



Ministry of Women Affairs, Community,
Small and Medium Enterprise Development
ZIMBABWE



Cooperative Baseline Survey

Cooperative Baseline Survey

By

Africa Economic Development Strategies

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For

**Ministry of Women Affairs, Community, Small and Medium Enterprise
Development**

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Acronyms

AEDS	Africa Economic Development Strategies
AGM	Annual General Meeting
AU	African Union
GDP	Gross Domestic Product
ILO	International Labour Organisation
MWACSMED	Ministry of Women Affairs, Community, Small and Medium Enterprise Development
SACCO	Saving and credit cooperatives
SADC	Southern African Development Community
ZNCF	Zimbabwe National Cooperative Federation

Executive Summary

Introduction

The report presents the results of the Cooperative Baseline study which was commissioned by the Ministry of Women Affairs, Community, Small and Medium Enterprise Development (MWACSMED). The study was undertaken by Africa Economic Development Strategies (AEDS), an independent research company, from June to July 2020. The primary objective of the study was to provide the knowledge and insight into the contribution of Cooperatives to the economy. Specific objectives of the study were to explore the following from the Cooperatives:

- a. Estimate total population of cooperatives;
- b. Nature/sector of cooperatives;
- c. Determine the size of cooperative (parameters: employees, capital, members, annual turnover, services provided);
- d. Contribution of co-operative to the economy;
- e. Employment creation;
- f. Challenges facing the cooperative sector (sector by sector analysis);
- g. Strategizing the issues to strengthen the four-tier system;
- h. Cooperative Act issues on term of office, mal-administration, governance issues which creates non-compliance of the Cooperative Societies Act Chapter 24:05; and
- i. Develop a standard monitoring and evaluation tool for cooperative compliance.

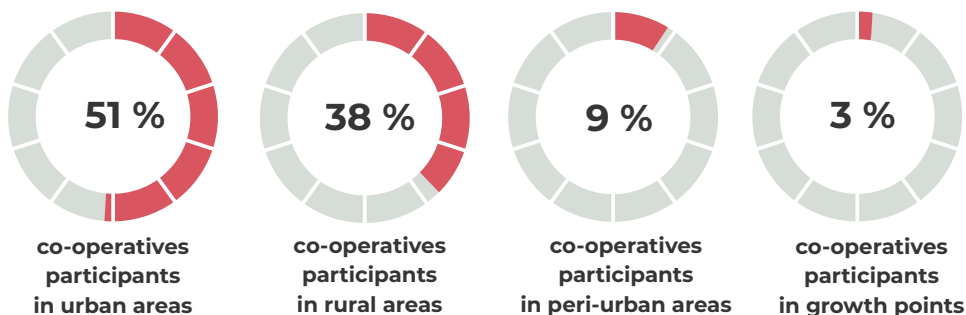
The report focused primarily on answering the above objectives as well as come up with strategies on how cooperatives can help address the challenges of unemployment and lack of innovation in Zimbabwe.

The research used both qualitative and quantitative methods. Twenty in-depth interviews were conducted. A national representative sample of 600 face to face interviews were held in the ten provinces of the country. The study was based on semi-structured questionnaire. It included a period of four years (2017-2020). Results of the survey reveal that cooperatives have contributed a lot in the country's economic development. Such developments were through supporting members by providing different products, services, as well as variety of benefits such as securing food, income generation, improved household assets and social participation.

Nature, service and estimated population of cooperatives

Cooperatives play a significant role in the country's economic growth, job creation and poverty reduction. Hence, the number of registered cooperatives in Zimbabwe has been growing very fast. Available literature shows that the country has about 9 000 registered Cooperative Societies in various sectors of the economy which

include Savings and Credit, Housing, Collective, Agriculture, Multi-purpose, Services, Fisheries, Mining, Hardware, Transport and Manufacturing. However, results from the study found that only 2743 were registered primary cooperatives across the country. Approximately 51% of the co-operatives who participated in the study reside in urban areas, 38% in rural areas, 9% in peri-urban areas and 3% in growth points.

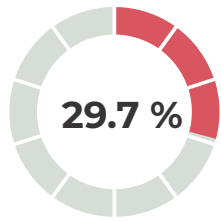


Review of the Four Tier System

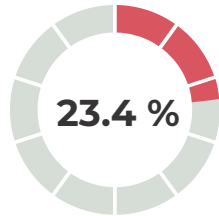
Briefly, the current structure of the cooperative comprises **primary cooperatives** (comprise autonomous association of persons who have voluntarily decided to form a cooperative to satisfy some economic needs through a jointly owned and democratically controlled enterprise....most important level of the structure); **secondary cooperatives** (formed by primary cooperatives in order to cater for their personal needs and to enable these small scale entrepreneurs to benefit from economies of scale, secondary cooperatives also provide technical services as auditing, book keeping, training, legal information, extension advise); **Apex cooperatives** (are sectoral and operate and operate at the national level; may be formed by primary / secondary cooperatives in order to provide services and representation at the national level. They provide technical services, for example, marketing, financing, auditing, training, information and extension to their members. They should administer the national pension and insurance scheme and should act in a representative capacity on matters of general interest to their members, attend to legal matters and resolution of disputes on behalf of their members); the **Zimbabwe National Co-operative Federation (ZNCf) operates at the national, regional and international level and its membership is composed of apex organizations.** ZNCf is a multi-disciplinary board. It is the cooperative movement's representative body and is meant to provide co-ordinated cooperative support services. It is the movement's lobbying body representing the interests of the entire movement.

The findings showed that of the 606 cooperatives interviewed, **43% stated that they were affiliated to the next level of the four tier system while 39.7% were not and 17.2% were not sure of their affiliation.** The study went further to elaborate the structures that the co-operators are affiliating to. Of the 606 cooperatives interviewed, 68% are affiliated to the primary structure, 17.6% are in the secondary structure while 3.8% and 3.9% were also in the apex and federation structures respectively. Only 6.7% could not remember if they were part of the four tier system or not.

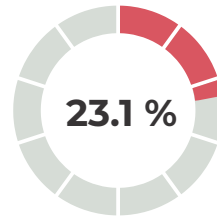
To understand and appreciate if the cooperative leaders or members had a proper appreciation to the objectives behind the structural organization that compelled the four tier set up. The respondents were asked the benefits they felt they derived from the affiliation. The top five benefits given were:



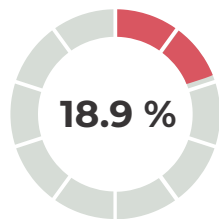
Access to trainings and sharing of costs



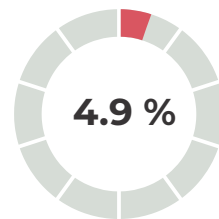
Increase in bargaining power



Access to group savings



Access to loans



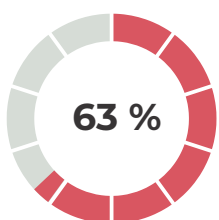
Adding value to goods through increase in bargaining power

Employees

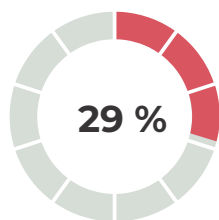
The general perception across the study showed that cooperatives do engage workers in one form or another, i.e. contract, part time or permanent employees. These can be in the form of the cooperative members or from the surrounding communities. Statistics coming from the survey showed that 83.3% of the Cooperative have employees while 16.7% did not have. Most of these employees are however, full time members compared to part time members. Interesting to note is the fact that most cooperatives are engaging members as employees in order to avoid most probably high labour cost (insurance, wages, social security etc.). In all their operations all cooperatives pointed out they had cooperative members that were in charge of the management of the operations of the cooperative and these were spilt among men, women and the youth.

Capital

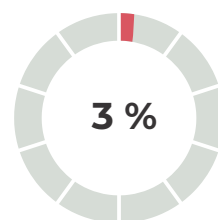
For most cooperatives the capital for the operation and improvement of the cooperative businesses come from three main sources:



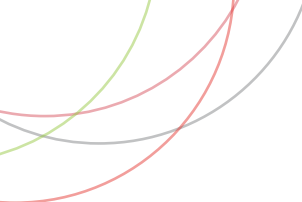
Directly from members themselves



From outsiders



Donors



When it came to payment of fees used for the general operations of the cooperative, the most commonly paid were administration fees (54.0%) and project fees (25.0%).

Contribution of co-operative to the economy

From 2017 to 2019 installed capacity of all cooperatives ranged from 25% to 29%. The main challenge is that the majority of these cooperatives are underperforming. For example, the study noted that overall, in terms of output, most of the cooperatives have an output of less than US\$500 per year while some had no turnover at all while about 30% of the cooperatives had annual output ranging between US\$1000 – US\$10,000 per year..

When asked the viability of their businesses, only 29.6% of the respondents stated that there was improvement in the viability of their cooperative business over the last years while the rest had no significant improvement. This however, has a bearing on the national GDP contributions which has declined from the year 2017 to the year 2020. On average, the value added to the GDP for the last four years is 42.9%.

Governance and Cooperative Act issues

To begin with, the co-operators were asked if they were aware of the Cooperative Act before and assessment was done on whether they were in compliance or not with the law. A total of 606 co-operators 64.6% of the respondents cited that they were aware of the Cooperative Act while 28.8% were not aware of it.

It was thus imperative to understand if the Cooperative leadership ever held general meetings with their members. The study showed that 94.9% of the respondents hold Annual General Meetings while 5.1% never have them. In terms of participation of members in the AGMS, overall, 35.5% of the Cooperatives had an average participation of between 11 to 20 members who attended the meetings.

Generally, most cooperatives seem to have a low member participation on AGMs as shown by the low percentage on numbers 31-40 yet most of them have a large membership especially for the SACCOs, Agriculture and Housing Cooperatives. One can thus attribute the low attendance to AGMs to lack of passion by the members on policy and procedure discussed at AGMs.

Further, unclear defined roles especially for those that have large membership's members may not be really aware of what it means to be a member and their responsibility. Lack of communication on dates and time for the AGM could not have been done by the Cooperative leadership. While on the other hand, simply because the cooperative is performing well in the eyes of the members they might feel there is no need for them to attend the meeting as it is in good hands. This was more evident in cooperatives were respondents stated that, their aim was to provide housing stands to the members and they have managed to achieve this already.

Decision making in cooperatives

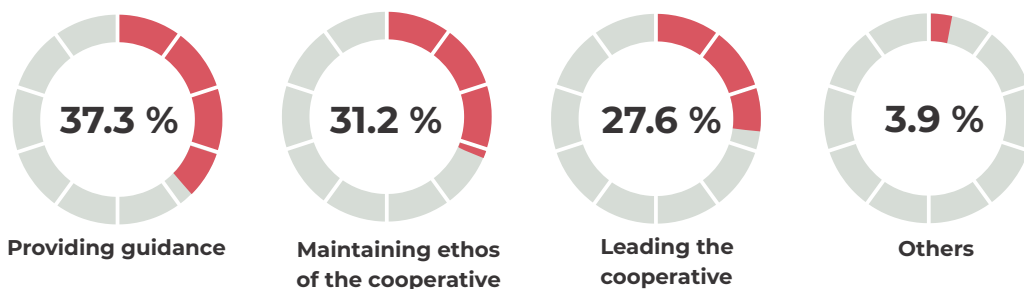
The effectiveness of decision making is critical in the cooperative institution, however, the question of who should make the decisions is by procedure vested to members. The study also sought to understand the structure of decision making when governing their cooperatives. It can be noted from the table that in terms of decision-making internal stakeholders within the cooperative make the decisions. The key actors being members at Annual General Meetings of all members (67.3%), management committee (24.3%) and at times the chairman (6.7%).

Central Cooperative Fund

Of all the cooperatives, only 22.5% of the respondents said that they contributed to the 5% of their surplus to the cooperative fund, 62.1% pointed that they did not and 15.4% are not aware of their contribution. None payment of the cooperative fund could be as a consequence of inflation, thus affecting the performance of the cooperatives as little or no business is being done. Further, most of them have ceased to collect subscriptions.

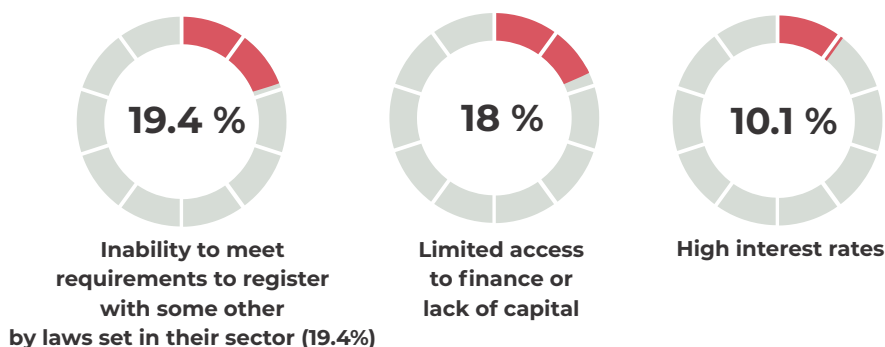
Founding Members

Respondents were asked if they were aware of the founder members of the cooperative. A total of 98% of the respondents cited that they were aware of the founding leaders while 2.0% were not. This indicates that founder leaders of cooperative even not in power, their presence in the administration of the cooperative was still felt. The respondents who were aware of the founding members (98%), were asked what their role was. The top three roles of founder members pointed out were;

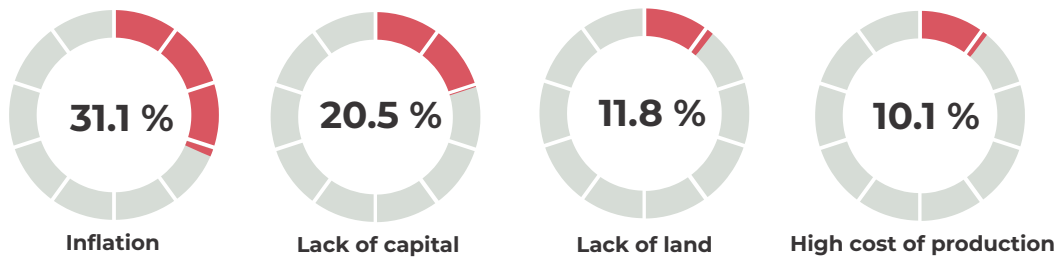


Challenges facing the cooperative sector

The Cooperatives are facing quite a number of significant challenges in the business environment that inhibit their ability to operate formally. The top three challenges identified from respondents were as follows;



Further to the challenges that Cooperatives are facing in operating their business, the study also sought to understand the challenges being encountered by women, men and youth affecting their active participation in their cooperatives. The top four generic challenges pointed across all of the respondents were;



Although, cooperative are supposed to abide to the principles and values that proclaim equality and equity, some gender imbalances do exist. Youths and women pointed out that their main challenges were lack of representation in the top leadership and low disposable income.

Overall, the main constraints in the sector growth are lack of access to credit facilities, limited technical support services, poor human resource base, inflexible, unaccommodating and bureaucratic regulatory controls, the existence of an uneven playing field and lack of specialized knowledge and expertise.

Conclusions and Recommendations

The study discussed the role that cooperatives are playing in the socio-economic environment and how cooperatives can help empower and foster economic development especially in times of economic crisis. The study noted that cooperatives faces various challenges which among others include:

- | | |
|--|---|
| <ul style="list-style-type: none"> ↳ Inflation ↳ Lack of capital ↳ Lack of land | <ul style="list-style-type: none"> ↳ High cost of production ↳ Governance ↳ Structural weakness in collective bargaining |
|--|---|

The following measures should be taken in order to reposition the role cooperatives in Zimbabwe:

- | | |
|--|--|
| <ul style="list-style-type: none"> ↳ Training and capacity building; ↳ Government intervention the provision of: <ul style="list-style-type: none"> > Land; > Training; > Funding; > Conducive business environment | <ul style="list-style-type: none"> ↳ There is need to establish a coordinated framework where key stakeholders in the ecosystem of the cooperatives can work with the cooperatives in a symbiotic relationships with the cooperative in order to foster sustainable growth. |
|--|--|

1. INTRODUCTION AND BACKGROUND

1.1 Introduction

The country has about 9 000 registered Cooperative Societies in various sectors of the economy which include Savings and Credit, Housing, Collective, Agriculture, Multi-purpose, Services, Fisheries, Mining, Hardware, Transport and Manufacturing. These Sectors are facing quite a number of challenges which includes, financial issues, regulatory issues, governance and other key needs of Cooperatives.

The International Labour Organisation (ILO) views Cooperatives as important in improving the living and working conditions of women and men globally as well as making essential infrastructure and services available in areas neglected by the state and investor driven enterprises. Cooperatives have a proven record of creating and sustaining employment, even though the scientific estimation is not known. Also, Cooperatives are contributing immensely towards the country's Growth Domestic Product (GDP) and the percentage contributed is statistically also not known.

Given this background, Africa Economic Development Strategies (AEDS) an independent research agency was commissioned by the Ministry of Women Affairs, Community, Small and Medium Enterprise Development (MWACSMED) to conduct a Cooperative Baseline Survey which sought to investigate the size, scope and nature of the cooperative movement in Zimbabwe. To this end, AEDS designed a study that was used as evidence informing the development of the cooperative baseline report. The study used a multi-phased approach, which is a combination of quantitative and qualitative engagements with co-operative members and other key stakeholders. As a result, the report highlights the key findings, draws main lessons on how to improve the cooperative development and contribution to the country's economic growth.

1.2 Purpose and Scope of the study

The specific objectives of the Cooperative Baseline Survey were to:

- | | |
|---|--|
| a) Estimate total population of cooperatives; | f) Challenges facing the cooperative sector (sector by sector analysis); |
| b) Nature/sector of cooperatives; | g) Strategizing the issues to strengthen the four- tier system; |
| c) Determine the size of cooperative (parameters: employees, capital, members, annual turnover, services provided); | h) Cooperative Act issues on term of office, mal-administration, governance issues which creates non –compliance of the Cooperative Societies Act Chapter 24:05; and |
| d) Contribution of co-operative to the economy; | l) Develop a standard monitoring and evaluation tool for Cooperative compliance. |
| e) Employment creation; | |

2. LITERATURE REVIEW

2.1 Introduction

Although there has been significant improvements in the areas of science and technology which have been noted in recent years, over 350 billion people in the world are stuck in poverty and are exposed to socio-economic hardships (Rena, 2017). As a result, the majority of the people, on their own, have limited capacity to build enough resources needed to meet their socio-economic needs. Conventional wisdom states that, if resources are collectively pooled together they will have permanent and visible impact on the well-being of the people on the bottom of the pyramid (Rena, 2017). International experience as noted by International Labour Organisation (2019) and Rena (2017) revealed that cooperatives are an alternative mechanism through which vulnerable people and communities can pool resources together.

2.2 Cooperatives Defined

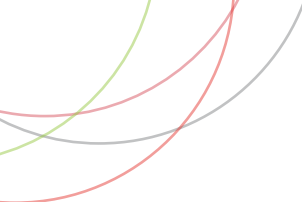
A cooperative is defined by the International Labour Organisation (ILO) (2002) as:

“an autonomous association of people who come together voluntarily hoping to conjoint economic, social, and cultural needs and ambitions by such an enterprise that is jointly owned and democratically controlled.”

For a cooperative to be considered as real cooperative, it must be guided by seven principles, which are: voluntary and open membership; autonomy and independence; democratic; cooperation among cooperatives; provision of education, training and information; foster economic participation by members and must have concern for the community (Ortmann and King, 2007 and International Cooperative Alliance, 2020)

Evidence from ILO (2019) has shown that cooperatives if well managed, can be a real alternative for economic development. For example, as noted by the ILO (2019), more than 100 million people globally are employed by cooperatives and close to 50% of world population's livelihoods is estimated to have been secured by cooperative enterprises. ILO (2019) argued that world's largest co-operative enterprises have a combined revenue base of US\$1.6 trillion, which are comparable to the GDP of the world's ninth largest economy - Spain.

Globally, cooperatives have been largely sustainable because they are seen as value-based and principle driven organisations (ILO, 2019). Laidlaw (1974) outlined characteristics of various groups who ranges from owners of cooperatives, controllers and users of cooperatives. In this regard, shareholders and investors are identified as owners, while decision makers are the controllers and the customers are the users of cooperatives (Laidlaw, 1974).



Boulle and Harrison (2007) noted that the South African Cooperative Act provides for a distinction on various tiers of cooperatives, that is, primary, secondary and tertiary cooperatives.

A primary cooperative is defined as a cooperative established by at least five natural persons with the objective of developing the community and creating employment opportunities for its members. A secondary cooperative comprises of at least two primary cooperatives and it may also include juristic persons. Sectorial services are to be provided by the secondary cooperative to the members. A tertiary cooperative is formulated by secondary cooperatives that aim to engage with state organs, private sector and stakeholders to represent its members (Boulle and Harrison, 2007). The tertiary cooperative has more responsibilities when compared to the primary and the secondary cooperatives.

2.3 Institutional Perspectives On Cooperatives

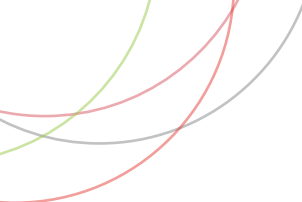
To fully understand cooperatives and to formulate a strong cooperative movement, it is imperative to understand the critical factors that impact success as well as factors that may weaken them. This section provides lessons that have been observed from cooperatives previously established.

A functioning cooperative should have trust amongst members because all cooperatives are based on trust and social cohesion. Also, a lack of shared vision, social links and financial trust weakens the relationships amongst members. In environments where management and tough choices are to be made (for primary productive and service cooperatives), trust amongst members is really fundamental (Rena, 2017).

Additionally, tension may arise within cooperatives due to the complexity of decision making in a democratic systems. Management of cooperatives in a democratic system (like Zimbabwe) usually lack clarity or consensus when it comes to the scope of decision-making authority (Rena, 2017). Sometimes, Cooperative Boards overstep their mandate and fail to provide information to all members. Also, it may be possible that the leading Boards lack corporate governance skills and they find it complex to management even the simplest democratic process.

A complex range of skills are required to properly management an enterprise. Managing joint resources appears to be complex as more transparency is required by the different members of the cooperatives who would have pooled their resources together. The management process becomes more challenging when the organisation is working with people who do not have any work or managerial experience. Such skills (especially in financial management) are required since all members need to participate in the decision making process and failure to recognise such need may cause tension in a cooperative (Rena, 2017).

In addition to managerial skills, there are also technical skills required for any cooperative. With initially having many members of the cooperative being unemployed, no prior business experience and low skills levels, the cooperative may



need to hire in (or buy) short-term technical skills to avoid the chances of collapse. Such cooperatives may include agricultural, productive and housing cooperatives which require specialist technical knowledge. Such technical skills may not be available within the cooperative itself and the cooperative should train its members or employ people with the necessary skill.

Furthermore, cooperatives should always have the interests of all members above any other individual interests. Some cooperatives have tried to have greed, self-interests, free riders and opportunism which have only led to their demise. As such, clear systems and precise policies designed are required to safe guard the collective interests above individual interests. Also, there is no need for champions in any cooperative and as such, the vision and mission of the cooperative should be practiced cautiously. In addition, the leadership (the Board of Directors) should always maintain high ethical standards and not be self-ambitious or corrupt in any operations.

A failure to maintain these standards may lead to the demise of the cooperative.

Self-sufficiency should be a culture for all cooperatives. Although different types of cooperatives may require a certain level of assistance from the government during certain stages of their development, the cooperatives should consider self-sufficiency in the long run. For instance, although it may be agreed that asocial housing cooperative may require high levels of subsidy during the construction stages, post construction should aim to be self-sufficient.

Cooperatives should never be considered as source of money and also lack real commitment to self-sufficiency. Such perverse incentives should be avoided. Start-up funding should carefully be managed and the screening process carefully reviewed to avoid any abuse from opportunists (Schaars, 1978). The cooperative Incentive Grant is an example that should be carefully monitored to avoid any abuse by opportunists.

All cooperatives must be well diversified with members that have diversified skills, income and back- grounds to enhance the sharing of greater knowledge and resources. cooperatives should also have a broad net- work of support and administrative networks as they are more likely to enhance their successful.

It is imperative for any cooperative society to clearly state the number of membership numbers it requires. Some cooperatives have had issues of an oversupply of labour when they only had a few opportunities for the relative markets they were targeting. Such cases have occurred in the primary cooperative (work or agricultural cooperatives). It is possible that this mismatch emerges from social goals or conditions provided by donors and external agencies. On the same issue of clarity, the social and economic rationale of the cooperative must also be clear. It is however, quite complex and challenging viably run a cooperative but nonetheless, its economic and social rationale must be clear (United States Department of Agriculture, 2004). In the same vein, a clear business plan for the cooperative should be presented and evaluated for economic viability. e plan should clearly indicate the required inputs, goods or services provided the production process and the targeted market.

A cooperative's business plan that fails to clearly present these aspects may not be approved.

Some cooperatives fail to access appropriate support to smoothen the function of the cooperative. Some barely survive with limited access (or none at all) to skills, services, supplies, finance, information, credit and markets. Most of these cooperatives require multi-dimensional assistance to develop over time. Such incentives could be based on compliance with cooperatives principles or terms of turnover and profits (Boulle and Harrison, 2007).



2.3 Cooperatives in Zimbabwe

The Cooperative Policy in Zimbabwe is formulated on the basis of the Chapter 24:05 Co-operative Societies Act [1990: 2001 and 2005] (see box 2.1) which contextually is in the SADC Conventions; African Union (AU) Conventions all under the United Nations Charter. Just as the Cooperative Policy has been reviewed through the years to address the post-war challenges of socio-economic under-development, the 1984 review was meant specifically to address the dualistic nature of the economy inherited at independence when a minority owned and controlled the means of production. However, in the contemporary review, the pursuit is on transforming cooperatives to be as vibrant on the local and international market as they make best efforts to satisfy members' corporate interests through increasing share profits and share values.

2.3.1 Policy aim, objectives

In adopting the Cooperative Policy, the Government of Zimbabwe aimed to facilitate establishment of viable and sustainable cooperatives through building for the socio-economic empowerment of the people. Among many factors this would be achieved by creating and developing income generating activities and employment; developing the human resources skills for the improvement of business and building up entrepreneurial and managerial skills base.

Equally, policy objectives of the Cooperative Policy sought to create a conducive environment for the growth of the cooperative movement in Zimbabwe; realign the Government Policy on cooperative development with the International Labour Organization Recommendation 193 on the promotion of cooperatives adopted in June 2002 and to address the new challenges then faced by the cooperative movement since the enunciation of the 1984 cooperative policy: the challenges included poverty eradication and employment creation; globalization, changes in the economic orientation, development of small to medium scale enterprises, agrarian reform and the indigenization of the economy.

Box 2.1: Salient Features of the Zimbabwe Cooperative Act

1. Functions of Minister and other officers

In performing the functions conferred upon them by this Act, the Minister, the Registrar and other officers shall have regard to the need to attain the following objects:

- (a) to encourage the formation of societies in all sectors of the economy and to promote their efficiency;
- (b) to carry out educational and training programmes for officers, members and staff of societies wherever possible;
- (c) to raise the level of general and technical knowledge of officers, members and staff of societies, through the supply of information and educational materials to them;
- (d) to encourage and assist in the proper utilization, accounting and management of the funds of societies;
- (e) to monitor the activities of societies.

2. Structure of Co-Operative Movement

The co-operative movement in Zimbabwe shall consist of:

- (a) primary societies, being associations of natural persons, which are registered in terms of this Act and operate in accordance with the co-operative principles set out in section seven; and
- (b) secondary societies, being associations of primary societies which are registered in terms of this Act and operate in accordance with the co-operative principles set out in section seven; and
- (c) apex organizations, being associations of primary societies or secondary societies or of both primary and secondary societies, which are registered in terms of this Act and operate in accordance with the co-operative principles set out in section seven; and

- (d) where such a Federation has been established by apex organizations in terms of Part XI, the National Co-operative Federation representing all societies and apex organisations at national and international level.

3. Formation and Registration of Societies

Subject to this Act, any society which has as its object the promotion of the economic interests of its members or other societies in accordance with co-operative principles may be registered under this Act with limited ability as—

- (a) a primary society; or
- (b) a secondary society; or
- (c) an apex organization; or
- (d) Federation

4. Organization and Management of Registered Societies

Every society shall, within three months after its registration, hold a first general meeting of its members:

Provided that the Registrar may at the request of a majority of the members allow the society to defer the holding of the first general meeting for a period not exceeding six months. The business of the first general meeting shall include the election of officers of the management committee, the election of the supervisory committee, where there is to be one, and the election or appointments of any other officers that the society may require. Every registered society shall hold an annual general meeting to be convened by the management committee and to be held not later than six months after the end of each financial year.

5. Shares and Debentures of Registered Societies

The interest of each member of a registered society in the assets of the society shall be expressed in the form of a share. A share shall be movable property, transferable to the extent and in the manner provided by this Act and the by-laws of the registered society concerned. A registered society shall express the value of its shares as a sum of money specified in the society's by-laws.

6. Central Co-Operative Fund

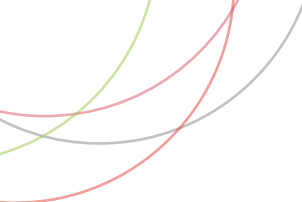
There shall be a fund to be known as the Central Co-operative Fund, consisting of:

- (a) moneys raised by way of contributions paid in terms of section ninety-three; and
- (b) any other moneys to which the Central Fund may be lawfully entitled, including:
 - (i) any fees payable to it in terms of this Act; and
 - (ii) donations from any person.

- The objects of the Central Fund shall be to finance all or any of the following:
- (a) the education and training of members and prospective members of registered societies;
 - (b) research in relation to any activity carried on or likely to be carried on by registered societies;
 - (c) the audit of accounts and books of registered societies; and
 - (d) the general development of the co-operative movement.

13 Requirements for registration

- (1) Subject to subsection (2), no society shall be registered—
 - (a) as a primary society, unless it consists of at least ten natural persons who are not disqualified from membership in terms of section thirty-eight; or
 - (b) as a secondary society, unless it consists of at least five primary societies registered in the same economic sector; or
 - (c) (i) (ii) as an apex organization, unless it consists of at least— twenty-five primary societies; or two secondary societies; registered in the same economic sector; or unless it has complied with any requirements imposed by the
 - (d) Registrar in terms of section fourteen, fifteen or sixteen.
- (2) Notwithstanding paragraph (a), (b) or (c) of subsection (1), the Registrar may register— (a) (b) (c) societies or five registered secondary societies, as the case may be; where he is satisfied that there are good and compelling reasons for the society to be registered and that its registration will be in the interests of the members.
- (3) No society shall be registered by a name which in the opinion of the Registrar is likely to mislead the public or to cause offence to any person or class of persons or is suggestive of blasphemy or indecency or which he considers to be undesirable for any other reason.
- (4) The word “co-operative” shall form part of the name of every registered society. (5) The word “limited” shall be the last word in the name of every registered society. 14 Applications for registration
 - (1) Subject to this section, every application for registration shall be made to the Registrar in the form and manner prescribed.
 - (2) An application for registration shall be signed—
 - (a) in the case of a primary society, by at least ten persons intending to become members;
 - (b) in any other case, by persons authorized to do so by the society concerned.
 - (3) Every application for registration shall be accompanied by—
 - (a) three copies of the proposed by-laws, or such greater number as the Registrar may require, signed by all the persons authorized to sign the application in terms of subsection (2), unless the Registrar has permitted the proposed by-laws to be signed by fewer persons; and

- 
- (b) a record of the resolutions made at the proceedings of the preliminary meetings if any, signed by all persons who attended such meeting and intend to be members; and
 - (c) a feasibility study, viability assessment and work programme of the society; and or an apex organization with fewer than twenty-five registered primary a primary society with fewer than ten members; or a secondary society with fewer than ten registered primary societies.

Source: Zimbabwe Cooperative Act

3. APPROACH AND METHODOLOGY

3.1 Introduction

A mixed method approach employing qualitative and quantitative research design was employed to allow for the collection of baseline data in line with baseline objectives. To ensure validity of the findings, triangulation of data collection methods was used. The methods ranging from questionnaire dissemination and in-depth interviews were implemented. Data for the study was also gathered by applying both primary and secondary data collection methods. Secondary data collection involved extensive document analysis whilst primary data collection involved administering of telephonic interviews with all Cooperatives in Zimbabwe on structured questionnaires and key informant interviews.

3.2 Qualitative Method

Qualitative data was collected using key informant interviews (KIIs), desk reviews in the selected districts in all the 10 provinces in Zimbabwe and with stakeholders. A desk review of all relevant documents including reports, policy documents and other national and global documents on production and contribution of cooperatives to the national GDP was reviewed. Key informant interviews with key stakeholders were undertaken with a view to enrich understanding of the production contribution of cooperatives dynamics, sustainability and partnerships which enabled a deeper understanding of programming issues that help support cooperatives.

Table 3.1: Target Respondents Informant

Key Informant type	Number
Cooperative representatives	10
Ministry of Women Affairs Provincial/District Representatives	10
Other Stakeholders (e.g., Universities, Development partners, etc)	10
Total	30

3.3 Quantitative Method

Quantitative data was collected using questionnaires from 606 respondents which were interviewed. Individual cooperative heads were interviewed around Zimbabwe. This provided an impetus to provide baseline registration of cooperatives in Zimbabwe. The respondents covered all sectors of cooperatives in Zimbabwe.

3.4 Project Design

The project was implemented in seven phases namely:

Table 3.2: Project Design

1. Project kick-off and orientation	The project team met with the Ministry team for a technical kick-off or induction meeting to review the assignment and proposed approach. A timeline was agreed upon with requisite project deliverables. Roles and responsibilities for Ministry and AEDS were discussed and finalised.
2. Questionnaire preparation	The questionnaires were designed by the AEDS team before they were presented to the Ministry team for input on the construct validity of these research instruments. This feedback was used to edit the questionnaires as necessary. The final versions were presented to the Ministry team for approval.
3. Enumerator preparation	A total of 20 enumerators and 2 supervisors were trained using both a pen and paper based approach (PAPI) and electronic tablets computer aided personal interviews (CAPI).
4. Pilot survey	A pilot phase was done as a means of testing the survey processes. The pilot checked the following; > Specific wording and technical terms in the questionnaire; > Skip patterns and filters (as well as other embedded instructions) in the questionnaire.
5. Fieldwork	The fieldwork was done from the 22th of June to the 25th of July 2020.
6. Data capturing and cleaning	The Open Data Kit (ODK) was used as the data capturing software. Analysis was done using STATA.
7. Analysis and Reporting	A draft report was done and presented to the Ministry. Input from Ministry was incorporated into the final report.

3.5 Response Rate

The overall response rate was 92.1%. Respondents targeted for the survey participated voluntarily. Substitution of respondents was only done for the following reasons:

1. Responsible person was away for an extended period during the survey period.
2. Refusals to participate in the survey



3.6 Quality Controls

A minimum of 20% of each interviewer's work was back-checked to ensure the interview took place and was administered in accordance with instructions. In addition, each interviewer was accompanied, at least once, to monitor interpersonal skills, adherence to the questionnaire or interview schedule and briefing instructions. All questionnaires were manually checked in the office for completion, accuracy, logic and correct at the end of each day of data collection following filter instructions, as data sanitization measure, prior to data processing.

3.7 Data Processing

Data entry and verification was performed using the Open Data Kit (ODK), and windows-based software. Tabulations were done using STATA.

4. Main findings

4.1 Introduction

This section of the report presents the findings of the cooperative baseline survey across all stakeholder segments.

4.2 Profile of the Cooperatives in Zimbabwe

In Zimbabwe today, co-operatives exist in eleven major areas: agricultural (fishing, poultry, dairy) services (wholesale, retailing, storage, communication,), mining, manufacturing, financial unions (i.e. SACCOs and insurance), transport, collective/multipurpose and construction. There are over nine thousand registered cooperatives in Zimbabwe. Approximately 51% of the co-operatives who participated in the study operates in urban areas, 38% in rural areas, 9% in peri-urban areas and 3% are growth points (Table 4.1).

Table 4.1: Profile of the Cooperatives in Zimbabwe

	Growth point	Peri-urban	Rural	Urban
Agriculture(hunting, fishing)	1,6%	12,7%	63,5%	22,2%
Arts and Craft	16,7%	16,7%	16,7%	50,0%
Construction & Housing	2,1%	4,7%	6,3%	87,0%
Finance & Insurance	2,7%	9,7%	53,1%	34,5%
Manufacturing	0,0%	7,4%	25,9%	66,7%
Mining & Quarrying	0,0%	5,9%	82,4%	11,8%
Real Estate & Business Service	8,7%	13,4%	13,4%	65,2%
Tourism & hospitality	0,0%	0,0%	0,0%	100,0%
Transport, storage, Communication	0,0%	0,0%	0,0%	100,0%
Wholesale, Retailing	7,1%	7,1%	14,3%	71,4%

Source: Author's Own Findings Based on the Survey

The findings showed that cooperatives like in the Tourism and Transport are more centred in the urban districts compared to mining and quarry which are found in the rural districts most probably because of the nature of their business.

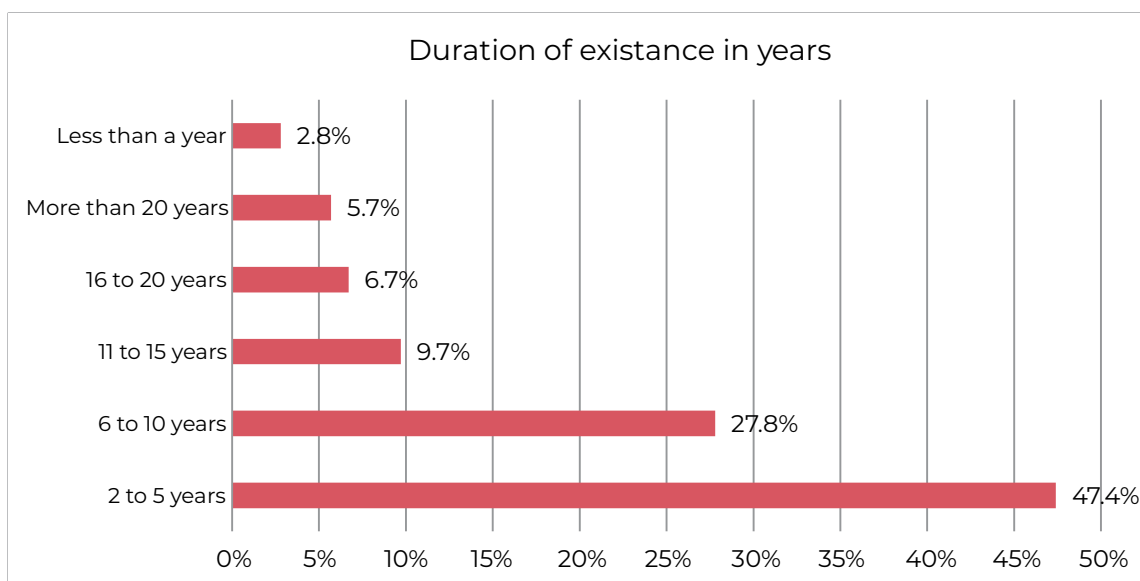
In addition, all the cooperatives that participated in this study have been registered with the Registrar of Cooperatives. Asked if they were in compliance with the by-laws that governed their cooperative sector 92.9% pointed out that they were in compliance while 6.0% were not and 1.2% were not sure (Table 4.2).

Table 4.2: Registration of cooperatives with Registrar of Cooperatives

	No	Yes	Don't Know
Agriculture (hunting, fishing)	9,0%	89,9%	1,1%
Arts and Craft	0,0%	100,0%	0,0%
Construction & Housing	2,1%	97,9%	0,0%
Finance & Insurance	8,8%	89,4%	1,8%
Manufacturing	7,4%	92,6%	0,0%
Mining & Quarrying	5,9%	94,1%	0,0%
Real Estate & Business Service	0,0%	95,7%	4,3%
Tourism & hospitality	0,0%	100,0%	0,0%
Transport, storage, Communication	0,0%	100,0%	0,0%
Wholesale, Retailing	0,0%	100,0%	0,0%

Further, study investigated the duration these cooperatives have been in existence. The objective here was to establish the sustainability of the cooperative business as one would assume the longer they have been in business the more sustainable their cooperative is or was. It further illustrates if the respondents interviewed were talking from a well-informed position as well as how they have been running the cooperative for a longer period. Figure 4.1 summarises the findings.

Figure 4.1: Duration of Cooperatives in Years



Source: Author (s) Derivation Based on Respondents Views

About 47.4% of the cooperatives interviewed have been in existence for the past 2 to 5 years while 5.7% have been in existence for more than 20 years. Split by sector the table below summarise the duration of operation for the cooperatives.

Table 4.3: Duration of Cooperatives in Years (By Sector)

Sector	11 to 15 years	16 to 20 years	2 to 5 years	6 to 10 years	Less than a year	More than 20 years
Agriculture(hunting, fishing)	4,3%	3,7%	59,3%	22,4%	3,7%	6,4%
Arts and Craft	0,0%	0,0%	50,0%	33,3%	0,0%	16,7%
Construction & Housing	16,9%	13,8%	25,4%	37,0%	1,1%	5,8%
Finance & Insurance	3,5%	0,0%	69,0%	21,2%	4,4%	1,8%
Manufacturing	7,4%	7,4%	44,4%	33,3%	0,0%	7,4%
Mining & Quarrying	5,9%	5,9%	52,9%	11,8%	0,0%	23,5%
Real Estate & Business Service	30,4%	8,7%	21,7%	39,1%	0,0%	0,0%
Tourism & hospitality	0,0%	0,0%	100,0%	0,0%	0,0%	0,0%
Transport, storage, Communication	0,0%	66,7%	33,3%	0,0%	0,0%	0,0%
Wholesale, Retailing	14,3%	0,0%	35,7%	21,4%	14,3%	14,3%

Source: Author (s) Derivation Based on Respondents Views

Table 4.6 shows that 23.5% of the Mining & Quarrying have been in existence for more than 20 years and 5.9% were in existence between 11 to 20 years. An improvement in the number of cooperatives registering in this sector was seen in past 2 to 10 years with 52.9% having been operational for 2 to 5 years and 11.8% in the past 6 to 10 years. There were no registered cooperatives in this sector in the past year. Generally, across all sectors there have not been any new entrants in the cooperative sector with the exception of cooperatives in the wholesale/retailing that have 14.3% that started operations in less than a year. Lack of new entrants could probably be resultant to the current inflation in the country or high cost of doing business as such little is being done to encourage manufacturing rather it's more focused on retailing.

4.2.1 Purpose, Four Tier System and Membership Structure

This sub-section concentrated more on understanding the basic operations of the cooperatives. It focuses on understanding the reasons for formation of the cooperative, affiliation to any tier system and the membership structure.

To fully understand operations of the cooperatives, the respondents were first asked to highlight the reasons why they formulated their cooperative. The top five main reasons given were;

- > Community development and uplifting each other by way of working together especially for women and the youth.
- > Improving Standards of living in the community and it was also a motivation from Government after Independence to start cooperative.

- > Banks only giving loans only to people in the urban mostly because they can meet their requirements (collateral) so this compelled us to establish a cooperative that gives loans to people in the rural areas with good projects
- > To combat poverty in the community by having a project that can help uplift the community and its members.
- > To be able to help each other in the community through employment creation.[SIC]

The purpose of forming cooperatives as stated above is mainly to realize the economic, cultural and social needs of the organisation's members and its surrounding community. Generally, as can be seen the cooperatives developed rightly so that they can sustain themselves socially, economically and environmentally (Ketilson, Fulton, Fairbairn, & Bold, 1992; Gertler, 2001). As a co-operative, The Group has a series of values and principles which guide how the business operate and these have remained relatively unchanged from the Rochdale Cooperative Society Principles from which they originate. In 2014, The Group launched its revised 'group purpose' - a sentence designed to encapsulate what the business stands for and how it operates. The business's purpose is: "Championing a better way of doing business for you and your communities", Cooperative Group (2015). However, considering the historical circumstances in which Zimbabwe constitutes a low income economy which still has to develop through medium to high income economy the purpose of the Zimbabwe Cooperatives should be to "promote a good business culture for transformation of Zimbabwe marginalized communities in a competitive global village", Population Reference Bureau (2015).

As cooperatives often have a strong commitment to their community and a focus on strengthening the community they exist in or serve, there was need to establish whether they maintain affiliated to prescribed structures in the four tier system. Briefly, the current structure of the cooperative comprises primary cooperatives (comprise autonomous association of persons who have voluntarily decided to form a cooperative to satisfy some economic needs through a jointly owned and democratically controlled enterprise....most important level of the structure); secondary cooperatives (formed by primary cooperatives in order to cater for their personal needs and to enable these small scale entrepreneurs to benefit from economies of scale, secondary cooperatives also provide technical services as auditing, book keeping, training, legal information, extension advise); Apex cooperatives (are sectoral and operate and operate at the national level; may be formed by primary / secondary cooperatives in order to provide services and representation at the national level. They provide technical services, for example, marketing, financing, auditing, training, information and extension to their members. They should administer the national pension and insurance scheme and should act in a representative capacity on matters of general interest to their members, attend to legal matters and resolution of disputes on behalf of their members); the Zimbabwe National Co-operative Federation (ZNCf) operates at the national, regional and international level and its membership is composed of apex organizations. ZNCf is a multi-disciplinary board. It is the cooperative movement's representative body and is meant to provide co-ordinated cooperative support services. It is the movement's lobbying body representing the interests of the entire movement.

The findings showed that of the 606 cooperatives interviewed, 43% stated that they were affiliated to the next level of the four tier system while 39.7% were not and 17.2% were not sure of their affiliation. The table below further goes to illustrate the cooperative(s) affiliation to the four tier system by sector;

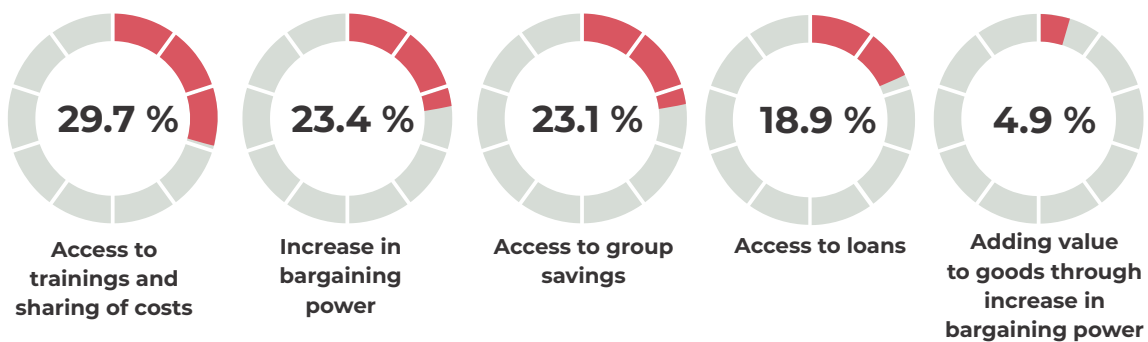
Table 4.4: Affiliation to Next Level of the Four Tier System

	n	No	Yes	Don't know
Agriculture (hunting, fishing)	178	47,9%	35,1%	17,0%
Arts and Craft	6	16,7%	66,7%	16,7%
Construction & Housing	196	35,4%	46,9%	17,7%
Finance & Insurance (SACCO)	101	40,7%	39,8%	19,5%
Manufacturing	30	25,9%	66,7%	7,4%
Mining & Quarrying	15	50,0%	12,5%	37,5%
Multipurpose	17	30,0%	65,0%	5,0%
Real Estate & Business Service	22	30,4%	52,2%	17,4%
Tourism & hospitality	1	0,0%	100,0%	0,0%
Transport, storage, Communication	3	66,7%	33,3%	0,0%
Wholesale, Retailing	15	35,7%	57,1%	7,1%

Source: Author (s) Derivation Based on Respondents Views

Of the surveyed 196 housing and construction cooperatives, 46.9% of the cooperative are affiliated to prescribed structures of the four tier system while 35.4% are not and 17.7% do not know if they are affiliated or not.

To understand and appreciate if the cooperative leaders or members had a proper appreciation to the objectives behind the structural organization that compelled the four tier set up. The respondents were asked the benefits they felt they derived from the affiliation. The top five benefits given were;⁷



Most challenges confronted by cooperatives relate to access of funding, poor managerial and vocational skills among co-operators and operation in specialized sectors. Thus, by affiliating to any tier in the system they are then able to benefit by sharing cost from procurement of materials to trainings as well as loans.

⁷ The question allowed for multiple response thus the response do not add up to 100%

The study went further to elaborate the structures that the co-operators are affiliating to. Of the 606 cooperatives interviewed, 68% are affiliated to the primary structure, 17.6% are in the secondary structure while 3.8% and 3.9% were also in the apex and federation structures respectively. Only 6.7% could not remember if they were part of the four tier system or not. The table below shows a detailed breakdown by sector of the cooperatives.

Table 4.5: Affiliation to Different Four Tier System by Cooperative

	n	Primary	Secondary	Apex	Federation	Don't know
Agriculture	178	66,0%	21,0%	3,0%	3,0%	6,0%
Arts and Craft	6	17,0%	50,0%	17,0%	17,0%	0,0%
Construction & Housing	196	73,0%	15,0%	4,0%	6,0%	2,0%
Finance & Insurance	101	78,0%	9,0%	0,0%	1,0%	12,0%
Manufacturing	30	43,0%	20,0%	13,0%	13,0%	10,0%
Mining & Quarrying	15	60,0%	20,0%	0,0%	0,0%	20,0%
Multipurpose	17	71,0%	23,0%	6,0%	0,0%	0,0%
Real Estate & Business Service	22	36,0%	18,0%	14,0%	0,0%	32,0%
Tourism & hospitality	1	0,0%	100,0%	0,0%	0,0%	0,0%
Transport, storage, Communication	3	100,0%	0,0%	0,0%	0,0%	0,0%
Wholesale, Retailing	15	67,0%	33,0%	0,0%	0,0%	0,0%

Source: Author (s) Derivation Based on Respondents Views

The Structure of Agricultural Cooperatives (hunting, fishing, crop production) is by and large a two tier as noted by a high concentration in the primary and secondary structures with 66.0% and 21.0% respectively. While the manufacturing cooperatives is spread across all tier system. There is therefore, need to further understand the reasons why there is little or no interest by the cooperatives to be actively affiliated in the apex and federation structure. One can thus, assume that even though the current policy lays down the form the structure should take, there might be need for the actual setting up of unions, apexes, or the federation affiliation to be demand driven, dictated by the needs of the members. Equally the cooperative structure there is need for it to be dynamic and flexible in order to respond to the demands and needs of the members. Apex organizations are urged to undertake their representative roles knowledgeably and efficiently.

4.2.2 Membership status

Number of Cooperatives Statistical records are not verifiable or up to date. The apex body or Ministry, were not in a position to provide verifiable statics we got from the field. The best available data indicate that there are 2743 cooperatives in Zimbabwe. However, based on available information, there is no way of knowing how many cooperatives can be designated as “rural” or “urban”.

Table 4 6: Membership Status of Cooperatives

Province	Total	Housing	SACCOs	Mining	Fishing	Services	Transport	Art & Craft	Manufacturing	Agriculture	Construction
Mash West	30	4	1	7	14	2	0	0	2	0	0
Mat North	223	0	162	2	27	4	0	0	5	23	0
Masvingo	590	46	300	3	66	30	2	0	35	108	0
Mat South	86	23	18	12	3	4	0	0	7	22	0
Bulawayo	39	18	7	0	0	13	1	0	0	0	0
Harare	1179	716	380	2	14	48	2	2	15	0	0
Mash Central	88	5	50	9	11	0	0	0	0	12	1
Mash East	133	18	44	0	2	8	0	0	5	56	0
Manicaland	256	85	140	0	0	4	0	0	4	23	0
Midlands	119	58	0	5	44	0	0	0	0	12	0
Total	2743	973	1102	40	181	113	5	2	73	256	1

Source: Author (s) Derivation Based on Respondents Views

4.3 Size of the Cooperative

The changing socio-economic cultural circumstances across nations require that continuous evaluations always be done in order to fully understand the operations of cooperatives so that one can learn how best they always be integrated or contribute to the GDP of an economy. This section tries to unpack the size of the cooperative in Zimbabwe looking at some of the following parameters; services, capacity utilization, capital, financial management and human resources.

4.3.1 Services

This sub-section sought to understand the operations of the cooperatives. It highlights the materials or equipment used by the cooperatives within their sectors. Lastly, it shows some of the challenges that they are facing in the operations of the cooperative as a business.

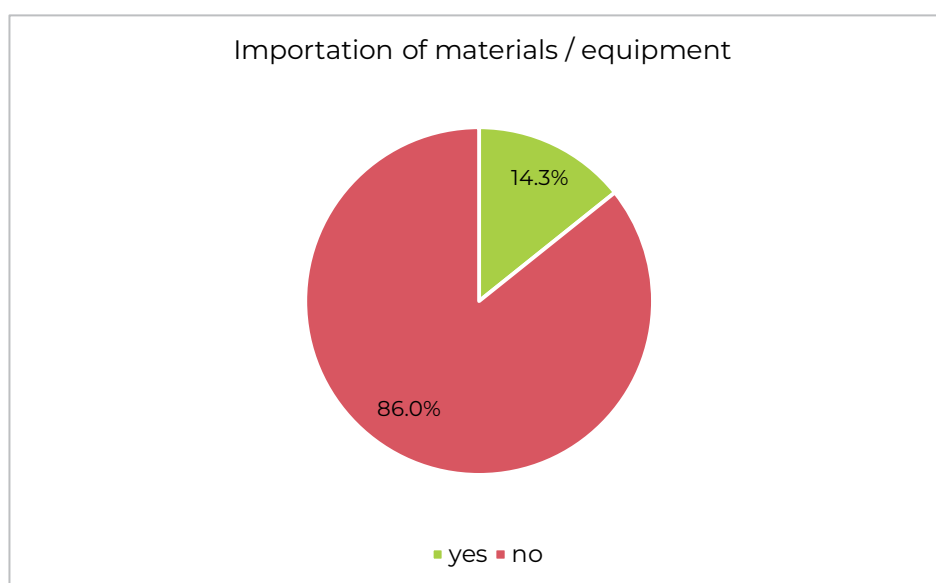
The services offered by the cooperatives can be simply be categorised by their purpose. For instance in this study, under Agricultural cooperatives, their business was mainly centred on dairy farming, cattle rearing, poultry, fishing, horticultural products among others. While for business cooperatives like SACCO or credit unions these focused on providing at low cost financial services (for example loans) to a wide cross-section of the population. Interesting to note was the fact that most cooperatives when their core business has ceased to be profitable were becoming multipurpose cooperatives. In the case of Housing Cooperatives, especially in Harare where they no longer have access to land due to by-laws set by the Government, instead of closing they have shifted their focus to be more business oriented. For cooperatives in the agricultural sector they too have become de facto multipurpose

cooperatives. They handle the provision of services, broker produce sales and provide financial (savings and loan) services to members.

A close look at the business operation of the cooperatives shows that the majority (96.7%) conduct their business locally and are not exporting any product or service and the remainder (3.3%) are exporting.

Asked on where they source their materials or equipment the figure below summaries the findings.

Figure 4.2: Importation of Materials/Equipment



Source: Author (s) Derivation Based on Respondents Views

Generally, cooperatives source materials locally as 86% of respondents agreed that rely on local suppliers for all their materials or equipment they used in their trade. Only 14.3% of the cooperatives indicated that import some material they used.

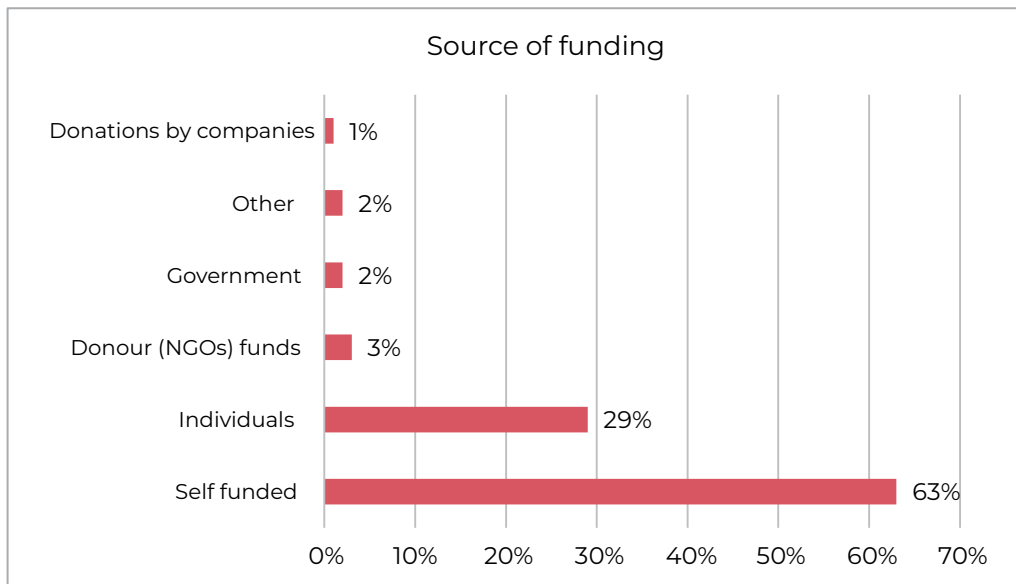
4.3.2 Capital

This section sought to understand Cooperatives attitudes to financial matters. It explored their views on financial books, subscriptions and auditing. The study also sought to find out if Cooperatives paid the 5% of surplus to the Central Cooperative Fund. An assessment of how Cooperatives financed their business was done as well.

4.3.2.1 Cooperative Funding

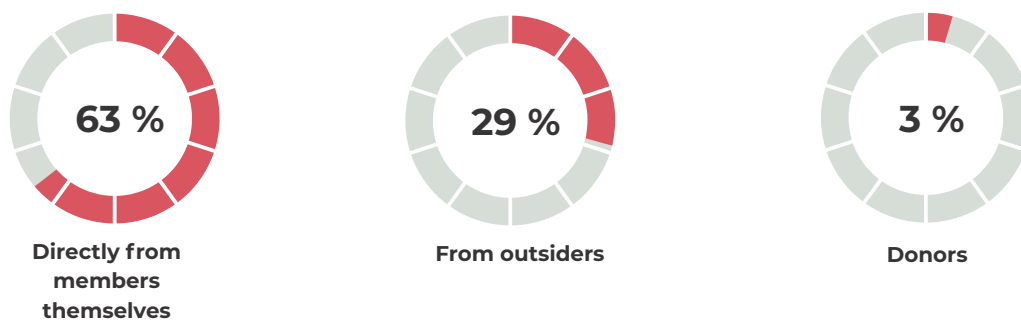
This study also sought to understand how the cooperatives are funded taking into account that there are a variety of ways these can be financed.

Figure 4.3: Source of funding



Source: Author (s) Derivation Based on Respondents Views

Figure 4.3 shows that co-operatives capital for the operation and improvement of the cooperative businesses come from three main sources:



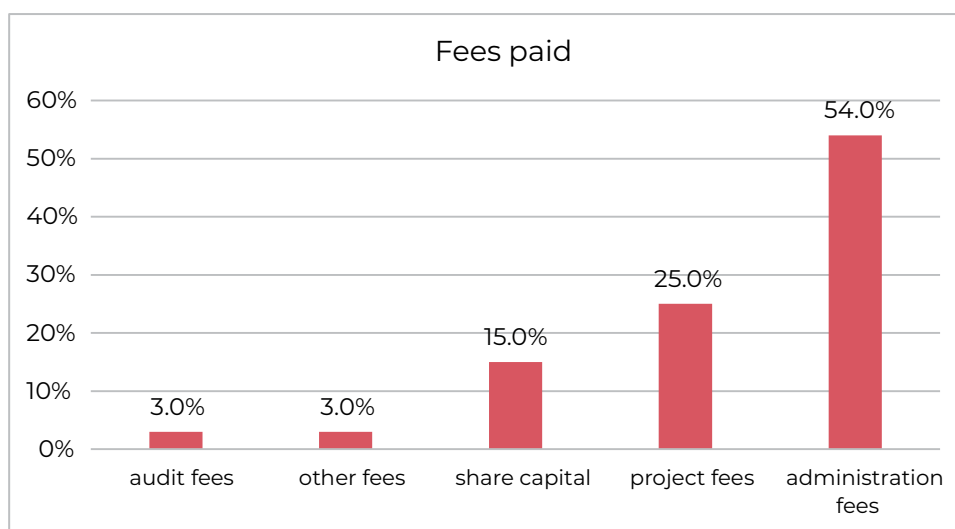
In the “other” category respondents also pointed out that their revenue for those that handle or sale commodities, money that is retained from the sales or surpluses generated by the cooperative business can also be used as a source of funding. Member share capital represents the individual member commitment to the cooperative form of business. Members help finance the operations and growth of the cooperative through:

- > Once off or annual membership fees;
- > Member contributions with no individual ownership attached, such as service fees;
- > Member share capital;
- > Individual member deposits with the cooperative which may be used for business; and

- > Deferred payment to members for part or all of their produce delivered to the cooperative²

The respondents were further asked to mention the fees that they paid within the cooperatives. Of the respondents interviewed 54.0% pointed out that they paid administration fees while 25.0% paid project fees.

Figure 4.4: Fees Paid



Source: Author (s) Derivation Based on Respondents Views

Frequency on when the fees were paid were evaluated. It should be noted that only cooperatives that paid for the below fees answered this question. In terms of frequency on administration fees 54% of the cooperatives in the agriculture sector collected those on an annual basis while 47% of the housing/construction cooperatives collected them on a monthly basis.

Table 4.7: Contribution to Administration Fees

	Annually	Bi-annually	Monthly	Other	Quarterly
Agriculture	54%	100%	23%	0%	50%
Arts and Craft	0%	0%	2%	0%	0%
Construction & Housing	0%	0%	47%	80%	18%
Finance & Insurance	23%	0%	16%	0%	14%
Manufacturing	23%	0%	3%	0%	4%
Mining & Quarrying	0%	0%	0%	0%	4%
Other	0%	0%	4%	20%	7%

Source: Author (s) Derivation Based on Respondents Views

² <http://www.fao.org/3/w5069e/w5069e06.htm>

Looking at share capital overall, 77.5% of the cooperatives paid these on a monthly basis while 7.5% contributed on an annual basis. These results are further disaggregated by sector in the table below.

Table 4.8: Contribution to Share Capital Fees

	Annually	Monthly	Other	Quarterly
Agriculture	17%	23%	75%	100%
Construction & Housing	0%	3%	13%	0%
Finance & Insurance	67%	56%	13%	0%
Manufacturing	17%	5%	0%	0%
Mining & Quarrying	0%	5%	0%	0%

Source: Author (s) Derivation Based on Respondents Views

Project fees were collected among five cooperatives namely agriculture, construction & housing and wholesale/retailing. Of these cooperatives, 18.1% normally collect project fees quarterly.

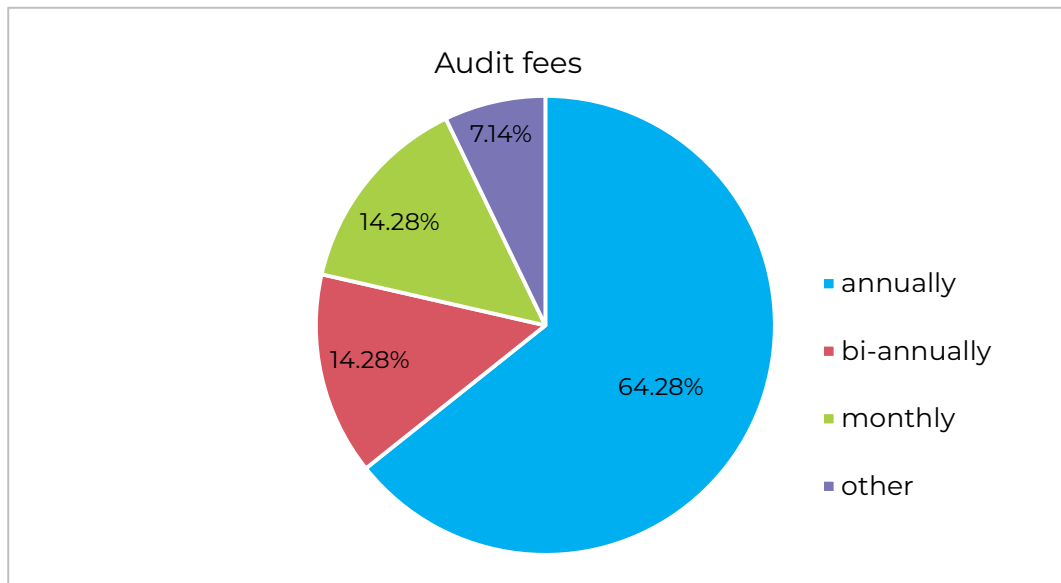
Table 4.9: Contribution to Project Fees

	Annually	bi-annually	monthly	Other	quarterly
Agriculture	89%	50%	22%	50%	39%
Arts and Craft	0%	0%	0%	17%	0%
Construction & Housing	11%	0%	31%	17%	17%
Finance & Insurance	0%	0%	24%	17%	9%
Manufacturing	0%	0%	9%	0%	17%
Wholesale, Retailing	0%	50%	6%	0%	0%

Source: Author (s) Derivation Based on Respondents Views

Four cooperatives pointed out that they contribute audit fees. Of these cooperatives there were mainly in the construction/housing (50.0%), Finance (28.6%), agriculture (14.3%) and manufacturing sector (7.1%).

Figure 4.5: Contribution to Audit Fees



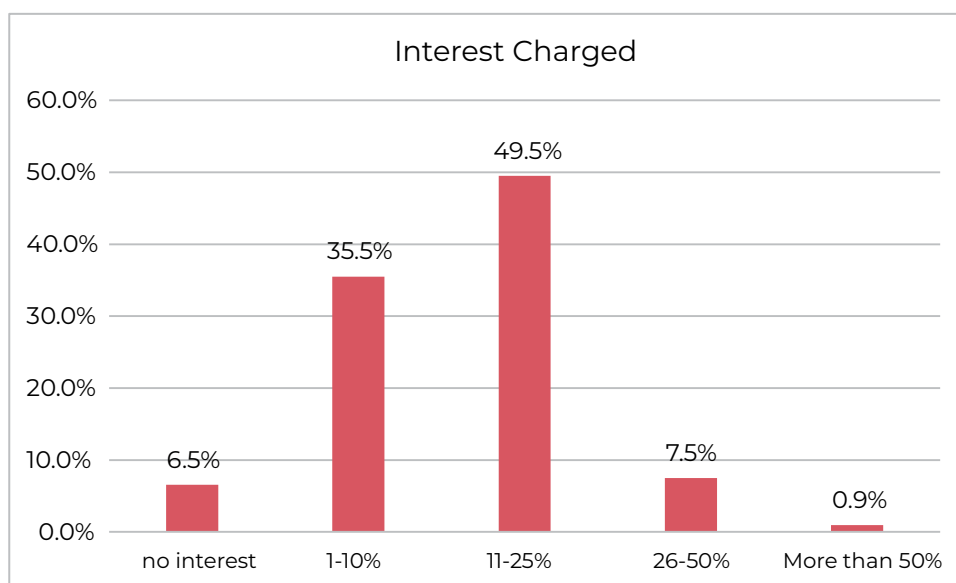
Source: Author (s) Derivation Based on Respondents Views

Generally, 64.9% of the cooperatives paid audit fees annually while 14.9% paid them bi-annually. Despite these different fees, overall, most of the cooperatives point that as of this year due to Covid 19 restrictions and the high inflation rate most of them have ceased collection of subscriptions (54.2%) while others pointed that members have stopped paying as there is no business (29.2%).

For the SACCOS there were asked to further explain how they handled the finance on their cooperative since their cooperative is more based on large sums of money. About 65.5% of the SACCOS pointed out that they did not bank anymore and 34.5% pointed out that they banked it. Those that are not banking their money pointed out that they do not keep it but rather it is always revolving among the members. While the majority of the SACCOS do not use the formal banking services, this had not however, taken away their need for banking services like anyone in the formal market. Their businesses are in need of financing to boost their working capital.

The SACCOS were further asked how much interest rates they charged. Figure 4.6 summarizes the findings.

Figure 4.6: Interest Rates Charged



Source: Author (s) Derivation Based on Respondents Views

About 49.5% of SACCOs charged interest within the 11 to 25% range while 7.5% charged around 26 to 50% interest. Asked if the interest rates charged encouraged borrowing and sustainability, 69.4% were in agreement. The only challenge this has is that, the higher interest rates tend to increase the cost of borrowing, reduce disposable income and therefore limit the growth in member spending.

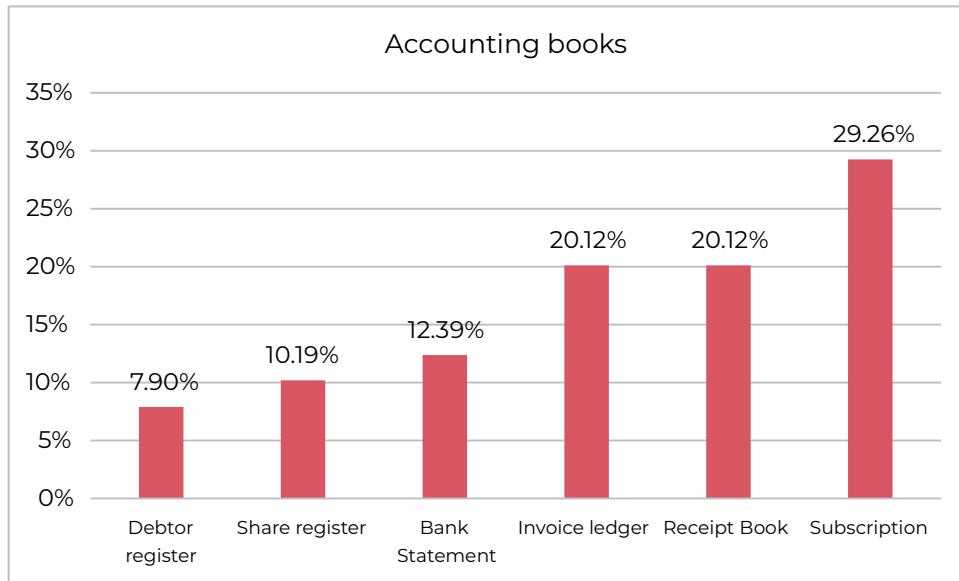
Generally, SACCOs have the following challenges:

- > Allocating interest payments to the member only at the year end, after all expenses have been defrayed, does not provide the management of cooperatives with any incentive to reduce their annual operating costs. In any case, operating costs can be unjustifiably high, adversely affecting service to the members; and
- > Most countries suffer from inflation. As a result, their credit and saving institutions are intended not only to provide loans, but also to protect savings as much as possible from the effects of inflation. In most credit and saving cooperatives, the member repays his loans in monthly installments, which include part of the principal as well as monthly interest on the outstanding balance of the loan. This situation leads to a net inflow of cash to the cooperative. In most cases, these surplus amounts are deposited at various financial institutions, such as banks or cooperative credit organizations, until they are once again granted as loans. The interest received on these sums is low, and always less than the annual rate of inflation in the country in question. This leads to an erosion in the value of their members' income and savings.

4.3.2. Financial Management

As cooperatives are running their business operations there was need to understand how they kept record or account for how efficiently the cooperatives use its resources to maximize its returns. The subscription register was the most common accounting book that all cooperatives had followed by the receipt book with 20.1%.

Figure 4.7: Accounting books used



Source: Author (s) Derivation Based on Respondents Views

However, a majority of the cooperatives knew of accounting books, but not all of them were making use of them. When asked the reason for non-usage of these books the majority of them claimed not to be able to afford them, thus have resorted to using counter books or exercise books for their record keeping. Another challenge pointed was lack of knowledge on how to maintain and record in these books hence resorting counter books.

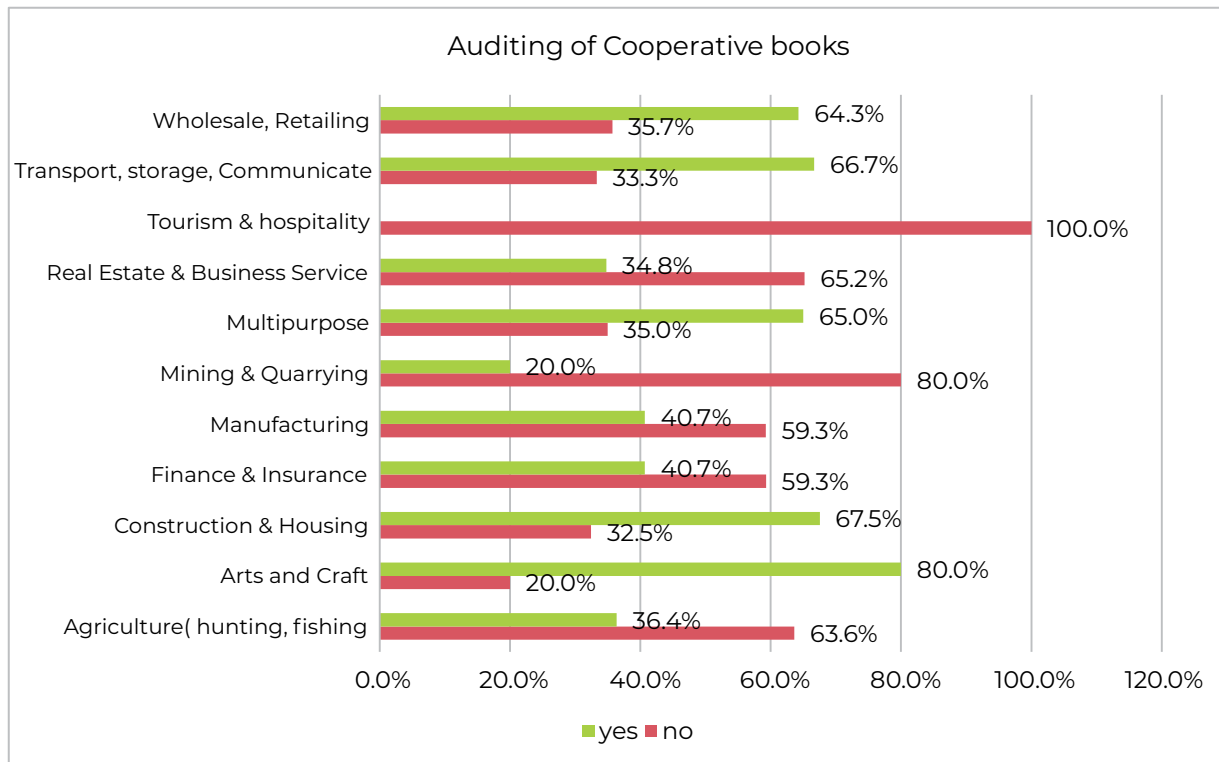
As can be seen in other studies, which is the same with co-operatives in Zimbabwe, co-operatives are facing a challenge of lack of skills to develop an excellent co-operative accounting system that provides a set of measures to account for how credit unions and other co-operatives use their resources to meet all of their core goals, including measures of what constitutes a financially healthy organization that can sustain itself. This co-operative accounting system should allow the co-operative to achieve transparent and open reporting to the board, membership and community. Finally, it should provide management with the measurement tools they need to manage the co-operative on behalf of the members.³

³ <https://smu.ca/webfiles/Co-operativeAccountingPurposesandChallenges.pdf>

Auditing

As part of Cooperative compliance the co-operators books are supposed to be audited. The respondents were thus asked if they were in compliance with this law. Forty-nine percent (49%) of the respondents said that they had their books audited and more than half (51.0%) were not.

Figure 4.8: Auditing of Cooperative books



Source: Author (s) Derivation Based on Respondents Views

Of the cooperatives whose books were audited, 80% were in the arts and craft. When asked when the books were last audited, 42.2% pointed out that the last audit was done in 2019, while 39.9% said the last audit had been done in 2016- 2017. Lastly, 10.9% could not remember when their books were audited. In terms of number of times when these books were last audited, 74% of the books were audited more than once but less than 5 times. In terms of financial compliance there is need for further training and monitoring among the cooperatives. Lack of compliance could be as a result lack of resources to pay auditors or knowledge on the importance of auditing.

Central Cooperative Fund

Of all the cooperatives, only 22.5% of the respondents said that they contributed to the 5% of their surplus to the cooperative fund, 62.1% pointed that they did not and 15.4% are not aware of their contribution. None payment of the cooperative fund could be as a consequence of inflation, thus affecting the performance of the cooperatives as little or no business is being done. Further, most of them have ceased to collect subscriptions.

4.3.3 Employment creation

The success and survival of the cooperatives depends on several factors namely labour, revenues generated and other resources. Among all the resources, the human resource plays a vital role in the cooperative movement. The effective and efficient utilization of all resources depends on the ability and involvement of the human resource. It was the intention of this study to investigate if cooperatives are employing any employees in their business and if so in what capacity (full or part time) and the ability or skills of the employees hired. The study went further to unpack the skills level of the hired members and if as a cooperative are ever conducting any trainings

4.3.3.1. Current employees

The general perception across all interviews pointed towards an admission by participants that some cooperatives do engage workers in one form or another, i.e. contract, part time or permanent employees and at times these could be members of the cooperative or not. Statistics coming from the survey showed that 83.3% of the Cooperative have employees while 16.7% did not have.

Table 4.10: Overview of current employees

Employee	n	%
Full time members	504	23,3%
Full time non members	443	20,4%
Part time members	403	18,6%
Part time non members	408	18,8%
Contract	409	18,9%

Source: Author (s) Derivation Based on Respondents Views

Interesting to note is the fact most cooperatives are engaging members as employees in order to avoid most probably high labour cost (insurance, wages, social security etc). Of the employees employed by cooperatives the findings suggested that 23.3% are full time members and 20.4% are full time employees but are not members. About 18.6% are hired part time members and 18.8% are part time non-members. Only 18.9% indicates that they at times hire contract workers on ad hoc basis. The subsequent sections disintegrates this in detail.

a. Full time

In terms of employing full time members, the findings show that 33.8% of the cooperatives in the agriculture sector employed between 1 to 50 employees while only 33.3% employ 51 to 100 employees as shown in the table below.

Table 4.11: Number of full time members employed

	n	no employees	1-50 employees	51-100 employees	More than 100 employees
Agriculture(hunting, fishing)	162	25,9%	38,8%	33,3%	0,0%
Arts and Craft	6	0,0%	2,3%	0,0%	0,0%
Construction & Housing	160	48,7%	18,1%	11,1%	27,3%
Finance & Insurance	83	17,9%	16,5%	0,0%	0,0%
Manufacturing	24	1,8%	7,3%	0,0%	9,1%
Mining & Quarrying	14	0,4%	4,6%	0,0%	9,1%
Multipurpose	17	1,3%	5,4%	0,0%	0,0%
Real Estate & Business Service	22	1,8%	2,7%	55,6%	54,5%
Tourism & hospitality	1	0,4%	0,0%	0,0%	0,0%
Transport, storage, Communication	3	0,4%	0,8%	0,0%	0,0%
Wholesale, Retailing	11	1,3%	3,1%	0,0%	0,0%
Average	504	44,4%	51,6%	1,8%	2,2%

Source: Author (s) Derivation Based on Respondents Views

On average it can be seen that 44.4% of the cooperatives have no full time employees. This might be because members find it better to work on their own rather than have full time salaried employees. Of those that employ full time employees the majority of them (51.6%) have 1 to 50 employees.

b. Full time non members

Cooperatives that employed non-members of the cooperatives pointed out that 76.1% of the cooperatives have no employees that are non-members and only 21.2% employ between 1 to 50 employees.

Table 4.12: Number of full time non-members employed

	n	no employees	1-50 employees	51-100 employees	More than 100 employees
Agriculture(hunting, fishing)	140	30,3%	40,4%	0,0%	0,0%
Arts and Craft	6	1,5%	1,1%	0,0%	0,0%
Construction & Housing	149	37,1%	12,8%	100,0%	100,0%
Finance & Insurance	75	17,5%	17,0%	0,0%	0,0%
Manufacturing	21	3,6%	9,6%	0,0%	0,0%
Mining & Quarrying	12	2,1%	5,3%	0,0%	0,0%
Multipurpose	17	3,6%	5,3%	0,0%	0,0%
Real Estate & Business Service	7	2,1%	0,0%	0,0%	0,0%
Tourism & hospitality	1	0,3%	0,0%	0,0%	0,0%
Transport, storage, Communication	3	0,3%	2,1%	0,0%	0,0%
Wholesale, Retailing	12	1,8%	6,4%	0,0%	0,0%
Average	443	76,1%	21,2%	11,2%	15,8%

Source: Author (s) Derivation Based on Respondents Views

The agriculture sector 40.4%, followed by the finance (17.0%) and last the construction/housing (12.8%) sector employ at least between 1 to 50 employees.

c. Part time members

When asked if there are employing part time members, 81.6% of the cooperatives pointed out that they do not employee part time members from their cooperatives while 18.4% did as shown in the table below.

Table 4.13: Number of part time members employed

	n	no employees	1-50 employees
Agriculture(hunting, fishing)	128	85,2%	14,8%
Arts and Craft	6	66,7%	33,3%
Construction & Housing	134	90,3%	29,7%
Finance & Insurance	70	78,2%	21,4%
Manufacturing	14	71,4%	28,5%
Mining & Quarrying	13	15,4%	84,6%
Multipurpose	16	31,3%	68,8%
Personal & household	1	100,0%	0,0%
Real Estate & Business Service	6	66,7%	33,3%
Tourism & hospitality	1	100,0%	0,0%
Transport, storage, Communication	3	100,0%	0,0%
Wholesale, Retailing	11	72,7%	27,3%
Average	403	81,6%	18,4%

Source: Author (s) Derivation Based on Respondents Views

Mining and Quarrying (84.6%) employ highest number of part-time workers followed by multipurpose co-operatives (68.8%) employing 1-50 employees. There were no non-part time members that were employed by personal and household, and transport, storage and communication co-operatives.

d.Contract

Table 4.14: Number of contracts employed

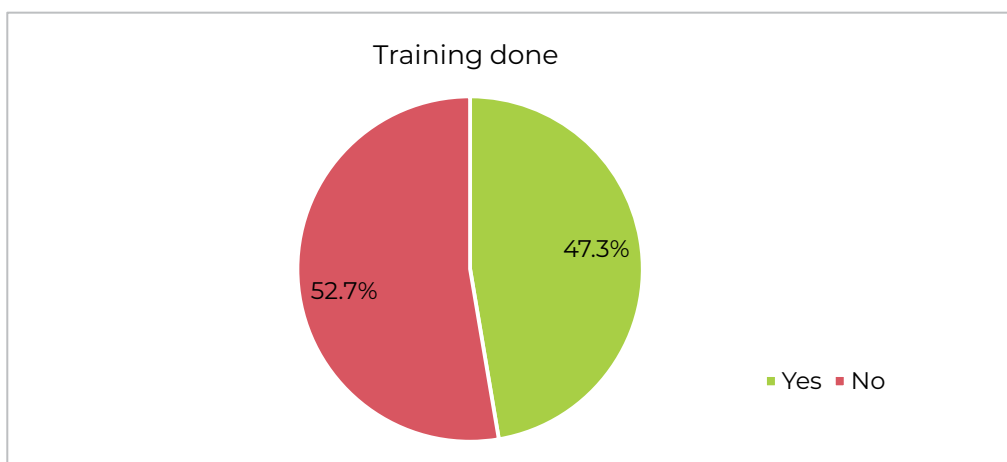
	n	no employees	1-50 employees	51-100 employees	More than 100 employees
Agriculture (hunting, fishing forestry)	133	75,9%	23,0%	0,8%	0,0%
Arts and Craft	5	60,0%	40,0%	0,0%	0,0%
Construction & Housing	134	85,1%	13,4%	0,7%	0,7%
Finance & Insurance	71	91,5%	8,5%	0,0%	0,0%
Manufacturing	15	73,3%	26,7%	0,0%	0,0%
Mining & Quarrying	11	72,7%	27,3%	0,0%	0,0%
Multipurpose	17	58,8%	41,2%	0,0%	0,0%
Personal & household	1	100,0%	0,0%	0,0%	0,0%
Real Estate & Business Services	8	62,5%	42,9%	0,0%	0,0%
Tourism & hospitality	1	100,0%	0,0%	0,0%	0,0%
Transport, storage, Communication	3	100,0%	0,0%	0,0%	0,0%
Wholesale, Retailing	10	60,0%	40,0%	0,0%	0,0%
Average	409	80,2%	19,1%	0,5%	0,2%

Source: Author (s) Derivation Based on Respondents Views

4.3.3.2. Training of employees

The study went further to understand whether the cooperatives ever conducted training of their members or employees. Approximately half (52.7%) of the respondents, both men and women led cooperatives pointed out that they do not conduct trainings ever while only 47.3% pointed out they do conduct trainings as shown in the figure 4.9.

Figure 4.9: Training of members

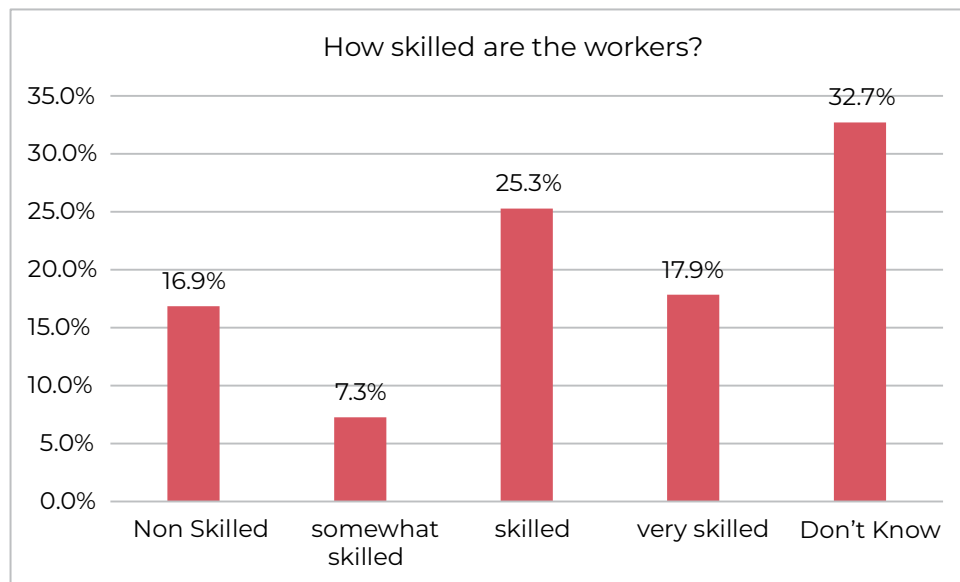


Source: Author (s) Derivation Based on Respondents Views

It is notable that of some respondents do not conduct any training or saw the need for training at all. This could suggest that they do not appreciate the potential value to their cooperative of improving their skills. For these cooperatives the benefits of improving one's business skills need to be demonstrated through examples or cases studies of successful cooperatives within their sectors that have been successfully trained and are benefiting as a result. The perception that training is not needed could also be an indication that current training curricula do not meet the needs of cooperatives.

The study went on to ask the level of skill the employees had. It can be seen that 32.7% of the cooperatives were not aware of the skills level that their employees had while 43.2% (aggregate of skilled and very skilled) had skilled employees.

Figure 4.10: Employees skills



Source: Author (s) Derivation Based on Respondents Views

In terms of numbers of skilled employees employed the table below shows that 49 % of the skilled staff range from 1 to 50 employees.

Table 4.15: Employees skills by cooperative

	n	no employees	1-50 employees	51-100 employees	More than 100 employees
Agriculture (hunting, fishing)	151	41%	57%	2%	0%
Arts and Craft	6	0%	100%	0%	0%
Construction & Housing	155	65%	32%	3%	1%
Finance & Insurance	75	57%	43%	0%	0%
Manufacturing	22	9%	91%	0%	0%
Mining & Quarrying	14	7%	86%	7%	0%
Other	17	29%	65%	6%	0%
Personal & household	1	0%	100%	0%	0%
Real Estate & Business Service	8	63%	25%	0%	13%
Tourism & hospitality	1	100%	0%	0%	0%
Transport, storage, Communication	3	100%	0%	0%	0%
Wholesale, Retailing	12	100%	0%	0%	0%
Average	465	48%	49%	2%	1%

Source: Author (s) Derivation Based on Respondents Views

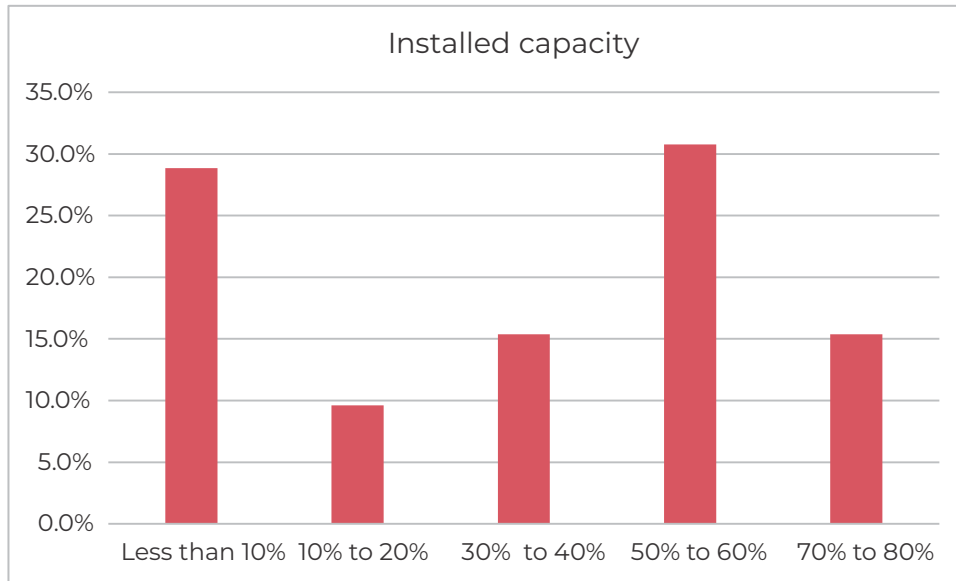
From the findings the top training needs that were identified include business management, marketing and staff development. There is need for training the cooperatives so that they can improve their entrepreneurial skills. It is thus recommended that training could be adopted by the Ministry and used as an incentive when Cooperatives operate within the confines of their regulations like registering with relevant authorities. The discussions also revealed that there were high decent work deficits (e.g. lack of protective clothing, no annual leave days, there are no stipulated working hours or maternity level) within the Cooperatives. The overall indication was that there is high labour informality in the sector.

4.4 Contribution of Cooperative to the economy

Capacity utilization for this study was defined as the relationship between output that is being produced and the potential output that could be produced. Installed capacity utilization was considered to be an important concept for the cooperatives as it measured productive efficiency by sector. Due to the varied nature of cooperative business the total output for the cooperatives was estimated in monetary and percentage terms only.

The figure below shows that from 2017 to 2019 installed capacity was operating within the 25% to 29% range.

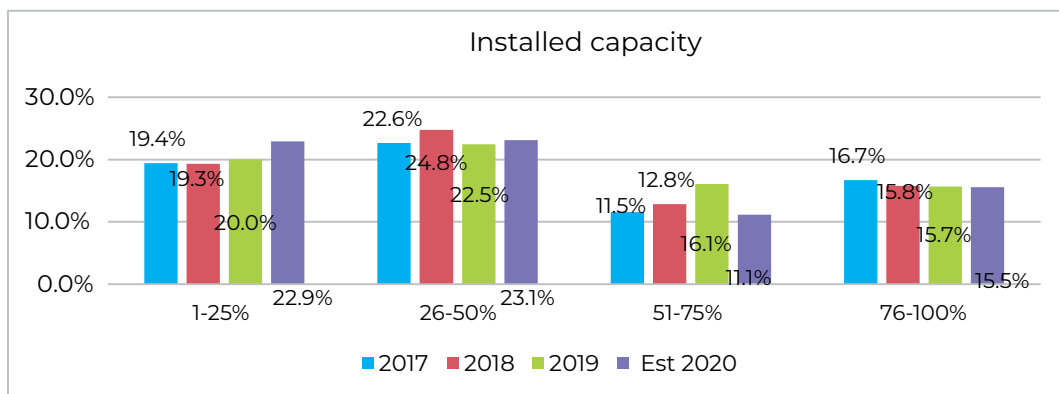
Figure 4.11: Current Installed capacity



Source: Author (s) Derivation Based on Respondents Views

Figure 4.12 shows that from 2017 to 2019 installed capacity was operating within the 25% to 29% range.

Figure 4.12: Installed capacity



Source: Author (s) Derivation Based on Respondents Views

The United State dollars was used as the standard measure for valuation. The table below summarises the total output being produced overall by the cooperatives over the last four years (2017- to present).

Table 4.16: Level of output in USD

	n	no turnover	less than 500 USD	501-1000 USD	1001-10000 USD	10001-50000 USD	50001-100000 USD	more than 100000 USD
2017	508	28,5%	21,3%	6,3%	30,9%	10,2%	1,4%	1,4%
2018	519	25,0%	22,7%	6,4%	32,8%	10,4%	1,3%	1,3%
2019	559	21,4%	23,1%	9,3%	29,7%	9,9%	1,3%	5,4%
Est 2020	525	23,2%	30,5%	7,8%	29,1%	8,2%	0,2%	1,0%

Source: Author (s) Derivation Based on Respondents Views

The study noted that overall, in terms of output, most of the cooperatives have an output of less than US\$500 per year while some had no turnover at all. Shown in sectoral form per cooperative the subsequent tables gives a picture of the turn over accrued by the cooperatives on a yearly basis.

(a) The 2017 Output

The majority of cooperatives have annual turnover of less than US\$1000 except transport, storage and communication, wholesale and retail and real estate and business service which has shown that annual turnover is in excess of US\$10,000 (see table 4.20)

Table 4.17: Level of output in USD for 2017

	No	less than 500 USD	501-1000	1001-10000 USD	10001-50000 USD	50001-100000 USD	more than 100000 USD	
Agriculture (hunting, fishing)	168	17,9%	27,4%	9,5%	32,7%	9,5%	2,4%	0,6%
Arts and Craft	4	0,0%	0,0%	0,0%	75,0%	0,0%	0,0%	25,0%
Construction & Housing	161	36,0%	22,4%	0,6%	28,0%	9,3%	1,2%	2,5%
Finance & Insurance	98	21,4%	21,4%	8,2%	38,8%	9,2%	0,0%	1,0%
Manufacturing	22	4,5%	27,3%	22,7%	27,3%	13,6%	4,5%	0,0%
Mining & Quarrying	14	21,4%	21,4%	0,0%	50,0%	7,1%	0,0%	0,0%
Multipurpose	15	13,3%	26,7%	20,0%	33,3%	6,7%	0,0%	0,0%
Real Estate & Business Service	20	55,0%	5,0%	0,0%	25,0%	15,0%	0,0%	0,0%
Tourism & hospitality	1	0,0%	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Transport, storage, Communication	3	25,0%	0,0%	0,0%	0,0%	75,0%	0,0%	0,0%
Wholesale, Retailing	12	25,0%	0,0%	0,0%	50,0%	25,0%	0,0%	0,0%

Source: Author (s) Derivation Based on Respondents Views

(b) The 2018 Output

As noted in 2017, the majority of cooperatives have annual turnover of less than US\$1000 except transport, storage and communication, wholesale and retail and real estate and business service which has shown that annual turnover is in excess of US\$10,000 (see table 4.21).

Table 4.18: Level of output in USD for 2018

		no turnover	less than 500 USD	501- 1000	1001- 10000 USD	10001- 50000 USD	50001- 100000 USD	more than 100000 USD
Agriculture (hunting, fishing)	168	17,9%	27,4%	9,5%	32,7%	9,5%	2,4%	0,6%
Arts and Craft	4	0,0%	0,0%	0,0%	75,0%	0,0%	0,0%	25,0%
Construction & Housing	161	36,0%	22,4%	0,6%	28,0%	9,3%	1,2%	2,5%
Finance & Insurance	98	21,4%	21,4%	8,2%	38,8%	9,2%	0,0%	1,0%
Manufacturing	22	4,5%	27,3%	22,7%	27,3%	13,6%	4,5%	0,0%
Mining & Quarrying	14	21,4%	21,4%	0,0%	50,0%	7,1%	0,0%	0,0%
Multipurpose	15	13,3%	26,7%	20,0%	33,3%	6,7%	0,0%	0,0%
Real Estate & Business Service	20	55,0%	5,0%	0,0%	25,0%	15,0%	0,0%	0,0%
Tourism & hospitality	1	0,0%	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Transport, storage, Communication	3	25,0%	0,0%	0,0%	0,0%	75,0%	0,0%	0,0%
Wholesale, Retailing	12	25,0%	0,0%	0,0%	50,0%	25,0%	0,0%	0,0%

Source: Author (s) Derivation Based on Respondents Views

(c) The 2019 Output

The majority of cooperatives have annual turnover of less than US\$1000 except arts and crafts, personal and household property, wholesale and retail and real estate and business service which has shown that annual turnover is in excess of US\$10,000 (see table 4.22).

Table 4.19: Level of output in USD for 2019

		no turnover	less than 500 USD	501-1000	1001-10000 USD	10001-50000 USD	50001-100000 USD	more than 100000 USD
Agriculture (hunting, fishing)	176	13,1%	28,4% ¹	2,5%	36,4%	8,0%	1,7%	0,0%
Arts and Craft	5	0,0%	20,0%	0,0%	60,0%	20,0%	0,0%	0,0%
Construction & Housing	161	37,3%	22,4%	6,8%	18,0%	13,7%	0,0%	1,2%
Finance & Insurance	101	17,8%	26,7%	8,9%	41,5%	5,0%	0,0%	0,0%
Manufacturing	24	4,2%	29,2%	25,0%	16,7%	16,7%	8,3%	0,0%
Mining & Quarrying	13	15,4%	15,4%	0,0%	69,2%	0,0%	0,0%	0,0%
Multipurpose	15	0,0%	33,3%	26,7%	26,7%	13,3%	0,0%	0,0%
Personal & household	1	0,0%	0,0%	0,0%	100,0%	0,0%	0,0%	0,0%
Real Estate & Business Service	21	57,1%	0,0%	0,0%	19,0%	14,3%	9,5%	0,0%
Tourism & hospitality	1	0,0%	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Transport, storage, Communication	3	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Wholesale, Retailing	12	8,3%	0,0%	0,0%	58,3%	25,0%	0,0%	8,3%

Source: Author (s) Derivation Based on Respondents Views

(d) The 2020 Output

The majority of cooperatives have annual turnover of less than US\$1000 except agriculture, arts and crafts, construction and housing, mining and quarrying and real estate and business service which has shown that annual turnover is in excess of US\$10,000 (see table 4.23).

Table 4.20: Estimate level of output in USD for 2020

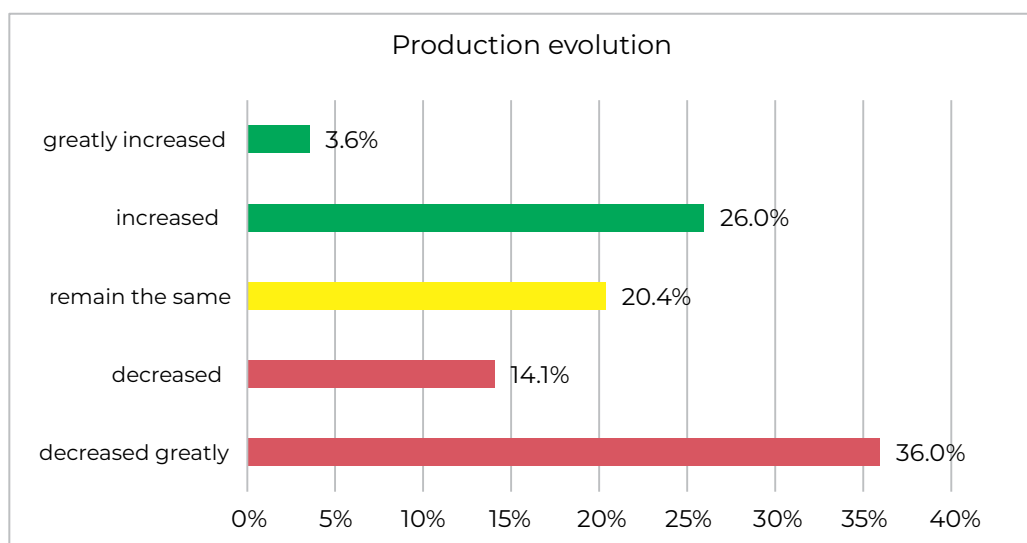
		no turnover	less than 500 USD	501-1000	1001-10000 USD	10001-50000 USD	50001-100000 USD	more than 100000 USD
Agriculture (hunting, fishing)	171	14,0%	33,9%	8,8%	36,8%	6,4%	0,0%	0,0%
Arts and Craft	5	0,0%	20,0%	0,0%	60,0%	20,0%	0,0%	0,0%
Construction & Housing	158	38,0%	29,1%	6,3%	14,6%	10,8%	0,0%	1,3%
Finance & Insurance	99	18,2%	31,3%	11,1%	34,3%	4,0%	0,0%	1,0%
Manufacturing	23	4,3%	52,2%	4,3%	26,1%	8,7%	4,3%	0,0%
Mining & Quarrying	15	20,0%	6,7%	6,7%	66,7%	0,0%	0,0%	0,0%
Multipurpose	16	6,3%	43,8%	12,5%	18,8%	18,8%	0,0%	0,0%
Real Estate & Business Service	21	52,4%	9,5%	0,0%	23,8%	9,5%	0,0%	4,8%
Tourism & hospitality	1	0,0%	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Transport, storage, Communication	3	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Wholesale, Retailing	12	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

Source: Author (s) Derivation Based on Respondents Views

4.4.1 Level of Production

In order to get a true reflection on the business viability, the number of years a cooperative has been in existence was used to analyse this question. A likert scale of one to five was used where one meant decreased greatly and five implied that production had increased greatly. It should be noted that cooperatives that were not performing or had no output like the housing cooperatives were excluded in this analysis. The figure below shows that 36.0% of the respondents stated that there was no improvement in the viability of their cooperative business over the last years while only 29.6% have had some significant improvement.

Figure 4.13: Level of production



Source: Author (s) Derivation Based on Respondents Views

It can be noted that cooperative activity in most sectors has remained insignificant, having remained basic, and without any noteworthy contribution to economic growth of the country which would be judged and measured by reference to a discernible improvement in the economic and social condition of the people. This is reflected when the results are further disintegrated by sector/ cooperative type in table 4.24.

Table 4.21: Level of Production by Cooperative

		decreased greatly	decreased	greatly increased	increased	remain the same
Agriculture	188	36,2%	15,4%	3,7%	27,1%	17,6%
Arts and Craft	6	33,3%	0,0%	0,0%	0,0%	66,7%
Construction & Housing	188	36,7%	17,0%	2,7%	15,4%	28,2%
Finance & Insurance	107	32,7%	9,3%	4,7%	39,3%	14,0%
Manufacturing	27	29,6%	11,1%	3,7%	33,3%	22,2%
Mining & Quarrying	17	29,4%	5,9%	0,0%	41,2%	23,5%
Multipurpose	18	33,3%	5,6%	5,6%	44,4%	11,1%
Real Estate & Business Services	19	47,4%	5,3%	5,3%	5,3%	36,8%
Tourism & hospitality	1	100,0%	0,0%	0,0%	0,0%	0,0%
Transport, storage, Communication	3	0,0%	66,7%	0,0%	0,0%	33,4%
Wholesale, Retailing	14	21,4%	21,4%	7,1%	42,9%	7,1%

Source: Author (s) Derivation Based on Respondents Views

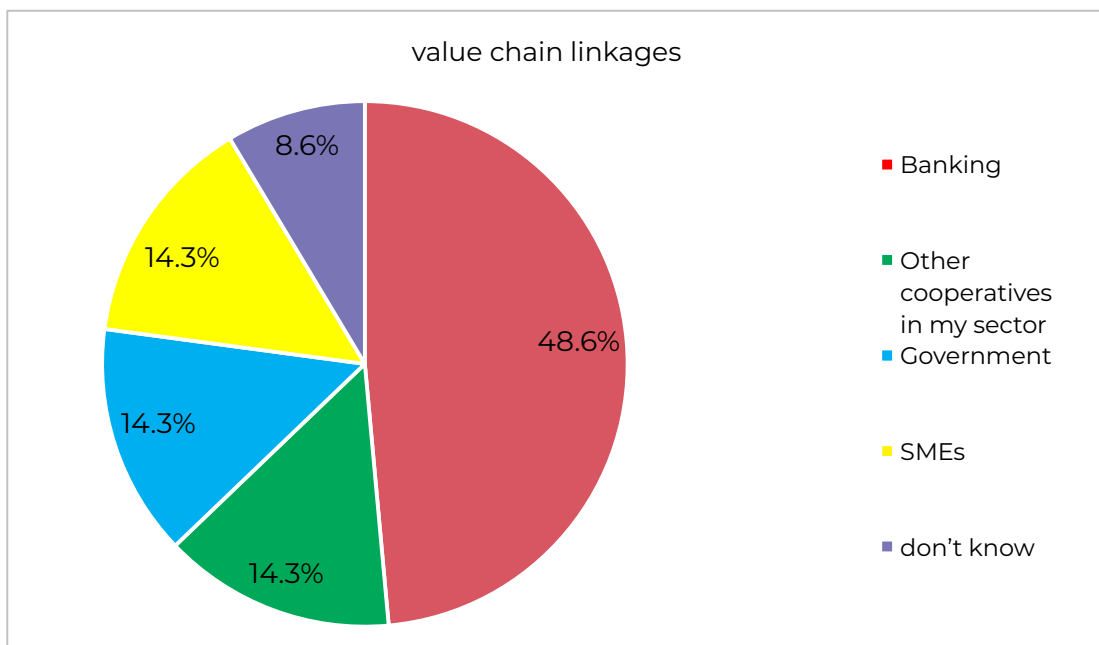
Probed to give reasons on why there was a negative or positive rating, the respondents cited reasons like low disposable income, hence cooperatives are forced to close their operations as subscriptions are no longer being collected. High inflation has had an effect in their business as the local currency saved by the cooperative no longer has value. Shortage of raw materials is causing cooperatives that are open struggling to keep afloat. This was blamed on the current Covid 19 restrictions imposed. Those cooperatives that, however, managed to remain viable in businesses like SACCOs and Retail employed various models that allowed them to diversify into businesses that allowed them to trade on fast consumer goods like groceries. Overall, the main constraints that are impeding sector growth are lack of access to credit facilities, limited technical support services, poor human resource base, and lack of specialized knowledge and expertise.

4.4.3 Value Chains

This section sought to establish the value chain or linkages within the Cooperatives. It analysed the role played by each stakeholder in the value chain. This was vital as it would bring out the role of each stakeholder in the Cooperative value chain and their contribution to the current state of affairs.

The respondents were asked if there were stakeholders they felt were key to the development of the cooperatives and what impact these would have on the sector. The figure 4.14 cites some of the key stakeholders that the cooperatives perceived to be of key importance.

Figure 4.14: Value Chain linkages



Source: Author (s) Derivation Based on Respondents Views

Banks (48.6%), Government (14.3%) and other cooperative within the same sector (14.3%) were cited to be the key players in Cooperatives. Respondents believed that these stakeholders had an impact in the cooperative movement and some of them have contributed to the sector either positively or negatively as shown in the table below.

Table 4.22: Role of stakeholders

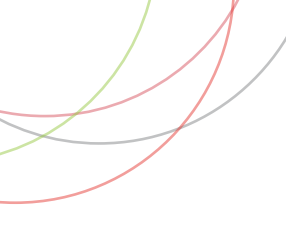
Stakeholder	Role/Impact
Banks	<ul style="list-style-type: none"> > Have negatively impact the sector through high cost of finance and drought of funding. > Can positively impact the sector through providing access to loans at affordable interest rates.
Government	<ul style="list-style-type: none"> > Positively impacts in ensuring compliance with the law including labour laws. > Support functions as establishing a favourable climate for and ensure that there are measures in place which promote the development and growth of cooperatives for the benefit of the disadvantaged groups such as tax benefits, loans, grants, access to public works programs. > Assist in training sessions like be human resources development; business consulting and advisory services; auditing and supervision; arbitration and settlement of disputes and representation up to the national level.
SMEs	<ul style="list-style-type: none"> > They provide market as they purchase cooperative products.
Other Cooperatives in my sector	<ul style="list-style-type: none"> > Sharing of costs when purchasing materials. > Creating marketing linkages among themselves > Source of employment for our members.

Source: Author (s) Derivation Based on Respondents Views

4.4.4 Comparison of Cooperatives

Zimbabwe cooperative movement has many examples to follow if the movement is to have meaning for its members and meaningfully contribute to the national growth, development and transformation. As business organizations owned and operated by a group of individuals for their mutual benefit, these cooperatives are worldwide and provide variations across nations and industrial sectors and level of sophistication and organization.

“Dairy Farmers” among many in Australia is one of the largest and oldest dairy manufacturers established in 1900 and supplies products to local and international markets as eastern Europe, Middle East and Asia, O’Sullivan (2003).



“Home Hardware” among many in Canada is a privately held Canadian home improvement, construction materials, and furniture retailer. It was co-founded in 1964 by Walter Hachborn and headquartered in St Jacobs, Ontario the chain is cooperatively owned by over 1000 independently owned member stores, Steven M. Sheffrin (2003).

Based in Denmark the Danish Crown AmbA is the largest meat packer cooperative based in Aarhus. This cooperative processes meat from pig and cattle but not from chicken and other poultry. Danish Crown AmbA remains as the largest exporter of pig meat products with subsidiaries in other countries across the regions of the world. In France there is also Credit Agricole together with Enercoop. Enercoop is a French electricity supplier and is the only one in the form of a cooperative on generation and distribution of energy for cooperatives and business entities.

Together with many cooperatives as the Vasudhara Dairy, Adarsh Cooperative Bank, there is the Aavin Aavin Tamil in India which is the trademark of the Tamil Nadu Co-operative Milk Producers' Federation Limited.

In Ireland the Dublin Food Co-op is a vegetarian food co-operative located in the Liberties area of Dublin, Ireland and deals mainly in organic wholefood produce.

Israel prides Dan Bus Company and the Tnuva Central Cooperative for the Marketing of Agricultural Produce. The latter markets agricultural products locally and internationally through its well organized distribution networks.

In Japan the Co-op Kobe which is officially known as Consumer Co-operative Kobe is a consumers' cooperative with a membership of 1.2 million and is one of the largest cooperatives in the world. Kenya prides the Mwalimu Cooperative Savings & Credit Society Limited, which is the largest savings and credit cooperative society (SACCO). Littered in many sectors New Zealand prides cooperatives in Energy, farming foodstuffs, paper and pulp, Co-operative Bank, medicines while the Philippines also pride the Lighthouse Cooperatives and Tagum Cooperative. Lighthouse Cooperative is a multi-purpose cooperative in Tuguegarao City, Cagayan and was established in 1998. The Scandinavia prides the Coop Norden (Coop Nodic) cooperative which is a vibrant joint Scandinavian purchasing company and Spain prides the Mondragon Cooperative Corporation which is a federation of worker cooperatives based in the Basque region of Spain. Switzerland prides the Migros, Coop (Switzerland) and the Raiffeisen Bank. Uganda among many prides the Wazalendo Savings and Credit Cooperative Society (WASACCO). The United Kingdom prides very robust multi sector cooperatives but worth note is the Cooperative Group which has 22 independent consumer co-operatives as corporate members or customer owners, including other independent business in solar and football, Dolan Lindsey (1988) and Nafziger W (2006).

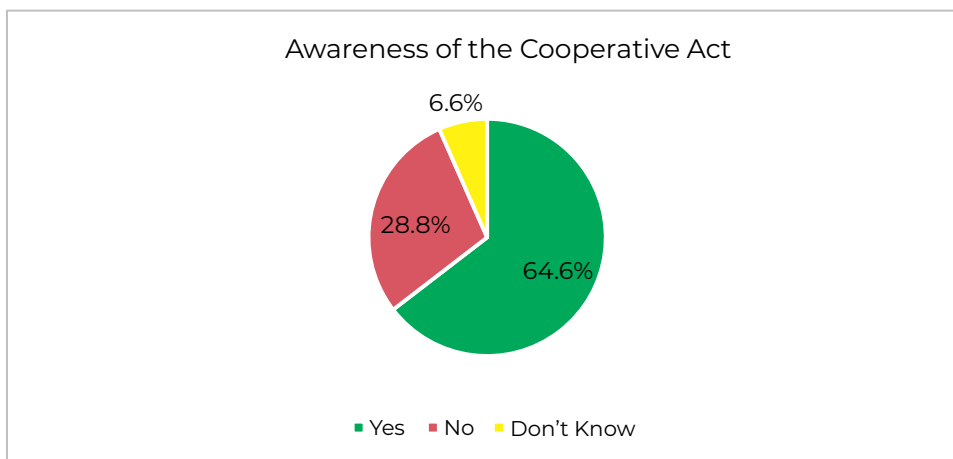
These cooperatives have made and continue making contributions to the national, regional and global economy exploiting the respective programs governed by good business ethics. It is the same scenario of progression and meaningful contribution to national, regional and international economy that the Zimbabwe Cooperatives Movement should subscribe and commit to in order to effect better living conditions for the majority of Zimbabweans.

4.5 COOPERATIVE COMPLIANCE WITH COOPERATIVE SOCIETIES ACT CHAPTER 24.05

Cooperative values and principles are the bedrock on which the success of the Zimbabwe Cooperative hinges on in much the same way the excelling cooperatives in developing and developed communities have in the contemporary consolidated their respective national economies locally and internationally. The study sought to understand whether the cooperatives in Zimbabwe are in compliance with the Cooperative Act issue like term of office, mal-administration, upholding the values, principles and governance issues in the Act.

To begin with, the co-operators were asked if they were aware of the Cooperative Act before and assessment was done on whether they were in compliance or not with the law. A total of 606 co-operators 64.6% of the respondents cited that they were aware of the Cooperative Act while 28.8% were not aware of it as shown in the figure below.

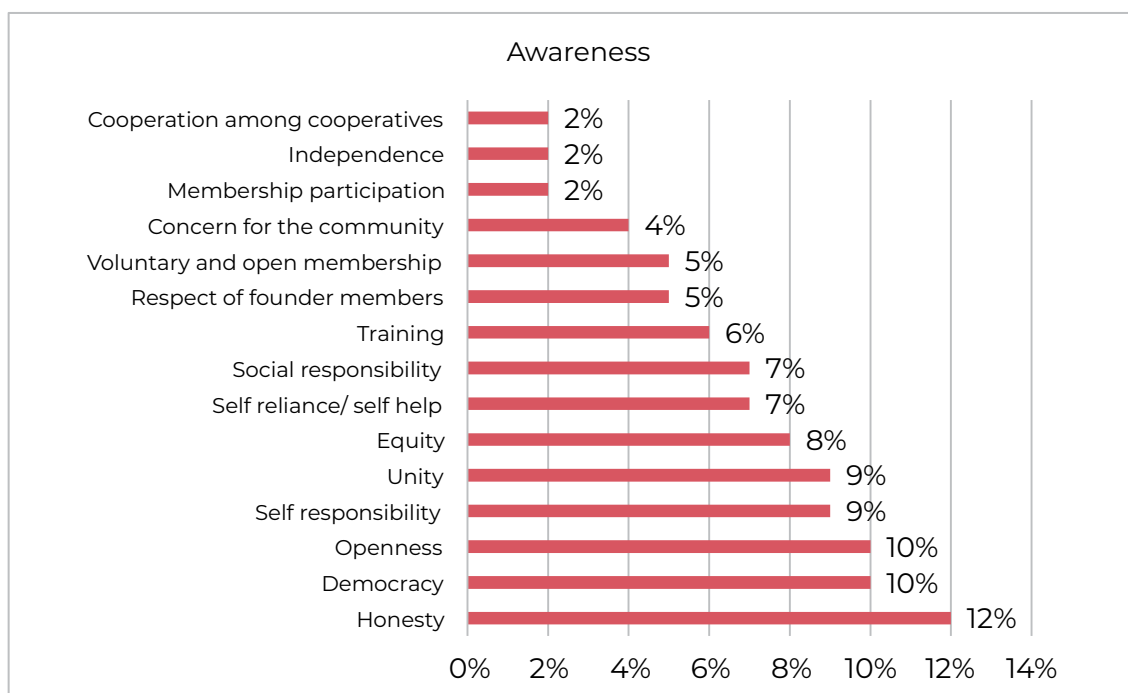
Figure 4.15: Awareness of the Cooperative Act



Source: Author (s) Derivation Based on Respondents Views

The lack of awareness of the Cooperative Act by the Co-operators (35.4% who said No and don't know) is worrying as it indicates a weakness or ignorance on their part. It clearly points out the fact that their cooperative is not being guided by the governing principles and values stated in the law. On the other hand, this can be an opportunity for the Ministry to communicate and educate the Co-operators of the guiding principles. The respondents who were aware of the Cooperative Act (64.6%), were asked which guidelines of the Act they were aware of;

Figure 4.16: Awareness of guiding Cooperative principles and values



Source: Author (s) Derivation Based on Respondents Views

Most known guidelines were honesty (12%), followed by democracy (10%) and openness (10%). The low awareness of these guidelines as shown by figures of less than 50% is worrying as it can indicate low awareness of the Cooperative Act and the guiding principles governing the cooperatives. This is despite the fact that 64.6% claimed to know the Act. There is therefore an opportunity for the Ministry to have an educational campaign to stress the guidelines and protocol governing the Cooperatives.

The guidelines that need to be emphasised were explained briefly below:

- > Voluntary and open membership – meaning membership is open to everyone;
- > Democratic member control – implying all members have an equal voice in making policies and electing representatives;
- > Member economic participation – means all profits are controlled democratically by members and for their benefit;
- > Autonomy and independence – implies co-operatives are always independent, even when they enter into agreements with the Government and other organizations;
- > Education, training and information – meaning co-operatives educate and develop their members as well as their staff;
- > Co-operation amongst co-operatives – means co-operatives work together with other co-operatives to strengthen the co-operative movement as a whole; and
- > Concern for community – means co-operatives also work to improve and develop the community, both locally and internationally.

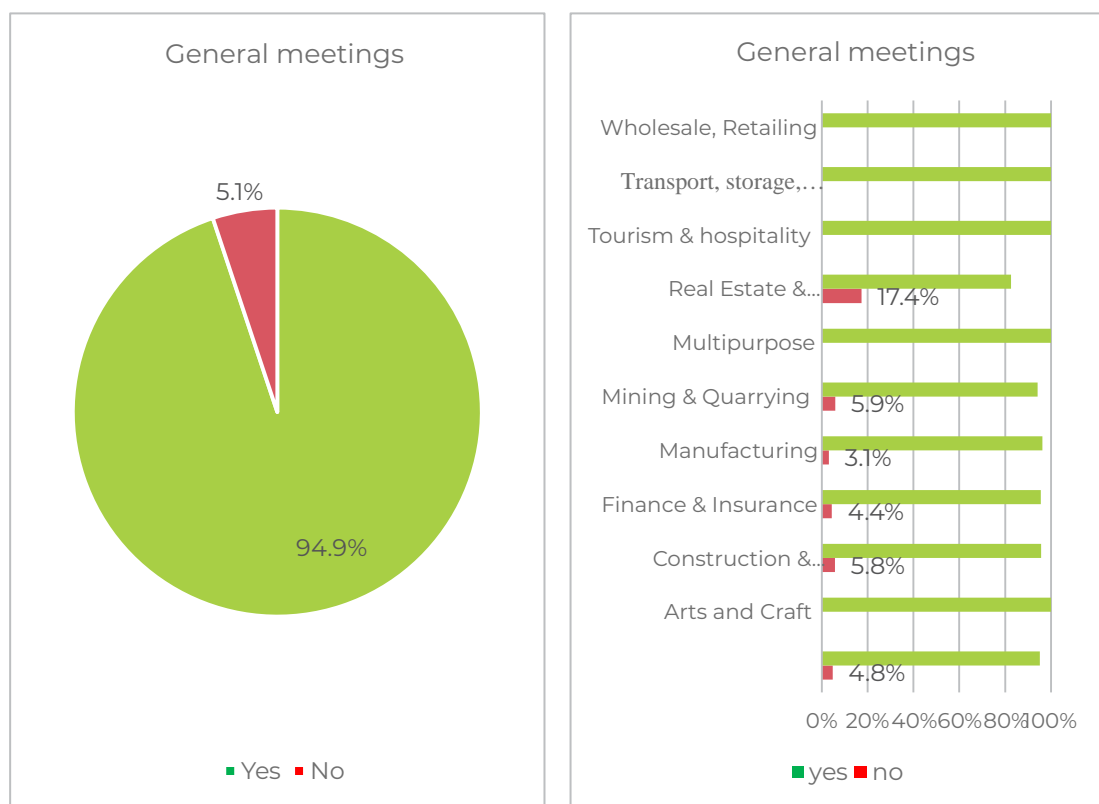
Overall, as co-operatives, the series of values and principles which guide how the business operate and have remained relatively unchanged from the Rochdale Cooperative Society Principles from which they originate. There is therefore, need for the cooperative values and principles just like the purpose to be trained to the Co-operators so that they conceptually resonate them in their minds.

4.5.1 Governance of the cooperatives

Cooperative governance was a vital component of the study as it would show how cooperatively owned enterprises are being managed and their performance. The results would then help to give an indication on areas of invention that the Ministry or other stakeholders can intercede so as to ensure that they can be steered toward economic, cultural and social success. This section thus sought to understand whether the cooperatives have general, their frequency of general, management of the cooperative as well as the role of founder members.

One important function of the cooperative board is to educate members about their organisation. It was thus imperative to understand if the Cooperative leadership ever held general meetings with their members. Figure 4.17 shows that 94.9% have general meetings while 5.1% never have them.

Figure 4.17: General meetings



Source: Author (s) Derivation Based on Respondents Views

Of concern are the sectors for example Cooperatives within the Business Services and Real Estate with 17.5% cooperatives of them do not have meetings. There is therefore, need for training amongst cooperative leadership on how to govern their business. Cognizance needs to be instilled in the cooperative leader that for member organisations like theirs, it is their responsibility to be sensitive to the needs of members and balance their conflicting interests. Therefore, director decisions are based not only on what is most profitable, but also on what the needs of the members are.

The respondents that held meetings were further asked the frequency that these meetings were held. Overall, 52.0% held meetings on a monthly basis while 27.7% only held them quarterly as shown in the table 4.26.

Table 4.23: Frequency of general meetings

	Annually	Bi annually	Monthly	Quarterly	Refused	Don't know
Agriculture (hunting, fishing)	13,3%	2,8%	55,6%	26,1%	0,0%	2,2%
Arts and Craft	16,7%	0,0%	66,7%	16,7%	0,0%	0,0%
Construction & Housing	24,3%	3,9%	43,6%	25,4%	1,7%	1,1%
Finance & Insurance	9,3%	3,7%	63,9%	23,1%	0,0%	0,0%
Manufacturing	15,4%	0,0%	30,8%	50,0%	0,0%	3,8%
Mining & Quarrying	6,3%	6,3%	50,0%	37,5%	0,0%	0,0%
Multipurpose	0,0%	5,0%	60,0%	35,0%	0,0%	0,0%
Real Estate & Business Service	10,5%	5,3%	52,6%	31,6%	0,0%	0,0%
Tourism & hospitality	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Transport, storage, Communication	0,0%	0,0%	0,0%	100,0%	0,0%	0,0%
Wholesale, Retailing	0,0%	7,1%	57,1%	35,7%	0,0%	0,0%
Total	15,1%	3,5%	52,0%	27,7%	0,5%	1,2%

Source: Author (s) Derivation Based on Respondents Views

The finance and insurance (which includes the SACCOs) cooperatives met more frequently compared to other cooperative sector most probably because of accountability purposes. About 24.3% of the housing & construction cooperatives held annual general meeting and only 9.3% of the financial cooperatives conducted them. Despite the fact that AGMs (15.1%) were mandatory by law it seems as if the cooperatives do not place much importance to the as compared to monthly (52.0%) and quarterly (27.7%) meetings. However, one can also conclude that the routine monthly meetings formed by the Cooperatives shows the beginning or an elaborate structure that enables the co-operators to have frequent direct member participation were opinions are shares and information can easily be disseminated to almost all members quickly and efficiently.

Asked when the last AGM was done 56.6% indicated that they had already conducted it in 2020 as shown in the table below.

Table 4.24: Date of Last held AGM

	2016	2017	2018	2019	2020	Don't know
Agriculture (hunting, fishing)	2,2%	1,7%	0,6%	31,8%	63,1%	0,6%
Arts and Craft	0,0%	0,0%	0,0%	0,0%	100,0%	0,0%
Construction & Housing	10,0%	3,3%	7,2%	42,2%	33,3%	3,9%
Finance & Insurance	0,0%	0,0%	1,9%	23,4%	74,8%	0,0%
Manufacturing	0,0%	0,0%	0,0%	26,9%	73,1%	0,0%
Mining & Quarrying	6,3%	6,3%	0,0%	37,5%	50,0%	0,0%
Other	0,0%	0,0%	0,0%	35,0%	60,0%	5,0%
Personal & household	0,0%	0,0%	0,0%	0,0%	100,0%	0,0%
Real Estate & Business Service	0,0%	0,0%	0,0%	44,4%	55,6%	0,0%
Tourism & hospitality	0,0%	0,0%	0,0%	100,0%	0,0%	0,0%
Transport, storage, Communication	0,0%	0,0%	0,0%	33,3%	66,7%	0,0%
Wholesale, Retailing	0,0%	0,0%	0,0%	14,3%	85,7%	0,0%
Total	4,0%	1,8%	2,8%	33,3%	56,6%	1,6%

Source: Author (s) Derivation Based on Respondents Views

The table shows that from 2016 to 2018 not many Cooperatives were religious in conducting AGMs. The improvement in the number of AGMs done across all cooperative in the past 2 years can be an indication of an appreciation of the importance for member participation in the administration of their cooperative.

In terms of participation of members in the AGMS, overall, 35.5% of the Cooperatives had an average participation of between 11 to 20 members who attended the meetings as summarised in the table 4.28.

Table 4.25: Participation of members in AGMs

Sectors	less than 10	11-20	21-30	31-40	41-50	Don't know
Agriculture(eg fishing)	24,1%	47,6%	14,0%	3,7%	5,5%	3,7%
Arts and Craft	0,0%	40,0%	20,0%	20,0%	20,0%	0,0%
Construction & Housing	5,8%	23,1%	21,3%	14,8%	28,7%	2,8%
Finance & Insurance	26,3%	44,2%	22,1%	3,2%	3,2%	0,0%
Manufacturing	16,7%	30,4%	26,1%	8,7%	17,4%	0,0%
Mining & Quarrying	35,7%	42,9%	21,4%	0,0%	0,0%	0,0%
Multipurpose	13,3%	46,7%	20,0%	13,3%	6,7%	0,0%
Real Estate & Business Service	10,0%	47,4%	21,1%	5,3%	10,5%	5,3%
Tourism & hospitality	0,0%	0,0%	100,0%	0,0%	0,0%	0,0%
Transport, storage, Communication	0,0%	100,0%	0,0%	0,0%	0,0%	0,0%
Wholesale, Retailing	15,4%	41,7%	25,0%	16,7%	0,0%	0,0%
Average	17,1%	33,5%	16,2%	6,1%	9,4%	1,8%

Source: Author (s) Derivation Based on Respondents Views

Generally, most cooperatives seem to have a low member participation on AGMs as shown by the low percentage on numbers 31-40 yet most of them have a large membership especially for the SACCOs, Agriculture and Housing Cooperatives. One can thus attribute the low attendance to AGMs to lack of passion by the members on policy and procedure discussed at AGMs. Further, unclear defined roles especially for those that have large membership's members may not be really aware of what it means to be a member and their responsibility. Lack of communication on dates and time for the AGM could not have been done by the Cooperative leadership. While on the other hand, simply because the cooperative is performing well in the eyes of the members they might feel there is no need for them to attend the meeting as it is in good hands. This was more evident in cooperatives were respondents stated that, their aim was to provide housing stands to the members and they have managed to achieve this already. One can thus conclude that, depending on the type and size of the co-op, the importance of membership engagement with policy and procedure will vary by cooperative for instance SACCOs might meet more often and have large participation in the AGMs compared to Agricultural cooperatives.

4.5.1.1 Decision making in cooperatives

The effectiveness of decision making is critical in the cooperative institution, however, the question of who should make the decisions is by procedure vested to members. The study also sought to understand the structure of decision making when governing their cooperatives. It can be noted from the table that in terms of decision making internal stakeholders within the cooperative make the decisions. The key actors being members at general meetings of all members (67.3%), management committee (24.3%) and at times the chairman (6.7%).

Table 4.26: Decision making

	Decisions are made at a General meeting	Local Political figures make decisions	The Management makes decisions	The chairman makes the decision
Agriculture(hunting, fishing)	64,9%	1,6%	21,8%	11,2%
Arts and Craft	50,0%	0,0%	50,0%	0,0%
Construction & Housing	74,0%	0,0%	19,8%	5,2%
Finance & Insurance	67,3%	0,9%	26,5%	4,4%
Manufacturing	66,7%	0,0%	29,6%	3,7%
Mining & Quarrying	76,5%	0,0%	23,5%	5,9%
Multipurpose	75,0%	0,0%	25,0%	0,0%
Real Estate & Business Service	21,7%	8,7%	52,2%	17,4%
Tourism & hospitality	0,0%	0,0%	100,0%	0,0%
Transport, storage, Communication	66,7%	0,0%	33,3%	0,0%
Wholesale, Retailing	78,6%	0,0%	21,4%	0,0%
Average	67,3%	1,0%	24,3%	6,7%

Source: Author (s) Derivation Based on Respondents Views

The findings revealed that member decisions are at times made by external drive in the form of local political figures who controls the cooperatives. This political influence was faced by the business services and real estate cooperatives with 8.7%.

4.5.1.2 Management Committees

It is the duty and sole responsibility of management committee to ensure that the cooperative is implementing the association's rules and ensuring it meets its obligations under the Act. The study thus sought to understand the existence of such committees within the cooperative structure as well as if there was equal balance among males and females.

The Zimbabwean Cooperative Act stipulates that each and every cooperative needs to have a membership of not more than 10 members. The tables 4.30, 4.31 and 4.32 summaries the participation of women, youth and men in the cooperatives

(a) Participation of Women in Governance

Table 4.27: Number of women in the Management Committee

	n	0-2	3- 4	5 - 6	7 - 8	9	Don't know
Agriculture (hunting, fishing)	168	44,0%	41,1%	8,9%	3,0%	1,2%	1,8%
Arts and Craft	5	40,0%	60,0%	0,0%	0,0%	0,0%	0,0%
Construction & Housing	182	19,8%	39,6%	27,5%	8,8%	2,2%	2,2%
Finance & Insurance	103	19,4%	53,4%	14,6%	6,8%	3,9%	1,9%
Manufacturing	15	26,7%	26,7%	40,0%	6,7%	0,0%	0,0%
Mining & Quarrying	13	69,2%	15,4%	7,7%	7,7%	0,0%	0,0%
Real Estate & Business Service	23	17,4%	65,2%	17,4%	0,0%	0,0%	0,0%
Tourism & hospitality	1	0,0%	0,0%	100,0%	0,0%	0,0%	0,0%
Transport, storage, Communication	3	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Wholesale, Retailing	12	16,7%	41,7%	33,3%	8,3%	0,0%	0,0%

Participation of women is limited in most cooperatives as witnessed by the low numbers in management committees. To be specific, all the cooperatives, with the exception of tourism, has limited number of women ranging from 2-4 in management committees (see table 4.30).

(b) Role of Men in Governance

On the contrary, unlike women, men have a large representative in management committees ranging from 3 - 6 especially for cooperatives like agriculture, arts and craft, mining and quarrying, construction and housing and real estate and business service.

Table 4.28: Number of men in the Management Committee

	n	0-2	3 - 4	5 - 6	7 - 8	9	don't know
Agriculture (hunting, fishing)	166	39,2%	40,4%	9,0%	8,4%	2,4%	0,6%
Arts and Craft	5	20,0%	40,0%	40,0%	0,0%	0,0%	0,0%
Construction & Housing	176	10,8%	38,1%	22,2%	19,9%	6,8%	2,3%
Finance & Insurance	74	56,8%	28,4%	12,2%	0,0%	1,4%	1,4%
Manufacturing	11	54,5%	9,1%	36,4%	0,0%	0,0%	0,0%
Mining & Quarrying	16	25,0%	37,5%	31,3%	0,0%	6,3%	0,0%
Real Estate & Business Service	21	19,0%	66,7%	0,0%	4,8%	4,8%	0,0%
Tourism & hospitality	0	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Transport, storage, Communication	3	33,3%	67,7%	0,0%	0,0%	0,0%	0,0%
Wholesale, Retailing	9	66,7%	33,3%	0,0%	0,0%	0,0%	0,0%

(c) Participation of Youth in Governance

Like women, youth have a small representation in governance of cooperatives as shown by their low numbers in management committees ranging from 0-2 people (see table 4.32).

Table 4.29: Number of Youth in the Management Committee

	0 - 2	3 - 4	5 - 6	7 - 8	9	don't know
Agriculture (hunting, fishing)	76,5%	13,4%	4,2%	1,7%	0,0%	4,2%
Arts and Craft	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Construction & Housing	64,0%	15,2%	5,6%	4,0%	2,4%	8,8%
Finance & Insurance	76,9%	10,3%	7,7%	0,0%	0,0%	5,1%
Manufacturing	75,0%	25,0%	0,0%	0,0%	0,0%	0,0%
Mining & Quarrying	37,5%	25,0%	25,0%	12,5%	0,0%	0,0%
Real Estate & Business Service	70,0%	25,0%	5,0%	0,0%	0,0%	0,0%
Tourism & hospitality	0,0%	100,0%	0,0%	0,0%	0,0%	0,0%
Transport, storage, Communication	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Wholesale, Retailing	50,0%	37,5%	12,5%	0,0%	0,0%	0,0%

Source: Author (s) Derivation Based on Respondents Views

4.5.1.3 Cooperative Interaction and Dispute Resolution

Globally, cooperatives just like other business engage their “key” stakeholders in dialogues to find out how they can either improve their business or engage the stakeholder when in need of help on any business or social issues they are facing. At times this will help come in the form of advice on how best they can involve input from stakeholders (at national or district level) into the decision-making process. Thus this sections looks at the number of times Cooperatives have engaged or interacted with the office of the Registrar of the Cooperatives as well how they resolved conflicts when they arise.

The frequency of engagement with the office of the Registrar of Cooperatives was evaluated among all 606 Cooperatives and only 598 responded to the question as summarised in the table below;

Table 4.30: Frequency of Engagement

	n	1-5 times	11-15 times	6-10 times	Never
District	592	33,6%	0,5%	0,5%	65,4%
Provincial	598	52,3%	1,3%	2,8%	43,4%
National	592	33,6%	0,5%	0,5%	65,4%

Source: Author (s) Derivation Based on Respondents Views

About 65.4% of the cooperatives have never interacted with the district office of the Registrar while 33.6% have interacted with them at district level. At provincial level at least 52.3% cooperatives have visited the provincial level and only 33.6% have visited the national office. The high numbers of cooperatives in the “never” category can be worrying as it can either show that they are operating very well or they do not have a clear understanding of the role of the Registrar in their operations. This can be an opportunity for the Ministry to try and come up with a clear engagement guideline that can help to facilitate their integration in the operations of Cooperatives to ensure they are abiding to protocols stipulated by law.

The way disputes are handled and resolved has a huge impact on the overall success and survival of cooperatives. A poor dispute handling and resolution mechanism will have negative impacts on the cooperative. On average, 61.8% of cooperatives indicated that when they have a dispute it is the role of the management it was the role of the committee management to solve the disputes among members.

Table 4.31: Overall dispute resolution

Management solves disputes between members	61,8%
Supervisory Committee solves disputes between members and management committee	21,3%
Others	4,5%
We report to the District Office of the Registrar of Cooperative Societies	3,5%
We refer dispute to Cooperative Officer after failing to resolve internally	2,8%
We report to the nearby political office before approaching the Ministry	2,7%
We report to the Registrar of Cooperative Societies directly.	1,5%
Refused	1,2%
We report to the Police before approaching the Ministry	0,7%
Members can sue each other in the courts before anything else.	0,2%
Management can sue members at the courts before anything else.	0,0%

Source: Author (s) Derivation Based on Respondents Views

Split by cooperative sector, most of the cooperatives solved all their disputes internally either through management or a supervisory committee that is set to resolve these disputes among members and management committees. Only 3.5% pointed out that their disputes are resolved at the district office of the Registrar of Cooperatives while 1.7% refused to highlight how their issues are resolved.

Table 4.32: Dispute resolution mechanism by cooperative

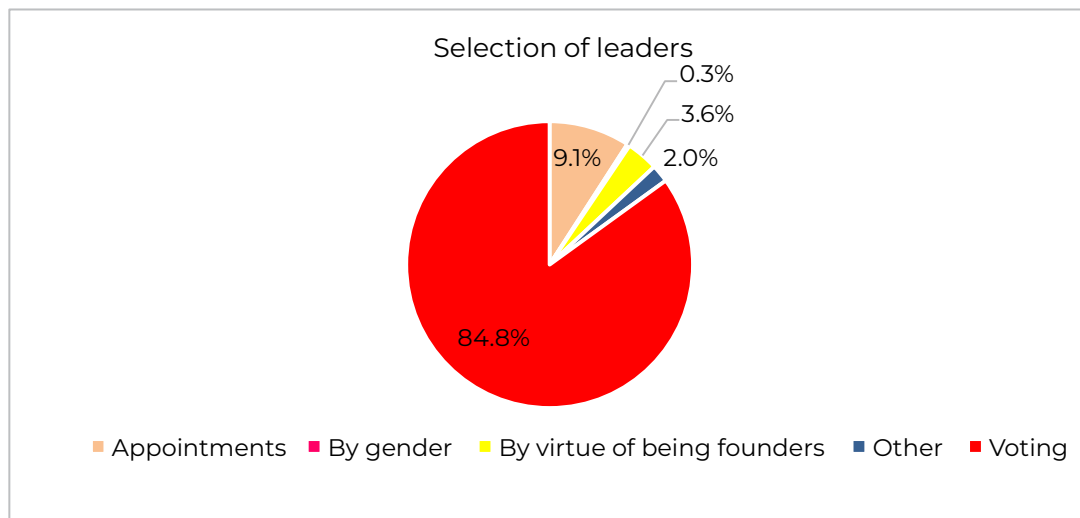
	Management solves disputes bet	Members can sue each other in	Refused	Supervisory Committee solves	We refer dispute to Cooperative	We report to the District Office	We report to the Police before	We report to the Registrar of	We report to the nearby political figure	other
Agriculture	62,0%	0,5%	1,6%	19,3%	2,7%	5,3%	0,5%	1,6%	2,1%	4,3%
Arts and Craft	83,3%	0,0%	0,0%	16,7%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Construction & Housing	59,4%	0,0%	1,6%	27,6%	4,2%	0,5%	0,0%	2,1%	1,6%	3,1%
Finance & Insurance	53,0%	0,0%	0,0%	22,1%	0,9%	2,7%	0,0%	1,8%	5,3%	5,3%
Manufacturing	70,4%	0,0%	0,0%	7,4%	0,0%	3,7%	3,7%	0,0%	3,7%	11,1%
Mining & Quarrying	41,2%	0,0%	0,0%	18,5%	3,7%	11,1%	0,0%	0,0%	0,0%	7,4%
Multipurpose	65,0%	0,0%	5,0%	10,0%	0,0%	10,0%	0,0%	0,0%	0,0%	10,0%
Real Estate & Business Service	68,2%	0,0%	0,0%	18,2%	4,5%	0,0%	0,0%	0,0%	4,5%	4,5%
Tourism & hospitality	0,0%	0,0%	0,0%	0,0%	100%	0,0%	0,0%	0,0%	0,0%	0,0%
Transport, storage, Communication	0,0%	0,0%	0,0%	0,0%	0,0%	33,3%	67,7%	0,0%	0,0%	0,0%
Wholesale, Retailing	92,8%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	100%
Total	61,8%	0,2%	1,2%	21,3%	2,8%	3,5%	0,7%	1,5%	2,7%	4,5%

Source: Author (s) Derivation Based on Respondents Views

4.5.1.4 Management of cooperatives

A cooperative organisation as a democratic unit requires the function of leaders chosen or elected by the majority of members of the cooperative. It was thus crucial in this study to understand how the leaders are elected or selected into power.

Figure 3.18: Selection of leaders



Source: Author (s) Derivation Based on Respondents Views

Majority of cooperatives (84.8%) pointed out that their membership was duly elected into power while 9.1% were by appointments and 3.6% were by virtue of being founder members. The table below summarizes the selection process by cooperative sector.

Table 4.33: Selection of leaders by cooperatives

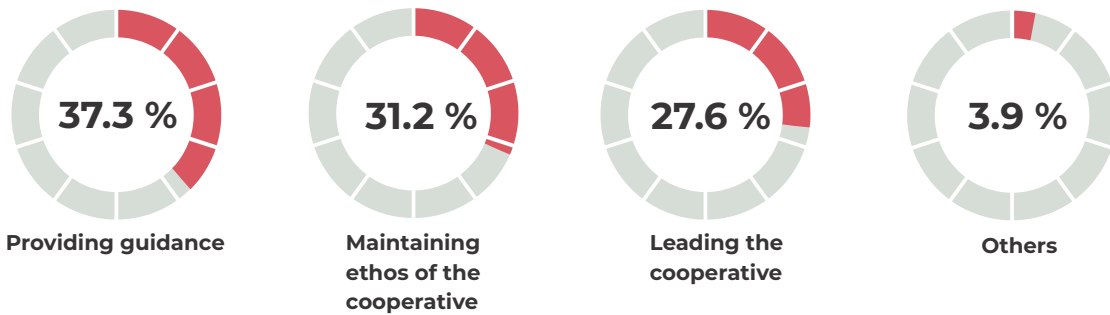
	Appointments	By gender	By virtue of being founders	Other	Voting	Don't know
Agriculture (hunting, fishing)	45%	50%	36%	17%	30%	100%
Arts and Craft	0%	0%	9%	8%	1%	0%
Construction & Housing	22%	50%	18%	33%	33%	0%
Finance & Insurance	9%	0%	18%	25%	20%	0%
Manufacturing	13%	0%	5%	8%	4%	0%
Mining & Quarrying	0%	0%	0%	0%	3%	0%
Multipurpose	2%	0%	5%	8%	3%	0%
Real Estate & Business Service	4%	0%	0%	0%	4%	0%
Transport, storage, Communication	0%	0%	9%	0%	0%	0%
Wholesale, Retailing	5%	0%	0%	0%	2%	0%

Source: Author (s) Derivation Based on Respondents Views

The above table shows that 45% of the leaders in Agricultural cooperatives were chosen by appointments followed by 22% in the Construction & Housing cooperatives. However, looking at the same industries 50% of the leaders were by gender.

Further to appointment of leaders, the study found that most (66.83%) of the office bearers were also elected annually while 31.5% pointed out that office bearers were not chosen annually. Interesting to note was the fact that 16.5% did not know how the officer bearers were elected and when the last election was done. This could attest to the fact that AGMs were not being regularly done in these cooperatives and chances are the cooperatives are not abiding too many by laws stipulated.

Asked if they were aware of the founder members of the cooperative. A total of 98% of the respondents cited that they were aware of the founding leaders while 2.0% were not. This indicates that, founder leaders of cooperative, even not in power, their presence in the administration of the cooperative was still felt. The respondents who were aware of the founding members (98%), were asked what their role was. The top three roles of founder members pointed out were;

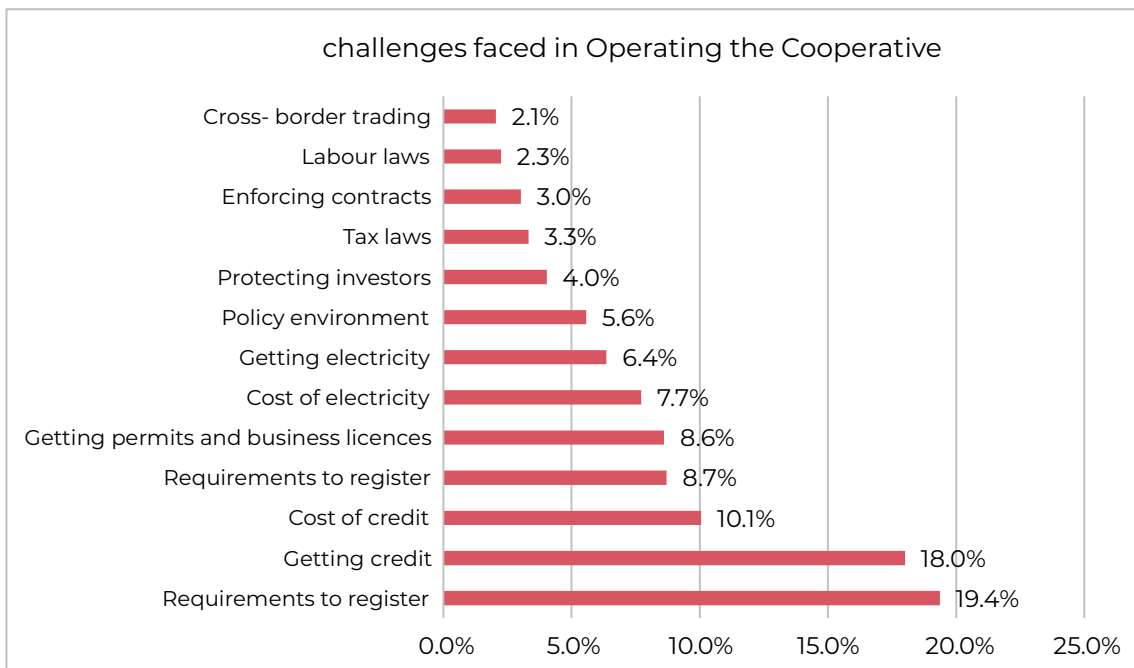


Simply put, the main role of the founding members is to help set a strategic goals and help maintain overarching vision for the organization.

4.6 Challenges

Empowerment has always been important to the cooperative idea where members get together to attain goals that they would not be able to achieve on their own. Since cooperatives, like other forms of enterprise, reflect the broader society in which they operate, it is not surprising that challenges do exist. The cooperatives were asked about the challenges they were facing in the operating their Cooperatives as a business venture. They answer are as provided in figure below.

Figure 4.19: Challenges faced in operating cooperatives

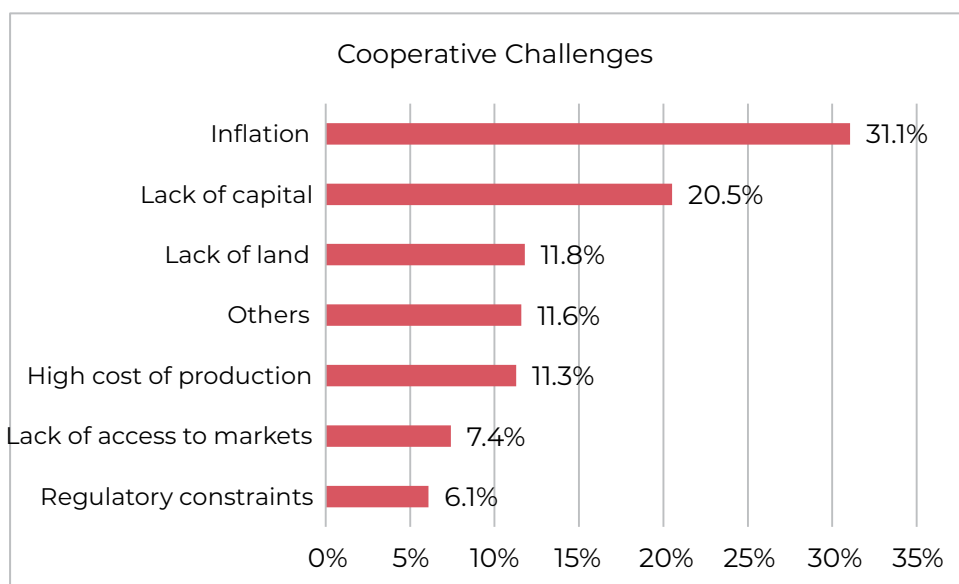


Source: Author (s) Derivation Based on Respondents Views

The most significant challenge as given by 19.4% of the respondents was their inability to meet requirements to register with some other by laws set in their sector, while 18.0% failed to get access to loans and lastly the high interest rates (10.1%) charged on loans.

As the cooperatives are operating, there are confronted by daunting constraints that block their active participation in cooperatives, the study also sought to understand some of the challenges they are facing as members. Some of these challenges are as a result of the prevailing economic conditions in the country. 31.1% pointed out that inflation and lack of capital were among the greatest challenges faced.

Figure 4.20: Cooperative challenges



Source: Author (s) Derivation Based on Respondents Views

The reasons given by the 11.6% of the cooperatives under “others” category some of the challenges confronted by cooperatives related to poor managerial and vocational skills among co-operators and operation in specialized sectors. Regardless of the fact that cooperative are supposed to abide to the principles and values that proclaim equality and equity, some gender imbalances do exist. In the subsequent discussion the challenges faced in the cooperatives are thus broken down by gender and age. The table below shows the challenges face by women in their sectors.

Table 4.34: Challenges faced by women in the cooperatives

	Agriculture	Arts & craft	Construction	Finance & Insurance	Manufacturing	Mining & Quarrying	Multipurpose	Personal & household	Real Estate & Business	Transport,	Wholesale, Retailing
Payment of subscriptions	23%	40%	41%	21%	19%	39%	0%	12%	0%	41%	41%
Lack of succession plans	12%	10%	7%	18%	13%	7%	0%	12%	0%	12%	12%
Lack of disposal income	35%	27%	29%	35%	38%	18%	100%	62%	100%	18%	18%
Lack of transparency or accountability by the cooperative management	1%	1%	4%	0%	0%	0%	0%	8%	0%	6%	6%
Lack of voice in decision making	10%	10%	5%	6%	19%	7%	0%	4%	0%	0%	0%
Lack of representation in the top leadership	3%	2%	1%	0%	6%	0%	0%	0%	0%	6%	6%
Other	17%	10%	14%	21%	6%	29%	0%	4%	0%	18%	18%

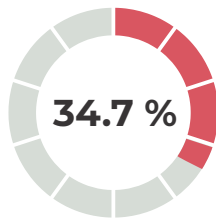
Source: Author (s) Derivation Based on Respondents Views

Of the 35% women in the agriculture sector lack of disposal income is among the formidable constraints that women are facing, thus end up not being able to pay for their subscriptions. Lack of voice in decision making and representation in the top leadership is a challenge that is being faced by all women co-operators across all sectors. In the “other” category one respondent pointed out the following;

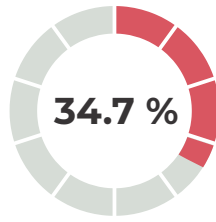
> *“Walking a long distance from their respective homes to the cooperative, and at the same time having to look after their little children at home as most have young kids”[SIC]*

One would like to believe that these constraints faced by women is emanating from the perception of their traditional role of women in society and the prevalent misconception that women's reproductive and domestic responsibilities constitute their main role.

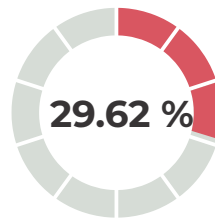
At a time when young people are disproportionately affected by unemployment and the lack of decent work, cooperatives are creating work opportunities for the youths but they too are facing challenges. Overall the four main challenges that youths face are centred on;



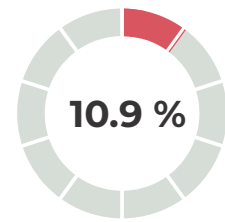
Payment of subscriptions



Lack of representation in the top leadership



Lack of disposal income



Lack of succession plans

One respondent pointed out the main challenge that the youths face is that they lack patience and have high demand of money compared to the older generations. Often at times these youths are lacking in support as well from their families and the community.

“They want a high progressive project something that yields a quick return so as to address their financial needs. Now with the current restrictions on movement and working it becomes a challenge.”[SIC]

Split per cooperative segment the table summarises the findings;

Table 4.35: Challenges faced by youth in the cooperatives

	Agriculture	Arts & craft	Construction	Finance & Insurance	Manufacturing	Mining & Quarrying	Multipurpose	Real Estate & Business	Transport,	Wholesale, Retailing
Payment of subscriptions	26%	38%	43%	33%	21%	33%	38%	22%	75%	38%
Lack of succession plans	10%	38%	10%	4%	24%	0%	19%	9%	0%	19%
Lack of disposal income	33%	13%	29%	26%	32%	22%	14%	52%	25%	19%
Lack of transparency or accountability by the cooperative management	1%	0%	1%	2%	0%	22%	0%	13%	0%	6%
Lack of voice in decision making	6%	0%	6%	7%	6%	0%	5%	0%	0%	0%
Lack of representation in the top leadership	2%	13%	3%	4%	6%	0%	0%	4%	0%	13%
Other	21%	0%	8%	25%	12%	22%	24%	0%	0%	6%

Source: Author (s) Derivation Based on Respondents Views

Looking at the men most significant challenges they faced is lack of disposal income (34, 08%). The second most significant challenge was payment of subscriptions (30.88%) and thirdly lack of succession plans.

Table 4.36: Challenges faced by men in the cooperatives

	Agriculture	Arts & craft	Construction	Finance & Insurance	Manufacturing	Mining & Quarrying	Multipurpose	Real Estate & Business	Tourism	Transport,	Wholesale, Retailing
Payment of subscriptions	21%	17%	39%	33%	24%	25%	40%	26%	0%	75%	44%
Lack of succession plans	15%	50%	12%	13%	29%	6%	20%	7%	0%	0%	11%
Lack of disposal income	40%	17%	32%	23%	29%	50%	20%	56%	0%	25%	22%
Lack of transparency or accountability by the cooperative management	4%	17%	5%	4%	5%	13%	0%	4%	0%	0%	0%
Lack of voice in decision making	3%	0%	3%	2%	5%	0%	10%	0%	0%	0%	11%
Lack of representation in the top leadership	2%	0%	1%	6%	0%	0%	0%	4%	0%	0%	0%
Other	16%	0%	8%	19%	10%	6%	10%	4%	100%	0%	11%

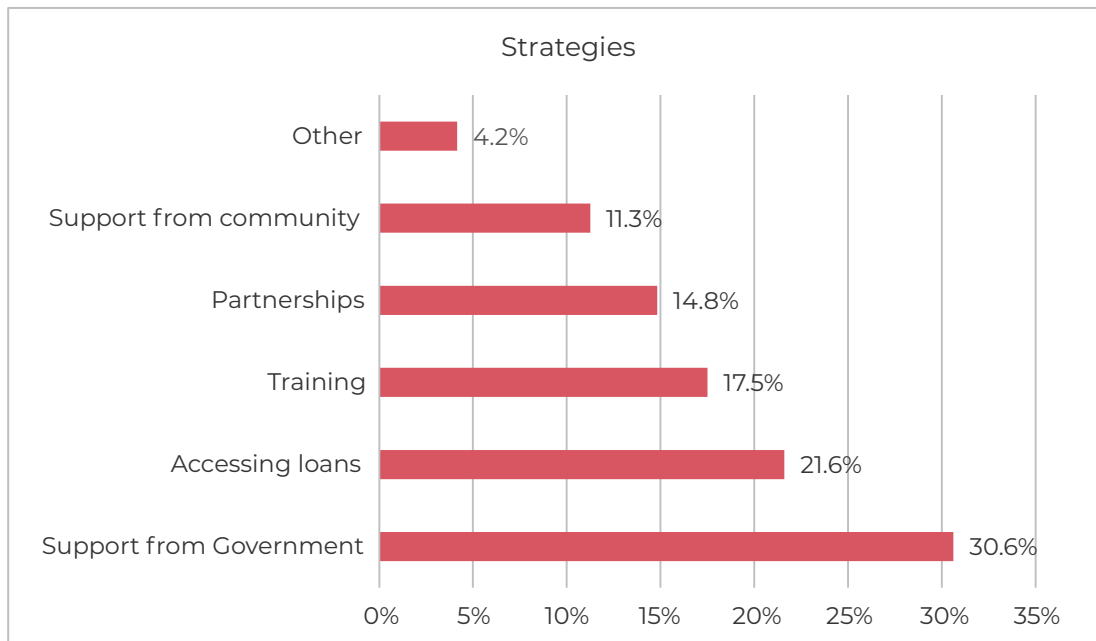
Source: Author (s) Derivation Based on Respondents Views

Generally, among men there were no issues of lack of voice in decision making (3.04%) and lack of representation in the top leadership (1.92%).

4.6 Strategies to Cooperative challenges

Main constraints in the sector growth are lack of access to credit facilities, limited technical support services, poor human resource base, inflexible, unaccommodating and bureaucratic regulatory controls, the existence of an uneven playing field and lack of specialized knowledge and expertise. In a bid to address the challenges discussed the following strategies were suggested.

Figure 4.21: Strategies to cooperative challenges



Source: Author (s) Derivation Based on Respondents Views

About 30.6% of the respondents felt that there was need for support from the Government and 21.6% needed help in accessing loans. Access to ready and affordable funding of their businesses has been one of the major stumbling blocks leading to stagnation and failure of cooperatives. While government would endeavour to assist where it can, cooperatives will be expected to take charge of financing their own enterprises through meaningful contributions towards share capital; accumulation of reserves for capital development from undistributed surpluses; accumulation of special reserves which members could decide upon for special purposes; borrowing of members savings to finance the cooperatives activities. Also securing of funding from financial institutions lent on agreed terms would be critical in addition to accessing resources from the development funds procured by government for support of cooperatives. Government can also actively support cooperative movement efforts to create its own financial institutions and were they can continue to source funds or loans on viable projects at affordable interest rates. Also government will assist in strengthening the savings and credit cooperatives sub sector to enable it to serve as an alternative source for funding for cooperatives.

5. Conclusion and Recommendations

The study discussed the role that cooperatives are playing in the socio-economic environment and how cooperatives can help empower and foster economic development especially in times of economic crisis. The study noted that cooperatives faces various challenges which among others include:

- > Inflation
- > Lack of capital
- > Lack of land
- > High cost of production
- > Governance
- > Structural weakness in collective bargaining

The following measures should be taken in order to reposition the role cooperatives in Zimbabwe:

- > Training and capacity building;
- > Government intervention the provision of:
 - Land;
 - Training;
 - Funding;
 - Conducive business environment
- > There is need to establish a coordinated framework where key stakeholders in the ecosystem of the cooperatives can work with the cooperatives in a symbiotic relationships with the cooperative in order to foster sustainable growth.

IMPLEMENTATION, MONITORING AND EVALUATION MATRIX FOR COOPERATIVE ACT COMPLIANCE

Strategy	Objectives	Activities	Responsibility	Timelines	Resources
Raising Awareness of the Cooperative Act	<ul style="list-style-type: none"> >To improve compliance >To improve governance of the cooperative 	<ul style="list-style-type: none"> >Training and information dissemination about the Act; >Training on accounting and bookkeeping 	<ul style="list-style-type: none"> >Registrar 	Ongoing	<ul style="list-style-type: none"> >Human resources >Budget support
Establishing a linkages programme	<ul style="list-style-type: none"> >To develop value chains; >To foster sustainability of cooperatives 	<ul style="list-style-type: none"> >Research >Linkages development programme; >Training programmes 	<ul style="list-style-type: none"> >Registrar >Think tanks >Academic 	Ongoing	<ul style="list-style-type: none"> >Human Resources >Budget support
Establishment of a robust four-tier system	<ul style="list-style-type: none"> >To improve governance >To build critical mass and bargaining for cooperatives 	<ul style="list-style-type: none"> >Training >Awareness building 	<ul style="list-style-type: none"> >Registrar >Think tanks >Academic 	Ongoing	<ul style="list-style-type: none"> >Human Resources >Budget support



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Cooperative Baseline Survey



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