

More Experience – and Some Analysis

by A.L. Mackintosh

Dr Marshall's review of Trevor Bottomley's excellent "Farmer Centred Enterprise for Agricultural Development" (Journal 67) and his hopeful "irresistible invitation" to Trevor and others to report direct experience led me to dig out an unpublished article written many years ago for a Caribbean Co-operative Newsletter describing the tribulations of attempting to establish an agricultural Co-operative movement from scratch. In it a few direct experiences were quoted and I escaped from further elaboration with the old cliché that the rest were too numerous to mention.

Trials and Tribulations

In a later idle moment I did list some of the trials and tribulations in a kind of shorthand which, yellow with age, was tucked away with the article among the purloined Government files housing my tatty unclassified archives. In Dr Marshall's words the experience was very direct but I doubt if I am capable of the inductive and realistic assessment of its significance he calls for. However, here, at least is the experience.

"... from small beginnings grew"

1. It took 6 months of patient and not always relevant work to interest and educate a group of 20 farmers in each of 4 villages. Of these only 32 actually sold to the embryo Co-operative 12½ tons of produce and most of those hedged their bets by selling most to the local trader/moneylender. The rest, not unreasonably, lost their nerve. After meeting all expenses a patronage bonus of £23.2.6d was paid out. Despite this meagre return the 32 became instant missionaries. The next year 14 villages sold 481 tons.

2. Members were compelled to wait for payment until produce had been delivered to the statutory Marketing Board which greatly assisted by prompt payment and loan of vital weighing and testing equipment and storage space. Little could have been done without this.

Demands on Government Staff

3. It was essential to visit every participating village the next day and pay members in cash against their produce receipts to dispel the many rumours spread by interested parties. This exhausting procedure continued for 3 years until confidence grew sufficiently for members to accept that their own employees could pay them honestly at the buying point. The Government Co-

operative staff of 3 were in constant demand at the increasing number of buying stations or in the villages, entailing a seven day, 70 to 80 hour week and constant tiring travel for 3 months each year.

4. Villages had to be visited to display the cash for the next day's purchases whenever it could possibly be managed.

5. Careful explanation that the Co-operative had to charge a transport fee and a levy for expenses, which the trader/moneylender did not appear to do, was essential. These deductions had to be taken separately from the total amount due to each farmer. Net payment never became acceptable.

Check and Counter-check

6. Two cash boxes had to be used—one from which payments for produce were made and the other for receipt of expenses from members. This was technically useless and time consuming but Committee members demanded it. The receipts box often contained plenty of cash when the payments box was empty and had to be replenished before business could continue. The practice ceased in time.

7. Scales had to be checked constantly sometimes 20 times per day. The official 56 lbs weight was unreasonably suspect. The only acceptable method was for the Government officer to give his own weight to which the Committee would set the scale. If the steelyard balanced all was well.

8. When a government Co-operative Officer acted as an employee of a Society it was insisted that he was paid the standard rate for the job each day. This was handed back to the Committee in the presence of all the members present. They soon realised that their own voluntary labour could save them expense but eventually a permanent labour force became essential.

The Interest of Politicians

9. Withdrawal of credit facilities from Co-operative members by the trader/moneylender created loyalty problems as the farmers depended heavily on credit for feeding families during the "hungry season". Societies overcame this by landing money to members with funds initially borrowed from a reluctant Government. The Government became less reluctant when politicians realised that support for Co-operative credit was a sure vote winner capable of manipulation.

10. There was a shortage of the most elementary stationery. Cash receipts of the simplest kind used by small clubs were resorted to and produce receipts were cheap ruled invoice books. Ledgers and cash books were lined quire

books which had to be ruled up in cash columns. At first Government staff purchased these from their own pockets since no other funds were available until members were able to build up their small share capital when these "loans" were then re-paid.

11. Transport shortage became a problem as tonnages increased and the Department of Agriculture were no longer able to help with the hire of a tractor and two trailers. Some quite illegal methods, perhaps best left unmentioned, were used to persuade lorry drivers from other organisations to carry farmers' produce from the fields and from the Co-operative to the Marketing Board's collecting points. It did help that a driver's father might be a Co-operative member. Consciences were stilled by the justifiable end condoning almost any means.

Staff for the Societies?

12. When Co-operatives could afford to employ staff those available were very limited. Literate school leavers found Government service or a commercial post much more attractive both cash and status-wise but many of the early employees made up in enthusiasm what they lacked in literacy, accounting skills and managerial knowledge. The interpretation of the "Rochdale Principles" became much varied but nonetheless sincere in their hands. The teaching of double entry book-keeping to such "material" deserves separate treatment in its own right but it was done.

13. Moving relatively large amounts of cash into isolated areas began to attract attention and escape across nearby borders was not too difficult. Luckily no hold-ups actually occurred and insurance of cash in transit became possible. Armed police guards eventually travelled with each cash delivery. Much of this was in coin as farmers did not trust notes.

14. As the Movement expanded into less accessible areas much produce had to be moved by water. Leaky canoes were frequently the only means and took days en route. Losses were all too often ascribed to "water damage" or "parrots chopping them". Government staff were adept at balancing in the craft in choppy waters and lent a hand at paddles when the going got rough. Hippos and crocodiles occasionally took unwelcome interest in the cargoes.

Signing by RTP

15. Many members could sign in Arabic script but most had to use the time-worn RTP (Right Thumb Print). This worked until a conscientious magistrate passing judgement on a loan defaulter pointed out that the RTP was unidentifiable due to work scars and smoothness from handling the hoe. The LTP then came into its own.

16. Storage of records quickly became a problem. Loan Bonds executed by members had to be kept at least 6 months. Mildew, termites and other creepy crawlies made short work of books, cloth and leather. Arbitration against defaulters in such cases was long delayed but village memories are long and witness testimony usually sufficed.

17. In the first 4 years before the building of the only all-weather road countrywide travel was hard and tiring. With so much of the work being in remote villages donkeys, bicycles, canoes and landrovers were the only practical transport. A 40 mile journey by landrover delivering rainy season subsistence credit to farmers could take an exhausting 3 hours but the welcome from villagers when arriving to pay for produce or issue loans was a positive pleasure – and not only because of the cash.

18. Capitalism, as they used to say, reared its ugly head when it was suggested that staff should be paid incentive bonuses to recruit members and expand business. Moral arguments for and against raged but business certainly increased.

The Costs of Expansion

19. As the need for development finance grew, the increasingly adventurous committees and managerial staff began to juggle with finances to acquire essential assets such as decent premises and adequate road and river transport and arrange agencies with insurance companies and agricultural suppliers. Problems were created for Government staff whose duty to audit and supervise imposed by the Co-operative law meant that they had sometimes to operate the kind of red tape which is not always conducive to sensible and profitable business enterprise.

The duty incumbent upon all Co-operative development workers not to nanny and wet nurse Co-operators resulted in many delicate balancing acts between interference and apparent laxity. To many people outside the Movement the friendly guidance of Government staff was merely weakness. In many ways this authoritarian attitude of outsiders (and some insiders) is responsible for so many long established Movements in developing countries still finding it necessary – or being persuaded to believe it necessary – to have expatriate advisers, experts and teachers.

20. The long hours and unavoidable frequent transfers from one often isolated station to another resulted in wives of indigenous and expatriate staff earning themselves the sobriquet of “Co-operative widows” – also not unknown in developed countries. Marriage guidance was not available but the advice would probably have been “stay single, get a divorce or marry an angel”.

“Out of Great Tribulation”

Despite disclaimers above regarding assessment of these experiences gentle editorial blackmail has resulted in the following attempt.

The approach to new even quite sophisticated groups must be patient. It can and should be permitted to lead into many seemingly irrelevant by-ways often valuably revealing of local attitudes. The group's own initiative is the goal not the activists' ego-trip.

Even technically useless procedures may need to be followed if the members feel them justified.

The Need for Cash Benefit

People join Co-operatives for the anticipated cash benefits whatever the philosophical or historical conceptions of the activists. The other good results are ancillary but cannot be realised unless the cash is there. Patronage bonus or “divi” should always be a Co-operative practice if no longer a Co-operative Principle. It remains the most equitable if not most egalitarian way of sharing quite legitimate profits. Goods and services including labour and capital paid for at current market prices remains as true today as in 1844.

Productive credit including subsistence credit to feed the family till harvest is essential but it should be obtained as far away from Government sources as possible. Politicians need no encouragement to manipulate this in their own interests and have harmed many promising Co-operative movements by doing so.

A Nudge towards Realism

Occasional bending of the Co-operative law and general law cannot always be scrupulously avoided. Business cannot be totally moral but members must be warned of “short cuts”, made aware of their dangers and advised to have a firm purpose of amendment. This is not a plea for wholesale breaking of moral or statutory laws, merely a nudge towards realism.

An uneducated but loyal Co-operator can often be a better and more reliable employee than a well educated whizz kid with an eye on his possible Porsche.

So-called simplified systems of book-keeping for the uneducated often advocated by project planners do not work. Double entry commercial book-keeping always does and must be taught in spite of the difficulties.

The police and insurance companies should be used for security. The latter's

lucrative agency arrangements can be exploited as can any other external agency which can be bent to the Co-operative will.

The Advantages of Adversity

But why all this improvisation and organised chaos? The ideal would have been to have transport, premises, stationery, containers, purchasing finance and trained staff available before approaching the farmers. This was not possible. No one, including the Government, was willing to do more than pay Government Co-operative staff in the problematical hope of development. In many ways this was a blessing. The struggle to cope, the negotiations with various authorities for assistance involved the farmers in a way never before experienced. Leaders were thrown up determined to succeed. Members developed trust in the Government Co-operative staff compelled to work alongside them rather than merely give advice. Indeed there were occasions when difficulties were allowed to develop so that Committees could solve them.

It was all of this experience which led me so much to welcome Trevor Bottomley's Chapter 10 on "Ideological and Organisational Constraints" and particularly his view that there should be no external pressure to push the enterprise to grow too fast and that growth has to be the outcome of the expanding ability of the members to manage.

The Author

ARCHIE MACKINTOSH entered Scottish Co-operative service in 1934; gained Social Science Diploma at the Co-operative College 1946-48; appointed National Secretary of British Federation of Young Co-operators; joined Colonial Service and held appointments as Assistant Registrar of Co-operatives, Nigeria and Registrar, The Gambia and Swaziland. Joined Overseas Development Agency's Corps of Specialists, serving as Adviser and Consultant to sundry Governments in Africa and the Middle East. Subsequently Senior Tutor at the College and latterly Co-operative Development Officer of a London Housing Association.