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**Agricultural Collective
Co-operativisation: A Case
Study Of The Socio-Economic
Viability of the Makoni District
Union OCCZIM Collectives
Part II MDU Management and Overall
Recommendations**

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SOCIO-ECONOMIC VIABILITY OF THE MAKONI
DISTRICT UNION OCCZIM COLLECTIVES**

**Part II: MDU Management and Overall
Recommendations**

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ZIMBABWE INSTITUTE OF DEVELOPMENT STUDIES

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LIST OF CONTENTS

LIST OF TABLE AND FIGURES	iv
PREFACE	v
CHAPTER ONE	
INTRODUCTION	1
Overview	1
Historical Background	1
General Objectives of the MDU	3
CHAPTER TWO	
MDU: AIMS, FUNCTIONS AND ACTIVITIES	5
Legal Framework and Structure	5
MDU Resources	10
Income and Service Projects	13
CHAPTER THREE	
ANALYSIS OF MDU MANAGEMENT	17
Introduction	17
Organisation and Structure	17
Operations	24
Mobilisation Work	26
CHAPTER FOUR	
OVERALL STUDY RECOMMENDATIONS	34
Introduction	34
Management Aspects	34
Production Aspects	36
Training Aspects	38
Social Welfare Aspects	38
MDU Management	39
Aims and Objectives	39
Recommended Structure	41
Administrative Processes and Procedures	42
CHAPTER FIVE	
CONCLUDING REMARKS	45
APPENDICES	51

LIST OF TABLES AND FIGURES

Table 1	Approximate Distances from MDU Headquarters
Table 2	MDU Sources of Funds
Table 3	Inventory of MDU Transport and Farm Equipment Unit
Table 4	Basic Equipment Available in the MDU Agricultural Collectives
Table 5	Makoni District Collective Co-operative Union Limited (1983) (Notes in Support of Accounts for 1985 to 1987: Net Book Value)
Table 6	Makoni District Union: Cropping Budget for the 1985/86 Season
Table 7	Makoni District Union: Maize Crop Budget for the 1985/86 Season
Table 8	MDCCU Five-Year Administrative Programme Budget: 1988 to 1992
Figure 1	The MDU Administrative Structures, Span and Responsibilities
Figure 2	MDU Management Structure
Figure 3	Proposed Co-operative Management Structure

PREFACE

This report is the second and final part of the study of agricultural cooperatives in Makoni District. The socio-economic features of the collectives affiliated to the Makoni District Union of Collectives (MDU) have already been presented in Part I. This covered the nature and levels of available resources, production activities, economic viability, management, the provision of social services and a summary of the major findings were then presented.

This part deals with the management of the MDU and the overall recommendations of the study. The first two chapters present the historical background of the MDU and its aims, functions and activities. Chapter Three discusses management, information system, financial management, operations and mobilisation work.

The overall recommendations of the study are presented in Chapter Four in two sets. The first set of recommendations pertain to individual co-operatives and deal with a wide range of issues including management, production, training and social and welfare aspects. The second set of recommendations focus on the MDU as an organisation covering such aspects as the structure, administration processes and procedures.

Finally, broad concluding remarks of the study are made in Chapter Five.

CHAPTER ONE

INTRODUCTION

Overview

The Makoni District Union (MDU) represents today in Zimbabwe one of the most active and well grounded district unions - in terms of political mobilisation, goals and support services to primary agricultural producer collective co-operative unions. It is a constituent district arm of the Organisation of Collective Co-operatives in Zimbabwe (OCCZIM) and its Manicaland provincial committee. This pioneer union has, in fact, provided case material to OCCZIM which has used the MDU experiences and problems in its efforts to develop methods of promoting other nascent district unions. The MDU has, of course, been riddled by many problems, including its late registration by Government. In this context, it is interesting to note how the MDU managed to proceed to carry out a variety of activities, despite the constraining co-operative legal framework and its own lack of legal status until its registration by the Ministry of Co-operatives in May 1987. Until then, its operations were sanctioned by the bye-laws of its parent organisation, OCCZIM.

Historical Background

Established in September 1983, the MDU currently has a membership of 15 primary societies, of which 13 are agricultural, one industrial and one commercial. These have a total membership of about 500 and a population of about 10 000 people between them.

At its inception, the MDU was heavily motivated by the late Comrade A. Shonge, who was instrumental in its formal establishment. He played the key commendable role of linking the co-operatives through letters and exchanging requisite information.

At the moment, the Union is using a small plot at Zingondi co-operative in Rusape which is not centrally located (See Map 1 in the Appendices). Moreover, the approximately 30 metre square plot is too small for any storage facilities to be built there. For some time, the MDU has been searching for a centrally located office.

Attempts to acquire a \$10 000 plot at Headlands which was large enough for the construction of a number of facilities with water and electricity supplies failed. Headlands was selected as the MDU's ideal location due to its centrality and proximity to the railway station. The area was also deemed attractive because of the existence of various State organs (agricultural and other offices), the marketing board depots and input supply companies. It was expected that the offices and other facilities at Headlands would greatly reduce the co-operatives' production costs immediately, and would create conducive infrastructural conditions for the future expansion of co-operative activities in the region.

When these efforts failed, the Chinyudze Rural Service Centre, 20 km east of Headlands, was chosen as the centre of the MDU. It offers basically the same advantages which prevailed at Headlands, including a GMB depot, AFC offices, electricity and water provisions, etc. A warehouse has already been acquired by the MDU and should be operational by mid-1988. Plans are under way to acquire two plots to construct offices and other facilities at Chinyudze.

It is important to understand the physical layout of Makoni District, and the exact locations of individual co-operatives, and the MDU headquarters in order to contextualise the management and planning activities of the MDU. It appears that political administrative considerations tend to override this type of contextualisation when OCCZIM and other agencies promote district union establishment. Moreover, due to the willing-seller/willing-buyer resettlement basis, co-operatives have been scattered in such a way that co-operation among them can at times be contrived.

As can be seen in Map 1 in the Appendices and in Table 1 below, the inter-connectivity of the co-operatives is very poor.

On average, the co-operatives are at least 30 km from their current headquarters, with most being over 45 km away and will be at least 20 km from Chinyudze. The maximum distance between any two co-operatives is about 150 km, while the minimum distance is 15 km.

As can be seen from Table 1, eleven co-operatives will gain in terms of reduced distance to the proposed Chinyudze headquarters, whilst four will be disadvantaged. The net effect shows an advantage in the form of a reduction in distance travelled of about 30 km.

Table 1
APPROXIMATE DISTANCES FROM MDU HEADQUARTERS

Co-operative	APPROXIMATE DISTANCE		Difference
	To Rusape Office	To Chinyudze Office	
Bethel	50	22	+28
Magura Batanai	83	65	+18
Kuedza Masimba	48	35	+13
Wiriranayi	48	35	+13
Zingondi	0	55	-55
Nyamukamani	83	55	+28
Nyahambe	93	65	+28
Kubatana	48	30	+18
Rujeko	33	85	-52
Tanhi	48	70	-22
Mukute	70	58	+12
Ruponeso	43	30	+13
Shingirayi	42	94	-52
Matunhi	38	20	+18
Ngatibatanezi	38	20	+18
AVERAGE	51	49	+26

The major proportion of distances travelled between given co-operatives and the headquarters is on poor gravel roads which are irregularly serviced by buses and the occasional private transporter. As will be evidenced from the resource inventory, only two co-operatives have light trucks and less than five of them have functional telephones. Otherwise, the co-operatives are submerged within large-scale commercial farms and communal areas, where, as discussed later, relationships have not been that amicable.

It was found that it took about a day to travel from at least half of the co-operatives to the head office in Rusape if the co-operators were hitch-hiking or using buses. Posted letters were found to take three to seven or more days between co-operatives and the head office.

These facts, which demonstrate that the MDU co-operatives are generally isolated geographically from each other and from the MDU headquarters, have posed services and administrative problems, in terms of communication between the co-operatives. It has also made evaluation exercises of the MDU difficult.

Furthermore, the same dispersion also affects local government administration of the co-operatives since they are not located under a well-defined administrative territory, as are the Communal Areas (CAs) which are under the "District Councils", and the Large-Scale Commercial Farms (LSCFs) which are under the "Rural Councils" and ICAs which form a clear politico-administrative and technico-administrative basis for planning and programme initiation.

Thus from the beginning, district unions of collective co-operatives under the OCCZIM structures have a problem because of the way co-operatives are spread out. This is not the case with, for example, the Central African Co-operatives Union (CACU) and its district level unions, which are clearly defined areal territories within the Communal Areas. The co-operatives do not exist within a clear-cut local government and decentralised central government operational context which is sympathetic to their development. The relationships of OCCZIM-type district unions like the MDU is thus a novelty and must *per force* be an experimental organisational development of social movements in Zimbabwe.

General Objective of the MDU

Given the above isolation of the co-operatives, the following factors motivated them to create the MDU:

- The co-operatives wanted to approach the Government with a common voice, i.e. united;
- They wanted to have a common link with the OCCZIM Headquarters office and its apex functional structures; and
- Co-operatives wanted to be able to learn from each other's experiences, sharing knowledge and skills for their collective development.

They, therefore, wrote to the late Cde Shonge, who was then working with the Department of Co-operatives (Decode), requesting him to open up communication lines among different co-operatives. Cde Shonge thus arranged such communication among the various co-operatives through his office, resulting in the meeting which led to the formation of the MDU in 1983.

At its formation, the MDU had the following specific stated objectives:

- To support the OCCZIM National Board by all means necessary as agreed by the Annual Conference;
- To promote socialism and the members' standard of living;
- To give financial assistance to member co-operatives during times of critical need;
- To support member co-operatives in their farming activities by helping with:
 - Land preparation
 - Transport and marketing
 - Agricultural advice
 - Bookkeeping. The MDU was to monitor their financial status by keeping records of each co-operative;
- To stimulate productivity and accelerate income generation by all possible means for the development of co-operatives;
- To provide training facilities in various self-help skills and encourage co-operative education;
- To administer by keeping up-to-date records of each co-operative.

Following subsequent seminars, workshops and a number of discussions with co-operators and outsiders, these objectives have now been revised to bring them in line with new challenges. These and other issues will be discussed in subsequent sections of this paper.

CHAPTER TWO

MDU: AIMS, FUNCTIONS AND ACTIVITIES

Legal Framework and Structure

The MDU was formally registered by the Ministry of Co-operatives on 5th May 1987, four years after its formation. According to the bye-laws, the Union functions as a co-operative organisation formed for agriculture, marketing and supply and other business purposes with the following objectives:

- To unite registered collective co-operative societies under this Union;
- To represent and promote the interests of such registered co-operatives and their members in relation to third parties;
- To co-ordinate any activities of or for its members;
- To promote and assist in the establishment of collective co-operative societies throughout Makoni District;
- To provide consultative services to its member societies;
- To plan, prepare and implement training and education activities and to assist its members to carry out such activities;
- To publish and disseminate information and literature on co-operatives and to educate its members on the nature of co-operatives with special emphasis on collective production and services;
- To receive requests from its members concerning needs for financial and other forms of assistance and to assist the members to obtain such assistance;
- To affiliate to a tertiary organisation having as its common bond services in a collective farm;
- To undertake any activities consistent with the nature and objectives of the Union;
- To carry out any agricultural, marketing and supply, or financial activities or services for its member societies;
- To provide accounting and secretarial services to member societies.

To further these objectives, the following powers were conferred on the MDU:

- To hold share capital contributed by its members and to charge and receive fees for services rendered by the Union;
- To employ and remunerate officers, permanent staff and persons on short-term contracts whose services are required or deemed expedient for carrying out any of the objectives of the Union;
- To acquire, hold and dispose of any land, building, plant, machinery, transport or any other property, either movable or immovable and to mortgage, if necessary, the same or any part thereof;
- To solicit and accept donations, grants and subsidies for the purpose of carrying out its objectives;
- To take up loans within a maximum amount which shall be determined yearly by the

- General Meeting and to be approved in writing by the Registrar;
- To trade in and obtain income from education and information, literature and publications on co-operatives as well as stationary and similar articles used by its members;
- To invest any monies held by the Union being the property of the Union or held on behalf of its members, in such manner as may be determined from time to time by the committee and not inconsistent with the Co-operative Societies Act and the Regulations made thereunder.

Membership to the Union is by written application, which application shall conform to the provisions specified in the bye-laws. In addition, the bye-laws deal with issues of termination of membership, withdrawal, suspension and expulsion and liability, among other things.

The Union is expected to source its funds from one hundred dollar shares, subscriptions and donations, loans, surpluses and reserves.

Activities and Functions

The following is a list of some of the functions and activities the MDU was observed to be undertaking:

- Regular meetings (at least once a month).
- Transportation of co-operative and non-co-operative produce, equipment and people for a stipulated fee.
- Tractor hire to 20 MDU members and non-members.
- Settling of disputes in co-operatives through the disciplinary committee.
- Entertaining visitors.
- Preparation of seasonal budgets for member co-operatives.
- Applying for seasonal loans on behalf of its member co-operatives.
- Representing co-operatives at meetings with outsiders.
- Input procurement on behalf of co-operative members.
- Soliciting for donations.
- Organising candidates for courses.
- Dealing with external organisations on business matters.
- Advising/assisting co-operatives on various matters.

While the list of activities and functions above may look impressive, it should be noted that such activities were not carried out in a systematic manner nor were they properly scheduled. This, however, is not surprising given the absence of work schedules and management plans. The provision of such services to member co-operatives is thus *ad hoc* and is not properly organised with regard to timing, finance, etc. This has unfortunately led to inefficiency in the provision of services to different co-operatives.

A more adept elaboration of some of the important functions, particularly the operations, will be dealt with in Chapter Three.

Administrative Structure

The supreme authority of the Union is vested in the General Meeting (GM) which is held annually. The business of the GM includes election, removal and suspension of committee members, consideration of annual statements of accounts and the Balance Sheet, disposal of surpluses and amendments of bye-laws.

The management of the Union is carried out by a Management Committee (MC) which, according to the bye-laws, should consist of 11 members. Item 21 of the bye-laws specifies the business of the MC as follows:

The Management Committee shall conduct the ordinary business of the Union and shall exercise the ordinary powers of the Union except those reserved for the General Meeting, and shall in all its transactions comply with the Co-operatives Societies Act (Chapter 193), the Regulations made thereunder and these bye-laws, and, in particular, shall have the following duties:

- To maintain or cause to be maintained true and accurate accounts or all money received and expended, of all goods bought and sold, of all goods and assets of the Union and of all financial transactions of the Union;
- To examine the accounts and sanction expenditure subject to any general direction of the General Meeting.
- To prepare and lay before the Annual General Meeting audited Final Accounts;
- To negotiate and accept donations, grants, subsidies and loans from members and non-members in such manner as authorised by the General Meeting;
- Subject to any special conditions or reservations imposed by the General Meeting, to appoint, suspend and dismiss employees, to fix scales of salaries and remuneration. To obtain security from employees and to ensure the faithful discharge of employee duties;
- To authorise payment from the funds of the Union to members of the Committee for reasonable expenses incurred solely in the execution of their duties on behalf of the Union on such scale as the General Meeting shall have given its prior approval;
- The Chairperson, Secretary and Treasurer shall sign on behalf of the Union cheques, contracts and other negotiable and legal documents;
- To represent the Union and its members on any institutions, organisations, trust or other bodies at which the Union is invited to participate;
- Generally to carry on the business of the Union.

In addition, the Management Committee can establish sub-committees whose size and composition is decided by the MC. The business of the sub-committees is decided by the MC and such committees have no powers other than those conferred on them by the MC from time to time.

The Executive Committee meets six times a year, and the general meetings are held after every two months, so that they alternate with the executive meetings. In many cases, the Executive Committee also meets on an *ad hoc* basis in response to exigent interventions by various external organisations such as donors, Government departments, OCCZIM Headquarters, or to attend to unforeseen internal developments, such as equipment breakdowns, etc. It would appear that this takes up a lot of MDU members' working time, second to disciplinary activities and donor fund requests. In actual fact, there is no time-frame given as to when the organogram and structures, planning programmes, information and record-keeping, forecasting activities and inter-co-operative exchanges of resources will be implemented or if indeed they are implementable. In fact, it is really only the administrative structure which exists effectively as a committee structure.

This administrative structure has a limited range of specific activities for which planning

is quite constrained, and it therefore acts mainly in a limited supervisory capacity, that is, monitoring the usage of the MDU commonly-owned assets and services.

The actual administrative structure of the MDU is comprised of seven elected members of the MC, namely the Chairperson and his Deputy, the Secretary and his Deputy, the Treasurer and two Committee Members.

This structure was supported, until recently, by a salaried staff of five, namely:

- a bookkeeper
- one truck driver
- two tractor drivers
- one trainee project administrator.

A Project Administrator was recently (1985) engaged to be in charge of the salaried staff.

The administrative structure, span and responsibilities are clearly shown in Figure 1 below, and the division of labour can be clearly derived from it.

As shall be seen from the chart, most of the responsibilities indicated are fairly basic administrative functions, which exclude the higher level aspects of planning and forecasting activities with specific objective targets. With regard to planning, this can be explained by the fact that the MDU has yet to come up with an overall plan which guides socio-economic development. There is apparently, however, close monitoring of the utilisation of resources by the executive.

The administrative unit of the Executive Committee tends to meet usually without a caucus and it would appear that there are no guidelines which clearly set out the authority relationship within the Executive Committee hierarchy, nor are there any set reporting routines within the structure, besides the MDU general meetings. Most communication is verbal and, in fact, the study found no evidence at all of written co

Figure 1

THE MDU ADMINISTRATIVE STRUCTURES, SPAN AND RESPONSIBILITIES

POSITION	MANAGEMENT SPAN	RESPONSIBILITIES
Chairperson	Deputy Chairperson Secretary Deputy Secretary Treasurer 2 Committee Members	Chairs all meetings Sees to it that: a. Meetings are conveniently scheduled b. Resolutions passed at meetings are being adhered to and followed properly. Supervises all under him
Deputy Chairperson	Secretary Deputy Secretary Treasurer 2 Committee Members	He stands in for the Chairperson and assumes all his duties when he is absent. Assist the Chairperson in all matters.

Secretary	Deputy Secretary Treasurer 2 Committee Members	Minute taking/writing Receives and replies to letters of correspondence Arranging/organising/calling for meetings. Arranging agendas Record-keeping
Deputy Secretary	Treasurer 2 Committee Members	He stands in for the Secretary and assumes all his duties during his absence. Assists the Secretary in all matters.
Treasurer	2 Committee Members	Prepares the following: a. End-of-year financial statements b. Outflows/outflow statements/balances. Sees to it that credits and debts are cleared in good time. Check receipts.
Committee Members		They represent all the co-ops. They police/monitor the activities of the administration.
SALARIED STAFF		
Bookkeeper/Typist		Does the books of accounts, types all business letters.
Trainee Project r Administrator(5)	Bookkeeper Truck Driver 2 Tractor Drivers Caretaker	DU Managers Process applications Plans and directs projects Direct all operations as planned by the executive General administration of all matters
Bookkeeper Truck Driver 2 Tractor Drivers		Bookkeeping and accounts Driving Directing the tractor in all its field operations.

This explains the suggestion that the MDU operates more like a political party with informal relationships between the executive committees and their general membership.

MDU Resources

Finance

The MDU's finances come basically from four sources, namely donations, loans, subscriptions and operations. Table 2 below gives an annual breakdown of such finances.

Table 2
MDU SOURCES OF FUNDS

Source	1985	1986	1987	Total
Donations	209 381	167 658	Nil	377 039
Loans	-	12 326	-	12 326
Subscriptions	91	-	71	163
Operations	32 101	43 097	30 462	105 660
TOTAL	241 574	223 081	30 533	495 188

As can be observed from the table, to date the MDU has received almost \$0,5 million from the four sources, in a space of only about three years. This figure represents an annual average of more than \$100 000. It is important to note that 76% of these funds came from donations, whilst 21% were made from operations and the rest was derived from subscriptions and loans. In fact, subscriptions constitute a very insignificant proportion of the total finances - less than 0,1%.

In 1985 donations accounted for 87% of finances available to the MDU in that year. This proportion declined to 75% in 1986 and to nil in 1987. In the same successive years, operations revenue accounted for 14% in 1985, increasing to 18% in 1986 and 99% in 1987. Loans accounted for 6% when they were used as a source of funds. Loans and subscriptions have remained proportionately very insignificant over the years.

It is, therefore, very clear that the MDU relies or had relied heavily on donations, specifically from HIVOS. This in itself reflects a fundamental weakness in the MDU, in that it cannot generate its own funds internally.

According to Table 2, the MDU received a loan of \$12 326 during the 1986 financial year. This is not entirely correct. In fact, the "loan" was only recorded as such for accounting purposes, as the \$12 326 was a shortfall incurred by the MDU in the purchase of tractors. The shortfall was made up by OCCZIM. Clearly, OCCZIM has no financial capacity to assist its lower level structures.

The subscriptions, which should provide the MDU with a certain level of financial self-sufficiency, have always been at an unacceptably low level. It was observed that most of the co-operatives had outstanding obligations in this respect.

The contribution of revenue from operations to the financial pool ranks second. This is obviously an important source of funding for the MDU. Indeed, it sustained the MDU during the whole of 1987. As shall be seen in later analysis, it will most likely be possible to develop such operations so that they generate more funds. How the revenue earned at the moment is used and so on will be discussed in Chapter Three. It is critical to note

that most of the funds have been committed to financing the running expenses of the MDU, without real productive investment taking place.

ASSETS

The MDU has a fairly significant asset base. Most of its fixed assets are in the form of capital equipment which is listed in Table 3 below.

Table 3
INVENTORY OF MDU TRANSPORT AND FARM EQUIPMENT UNIT

Item Description	No.	Historical Cost\$
Dual Sets	2	5 050.00
4-Furrow Plough	2	8 000.00
15" harrow	1	4 200.00
15" harrow (T20)	1	5 950.00
4-Row Trailer Planter with feet attached	1	10 935.47
Springmaster 4-wheel 16-foot flat deck trailer with detachable bulk rides	1	6 261.50
7-ton Leyland Landmaster truck	1	44 500.15
65-h.p. Massey-Ferguson Tractor with canopies, nose weight frames, swinging drawbacks and weights	2	83 856.00
Fuel Tank	1	150.00
TOTAL		\$168 903.12

In addition, it has office furniture, a filing cabinet and a typewriter. The MDU is also leasing a warehouse at Chinyudze Rural Service Centre. It is currently in the process of securing two plots at this centre for the construction of its headquarters. Overall, the value of the MDU's current fixed assets is slightly less than \$200 000 at cost price.

The MDU equipment pool listed in Table 3 above supplements that which exists within the MDU co-operatives. Table 4 below is a listing of the basic equipment available in the MDU agricultural collectives.

In addition, there is a sizeable number of ox-drawn implements and hand tools in the co-operatives. How the equipment in the co-operatives has been utilised has been discussed in a previous report. The actual operations and performance of the MDU equipment pool will be discussed in Chapter Three. It should be noted that, overall, the equipment in the Union is generally old and so operations are marred by frequent breakdowns. As shall also be discussed later, the management of the equipment and its operations is rather unprofessional.

Table 4
BASIC EQUIPMENT AVAILABLE IN THE MDU AGRICULTURAL COLLECTIVES

EQUIPMENT	NUMBER
Tractors	14
Tractor-drawn implements:	
Cultivators	4
Ploughs	12
Planters	6
Trailers	8
Graders	2
Ridgers	5
Discs	7
Trucks (light)	2
TOTAL	60

Personnel

As discussed above, the salaried staff of the MDU consists of six people, under the supervision of the Project Administrator. These handle the administration and field operations of the Union.

Until the engagement of the Project Administrator, the management of these human resources, in terms of assignment of tasks, supervision and co-ordination, had been rather lax and, as a result, people did not always work efficiently. The overall administration depended on the young Trainee Project Administrator. It is not surprising that most aspects of human resource management, such as employment contracts, benefits, job descriptions, orderly remuneration and the associated conditions of service were not clearly articulated, if specified at all.

It also came to our attention that the level of technical skills available among the MDU staff was generally low considering the duties some of them were expected to perform with minimum supervision. The Bookkeeper had some basic training in her field, but did not have any previous work experience, whilst the Trainee Project Administrator assumed his post straight from 'O' Level without having any previous work exposure and no one to train him. On the other hand, both tractor drivers had previous driving experience, even though the level of such skills could not be measured adequately.

It is incredible that in the absence of decent conditions of service, proper work programmes and effective supervision, the MDU staff managed to stay in the employment of the Union. This is indeed a remarkable achievement considering the conditions prevailing before the engagement of the MDU management training consultant.

It is important to note that before the Trainee Project Administrator was engaged, his functions were actually assumed by the political board, that is the Management Committee. This did not work well as the politico-administrative board lacked basic

managerial skills and time, and so could provide only general development guidelines. The lack of these managerial skills resulted in the improper administration of labour, equipment, inputs and, in fact, all activities. Against this background, the MDU Mukute Seminar, in an attempt to put its house in order, created an administrator's post, whose job description was as follows:

- Administration (office, supervision of employees, transport management);
- Planning (compilation of data, identified needs of co-operative projects, analysis);
- Co-ordination of activities (training, welfare, health, education);
- Implementation of programmes; including:
 - Mobilizing co-operatives' executive committees and secretaries for education, health, etc., to keep records of project implementation of each co-operative, and monitoring and evaluating these records;
 - Synthesizing regular co-operatives reports together with his own monitoring and evaluation, and presenting monthly reports in writing to the Makoni District Union, Executive Committees and monthly General Meetings;
 - Provision of monthly reports to OCCZIM (Headquarters) Provincial Field Officer (PFO) and furnishing the PFO with specific information as required, as well as assisting and co-ordinating the general work of the PFO;
- Maintenance and responsibility for financial matters (supervise bookkeeping, routine orders and requests) as well as monthly reporting of accounts to the MDU Treasurer;
- Ensure MDU communication efficiency, and organise administrative services back-up required by the MDU, PFO and OCCZIM leaders for their co-operativisation and mobilisation efforts;
- Co-ordination and securing of Government's and other organisations' support for the MDU.

As can be seen from the above job description, a wide range of responsibilities, whose details have recently been worked out with the assistance of a management training consultant, were undertaken in an unplanned and generally unaccountable context. Some of these features are discussed in later sections.

Income and Service Projects

In order to improve and broaden the base of the MDU finances, four projects were identified by the Mukute Seminar (some of them are already operational), as having potential income-generating capacity. It must be noted that these projects are also intended to provide the member co-operatives with important services, directly or indirectly.

The four projects are:

- Warehouse
- Transport and Farm Machinery Pool
- Crop Marketing Scheme
- Workshop/Garage.

The transport and farm machinery pool project has been operating since three years ago (see Report on Transport), whilst a pre-feasibility study for the warehouse project was completed in 1988. What is left is to operationalise the warehouse project through an appropriate investment plan. The remaining two other projects still require basic pre-feasibility work to be done before they can be implemented.

The main objective of these projects generally is to promote the development of the MDU and its affiliates through the provision of efficient services and facilities. In each project proposal, the aims and objectives are clearly laid out as well as the resources and other requirements. The following is a summary of the projects.

Warehouse Project

The specific aims of the project are as follows:

- To ensure that inputs are delivered to co-operatives in good time.
- To buy in bulk so that co-operatives can buy at a cheaper price.
- To minimise problems of shortages.
- To beat price increases by buying in advance.
- To provide food security.
- To be easily accessible so that transport costs are reduced.
- To reduce post-harvest losses.
- To generate funds.

This project is targeted primarily at the MDU and its affiliates. The local community, however, is expected to benefit from it as well.

Transport and Farm Machinery Pool Project

This project aims at promoting the development of co-operatives through the provision of efficient transport and tillage services.

The transport section will specifically seek to do the following:

- To reduce the transport bottlenecks experienced by co-operatives.
- To reduce the transport costs of member co-operatives.
- To generate funds for the MDU.
- To facilitate timely delivery of inputs and produce.
- To ferry equipment from one co-operative to the other.
- To provide transport services to co-operators and to the community in general.

The tillage section will aim:

- To increase the area under crops.
- To reduce delays associated with contract ploughing.
- To reduce the exorbitant hiring charges associated with contract ploughing.
- To implement ploughing programmes in good time.

- To generate funds for the MDU.
- To release labour for other uses.

Transport services are targeted at the co-operatives and the community in general. The community includes neighbouring schools, churches, farmers' organisations and individuals. The tillage unit also has the same market segments.

An important aspect of this project is the repair and general maintenance of the movable assets under its control. This aspect is discussed below.

Workshop/Garage Project

This project is concerned with the basic objective of supporting the transport and farm machinery pool project. It basically aims at ensuring a mechanically efficient transport and tillage unit in the Union.

In this regard, the specific aims of this project are:

- To effect repairs and maintenance of the MDU movable assets as well as those of its affiliates.
- To procure spares on behalf of the co-operatives.
- To effect repairs at minimum cost to the co-operatives.
- To generate funds for the MDU.

Crop Marketing Scheme

This is one of the most important projects of the MDU as they are growing crops for which the marketing details and prices are not regulated by Government. The MDU co-operatives engage in crops such as potatoes, fruit, barley and a variety of vegetables in quite significant quantities.

The marketing of such produce has been a problem to the extent that there have been significant incidents of post-harvest losses due to lack of marketing outlets, transport problems and other related factors such as inadequate storage facilities. The pressure to get rid of the produce in the face of inadequate and inappropriate storage facilities has created a situation where the co-operatives have been left at the mercy of the buyers who have virtually dictated the prices.

The importance of this project cannot be over-emphasised if these crops are to assume importance in the Union. The provision of an efficient marketing structure for such crops was seen as imperative. Transport will also be organised within this project as marketing cannot be successful without proper transport facilities.

This project specifically aims at the following:

- Market research, i.e. search for market opportunities.
- To disseminate/provide market information to member co-operatives and advice on market opportunities.
- To arrange supply contracts between co-operatives and buyers.
- To provide storage facilities for perishables.

It is clear from the need to provide storage facilities for perishables that the warehouse

project will play a major role in this project. It is also clear that the marketing project is targeted primarily at the MDU co-operatives.

This project could be integrated with the warehouse project when fully conceptualised. Rough indications of the specific requirements of each project have already been worked out (see Mukute Planning Seminar). In fact, concrete specific requirements of the warehouse and transport and farm machinery pool projects have already been worked out, but the finer details for the other two projects still have to be developed. Such details pertain to material and financial requirements, feasibility studies, project costing, etc.

It is envisaged that these projects will put the MDU and its co-operatives on good ground by alleviating the many problems they are currently facing. Some of the immediate benefits to be derived will be a reduction of the operating costs of the co-operatives and increased income from the expanded MDU income-generating base.

In the following section we discuss how the MDU and its operations were managed.

CHAPTER THREE

ANALYSIS OF MDU MANAGEMENT

Introduction

The development of the MDU has been fraught with a number of teething problems. The most critical of these has been the problem of registration which, until recently, had been nagging the fledgling organisation for more than three years. This meant that for all this time the MDU had no legal status and this put it in a difficult operational position.

It should be noted that the whole problem has its roots in the inadequacies of the Co-operative Societies Act which only provided for primary and secondary level structures in the hierarchy of the co-operative movement. OCCZIM was thus registered as a secondary level organisation in the absence of legal provision for a tertiary level structure in the hierarchy. This then presented status problems for the district level organs within the framework of the Act. For practical purposes, the district organs were the secondary structures in the movement's hierarchy whilst OCCZIM represented the tertiary structure. This meant that in the eyes of the law, the MDU and other similar organs had no place in the hierarchy and therefore could not be officially recognised as operational.

Not having any legal status presented its own set of problems for the MDU. Firstly, in order to carry out its business, the MDU had to use the bye-laws and other instruments of OCCZIM. This meant that all MDU business was done in the name of OCCZIM. Such business includes the research contract between itself and ZIDS which has culminated in the production of this document; dealings between itself and Government and other organisations such as the AFC; purchases of fixed assets, such as the two tractors and the lorry; and others. In addition, its mobilisation and organising activities were also constrained, and so was its ability to enforce debt repayments for services it provided to its customers.

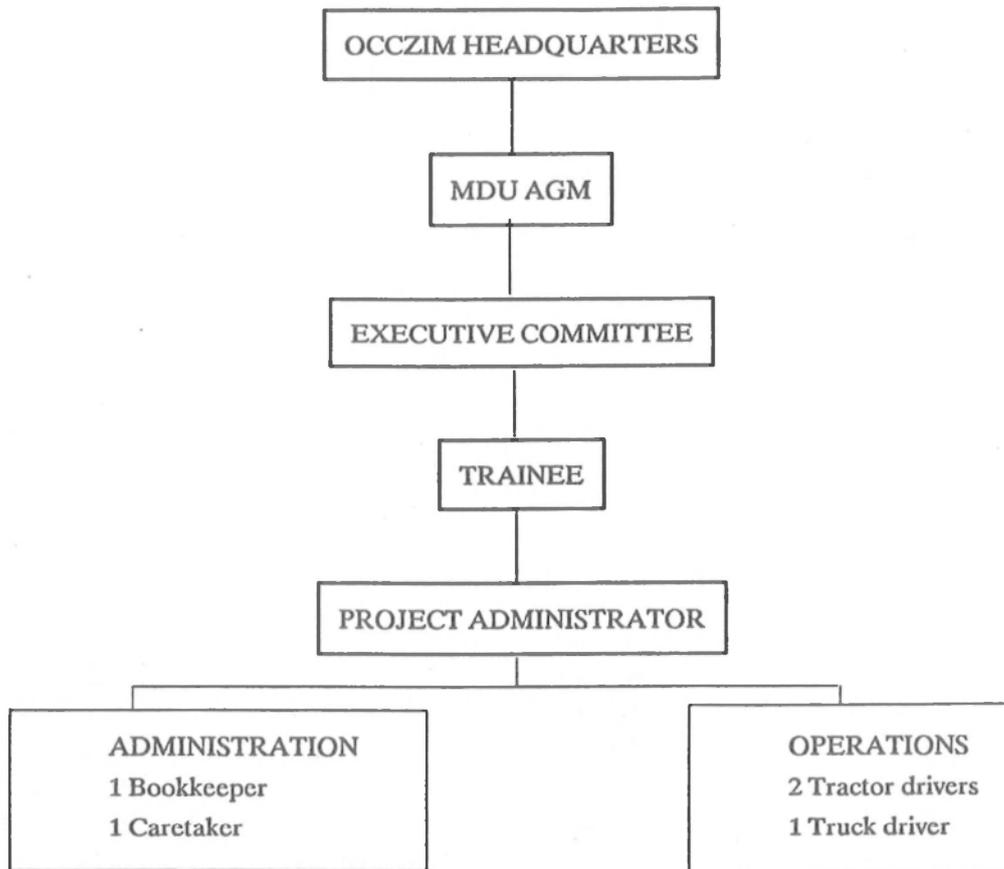
The MDU was formally registered in May 1987. This means with its legal status, the MDU is now able to overcome the administrative, financial, organisational and other complications which crippled it in the past. It has only been operating for a short time with this legal status and we expect that, with time and support, the MDU will be able to fully develop its own systems and schedules of legal arrangements with other organisations. Work is currently in progress in this regard with the assistance of the management consultant.

Organisation and Structure

Figure 2 below illustrates the way the MDU is structured. As discussed in Chapter Two, the Annual General Meeting (AGM) is at the apex of the structure. Immediately below it is the Executive Committee (EC) which consists of seven members. The functions of the EC are basically to do with policy issues.

The day-to-day running of the organisation was supposed to be in the hands of the Trainee Project Administrator. His domain also included overseeing the operations of the MDU.

Figure 2
MDU MANAGEMENT STRUCTURE



In practice, therefore, the MDU had two divisions, that is, Administration and Operations. All staff in the two divisions reported to the Trainee Project Administrator. The Bookkeeper and the Caretaker fall under Administration, whilst the truck driver and two tractor drivers fall under the Operations Division.

Although the Trainee Project Administrator was supposed to be in charge of the activities of the MDU, this was not necessarily so in practice. It is perhaps important to note that decision-making in almost all aspects rested with the EC. Its decisions did not only involve broad policy issues but extended even to the day-to-day running of the organisation.

The broad policy decisions were made on a monthly basis. These decisions were not operationally defined and had no specific accounting targets. There was no clarity as to the implementation procedures and no specific allocation of responsibility for implementation. This responsibility was divided between the Bookkeeper, the Trainee Project Administrator and the vehicle drivers as well as the EC members, particularly the Chairperson, Treasurer and Secretary.

There was no effective control of many of the field operations, including those involved in the transport and tillage services. Operations were not systematically administered in terms of checking, supervision, and monitoring of the activities. This was partly because the MDU did not have the transport to ensure efficient supervision. As the co-operatives are scattered over a large area, it is physically difficult to monitor their

activities in the absence of a programme of intra-co-operative responsibilities for supervision.

Thus, in practice, field operations were basically self-managed by the drivers through reporting systems that were not generally documented and inadequate for checking facts and figures of the operations. There was, therefore, a certain degree of anarchy which gave scope to misuse of equipment.

The poor communication system between field staff and the Trainee Project Administrator made co-ordination and decision-making almost impossible.

Other constraints on field operations included the problem that money was not always available at the right time for repairs, petrol, spares and other related expenses. Control and authorisation of such expenditures was in the hands of the EC. This meant that after the field staff had reported to the Trainee Project Administrator, the latter still had to track down the Chairman, the Treasurer and the Secretary in their respective co-operatives for them to authorise and sign cheques. The time lost on this roundabout was, of course, significant. In order to alleviate these delays, the MDU made an arrangement with Duly's (Rusape) for its fleet to have repairs to an amount not exceeding \$500 per month. This arrangement meant that repairs were effected more promptly if they were minor. Another important factor has been the shortage of spares for the ageing MDU fleet and this has reduced the efficiency of its operations.

The fact that decisions on operations are made by the EC, which is far removed from the day-to-day running of the organisation, of course, has obvious implications for the efficiency of these operations. The Trainee Project Administrator has limited authority to take flexible and timely decisions under uncertain conditions.

Overall, there were no records to assess the performance of the operations. The administration was based on verbal reports all along the line from the driver to the Trainee Project Administrator and to the EC and in the opposite direction. This suggests that the organisational structure of the MDU requires an overhaul which would ensure that an appropriate management capacity is developed, emphasising administrative responsibilities as separate activities from the policy decision-making, and the development of appropriate administrative systems within the MDU office. Such systems should cater for both office and field administration of operations.

During the study, attempts were made to train the Trainee Project Administrator in this respect, and to secure an administrator who would take control of the management. These activities were based on an MDU planning session held at Mukute (see report) which recommended a new structure. On this basis, a management consultant was engaged in the project to set up such systems. Recommendations arising from this exercise are discussed later.

Information System

There was little evidence of a systematised management information system in the organisation, particularly on operations. Records mainly included receipts, minutes, job orders and log books. Skills, both in the EC and the Trainee Project Administrator, were found to be clearly inadequate for the compilation of regular and adequate reports for use by the EC and the broad membership. Thus, there was no sufficient generation of information to analyse the efficiency of the MDU and its activities, including the exact cost structures and financial status. The quality and type of information kept did not

meet user needs and was not easy to retrieve when needed.

The link between the MDU, its provincial structure and the headquarters was mainly through the attendance of national committee meetings of OCCZIM and the OCCZIM AGM, except that the OCCZIM Chairperson is one of the MDU co-operatives' chairmen and also the fact that in the past OCCZIM had undertaken the contractual responsibility of the MDU before its registration. Otherwise, there is no programme of activities between the headquarters and the MDU. Some links, however, were developed by the study team since it worked with both organisations.

In terms of its external relations, the MDU organisation structure does not cater for regular and systematised relationships between itself and Government and other agencies. The only regular relationship is with the Ministry of Co-operatives and this is based mainly on discussions to register the MDU and auditing aspects. In the last quarter of 1987, the study team, the Ministry of Co-operatives and Agritex initiated the formation of the Co-ordination Meeting on Co-operatives (COMECO). This meeting was formed in order to co-ordinate all training efforts by different organisations involved with the co-operatives in the district. It is comprised of all the organisations offering training programmes to these co-operatives. Initially, the focus of COMECO was on training. However, the meeting has broadened its scope to include any involvement with co-operatives in the district. Already, the meeting has arranged a successful course for the MDU collectives.

Other ministries and Government departments, particularly the District Administrator's Office, have not been approached or forthcoming except for Agritex, through its two extension officers. One of these officers became more involved through the study in developing systematic assistance to the MDU.

In the past and up to 1985, a number of co-operatives had individual dealings with non-governmental organisations (NGOs), with some receiving a variety of assistance, particularly from Christian Care and Zimbabwe Project. This assistance was neither co-ordinated by the MDU nor was the kind of assistance systematically recorded. However, it was noted that generally the kind of assistance was in the form of training programmes aimed at promoting the so-called income-generating projects, such as building and carpentry, and bookkeeping aspects. Some co-operatives received agricultural implements and building tools as well as drought relief food items and clothing. What is apparently clear, however, was the absence of significant assistance in support of agricultural production in the co-operatives.

Since the HIVOS project was developed, a centralised relationship between itself and the co-operatives was originated and it evolved around the support given on tractors and transport (see later sections for details of this assistance). Even then, there is no MDU policy which restrains MDU individual co-operatives from attempts to get assistance from other donors, nor is there a system providing technical and administrative back-up to co-operatives in assisting them to deal with donors except for HIVOS assistance. The MDU has no internal capacity to deal with these NGOs.

The relationship between the MDU and HIVOS has been systematised since the ZIDS study through regular meetings between the three parties, to deal with seminar reports, budget reviews and setting up of the new management system for the MDU. In the absence of an administrative structure such as the one discussed above, a critical assessment of the assistance programmes between the MDU and NGOs will be difficult to make.

The absence of administrative control/supervision, the lack of experience and the low qualifications of the Trainee Project Administrator have seriously affected the activities of the MDU. The arrangement whereby the Chairman played an administrative and supervisory role was clearly detrimental to the operations of the MDU, particularly when the Trainee Project Administrator had no effective control over the staff.

From the foregoing it can be observed that there was a clear absence of defined tasks for both the EC members and the staff. In certain instances, there was confusion between the staff and the EC over decision-making, resulting in unnecessary delays in verifying decisions which were generally taken with a poor information base. Data relating to co-operative production activities, prices and cost structures for the transport and tillage units was not systematically kept. The co-operatives had no co-ordinators responsible for making specific demands so that the needs of the MDU as a whole could not be quantified. In short, there was a total absence of administrative structures.

Financial Management

A systematic financial allocation of resources to different activities, including administration, is a critical element in the financial management of the MDU. Thus, it is important to closely analyse how the funds of the MDU were committed to different activities. The financial resources that the MDU had access to in recent years have already been discussed in Chapter Two. This section mainly focuses on how these funds were used.

Sources and Application of Funds

In Chapter Two it was noted that the MDU relied heavily on donations as its main source of funds. It was also observed that it could not generate significant funds internally, so that it could not survive without external assistance. It is perhaps interesting to see how these funds were used. An analysis of the application of the funds reveals many telling points.

The funds were used to finance administrative expenses such as salaries, wages, postage and stationary, and the operations expenses associated with the running of the tillage and transport units. Generally, wages have accounted for about half of the total expenses. This is both an administration and operations expense. Next, fuel and oil accounted for about a third of total expenses. This is exclusively an operations expense.

Significant expenses have been incurred through travel. This is a reflection of the travel demands placed on the EC members as they run the affairs of the MDU through regular meetings and other numerous *ad hoc* engagements as discussed earlier.

Again, as noted earlier, these expenses are not effectively monitored and nor are they systematically budgeted for. With more stringent control over the utilisation of resources, e.g. in fuel and oil, travel and subsistence, expenses could be significantly reduced.

Performance/Management Reports

Basically, these reports were non-existent, so it was difficult to review the financial performance of the organisation. In the absence of a proper accounting system, it is not surprising that the organisation often experienced serious liquidity problems resulting in the staff having to go unpaid for some time and the operations being seriously slowed

down.

No attempt was made to forecast the financial obligations of the MDU in advance. Thus, the organisation had no concept of its financial requirements for the month, let alone where the funds were going to come from.

In any case, the EC had no capacity to demand such information from which it could assess the financial performance of the organisation, let alone the technical skills to analyse this information. Thus, it was noted that the regular monthly trial balance was never given serious discussion when presented to the EC.

Accounting Statements and Balance Sheets Analyses

The Bookkeeper has handled the accounting functions of the MDU. The Bookkeeper, who is supposed to record everyday transactions normally up to and including the trial balance, also attempted to compile and present the final accounts of the organisation. The effect of this workload and the lack of supervision from the top can be summarised from the findings of a 1986 audit report:

- some transactions entered in the cashbook were not appropriate;
- the format was not suitable;
- there appeared to be no properly laid-down procedures to be followed;
- the entries were not dated in all cases;
- narration and method of disposal of assets was not proper;
- dates were not recorded against transactions in the journal;
- the trial balances were not properly drawn up;
- the final accounts had not been prepared and applied to the balance sheet.

It is perhaps important to note here that the audit section of the Ministry did not play an active role in the inspection of the MDU books before its registration in 1987. Thus, it is noted that the Bookkeeper did a commendable job given her limited training and the fact that she had little experience and was not properly supervised.

Some aspects of the balance sheet, mainly the fixed asset base, were discussed in Chapter Two. We now turn to a discussion of the overall balance sheet of the MDU.

As stated earlier, the MDU has quite a significant asset base in the form of capital equipment. The other asset items are debtors, balance at bank, petty cash and accrued subscriptions. The petty cash and accrued subscriptions represent a very insignificant amount of the total current assets.

Debtors are the single largest current asset item. In fact, it has been so over the years, rising from 60% of total current assets in 1985, 84% in 1986 to 91% in 1987. We also observe a decline in the bank balances over the years from 38% of total current assets in 1985, to 16% in 1986 and to only 9% in 1987.

It is also interesting to note that there is a total absence of liabilities in the organisation. The working capital has, therefore, been made up of the total current assets only. The absence of liabilities indicates that the MDU chose to operate on a cash basis only, barring any credits. This obviously crippled its operational capacity in terms of the working capital available to finance operations.

Table 5
MAKONI DISTRICT COLLECTIVE CO-OPERATIVE UNION LIMITED (1983) (NOTES IN
SUPPORT OF ACCOUNTS FOR 1985 TO 1987: NET BOOK VALUE)

ASSETS	COST	1987	1986	1985
Fixed Assets				
Truck	44 500,15	27 768,09	30 853,43	38 566,79
Two typewriters	600,00	539,09	210,01	233,34
Two Tractors	83 856,00	-	74 072,80	61 013,34
Implements	28 370,20	87 212,06	22 829,49	32 526,87
Office Furniture	668,80	732,42	561,80	624,22
Filing Cabinet	300,00	-	252,00	280,00
Fuel Tank	150,00	113,40	126,00	140,00
TOTAL	158 095,15	11 364,98	128 905,53	133 384,56
Current Assets				
		1987	1986	1985
Debtors		29 993,62	30 581,62	21 039,02
Bank		3 073,23	5 915,12	13 134,94
Petty Cash		2,35	37,60	7,83
Accrued Subscriptions		-	-	92,00
TOTAL		33 069,20	36 533,80	34 273,70
Current Liabilities				
		1987	1986	1985
Creditors		Nil	Nil	Nil
Working Capital				
Current Assets		33 069,20	36 533,80	34 273,70
Less Current Liabilities		-	-	-

NOTE: All the information in Table 5 above been adapted from the original Financial Statements of the MDU from 1985 to 1987.

Debtors increased from 1985 to 1986 by 45% and slightly declined by about 2% in 1987. Co-operatives' debt accounts for at least 85% of this amount, whilst the remainder is accounted for by outsiders. Most of this debt is more than 400 days old and there is no interest charged on it. In addition, there were no contracts with debtors to acknowledge their debts and this poses debt recovery problems.

Debtors have been increasing as a proportion of working capital over the years. Whilst debtors were 60% of working capital in 1985, they rose to 84% and 91% in 1986 and 1987 respectively. This obviously creates problems of dwindling/falling cash reserves. This is particularly so given the fact that the MDU operated without any guide in the form of cash budgets for a long time. This brings us to the issue of control systems.

Control Systems

In order to control and monitor the operations and activities of an organisation, it is

important to have proper control systems. One of such system is the cash budget. This gives an important guide as well as a good basis for controlling the running of an organisation. Until recently, the MDU operated without cash a budget and this effectively means that the financial control of the organisation was unsound.

Other control systems were not in place. For instance, authorisation for expenditures was verbal, and there were no cheque requisitions. Furthermore, there were no regular reports to management, and the EC could not adequately interpret the monthly trial balance. The income received from field operations was not properly recorded, if at all. There were no proper fuel recordings for the truck and tractors. Although the drivers had log-books, these were not checked and analysed on a regular basis.

With adequate control systems, the performance of the MDU could have been better. The study team and the MDU management consultant have been helping the MDU to establish the necessary control systems in order to put the organisation on a sound financial management footing.

Operations

The Operations Division is probably the most important insofar as it is expected to finance the activities of the entire organisation. A critical element in the HIVOS/MDU funding arrangements is that HIVOS will only provide assistance for the initial capital investment to this division. The operations are expected to be self-financing even in the short-run, and in the long run they are expected to sustain the entire organisation.

The Operations Division currently consists of the tillage and transport units with three drivers, two of whom are not licensed to drive. The idea behind the two units is to provide the income base that could sustain and dynamise the whole structure from within and thereby do away with external assistance.

Tillage and Transport

The tillage unit comprises of two tractors and their accessories, whilst the transport unit comprises of one 7-tonne lorry. The performance of these two units, particularly the former, has not been satisfactory over the years. This has largely been due to the way these units have been run, details of which are discussed in the transport and farm machinery feasibility study.

The fact that there are indications of gross underutilisation of capacity in the Operations Division points to a number of issues, some of which are discussed below.

The field operations were an area of concern due to the fact that the operations were not controlled in any way, and this was worsened by the fact that communication between the field staff and the headquarters was very minimal, to say the least. There were no standard times of carrying out operations, for example ploughing or discing. In addition, there were no work schedules for the equipment. Thus, these operations were basically uncontrolled and unplanned. Under such circumstances, there were times when the equipment would be engaged in very uneconomic errands.

Other factors to be considered are the costing and pricing structures of the operations. The former is basically non-existent and this has a strong bearing on the accuracy of the latter. Charges have been inconsistent over the years, not having been worked out from a proper economic basis.

There was no pattern in repairs and maintenance expenses. There were no regular maintenance schedules for the equipment. There was frequent use of backyard garages in effecting repairs to the fleet, resulting in cases of inappropriate repairs or even further damage to the vehicles. The operations were, in fact, marred by numerous breakdowns and this further restricted capacity utilisation.

There was great variation in fuel expenses, whilst revenue swung widely from month to month from zero to thousands of dollars. Of course, this was expected given the unplanned and uncontrolled nature of the operations. No systematic identification of market opportunities was undertaken, so that the work schedules would be worked out in advance, nor were the activities properly documented.

All the above point to serious flaws in administration and operations procedures. There was no information system to facilitate decision-making and no contractual arrangements were made between the MDU and its clients. No procedures were laid down as to the acquisition and disposal of capital equipment and this resulted in a number of misunderstandings within the organisation and between the MDU and its affiliates. For instance, the disposal of two 3088 tractors sparked off much controversy in 1985.

The following were given as the main reasons for their disposal:

- The tractors were too big for the co-operatives' fields;
- They were too expensive to run in terms of fuel consumption;
- It was almost impossible to carry the disc harrows from one co-operative to another because of their size;
- The disc harrows could not pass through a gate without destroying the gate and fence. They had to be dismantled from time to time, which was a very time-consuming exercise;
- Expert commercial farm owners recommended the tractors for large enterprises with vast agricultural infrastructure like Chisumbanje, which is owned by the Agricultural and Rural Development Authority (ARDA);
- Spare parts were not available. (Turnpan was contacted to come and revalue the machinery for a swap or to recommend the disposal of the tractors to any other buyer.)

These tractors had been bought at a total cost of \$70 000 from Turnpan in November 1984. They were to be swapped or sold for smaller machinery, and this was to be done with immediate effect to cope with the 1986/87 summer season. They were then sold back to Turnpan a year later. Due to lack of business know-how, the MDU lost out when the two tractors fetched \$68 000. Meanwhile, the two other new tractors were bought from Turnpan for a total cost of \$83 856. Thus, the \$68 000 obtained from the sale of the "inappropriate" tractors was not enough to cover the cost of replacements. In fact, the MDU had to obtain a loan of \$12 325,62 from OCCZIM Headquarters, which was the amount of sales tax required on the new tractors. The whole process was made even worse by the fact that the MDU was not yet registered, and so lacked the capacity to enter into a lawful contract.

There are problems arising out of this. The question of who advised the MDU to purchase the larger type of tractors needs to be addressed. Obviously, the MDU had no technical knowledge to foresee that the tractors would not be suitable. It could be

that they MDU or their "advisers" (whoever it was) assumed that because there were 13 co-operatives, a larger set of machinery and equipment would be appropriate so that the various operations could be carried out at the right time in all the co-operatives. If this was so, there was some sense in the decision, but the other technical considerations, e.g. the question of how the equipment was to be moved from co-operative to co-operative and even from field to field in any one given co-operative was never addressed. Secondly, the MDU or their advisers showed short-sightedness in not arranging for an assured supply of spares.

The questions raised above suggest very serious shortcomings in both technical knowledge about farm machinery and equipment and business acumen within the MDU. Again, this reflects a serious weakness in the management capabilities of the Union.

Lastly, it was noted that the absence of control systems to monitor the field operations gave scope for misuse of equipment as no attempt was made to weigh operating expenses against the income generated. The problem has mainly been that no one at the helm of the organisation has any grounding in business management. It is only now that systems have been developed to try and arrest the situation. It would appear that there is still room for improving the performance of the operations with the new systems that are currently being implemented.

Mobilisation Work

In addition, the MDU is involved in mobilisation and other non-economic activities some of which need further discussion. These activities are credit mobilisation, legal and constitutional development, conflict management, awareness building, training, organisation and general welfare.

Credit Mobilisation

This entails drawing up cropping budgets and soliciting collective support from the AFC and other sources on behalf of its co-operatives. By definition, this task requires technical skills on the part of the MDU and Agritex and others to plan and develop cropping programmes and to budget the resource requirements before seeking finances. It was noted that the MDU on its own could not cope here because existing skills in such areas were limited.

As is illustrated in the crop budgets depicted in Table 6 below which were prepared by the MDU, the figures did not take into account certain concrete requirements needed to implement operations. These budgets are briefly reviewed below, while Table 7 takes an in-depth look at the 1985-86 Maize Crop Budget.

Table 6
MAKONI DISTRICT UNION : CROPPING BUDGET (1985/86 SEASON).

CROPS	EXPENSES	INCOME
Maize	\$402 511,00	\$730 800,00
Groundnuts	23 293,00	26 000,00
Sunflower	28 764,00	71 250,00
Soyabeans	5 270,00	16 746,00
Edible Beans	2 306,00	11 000,00
Cotton	3 796,00	45 828,00
Tobacco	7 220,00	100 000,00
Sorghum	2 442,00	14 520,00
Fruit	6 733,00	23 500,00
Potatoes	24 081,00	72 000,00
SUB-TOTALS	506 416,00	1 111 644,00
5% Miscellaneous	25 321,00	-
Total Expenses	531 737,00	-
NET SURPLUS	579 907,00	-

Table 7
MAKONI DISTRICT UNION : MAIZE CROP BUDGET (1985/86 SEASON).

INPUTS DETAILS	QUANTITY	PRICE/UNIT	\$ c
Empty bags and twine	5 723 x 50 kg	100,00/20 litres	567 456,00
Seed: R215	338 x 50 kg	34,66	11 715,00
R201	150 x 50 kg	34,66	5 199,00
SR52	20 x 50 kg	44,00	880,00
Compound D5	698 x 50 kg	17,78	101 310,00
Compound S	420 x 50 kg	22,41	9 412,00
Ammonium Nitrate	5 723 x 50 kg	20,30	116 177,00
Lime	2 460 x 50 kg	2,50	6 150,00
Chemicals: Gardomil	4 238 Litres	100,00/20 litres	1 060,00
Diptrex	2 054 kg	1,41/2 kg	1 448,00
Transport of Inputs	14 809 bags	2,00/bag	29 618,00

Packing Materials:			
Empty Bags & Twine	44 660 bags	2,50/bag	111 650,00
Sub-Totals			394 619,00
Miscellaneous 2%			7 892,00
Total Input Cost			402 511,00
Gross Income			180/tonne
Gross Margin			328 289,00

BUDGET YEAR: 1986/87

Crop: Maize.

Natural Region: IIB

Total Hectares: 1 015

Yield Estimates: 44 660 Bags

As can be seen from the budgets, a category, "Miscellaneous", was introduced presumably to cover such costs as equipment and labour utilisation costs. To begin with, it is not clear why 2% was applied to cover such costs. Moreover, this 2% was applied uniformly regardless of the type of crop or the different resource-mix of the various co-operatives. In any case, if this category was meant to cover contingent costs as well, that percentage is conspicuously too low for any forward planning given that:

- business people apply an average 10% contingency rate;
- it was necessary to allow for inflation; and
- input costs have been rising by 20% on average.

In any case, the budget did not seem to cater fully for the interest rates to be paid on seed, chemicals, transport and packing materials costs.

The net surplus indicated in the overall budget and in the individual budgets appears quite high, but this is deceptive because of the above-mentioned facts and because it does not indicate the amounts of food which will be kept back for home consumption. Maize, in particular, is retained for the co-operative members themselves. The problem of accounting was brought up during an informal interview with officials of the AFC who gave this as one reason why they were reluctant to pass the co-operatives' loan applications.

Another noticeable feature of the budget programmes of the MDU was that they used Agritex-suggested norms of inputs per hectare whereas these standards were not always followed in the actual utilisation of inputs in co-operatives.

This poses a problem for Agritex, the AFC district officials, as well as for the co-operators themselves as there is no clear picture of the actual cost of activities from which to work. The fact that the co-operatives do not abide by these norms (a fact which was openly admitted by an MDU member in discussions, and observed in the overall data collection exercise), means that, in fact, the expenses provided in the budget on a yield per hectare basis are not reliable and therefore make very little sense for the purpose of balancing the accounts as regards input-output and deriving gross margins, let alone profits. What this points to, first of all, are very serious technical weaknesses

within the MDU executive and within the co-operatives in terms of scientific agro-economic skills, knowledge and experience, which altogether makes the management and planning exercises of the District Union and Management Committees of the various co-operatives rather ineffective.

In any case, as was indicated in earlier sections, the lack of adequate reporting routines within the MDU structure, the absence of District Union field officers or inspectors, as well as the shortcomings of the OCCZIM provincial field officers, together make it impossible for the MDU Executive Committee to adequately monitor cropping programmes and supervise correct input utilisation. This problem is further aggravated by the absence of adequate Agritex field officers. All these, therefore, imply an insufficient framework within which to ensure that:

- loans are repaid to the AFC and the MDU; and
- the MDU's budgetary programmes are implemented.

Legal and Constitutional Development Conflict Management

A number of problems pertaining to issues such as property rights, use of resources, conditions of access to State-owned land, individual property and conflicts have arisen within the MDU co-operatives. Whilst some of these problems are particular to some co-operatives, the problem of access to State-owned land is general to all the agricultural co-operatives.

The MDU has been engaged in conflict management including the revision of its model bye-laws, how to explain these bye-laws to co-operatives, how to devise appropriate management structures and the direct adjudication of specific conflicts. The main problem in this endeavour has been the absence of adequate support services from the Government, legal and professional bodies and the inability of the MDU to develop relevant legal and constitutional instruments.

Through various meetings and discussions of the research findings which culminated in the Mukute Planning Workshop, revised model bye-laws for both the co-operatives and the MDU and new management structures were developed (refer to Mukute Planning Workshop). However, these bye-laws have still to be fully discussed among individual co-operatives before they can be submitted to the Department of Co-operatives for registration purposes. More specific recommendations regarding management aspects will be discussed in Chapter Four of this report.

A number of disputes have arisen between co-operatives, particularly those which border on Communal Areas and Model A resettlement schemes. The major reasons for dispute have been that animals have been put to graze in other people's fields, that there has been trespassing, that boundary fences have been cut down and that there has been poaching of natural resources such as firewood and thatch-grass. The Union has met village leaders to try and resolve these problems. Some co-operatives have now resorted to impounding stray cattle from these areas and releasing them only after payment of a penalty fee. This again has caused further problems.

The issue is that it appears that the land question, resolved as it is through resettlement programmes, with legal tenure/title deeds and ownership of land by co-operatives, means that neighbours (i.e. Communal Area farmers who may be envious or feel entitled to that same resettlement land) will abuse co-operative property, and co-operatives have

no legal recourse to resolve the transgression. This explains why they use the methods indicated above. However, these methods are not sufficient, and disciplinary committees are powerless without the proper State support. To make matters worse, the law-enforcing agencies have not been very helpful in protecting the co-operatives when alerted to a particular problem.

Apart from these disputes with external people, the MDU has also dealt with other problems which reflect the contradictions that emerge out of the lack of social cohesion in the co-operatives, and which arise in various forms, namely:

- Religious differences, e.g. the situation at Bethel Co-operative, where it is alleged that church members dominate the co-operative hierarchy and management structures, and control resource utilisation, benefits and work allocation. There is also an ideological conflict, in terms of the religious versus socialist orientation:
- Undemocratic management situations. The issues arising here are similar to the points raised above in relation to the management structure and the ideological conflicts, but in this instance they tend to be based on social status disparities related to:
 - the conflicting demands from children and work that women have to deal with, and women and children's roles at work;
 - mixtures of ex-combatants, ex-farm workers and Communal Area people;
 - unequal ownership of resources on entry into the co-operative, e.g. draught power, ploughs. These assets may be used by the co-operative and hence give the owner status. On the other hand, they may be used for individual purposes and the owner may not show enough interest in general co-operative work. This often undermines the norms of socialist co-operatives; and
 - the dominance of "veterans" of co-operatives in the Management Committees.

In addition to the above, it was also observed that another source of conflict arose from the financial management issues. The Mukute workshop developed a system of procedures to deal with the auditing of accounts. But the MDU and its affiliates, as stated earlier, lack the appropriate skills to deal with this in the absence of regular auditing and accounting services from the Ministry of Co-operatives.

It was observed that the direct resolution of disputes within the co-operatives was undertaken on an *ad hoc* basis when cases arose. This was done by a sub-committee formed by the MDU to constitute a *dare* whose procedures and instruments of meting out justice were neither fully articulated nor documented. However, the fact that the Co-operative Societies Act itself has problems also constrains the exact nature of the legal instruments that the MDU itself could develop.

Awareness Building

There is need for awareness building and motivation centred around the principles of co-operativisation. The broad education of members is recognised by the MDU and its constituent members. Workshop and seminars cover this subject. The MDU also rallies members each time they visit the co-operatives. But its efforts have been hampered by the absence of literature and audio-visual materials. Thus, the MDU awareness building exercise has not been properly prepared and it requires systematic work.

Training

One of the main services that the MDU has been keen to develop is the training of co-operators. In the past, this service has been provided in loose collaboration with various NGOs and some Government training institutions. Essentially, the MDU has had little control over this exercise except in the selection of candidates for training. It is perhaps necessary before we discuss the nature of the training so far provided, to review a number of related issues, in particular the level of literacy and skills in the co-operatives.

Firstly, regarding the level of literacy in the co-operatives, the following broad generalisations can be made:

- The level of literacy of members, measured by the number of years one spent in formal schooling, is rather low, being confined to the lower grades. In total, barely 40 members actually attained at least any level of secondary education. The level of literacy clearly has implications on the nature and quality of training to be provided as well as on the ability of the trainees to grasp the issues involved with relative ease.
- Even with the current adult literacy endeavours by some co-operatives, it seems highly unlikely that this exercise will ease the situation, at least in the short run.
- There does not seem to be enough positive appreciation of the benefits of higher academic qualifications as reflected in the general reluctance to take up adult literacy classes and distant education facilities.
- It is noted that a number of children in the co-operatives have achieved reasonable academic levels at secondary education. These could boost the literacy levels in the co-operatives if only they could be enticed to join the co-operatives after school. Otherwise, the situation remains gloomy.

Secondly, regarding the distribution of skills in the Union, the following observations were made:

- The Union has a seemingly diverse range of skills, including welding, carpentry, farming, dressmaking and building. These skills were mainly acquired through experience.
- A closer look at the existing skills shows that they do not accord well with either the nature or complexities of running large-scale farm operations on sound commercial lines. Except for one or two co-operatives which have a predominance of ex-communal farmers, the rest of the skills are in fields which are not well suited to facilitate agricultural production activities, and therefore in-appropriate for the purposes for which the enterprises were established.
- It is doubtful whether the existing skills have had a significant impact on the overall operations of the co-operatives as this has been hampered by many factors including the general membership's attitude to skilled personnel.

These points and other observations have led us to conclude that the existing training practices in the MDU have been more problematic than useful for the appropriate development of long-term human resources. The following specific points are noteworthy:

- Although information on this area is not sufficiently documented, the available data

suggests that previous training programmes have not been appropriate enough to support the productive capacity of the co-operatives. There has been a clear bias for training programmes in the areas of bookkeeping, office management as well as sideline "income-generating projects" such as welding, carpentry and building, activities without much relevance to agricultural production.

- It was also noted that, generally, the courses were of very short duration, ranging from two weeks to three months. Considering the academic background of the trainees, this period falls far short of that required by these co-operators who, for some reason, happen to be slow learners and therefore need more time to grasp the issues. The short duration of the courses also raises serious doubts on the quality of these courses.
- In the past, there has been very little co-ordination between the different organisations on the training programmes they have been offering to co-operators. The co-operatives were literally left at the mercy of such organisations. This resulted in duplication of training efforts in terms of time and resources and tended to confuse the trainees, especially where different training packages were given on the same subject by different agents.
- Although the actual figures were not made available, it was observed that there was a high turnover of trained members, particularly those trained in carpentry, welding and building. Among the reasons for this high turnover are the frustrations encountered by those equipped with new skills and ideas on returning to their co-operatives. They become frustrated because the co-operative authorities do not take into account their skills in work distribution, and because of the unavailability of tools.
- Given the educational background of the co-operators, it is doubtful if they would be able to absorb much of the contents of the training courses. For the same reason, it is questionable as to how much of their acquired skills and ideas can be imparted to other members.
- Further, the concentration of training among a few members who happen to have the requisite academic background has brought with it social conflicts whereby those trained find it very difficult to put to use their skills.

From the foregoing, it is clear that the duration, appropriateness, content, frequency, etc, of such training programmes have put them in serious doubt.

In conclusion, while it is difficult to determine the exact extent to which the available skills have influenced the overall operations of the enterprises, it is clear that they are not adequate to fully exploit the productive capacity of the enterprises.

In fact, the effect of training programmes which are biased against agricultural production, when critically evaluated, is to take away labour from these agricultural activities. If this argument holds, then, instead of increasing the momentum of agricultural development, such programmes have actually done the opposite without necessarily, as a compensation, improving to a great extent the sideline projects.

Training should be for a meaningful duration and, if necessary, phased out over a long period. A piece-meal approach to meeting the training needs of co-operatives may not have the desired effect. In addition, restrictive measures, such as bonding, should be taken to reduce the turnover of trained members.

It becomes clear that as the training efforts are not focused on the recommended agricultural practices, no meaningful improvements can be expected which will benefit members in general. Strategies will have to be developed to tackle this problem. These strategies must necessarily address, the questions of literacy and basic education among members, appropriate management, specialised skills development and the introduction of new enterprises.

The methods of training should be broad-based, combining training on the co-operative with study tours, exchange programmes, field days, regular extension visits, workshops, etc. This venture would have to be costed and a campaign launched to raise the necessary funds.

A number of developments have already taken place in this area of training. The Mukute Planning Workshop identified a whole range of training requirements needed in the co-operatives. These courses will need to be costed and experimented upon so that the resources can be mobilised. In addition, a co-ordination meeting, COMECO, has been formed in order to address the training problem. This meeting is comprised of all organisations involved in the training of co-operatives and is aimed at identifying training needs and at providing such training in a co-ordinated fashion unlike the previous set-up whereby organisations would go independently into the co-operatives with their training programmes, and either duplicate training or offer different packages for the same course.

While this new approach is welcome, it should be pointed out that the training needs to be carefully conceptualised.

CHAPTER FOUR

OVERALL STUDY RECOMMENDATIONS

Introduction

The overall recommendations of the study will be presented in two parts. The first part will deal with the co-operatives whilst the second part will focus on aspects related to the MDU Headquarters and its operations.

Recommendations pertaining to the MDU co-operatives can be classified under four sub-headings, namely the management aspects, specific production aspects, training and social aspects as well as welfare aspects. These are now discussed below:

Management Aspects

For the MDU to succeed, first the co-operatives' production base must be developed. Apart from training, legal, welfare and other aspects already discussed, there is need to focus MDU promotional activities on developing an appropriate co-operative management system.

Following research, the Mukute Planning Seminar and follow-up work, the following management system is recommended.

The proposed management or Executive Committee (EC) will consist of seven members of not less than 21 years, there being a Chairman, who shall be the Chairman of the co-operative and the General Meeting, a Vice-Chairman, a Secretary, Vice-Secretary, a Treasurer and two Committee Members. Members of this committee shall be elected by the General Meeting annually and shall also be eligible for re-election. The proposed co-operative management structure is shown in Figure 2.

Some of the specific functions of the EC shall be the following:

- Implementation of policies enunciated by the AGM through plans and programmes, and specific tasks assigned by the AGM;
- Supervision and control of sectional and sub-sectional office bearers, and co-ordination of departmental activities;
- Co-ordination with non-EC member sectional heads, who are co-opted on the basis of proven experience or qualification in the specific areas;
- Organisation of monthly meetings, minutes and reports to the MDU. In addition, the EC should ensure that the co-operatives abide by the regulations agreed upon in the MDU constitution and bye-laws. It should supervise the completion of tasks agreed upon by the MDU's AGM.

In carrying out the functions assigned to it (see proposed constitution), the EC will abide by the appropriate principles as outlined in the proposed constitution.

Departments

The co-operative shall have five main departments including:

- Administration/Finance
- Agricultural Production
- Services and Special Projects
- Welfare
- Security/Discipline.

Each department will have a manager. The managers will either be executive committee members or ordinary members who will have the right to sit in on EC meetings. The manager will be assisted by assistant managers. These managers will have the following responsibilities:

- Co-ordinating the activities of their departments and ensuring their sound administration.
- Control and supervision of members serving as sectional heads and engaged in various tasks.
- Reporting regularly to the EC meeting and to the Chairperson, Treasurer and Secretary on the day-to-day functions of the departments.
- Undertaking any other tasks assigned by the EC from time to time.

Each department shall be organised into divisions appropriate to different and specialised activities within the co-operative (see structure chart). The following departments are specified as a rule:

ADMINISTRATION/FINANCE DEPARTMENT

The following divisions and their responsible officers are recommended:

- Administration Co-ordination - Chairperson
- Assistant - Vice-Chairperson
- Administration - Secretary
- Assistant - Vice-Secretary
- Financial Control - Treasurer
- Bookkeeping - Qualified Bookkeeper

This department shall see to the sound overall administration, accountability and efficiency of operations on the co-operative, and co-ordinate the day-to-day activities of all the other departments. It shall also control and supervise the various departmental heads, and be responsible for preparing the monthly reports to the EC and general meetings. They will supervise and assemble monthly departmental activity reports prepared by the heads of departments.

AGRICULTURAL PRODUCTION DEPARTMENT

This department shall co-ordinate, control and supervise production of the main agricultural enterprises, including crops and livestock. It will comprise divisions dealing with special crop or livestock activity areas, as required by the co-operatives' specialised operational production programmes (see the example provided in the management structure chart).

The production managers are critical components of the co-operative as a whole, hence the following special conditions, principles, powers and responsibilities are attached to this post:

- The manager is a member of the EC. In his absence, his assistant replaces him on the EC meetings and reports to the EC.
- The manager and his assistant shall have formal knowledge and skills in agriculture, education beyond Grade 7 level, and be trained in farm production management.
- These managers must have a record of discipline, motivation and hard work on the co-operative.
- They should control and supervise a production sub-committee, comprising sectional heads and work with team leaders.
- Sectional heads and team leaders must report daily to the Production Manager and his assistant, who together will record work attendance and performance.
- The Production Manager and his assistant shall sit on the Security/Discipline Department meetings, in order to devise collaborative means of strict labour supervision and control. Disciplinary measures or labour misconduct, as enshrined in the bye-laws, will be recommended by the Production Manager to the EC.
- The Production Manager and his assistant shall prepare, with the sub-committee, weekly written reports for submission to the Administration and Finance Department.

SERVICES AND SPECIAL PROJECTS DEPARTMENT

This department will organise production services, such as transport, marketing, storage, workshop, etc., and special projects such as carpentry, welding, etc., into various divisions depending on the operational activities of each co-operative. Each division should have a sectoral head, conduct regular sub-committee meetings and report weekly, in writing, to the EC.

All other departments shall operate along the same lines as the above.

The new management structure, together with the principles and procedures of the EC, have been developed taking into account the complications and problems arising from the existing bye-laws. Thus, this proposed management structure has been adapted to deal with the concrete circumstances in the operations and procedures of the co-operative enterprises.

Production Aspects

A number of specific production recommendations have already been discussed in the respective sections. In this section, we highlight the recommendations which need to be considered and put into practice. Some of the major recommendations are discussed below:

- The existing level of mechanisation, although inadequate, should be fully exploited in order to maximise its potential.
- Related to the above, there is need to increase the level of mechanisation of the co-operatives so that the potential of their cropping enterprises is fully realised. This

necessarily calls for the acquisition of appropriate machinery, including transport facilities.

- The property of individual members, such as equipment, oxen and tools should be minimised in the short-term. These will be completely phased out in the long-run as the co-operatives increase their mechanisation levels.
- There is need to provide the co-operatives with adequate short-term, medium-term and long-term finance capital for seasonal requirements, essential equipment purchases such as irrigation facilities and other machinery, as well as for infrastructural developments.
- The problem of the improper use of land is clearly evident in the co-operatives and needs to be addressed urgently. Training programmes focusing on basic land use need to be developed and instituted so that a reasonable balance is achieved between the available human resources and the level of activity, given the technological levels prevailing. In this regard, the co-operatives should maximise the potential of the land resources available.
- Related to the above, commercial livestock enterprises need to be developed in order to exploit the vast grazing potential in the co-operatives.
- There is a clear need to diversify the cropping enterprises, and skills must be developed to manage this diversification.
- Record-keeping systems need to be developed, particularly in field operations. Such records would keep track of resource utilisation such as labour, equipment and input application. These records should be reviewed and analysed in order to provide control measures where necessary.
- The operation procedures for tractors and other equipment, including standard operation times in different activities, is an important area which needs attention, as is the question of input requirements per specific area and type of soil for different crops.
- Labour management should be reviewed as regards labour schedules, supervision and motivation, so that the full potential can be exploited. In fact, there is an urgent need to reverse the low morale which has already set in within the majority of the co-operatives.
- Related to the need for finance, an urgent meeting should be sought with the relevant authorities, including the AFC and the Ministry of Co-operatives, in order to obtain a clear picture regarding the access of co-operatives, most of which have serious debt problems, to such finances.
- Afforestation and other land reclamation programmes should be critical elements in the land use programmes.
- Insofar as the use of co-operative property is concerned, the co-operatives should refrain from letting out or renting co-operative property to non-co-operative members, except when specific permission has been obtained from the relevant Government authority.
- Further to the above, relatives of co-operative members, including non-member spouses of members, should not use co-operative property, whether movable or immovable.

- There is need to review the land tenure arrangements as these have a strong bearing on actual land use.
- Authority in the productive system should be established as a matter of priority.

These recommendations need to be fully discussed by the co-operatives, the MDU, Agritex, AFC and other organisations in order to develop the following:

- New production plans and programmes for each co-operative.
- Training materials, operations guidelines, resource handbooks, planning schedules and other manuals for use by the co-operative management committees.
- Regular extension service programmes involving various specialists.

Concurrently, resources should be sought considering the liquidity position of the MDU and its co-operatives, to invest in irrigation, combine harvesters, tractors and other farm machinery including transport equipment, either through the MDU or through individual co-operatives where appropriate.

Training Aspects

As already suggested, a concerted effort in training co-operatives is required through, for instance, the utilisation of an existing NGO with grassroots orientation and experience with co-operatives, to organise a pilot training programme at the MDU headquarters, based on a variety of training methods. Such work should take into account the identified principles and needs discussed earlier, the activities of COMECO, the possibilities within Agritex, and the resource capacity of the MDU. A special training project proposal on this should be developed.

Social and Welfare Aspects

The following principles have been recommended:

- Women will be entitled to three months' maternity leave and remuneration around the time of delivery. The co-operative will establish the exact amount of remuneration to be paid to such members during this period. Otherwise, women should be given light tasks during pregnancy.
- The co-operative shall meet all health fees of members and their immediate family members, except in cases where health problems are sustained outside the performance of co-operative duties. First Aid equipment and materials should be maintained at the co-operative.
- As a principle, school fees and related expenses for the primary education of co-operative members' immediate children should be met by the co-operative, utilising all sources of external assistance available. Otherwise, an agreed upon proportion of the parents' shares will be held annually to contribute towards their children's primary education.
- Secondary school fees and other expenses will be the responsibility of an individual member parent in the meantime, but, when resources have improved, will become the responsibility of the co-operative. Meanwhile, the co-operative will solicit external assistance for such finances. Loans may be provided to members for the education of their children.

- Special income-generating projects which do not conflict with the main co-operative agricultural enterprises should be encouraged as a means of meeting welfare expenses. Such projects, however, should not interfere with the labour requirements of efficient agricultural production nor be ascribed only to women. Children above 12 years may work on the co-operative enterprises for remuneration which may be used to cover their educational expenses. Otherwise, children are required to assist in the general chores.
- At least one month's leave will be granted to every member every year and this leave should not coincide with the peak periods of business. This leave may be staggered throughout the year.
- The co-operative will establish an old-age facility and pension scheme according to its needs and available resources.
- Co-operative members have no right to cultivate individual private plots, except when granted permission to do so through a consensus at the Annual General Meeting. Such cultivation will be limited to a supplementary feeding plot of no more than one acre, the total of which shall include the 50 x 50 metre household stand (for gardens).
- There is urgent need to address the present low morale in the co-operatives which has been a reason for indiscipline. The general members need motivation and this can be achieved through regularising share distributions.
- Finally, organised recreational activities centred around the available resources should be instituted. These would also include inter-co-operative competitions in various forms of recreation.

MDU Management

The overall recommendations for the MDU management developments are discussed below, with particular emphasis on the organisation and structure of the MDU and the administrative and financial systems of the MDU. As already indicated, specific recommendations pertaining to the transport and equipment project, as well as the warehouse project, are discussed in separate reports. The overall MDU Investment Appraisal Report will also be presented separately, detailing the relevant investment decisions and operational processes necessary for the future activities of the MDU.

Aims and Objectives.

The MDU should operationalise the following objectives proposed at Mukute:

First and foremost, the overall aims and objectives of the Union are to identify problems being experienced by individual primary co-operatives in the district and seek solutions to these problems collectively, giving extra assistance to those co-operatives that are still struggling.

Secondly, to establish and administer Union offices and to carry out the relevant functions of those offices.

Thirdly, to provide support services to co-operatives such as:

INCOME AND SERVICE PROJECTS

- To undertake specific income-generating production and service projects, minimising costs for and on behalf of member co-operatives.

MANAGEMENT SERVICES

- Inspect and supervise co-operative records, books and monitor implementation of member co-operative aims and objectives.
- Organise legal services for member co-operatives.

TRAINING SERVICES

- Evaluate trained personnel in co-operatives and prepare a Union skills inventory.
- Co-ordinate support training for co-operatives.
- Carry out training at Union centre.
- Build library or educational resource centre.
- Establish agricultural trial plot and carry out experiments at the Union centre.
- Negotiate for the finance and administration of training programmes on co-operatives at the Union centre and at other training centres.
- Organise the training of production managers from member co-operatives as the first priority.
- Organise co-operative management courses for members of member co-operatives as a second priority.
- Undertake training follow-up on co-operatives.

Fourthly, to negotiate on behalf of member co-operatives with Government departments, donor agencies and non-governmental organisations for financial, material and organisational services support to the co-operatives.

Fifthly, to undertake duties specified in the Union plan of action and any other tasks that may arise from resolutions at the Annual General Meeting.

Sixthly, generally to do any one of the following:

- To carry out any agricultural, marketing, supply or financial activities or services for member co-operatives.
- To publish and disseminate information and literature on co-operatives and to educate its members on the nature of co-operation, with special emphasis on collective production and services.
- To receive requests from its members concerning needs for financial and other assistance and to assist the members to obtain such assistance.
- To plan, prepare and implement training and educational activities and to assist its members to carry out such activities.
- To provide consultative services.
- To provide and assist in the establishment of collective co-operatives throughout Zimbabwe.

- To represent and promote the interests of such registered co-operatives and their members in relation to third parties.
- To affiliate to a tertiary organisation having as the common bond any registered collective co-operative under this Union.
- To unite registered collective co-operatives under this Union.
- To co-ordinate any activities of or for its members.
- To undertake any other activities consistent with the nature and objectives of the Union.

These functions should be clearly demarcated according to the recommended structure below, and specific as projects where investment operations are called for.

Recommended Structure

The following structure (Figure 3) was recommended by the Mukute Seminar with some adjustments.

The three divisions on the structure clarify the major functions of the MDU as envisaged over the next five years.

OPERATIONS DIVISION

The Operations Division should be entirely responsible for all operations in tillage and transport as well as servicing and maintaining the equipment and machinery pool of the Union. This is the technical division of the MDU. Its technical services could also be extended to workshop servicing of member societies' machinery and any other technical service required.

The staff complement under this division will report to and get instructions from the Operations Co-ordinator.

ADMINISTRATION AND FINANCE DIVISION

The Administration and Finance Division should be responsible for overall co-ordination and supervision of the MDU activities. It will have its own divisional head in future, but in the initial stages, i.e., during the first five years, the Project Administrator will act as co-ordinator of the division.

DIVISION OF MARKETING AND SUPPLY

The Division of Marketing and Supply will also have its own divisional co-ordinator once the first big marketing and supply project, i.e. the warehouse, is launched. This division will take care of the marketing of the produce of member co-operatives of the MDU, in much the same way as the marketing and supply co-operatives do; it will also have responsibility for the input supplies of all member co-operatives of the MDU and resettlement farmers in the Chinyika area. This is the division that will also be in charge of the marketing of the MDU transport and tillage services; supplying market information to the Operations and Administration divisions so that they can deploy resources and equipment accordingly.

The promoter will be responsible for the marketing function at the warehouse and marketing and supply projects. He will also assist the co-ordinator. Two guards will provide security at the warehouse, whilst the Accounts Clerk will be the Cashier.

Depending on the volume of business, the staff establishment in any of these divisions can be increased or reduced.

The details of this divisional structure will of necessity clarify the functional structure of the organization.

The proposed Management Committee will consist of 10 members. Seven of these will be elected by the General Meeting which, from among accredited delegates appointed to represent members at that meeting, will elect the Chairperson, the Vice-Chairperson, the Secretary, the Vice-Secretary, the Treasurer, the Secretary for Publicity and Information, the Vice-Secretary for Publicity and Information. The remaining three committee members may be appointed at the discretion of the seven elected members.

The functions of management as well as the guiding principles are fully laid out in the proposed bye-laws.

Administrative Processes and Procedures.

The MDU should adopt the following administrative processes and procedures:

LEGAL ASPECTS

Since the MDU has now assumed legal status, it has to make contractual agreements just first and foremost with its employees. These labour contracts should observe the provisions of the Labour Relations Act of 1985.

Regarding finance of operations, contractual agreements should be instituted between the MDU and its clients before any services are provided. Meanwhile, all efforts should be made to try and get the existing debtors to acknowledge their obligations to the MDU.

MANAGEMENT INFORMATION SYSTEM

The MDU should develop a management information system which includes the following elements:

- Information on operations.
- Information on the organisation in general.
- Information on finance.

These general categories cover all types of information that is needed and could be generated by the MDU.

The type of information that is to be generated in each of the above categories should be well defined, taking into account the requirements of each of these. In this connection, a system must be devised whereby the relevant information can be stored in such a way that it is easily accessible. A proper filing system, methodically coded and indexed, must be used. Files must be regularly updated and checked. For a good information system, frequent reports will have to be prepared. This recommendation is taken up later below.

STAFFING

As the Project Administrator has already been engaged, the other recommended posts will have to be filled in a phased manner.

FINANCIAL PLANNING

The MDU should engage in financial planning as a matter of urgency. This exercise should include separate budgets for administration and operations, for internal efficiency and performance analysis.

Arising from the discussions between the MDU, ZIDS and the management consultant is the five-year programme budget, which is depicted in Table 8 below.

It is necessary to break down this long-term budget into cash budgets which will guide and provide checks on the MDU.

Table 8
MDCCU FIVE-YEAR ADMINISTRATIVE PROGRAMME BUDGET : 1988 TO 1992.

	Year One	Year Two	Year Three	Year Four	Year Five	TOTALS
Salaries and Wages	36 552	42 034	48 340	55 340	63 929	246 446
Stationary	2 400	2 832	3 341	3 939	4 644	17 153
T & S (Admin)	2 400	3 000	3 600	4 200	4 800	16 000
T & S (Executive)	4 800	5 280	5 808	6 384	7 020	29 292
Postage & Telephone	1 440	1 584	1 740	1 908	2 100	8 772
Recruitment	500	-	-	-	-	500
Petties	1 200	1 200	1 200	1 200	1 200	6 000
Uniforms	500	500	500	500	500	2 500
Office Furn.	5 785	-	-	-	-	5 785
Office Equip.	15 045 -	-	-	-	15 045	
TOTALS	70 622	56 430	64 529	73 719	84 193	349 493

The variance analysis should be used for reporting, reviewing and controlling purposes. This analysis should be done on a monthly basis and, as such, it is a permanent item on the agenda of the monthly executive meetings.

Attention should also be given to working capital management aspects. This will involve a careful mix of current liabilities and current debtors.

REPORTING SYSTEMS

The reporting system should include the following elements:

- Monthly variance analysis in the administration.

- Monthly revenue analysis statements from operations broken down by equipment or other sources. These will then be looked at together with the variations in expenditure.

In addition to the above, comprehensive narrative reports should also be presented.

PERSONNEL MANAGEMENT

The MDU should strive to ensure that there is enough motivation among its staff. This will ensure that job

orders continue to come in, particularly in its Operations Division.

In line with this, the MDU should keep abreast with statutory requirements insofar as wage/salary levels in different categories and general conditions of service are concerned.

A system of rewarding employees for remarkable achievements, particularly when they reach exceptional target levels in operations, shall be approved and developed by the Executive Committee. They could, for example, receive a commission based on the volume of sales.

CHAPTER FIVE

CONCLUDING REMARKS

The first fundamental problem with collectivisation in Zimbabwe is related to the conception and manner of planning for agricultural collective co-operatives. This results essentially from the absence of experience, at independence, among policymakers and planners in a situation where there was an urgency to rapidly establish collectivisation as part of the transformation strategy. This factor, coupled with the limited amount of resources available to aid collectivisation, set in motion an array of conceptual, logistic, organisational and evaluative constraints on the implementation of relevant policies.

Initially, agricultural collectives were established as part of the resettlement programme (Model B), which depends for its implementation on foreign aid (particularly British aid as agreed upon at Zimcord, and before that at Lancaster House), for the purchase of land, establishing the planning and implementation machinery, as well as evaluative inputs into programme progress and adaptation. The tendency was for Agritex (Agricultural, Technical and Extension Services Branch of the then (1981) Ministry of Agriculture) to conduct broad and at times sketchy "feasibility" studies of given farms purchased for resettlement and allocated for collectives, and produce general guidelines of the farm's potential output, in terms of the enterprise mix and quantities of given output of crops and/or livestock, and then determine from this the number of settlers suitable for that particular farm. Decode (Department of Co-operatives of the Ministry of Lands, Resettlement and Rural Development under whose auspices the land was purchased) would then allocate a group of registered collective co-operators to such land, ensuring as their duty that such a group met sufficient conditions for registration. On the other hand, such "feasibility" studies or "farm plans" clearly demonstrate a reliance for determining enterprise mixes on what was previously undertaken by the white farmers. They tended to inadequately assess the functionality of assets, machinery and equipment, never gave practical guidelines on the finances and liquidity required to resume the farm operations, did not provide farm management guidelines, and did not identify technical operational problems. They conducted no marketing analysis or the institutional framework (Government, parastatal and private) within which such resources could be mobilised or organised to resume operations in the manner pursued by the previous owners. The plans ran as if there were no problems governing the previous operation, and assumed equal experience and expertise on the part of the new owners/occupiers of that farm. Furthermore, the social costs and benefits for co-operators were not included in the farm plans, so that no framework or guidelines for developing a labour self-managed enterprise existed, while the conceptual basis of planning for an enterprise with fixed labour (given a fixed number of co-operative members assigned to a given farm) was not developed for and with the co-operators. Even the basis of determining the size of a collective appears to have been based on the assumed labour required for the combination of crop outputs identified in the plan, and not on the basis of developing a socio-economic development programme for a group of people with certain given social, economic and material realities.

With minimal technical follow-up by Agritex on the ground among collectives (due to manpower constraints in that Ministry), the co-operators were essentially left to

themselves to establish and run viable large-scale farm enterprises.

Meanwhile, the criterion for selecting co-operators was largely based on the nature of applicants who submitted their names for registration, with emphasis given to those members of society who had been marginalised in Zimbabwean society, rehabilitated refugees and ex-combatants. Little focus was placed on a systematic selection of co-operative members. Their potential contribution to national agricultural output and general economic development is thus not catered for in the planning of collectives.

These shortcomings in the collective co-operative movement's development have been met in turn by a range of "solutions" which have in themselves hindered a systematic promotion of collectivisation. On the one hand, numerous training programmes financed by a variety of NGOs and carried out by a number of training institutions existing before independence (e.g. Ranche House College and others) and a few new institutions with courses designed especially for co-operators (e.g. Kushinga-Phikelela Centre, OCCZIM Mechanics Training Programme, Glen Forest Training Centre, etc) have been organised for collective co-operatives in general. Decode has also arranged an awareness campaign, through posters and through NGOs' support - under the title "Co-operative Education Secretaries" - a programme whose success is doubtful.

Initial observations and analyses suggest that much of this training has been unco-ordinated and not linked to a clear programme of needs identified by the collectives, while the utilisation, relevance and consequences of such training have so far not been fully assessed by the co-operative movement, the State, donors and institutions that provide such training. On the surface, it appears that training has been focused on basic bookkeeping and financial accountability, and concrete skills such as mechanics, carpentry, welding, building - which are all useful on collectives - but to the exclusion of more specific collective management principles and procedures, agricultural planning and labour organisation, technical principles in large-scale farming, and socio-political organisational skills. Meanwhile, for the last three or more years, the State (through Decode) has discussed with OCCZIM and others (particularly donors) the need to establish a co-operative college, whose content and articulation of the specific needs of agricultural collective co-operatives has yet to be seen. In the light of the socio-economic status of members of co-operatives discussed earlier, the role of training is quite central to the success of agricultural collectives, and seems to pose a major problem for any strategy and programmes to be developed for collectivisation in Zimbabwe.

On the other hand, to compensate for the absence of plans and skills among collective co-operatives, various NGOs have introduced technical advisers - some resident on co-operatives and others not - to assist in the process of collective management and production growth. To begin with, an uneven and unco-ordinated level of technical support representing the many NGOs practising this has resulted, creating problems for individual co-operatives and OCCZIM in their efforts to systematise such assistance. Very little work has been done so far to provide secondary level organs of co-operatives, such as district unions, provincial unions or the OCCZIM apex with technical support, as a means of creating a resource base pool, planning capability and programmes directed by OCCZIM's organs for the purpose of enhancing programmed skills development and self-reliance. Instead, technical advisers have been known to paternalise individual collective co-operatives, to induce dependency in a patron-client fashion reminiscent of white farm managers, and generally distort the basis and structures necessary for self-managed collective enterprises.

Thus training and technical assistance for agricultural collective co-operatives has in the past not taken full consideration of the marginal socio-economic status of co-operators and has omitted a focus on the modalities for the planning and management of large-scale commercial farming. Such training and technical assistance also has superficially dealt with principles of and structures for collective management, in a context where the collectives were formed in an experimental vacuum, without concrete farm plans and laid-out procedures and minimal material and financial resources applied to essentially unskilled labour resources.

Another level of the problem of agricultural collectivisation, apart from the planning base and technical assistance, lies in the infrastructural, institutional and material framework within which support has so far been mobilised by the State, NGOs and OCCZIM, for the co-operatives.

In terms of infrastructure, agricultural collectives represent "islands" of socialistic forms of production within local level territories dominated in most cases by large-scale commercial farms. These large-scale farms have their own more-or-less private administrative apparatus (such as Intensive Conservation Areas at the grassroots level and Rural Councils at the district level), for the purpose of organising physical services and legal protection of the private property of such farmers and political or "interest group" structures (such as the various branches of the Commercial Farmers' Union). Since the resettlement programme purchased farms on an individual willing-seller-willing-buyer basis, and not blocks of farms which could be organised into territorial administrative units representing the given settlers, agricultural collectives tend to be physically, socially, politically and even economically isolated centres of activity disadvantaged further by the lack of adequate communication and transportation resources. The ability of the collectives to organise jointly among themselves (e.g. through OCCZIM branches), to mobilise for local government authorities, and to lobby Central Government for location-specific services directed at specific local problems, has been hampered by this infrastructural set-up. In some cases specific infrastructures (roads, water, etc.) are literally dysfunctional.

On its part, the State has been met with high organisational and implementation costs resulting from such dispersion of co-operatives although there are no systematised proposals for dealing with this problem by the State, to the authors' knowledge. This factor is critical for any attempt to assist agricultural collectives, especially for efforts to assist the co-operative movement to develop its own infrastructure and organisational capacity, yet it has so far been given little attention in development programmes or scientific analyses of agricultural collectivisation.

The institutional framework at first glance poses problems in that agricultural collectives have had no clear-cut Central Government ministry (between Decode and Agritex). Parastatals and local government officials responsible for their day-to-day problem resolution, partly due to the poor articulation by the State of such responsibilities within itself, the assumption of operative awareness of such responsibilities and resource constraints on both State institutions and co-operative organisations. The actual empirical processes underlying this problematic institutional framework has again not been systematically researched and has, in fact, posed serious research problems in its own right.

On the material support framework, the main problem is the lack of clarity of the GOZ policy and procedures for providing specific material (finance and services) support for

agricultural collective co-operatives and the attendant problem this poses for the co-operatives, its representative organs, as well as the accountability of the State (being a differentiated set of institutions) in respect of its abiding by the spirit and letter of its general transformational objectives.

Another more fundamental problem is related to the burning issue of the nature and levels of the socio-economic viability of agricultural collective co-operatives. This has become an issue more so because of the relative assessment of the desirability of agricultural collectivisation as a national development strategy *vis-a-vis* the promotion of a kulak-peasant strategy alongside private large-scale farming. This debate has been highly degenerate due to the obvious ideological leanings of the antagonists of collectivisation, but has in its own right clearly created problems in motivating peasants and bureaucrats alike into participating in and supporting collectivisation.

It is necessary to develop a clear methodology for both research and planning purposes, which can objectively determine, via specific economic, social and political criteria, at the individual, co-operative and higher levels, what is meant by the success and/or failure of agricultural co-operatives. On the one hand then, it can be discerned that success tends to be measured according to the levels of physical output of given crops expected of co-operatives, if they were privately-owned large-scale farms, and the levels which the latter produce today in Zimbabwe. On the other hand, the history and resources mobilisation leading to such levels of production and productivity, as well as present-day limits to access by co-operators to such resources, have not so far featured in the analysis of the viability of collectivisation. In fact, analyses of this issue today have so far been so devoid of substance that the issue has boiled down to a common idealistic tautology that: "Co-operatives do not work because the idea does not work."

Even senior Government officials directly connected with co-operativisation do not believe in collectivisation, which suggests that the problem of concern here is quite fundamentally ideological and is squarely situated within the State itself. Essentially, this problem is concretely played at the level of State support, through its own and foreign resources allocations (financial, technical, services and human), for alternative agricultural programmes, namely: individual households resettlement schemes, Communal Lands peasant production and services improvement schemes, small-scale irrigation development schemes, State farm outgrower schemes, and various non-farm income-generating schemes within the Communal Lands. Of more direct specific pertinence, however, is the relative importance attached to the mobilisation of agricultural marketing and supply co-operatives, savings clubs and credit unions and various forms of labour and resources co-operation intended to create economies of scale in production, marketing and other services within the Communal Lands, without collective ownership and management of the agricultural means of production, especially land. The viability of these non-collective forms of co-operation has tended to be imputed from the visible growth of circulation in farm outputs into the markets, inputs utilisation and increased use of financiers in the Communal Lands. However, there is so far no research to our knowledge which deals with the actual production economies among such peasant-based schemes, outlining the actual labour processes and costs involved and thus providing a basis for a comparative assessment of the returns to the labour and financial investments made by the peasantry. Our initial work suggests a relative decline in peasant agriculture, production income and in some cases negative returns symptomatic of peasant household self-exploitation based on female and child subordination. Thus, while at the national accounting level there has been, since

independence, a remarkable growth in marketed output from the Communal Lands, there is no substantive basis upon which it can be suggested that the programme is more economically viable than the collective co-operative model. As noted earlier, there have been very few collectives established with adequate physical resources and technical capacities. It is thus premature, unsystematic and lacking in rigour to suggest that one programme is comparatively more economically viable than the other. In fact, most research done on both agricultural collectives and other forms of agricultural co-operation has tended to focus on the material production side and less on the labour processes for the analysis of circulation activities and modes of co-operation, which further complicates current attempts to do any comparative work.

It is thus critical to understand this broad "intellectual" context of the collectivisation problems for both practical and research methodology reasons.

At the heart of the epistemological problem presented by this convoluted debate, is the issue of incomes attained and attainable on collectives *vis-a-vis* peasant enterprises in general.

The labour issue on collective co-operatives has so far been underpaid not only by most research work, but also by the GOZ employment creation strategies and programmes (see Shopo and Moyo: 1986 for details on co-operatives and employment creation). That there is no systematic analysis of this factor is not surprising given that, historically, peasant and farm labour have always been structurally and in real wages under-valued, and continue to be so under current minimum wage and agricultural producer pricing policies. This study fully recognises the need to incorporate co-operative labour into farm accounts in spite of the problem of applying market wage rates to unpaid labour within a generally constrained labour market. This is critical as collective co-operative incomes tend to be juxtaposed against farm and peasant household incomes, without calculating the broader labour activity and reproduction costs incurred by such labour. At any rate some measure of collective co-operative incomes should be critical in determining the opportunity costs of remaining on collective co-operatives as opposed to re-entering the peasant sector, or being thrust into the labour market.

Finally, part of the overall problem is that the organisation representing collective co-operatives (OCCZIM) has been weak given that it is only four years old, having begun by the establishment of its apex body (OCCZIM Headquarters), and facing a multitude of financial and manpower constraints reflecting in itself the underdeveloped resource base among collective co-operative levels. It appears, of course, that there are weaknesses in the level of motivation among co-operators due to the slow pace of generating investible surplus and incomes at the same time within such a short period, and apparently due to the insecurity of tenure in some cases. Moreover, with the clear effects of periodic droughts and seasonal crop failures during the past few years, the credibility of collective co-operativisation has constantly been at test among members, potential recruits and various protagonists, who interpret these short-term developments as endemic failure. The mobilisation work required by OCCZIM in this context is thus phenomenal and has so far not been matched with its resources and capacity. Meanwhile, the level of linkages between OCCZIM and the Party and the general political articulation of the collectivisation effort has not been developed to its full potential.

In conclusion, we can state that, almost without exception, collectives have failed to perform to policy expectations. This is largely to do with the fact that the development

of collectives in Zimbabwe has not really assumed systematic importance in the context of development planning. Indeed, some of the major constraints actually lie outside the collectives themselves.

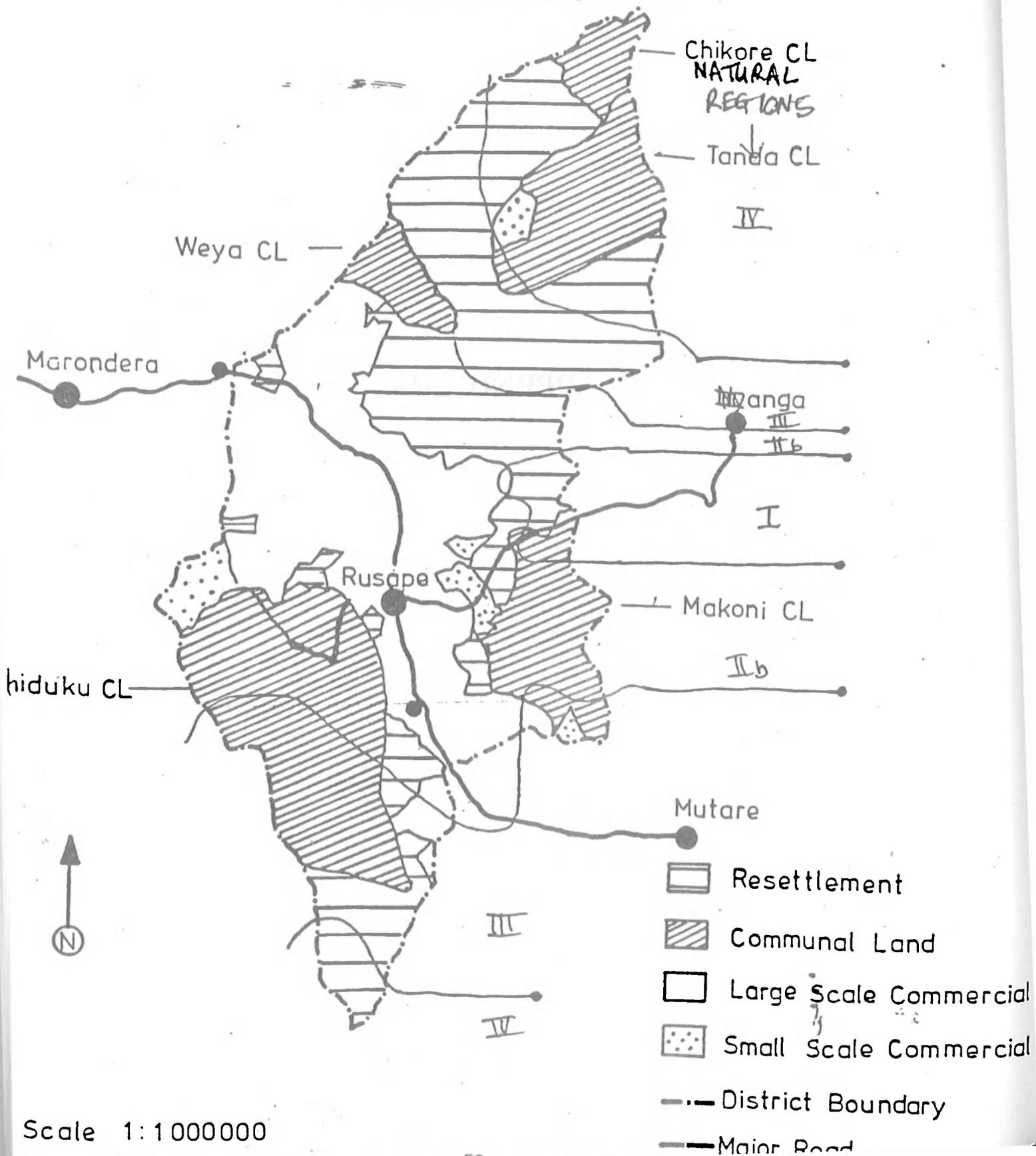
The reason for the establishment of collectives in Zimbabwe was mainly to effect structural changes through land reform. It is thus clear that ideological considerations of social change were given more attention as opposed to economic ones. Ideally, a full assessment of the social impact calls for a long-run time horizon. Unfortunately, short-run economic considerations seem to be more appealing in the assessment of the performance of collectives and therefore tend to be more prominent and widely used.

But for large development projects, such as collectives in Zimbabwe, the results of a short-run economic analysis are almost always negative. And yet it is precisely on these results that the community at large base their decision on whether or not to participate in such development projects. Thus, in the end, collectives as a development model are shunned by many. These are the general problems confronting the practice and theory of collectivisation in Zimbabwe.

APPENDICES

MAKONI DISTRICT Manicaland Province

— LAND CLASSIFICATION
— NATURAL REGIONS



BYE LAWS OF THE MAKONI COLLECTIVE CO-OPERATIVE DISTRICT UNION LIMITED

1. NAME

- a. The name of the Union shall be the **MAKONI COLLECTIVE CO-OPERATIVE DISTRICT UNION LIMITED** and its registered address shall be;- **ZINGONDI COLLECTIVE CO-OPERATIVE SOCIETY LIMITED, P.O. BOX 354, RUSAPE.**
- b. All alterations of address shall be notified to the Registrar of Co-operative Societies in writing within fourteen days of every such alteration which shall not be regarded as an amendment to these by-laws.

2. NATURE OF THE UNION

- a. The **UNION** shall be a co-operative formed by all types of primary societies having as the common bond of collective production and services.
- b. The District Union shall be functioning as a co-operative organisation formed for agricultural, marketing and supply and other business purposes.

3. OBJECTIVES

- 3.1 The overall aims and objectives of the Union is to identify problems being experienced by individual primary co-operatives in the district and seek solutions to these problems collectively, giving extra assistance to those co-operatives that are still struggling.
- 3.2 To establish and administer Union offices and to carry out relevant functions of the office.
- 3.3 To provide support services to co-operatives such as:
 - a. Income and Service projects, to undertake specific income generating production and service projects minimising costs for and on behalf of member co-operatives.
 - b. Management Services
 - c. Supervising Services:
 - i. Inspect and supervise co-operative records, books and monitor implementation of member co-operatives aims objectives.
 - ii. Organise legal services for member co-operatives.
 - d. Training Services
 - i. Evaluate trained personnel in Co-operatives and prepare a Union Skills inventory.
 - ii. Co-ordinating support training for co-operatives.
 - iii. Carry out training at Union Centre.
 - iv. Build library or educational resource Centre.
 - v. Establish Agricultural trial plot and carry out experiments at the Union Centre.
 - vi. Negotiate for the finance and administration of training programmes on co-operatives at the Union Centre and at other training Centres.
 - vii. Organise the training of Production Managers from member co-operatives as the first priority.
 - viii. Organise Co-operative Management Courses for members member co-operatives as a second priority.
 - ix. Undertake training follow-up on Co-operatives.
- 3.4 To negotiate on behalf of member co-operatives with Government departments, donor agencies and Non-Government Organisations for financial, material and organisational services support to the co-operatives.

- 3.5 To undertake duties specified in the Union plan of action and any other tasks that may arise from resolutions at the Annual General Meeting.
- 3.6 Generally to do any oral of the following:
- a. To carry out any agricultural, marketing, supply or financial activities or services for member co-operatives.
 - b. To publish and disseminate information and literature on co-operatives and to educate its members on the nature of co-operation, with special emphasis on collective production and services.
 - c. To receive requests from its members concerning needs for financial and other assistance and to assist the members to obtain such assistance.
 - d. To plan, prepare and implement training and educational activities and to assist its members to carry out such activities.
 - e. To provide consultative services.
 - f. To promote and assist in the establishment of collective co-operatives throughout Zimbabwe.
 - g. To represent and promote the interests of such registered co-operatives and their members in relation to third parties.
 - h. To affiliate to a tertiary organisation having as the common bond and service in a collective form.
 - i. To unite registered collective co-operative under this Union.
 - j. To co-ordinate any activities of or for its members.
 - k. To undertake any other activities consistent with the nature and objectives of the Union.

4. UNION RIGHTS

To further the above objectives the Union shall have the following powers:-

- 4.1 To enter into contractual agreements with co-operatives for the procurement, transportation, credit and marketing of produce and inputs.
- 4.2 To operate a stop order system with member co-operatives in conjunction with Marketing Boards, financiers and input supplies.
- 4.3 To receive monthly reports and minutes of meetings from member co-operatives.
- 4.4 To receive Annual reports and balance sheets from co-operatives.
- 4.5 To invest any monies held by the Union being the property of the Union or held in trust on behalf of its members in such a manner as may be determined from time to time by the Committee consistent with the provisions of the Co-operative Societies Act and Regulations.
- 4.6 To acquire, hold and dispose of any land, building, plant, machinery transport or any other property, either movable or immovable and to mortgage or otherwise encumber the same or any part therefore.
- 4.7 To employ and remunerate officers permanent staff and persons on short term contracts whose services are required or deemed expedient for carrying out any of the objectives of the Union.
- 4.8 To solicit and accept donations, grants and subsidies for the purpose of carrying out its objectives.
- 4.9 To hold share capital contributed by its members, to charge and receive fees for services given by the Union.
- 4.10 to take up loans within a maximum amount which shall be determined annually at the annual General Meeting and shall be approved in writing by the Registrar of co-operatives.
- 4.11 To trade in and obtain income from education and information literature and publications on co-operatives as well as stationary and similar articles used by its members.

5. MEMBERSHIP

The membership shall consist of:

5.1

- a. Co-operative Societies registered under the Co-operative Society Act (chapter 193) which are admitted to membership in terms of these by-laws.
- b. Co-operative Societies registered under the, The Co-operative Societies Act (Chapter 193) which join in the application for registration.

5.2

Prospective member societies, other than those joining by way of application for registration shall be admitted to membership upon election by the Management Committee and after payment of, all fees and other contributions as may be stipulated from time to time.

Provided that the election of a society to membership shall be confirmed by the General Assembly, pending such confirmation or otherwise, the applying society shall enjoy all privileges and assume all liabilities as a member.

- 5.3 The Management Committee and the General Assembly shall have the power to defer or to refuse any application for membership without giving any reasons for such refusal.
- 5.4 Any registered co-operative wishing to join the Union shall submit to management in writing an application for membership in such form as the committee may from time to time prescribe for that purpose which application shall be accompanied by a copy of a resolution passed at a general meeting of the prospective member authority the application.

6. TERMINATION OF MEMBERSHIP

Membership of the Union shall be terminated by:

- 6.1 The cancellation by the Registrar of co-operative Societies of the registration of the member co-operative.
- 6.2 Ceasing to be a collective in the opinion of the Management Committee and the Registrar.
- 6.3 Ceasing to hold the minimum number of shares in the Union required in terms of these by-laws or being in default of payment of two subsequent annual subscriptions as decided by the General Meeting in accordance with these by laws.
- 6.4 Withdrawal from membership of the Union in terms of by-law 7.
- 6.5 Explain by vote of the General Meeting in terms of by-law 8.

7. WITHDRAWAL FROM MEMBERSHIP

A member of the society may be subject to the provision of by-law below, by giving to the Management Committee of the Society six months notice in writing, withdraw from membership of the Union.

Provided that such notice shall be valid only if it is signed by such officers of the member co-operative as are empowered by the by-laws of such member to sign on its behalf and that the notice is accompanied by a copy of the resolutions of the general meeting of the member co-operative authority the withdrawal, duly certified to be a true copy by the chairperson and the Secretary of the said member, and Provided that the member co-operative is not indebted to the Union.

8. SUSPENSION AND EXPULSION

- 8.1 A member of the Union may, by the vote in favour of simple majority of the Management Committee, be recommended for expulsion under these by-laws and may be suspended until such as the expulsion has been voted on by the General Meeting in terms of these by-laws, for any action which is deemed to be contrary to the stated objects or welfare of the Union to these by-laws or to the welfare of other members or failure to pay any debts due to the Union.

- 8.2 If the General Meeting does not, for any reason, vote on the Committee recommendation for the expulsion of a member within twelve weeks of the date of the suspension of the member, the suspension shall be held to be immediately removed and the member treated as if no suspension had been imposed.
- 8.3 No member expelled from the Union shall have any claim to a share of the surplus of the Union made in the financial year in which the expulsion was first recommended by the Management Committee.
- 8.4 No member expelled from the Union or which withdraws from the Union shall have claim on any assets, property or goods belonging to the Union or any share in the Reserve Fund, general reserve, special reserve or investments or savings belonging to the Union.

9. LIABILITY

The liability of a member co-operative for the debts of the Union shall be limited to the amount unpaid, if any, on the shares held or subscribed for by such member, subject to the provisions of Section 28 of the Cooperative Societies Act (Chapter 193).

10. FUNDS

- 10.1 An undetermined number of shares to the value of one hundred dollars (\$100,00) each.
- 10.2 Subscriptions and donations
- 10.3 Loans from members and non-members
- 10.4 Surpluses and reserves (Including the Reserve Fund, which may be distributed only in the event of dissolution) which funds may be devoted to the promotion of any of the stated objects and in accordance with the provisions of Part VI of the Co-operative Societies Act (Chapter 193).
- 10.5 The Reserve Fund and any general and special reserves shall be indivisible and, subject to the provisions of Part VI of the Co-operative Societies Act (Chapter 193) no member shall have a claim to a specific share therein.

11. SHARES

- 11.1 Every member co-operative shall hold at least ten full paid up shares in the Union of one hundred dollars (\$100,00 each) but no member shall hold more than 1/4 of the total subscribed share capital.
- 11.2 Shares shall not be withdrawn until after they have been held for a minimum period of twelve months and six months notice in writing shall be given an intention to withdraw shares.
- 11.3 Shares shall be fully paid for on application.
- 11.4 No transfer of shares shall take place other than as approved by the committee and shall not be recognised until the transfer has been entered into the records of the Union.

12. SUBSCRIPTIONS

Each member co-operative shall pay to the Union a yearly subscription, the amount of which shall be determined yearly by the Annual General Meeting.

13. DEBTS

Any money due from the Union to a member or past member may be set off against any sum due to the Union from such member or past member.

14. GENERAL MEETING

- 14.1 The supreme authority of the Union shall, subject to the provisions of these by-laws, be vested in General Meeting which shall be held annually as soon after the date of the receipt of the annual audit report as possible and in no case later than three months after that date.
- 14.2 The General Meeting shall be held at other times when summoned by the Registrar of Co-operative Societies, the Chairperson the Committee of its own motion, or at the written request of two thirds of

the total membership.

- 14.3 At least twenty-one days notice shall be given to all member co-operatives of the intention to hold a General Meeting and such notice shall state the date, time and place of the meeting and the business to be transacted thereat;
Provided that non-receipt of such notice by any member co-operative shall not invalidate the proceedings of such general meeting.
- 14.4 At least one-half of the members of the Union co-operatives must be represented at a General Meeting; by delegates properly appointed and accredited under these by-laws of the member co-operative before any business shall be transacted at such General Meeting;
Provided that if no such quorum is present within half an hour after the advertised time of the meeting, except a meeting called at the written request of members in which case the meeting shall be abandoned, then the meeting shall stand adjourned to the same place on the same day three weeks hence at which meeting the business on the published agenda for the original meeting shall be dealt with, and any decisions made shall be binding on the society whether or not a quorum was present, and provided that notice of any adjourned meeting shall be sent to members in advance, but that non-receipt of such notice by any member shall not invalidate the proceedings of any adjourned General Meeting.
- 14.5 Except for amendments to these by-laws and for expulsion under these by-laws, all matters before the General Meeting shall be decided by a simple majority on a show of hands;
Provided that any two members shall be entitled to demand a poll in which case a ballot shall be conducted at the meeting and the matter shall be decided by a simple majority of votes cast;
- 14.6 Amendments to these by-laws shall only be permitted in accordance with section 11 of the Co-operative Societies Act (Chapter 193) and section 21 of the Co-operative Societies Regulations, 1956 provided that where the previous approval of the Registrar has not been received amendments to those by-laws shall require the votes of three-fourths of the members of the Society for the time being entitled to vote in terms of the by-laws, who shall have voted in person at a general meeting called in accordance with these by-laws.
- 14.7 The expulsion of a member shall only have force if two thirds of the total number of votes entitled to be cast on a motion for the expulsion of that member are cast in favour of such motion at a General Meeting convened by a notice which included advice of the intention to pass a resolution at the meeting to expel such member.
- 14.8 The following business shall be reserved for the General Meeting:
- i. The election, removal and suspension of members of the Committee, including the Chairperson, who shall be elected annually and shall be chairperson of the General Meeting, and Vice Chairperson.
 - ii. The consideration of the Annual Statement of accounts and the Balance Sheet; the auditor's report and such periodical inspection reports of the Registrar of Co-operative Societies and his officers as the Registrar may require the General Meeting to note;
 - iii. The disposal of any surplus of the Union in accordance with the Act, regulations and these by-laws;
 - iv. The amendments of these by laws;
 - v. The expulsion of members;
 - vi. The fixing of maximum amounts that may be made in loans to members during the following twelve months and such other conditions for loans as may be thought necessary.
Provided that no loans for repayments over a period of more than five years shall be made without the prior approval of the Registrar of Co-operative Societies;
 - vii. The fixing of the maximum amount of money the Union shall be allowed to obtain and hold loans at any point of time; provided that such maximum amount shall be approved by the Registrar of Co-operative Societies in writing;
 - viii. Any business referred to the General Meeting by the Management Committee;
 - xi. All business discussed and decided at a General Meeting shall be recorded in a Minute Book and the record shall be signed by the Chairperson of the General Meeting which confirms the record.

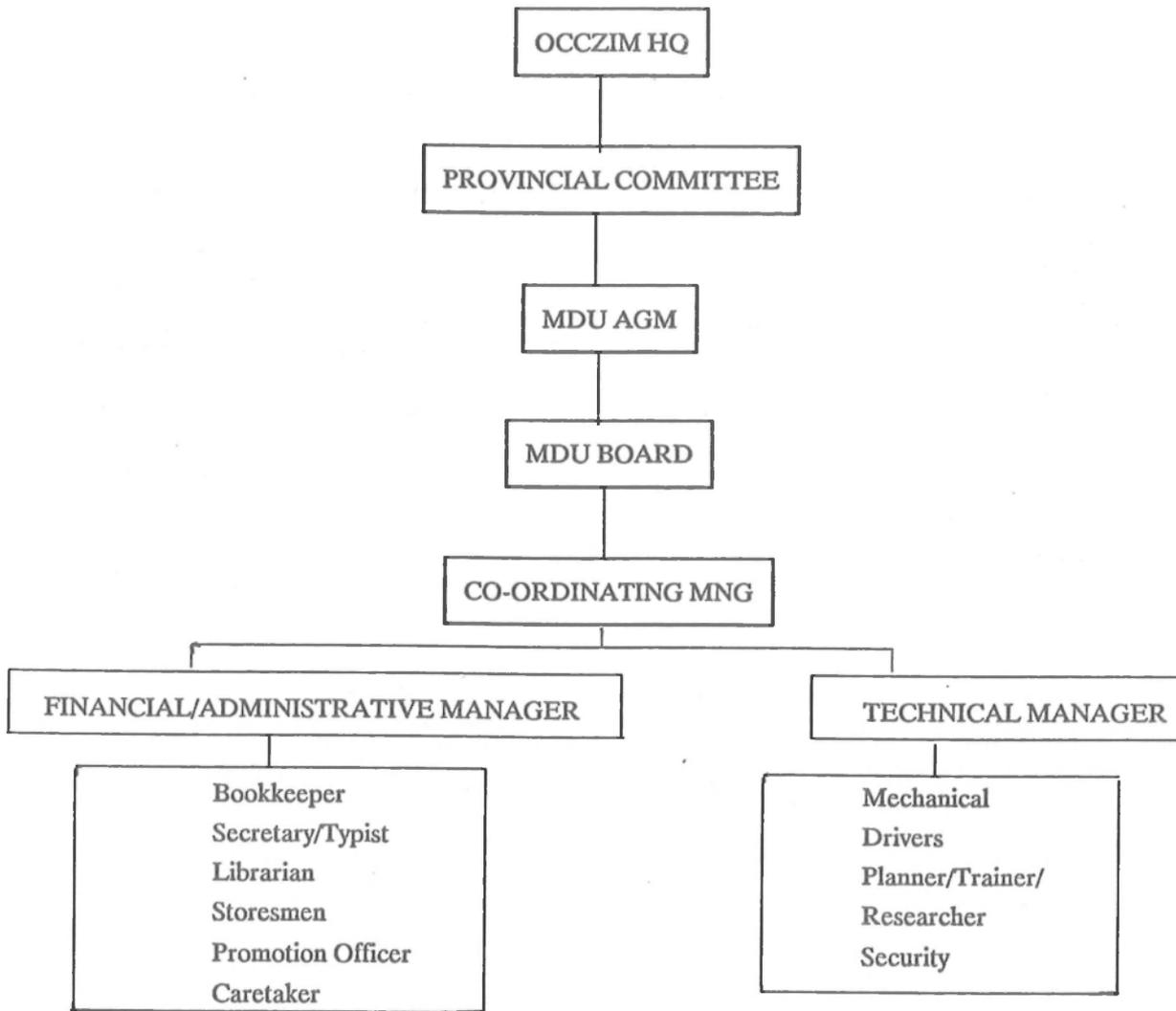
15. VOTING POWERS

15.1 Every member co-operative may send to the General Meeting two delegates, one of whom shall be an accredited delegate and have the power to vote. Provided that, before such an accredited delegate may exercise the power to vote at a General Meeting, he/she has presented to the Chairperson of that meeting a document duly signed in accordance with the constitution of the member co-operative advising the member of his/her appointment as its accredited delegate.

15.2 Every member co-operative shall have one vote only.

16. THE MANAGEMENT STRUCTURE

The management structure shall be as follows:



17. MANAGEMENT FUNCTIONS

17.1 BOARD

- i. Lobby the Government and Non-Government Organisations at District level.
- ii. Control and supervision of staff.
- iii. Hiring, disciplining, suspending and dismissing of staff.
- iv. Promotion of the implementation of Policies.

17.2 EMPLOYEES

- i. To co-ordinate the activities of the Union.
- ii. To report to the board in verbal and written form.
- iii. To supervise and control the junior employees.
- iv. To prepare the annual Financial Programme.
- v. To undertake any other tasks assigned by the board.

18 MANAGEMENT PRINCIPLES

The collective co-operatives shall organise and managed their activities according to the principles outlined below:

- 18.1 To encourage the advancement of decision-making skills and knowledge among the general membership.
- 18.2 To encourage individual members to observe and work out proposed solutions for improved production and management at work place, sub-committee meetings, general meetings and the AGM.
- 18.3 To develop management strategies and leadership which is receptive to ideas developed by the general membership.
- 18.4 to devise all possible means of enhancing the communication of decisions events, progress, constraints, problems and needs throughout the co-operative membership.
- 18.5 To observe democratic principles and to abide by the constitution, by-laws, rules and regulations, and the management structure and procedures outlined below.
- 18.6 The participation of women in decision-making in positions shall be guaranteed.
- 18.7 the co-operative shall uphold and respect the position of production managers. These, in turn, should be qualified and carefully selected members.
- 18.8 The Management Committees are expected to adhere to by-laws, rules and regulations established, and should have exemplary behaviour.
- 18.9 In the case of disputes, the Management Committee should be impartial and firm in decision-making.
- 18.10 Nepotism and witchcraft shall be combated systematically as a matter of priority on a regular basis. These should be avoided during elections and when decision-making.
- 18.11 During elections, the co-operative will uphold the leadership qualities such as honesty, impartiality, receptiveness to advice, experience and qualifications in the selection of candidates.
- 18.12 Disciplinary measures should also be applied to Management Committee members while, a system of evaluating the performance of the Management Committee should be established.
- 18.13 Elections shall be held annually in October after all member collective co-operatives have held their elections.
- 18.14 Management Committee posts should be held for a minimum of two years and a maximum continuous period of six years. The exception to this rule is the post of Production Manager. Leaders who have served maximum terms in office will be required and obliged to perform training and advisory functions for the Management Committee and the Co-operative as a whole.
- 18.15 A disciplinary department and sub-committee should be established and operate according to rules and regulations agreed upon by the co-operatives.
- 18.16 Women's rights, obligations and duties are enshrined in their capacity as full members. This protects them against interference from husbands and relatives in or outside the co-operatives.
- 18.17 The co-operative will abide by the MDU constitution, by-laws, rules and regulations, contracted agreements with the MDU and decisions taken by MDU annual general meeting.

19. MANAGEMENT OF THE UNION

- 19.1 There shall be a management committee consisting of ten (10) members.
- 19.2 There shall be a National Committee which shall consist of the members of the Management Committee and two accredited delegates from each co-operative.
- 19.3 Inter-Union committees shall be established, the size and composition of which may be decided by the tertiary management committee from time to time.

20. MANAGEMENT COMMITTEE

- 20.1 Seven members of the management committee shall be elected annually by the General Meeting from among accredited delegates appointed to represent members at that meeting and shall hold office until the conclusion of the next annual general meeting.
- Provided that the General meeting shall elect the Chairperson, the vice Chairperson, the Secretary, the Vice Secretary, the Treasurer, The Secretary for Publicity and Information, the Vice Secretary for Publicity and information and the remaining three committee members may be appointed at the discretion of the seven elected members.
- 20.2 Qualification for election of members of the Management Committee shall be subject to clause (16a) of the co-operative societies regulations.
- 20.3 Casual vacancies on the committee shall be filled by the co-option of accredited delegates of members to cover only the unexpired portion of the committee's term of office.
- 20.4 A member of the committee shall cease to hold office if he/she:
- i. Ceases to be a member of the member co-operative he/she represents or that member co-operative ceases to be a member of the union.
 - ii. Is declared insolvent.
 - iii. Is convicted in a court of law of any offence involving dishonestly and is sentenced to imprisonment for a period of three monthly or more.
 - iv. is removed from office by the General Meeting.
 - v. Has a judgement entered against him by a court of law for debt owed to the Union.
 - vi. is absent without the approval of the management committee for more than three consecutive meetings of the committee.
 - vii. Resigns from the committee in writing.
- 20.5 Any member of the committee ceasing to qualify as a member under sub-paragraph (ii), (iii), (iv), or (vii) or paragraph (e) of this by-law shall not be eligible to serve as a member of the Management Committee for a period of twelve months from the date of his/her ceasing to hold office.
- 20.6 Meeting of the Management Committee shall be summoned by the Chairperson or by any two members of the Committee and shall be held as often as is necessary to ensure the efficient conducts of the business of the Union.
- 20.7 The attendance of at least six members of the Management Committee shall be necessary before any business may be transacted.
- 20.8 Each member of the Management Committee shall have one vote and all matters before the committee shall be decided by simple majority on a show of hands; provided that when the voting is equal the Chairperson shall have an additional casting vote.
- 20.9 All business discussed and decided at a meeting of the Management Committee shall be recorded in a Minute Book and the record shall be signed by the Chairperson at the subsequent meeting which confirms the record.
21. The Management Committee shall conduct the ordinary business of the Union and shall exercise the ordinary powers of the Union except those reserved for the General Meeting, and shall in all its transactions comply with the Co-operative Societies Act (Chapter 193), the regulations made hereunder and these by-laws and in particular, shall have the following duties:

- 21.1 To maintain or cause to be maintained true and accurate accounts of all money received and expended, of all goods bought and sold, of all goods, and assets of the Union and of all financial transactions of the Union;
 - 21.2 To examine the accounts and sanction expenditure subject to any general direction of the General Meeting;
 - 21.3 To prepare and lay before the Annual General Meeting audited Final Accounts;
 - 21.4 To negotiate and accept donations, grants, subsidies and loans from members, non-members within maximum amounts and in such manners as authorised by the General Meeting;
 - 21.5 Subject to any special conditions or reservations imposed by the General Meeting, to appoint, suspend and dismiss employees, to fix scales of a salaries and remuneration. To obtain security from employees and to ensure the faithful discharge of employees' duties;
 - 21.6 To authorise payment from the funds of the union to members of the Committee reasonable expenses, incurred solely in the execution of their duties on behalf of the Union on such scale as the General Meeting shall have given its prior approval.
 - 21.7 The Chairperson, Secretary and Treasurer shall sign on behalf of the Union cheques, contracts and other negotiable and legal documents.
 - 21.8 To represent the Union and its members on any institutions, organisations, trusts or other bodies at which the union is invited to participate;
 - (i) Generally, to carry on the business of the Union;
22. In its conduct of the affairs of the union the Management Committee shall exercise prudence and diligence and the member for whom they are accredited delegate shall be responsible jointly and severally with the Committee for any loss sustained by the union as a result of the acts of their accredited delegate which are contrary to the law or to these by-laws.

23. INTER UNION COMMITTEE

- 23.1 The Management Committee shall establish sub-committees
- 23.2 The size and composition of such sub-committees shall be decided upon by the Management Committee;
- 23.3 Meetings of sub-committees shall be called and held as decided upon by the Union Management Committee;

Provided that no expenses for such meeting on behalf of the Sub-Committee may be incurred without the prior approval of Management Committee in writing.
- 24.1 Sub-Committees shall have no powers other than such powers which may be conferred upon them from time to time by the Management Committee;
- 24.2 Business to be dealt within meetings of such Committees may be decided upon by Management Committee.

25. BANK ACCOUNTS

The Union shall maintain an account or accounts:

- 25.1 With one or more registered commercial banks and/or
- 25.2 With a national co-operative organisation registered for such purpose.

26. REGISTER AND RECORDS

The following registers and records shall be maintained in proper order by the union.

- 26.1 A register of members, showing name, address, membership number, shareholding, date of termination of membership;
- 26.2 A cash book showing all receipts and expenditure of monies;

- 26.3 Ledgers;
- 26.4 Minute Books for all General Meetings and Meetings of the Committee;
- 26.5 Register of shares;
- 26.6 Such other records and registers as the Registrar of Co-operative Societies may from time to time require, or the business of the union demand.

27. FINANCIAL YEAR

The financial year of the union shall end on the 30 June each year and at this date the accounts of the union shall be closed and the stock in hand shall be valued at cost price or at the ruling purchase price, whichever is the less.

28. SURPLUS

Out of the net surplus of the union not less than 25% (twenty five per cent) shall be credited to such general reserve or special reserves as the General Meeting may direct. The balance of the surplus shall be distributed as follows:

- 28.1 Such divided on shares as the General Meeting may approve not exceeding 10% (ten per cent) and not exceeding the rate recommended by the Management Committees; only members holding shares on the last day of the financial year shall be entitled to receive such dividend;
- 28.2 Such bonus to members, proportionate to their patronage of the union during the financial year, as the General Meeting may approve provided it does not exceed the rate recommended by the Management Committee.

29. LIQUIDATION

The union shall be liquidated only as provided for by Part VI of the Co-operative societies Act (Chapter 193).

- 30. Every member of the union shall accept and faithfully comply with these by-laws, the co-operative societies Act (Chapter 193), the Co-operative Societies Regulations and all amendments made thereto.

31. DISPUTES

Any disputes not solved by Management Committee and the General Meeting in regards to these by-laws or business of the union between member co-operatives and past member co-operatives and past member co-operatives of the Union or persons claiming through them, or between such persons and the Management Committee or any officer of the member co-operative shall be referred to the Registrar, who shall deal with the dispute in accordance with Part III of the Co-operative Societies Act (Chapter 193) Any decisions of the Registrar or an Arbitrator appointed by him upon these disputes shall be carried out by the Management Committee.