kenya Forestry Research Institute (KEFRI), P. O. Box  
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Questionnaire

Examining the active participation of coffee cooperative members in Thika District.

Good day,
I am a researcher from the University of Guelph in Canada, who is studying how the level of participation in coffee cooperatives can be improved. The purpose of this survey is to evaluate the active participation of cooperative members and within coffee cooperatives at meetings. This survey will assist in the development of desirable policy for cooperatives to undertake to improve their organizational capacity. I will ask questions ranging from personal information to information on your coffee farm.

You are free to participate or not, according to your own wishes. All information you provide will be confidential to the research team. You have the right to withdraw from the survey at any time with no consequences for yourself. Answering my questions will be taken as an indication that you have agreed to participate in this study. Your response will not affect your current or future activities.

A. Personal Characteristics of Respondent

1. Age of member : ______

2. Sex (check):

- Male
- Female

3. Marital Status (check):

- Single
- Married
- Divorced
- Widowed

4. Highest Educational Attainment (check):

- No formal Education
- Primary School
- High School
- College Diploma
- University Degree
Non-formal education (farmer training courses(farming courses adult education

5. Occupation (Please check your income Ksh):
Monthly Income:

☐ Less than 999
☐ 1000-5000
☐ 5000-9,999
☐ 10,000 - 14,999
☐ 15,000 - 19,999
☐ 20,000 - 24,999
☐ 25,000 - 29,999
☐ More than 30,000

6. Number of People in the Household: _____
Number of children under 12 years of age _______
Number of children between 12- 25 ________
Number of children over 25 __________

7. What is the name of your coffee cooperative?

8. How many years have you spent as a coffee cooperative member:

9. Are you an executive member of a coffee cooperative? (check)
Yes ☐, No ☐
If Yes, What is your rank or title in the cooperative?

10. Are you a member of any other farmer groups or cooperatives?
How many? _________
Please list names of groups__________________________________________________________
B. Coffee Farm

1. For how many years have you grown coffee?

2. How many acres do you have under coffee?

3. How many acres are under crops other than coffee?

4. Do you receive more income from coffee than other crops?

5. How many times do you harvest coffee in a year?

6. How much do you spend on farm inputs per year?

7. Which of the following do you use? (circle)
   - **Fertilizer:** Always Sometimes Never
   - **Pesticides/Herbicides:** Always Sometimes Never
   - **Seed:** Always Sometimes Never
   - **Paid Labour:** Always Sometimes Never
   - **Advisory Services:** Always Sometimes Never

8. What percentage of your income goes towards farm inputs?
   - □ less than 30 %, □ between 31-49%, □ more than 50%

9. What percent of your of income comes from non-coffee economic activities?
   - □ less than 30 %, □ between 31-49%, □ more than 50%

10. How would you rank the effect of cooperatives to the following activities (circle).

<table>
<thead>
<tr>
<th></th>
<th>Very helpful</th>
<th>Helpful</th>
<th>Neither helpful nor unhelpful</th>
<th>Unhelpful</th>
<th>Not helpful</th>
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<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
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<tr>
<td>Labour services</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
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<tr>
<td>Advice &amp; Extension</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Coffee Marketing</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
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<td>-----------------------------------</td>
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<tr>
<td>Provision of processing facility</td>
<td>5</td>
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<td>(factory)</td>
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</tr>
<tr>
<td>Pay</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Financial support (loan)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>(knowledge transfer)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**C. Participation**

1. How many times do you attend meetings in a year? (check)
   - [ ] 1
   - [ ] 2
   - [ ] 3
   - [ ] 4
   - [ ] 5
   - more than 5

2. Did you attend the annual general meeting in the year 2010 (check)
   - [ ] Yes
   - [ ] No

   are you attending this year? (check)

   - [ ] Yes
   - [ ] No

   How often do you contribute at meetings? (check)

3. Never
   - [ ] 1
   - [ ] 2
   - [ ] more than 3

4. Do you think some people influence decision-making in the meetings more than others? (check)
   - [ ] Yes
   - [ ] No

   If yes, which people?
5. How important is the attendance of meetings for the following factors (circle)?

<table>
<thead>
<tr>
<th>Factor</th>
<th>Very Important</th>
<th>Important</th>
<th>Neither important nor unimportant</th>
<th>Unimportant</th>
<th>Very unimportant</th>
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</thead>
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<tr>
<td>To build a sense of community</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>To reduce costs of production</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Improving coffee quality</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>To reduce Gross farm sales</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>To improve status in community</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>To create communal conflict</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>To provide education for family</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>To add value to coffee</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>To lobby MPs</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>To new business ideas</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>To reduce corruption</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

6. Do you think you are an active member of your cooperative?
   Yes ☐, No ☐

7. Do you think most members of your cooperatives are active members?
   Yes ☐, No ☐

8. What do you think cooperatives can do to improve attendance at meetings?

______________________________________________________________________________

______________________________________________________________________________

9. What do you think cooperatives can do to improve participation at meetings?

______________________________________________________________________________

______________________________________________________________________________

10. What do you think is the main cause of absenteeism at cooperative meetings?

______________________________________________________________________________

11. Do you see yourself growing coffee in the next 5 years?

   Yes ☐, No ☐

   No, why not?
12. What do you feel is the major problem with the coffee sector in Kenya?
______________________________________________________________________________
______________________________________________________________________________

13. What ways do you think coffee cooperatives can improve their support towards members?
______________________________________________________________________________
______________________________________________________________________________

14. What do you think the government can do to improve the state of your coffee cooperative?
______________________________________________________________________________
______________________________________________________________________________

15. Any other comments?
______________________________________________________________________________
______________________________________________________________________________

Thank you for taking your time to respond*