

**RESTRUCTURING
AGRICULTURAL COOPERATIVES
IN THE STATE-MARKET VORTEX:
The Cases of Zimbabwe and Japan**

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The statement serves to inform and certify that to the best of my knowledge; the contents of this thesis are a product of my work. I do hereby declare that the intellectual content of the thesis titled:

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Abstract

Chapter One introduces the background, context and objectives of this study. The main objective of this thesis is to examine the potential of cooperatives in dealing with agricultural challenges in Zimbabwe. The focus is on the post-land reform marketing system and how cooperatives can help amplify farmer's voices in agricultural value chains. The study has achieved this by learning from the experiences of Japan's post-land reform agriculture in which the Japan Agricultural Cooperative (JA) played a key role. The central problem addressed in this thesis is, therefore, the contemporary agrarian question which includes among other things increased input and output market volatility, unfair trade practices, climate change, gender, low access to land and finance. Thus, the study looks at how cooperatives can improve farmer's negotiation spaces with the state and market players in pursuit of resolving the mentioned problems. Development outcomes are achievable through a series of coherent policies that address the agrarian question, whose resolution has always been polarised. While some scholars advocated for the industrialisation path, others advocated for the peasant path. Some literature focuses on the political enclaves while others emphasise on socio-economic development as the panacea.

Chapter Two reveals the methodological approaches utilised in data collection. A case study design was used to collect primary qualitative and quantitative data from three villages in Japan (in Osaka, Chiba and Shiga prefectures) and three villages in Zimbabwe (in Mashonaland East province) using an interview guide and a structured questionnaire respectively. The researchers administered a total of 36 structured interviews, three Focus Group Discussions (FGDs) and 200 questionnaires. In addition to this, secondary data came from various sources, including online sources and government ministry and departments. Qualitative data was entered into NVIVO software while SPSS handled quantitative data. Following on the theory of peasant cooperatives by Chayanov, the data analysis presented throughout Chapters Six, Seven and Eight involved a mixture of descriptive statistics, custom pivot-table analysis, factor analysis, cluster analysis (both in SPSS and NVIVO), Nvivo-template, Nvivo-query, Nvivo-maps and Nvivo-diagram analysis.

The polarised approaches to rural development are also reflected in various cooperative theories as thoroughly explored in **Chapter Three**. After contrasting market-oriented theories of cooperative model to Marxist theories and finding out the different advantages and disadvantages in their application in a contemporary globalised world, the thesis employed a third-way-approach – Alexander Chayanov's theory of cooperatives – to collect and analyse research data. Chayanov's theory is more practical and specific to agriculture than market-oriented and Marxist theories. This made Chayanov more appealing for this study.

Chapter Four provides a concise reading of literature of Japanese agriculture. After the post-war land reform, Japan adopted an industrialisation path, but their agricultural sector remained predominantly small-scale with top-down agricultural cooperatives at the helm of rural development. Japanese agricultural cooperatives helped to resolve post-land reform agrarian questions (related to agricultural marketing, access to finance and extension) through balancing the power relations within the state-market-community framework. Although the contribution of agriculture to the national output is below 3% in today's Japan, it remains a vital basis for rural reproduction (food sovereignty), national environmental preservation and cultural symbolism. In this respect, cooperatives remain as pillars of rural society and institutions.

On the other hand, the nature of the contemporary agrarian question is more complicated for Zimbabwe, which reconfigured the agrarian markets in its 2000 land-reform. Markets do not operate in a vacuum and can only function efficiently if the players (state, private sector and community) play fairly and obey the game's rules. Historically, corporations and governments never played fairly. Compromised states, a dishonourable private sector and a weak/unorganised community characterised underdevelopment in African rural areas. Efforts to 'include' the peasants in historic community development projects has often

viewed communities as the '*subject of*', not as '*a stakeholder*' in, community development. This dissertation adds to this literature by providing empirical evidence of three decades of agricultural reform in Zimbabwe. This is discussed in [Chapter Five](#).

From the Japanese data presented in [Chapter Six](#), we find that the role of the government in the state-market-community framework, coupled with the philosophy of the cooperative, contributes significantly to the sustainability of the cooperative system. However, we also learn that a stronger cooperative ideology may produce too strong societies that over-question and second-guess the government's policy, programs and authority in the rural areas. This means optimum ideological intensity is vital. On the one hand, it should not transcend the authority of the government and institutions that make laws; while on the other it should not present the movement as a weak and philosophically ungrounded. There needs to be a correct balance of ideology and practicability. Thus, I conclude that robust agricultural cooperatives in the post-land reform areas of Zimbabwe should develop optimum levels of ideology that unites the members; and they should detach themselves away from the government control. The state needs to play its regulatory role only.

I dedicated [Chapters Seven](#) to the discussion of data from the Zimbabwe survey. The results from the factor and cluster analysis confirm five of Chayanov's classes of the peasantry. Using the five classes to analyse the data further, I illustrate significant differences in their behaviour, which had severe implications for their participation in a Chayanovian cooperative. These differences include access to input, finance, labour (especially casual labour) and differences in their sources of income. Women in cooperative set-up performed well across the five different peasant clusters and dominated the 'middle' cluster. The largest proportions of both male and female farmers were found in the 'middle' cluster. There appears to exist significant differences between the CA cooperative movement and the new movement in the resettled areas. Although both are getting various forms of assistance from the government, the former appears to depend a lot more on external actors (the government and the NGOs) for sustainability while the latter appear to be finding its way (while loathing the state's presence in their internal affairs). Thus, I conclude that there is a new wave of cooperatives on the rise in post-land reform rural Zimbabwe where, in the absence of state support, or traditional authority, the farmers have formulated their own organisational spaces. These cooperatives are dissimilar to the British-Indian type which are controlled by a hubris government or NGOs, but they take a bottom-up form and have the highest potential competing with local companies and other intermediaries on the open market.

Quantitative data results show that the cooperative movement has and is still heavily monitored by the state. The government interacted with the cooperative model through a top-to-bottom channel approach and regarded peasants as uneducated and unable to resolve their contradictions. Although the government maintains this firm grip, it lacks the financial capacity to support an expanded peasantry. At the same time, the development of the peasantry is unprofitable for the private sector unless they charge usury. Data shows that the group approach, which is what cooperatives are, is being utilised in many instances in the rural areas, for example, in extension provision as well as in micro-financing arrangements.

Lastly, [Chapter Eight](#) provides summary, conclusions and recommendations for a new cooperative model in Zimbabwe. After listing ten significant lessons that learnt from Japan's experiences, the chapter provides the assumptions, pre-requisites, policy environment and specificities that must obtain in the rural areas before and during the development of an alternative cooperative movement development path.

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List of acronyms

A1	Small-Scale land resettlement model
A2	Large-Scale land resettlement model
ACC	Agricultural Cooperative Credit System
AFC	Agricultural Finance Corporation
AFFFC	Agricultural Forestry and Fisheries Finance Corporation
AGM	Annual General Meeting
AQ	Agrarian Question
AREX	Agricultural Research and Extension
CA	Communal Areas
CACU	Central Association of Cooperative Unions (Zimbabwe)
CBOs	Community Based Organisations
CCB	Central Cooperative Bank
CFU	Commercial Farmers Union
CI	Confidence Interval (in statistics)
CSOs	Civil Society Organisations
CS-Pro	Census and Survey Processing System
CUAC	Central Union of Agricultural Cooperative (Japan)
ERS	Export Retention Scheme
ESAP	Economic Structural Adjustment Program
EU	European Union
FAO	Food and Agricultural Organisation
FDGs	Focus Group Discussions
FDI	Foreign Direct Investments
FILP	Fiscal Investment and Loan Program
FOB	Freight on Board
FTLRP	Fast Track Land Reform Program
GDP	Gross Domestic Product
GHQ	General Headquarters
GMB	Grain Marketing Board
GMO	Genetically Modified Organism
GoZ	Government of Zimbabwe
GRDC	Goromonzi Rural District Council
HQ	Headquarters
ICA	International Cooperative Alliance
ICAO	International Cooperative for Agricultural Organisations
ICBA	International Cooperative Banking Association
ICBC	International Cooperative Banking Committee
ICMIF	International Cooperative Mutual Insurance Federation
ILO	International Labour Organisation
IMF	International Monetary Fund
JA	Japanese Agricultural Cooperatives
KMO	Keiser Meyer Olkin (statistical test)

LCF	Life Cycle Framework (for cooperatives)
LHC	Lancaster House Conference
LMF	Labour Managed Firms
LSCF	Large Scale Commercial Farms
MAFF	Ministry of Agriculture, Forestry and Fisheries
MAMID	Ministry of Agriculture Mechanization and Irrigation Development
MNC	Multi-National Company
NFACA	National Federation of Agricultural Cooperative Associations
NFAZ	National Farmer Associations of Zimbabwe
NGOs	Non-Governmental Organisations
NMIFAC	National Mutual Insurance Federation of Agricultural Cooperatives
NR (I-V)	Natural Regions (one to five)
NVIVO	A Qualitative Data Analysis (QDA) computer software package
NWFAC	National Federation of Agricultural Cooperatives
OCCZIM	Organisation of Collective Cooperatives of Zimbabwe
OILS	Open Import License Scheme
OTFM	Organisation of Temporary Farmland Management
PCA	Principal Component Analysis
PPP	Public-Private Partnerships
SACCOs	Savings and Credit Cooperatives
SCAP	Supreme Command of the Allied Powers
SMAIAS	Sam Moyo African Institute for Agrarian Studies
SME	Small-Medium Enterprise
SMECD	Small-Medium Enterprises and Community Development
SMS	Short Message Service
SPSS	Statistical Package for Social Sciences
SSCF	Small-Scale Commercial Farms
TPP	Trans-Pacific Partnership
TV	Television
UDI	Unilateral Declaration of Independence
UK	United Kingdom
USA	United States of America
USD	United States of American Dollars
WB	World Bank
WMF	Worker Managed Firms
WTO	World Trade Organisation
WVA	War Veterans Association
WWI	World War One
WWII	World War Two
ZANU PF	Zimbabwe African National Union-Patriotic Front
ZFU	Zimbabwe Farmers Union
ZIMACE	Zimbabwe Agricultural Commodity Exchange system
ZNFU	Zimbabwe National Farmers Union
ZNWVA	Zimbabwe National War Veterans Association

Dedication

This thesis is dedicated to Shona-Pearl Muchetu and Zivanai Taye Muchetu who paid the penultimate sacrifice.

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CHAPTER ONE: INTRODUCTION TO THE STUDY

If you want to go fast, go alone. If you want to go far, go together. – African Proverb

A single arrow is easily broken, but not three in a bundle. – Japanese Proverb

1.0 Introduction

The central objective of this study is to examine the current and potential role that agricultural cooperatives¹ can play in transforming socio-economic lives of Zimbabwean small-scale farmers. This is mainly motivated by the rise in the number of small-scale producers after the Fast Track Land Reform Program (FTLRP) which increased their number from one million to 1.3 million while expanding their total landholding by approximately 10% (Moyo S. , 2014, p. 43; Moyo S. , 2011c, p. 512). Through literature, theory and empirical data, I take the position that small-scale production remains one of the critical sectors that ensure food sovereignty and food security. They help resolve a substantial portion of the agrarian question (AQ). Therefore, increased number of peasants necessitates the formation of robust social organisations to enable the farmers to deal with various challenges that arise in their production cycles.

The challenges faced by farmers emanate mainly from the lack of unity when the farmers engage with either the state policy or with market mechanisms. Improved social institutions are necessary to give farmers a voice, to strengthen their agency within the Community-Market-State (CMS) interactions. The study examines the challenges in the Zimbabwe cooperative system and how the same challenges were overcome through collective action in the Japanese agricultural system. Using the lessons from Japan, the study proposes a new cooperative model for Zimbabwe. The central message is, therefore, that for developing countries like Zimbabwe which have completed their land reforms, i) small-scale production is vital, ii) these small-scale producers should be united through robust socio-economic organisations, and iii) the socio-economic organisations should take the form of agricultural cooperatives.

¹ A cooperative is a group of autonomous persons, voluntarily joined together in a democratically controlled association to meet a common economic, political, social and cultural goals (agricultural production for the case of agricultural cooperative). Its mission is to protect the interest of its members or community (Cotterill, 1988; Hoyt, 1996; ILO, 2001; Yamashita, 2015a; Mhembwe & Dube, 2016; Chayanov, 1991)

1.1 Understanding the classic and contemporary agrarian questions

Africa's developing economies are heavily reliant on agricultural production for employment, generation of foreign exchange and food security as seen through the significant proportion of the population (60-70%) (World Bank, 2017; 2019) who directly derive their livelihoods from this sector. Farmers are engaged in the production of crops, livestock and fisheries, which also form part of their food supplies. While large-scale farmers exist (typically referred to as large-scale commercial farmers) and can make huge profits when they sell their produce on the local and international market, their numbers are limited in African agrarian structures (Amin, 2012, pp. 18-21). Family farms or peasants are found in abundance and face socio-economic challenges as seen through food insecurity and malnutrition. These peasant farmers are unable to access input markets, which directly contribute to low productivity and low outputs to sell on the agricultural markets. In most cases, they barely make enough to sustain themselves through to the next harvesting season and hence are faced with perpetual poverty and underdevelopment.

The problem of rural poverty and underdevelopment threatens not just the marginalised rural peasants, but threatens human civilisation itself (Moyo, Jha, & Yeros, 2013, p. 94). Before the 1980s, peasants dominated most societies in which agricultural activities formed the basis for their livelihoods. The societies that moved from peasant to post-peasant (mostly in the Global North) did so by resolving various forms of their classical AQ either through the industrialisation path or the peasant path. Contemporary efforts to move peasant societies in the Global South have often involved choosing between the said two AQ-resolving approaches (described below). What then is the best way of developing the rural areas and solving the AQ in the Global South, in Africa and Zimbabwe? How can we advance a development trajectory for the rural folks that protects them from the vagaries of capitalist exploitation² and ensures that the peasants regain control of their rural economies? This is the nature of the agrarian question. Let us try and explore what the agrarian question is.

1.1.1 The classical agrarian question

² Capitalist exploitation occurs when the price of labour on the market is significantly lower than its actual value. Furthermore, by agreeing (or being forced – physically or otherwise) to sell your labour in such a market, a worker will be exploitation by the buyers of the labour. The surplus value (value of labour minus price of labour) will accrue to (or be extracted by) the capitalist (Lenin, 1921; Marx, 1992, pp. 320-330).

Debates on the global agrarian question have stood the test of time from Karl Marx's writings to Kautsky and later to Lenin in the first half of the 20th century. The agrarian question consists of complicated terminologies which need a concise discussion and definition of terms to avoid misreading of text when sharing knowledge. African agrarian questions, on the other hand, have rarely been mooted, and when they made it to the forefront of development discussions, are often read through lenses of Western think-tank (Murisa, 2017). Contemporary discussions on this issue has become polarised, with some scholars arguing that the agrarian question no longer exists; this was because the peasantry itself has disappeared [see Bernstein (2003; 2006, pp. 450-452); Byres (1991, p. 12)].

Bernstein (2006, pp. 452-459) further argues that the agrarian question, which is composed of the agrarian question of labour and the agrarian question of capital, no longer exists or had died. The AQ no longer exist because the Global North, (rich in capital) engages with the Global South (rich in labour) and thus the two sides of the agrarian question are extinguished when these two interact in the global economy (ibid). However, empirical evidence has proved otherwise. The percentage share of labour (work done by human beings) in today's global economy continues to shrink (especially in leading economies) (Orlik & Jimenez, 2018), while the amount of labour involved in production continues to increase especially in the rural areas. This means that re-peasantization is occurring in most parts of the Global South (Moyo & Yeros, 2013). This continued increase in labour production processes means the labour question³ is not resolved as much in the Global North as it is in the Global South; and hence supports Moyo, Jha, & Yeros's (2013, p. 99) argument that the AQ in the Global North remains unresolved.

The agrarian question is not static *per se* but evolves; it may differ between the Global North and the Global South in scope and sequences. I, however, argue further and emphasise that even in areas such as rural Japan, the peasantry still exists, holding tiny pieces of defragmented land, and utilising mainly own family labour. These types of peasants differ from those from the Global South in their utilisation of latest technology and machinery (I called them *mechanised peasants* in this thesis). Moyo, Jha, & Yeros (2013) argued that the AQ in the Global North remains unresolved, and most literature and scholarly work that concludes otherwise have oversimplified the meaning and definitions of the AQ.

³ The labour question focuses on how to solve the problems of the worker as the global working conditions and the standard of living of the worker continues to deteriorate (Even, 1943; Bernstein, 2006, p. 456; Patnaik U. , 2003, pp. 41-43)

[...] (there is need to) restore national sovereignty to its proper place in the classical agrarian question [...] it remains the cornerstone of all other dimensions of the agrarian question, including gender equity and ecological sustainability. – (Moyo, Jha, & Yeros, 2013, p. 94)

Moyo, Jha and Yeros (2013, pp. 93-105) go further to say that the canonisation of the industrialisation path fails to consider the role of the national, land and peasant questions as well as the imperialistic nature of American, European and Japanese industrialisation. What this means is that development in the North through industrialisation was historically subsidised by the peasantry in those countries as well as the developing countries in the south via colonies (Patnaik & Moyo, 2011; Moyo, Jha, & Yeros, 2013, pp. 103-105; Amin, 2012, pp. 12-13; Chayanov, 1991). They argue that the same system continues to this day through the exploitative nature of global value chains. Overwhelming empirical evidence has shown that, over the last century, flirtations with neo-liberal frameworks have resulted in the propagation of social and economic differentiation at both national and global levels. Furthermore, Patnaik & Moyo (2011, pp. 76-78) argue that the AQ in the Global North was ‘not resolved’ because these nations heavily depended on the production capacity of the Global South. By arguing along these lines, they enrich the definition of the AQ by introducing the concepts of nationalisation and national sovereignty in food production and industrial growth.

What Moyo *et al.* (2013) postulate here is supported by the fact that developed countries subsidise their farmers in order to maintain food security and food sovereignty. Food sovereignty issues have recently fuelled the Japanese agricultural debate as the country has found itself importing more of its consumed rice. Scholars that support liberalisation of rice markets argue that the agricultural production makes less than 2% of the GDP and hence should not be protected (Yamashita, 2015a; Esham, Kobayashi, Matsumura, & Alam, 2012; Ashkenazi & Jacob, 2003, p. 17). On the contrary, protectionist scholars argue that the countryside is a site of rural reproduction, cultural-symbolism and national environmental reproduction (Ishida, 2003). This intellection has serious overarching implications even for development discourses and policy recommendations developed from the Global North and intended for the Global South. Consequently, ideas of following the European path to development through a transition from agrarian society to a proletarianized industrial society is problematic for the case of Africa. This is because Africa does not have the options to grab

territories and extract labour from other countries as was the case for the Global North (Moyo, Jha, & Yeros, 2013, p. 94). Murisa (2017) also noted the limited prospects of industrialisation led transition from pre-capitalist to capitalist society in Africa arguing that a new path *of, by* and *for* the peasantry should be forged.

It is not untrue that at some point, all nations were equal, and a massive restructuring and redistribution of the global wealth frequently in a violent manner, occurred favouring the Global North. The Global North's proportion of the global GDP continues to grow fatter, while the Global South grows thinner and thinner (World-Mapper, 2018). Scholars (Amin, 2018) are no longer sure how much further the capitalist mode of production can sustain itself, as evidenced by the acceptance of such socialist presidential candidates as Bernie Sanders in capitalist America. It is imperative to understand the agrarian question both in Japan (in the context of the post-war land reform) and in Zimbabwe in the context of the recent FTLRP which exponentially re-peasantized the Zimbabwean agrarian structure (Scoones, Marongwe, Mavedzenge, Murimbarimba, & Sukume, 2010, p. 232; Moyo S. , 2011c, p. 513; Moyo & Yeros, 2013, p. 342). From the early writings of Marx, understanding and answering the AQ hinged heavily on the agency of the working class created and disposed of the means of production by primitive capitalism. The contemporary working class (a result of globalisation) has the power to own the means of production, freely sell their labour, eradicate classes in society and obliterate exploitation (Akram-Lodhi & Kay, 2010, pp. 177-178).

1.1.2 The contemporary AQ and how it differs from the classical AQ

The classical agrarian question has often been conceptualised as a struggle to move farmers out of economic backwardness and was seen as the challenge facing agricultural producers (Byres T. J., 1995, p. 509). In this sense, the solution was to industrialise through resolving the agrarian questions of capital and labour (Bernstein, 2004, pp. 200-205). It did not matter how this industrialisation was done and also did not matter if it managed to improve the lives of the rural area dwellers (AQ of industrialisation). The contemporary agrarian question on the other hand, as Moyo, Jha, & Yeros (2013, p. 93) put it, 'restores national sovereignty to its proper place in the classical AQ' (AQ of liberation). The restoration of the national question into the classic AQ opens up spaces for other sub-questions (such as the gender and ecology questions).

The key difference between the AQs of industrialization and liberation is that the latter has articulated with unprecedented clarity and conviction the requirement of sovereign

industrialization or the safeguarding of the capacity to determine one's own external relations and internal balances. Moreover, by its very logic, it has enabled the posing of new agrarian questions in a universal way, namely gender equity and ecological sustainability—these being the dimensions that have most defined the contemporary AQ—as well as the incipient debate on 'regional integration'. Thus, the AQ of liberation has been the common thread between the classical and contemporary AQs, consisting in the maturation of the former and cornerstone of the latter. We submit that the AQ of liberation remains at the heart of the contemporary AQ, for its fate will continue to have preponderant influence over the fate of gender relations, ecology, or regionalism. – (Moyo, Jha, & Yeros, 2013, p. 103)

These issues, in the context of globalisation, offer nearly-unsurmountable obstacles to the resolution of the agrarian question. Efforts to increase agricultural production have to be cognizant of international trading equilibriums, global production, market forces and the ubiquitous hegemony of transnational capital (Bernstein 2001; cited in Moyo 2010, p. 285). Peasants cannot avoid markets altogether; thus, they need to find ways to safeguard themselves when they do interact with them. Governments across the Global South have experimented with various developmental programs in an attempt to reconfigure rural spaces.

In Zimbabwe, just as across Africa, post-independence policies such as import substitution, economic structural adjustment programs or market liberalisation approaches have all resulted in extension of capital's hegemony in the rural economy (Shivji, 2009). Recent approaches facilitated by market liberalisation include out-grower schemes, contract farming, insurance, patented technologies (chemicals and suicide seeds) and provision of credit at usury (McMichael, 2013, pp. 671-673; Mazwi & Muchetu, 2015, p. 18). More recent global events such as the food crisis of 2007/8 led to increased 'land grabs' and widespread pauperisation of the majority in the Global South (Amin, 2012, pp. 18-20; McMichael, 2014, p. 10; McMichael, 2013, p. 671). Increasingly, peasant families across Asia, Africa and South America are unable to reproduce themselves.

Furthermore, low levels of social cohesion amount to weak social organisations, further splitting small-scale farmer's voices. Across the majority of the agro-based African countries that implemented structural adjustment programs in the aftermath of attaining independence; unemployment, reduced livelihood options and gender inequalities became a common phenomenon (Shivji, 2009; McMichael, 2014, pp. 10-12). Over half of all family farms have

appallingly low resilience and high vulnerability in light of climate-change problems and constant attack from monopoly capital (Amin, 2012, pp. 11-13; McMichael, 2007, p. 412). Although some donors have taken the initiative to focus on small-holder development, they simultaneously give Multi-National Corporations (MNC) massive and uncontrolled access to African resources. A considerable body of literature used to justify the drive for free markets maintains that liberalisation stimulates growth, reduces poverty, generates employment, relieves governments of debt and integrates farmers to participate in the global economy (Cuadros, Orts, & Alguacil, 2004, pp. 1-4). However, on the contrary, this path has worsened the plight of the 60-70% rural people who constitute the majority in Africa and the Global South (La Via Campesina, 2000; World Bank, 2019).

All these socio-economic ills are the basis of the contemporary AQ in Africa, which led some scholars (Amin, 2012; McMichael, 2007, p. 415; La Via Campesina, 2000) to call for a total global disengagement from the markets (an end to capitalism). They argue that capitalism cannot be expected to solve global inequality problems because, in nature, it is a system that thrives on solving problems in one locality by creating two or more in a different locality. It is a system that is socially inefficient because it simultaneously propagates over-production & under-production, over-consumption & under-consumption, the 'stuffed' & the starved, and hence can never solve its contradictions (Shanin, 1981; McMichael, 2007; Amin, 2012, pp. 12-15; Akram-Lodhi & Kay, 2010, pp. 177-179). Thus, the pervasiveness of contemporary corporate/financial capitalism and its continued penetration of the peasant economies transcends to more devastating negative impacts on rural lives. That is the complex nature of the classical AQ. The dominance by capital in agriculture is pervasive, and it has managed to re-organise the social and technical institutions governing farming throughout the world (Akram-Lodhi & Kay, 2010, p. 178). The results of this penetration formed social and distributional contradictions in which the wealth (in the form of excess labour) is moved (extracted) from the peasant economies/countries (periphery) and is transferred to the capitalist economies (centre) (McMichael, 2009, pp. 408-410; Shivji, 2009, pp. 55-59).

However, in trying to solve the AQ, it is noteworthy that a full disengagement from the capitalist mode of production is a herculean task and may not be desirable. What is required is the establishment of genuine, fair and equal platforms in which all the three actors of the economy (the state, community and the private sector) can attract value from their interaction in the market. Given the hegemony of both the state and the private sector, the poor majority global population needs to unite against all institutions that perpetuate capitalism and to free

themselves through decommodification of land and labour (McMichael, 2007, p. 415; La Via Campesina, 2000; 2007). Thus, the long and short of it is that there is need to overcome an unprecedented increase in volatility of inputs/outputs markets, unfair trade practices (domination of agricultural markets by MNCs), climate change, environmental degradation and gender inequalities that restrict development of the rural areas.

The contradictions of neoliberal capitalism express themselves through agrarian relations in various forms of ‘accumulation through dispossession’, concentrating and centralising agribusiness capital, privatising states, redistributing social resources away from labouring classes and peasantries, and degrading environments. – (McMichael, 2007, p. 415)

1.2 Solutions: Through large farms or the peasant path?

While the discussion of the classic and the contemporary agrarian question so far was presented at an abstract level, the AQ can be simplified at the practical level; do we aggregate land and resources (on a global scale) to a few large-scale ‘efficient’ food producers or do we pursue small-scale production. Those that favour large-scale development argue the average ratio of productivity in the Global North to that of the Global South is approaching 2000:1 (Mazoyer & Roudart, 2006). The proposition by such organisations as the World Trade Organisation (WTO) is that of comparative advantage and economic liberalisation where those with access to financial capital are encouraged to take over agricultural production from those without (McMichael, 2007, pp. 408-409). Therefore, world food security can be achieved by aggregating land under small-scale producers to approximately 20 million larger-scale producers. However, the biggest question would become what would then happen to the three billion peasants currently engaged in auto-consumption production on the land? Will they become casual labour in the new large-scale farms as asked by McMichael (2007, p. 409), or will this path lead to a genocide of almost half of humanity since not more than 7% of the peasants can be absorbed into labour as maintained by Amin (2012, pp. 13-14).

My study takes the position that scholarship and multi-lateral organisations must move away from any national development trajectories that excludes small-scale production. Jayne *et al.* (2011, pp. 1-2) acknowledge that growth in agriculture can occur without incorporating small family farms. For example, agricultural growth recorded in the Latin American *Latifundo* estates did not move millions of family farmers out of poverty. Thus, it was vital to engage in

inclusive policies that bring small family farms to the fore to address chronic poverty, economic segregation and inequality. Based on a multi-lateral drive to support family farms in the past couple of decades, it seems think-tanks and multi-lateral development agencies such as the World Bank (WB) and Food and Agriculture Organisation (FAO) now realise that agriculture is a crucial component for the African development process (FAO & IFAD, 2019).

In the African context, this has meant that several governments had started to seriously consider providing the small-scale farmers with agricultural production resources, chief among them land through redistributive land reforms (Moyo, Jha, & Yeros, 2013, p. 97). As the realities of an inescapable land redistribution settles across most Southern African countries, the debate has moved from ‘whether it would be necessary to carry out non-market redistributive land reforms’, to a more nuanced conversation of ‘what would be the best way of carrying out the redistribution of land’. This is seen clearly in South Africa. Small-scale farmers are ideal to kick-start a cycle of local spending as compared to urbanites who often spend their monies on the international markets. Local spending encourages movement of money within the local economy which significantly boosts demand for goods locally and leads to a virtuous cycle in which the rural and urban labour force provides a market for each other (Johnston & Kilby, 1975; Jayne, Haggblade, Minot, & Rashid, 2011, pp. 1-3).

So how can governments and policymakers achieve this? How can rural societies be transformed to facilitate the eradication of misery and squalor of the peasantry, improve farming technics and develop the entire national economy? Several scholarly solutions have focused on trying to correct or remedy market access, for example, contract farming (locking in inputs and output markets), government input subsidies and mechanisation schemes (Little & Watts, 1994; Moyo, Chambati, & Siziba, 2014; FAO, 2018). Others, on the other hand, advocate for gross policy reorientation through structural transformation⁴. Badiane (1997), Leavy & Poulton (2007, p. 5) and Wiggins et al. (2011, pp. 57-59) have pointed out that under ideal conditions mainly put in place by the government; the small-scale farmers can actively take part in global markets and benefit more from own labour. While such channels as contract farming, out-grower farming, commercialisation and provision of subsidies were tried on various cash & non-cash crops, they still expose the farmer to the vagaries of capitalist

⁴ Structural transformation is a development process achieved by restructuring production resources from primary industries to secondary industries. It occurs mainly when agriculture’s contributions to the economy grows smaller despite increases in its overall production and is pronounced by stimulated processes of urbanisation (Timmer, 2009, p. 5).

exploitation (Little & Watts, 1994; Mazwi & Muchetu, 2015). This is because financial institutions, the inputs and outputs markets are owned or controlled by capital. However, if these institutions and these markets are placed under the control of the farmers themselves, then the farmers can reap a fair share from the agricultural value chains. This thesis argues that cooperativism has the potential to transform power and control relations in rural economy as observed in Asian agriculture.

The Asian Green Revolutions is an example of a structural transformative process where aggregate national economic growth was kick-started. Of particular interest to this study is the development of the Japanese agricultural systems after WWII. Given Japan's successful experiences in undertaking land reform and its developed agricultural markets, it is worthwhile to study her experience. The Japanese land reform of the 1945s was drastic but complete and successful (Kawagoe, 1999; Flores, 1970, p. 901). The government of Japan and the Supreme Command of the Allied Powers (SCAP) transferred the rights of ownership from a few feudal landlords to tenant farmers already producing rice on small pieces of land. Japanese agricultural systems are peasant-based, and the land reform of 1945-1948 legally established the peasants as the drivers of agricultural production (see detailed discussion in [Chapter Four](#)).

Scanning through the agricultural literature of Japan shows an overwhelming pervasiveness of the Japanese Agricultural Cooperatives (JA or Nōkyō - 農協). Cooperative establishment was an active policy adopted after WWII to protect rural farmers against the vagaries of capitalism. These helped to launch structured social organisations that would make implementation of the agricultural policy easier for the government as well as safe access to the markets for the farmers. The JA represented the farmers in the negotiations between the farmers, the government and the market. The negotiations mainly kept rice prices up in order to secure its continued production by the farmers, as well as the protection and subsidisation of the JA activities. This helped the JA to be the safe link between peasants and the local, national and international markets. The JA formed the basis for rural-based development that saw it rise to become one of the most successful cooperatives in the world. Today the JA's annual income is in the top three income earners, not just among cooperatives or government institutions, but including private companies in the country and the world's top 40 (Esham, Kobayashi, Matsumura, & Alam, 2012, p. 943; Godo, 2014).

I decided to study Japan and draw lessons from her experiences with the AQ because Japan carried out a complete land reform. It also adopted a series of robust post-reform rural

community development policies that propelled the agricultural sector during the ‘golden era’. For developing countries like Zimbabwe, whose agrarian trajectory seems to be where countries in Asia were just before the Asian Green Revolution, it has become paramount for scholars to draw lessons from their experiences. This is because the nature of the AQ in post-reform Zimbabwe has notably hinged on the inability to remove information asymmetries and market imperfections⁵ as well as market misconduct which results in underdevelopment and poverty. In Japan, capitalism had fully established itself by the time of the land reform in 1945. Hence, peasant cooperatives provided a base and a quasi-arm for the state to engage with the community as well as the private sector in order to develop the countryside. Thus, learning from Japan’s experience after its land reforms becomes a virtue.

Southern African land reforms have either been tough to implement (titling in Kenya, restitution in South Africa) or have faced endogenous and exogenous challenges after the reform phase (Zimbabwe). Therefore, the herculean task for scholars has been to try to understand how countries in Asia managed to record such levels of success with their land reforms, and most importantly how they managed to comprehend and deal with the resultant agrarian structure. Despite the different conditions and time between Japanese and Zimbabwe’s (or any African country) land reforms, it remains critical to draw lessons on how it managed to deal with the realities resulting from the creation of numerous small-holder farmers in a short space of time. The safe integration and active participation of smallholder farmers into the volatile globalised markets (opposing adverse incorporation) while producing adequate food for the home market should thus be the biggest concern of the states (for example the Government of Zimbabwe - GoZ) (La Via Campesina, 2007; Hickey & du Toit, 2007, p. 5). Considering the increased number of family farms, and also the accelerated rate of technological and financial diffusion to the peasantry, protecting them from the jaws of capitalism has become inextricable. As already mentioned, this process needs to be critically managed because failure will result in negative consequences on small-scale farmers, as highlighted in literature.

⁵ Information asymmetries occur during transactions and where one party has more information (sometimes wrong information) than the other (see Chapter Three, Section 3.1, page 51) (Stiglitz, 2002, p. 470).

1.3 Post-reform challenges (market, government and their cosy relationship)

By 2000, the relationship between the state and the market (especially land markets) had become cosy given the level of mutual suspicion in use of dishonesty to benefit from land market transaction (detailed discussion in [Chapter Five](#), Section 5.2.1). The GoZ after succumbing to pressure from below embarked on a radical land reform programme that saw the redistribution of approximately 10 million hectares of prime land to over 169,000 households between 2000 and 2010 (Moyo S. , 2011c, p. 496). This effectively opened up land access to the farmers, thus providing one of the fundamental requirements for agrarian development (Moyo S. , 2005, p. 146; Moyo S. , 2011b, p. 261).

The Zimbabwe government, after the reform, has struggled to support (input and output markets) the new agrarian structure. Throughout Sam Moyo's work on land reforms, what most stands out is his declaration that market-led land reforms, though they respect private property rights, they are slow and would never result in socially and/or racially equitable landownership patterns (Moyo S. , 1992; Moyo S. , 2007c; Moyo S. , 2014). On the other hand, land reforms that take a more radical nature, despite flouting liberal economic and political rights, results in a more equitable land redistribution system (Moyo S. , 2007c; Moyo S. , 1992; Muchetu, 2018, pp. 90-91). Furthermore, Moyo noted that land reform was indeed a necessary but not sufficient condition for the emancipation of rural areas from poverty and underdevelopment (Moyo & Matondi, 2004).

The broader macro-economic challenges that engulfed the country after the land reform worsened agricultural market challenges. The inputs market (for seed, fertilisers, herbicides, pesticides, tools and implements) declined due to the absence of agrarian finance (Mujeyi, 2010, pp. 6-10). These challenges compounded other problems synonymous with post-land reform farm establishment phases such as underdeveloped infrastructure (roads, clinics, schools, farm infrastructure and electricity), underdeveloped social networks, as well as underdeveloped local (output) markets. These challenges form the fundamental tenets of the contemporary agrarian question (Moyo, Jha, & Yeros, 2013). However, my argument is that the most significant post-reform challenges often manifest as low access to finance (inputs), poor access to output markets and poor local community development, in that order.

Because redistributive land reform translates to a focus on the peasant path, a way to consolidate the peasants into formal groupings needs to be envisaged. In this respect, as

indicated earlier, the thesis proposes the use of agricultural cooperatives in the rural areas to enable the consolidation of capital, social networks and development of input and output markets. As shall be discussed in greater details in [Chapter Three](#), several forms of cooperatives can be established in the rural areas, all with different levels of management styles and economic sectors where they can thrive. This thesis will help bring cooperativism to the fore and get policymakers and development agents to consider it as a conduit for rural development, for fighting poverty and inequalities within the peasantry. Because the target is the post-land reform agricultural sector, bloated by an expanded peasantry, I propose the Chayanovian peasant cooperative model.

1.4 Chayanovian agricultural cooperatives as a voice amplifying alternative to individual farmer market engagements

The previous section has highlighted the problem that we seek to solve in the rural areas, and the different methods employed to resolve them in the past. In this section and [Section 1.5](#), I pre-empt my conceptualisation of the problem and how my proposed solution (cooperatives) can help resolve the AQ. Some may argue that cooperatives are an old idea not worthy of considering in the 21st century (Akwabi-Ameyaw, 1997, pp. 444, 453). However, countries in the Global North (including Japan) utilised the model during their developmental stages. They were able to reduce poverty levels as seen in the case of first cooperatives in the English Rochdale Pioneers cooperatives and Germany's Raiffeisen & Schulze-Delitzsch cooperatives (Holyoake, 1900; Prakash, 2003). The movement then spread to other areas, albeit with some localised modifications such as the collectives and communes in Russia and China respectively, or the Japan Agricultural Cooperatives (JA) in Japan in the mid-1900s. In recent times, agricultural cooperatives have been very successful in China. The trajectory of the Chinese peasantry is not too dissimilar to that of the African peasantry (Hairong & Yiyuan, 2013, p. 964).

Considering that the world economic structure has been inclined towards capitalist production over the past 100 years, and also given that, historically, cooperatives are associated with socialism and communism, promotion of cooperatives is feared as a re-entry point for socialism [see discussions in (Dore, 2012; Lenin, 1923; Marx, 1894; Jossa, 2014a; Chayanov, 1991)]. Indeed, the growth of most post-independence government-led cooperatives in Africa began to decrease with the rise of the Soviet Union. For Marx and Lenin, cooperatives were a means to an end and not an end in itself; thus, the cooperative is a powerful means of reorganizing

societies which may lead to socialism. However, I argue that cooperatives might lead to a more efficient socio-economic production that is not entirely socialism, and that is not less efficient than capitalism.

In their studies of Kenyan and Tanzanian cooperatives, Dondo (2012) utilised a classical economics model to analyse the potential of cooperatives. They concluded that cooperatives were a viable⁶ channel for rural development. Ortmann & King (2007) also employed the New Institutional Economics (NIE) theory in their study of South African cooperatives. They concluded that cooperatives played a significant role because they supplied the requisites for farming and also were at the fore of commodity marketing. This points out that cooperatives are not against everything that capitalism stands for but are there to remedy the contradictions that it brings. There is need to realise that cooperatives are an important alternative in developing the countryside even within a new institutional economics framework as also believed in the Chinese cooperative movement:

Cooperation is opposed to capitalism. Its impact will more than undermine economic imperialism. But its approach is different from that of Marxism. Cooperativism does not emphasise revolution but emphasises construction. It does not rely on the state but is based on organisations. Its approach is gradual, and its action is far-reaching. – Chen (1983, 97) in Bo (1994, p 122) quoted in Hairong & Yiyuan (2013, p. 957)

Here lies an acknowledgement that cooperatives are should not be despised by either liberal or socialist fundamentalism, rather it's a platform for marrying the two. This amalgam between socialist-oriented theorisation and new institutional economics brings us to the works of Alexander Vasilevich Chayanov, a Russian economist of the early 20th century. Realising the omnipresence of capitalism and the fact that peasants cannot escape the markets, he developed a theory of farmer's organisations that is particularly appealing. The NIE theory forces cooperatives to behave like capitalist corporations, while Marxist theory, at worst wanted to use the peasant cooperative to attain state socialism (or at best to ignore them entirely because they were seen as capitalistic in nature). However, Chayanov's cooperative theory take the form of bottom-up socialism based on individual peasant farmers engaged in auto-consumption

⁶ Viable cooperatives that can be managed efficiently to achieve real grassroots development in the countryside. Viable cooperative should be feasible and capable of working successfully within the contemporary neo-liberal production system.

while at the same time participating in the agricultural markets. His emphasis on the three facts that i) peasants were not embryonic capitalist, ii) were motivated by use-value and iii) the household was a site of production and consumption differentiated his theory from the other two. Agricultural cooperatives by small scale farmers offer a third-way type of solution to the peasant problems [Chayanov (1925) in Thorner (1965, p. 229)] (discussed in detail in [Chapter Three](#), Section 3.3 to 3.5).

1.5 The agrarian question and cooperatives

This study agrees with the arguments advanced by Scott (1998) and Hayami & Godo (2005) that posits a need to strengthen and amplify voices of social organisations and civil society in order to improve peasant participation in development. This is also in line with Patnaik P. (2017)'s argument that challenging the capitalist system will need the forging of a peasant-worker alliance. I argue that this should be done through the formation of peasant cooperatives because social organisation and agency are mutually linked phenomenon in the resettled areas (Murisa, 2009, p. 25). Market contact is unavoidable, but there is a need to level the playing field so that a minimum level of mutually beneficial development outcomes is achieved. Scholarship needs to admit that the biggest problem that undermines community or peasant participation is because the countryside is highly disorganized. The disjointed peasant voice is always ignored before, during and after the formulation or implementation of development programs. This is the reason why capital (sometimes with the help of the state), quickly acquires a hegemony in the countryside.

Across historical Africa, two types of formal agricultural lobby groups are distinguishable. They were white-dominated farmer groups that had more power in the agricultural sector and more autonomy from the state, and the black-dominated groups with little influence and depended on state policy direction (Moyo S. , 2000c, pp. 147-148). These two approaches to cooperatives development persisted during the attaining of independence as well as into ESAP era with further 'repression' of the indigenous black farmer movement by the state (Sachikonye, 1995, pp. 402-403). The silent yet salient voices of the peasantry needs to be awakened, and the focus should be on rural people-centred social reconfiguration. Cooperatives speak to a broad spectrum of issues within the agrarian question. This sub-section discusses how cooperatives, by nature, have an insatiable need to resolve the AQ. Cooperatives are a simple and reasonably old idea or development approach; however, the lack of recent studies and the

lack of data on their economic impact suggest that they have been abandoned in development discussions.

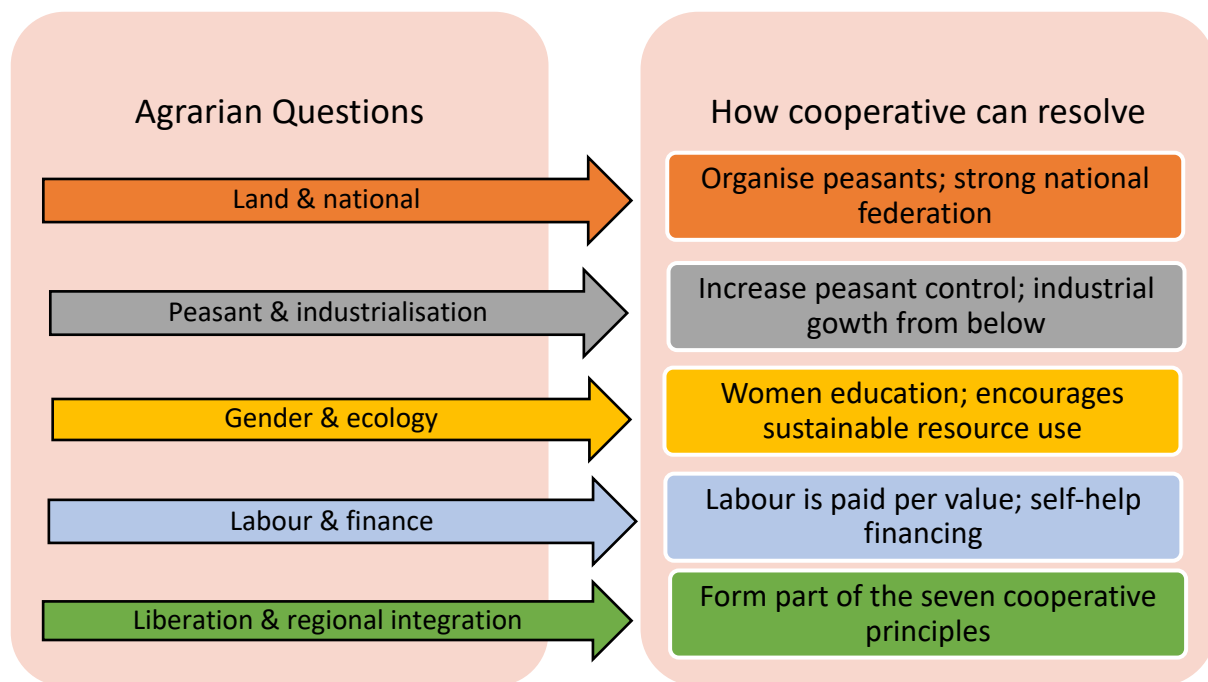
1.5.1 Connecting the dots

The discussion has so far highlighted the persistence of an agrarian question in the rural areas. It has further proposed to solve this problem through the involvement of the rural community during the formulation of solutions. Cooperation takes many forms and has existed in African rural spaces before, during and after colonialism predominantly through kinship lines (Mafeje, 2003, p. 2). However, these remain informal, and the power to organise against state or market hegemony remains constrained. The situation is worse in the newly resettled areas where bonds of kinship are still weak owing to the nature of the land allocation process (people from different walks of life were resettled next to each other).

I now seek to answer and succinctly establish the nexus and the method in which cooperatives are better placed to resolve the agrarian question than other social organisations. Lenin and Engels discussed the social and political dimension of the AQ, respectively, but Chayanov came with the economic dimensions (Moyo, Jha, & Yeros, 2013, p. 104). This is important for this study. Chayanov's conceptualisation of cooperatives is exceptionally appealing to the AQ because his definition of cooperatives was a combination of appeals to both entrepreneurs and social movements (see definitions in section 3.5.3 on page 96).

The contemporary AQ has a variety of dimensions which may be separate, but simultaneously converge and overlap with each other. These may include *inter alia*, the land question (because of new forms of land alienation), the national question, the peasant question, gender question, ecological question, the agrarian finance question, the labour question, the industrialisation question, liberation and the regional integration questions. The cooperative development model addresses some of these forms or dimensions of the contemporary agrarian question (Figure 1.1). Cooperatives have a whole broad spectrum of peasant challenges they can address, including the AQ of ecology and sustainability. Cooperatives are formed by the farmers whose primary concern also includes the need to preserve their land so that they can bequeath it to their offspring. This enables them to exploit their resources sustainably, take care of the environment and most importantly, profit from utilisation of own surplus-labour, a benefit which is usually absent within a free market set-up. Sustainability of the cooperative itself is achieved through the concept of self-help, which means they do not have to heavily rely on external financial sources once the cooperative kicks off.

Figure 1.1: Linkages between the agrarian question and the cooperative movement



Source: Created by author

Figure 1.1 is a summary of the agrarian question and the respective cooperative response to the problem. By nature, cooperatives are best suited to fight the burgeoning level of poverty, inequalities and social exclusion as they identify a variety of economic opportunities for their members, individual risk is reduced through collective risk-taking. In Tanzania, multi-purpose cooperatives go further than Savings and Credit Cooperative Organisations (SACCO) which focus on the provision of finance (Makochekamwa, 2015). However, multi-purpose cooperatives transcend into other non-farm income projects (payment of cooperative dividends is a source of non-farm income itself). Perennial peasant problems such as remoteness, lack of access to information, poor infrastructure, low access to inputs/output markets and low levels of access to loans are solvable through the cooperative path. This is because cooperatives simultaneously undertake group marketing, credit mobilisation, information dissemination, progressive education, foster innovation, skills and capacity building for its members (ILO, 2015, p. 7). Within their community, these organisations can do infrastructural development which may be too expensive for the under-resourced developing country governments or may be unprofitable for the private sector.

There is overwhelming evidence that show high degrees of participation of women in cooperatives in countries such as Tanzania and Japan. Women’s membership in some non-

gender specific cooperatives⁷ reaching as high as 65% and 95% respectively (ILO, 2015, p. 7). Women also have their cooperatives to fight inequality and social exclusion and are thus geared towards resolving the AQ of gender. However, there still is much potential for the cooperatives to bring women further to the front line in agriculture. This is because there are inequalities in the access to education; which affects access to information, level skills, land ownership and access to finance. This is why women's participation in cash crop cooperative groups was found to be low in studies of cocoa and coffee production in west Africa and some parts of east Africa (ILO, 2015, p. 7), or cotton, sugar and tobacco production in Zimbabwe (Mazwi & Muchetu, 2015, p. 27). However, as discussed, cooperatives offer education to women so that they can overcome/reduce these gender inequalities in access to resources.

1.6 Research questions and objectives

The overall goal of this study was to examine the potential of cooperatives to deal with challenges in Zimbabwe's post-agrarian reform marketing system. The study achieved this by a more in-depth analysis of the history and current trajectory of cooperatives in Zimbabwe and Japan. The process involved drawing lessons from the experiences of the latter's post-land reform agriculture system in which the Japan Agricultural Cooperative (JA) played a key role. The study examined the Japanese post-war agricultural growth, and how the JA navigated the political economy of producing in an increasingly capitalist model. Given the accelerated efforts to adopt liberal agricultural policies in Zimbabwe, the experience of Japan became extremely relevant to envisaging a development path for agricultural cooperatives in Zimbabwe. The study sought to accomplish this objective through the following sub-objectives;

- 1) To evaluate the practicality and sustainability of cooperativism in a liberalized national mode of production.
- 2) To understand the structural factors that affected the Japanese peasant cooperative movement after the post-WWII land reform era.
- 3) To evaluate the trajectory of the Zimbabwe cooperative and its potential to foster peasant development in the new agrarian structure (post-FTLRP).
- 4) To understand the role of the state in the life cycle of cooperatives.
- 5) To develop an agricultural cooperative society model for post-reform Zimbabwe farmers.

⁷ In Japan, more women are in consumer cooperatives than in agricultural producer cooperatives.

1.6.1 Research questions

The overall research question was “What is the potential of cooperativism in challenging, reducing and eradicating poverty & underdevelopment (the contemporary AQ) of the countryside?” Specific questions derived from the objectives were:

- 1) Can cooperativism survive and prosper within a capitalist and industrialised national mode of production?
- 2) What is the effect of post-land reform realities on the growth and development of cooperativism?
- 3) What is the state of cooperativism in Zimbabwe, and what are the future opportunities for growth?
- 4) What role should the state play in the development of cooperatives?
- 5) What form of cooperative framework is ideal for the post-reform cooperative movement in Zimbabwe?

1.6.2 Problem statement

At the heart of the problem addressed in this thesis is the AQ in a fast liberalising national production model. About 92% of Zimbabwe’s farming community is small to medium-scale (Moyo S. , 2011c, p. 512); additionally, over 67% of the population lives in the countryside and solely depend on agriculture (ZimStats, 2012; Index-Mundi, 2016). In these spaces, women provide up to 48% of the on-farm labour⁸, and still, they cannot meet household food requirements (FAO, 2011, pp. 8-10). Access to inputs and outputs markets is depressed, and when farmers eventually access these markets, they have to pay vast amounts of money to get inputs while at the same time being paid very little for their produce. They have limited spaces to negotiate. The farmers are left at the mercy of the markets or as Pinto (2009, p. 3) put it, ‘throw the rural organisations into the water and let us see which ones can swim’. These problems, as highlighted earlier, are part of the contemporary AQ and thus, the contemporary AQ summarises the problem statement of this study.

The peasants are the backbone of food production and their exclusion from development has affected the whole economy. The adverse effects of the neo-liberal policies of the 1990s are

⁸ Women’s work in agriculture includes as farmers, family labour, as paid and unpaid labour on other farmers. The value of women labour is an aggregate estimate of the above and excludes domestic chores like cooking and firewood fetching (FAO, 2011, p. 8)

still visible in the countryside, and the government and the markets have failed to find a lasting solution to this problem. In Zimbabwe, the last two decades have seen a drastic reduction of support for the cooperative movement and rural development by the ‘incapacitated’ state. On the other hand, most influential multilateral agencies ignored or reduced their support for them. In summary, therefore, the problem is that there is an unprecedented increase of volatility of input & output markets, unfair trade practices, climate change, environmental degradation and gender inequalities that restrict development of the rural areas.

The contradictions of neoliberal capitalism express themselves through agrarian relations in various forms of ‘accumulation through dispossession’, concentrating and centralising agribusiness capital, privatising states, redistributing social resources away from labouring classes and peasantries, and degrading environments. – (McMichael, 2007, p. 415)

Moreover, with Zimbabwe in focus, the land reform that was carried out in 2000 has yet to produce its desired production objectives fully. Although the state has made significant efforts through subsidies and mechanisation, a lot still needs to be done for the resettled farmer through provision of finance, technical know-how and stable commodity markets. What then is the best way of developing the rural area and solving the agrarian question in the Global South? How can we advance a development trajectory for the rural folks that protects them from the vagaries of capitalist exploitation and ensures that the peasantry regains control of their rural economies? This is the problem that motivates this research study which I seek to resolve. The thesis suggests that the first point of call is strengthening the social organisations and amplifying their voices through the formation of peasant cooperatives. This is in line with Patnaik P. (2017, pp. 176-180)’s argument that an alliance between the peasants and the workers to level the playing field against capitalist system hegemony, and I further argue that alliances are best forged through formation of cooperatives within these two respective classes.

1.6.3 Study justification

Studies conducted on Zimbabwe’s land reform typically focused on the politics of land reform, primarily seeking to demonise and discredit the process. However, scholarship needs to realise the irrevocable character of the process and start research that provides solutions henceforth. A few extensive studies on the nature of post-FTLRP communities in Zimbabwe focused on varying aspects of group dynamics, kith/kinship, community building and formation of

collective action. While some looked at overall community social development (observed through relations between/among the new settlers and former workers as an example), and the rules that govern their interaction (Munyuki-Hungwe, 2011); others have looked at the origins of the farm beneficiaries and how their diverse backgrounds contributed or limited participation in the formation of local social organisations. For example, Murisa (2009) related rural agency (chapter five) to the people who benefited (chapter six), their relations with local actors, village authority, state agents and how this facilitated platforms for mobilisation of collective action and interactions within the local community (chapter seven). In his PhD thesis on Mazowe district, Chiweshe (2011) also looked at the emerging communities and how they were striving to attain social cohesion and access social services (based on their background and social characteristics – discussed in his thesis’s chapter five and seven) using farm-level institutions. Overall, the focus of these studies was to discover all the different forms of social organisations emerging from the FTLRP and how they improved access to social services. None of these studies emphasised the socio-economic role of cooperatives in the rural areas.

What I attempt to do in this study is to focus on a particular form of social organisation – the cooperatives. My interest in cooperative is driven by their need to provide socio-economic services, reduce production costs, improve access to output markets and increase incomes; which are essential in the resolution of the contemporary AQ. My focus is on understanding the forms of socio-economical organisations that can improve the socio-economic agency of communities when engaging with the state and market apparatus. Thus, I try to understand how cooperatives improve farmer agency, and how the current cooperative model can learn from other countries – Japan – that utilised this approach after their land reforms. This type of intensive comparative analysis focusing on cooperatives is missing from literature and thus justifies this study.

Some comparative studies that have been carried out indeed compared policies, but only limiting comparison to “homogenous” African countries. However, no African country has carried out a “radical and comprehensive” Fast Track Land Reform Program at a scale and scope as Zimbabwe, like what Japan did after the WWII. Therefore, the term ‘need to study homogenous African experiences’ become just a cliché and outright irrelevant in this respect. This study intends to go beyond such academic traditional restrictions and review agricultural cooperative-related policies pursued by Japan in the post-1945s and derive insights from it to better understand and develop a way forward for Zimbabwe’s cooperative sector.

Cooperatives are an old idea, but an idea that has never been thoroughly tested in practice, especially in Africa where they were (mis)used as quasi-state agents after independence. However, in countries in the Global North, it has been very successful, especially in the case of Japan in which part of this thesis is situated. In recent times, agricultural cooperatives have been very successful in China. The global cooperative movement financial footprint stood at US\$3 trillion in 2014 making it one of the biggest organisations both in terms of membership and economic hegemony in the world (Schwettmann, 2014, p. 1). Despite this much potential, cooperatives have not made it into public and policy development discourses. They virtually continue to be misunderstood especially at the corporate and government level as seen through various efforts to control these organisations or in some cases, totally refusing to support them (Thompson, 1994; Schwettmann, 2000, p. 5).

Therefore, this thesis seeks to help bring cooperativism to the fore and get policymakers and development agents to consider cooperativism as a conduit for rural development, fight against poverty and inequalities within the peasantry. The thesis seeks to stimulate discussions on the potential and roles that cooperatives can play in the design and implementation of rural finance programs, rural agricultural marketing and implementation of locally initiated development programs in the rural areas.

1.6.4 Scope and limitations of the thesis

In the pursuit of understanding the role of community in the Community-Market-State (CMS) framework, I could not analyse all forms of social organisations obtaining in the rural areas; thus, I limited my study to agricultural cooperatives. In this sense, other forms of social organisations such as religious clubs, football clubs, burial societies, health clubs and national farmer organisation are not defined as cooperative in this study. Some types of cooperatives such as agricultural labour groups (those that look for agricultural work as groups) were also not defined as agricultural cooperatives. In this respect, agricultural cooperatives were composed of people involved in agricultural production and marketing as farmers (including irrigation schemes, equipment sharing schemes, agricultural consortiums and commodity associations). This was the most significant scope and limitation for the study in both Japan and Zimbabwe.

The study focused its comparative aspects on understanding the realities facing farmers after their respective land reforms in both Zimbabwe and Japan. The first two to three decades after land reform were of particular importance to my research as they defined what would later

become a success in Japanese agriculture, and present themselves as one of the biggest challenges in Zimbabwean agriculture. Contemporary issues in Japan agricultural cooperatives were also of interest because they indicate the long-term effects of the various choices made in the first two to three decades after the land reform. Additionally, I analysed the contemporary issues in Japanese cooperatives. Due to the challenges of collecting data using the same instruments between Japan and Zimbabwe (mainly due to the fact that household survey data is available in Japan and not available in Zimbabwe), the study used a household questionnaire in Zimbabwe and mainly guided interviews supplemented by secondary household data from the Ministry of Agriculture, Forestry and Fisheries (MAFF) in Japan.

The cooperative movement in Japan is more diverse and can be distinguished in terms of their adherence to ideological frameworks, unlike in Zimbabwe where farmers join the cooperatives more ‘to increase their incomes’ and not because of the goodness of an ‘ideology’ (Schwettmann, 2000, p. 57). Thus, based on this, I decided to widen the scope of the study to three different types of cooperatives in three different Japanese villages (Sanbu, Nose and Ryuo – corresponding to different ideological thrust) and compare the three to different villages in Zimbabwe (Buena Vista, Xanadu and Chikwaka – focus on increased incomes for farmers).

Studying and collecting qualitative data in Japan was a challenge, ranging from the language barrier to the complexity of the Japanese society in which a researcher needs more time with the respondents in order to understand underlying lifestyles that are often different from the public or face-value. Furthermore, the aggregate data on cooperatives is hardly available across the globe, and hence understanding their overall contribution is a big hurdle given the fact that a significant portion of their activities are ‘social services’ in nature. Qualitative and quantitative data on the actual impact of the national cooperative is challenging to get (either it was not available, or it was in Japanese), and the study had to rely more on household questionnaires for data. Finally, time and resource limitations were considerable limitations to the study as the researcher would have wanted more time with both the Zimbabwe and Japanese peasants in order to understand them.

1.7 Structure of the rest of the thesis

The thesis has a total of eight chapters, and the rest of the seven chapters are organised as follows;

Chapter two outlines the methodology for data collection in the two different locations of Japan and Zimbabwe. This chapter describes reasons for choosing different research sites in

Japan and Zimbabwe and how each research site affected the research design, sampling techniques and data collection tools. This chapter also presents a clear description of data analysis techniques which included template analysis, factor/cluster analysis, custom pivot table analysis and descriptive analysis to understand the similarities between Japan and Zimbabwe and the lessons that each country can learn from the other.

Chapter three gives an overview of the various theoretical frameworks that have guided studies on cooperativism starting from the Rochdale pioneers, to Germany's Raiffeisen movement, and the International Cooperative Alliance (ICA). The thesis firstly discussed other types of theories such as the neoliberal theories (neo-classical and new institutional economics) as well as socialist-oriented theories on cooperatives. After describing how each of these was not suitable for use in this study, I then discussed a third-way theoretical approach – Chayanovian cooperative model, its foundations and principles, and how it can be applied in today's developing countries. This theory was adopted as a basis for this study.

Chapter four is dedicated to the evolution of the cooperative movement in Asia, specifically focusing on the Japanese experience. It then opens the discussion to the realities of Japanese agriculture in greater detail, the role of the state in cooperative law formulation and implementation. The focus is on the processes that ensued after WWII and the Japanese land reform. The chapter also gives a brief contrast between pre-1940s and the contemporary Japanese cooperatives to understand the long terms trajectory that cooperatives take during their development.

Chapter five details the trajectory taken by the Zimbabwe agricultural sector with particular focus on the cooperative movement before and after the fast track land reform program carried out in the year 2000. The challenges that farmers encounter when acquiring inputs and outputs markets are then discussed with respect to production.

Chapter six presents data and discussion to substantiate question number one (see Section 1.6.1 on page 19). This is mainly a discussion of results for the data on Japanese cooperative movement and how it managed to navigate and survive neo-liberal production models in the Japanese aggregate economy. It describes the linkages and negotiations with the state and with the private sector and how these were made possible through the robust socio-economic grassroots organisations.

Chapter seven presents data and discussion to substantiate question number three and four (see Section 1.6.1 on page 19) which looked at how the cooperative can survive within a

capitalist production model and the role that the government needs to play. This chapter focuses on the cooperative survey quantitative data from the questionnaire administered in Zimbabwe. Also substantiated through data is question two, which sought to understand the effect of the land reform in the formation, development and sustainability of cooperatives in the resettled areas. This is mainly a discussion of results for the data on the Zimbabwean cooperative movement, the qualitative and national aggregates collected from secondary sources.

Chapter eight provides summary, conclusions and areas of further study. Both Japanese and Zimbabwe. In the form of recommendations, it concludes the thesis by presenting a new cooperative model for Zimbabwe. In formulating this model, the chapter describes the lessons from Japan, and how these can feed into the new model, then it gives a summary of the current challenges faced and the minimum prerequisites ideal for the new model to work. After that, the chapter describes, in detail the structure of a new agricultural cooperative model for post-reform Zimbabwe. Finally, I introduce a complimentary system of farmer and cooperative certification that can be used not only in agriculture but throughout the rest of other cooperative sectors.

CHAPTER TWO: DATA COLLECTION METHODS AND TOOLS

A change in Quantity also entails a change in Quality — Friedrich Engels.

2.0 Introduction

This chapter discusses the methods, technics and tools used in the data collection process. The research methodology for this study is multifaceted. A full comparative study between these two countries is complicated, time-consuming and expensive. However, a comparison was achieved by confining the study to the cooperative formative years after the Japanese land reform. Historical data on the reform helped identify the core legacy of cooperatives that is presently under attack (under the JA-reform banner) and to examine the nexus between contemporary challenges and the formative years of the cooperative.

The methodology involved identification of learning points from the experiences of the Japan Agricultural Cooperative that could be used to understand alternative pathways for the post-FTLRP Zimbabwe agricultural cooperative movement. Therefore, I tried to identify how structurally similar or different the Japanese pre and post-land reform cooperative movement was to make extrapolations about the nature in which the post-land reform Zimbabwe cooperative movement should structure itself. In a way, I limited the analysis to ‘learning the experiences of the Japanese cooperatives’ in order to superimpose them on the Zimbabwe movement and come up with a new cooperative model as the final output of the thesis. Thus, the study employed a bi-pronged research methodology because this is an intuitive way of doing research particularly in the Global South (Creswell & Clark, 2018; Shaffer, 2013, p. 5). It analysed (as reflective of the research objectives) the trajectory of the cooperative movement in Zimbabwe to locate its level of development and how it could learn from the experiences of the Japanese agricultural sector.

The study employs a historical methodology to learn about the trajectory that the Japanese cooperative sector took from the end of WWII to the present day. Thus, the study utilised substantial documentary analysis of several existing documents (secondary data sources and literature reviews) especially to understand the Japanese historical experiences. Although historians mostly use documentary analysis to mine data, it proved to be extremely useful in my study given the author’s limited ability in the Japanese language in which most of the literature is published in. The researcher utilised various documents published in English from

textbooks, government policy records, leaflets, films, songs, and websites. I also utilised interviews, questionnaires, observations and trend analysis to learn about the contemporary issues that the current Japanese movement faced and how it linked to its history. Three case studies were carried on three different structured cooperative movements in Japan to expand my knowledge of the organisational and structural differences between these groups and how each could relate to the situation in Zimbabwe.

A case study seemed appropriate for complementing documentary analysis in Japan given the fact that a lot of the quantitative data that would be obtainable through other methodologies such as surveys is readily available in Japan. It allowed us to study different phenomena of a subject with its specified context, thus producing rich descriptive data. The Japanese government, through the Ministry of Agriculture Forest And Fisheries (MAFF) and regional cooperatives, collect huge strands of data every year. Additionally, case study enables retention of an all-inclusive and encompassing characterisation of life processes such as group behaviour, organisational and managerial processes, neighbourhood dynamics, agricultural and industrial performance as well as political relations (Yin, 2009, pp. 18-25). This provided a clear story of the Japan Agricultural Cooperative movement to learn from and transferred to the Zimbabwe movement.

On the other hand, I also used a household survey methodology for Zimbabwe, given the high levels of information asymmetries in the agricultural sector. Information on the global cooperative movement is challenging to come across, worst still for the case of developing countries such as Zimbabwe where record-keeping is extremely poor. In such a case, survey methodology was the most appropriate to mobilise information to answer the research questions. Although differences in the conditions in these two countries discourages use of a comparative analysis, there existed several similarities in the pre- and post-land reform agrarian structures in both countries that supported a comparative methodology. The study also took advantage of the Sam Moyo African Institute for Agrarian Studies (SMAIAS) data drawn from the various baseline surveys carried out between 2006 and 2015.

This chapter, therefore, aims to describe the research design utilised and clarifies how the population sample, the sampling techniques and the study sites were selected. Each of the methodological factors had its effect on the procedures, materials, research tools, statistical treatments and the restrictions or limitations to the study. I give a concise description and

explanation data of collection process and a presentation of the data management, entering, cleaning and analysing technics in this chapter.

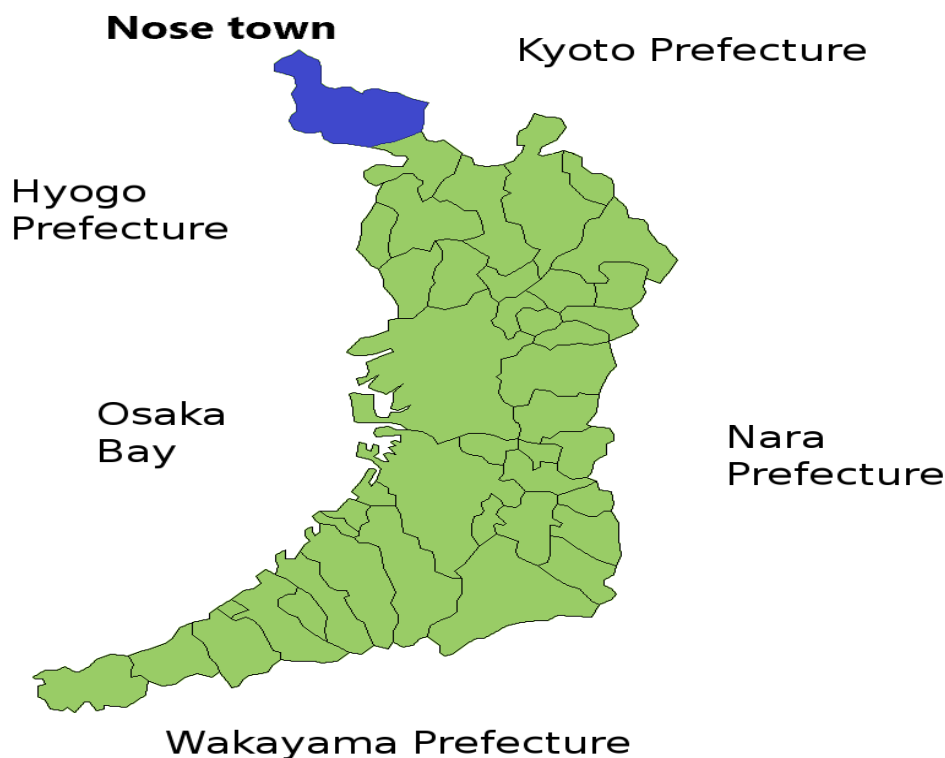
2.1 Geospatial overview of the research site

The study was carried out in the two countries through three case study sites in Japan and three in Zimbabwe.

2.1.1 Study sites in Japan

The first place that the researcher visited during the study was Nose farm located in Nose district in the Osaka prefecture of Japan, Kansai region. Osaka has prefectures of Kyoto in the north, Wakayama in the south, Hyogo in the west and Nara in the east (Figure 2.1). Although Nose is located in Japan's second-largest industrial zone, Nose district is located in the fringe and remote areas outside of the Osaka city zone. Thus, its local economy is predominantly agricultural-based, producing chestnuts, rice and charcoal. Nose district is a rural area with a population of 10,072 people (57% female) living under 4,539 households (Nose-Town-Tourism-Association, 2019) to give an average of 2.2 persons per household. Many farming households in Nose rely heavily on family labour because labour is tough to obtain.

Figure 2.1: Map of research site 1: Nose farm, Osaka prefecture, Japan

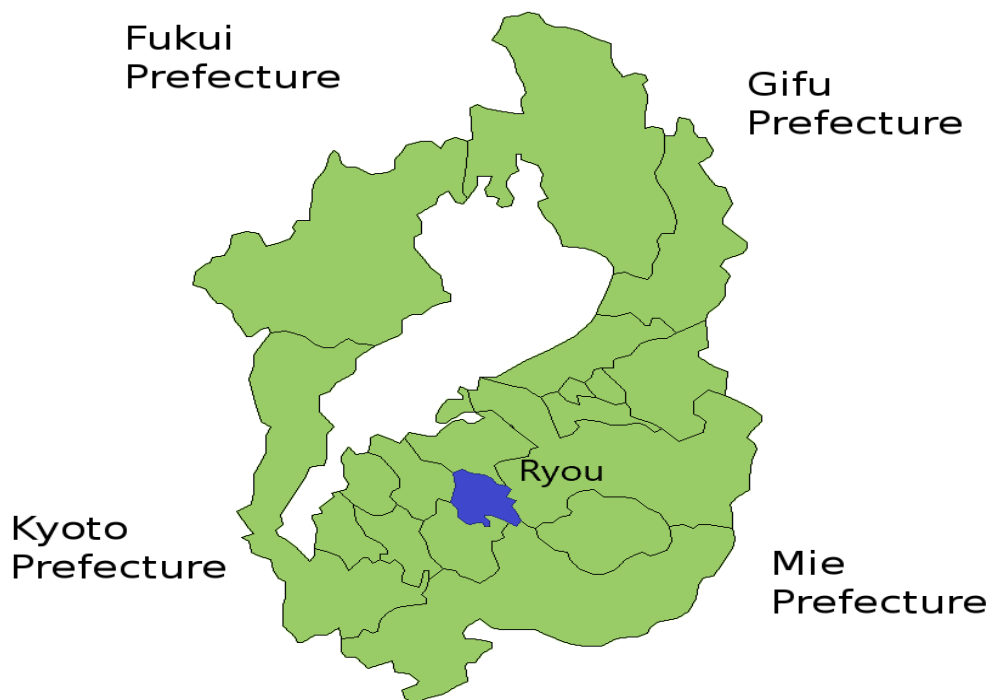


Source: (WikiMedia-Commons, 2006)

It has warm and temperate weather average of 15.9°C and an average of 1444mm rainfall annually (Climate-data.org, 2018; Nose-Town-Tourism-Association, 2019). It has mountains from all sides, has tiny fields of less than one acre that receive water from the mountains all year round. The dominance and resilience of these small fields coupled with the fact that farmers hardly hire labour (rely on family labour and machinery) plays well into the narrative that Japan still has an active peasantry. Nose area is popularly known in ancient history for its peasant revolt of 1837 in which farmers led an uprising following a devastating famine in the area (Nose-Town-Tourism-Association, 2019). In this area, the research sought to understand the lives and behaviour of a particular type of cooperative called the Yotsuba Cooperative Network. It produces a variety of agricultural products including vegetables, livestock (mainly beef) and runs a mobile animal zoo.

The **second** site of the research was in Ryou town of Gamou district, located in Shiga prefecture and is also part of the Kansai region. It has prefectures of Fukui in the north-west, Gifu in the north-east, Kyoto in the south-west and Mie in the south-east (Figure 2.2).

Figure 2.2: Map of research site 2: Ryou town, Gamou district, Shiga prefecture, Japan



Source: (Alberth, 2006)

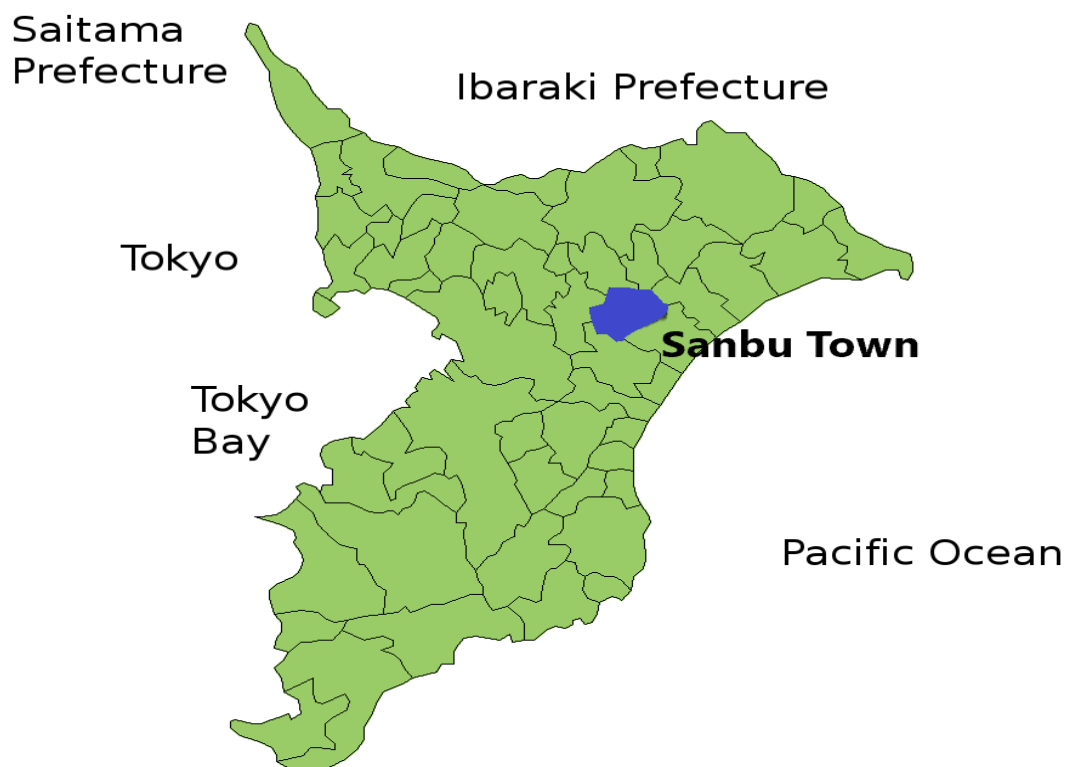
Its weather is warmer and more temperate than the rest of the Shiga prefecture with average temperatures of 14.5°C (27°C in summer and 3.4 °C in winter) and receives annual rainfall of 1,657 mm (Ryou-Town-Council, 2019). Ryou is found in the Gamou district of Shiga

prefecture and lies in part of former reclaimed Lake Biwako flat fields that are ideal for rice production and covers approximately 16,215 hectares of land. This area has more in common with the rice-producing area of Hokuriku, Tohoku, Niigata and Akita Prefectures. It receives significantly higher amounts of rainfall throughout the year and also receives water from the various mountains that surround it.

It has a population of 11,996 people (48.1% female) living under 4,417 households (average of 2.7 persons per household). The leading economy is industry (Daihatsu car manufacturing), and agriculture contributes about 6% to the output of Ryuo (Ryou-Town-Council, 2019). The main crops grown in the area are rice and vegetables in both open field and also in greenhouses. The presence of the JA is more visible in Ryuo than in the other two research sites. The research analysed the JA Green Ohmi and a Kyoto-based consumer cooperative which was primarily headed by women.

The **third** area of study within Japan was Sanbu village of Chiba prefecture in the Kanto region. It has the prefectures of Saitama in the west, Ibaraki in the north and the Northern Pacific Ocean lines its east and south coast (Figure 2.3).

Figure 2.3: Map of research site 3: Sanbu village and town, Chiba prefecture, Japan



Source: (Akanemoto, 2016; WikiMedia-Commons, 2006)

The bulk of Chiba prefecture is flat-lying Bousou peninsula land (approximately 27,177 hectares) that supports larger-scale production of rice during the summer season (Figure 2.4). The prefecture boasts of having the highest vegetable output in Japan and second-highest agricultural output (after Hokkaido). Average annual temperatures of 16.3°C are kept cooler during the summer and warmer during the winter (annual high of 19°C and low of 11°C) by the *Kuroshio* (north-flowing) wind current. Annual rainfall figures of 1637mm sustain the agricultural activities, including the water from the mountains. These characteristics hold for Sanbu village and town areas as well, which is located in one of the six administrative wards of Chiba city. The main economic activities are industry and services, which support approximately 977,247 people under 426,765 households (2.3 per household), and only 5% of the population employed in agriculture (JETRO, 2019; Chiba-City, 2016).

Figure 2.4: Areal view of Chiba’s flat and larger-scale farms



Source: Created by author from Google maps (2019)

2.1.2 Study sites in Zimbabwe

The Zimbabwe case study site was located in one of the 59 districts, which represent one of the ten provinces and one of the five agro-ecological zones in the Zimbabwean topography. The study site, Goromonzi Rural District Council (GRDC) was in Mashonaland East province. Zimbabwe is divided into five agro-ecological zones (natural regions-NR) predominantly

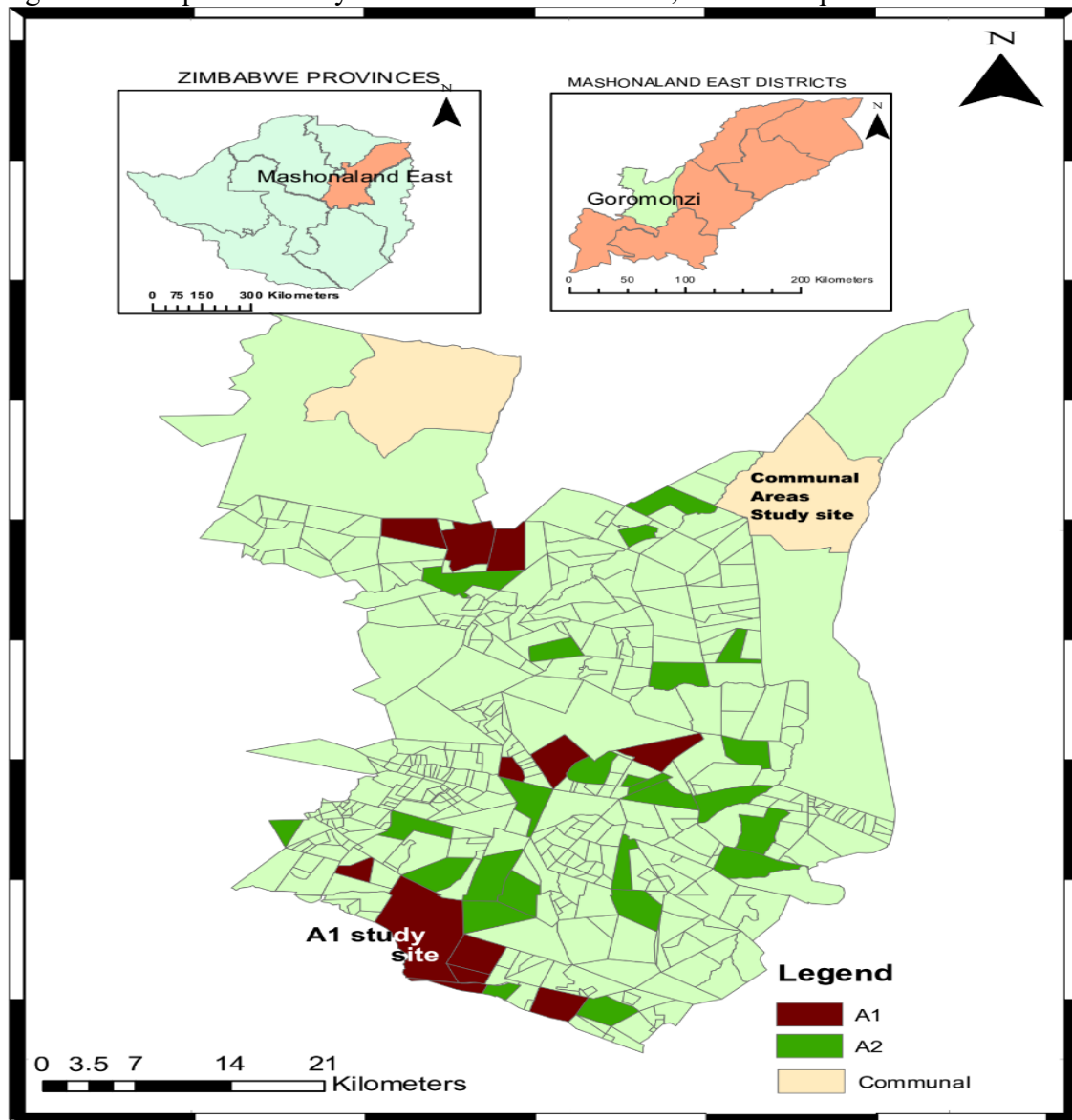
depending on rainfall patterns, average temperatures as well as land-use patterns. These range from NRI which is the wettest region and has moderate temperatures and is conducive for intensive crop production; to NRV which is the driest, hottest and is conducive for livestock rearing (Vincent & Thomas, 1960). Mashonaland East province lies in NRII of Zimbabwe's agro-ecological zones with rich fertile soils (pale sandy to deep red soils) ideal for intensive crop production. The average temperatures range between 15 and 20 degrees Celsius with an annual rainfall reading between 800mm and 1000mm (GRDC, 2018). In addition to a considerable amount of agricultural activities (from livestock to dairy and crop production), this province was selected because it is closer to Harare to reduce monetary and time costs to the researcher.

Goromonzi is a rural district under a local council authority (just as in ten other local council authorities in Mashonaland East province) established under the Rural District Councils Act in 1992 (GRDC, 2018). The Fast Track Land Reform Program (FTLRP) of 2000 reconfigured the agrarian structure of Goromonzi as it did to the other nine provinces in Zimbabwe (see discussion in [Chapter Five](#)). The district shares its boundary with other districts of Seke, Marondera, Murehwa, Bindura, Shamva, Mazowe and most importantly with Harare metropolitan province in the western boundary. Harare presents agro-industry, manufacturing, markets for its produce as opportunities; and high demand for land for urban expansion as constraints for Goromonzi. According to the GRDC (2018), the district covers approximately 25,407,200 hectares of land (78.7% arable) divided into 25 administrative wards. About 13 of these wards are commercial agricultural areas, 11 belong to the Communal Areas (CA), and one ward is reserved for small scale farming (not shown in Figure 2.5).

The district has 224,987 people (50.5% females; 55% as active population) with an average of four people per household (ZimStats, 2012). Although the district is close to Harare, and hence is classified as peri-urban, 75% of its population is rural (44.3% of these live in the commercial farming areas- LSCF, SSCF, A1 and A2). CA settlers rely on rain-fed agriculture, while commercial areas have a mixture of rainfed and irrigation facilities. The pattern of land use and ownership in Goromonzi has undergone many changes in the past two decades. As it stands, a combination of freehold and state-owned characterises its land tenure. Large Scale Commercial Farming areas, Small Scale Commercial Farming areas and resettled areas all fall under the state-owned land while urbanised areas in the district are under freehold tenure. The FTLRP resulted in three different types of agrarian agricultural production models, small-scale CA, small-to-medium scale A1, and large-scale sized A2 farms. In terms of numbers nationwide,

most of the households obtained small-to-medium scale farms, and it is these that my study focused on. There are about 12 A1 farms and 2 CA sites in Goromonzi (see Figure 2.5).

Figure 2.5: Map of the study site 4: Goromonzi district, Mash-east province. Zimbabwe



Source: Ministry of Lands, Agriculture and Rural Resettlement (2012)

In my study, 50% of the respondents were from Communal Area (CA) cooperatives, where farmers hold 0.5-1ha of arable land and the rest were from newly resettled areas (A1), where farmers hold an average of 6ha of arable land. Figure 2.6 shows the aerial view of the two resettlement types. Before the land reform, most blacks lived in the CA and A1 was LSCF dominated by white farmers. The CA is formerly known as the Native Reserve areas in which black people settled during the colonial times, and it is the place where the Rhodesian government formed the old cooperatives. The A1 is the new farmers who got land in the 2000-2003 Zimbabwe Fast Track Land Reform Program (FTLRP).

Figure 2.6: Areal view of Goromonzi large-scale and CA land sizes



Source: Google Maps (2019)

2.2 Research design

Research design refers to a framework for collecting and analysing data during the research process and minimises the effect of uncontrollable factors on the validity of the findings (Blumberg, Cooper, & Schindler, 2008; Creswell & Clark, 2018). It is a grandmaster plan of the methods, processes and procedures that are carried out during the collection and analysis of data. It is in the research design that suitable methods were identified depending on the type of data that was required, the sampling methods, as well as time and cost schedules.




The study utilised a mixed-methods methodology in which qualitative and quantitative data was collected and analysed. Johnson et al. (2007, p. 120) described a mixed-methods research design as a “class of research where the researcher mixes or combines quantitative and qualitative research techniques, methods, approaches, concepts or language into a single study or set of related studies”. Quantitative data collection techniques focused on numerically measurable values of physical or tangible aspects of research and the questionnaire was the primary tool used in this research. Qualitative research, on the other hand, is a system of inquiry which seeks to build a holistic, narrative description of the various cooperatives operating in Goromonzi. The primary tool used here is the case study approach, in which mixed methods

were applied to mobilise information from the four case studies examined. The following section provides the rationale for utilising these methods.

Gable (1994, p. 3) referred to survey methods broadly as a group of methods that emphasise quantitative data collection techniques (questionnaires, telephone interviews, publicised statistics) which in turn are analysed using statistical techniques. However, in the advent of new technologies over the past 20 years, even case study data can be analysed using statistical software tools. Quantitative analysis identifies representative samples and examine variables to establish relationships common between these variables. A survey examines a representative sample; the results of the survey are deductible, can be repeated and have a high level of generalizability (Lee, 1989, p. 35). Survey thus enables the documentation of norms, delineation of extreme outcomes and associations between phenomenon within a single sample. The above features describe what I intended to do, especially in the Zimbabwe cooperative movement; hence, this method became extremely appealing to the research. However, surveys cannot genuinely understand and appreciate what essentially happens on the ground at the household level (Gable, 1994, p. 3). This dimension was also very critical to the study, given the need to understand managerial and member behaviour in cooperative activities. Survey research (quantitative) is beneficial in socio-economic studies. However, it is much improved when it is used in conjunction with other qualitative methods (Gable, 1994, p. 1).

A case study approach, on the other hand, is useful in gathering in-depth qualitative information about a small number of people in a group or organisation (through observation, in-depth interviews or longitudinal studies) (Yin, 2009). This method was also suited for both the Japanese and Zimbabwean data requirements. It enabled the examination of questions on the richness of organisational behaviour. However, the conclusions drawn from the data it collects are confined or specific to the distinct group or organisation under study. The generalisations of resulting phenomenon for a larger group are rendered impossible, hence necessitating the employment of a mixed-methods approach (Gable, 1994, p. 3; Yin, 2009). Survey methods can be looked at as methods of verification, while case study methods are methods of discovery. The use of both these in a mixed methods methodology ensures higher levels of controllability, deductibility, generalizability, discoverability and representability (Figure 2.7)

Figure 2.7: Relative strengths and weakness of case studies and survey methods

Aspect	Case study	Survey
 <ul style="list-style-type: none"> • Controllable • Deductable • Repeatable • Generalizable • Discoverable • Representable 	 <ul style="list-style-type: none"> • Low • Low • Low • Low • High • High 	 <ul style="list-style-type: none"> • Medium • Medium • Medium • High • Medium • Medium

Source: Constructed by author based on Gable (1994, p. 3)

For the case of Zimbabwe, where concerns to produce a cooperative model from the resulting data were high, it was imperative to adopt the survey method since it has high levels of producing results that can be generalised for larger populations (Figure 2.7). Attell & Rule [1991, p. 314 cited in Gable (1994, p. 4)] makes the bold claim that if the two research methods are not used to complete and complement each other, then the research cannot be comprehensive enough; hence methodological pluralism should be practised.

Conversely, in developed countries such as Japan, data on agriculture is collected for administrative purposes through all-farmer-population enumeration (census) or sample surveys and hence is readily available (Benedetti, Bee, Espa, & Piersimoni, 2010, p. 45). Thus, the choice of methodology in the case of Japan required more focus on deeper behaviours of groups or farmers and organisations since quantitative data could be accessed easily. Benedetti et al. (2010, p. 46) points to the superiority of administrative-data sources as compared to survey sources at the national level. However, language issues made the collection of up to date data a massive hurdle since most of this data was available in Japanese. The primary sources of such data were Japanese government institutional websites with a few of them running English translated versions.

In order to achieve objectives 1 to 5, the research design began with three case studies in Japanese cooperatives (exploratory analysis), followed by a survey in Japan (documentary

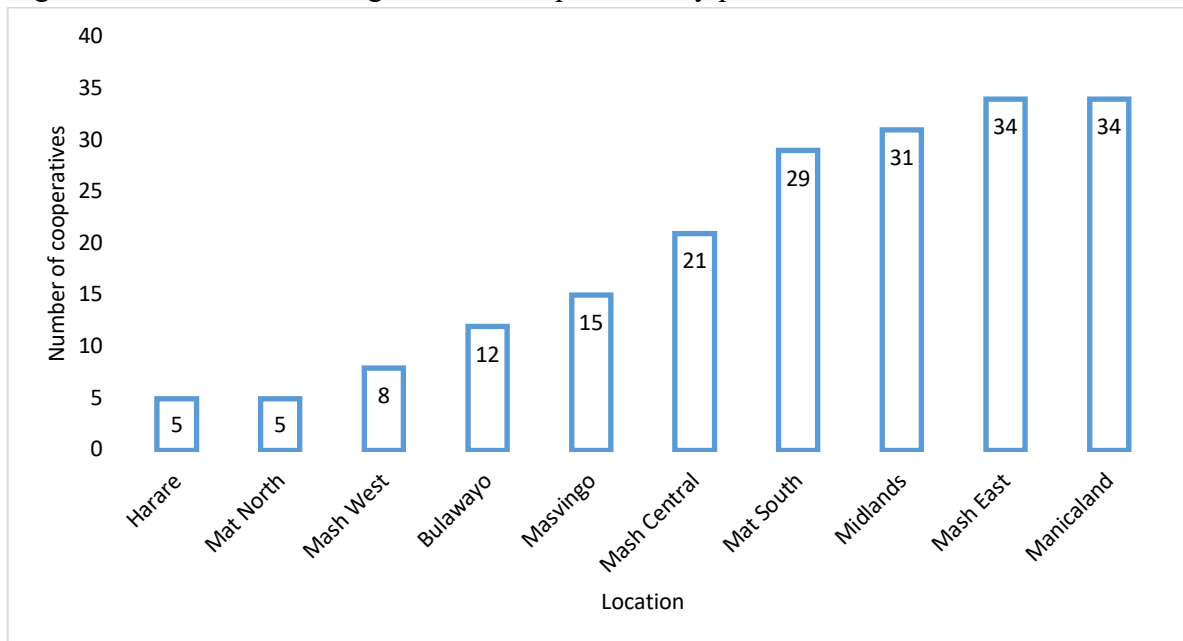
analysis). This was then followed by three case studies (exploratory analysis), a survey data in Zimbabwe. Lastly model specification (and verification of the specified model using collected data). This study followed this order in order to firstly establish a learning curve from Japan’s experience before understanding the situation prevailing in Zimbabwe and estimating a new cooperative model. The research also utilised triangulation methods in the data collection process. “Triangulation is the application and combination of several research methodologies in the study of the same phenomenon” (Denzin, 1978, p. 261). By combining multiple observations, theories, methods, and empirical materials, this can help to overcome the weakness or intrinsic biases and the problems that come from a single method, single-observer, and single-theory studies. Thus, the purpose of triangulation is to obtain confirmation of findings through the convergence of different perspectives.

2.3 Sampling design

2.3.1 Sampling in Zimbabwe

There are ten provinces in Zimbabwe (two of these are metropolitan provinces with little agricultural activities). Manicaland, Mashonaland East and Midlands provinces have the highest number of cooperatives (see Figure 2.8). Thus, the study chose Mashonaland East province because it had the highest number of cooperatives.

Figure 2.8: Distribution of agricultural cooperatives by province



Source: Compiled by author from CACU database, 2016

From the available seven districts in Mashonaland East Province, the study purposefully selected Goromonzi district. The sampling unit is an entirety of similar items or a group of persons that have one or more characteristics in stock that are of interest to the researcher. It is one into which an aggregate is divided for sampling purposes (OECD, 2001). The sampling unit was taken to be any household that was using the services of a cooperative, i.e., registered or unregistered active members. Many farmers belong to different types of cooperatives in Goromonzi with some of them in informal marketing and supply groups (sometimes of four or five households). These several individuals made up a complete collection of research units or objects that collectively formed the research domain for generalisation of my findings.

In stage two, to determine the statistically significant sample size; a 95% confidence interval, a 10% margin of error and a household target population of 5034 CA and 430 A1 were keyed into the Qualtrics online tool (Qualtrics, 2018). The research uses a margin of error equal to 10% instead of 5% to reduce the time and financial costs of data collection, as mentioned. At this margin of error, the online tool recommended that the survey should select a minimum of 95 CA households and 79 A1 settlement model households as a representative sample of the population. From a list of farmers provided by the Goromonzi extension officers within the selected CA and A1 farms, the study used non-probability sampling⁹ to select 100 farmers in each farming/settlement model who were members of a cooperative for questionnaire interviews (the study dropped eight households from the A1 because of incomplete data). I used non-probability sampling method in this stage of the multi-stage cluster sampling to minimise monetary and time expenses. It enabled us to identify (from the extension worker provided list) farmers who conformed to my desired criterion. Non-probability sampling may be the only feasible alternative, in particular, if the relevant population remains vague and hard to define (Blumberg, Cooper, & Schindler, 2008; Cooper & Schindler, 2013, pp. 358-361). The implications on research bias of utilising non-probability sampling came in the form of reduced dependence on the probability theory and hence reduced overall inferences about the entire population (Guo & Hussey, 2004, pp. 10-13). To strengthen the data for triangulation, I additionally interviewed eight key informants, including ministry officials and leaders in the national cooperative movement. These cooperatives were producing a wide range of products

⁹ A sampling method in which sample elements are chosen not based on predetermined probability but the research purpose and resources available (Guo & Hussey, 2004, p. 2)

from eggs, horticultural crops (tomatoes, vegetables and potatoes) to dairy and poultry products while some were in input or equipment sharing cooperatives.

2.3.2 Sampling in Japan

Japanese data collection presented challenges of its own, given the fact that Japanese society is a 'closed society'. For farmers to open up to a foreigner and answer questions about such personal things as income and socio-political issues that they go through proved to be complicated. The researcher had to activate various connections, with the help of the academic supervisor in order to find cooperatives that would agree to discuss their cooperative activities. The researcher had to build an outstanding amount of rapport before being allowed to carry out research. Therefore, the sampling design for Japan involved purposive sampling mixed with snowball sampling to choose the cooperatives to study as well as the respondents to interview within the cooperative movement.

Given the fact that the research sought to develop a learning curve from the study of the Japanese cooperative movement, the selected three different types of cooperatives. Learning from the extensive literature review carried out, the sample had to include i) a larger-scale cooperative whose contacts with the *JA-Zenchu*¹⁰ (state) cooperative movement was healthy and active, whose ideology was in line with that of the *JA-Zenchu* cooperative movement; ii) one small-scale cooperative movement that was independent from the *JA* and whose ideological standing was different from that of the *JA-Zenchu*, and iii) one small-scale cooperative that was relatively new and had higher levels of independence. These specifications represent structural differences in cooperative organisation. From the purposive sampling method employed, I sampled 1) Sanbu Yasai Network, 2) *JA Green Ohmi* cooperative and 3) *Nose-Yotsuba* cooperatives. The research site of Sanbu Yasai Network was the furthest away from the researcher. The initial plan had been to study a cooperative in the rice-producing region of Niigata prefecture, but the study could not secure good rapport in that region, and no permission was secured from the cooperative leaders on time. However, the *JA Green Ohmi* became an excellent substitute for *JAs* in Niigata.

¹⁰ Central Union of Agricultural Co-operatives (*JA-ZENCHU*) is the apex body or national level association that represents agricultural cooperatives across Japan in matters of extension, improved living conditions, auditing, policy representation and public relations (Esham, Kobayashi, Matsumura, & Alam, 2012, p. 944)

2.4 Data collection: Instruments and techniques

A data collection instrument refers to devices used to collect data (Seaman, 1991, p. 42). In this research, data was collected using questionnaires and interviews. Primary and secondary data collection was done in both Japan and Zimbabwe. The type of data that has not unprocessed or unanalysed is called original research primary data and is extremely rich with information for researchers. Data from this method is original as the research instruments are designed for that particular research and administered directly to the respondents making it more authentic. Secondary data, in contrast, is information or data that already collected and recorded by someone else, usually for other purposes (Cooper & Schindler, 2013, p. 130). Secondary data saves time and money since it is readily available in libraries and online (sometimes for a fee). Secondary sources of data used included textbooks, publications, journals, government/private sector databases and reports in both Japan and Zimbabwe. Secondary data collection was mostly utilised in the case of Japan.

2.4.1 Questionnaires

Primary data was collected from Goromonzi using a comprehensive research questionnaire. The questionnaire contained a list of open-ended and fixed response questions in order to save on time and resources. The administered study questionnaires focused on establishment, management, production, profitability, economic viability, governance, policy environment, access to market and most importantly, independence and sustainability of cooperatives. Structured questions are also useful in avoiding irrelevant answers, and they make analysis easier. The questionnaire was designed based on a tried and tested questionnaire from the SMAIAS. Given the limited amount of resources, the study had to employ extension workers as research assistants. This approach cut down on expenses such as accommodation and transport usually paid to research assistants that are not based on the research sites. Furthermore, extension workers had motorbikes and could collect my information while carrying out their extension duties at the same time. The instrument had a section that collected phone numbers to enable us to make follow-ups and phone calls to clarify some sections during the questionnaire checking and data cleaning processes.

2.4.2 Interviews

While the study mostly utilised interviews in the Japanese data collection, the study employed them in Zimbabwe as well. A structured (closed style) or unstructured (open style) interview

involves dialogue between two people, where the researcher asks questions, and the respondent provides the answers (Frey & Oishi, 1995, pp. 1-2). Interviews obtained detailed information on the extent to which the land reform and other socio-economic and political policies in Japan were implemented, under which conditions, reasons for its success, significant challenges encountered and how these challenges were overcome to achieve set objectives. Both open and closed-ended interviews were carried out in Zimbabwe and Japan.

In Zimbabwe, structured and unstructured interviews were carried out with stakeholders in the agricultural policy field as well as with key informants. The research utilised both structured, and unstructured interview methods and a total of 10 interviews were carried out as shown in Table 2.1. The interview with key informant 2, who is an expert scholar was carried out via skype video call while the rest were one on one interviews.

Table 2.1: List of interviewees and their affiliation

Interview type	Position or role in the cooperative movement	Number
Structured interviews	Current cooperative registrar,	1
	Assistant cooperative registrars	2
	Former cooperative registrar	1
	Chairperson of Central Association of Agricultural Co-operatives (CACU ¹¹)	1
	Head of cooperatives in the ministry responsible for cooperatives	1
	Key informant 2- Expert scholar on cooperatives	1
Unstructured interviews	Leader from two different cooperatives	2
	Key informant 1- Independent co-operator	1

Source: Own study (2018)

The interview with key informant 2, who is an expert scholar was carried out via skype video call while the rest were one on one interviews.

Choosing a data collection technique and tools for Japan was quite complicated. Given the limited Japanese language skills that the researcher possessed, it made more sense to utilise a structured questionnaire to collect data. However, most of the questions that are easily obtainable through a questionnaire are readily available (though in Japanese language) on several other online and physical platforms. Thus, to get more in-depth information about the

¹¹ The Central Association of Cooperative Union (CACU) is the Apex body responsible for representing all cooperatives at the national and regional levels. It has its headquarters in Msasa in Harare and is currently chaired by Mrs Maziva. It is the Zimbabwean equivalent of the JA-Zennoh in Japan.

current and trajectory of the Japanese movement, the study had to employ interview techniques of collecting data. Many of the interviews carried out with the actual farmers or members of three different cooperatives had to use structured interview guides to direct the flow of the interviews (Picture 2.1).

Picture 2.1: Field interviews with a small-scale cooperative member, Chiba, Japan, 2019



Source: Field research photos taken by author, 2019

The technique was more flexible than the questionnaire, which needs clarity if respondents are unclear about specific terms. With the help of a translator in some cases to avoid losing information or meaning lost in translation, the researcher carried out 24 in-depth interviews in Japan with stakeholders knowledgeable in the field and history of Japanese land reform and agricultural cooperative movement. These included i) 3 leaders from each of the three different cooperatives, ii) an expert and scholar of cooperatives, and iii) 20 interviews with farmers or members of the three different cooperatives.

2.4.3 Participatory and observatory data collection

In the initial stages of the data collection process in all three research sites in Japan, the researcher had to undertake participatory research through observation. In Nose farm, the researcher did an internship at the farm, and the data collection process included going through the everyday lives of the cooperative members and the cooperative workers. The reason to employ this method was partly because of low Japanese language skills of the researcher as well as limited resources to hire a language interpreter. After three weeks of participatory research, the study then managed to secure structured interviews. The same situation was

obtaining in Chiba prefecture. The researcher utilised the host family system, and the family spoke excellent English. Thus, the researcher agreed to provide his labour services to the host family in exchange for accommodation, food and research interpretation services from the host family.

2.4.4 Reliability and validity of research instruments

I have clearly defined and described my methodology to improve the reliability and validity aspects of my research design and technics. In research, reliability and validity of instruments refers to how accurate an instrument is in estimating a variable (Polit & Hungler, 1995, p. 296). Given the fact that the research sought to develop a cooperative model for Zimbabwe's agrarian cooperatives, I received various forms of assistance from experts in research such as from the SMAIAS which gave much input especially with the designing of the research questionnaire. After developing the questionnaire, it went for pre-test using a total of eight farmers. Information from the pre-test was brought back to the desk, analysed and used to improve the questionnaire before final administration was carried out. Although this method increased the cost of research, it was necessary to improve the validity and reliability of the questionnaire. The same procedure (formulation, pre-test, improving and then administration) applied for the structured key informant interviews, which had a standardised interview guide for the three different cooperative movements in Japan. Study result reliability is important because it ensures that the same results would be obtained if the study were to be replicated by other researchers using the methods.

2.4.5 Research unit of analysis

In Zimbabwe, several reproduction, economic production and accumulation processes occur at the farming household level (Scoones, Marongwe, Mavedzenge, Murimbarimba, & Sukume, 2010, p. 57). The household has decision-making powers, and its miscellany in gender, age, socio-economic interests, political influence and economic status (Matondi, 2001, pp. 67-68) makes it ideal for our study. The same is somewhat true for Japan where most small family-run farms (commercial and non-commercial) make decisions at the household level. Additionally (most importantly for the case of Japan), most social organisations in the rural areas admit members as a household and not necessarily as individuals. Thus, a household (father, mother and children) will enjoy benefits from a cooperative joined by the father (or mother) as the head of the family. This factors enabled the study to set the research unit of

analysis as the household engaged in agricultural activities. This made the household as the most appropriate unit of analysis for my study.

2.5 Data processing and preparation for analysis

Data collection through the various instruments and from various sources was processed and analysed accordingly. The primary data collected from Zimbabwe through the questionnaire, considering the high number of respondents interviewed, it had to go through rigorous cleaning and preparation before analysis. As already mentioned in section 2.4.1 on page 40, the questionnaire was checked by the lead researcher who did further clarifications soon after the interviews while in the field. One of the techniques I utilised to ensure clean data was the software package called CS-Pro version 7. Data were then exported from CS-Pro to Statistical Package for the Social Sciences (SPSS version 25) where further data cleaning was carried out. SPSS is a better data analysis tool than it is for entering, thus the rationale for entering in CS-Pro and then analysing in SPSS. Data analysis aids in exposing the general principles or patterns that can be used to explain the nature of the phenomena under study, and can be applied elsewhere to other situations. Primary data collected from other sources such as institutional databases were also exported into Microsoft Office Excel for analysis. Tables, graphs and pie charts were used to present the data analysis.

Data collected through interviews was transcribed from audio (where applicable, some interviewees refused to be recorded) to text. The interviews were then organised by study site, country and interviewee, and then exported from Microsoft Office Word to NVivo version 12 for robust management, analysis and generation of presentable graphs such as word clouds.

2.6 Data analysis

The research collected both qualitative and quantitative data from both primary and secondary sources, which necessitated the use of various methods of data analysis. This study utilised Statistical Package for Social Sciences (SPSS) to analyse primary quantitative data. On the other hand, given the quantity of qualitative text-based data that I collected mainly in Japan, and the fact that I needed a deeper level of understanding of this rich text, I employed QSR International® analysis software and Nvivo® for my analysis. It is indispensable to explain these methodological procedures in this section because they form the basis of my data analysis.

2.6.1 Template, Nvivo-Query, Nvivo-Maps and Nvivo-Diagram analysis

Qualitative data (predominantly for research question one, two and three), was analysed using the NVIVO's Template analysis approach. This approach, basically used on all textualized data, such as interviews transcripts, is simply a technique of developing themes for the data set. I coded data from interviews into different themes that were identified as meaningful and useful. Qualitative data analysis took the form of hierarchical coding since the analysis started with an a-priori codes (broad themes such as 'management of cooperatives'), and then narrowed down to other issues within the broad themes (such as levels of trust). Once the differences were identified and created into hierarchical codes (in Nvivo software, version 12), the analysis then proceeded by reading through each interview and assigning text to different codes depending on their relevance to the research objectives and research questions (NVIVO 12, 2019). Thus, each statement made by the interviewee was given a tag/code/node which was later analysed. The frequency of each node/tag/code could be plotted in a graph, and the relationships between respective nodes/codes were represented on a project map or mind map (these are Nvivo software outputs).

The Nvivo software has various other data exploratory methods which were used to explore data. Firstly, there was word cloud analysis that takes recorded interviews and analyses the frequency of keywords (which can be plotted in a word cloud chart). Second relationship analysis which took recorded and coded interviews and looked for relationships between each interview carried out. Lastly, there was cross-tab analysis which depended on the created themes for analysis (NVIVO 12, 2019). These methods allowed for the calculation of Pearson's correlation coefficients. This was based on the codes and nodes created by the researcher. In addition to running other queries that are also found in SPSS such as cluster analysis, Nvivo was also used as a qualitative data management and literature review (for secondary data) tool.

Table 2.2: Linking objectives, data requirements, data sources and collection techniques

Research objective	Data requirements	Sources of data	Data analysis method
1. To evaluate the performance and resilience of cooperatives in liberalised markets	<ul style="list-style-type: none"> • Trend analysis of coop activities • Scale and scope of cooperatives • Cooperative productivity • Cooperatives' ability to attract membership • Literature review 	<ul style="list-style-type: none"> • MAFF database • FAOstats database • Individual cooperative records • JA-Zenchu database • Literature 	<ul style="list-style-type: none"> • NVIVO template, query, maps and diagram analysis •
2. To understand the socio-economic and political factors that affected the Japanese peasant cooperative movement.	<ul style="list-style-type: none"> • Nature of management and cooperative organisation strategies • Sociological analysis of motivations, inspirations and ideologies that drive cooperativism • Nature of challenges & solutions within the movement • Conflict resolution mechanism • Nature of economic production model obtaining 	<ul style="list-style-type: none"> • Literature • Cooperative leaders and members in Japan • Key informant interviews, FGDs • Scholars on Japanese coop movement • Observations 	<ul style="list-style-type: none"> • NVIVO Template, Query, Maps and Diagram analysis •
3. To evaluate the trajectory of the Zim cooperative and its potential to foster peasant development in the new agrarian structure	<ul style="list-style-type: none"> • Description of the development of the Zimbabwe cooperative movement • Challenges encountered and current challenges constraining growth • What has worked before and what has not, reasons thereof 	<ul style="list-style-type: none"> • Literature • Cooperative leaders and members in Zimbabwe • Key informant interviews, FGDs • Scholars on the Zimbabwe cooperative movement • Observations 	<ul style="list-style-type: none"> • Cluster analysis • NVIVO template, query, maps and diagram analysis • SPSS pivot tables • SPSS descriptive analysis
4. To understand the importance of the legislature in the life cycle of cooperatives?	<ul style="list-style-type: none"> • Policies implemented in Japan and Zimbabwe their land reforms • Cooperative legislation or laws implemented (their effects) • Major macro-economic shocks experienced • Effect of these on production, membership and participation 	<ul style="list-style-type: none"> • MAFF, JA, CACU and GoZ archives • Literature • Annual cooperative movement and economic reports • Testimonies from cooperative members 	<ul style="list-style-type: none"> • Cluster analysis • NVIVO template, query, maps and diagram analysis
5. To develop a cooperative society model for Zimbabwe.	<ul style="list-style-type: none"> • Nature of the peasantry in Goromonzi (agrarian structure) • Cooperative legislature framework in place • Demographic data of the peasants in Goromonzi • Scale and scope of current cooperative activity • Current nature and scale of government involvement in cooperatives 	<ul style="list-style-type: none"> • SMAIAS database, MAMID database • Literature • CACU, responsible ministry • In-depth interviews • FGDs, Key informant interviews 	<ul style="list-style-type: none"> • Cluster analysis • NVIVO template, query, maps and diagram analysis

2.6.2 Factor analysis

To evaluate the trajectory of the Zimbabwe cooperative movement, I carried out multivariate analysis (factor, cluster and discriminant analysis) to understand the different types of peasants that exist, and then to study how these peasants are affected by various socio-economic factors. This process helped us map out the nature and character of the peasants and the potential they have in formulating grassroots cooperatives as advocated by Chayanov (1991, pp. 26-28) (see Table 2.2). Multivariate analysis was used (which is a statistical method used when there is a large number of correlated variables, and when an understanding of the relationships between the variables is required) to achieve this goal (Benedetti, Bee, Espa, & Piersimoni, 2010, p. 112; IBM-SPSS-V25, 2018). It considers more than one factor of the independent variables which influence the dependent variable; hence, the conclusions drawn from this method are more accurate, realistic and closer to the real-life situation. Multivariate analysis is usually done in a sequence that begins with factor analysis (reducing the variables into manageable numbers), followed by cluster analysis (identifying a grouping model) and then ends in discriminant analysis (examining the goodness of fit of the clusters found by the cluster analysis). These stages were meticulously carried out in data analysis.

Multivariate analysis entails three broad aspects. These begin with the classification of individuals, then followed by dimension reduction technics and then the establishment of groups based on cause-effect relationships. What it means is that there was a need to understand, firstly, how the individuals are similar to each other, and secondly, how we can explain their similarities using a few variables. Dimension reduction is made to reduce the number of various identified variables to a few that can be worked into an algorithm to establish the cause-effect relationship. There are some other methods used for dimension reduction, such as correspondence analysis (structure identification) and optimal scaling (IBM-SPSS-V25, 2018). However, the study used factor analysis to extract the most significant variables that distinguish one data case from the other. The main reason for doing factor analysis is that we cannot analyse all the data variables to identify patterns and differences between data sets; thus, I had to reduce the number of variables in a logical and statistically stable manner (ibid). It takes a large number of objects or 'things', then identifies a common factor between these objects or things (the inter-correlation).

The study used SPSS software to carry out factor analysis. There are different methods of carrying out factor analysis such as exploratory factor analysis (used there is no predetermined

outcome), confirmatory factor analysis (when there is a determined outcome) and structural equation modelling (when there is a determined structural relationships). I utilised exploratory analysis, in SPSS, it is called Principal Component Analysis (PCA) to extract components and variables to use in my cluster analysis (IBM-SPSS-V25, 2018). The advantage of PCA over other methods is it is easier to interpret as well as the fact that it takes a linear combination of many variables and identifies a few linear variables that explains the rest of the variables (hence the name dimension reduction).

2.6.3 Cluster analysis

It is an exploratory analysis that tries to identify structures within the data. It identifies homogenous groups of cases; however, it does not make any distinction between dependent and independent variables; this is the reason why factor analysis is done first. In cluster analysis, I want to know whether a group of individuals is sub-dividable into smaller subgroups based on common similarities (Benedetti, Bee, Espa , & Piersimoni, 2010, p. 178; Golder & Yeomans, 1973, p. 214). Cluster analysis would enable the study to stratify different farming households in the CA and resettled A1 so as to find out the proportions of rich, medium and poor farmers (Table 2.2). The motivation for forming and maintaining agricultural cooperatives differ between these three types of farmers (Chayanov, 1991, pp. 26-28).

There are many methods used in classifying data into sets. Nevertheless, the most common are K-means clustering (a non-hierarchical method in which the relationship between the means is unknown and the determining variables are unknown), Hierarchical clustering (where some specified relationship exists) and the Two-step clustering (which is more or less a combination of both). Since I carried out factor analysis, it meant I had a better idea of the number of variables that affected relationships; hence, it made sense to use the hierarchical clustering method. However, hierarchical clustering had limitations because the study intended to mix different levels of measurement in the analysis; therefore, the K-means became more appealing. The study was, therefore, in a dilemma.

I overcame the challenge by employing the third method (Two-step clustering) which handled all types of data from binary, nominal, ordinal, and scale (both interval and ratio) in the same cluster model. Additionally, the Two-step cluster analysis method is, in fact, a combination of K-means and hierarchical cluster analysis because it runs two different algorithms (with several iterations in each cycle) (IBM-SPSS-V25, 2018). That is to say, in SPSS, it firstly ran data based on the assumption that the relationship between the means is unknown, then a second

cycle assuming that there is a specified relationship between the means of the variables. At the end of the cluster analysis, SPSS created different clusters. The next question I asked was whether I could explain the difference between the clusters. Moreover, whether a random individual can be assigned to a cluster easily using the cluster model. The final stage of multivariate statistics, which is the discriminate analysis helped resolve these questions. All these steps were carried out and followed religiously in the study (see [Chapter Seven](#)).

In addition to Chayanov's (1991) studies, some other peasant classification studies have been carried out. Of note is that of Indian peasants' scholar Patnaik U. (1988) in which she identified, based exclusively on labour use behaviour, six categories of Indian peasants. Just like Chayanov's peasantry (discussed in [Chapter Three](#)), Patnaik's peasantry had *i*) landless peasants at the bottom who sold all their labour to other farmers, *ii*) poor peasants who sold more labour to others than they used on their farms, *iii*) small peasants who mainly used family labour on their farm with zero hired labour, *iv*) middle peasants who mainly used family labour for agricultural production and some small amount of hired paid labour, *v*) rich peasant were those that hired manual labour as much as they used own labour and, *vi*) landlords peasants were those that entirely relied on hired manual labour. Mathematically, the ratio of 'net labour hired in (X)' (difference between hired in and hired out labour) to the 'total amount of family labour utilised on-farm (F)' determined Patnaik's classification (E) presented as $E = X / F$.

Patnaik U. (1988) exclusively used the different levels of labour utilisation as a basis for separating classes and had provided a mathematical procedure for it. This made his method extremely appealing to many classification studies. However, Chayanov (1991) had argued that often the peasantry has almost similar labour utilisation rates (as he observed in the Russian peasant in those days) and that studies should incorporate other variables. Hence, he suggested the use of income from investments outside agriculture and level of production in addition to the ratio of hired labour to family labour. Additionally, Chayanov's studies were explicitly aimed at cooperative development and in this sense, the Chayanov theory of peasant differentiation became extremely attractive to this study. However, Chayanov's theory had no direct mathematical equation to apply on my data. I then relied on statistical software which was not available in the old days to overcome this challenge. Chayanov's suggested variables were put through the multivariate statistical analysis described above, and the clusters produced were taken as the classes of the peasantry.

2.6.4 Custom pivot tables and descriptive analysis

The study did the rest of the quantitative data analysis through a combination of descriptive statistics and custom pivot tables. Descriptive statistics included running summary, frequency and cross-tabulation queries in SPSS mainly to answer question three (see Table 2.2). These are ideal for small amounts of variables but become constrained when carrying out in-depth analysis of numerous variables pivoted to another considerable number of variables all at once. I then utilised custom pivot tables to overcome this challenge. Pivot tables allowed us to look at different variables pivoted together, which I could not do in ordinary descriptive analysis. It allowed for the adequate exploration of various relationships between variables, with respective comparison of means, comparison of columns as well as the running of test of association such as chi-squared tests at different confidence intervals (CI). The ability to run a test of independence (chi-squared) tests and comparison of variances within the pivot tables was instrumental in my study. It enabled us to understand the relationships between the clusters produced from the cluster analysis in sections 2.6.2 and 2.6.3.

2.7 Summary

This chapter has described in detail the methodology involved in selecting the research sites, the limitations, sampling technics and the procedures for collecting data in both Japan and Zimbabwe. The chapter explained the processes and the reasons for choosing Goromonzi as a research site. In Japan, the three research sites were chosen because they represented the three different types of cooperatives or movements (large-scale nationwide with strong ties to the state; regional-wide with an antagonistic to the state; and a local level or independent one that focused on market stimulus). The chapter also described and explained the reasons for use of primary and secondary data as well as use of both quantitative and qualitative data since it improved the strength of the study. Other reasons cited were the need to explore and triangulate all sources of data to improve the quality and validity of the research data. I gave a description of the sampling design and the data collection procedures and techniques. Finally, I pointed out how I carried out data analysis with respect to each research question as summarised in Table 2.22.

CHAPTER THREE: THEORETICAL FOUNDATIONS UNDERPINNING THE COMMUNITY-MARKET-STATE RELATIONSHIP

The more impressive a theory is, the greater is the simplicity of its premises, the more different are the kinds of things it relates and the more extended the range of its applicability [...] It is theory that decides what is observable. – Albert Einstein

3.0 Introduction

In introductory [Chapter One](#) discussed the AQ and highlighted how government and development agents used free-market based approaches to solving this question. By doing this, I set out the context for arguing two points. First, even though capitalism brought great achievements in terms of human development, it has resulted in several other unintended adverse effects that threaten the existence of humanity itself. Industrial capitalism emerged about a century ago and with it came an array of problems for the countryside. The countryside had to support this new capitalistic model of economic production by sacrificing its surplus labour (De Janvry, 1981, pp. 50-53). Secondly, I pointed to the fact that capitalism was on the verge of extinction since it cannot sustain itself in perpetuity; thus, a third way or an alternative pathway should be taken. Additionally, I discussed how a few state-led attempts resulted in mixed outcomes in resolving the AQ. Chapter one ended by proposing that agricultural cooperatives in rural areas were an ideal route to address the multi-faceted agrarian crises in the countryside. What I seek to do in this chapter is to develop an in-depth understanding of the conditions by which the peasantry can reproduce itself, how it can reap from its surplus-labour, understand the social relations and the dynamics of productive accumulation within the framework of contemporary corporate capitalism.

Scholarly debates have centred mainly on what would be the best way to support the peasantry, how the market (capital) and the government were supposed to interact with this peasantry in order to ensure sustainable and equitable development. In this respect there exist theories ranging from neoliberal doctrines that argue for free markets (Ortmann & King, 2007; Royer, 2014; Samuelson, 2012; Yamashita, 2015a; Badiane, 1997); to somewhat moderate theories that focus on the livelihoods and welfare economics (Akwabi-Ameyaw, 1997; Bates R. H., 1981; Kawagoe, 1999; Hayami & Godo, 2005; Teruoka, 2008; Wiggins, Argwings-Kodhek, Leavy, & Poulton, 2011; Chayanov, 1991). And on the other extreme end of the theoretical

spectrum is the radical political economy and the Marxist theories that dwell on borderline agrarian populism (Amin, 2012; Banaji, 1976; Bernstein, 2009; Egan, 1990; Jossa, 2014a; Marx, 1973), arguing for the protection of the peasantry from the tentacles of market-based modes of production. In this chapter, I delve deeper into theory and try to understand the agrarian problems from a theoretical perspective. By definition, theory is a well-established tool that gives a plausible and rational explanation of real or natural world phenomenon. It does this based on a body of facts, assumptions and prepositions confirmed through observation and experimentation. Theories are constructed firstly from prepositions made about phenomenon, testing the prepositions, and a model is built together if the prepositions explain phenomenon (Wacker, 1998, pp. 362-365; Hoy & Adams, 2016, pp. 32-37). Finally, a set of principles and assumptions are established to govern that model or theory. The significant advantage of using theory in scientific study is to simplify complex realities and be able to isolate specific components of a phenomenon and understand their relationships. Theory and models enable socio-economic scientists to derive conclusions and predict future trajectory that a phenomenon may take.

This chapter provides an overview of the theoretical foundations and interprets the real-life challenges faced by the rural farmer and the eventual path that state, capital, and the peasantry itself needs to take to ensure inclusive-development¹² as a theoretical solution. Picking off from the discussion in [Chapter One](#) and based on the methods discussed in [Chapter Two](#), I begin by looking at the aggregate picture and summarize the polarized development discourse narratives. I then propose a theoretical solution to how the two (state and markets) should interact and rope in the community into the development framework as suggested by Hayami Yujiro (2005), a Japanese political economist and author of the book, *Development Economics: From the Poverty to the Wealth of Nations*. Then a definition of cooperatives is provided together with a brief history of the global cooperative movement. The chapter then delves into discussions of Marxist and neoclassical interpretations of the cooperative movement and how each of these schools of thought envisaged the role that cooperative, state and the market should play in development. The chapter then later discusses the rise of the International Cooperative Alliance (ICA) and the evolution of the ICA values, and principles that govern the global movement today.

¹² Inclusive development is a development approach that ensures that all views and contributions of concerned socio-economic parties (civil society, governments and private sector) are listened to and incorporated into development (Oxfam, 2014; Fanon, 1963, pp. 39-41; Gumede V. , nd).

3.1 Hayami Yujiro's Community-Market-State framework

Hayami Yujiro is one of the greatest Japanese economists and his works on the role that communities can play in the development agenda is exceptionally appealing to the thesis. His CMS framework is fascinating and relevant to this study, which is examining the role of cooperatives in strengthening community participation in agricultural development. Thus, I begin by engaging with the latter's model as an entry point for understanding community agency. In a Festschrift volume for Professor Yujiro Hayami, Otsuka & Kalirajan (2010, pp. 3-4) highlighted that the framework was premised on the presence of market failures (caused mainly by information asymmetries) in a market-led economy. Free market alone cannot provide necessary public goods (market failure), government that is expected to provide public goods tends to be inefficient (government failure). In such a case, community institutions can address these failures by means of collective action from below. Hayami brought the community dimension to overcome the conundrums of state-market dualism.

Firstly, the fact that information is imperfect, especially in developing countries is a well-established. This is because, in reality, different people know different things and reconciling their knowledge on the market is extremely challenging (Stiglitz, 2002, pp. 469-470). In the rural areas, the state usually does not have enough information about the behaviour of the other players, i.e. the community and the corporates. In such instances, the CMS theory encourages the community to rise to the challenge by providing information to the government and the market. Secondly, information asymmetries also exist between the corporates and the community, and when the community engages with the market, they do so without adequate information (e.g. prices, demand, supply, quality). This is another source of market failure; thus, it becomes the state's role to provide the community with information. Secondly, the market sometimes fails, and so does the state/government, hence the need for the community to chip in and remedy the situation (Hayami & Godo, 2005, pp. 246-248).

Scott's (1998, pp. 3-6) compelling description of how historical challenges encountered by the state in developing rural spaces solidify Hayami's argument. Historical failures by the state (collectivisation in Russia, communes in China and Ujamaa in Tanzania) were so severe because it imposed programs on the people and ignored local indigenous knowledge in designing programs or development interventions (Scott, 1998, p. 3). Often, state planning has neither the provision for indigenous technical-knowledge nor open improvising in the face of unpredictability. More often than not, the state is worried about improving its ability to collect

taxes from the peasant surplus labour. Conceding that Scott's writing is described by some scholars as anarchist, including himself (Scott J. C., 2012), I can still draw a couple of lessons from his argument.

Firstly, the state should not use a 'high modernist' ideology or a top-down approach to development since it undermines the agency of rural communities it seeks to develop. Secondly, the state cannot work alone. It needs help from other players, especially the often-neglected community. This is because the government always has strong alliances with the private sector, sometimes to the detriment of the community itself. The assumption of antagonism between the state and the private sector is sometimes overstated as observed by Amin:

The reality is that monopoly capital, even in imperialist countries, needs the machinery of the state. They have domesticated the state to serve their exclusive interests. You can see it in the way [President Donald] Trump uses the government in the U.S., And you can also see it in the so-called national consensus states like Britain, France, and Germany. So, to say that market forces [can] replace the state is nonsense. – (Amin, 2018)

Finally, a weak civil society is not desirable, especially in the presence of a high modernist state. Adopting Hayami's idea on developing countries like Zimbabwe is more appealing as indeed information asymmetries do exist, information is not readily available to both the corporates and to the government (Stiglitz, 2002, p. 483; MAMID, 2012, p. 10; Moyo M. , 2014, pp. 5-6; Musungwini, 2018, p. 38). Hence, the necessity of assimilating the community into the development agenda becomes salient. Recent efforts by development agents to assimilate community voices in development has escalated. However, these efforts neglect the fact that communities are unstructured, voiceless and unorganised, especially in the case of Zimbabwe. The reason is that socio-economic hardships have persisted in the rural space beginning during the ESAP and worsening in the post-2000 land reform instability (Chayanov, 1991; Makamure, Jowa, & Muzuva, 2001, p. 10). The challenge, therefore, even for the government of the day, is to figure out the best combination that integrates the efforts of community, state, and the market.

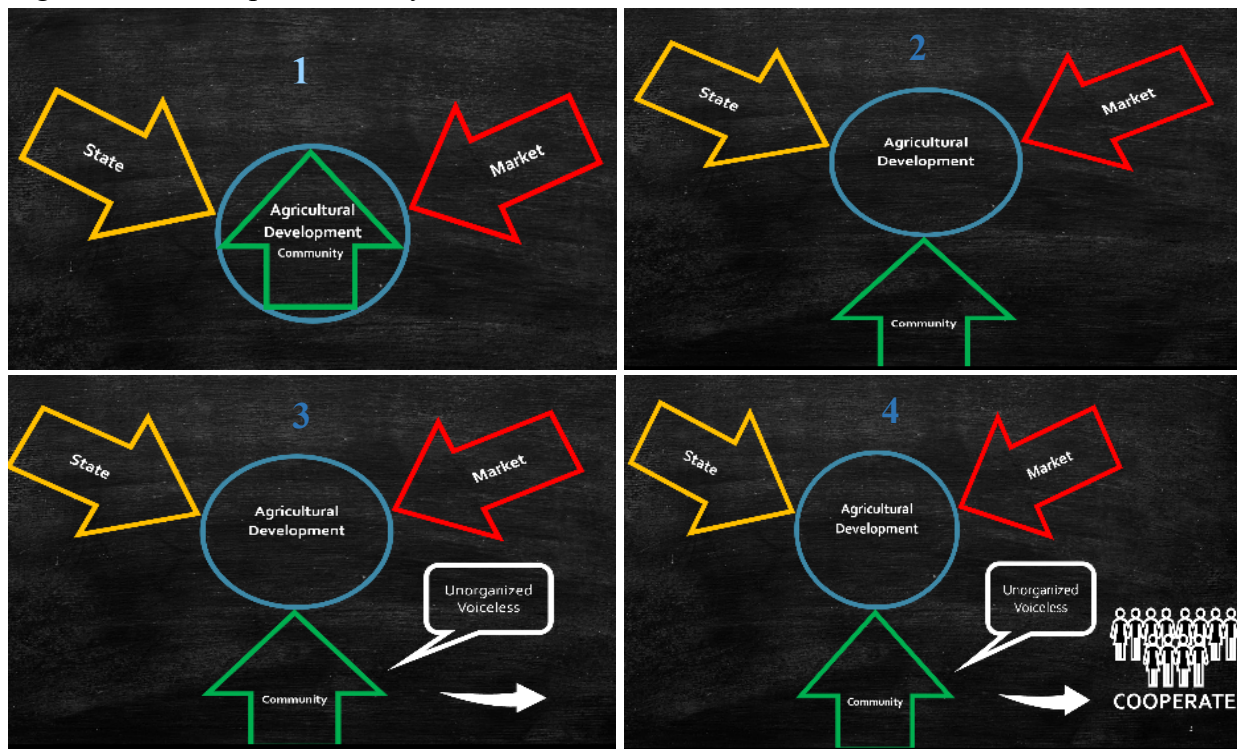
3.1.1 The role of the cooperative within the Community-Market-State framework

Hayami (2005) asked whether it would be more beneficial if a few traditional state functions were taken over by the communities. Would they be able to handle them with acceptable efficiency? The results from their study indicated that it was efficient for communities to be at the forefront since they had better access to local information, they knew better the structure of trust and norms in their community and the levels of social capital which go a great way into reducing transactions costs and reduce the likelihood of market failures. In another study in India's West Bengal, Bardhan and Mookherjee 2000 cited in Otsuka & Kalirajan (2010, p. 124) found out that decentralising power and giving it to the community proved to be an efficient and cheapest land redistribution method. Not only were they successful in land redistribution, but this approach also managed to take the leading role in other development programs such as road, irrigation, and public infrastructural construction. These village structures were also utilised in the distribution of inputs to the farmers. They further argue that there is a case for the communities to take extension services from the hands of the government (Feder *et al.* in Otsuka & Kalirajan (2010, pp. 187-190).

I conclude that the community has the potential to provide public goods by themselves or to create the organisational structure that enables smooth flow of public goods from the state and private goods from the market. Also, whether through politics or otherwise, communities should play a role in demanding that the state delivers public goods. The state can enhance the participation of the community by decentralising development projects to local levels (Otsuka & Kalirajan, 2010, p. 170). However, it has become apparent that the development of the rural spaces by the state and the market processes, or better known under the axiom public-private partnerships (PPP) views the community as the '*subject of*' development and not as '*a stakeholder*' in development (see step 1 in Figure 3.1).

If a CMS framework is adopted, the community is removed from being a subject of development and becomes a stakeholder whose input is valued by the state and the market (steps 2 in Figure 3.1).

Figure 3.1: Development of Hayami’s CMS framework



Source: Created by author based on Scott (1998), Hayami & Godo (2005) and Otsuka & Kalirajan, (2010)

However, community participation as a real stakeholder in development is hindered by the presence of disarticulated socio-organisational structures within rural community; hence, the community has an unamplified voice (see steps 3 in Figure 3.1). This is mainly a problem in the context of post-reforms when disarticulation of social structures is highest. It takes time to cultivate social capital, construction of kith and kinship is a dawdling process. Solutions for a weak community, a troubled government and an ‘abusive’ corporate market must be sustainable. Structural transformative efforts must link land reforms, agricultural financing, production processes, modern urban agro-industrial development and global community conduits for the benefit of vulnerable communities (Moyo & Yeros, 2005, p. 23; Moyo S. , 2014, p. 38; Muchetu, 2019, p. 38). In this sense, the establishment of structures of collective action amplifies farmer’s voices. I then call into action the cooperatives model. The role of the cooperative is, therefore, to provide an organisational structure at the local community level that enables more straightforward amplification of the peasant voices. A unified peasantry will be able to reduce information asymmetries within the CMS framework.

3.1.2 The relationship between the state and the markets

The community sometimes fails as well and will need the state and the market to help it. The general debate is that the community fails because it usually is slow in adopting technology

and innovations. However, when organised (as was in Japan and some parts of the Philippines), the potential of the community in keeping up with innovations and technological advancement is enormous. Both drivers of innovations, community-led (to increase productivity and management efficiency) and market-led (increase profits) should be present in a market. As the contribution of community has been neglected, I emphasize its role to achieve equitable and dynamic rural development (Hayami & Godo, 2005). Thus, the need to have a perfect equilibrium between the community, the state and the market is imperative. Some empirical studies carried out in developing countries such as Zambia (Otsuka & Kalirajan, 2010, pp. 8 & 151-155) highlights how a capacitated community (educated) can help the government by holding it accountable and asking for their share of social services. There is need, therefore, to have an organised rural area that has structures that are relatively independent of the politics even though cooperatives influence politics. Cooperative can help achieve this.

Three main lessons from the above discussion can be applied to the case of Zimbabwe. Firstly, the marginal utility of importing inputs and technology is extremely high because the use of high-yielding inputs in Zimbabwe is still constrained. Although rapid growth of hybrid seed was realised from independence until ESAP era, the rate had significantly reduced after the land reform programme primarily due to low local production, for example, the fertiliser industry relied on imports in 2003/04 season (Rusike & Sukume, 2006, pp. 292-294). Thus, a simple improvement in the importation of new and efficient inputs will have a higher impact on the overall production. Secondly, just as in the above case, the FDI levels in the country have been at their lowest particularly after the land reform which saw government taking over most of the small-scale agricultural financing through subsidy loans (Moyo, Chambati, & Siziba, 2014, pp. 17-18) sought from Iran, Egypt, Malaysia and China (Zumbika, 2006, p. 343). If government policy takes steps to correct this, the results in the agricultural sector can be massive. Lastly, and more generally, the levels of education in the countryside are relatively low, which affects the spread of information, technology and innovation. Improvements in these areas can go a long way in solving challenges of the countryside.

3.2 History of the global cooperative movement

As discussed in the last section, the role of the state and the private sector in development is omnipresent; however, I argued that the role of community is equally important. Cooperatives can significantly contribute to give voice to the community. Here, it is necessary to define what a cooperative is before a more in-depth discussion on cooperative theories.

3.2.1 Defining cooperatives

Although many scholars use this term loosely to refer to a group of farmers organised and working together; however, a more in-depth analysis of the term may disqualify a few peasant organisations from being called cooperatives. Far left and far right scholars all have different definitions that try to conceptualise what cooperatives are. Emillianoff (1948) took us through the development of the definition of cooperatives in both Marxist and neoclassical theory. He highlights that there are a few studies that have been able to give theoretical context to cooperative studies adequately. However, one of the notable attempts was by Tugan Baranovsky (1922) in his book *Social Basis for Cooperation* in which he argued that there are three types of cooperatives i) Proletariat cooperatives ii) a cooperation of the peasantry iii) cooperation of the urban middle class (petty bourgeoisie). Tugan Baranovsky (see section 3.5.3 on page 96), whose definition of the cooperative movement formed the entrepreneurial side of Chayanov's (1991) overall definition of cooperatives, believed that the above three groups of cooperatives differed significantly in the character of their socio-economic organisation, economic purposes or goals pursued and most importantly, they differed in the cooperative ideals (Emillianoff, 1948, p. 17).

Emillianoff (1948, pp. 17-18) goes on to look at other scholars and their conceptualisation of cooperatives. Scholars such as Valenti (1902) (cited in Emillianoff (1948, p. 17)) viewed cooperatives as intrinsically part of the existing global exchange system and was by no means trying to replace it. This rationale is in line with some contemporary socialist that believed that cooperatives should not abruptly upsurge the capitalist model, but that capitalism was supposed to transform into a new model of cooperative production gradually (Jossa, 2014a, p. 5). Cooperatives were supplementary institutions in these societies, and they assumed economic individualism. Although common problems are solved through collective efforts in a cooperative, it does not depreciate the individualistic nature of cooperatives (Mariani (1906) cited in Emillianoff (1948, p. 20)). The fact that the unit of analysis in a cooperative remains as the individual household or member as opposed to a collective of households makes cooperatives superior than collectives. Thus, a Valenti cooperative was:

[...] an economic system which, within the existing system of a free competition, aims to wholly or partly correct the natural imperfections of the distribution of wealth. – Valenti (1902 p. 236) cited in Emillianoff (1948, p. 19)

This view of cooperatives means they are not an entity that seeks to fight and oppose capitalistic institutions *per se*, but they are corrective mechanism for the imperfections of capitalism and unequal distribution of wealth. In using this definition, not all cooperatives are cooperatives in the strict sense of this definition. All institutions that are not in the business of correcting some imperfections, inefficiency, unfairness or some injustice in the distribution of wealth disqualify to be cooperatives. Examples of such traditional cooperatives that would not be cooperatives according to this definition are credit unions and insurance unions that are into creation and concentration of wealth rather than redistribution of it. However, contemporary cooperatives credit unions and insurance unions facilitate access to inadequate resources for peasants otherwise excluded by formal finance institutions. Lastly, Valenti postulated that in their day to day activities, cooperatives do not necessarily compete with capitalistic entities, but instead, they come in to correct and supplement their deficiencies. This sets cooperatives apart from agricultural unions, trade unions, political parties or any other social groupings (in terms of organisational objectives, ideals and economic purposes pursued).

Mariani (1906) also agrees with Valenti (1902) and comes in to say that cooperation has the potential of softening and alleviating social conflicts which result from socio-economic differentiation. Although socialism can alleviate these same ills that are alleviated by cooperatives, they do so at a higher price of social conflicts and eliminates individualism and freedoms, something that cannot be said of cooperatives (Mariani, 1906, pp. 137-178; Emilianoff, 1948, p. 21). The main argument here is that cooperatives, although closely linked to socialism, they are not socialist. Several issues encompass the various definitions of cooperatives throughout most literature of cooperatives.

The ICA has a different definitions which has widely been used throughout the global movement. This is discussed in greater detail in see section [3.2.4](#), page 63.

3.2.2 The Rochdale Equitable Pioneers Society

Any discussion of the modern cooperative movement must begin first in Rochdale town of England where the first cooperative, with the Rochdale Equitable Pioneers Society, was born. A discussion of the agricultural cooperative movement must also peruse cooperatives in Germany, where the first agricultural cooperative, the Raiffeisen Cooperative Movement began.

In the book, *Weavers of Dream*, the founders of the Rochdale sought not only to establish fair prices for members of their consumer cooperative but also ‘pure food’, ‘honesty’, education,

political rights and more equitable women participation in the local economic spheres of Rochdale town (Thompson, 1994). There was widespread unemployment in the weaving town with over 40% unemployment rates during the era of the cotton spinning mills and factories. The working, housing and health conditions of the few employed were at their minimum. The pioneers aimed to create conditions necessary to end pauperisation and increase development. As I shall discuss, the pioneers were so successful that in the later stages of the cooperative's existence, it had to be forced by legislation to reduce their contribution to local education which was set at 10% of their profits annually (Thompson, 1994, p. xx).

The Pioneer Society was established based on the teachings on two early co-operators. Robert Owen (1771-1858) who is believed to have been the first person to coin the term 'Cooperative society' in his magazine *The Economist*. He is also credited for coining the term 'Each for One and One for All' which has been used by several organisations across time and space, particularly in Japan where Owenism is said to have a stronger presence (Thompson, 1994, p. 11). Dr William King (1786 – 1865) was, to a greater extent a scholar of Owenism. He managed to spread his ideas across Britain when he established a newspaper called *The Co-operator* in 1828. It is one of these newspapers that one of the early Pioneers (James Smithies) got hold of, studied and fell in love with the idea of cooperation.

James Smithies introduced the teachings of Dr King and Owen to his fellow brothers. In 1930, a cooperative titled the *Rochdale friendly cooperative society* was formed based on a concoction of Owenism and Dr King's ideas. They formed a cooperative consumer store three years later, *the Rochdale Equitable Pioneers Society* located on number 15 Toad Lane in Rochdale. In addition to social reform, embedded in the Rochdale movement was the desire to improve the lives of their workers and members through improved access to health, education, and housing (Thompson, 1994, pp. 14-15). Lyimo (2012, p. 16) asserts that although the pioneers laid the foundation for the development of consumer cooperatives, their first individualism principles had a lot to be desired. However, if their principles were summed up, they were fundamentally novel in that, in as much as they were put in place to run a small consumer grocery store, their scope applied to a broader audience across both time and space. One of the reasons why this movement stood out and became influential throughout the cooperative movement is the fact that it had a deep understanding of the need for vertical rather than horizontal integration (cooperative rather than collectivisation). Thus, they realised the need to attain economies of scope by cooperating in other sectors of the economy like financing, farming, and manufacturing. This made it conform to the typical Chayanovian

cooperative (discussed later in section 3.5, page 90). Therefore, the Rochdalianians managed to combine community with commerce, making sure that the resulting profits of this entity were equitably shared, and hence reduced the proliferation of the system of the haves and have-nots.

Thompson (1994, p. 15) goes on to argue that the Rochdale cooperative store only lasted a few years because it had overlooked the importance of reducing the number of bad debts, this is very critical for developing countries and their respective cooperative movements. Since it was a member-driven organisation, they had tried to charge lower prices for the consumers, hoping to cover for these low incomes through profits from the credit business. Also, the cooperative was not registered under the then existing Friendly Societies Act, and thus they had no legal standing to sue the bad debtors in the courts of law. However, the profits eventually could not cover the losses, and they had to liquidate their assets. Several other cooperatives that were created along the same lines of Owenism and King in England later suffered the same fate as the Rochdalian cooperative. Efforts to resuscitate the Rochdale were witnessed from 1835 to around 1845. In this period, even Owen himself had lost interest in the movement because he viewed it as a different movement centred on retail enterprises with little concern for communitarianism (Thompson, 1994, pp. 16-17). Although all these movements later failed, they laid a foundation and provided lessons for future cooperatives.

3.2.3 The Raiffeisen movement

This cooperative movement, named after a parishioner by the name Friedrich Wilhelm Raiffeisen (1818-1888), was brought about by the need to provide credit to many German farmers who were struggling to raise capital for production. Unlike the Pioneers, this cooperative movement was located in the rural areas of Germany and hence more relevant to my study. This type of cooperative movement falls under the producer cooperative and more applicable to the subject matter of this thesis, which is agriculture. The cooperatives also came in as a solution for the failing rural agricultural markets in the mid-1800s (Klein, 2009). Raiffeisen, a community mayor at that time, used his influence and organised a group of wealthy community members to put their money into a single fund. This money would then be used to purchase food to feed the poor people who were facing the devastating impacts of a famine in the 1846/47 season. However, this was not charity. The farmers received aid as a loan to which they had to repay when the famine was over. This aid society became the basis and a test run of his ideas about the community and how it had to restructure itself in order to fight famines, poverty, and underdevelopment (ibid).

Just as in the case of the Rochdale, the Raiffeisen cooperative movement was not the first cooperative movement in Germany, nor was it the only one at that time. Hermann Schulze-Delitzsch, a former judge, a member of the parliament and also a bourgeois started a relatively successful cooperative (credit and savings cooperatives) catering for the middle-class city workers (Prinz, 2002, p. 12; DGRV, 2009). In Germany, before the establishment of these two movements, Viktor Aimé Huber had established the first housing cooperatives. Some scholars argue that the most successful of these movements was the Schulze-Delitzsch cooperatives as they led to the establishment of the most potent cooperative banking and credit institutions in Germany and beyond. In addition to establishing these credit and savings cooperatives, Schulze-Delitzsch also played a significant role in formulating and establishing the German cooperative law of 1881 from which the Japanese cooperative law was modelled on (Ishida, 2003; Ishida, 2002b). A quick scan throughout cooperative literature also supports the success of these cooperatives measured through increased incomes to members, improved access to finance, markets and social services (education) otherwise unavailable (Emillianoff, 1948; Esham, Kobayashi, Matsumura, & Alam, 2012; Holyoake, 1900; Schaars, 1971, p. 70; Prinz, 2002). However, application of the Schulze-Delitzsch cooperative is broad, mostly catering for the worker and city dwellers, while the Raiffeisen cooperatives are more inclined towards the agricultural sector, with the farmer being the centre of the cooperatives. Inevitably, the Raiffeisen cooperative structure seems to dominate the organisational structure of Japanese agricultural cooperatives. Accordingly, this thesis will focus more on the Raiffeisen cooperative movement in Germany.

When these Raiffeisen cooperative idea came to Japan, its society was much more homogenous, and farmers had more common grounds which enhanced their need and potential for cooperation (see [Chapter Four](#)). The case of Zimbabwe, on the other hand, presents itself as mottled, considering the FTLRP which redistributed land to over 180 000 families from various parts of the country (Moyo S. , 2011a). At times, beneficiaries from different ethnic groups or tribes were resettled next to each other, with diverse cultural values, language, and ways of doing things (Moyo S. , et al., 2009; Murisa, 2009; Mkodzongi, 2016). However, they are predominately Christian. In these cases, the Raiffeisen type of organisation becomes ideal, and this is because the Zimbabwe is unofficially called a Christian country as approximately 85% of the population identify themselves in this faith (Munetsi, 2008; CCSF, 2012, p. 2).

3.2.4 International Cooperative Alliance (ICA)

The ICA is the global cooperative body to which seeks to unite, represent and serve all matters relating to the development of one billion global cooperative members. It is one of the oldest non-governmental organisations, with over 310 organisations across 109 countries worldwide (ICA, 2019). It is a not-for-profit organisation that was established in the aftermath of the first Cooperative congress in August 1895 (in London) to further advance the role of the cooperative model in development and poverty reduction. Although it was formed in London in 1895, it is currently headquartered in Brussels and has stood the test of two world wars, a cold war and the current geopolitical shifts in social lives of its members and liberal economic environment. Its principal inputs have been to provide a voice or platform for members to access knowledge, expertise and coordinated action to enable them to influence legislative environments that allow for their growth and sustainable development. The ICA has the mandate to guard the Statement of the Cooperative Identity (the ten cooperative values and seven cooperative principles, discussed in detail later in this sub-section).

History and development of the ICA alliance

The ICA is one of the very few international organisations that has stood the test of time and has survived various international rifts (for example the WW1 and the WW2) as it was more focused on maintaining peace and political neutrality during the wartime. In order to understand the development of this organisation and its united voices across different nations, it is worthwhile to appreciate its trajectory since its formation (ICA, 2019). By the year 1922, they had managed to set up the International Cooperative Banking Association (ICBA) and the International Cooperative and Mutual Insurance Federation (ICMIF). These organisations fundamentally became the foundation of the organisation as they were able to generate income for day to day operations.

In 1923, the first ICA day was commemorated on the first week of July. It is interesting, however, that the first agricultural sectoral cooperative organisation had to wait half a century after the formation of ICA until it could be established (1951). Its primary purpose was to regroup agricultural cooperatives and was called the International Cooperative Agricultural Organisation (ICAO). This part of the ICA is of particular interest to this study since it is the only global representative of all agricultural cooperatives to improve the economic, social and cultural welfare of farmers across the globe. They intend to achieve this by improving the level

of communication and cooperation within, and beyond sectoral boundaries as well as across nations (ICAO, 2014), the ICAO represented 38 organisations in 30 countries.

The Cooperative Statement (Values and Principles)

In providing an efficient and compelling voice, the ICA continually refers to the Cooperative Statement, which contains a robust description of the cooperative movement and a set of values which in turn informs the cooperative principles. Cooperative members worldwide agreed that the ICA should bear this task. The principles were formulated by firstly identifying a set of values for the organisations. These values, then try to think of a principle that leads to the achievement of such value. For example, the values of equality or self-help led to the principles of democratic member control and member participation, respectively. The values are as follows:

- **Self-help-** people have the will and power to improve their lifestyles by working together as opposed to working in isolation as individuals.
- **Democracy-** this means that members have the right to take active part in decision making about issues that affect their lives through being heard, being informed, and taking part.
- **Equality-** this ensures equal rights and opportunities for all persons who are members of the society. It strengthens resource use in a society.
- **Equity-** This refers to the need for equal distribution of resources.
- **Solidarity-** this describes the belief that there is strength in self-help and that members can overcome any challenges. Solidarity can also be established between cooperatives in the same sector, same country and even across countries and continents.
- **Further values pertain to ethical issues-** these include the need to be extremely honest in doing cooperative business, to be open, to have a sense of social responsibility and to have a high level of caring for others.

These ethical values are highly regarded within Japanese society, and hence, it was easy to translate them into cooperative movement (Hoyt, 1996).

International Cooperative Alliance (ICA) cooperative principles

The ICA produced a set of principles to help put the discussed values into practice. Figure 3.2 shows a list of cooperatives principles as recommended by the ICA.

Figure 3.2: Principles of cooperatives as recommended by the ICA.



Source: Willy-Street-Coop (2016)

Hoyt (1996) believes that principles are not merely a ‘stale list to be reviewed periodically’, but they are guidelines that show how to put ideas and values into practice. She postulates that principles are a broad vision statement which is based on a distinct philosophical view of society and that helps organisations evaluate their accomplishments along the organisation’s lifetime. Birchall (2005), on the other hand, argues that these cooperative principles were derived through an iterative process of co-operators’ practical consensus at that present time, hence principles are not static and should change with time. Such phrases as “*The validity of Cooperative Principles is founded upon the experience, and common sense of the many, not on a revelation made to or by a few*” describe the relationship between principles and practice (Birchall, 2005, pp. 46-47).

Principle 1 : Voluntary and Open Membership

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination. However, several cooperatives movements have violated this principle, especially in cooperatives that were formed based on local authority lines such a village cooperative or a rural cooperative (Birchall, 2005). Most Cooperative society laws stipulate that a cooperative need to define its area of influence, which means a cooperative cannot have members from other areas other than to which it is registered.

To some extent, a member is 'forced' to join a particular cooperative simply because it is the only one in their areas. In their study, Oczkowski *et al.* (2013, p. 55) found that the level of adherence to principles differed according to the type of cooperative, and the reasons why the

cooperative was formed. For example, in specific cooperatives like women cooperative, only women can join the cooperative, which means membership is not ‘completely open’. The same scenario mimics the tobacco or cotton or sugarcane producer cooperative in which membership is attached to a specific product that is being produced. In this case, some principles may be violated and understandably so. Ishida’s studies in the Japanese cooperative movement highlight how the principle of open membership and that of autonomy and independence took less precedence in the movement as focus was put on stability of the movement which is threatened by too much democracy and openness (Ishida, 2002a; 2002b; 2002c; 2003).

Principle 2 : Democratic Member Control

The predecessor of this principle read ‘one member one vote’ and suggested that every member was equal in terms of decision making and directing the trajectory of the cooperative. However, this could not directly be applied to secondary cooperatives where small-sized and larger sized (in terms of membership) – cooperatives formed its membership. Thus, proportional representative voting is used to achieve democratic member control based on the size of the cooperative (see Hoyt, 1996). Taking the example of two cooperatives, one with 20 members and the other with 10,000 members, if these organisations were to make decisions, what they want may differ depending on the size of their membership, thus a proportional representation must be agreed upon which shows a higher degree of democracy beyond the one member one vote.

Principle 3 : Member Economic Participation

Principle 3 addresses the sources of capital and the rules that govern it within the cooperative structures. Hoyt (1996) argues that cooperatives have always viewed capital as being a servant of the enterprise and not the master. Thus, the main aim of the cooperative business was to serve the interest of the people and not necessarily to make more capital. This led to a belief that there was no need to pay dividends to the members and that the cooperative should keep all profits made from cooperative business. What this did was to discourage members from investing beyond the minimum mandatory investment. This was changed by the 1996 review of principles and cooperatives are now enjoined to compensate capital and labour fairly (Hoyt, 1996). Thus, members can profit more from their activities in the cooperative.

On the other hand, increasingly cooperatives have been open to sourcing capital from non-members and other outside financial institutions. Out-sourcing threatens the member economic participation principle as there is the risk of losing control of the cooperative and eventually losing the ability to profit from the activities of the cooperative. That has been one of the most

significant challenges for developed cooperatives such as the Japanese Agricultural Cooperatives (JA) as the amount of trust has reduced such that the members feel that the amount of benefits they receive are not even half of what they are supposed to receive (Ishida, 2003).

Principle 4 : Autonomy and Independence

Cooperatives must be free from government and any other interferences. That particularly affected third world country cooperatives in which initially, state intervention was necessary to set up the cooperatives. However, the state never withdrew its hegemony in cooperative business as it started to view it as a channel for their social and economic development strategies. This principle has not been practised as several governments especially in developing economies have been slow in relinquishing power to the cooperative structures; additionally, cooperatives are still seen as an extended arm of the state for channelling development and policy programs. Another way loss of independence and autonomy has been through finance capital. With the rising globalisation rates discussed, increasingly cooperatives in both developed and developing countries, have accessed finance or debt from outsiders. That has directly compromised their level of autonomy.

Principle 5 : Education, Training and Information

I take the position in this thesis that this is the most important principle for developing countries (and most likely in the whole world). The fact that cooperatives are under-resourced and unevaluated as developmental strategies shows that little is known about cooperatives (Oczkowski, Krivokapic-Skopo, & Plummer, 2013; Wedig & Weigratz, 2018; World Bank, 1989). Thus, this principle looks to improve the global perception on cooperatives through teaching, educating, and training not only the leaders but also the members, the committee members as well as young people who are still in school. If cooperatives are to be fully utilised as part of the solution of future problems, then people need not only know of the existence of the cooperative concept but should have a good appreciation of the movement and be willing to take part in it (Hoyt, 1996). Governments and national cooperative structures should undertake this task with utmost urgency. Government and cooperatives have applied this principle to varying degrees depending on whether its training, education or information dissemination.

Due to the increasing means by which information dissemination is happening, the principle of information has been used to a greater extent than education and training (Birchall, 2005, p.

56). The reason could partly lie in the fact that the cost of information dissemination is relatively lower than that of training and education. Education and training have been limited to the leaders and the administrative echelons in developed cooperatives while in developing countries, there is a shortage of educated leaders who can take the movement forward (ILO, 2015, pp. 7-9). Worse still, many educational courses/programs hardly have modules that focus or even mention cooperatives, and scholarship has not chipped in to help in this regard (ILO, 2001, p. 3). Few scholars are writing about cooperatives' role in development, which has led to a continued ignorance in the way cooperatives are perceived by the general people, by the policymakers and by the development agencies (Pinto, 2009, p. 2; ILO, 2015, p. 16; ILO, 2001, p. 118). On the other hand, training is low, especially in Africa or other developing countries. National federations should be given independence, so they can try to do this task, and one way is to train trainers who can further train other members.

Principle 6 : Co-operation among Co-operatives

This principle has not changed from the 1966 one and encourages the working together of cooperatives across different sectors of the economy. It would not make sense for cooperatives to not work with each other when their sole aim is to unite people in building a better future. Most cooperatives have been following this principle. In the Global North, local cooperation has been achieved, but the cooperation has been reluctant to go beyond national borders and partner with developing cooperatives in emerging countries (Birchall, 2005, p. 58). There is a need to highlight the importance of alliance between cooperatives in different borders as one may produce and export, then the other may import and process and sale to its members.

Principle 7 : Concern for Community

Principle 7 stresses that the cooperative has a social responsibility to preserve and efficiently use natural resources in a manner that allows generational sustainability. This principle also highlights the fact that if cooperatives took care of themselves as a group, then they would be able to lift themselves out of poverty. Indeed, working together would result in a better economic welfare state than the current one. From the adoption of the cooperative statement of 1996, significant efforts have been made in this respect as many cooperatives especially in the developed world (e.g. Japan) were involved in the development of their communities (Birchall, 2005, p. 58). Although there are antinomy issues in which a trade-off must be envisaged between member benefits and community benefits, the movement has been able to achieve progress. However, this was achieved to limited levels in developing countries such as Zimbabwe, Zambia and Malawi (Otsuka & Kalirajan, 2010), due to a lack of ability.

Ranking of principle importance

The ICA places equal importance on all principles. However, three basic principles that were formed since the beginning have not changed too much. If a ranking of the principles should be provided, then voluntary and open membership, democratic member control and member participation would form the three fundamental principles on which the rest of the principle should build on (see Table 3.1). Thus, the first-order values are ends *per se*, while the second-order values are means to achieving the first-order principles.

Table 3.1: Ranking of cooperative principles and values

1st order values	2nd order values	Principles	Cooperative practices
<i>Political values:</i>			
Liberty	Democracy	Voluntary/open membership	Member recruitment strategy
	Equity	Democratic member control	Director education & training
Equality	Self-help	Member economic participation	‘Dividend’ cards
Solidarity	Self-reliance	Autonomy and independence	Internal capital raising
<i>Ethical values:</i>			
Honesty		Co-operation among co-ops	Support for federation/shared services co-op
Openness			
Caring for others		Concern for community	Community ‘dividend.’
Social responsibility			

Source: (Birchall, 2005, p. 47)

Table 3.1 shows each value and how it corresponds to each principle and the viable way one can evaluate or measure the principle in practice. This framework can be used to try and understand the extent to which principles were implemented and adhered to in various parts of the cooperative sectors. Birchall (2005) dismisses the notion that cooperatives are solely used to fight against free markets and argues that they work ideally when the markets are functional, political power is kept in check and when there is a robust civil society. It is, however, essential to note that very rarely are all these three conditions simultaneously present, and such things as honesty and concern for community are never tolerated in a competitive market system.

The classical debate between the three political values of liberty, equality and solidarity continues, and the question of what would be the trade-off in giving up liberty in the pursuit of equality in the cooperative movement. In this case, solidarity comes into play and suggest that the more one individual sees the next individual more like themselves, the more they are willing

to give up some liberties to achieve equality (Birchall, 2005). Solidarity is achieved through democracy in a cooperative structure, but liberty and equality, as well as the solidarity values, are not peculiar to cooperatives only.

Challenges to implementation of ICA's cooperative principles

The nature of self-help and self-reliance values make the most persuasive argument for a cooperative business approach. It is not untruthful to say that free markets are inequitable because they reward people based on the value of their invested capital instead of the value of the invested labour (Thorner, Kerblay, Smith, & Shanin, 1986; Cook & Binford, 1986; Chayanov, 1991). Thus, not everyone's minimum basic needs are guaranteed. In most cases, the government must intervene to protect vulnerable groups, *alas*, often at the expense of liberties. In this case, an independent, self-helping and democratic cooperative has the potential to achieve equality and diminish the need for the state to intervene. However, it is noteworthy that not all cooperatives are successful in achieving their goals, and sometimes they benefit the lower to upper-middle classes, while the rich class are disinterested, and the most junior classes are not able to meet the minimum requirements of joining the cooperative. That forms the description provided in Chayanov (1991) in which he gave the different types of farmers found in the peasantry and the potential role they played in the cooperative movement.

Producer cooperatives focus on the first three principles, while insurance and financial services disregarded the principles (Birchall, 2005). The interesting question then would be 'what are the implications of operating a cooperative while adhering to principles; and what is the disadvantage of not doing so?' The traditional type of cooperatives adhered to principles more than the contemporary cooperatives which now operate like the investor-owned firms. Despite the said challenges to cooperatives, Globalisation is one of the most significant challenges to cooperative development and drives the rationale for constant review and revision of the cooperative statement (Hoyt, 1996). As is known, globalisation is an increased interaction of countries, and people brought about by technologically innovative reduction of transportation and communication costs across the globe (Birchall, 2005). Globalisation also has an economic definition which is simply the reduction of barriers to the flow of goods, services, capital, and knowledge across national borders (Bernstein, 2009, pp. 72-73; Jossa, 2018, p. 225). These changes have come with a tonne of problems as well as opportunities for diverse types and sizes of cooperatives (some benefit while others lose out).

While some scholars have used globalisation to argue for the non-viability of cooperatives (Ortmann & King, 2007; Cook M. L., 2018), others have used it to argue for more cooperative approaches to be adopted (Amin, 2018; Jossa, 2018). This thesis belongs to the latter and believes that large scale cooperatives such as the JA in Japan, the Raiffeisen in Germany and the Pioneers should simultaneously strike alliances with developing ones in the Global South while serving their local members. Conversely, smaller cooperatives such as those in the developing countries should act locally and think globally by kick-starting local industries. Birchall (2005) further argues that the key to fighting or managing the problems presented by globalisation lies in having a powerful cooperative federation at the national level. Decentralised structures should heavily support this federation.

Research has shown that application of cooperative values and principles varied across different context and the level of adherence to these principles differed but was predominantly low (Oczkowski, Krivokapic-Skopo, & Plummer, 2013). Another debate was about the need to revise the cooperative principles, as in whether adding or subtracting one or two from the existing ones. Oczkowski et al. (2013) reported that several co-operators felt that the current crop of principles covered the vital areas and that no more could be added or subtracted to the current one while Birchall (2005) believed periodic review was necessary (and need be some principles removed or some new ones added).

In addition to the passion and motivation, level of member and management committee's understanding of cooperative principles has a high impact on adherence to principles. I argue that this is the reason the principle for education and training is fundamental in cooperative development. Even when discussing democracy and the one member one vote principle, it should be analysed within the context of the nature and characteristics of the members. Cooperative members who are not in touch with the objectives, the meaning of the cooperative, and what it stands for cannot be expected to vote on issues that drive the cooperative towards those goals and objectives. It would also suffice that when called to choose leaders of management, there might need to teach them about what sort of qualities they should look for in the management team.

3.3 Market-based theory of agricultural cooperatives

The chapter has so far described the theoretical underpinning for including the community in agricultural development and how cooperative organisation achieves this. I have also given a tentative definition of cooperatives and the origins of the cooperative movement. In this sub-

section, I want to examine how cooperatives are understood through different theoretical frameworks in order to choose an ideal theoretical framework to follow throughout the thesis. I begin with the neoclassical theories, then move to the Marxist theories before discussing Chayanovian theories on cooperation.

Neoclassical economics is a social science that gives ultimate power to the market to decide the welfare of the people through its automatic price determination mechanism. It postulates that if demand and supply (affected by the cost of production, taste, and preferences of consumer) of a good or service are at equilibrium, then the overall market is efficient (Royer, 2014; Ortmann & King, 2007). It assumes that the firm's challenge is to maximise profit and that the need to accumulate surplus drives all types of organisations in an economy. This line of thinking, therefore, makes it extremely difficult to apply this theory to cooperatives (Otsuka & Kalirajan, 2010, p. 12). Historically, not only did the cooperative principles avoid focusing on maximisation of profit, but they discouraged it, primarily if it occurred at the expense of the members' livelihood. Cooperatives are primarily concerned with serving their members often at cost price, and hence neoclassical theory has struggled to find the nexus between business theory and cooperative practice.

The key questions asked is if an organisation does not principally want to make money (surplus value), then why is it in the market? What motivates this firm? How can it be financed? Moreover, is it sustainable in a capitalist society? However, with the advancement of the capitalist system and the realisation of the various contradictions that it brought, neoclassical scholars began to have a different view of the role that cooperatives could play in development (Egan, 1990, p. 73). Some theories to support the existence of cooperatives alongside corporate firms were proposed. The following section discusses some of these theories in detail.

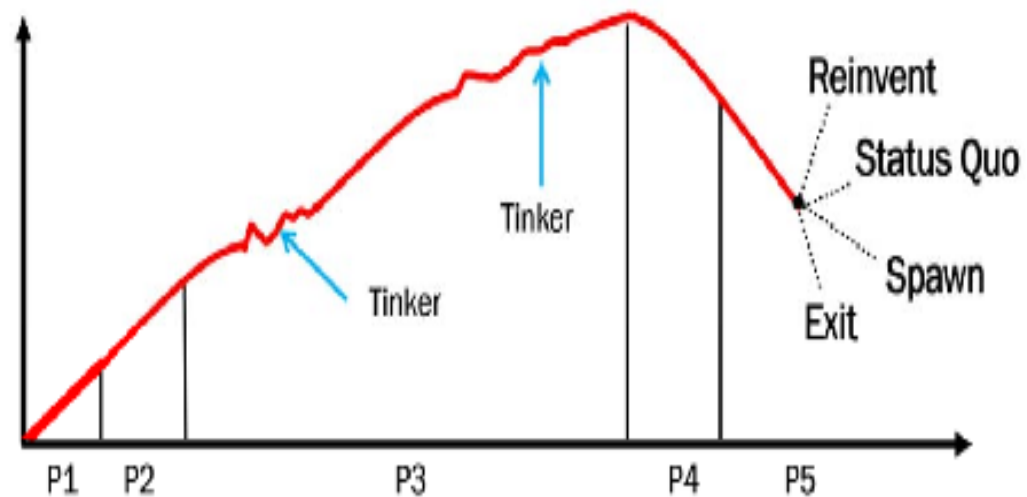
3.3.1 The cooperative life-cycle model

To explain cooperative socio-economic behaviour from start-up, growth, and development, Cook (1995, 2009 & 2018) and Harte (1997 cited in Royer (1999, pp. 58-59)) each developed a conceptual Life-Cycle Framework (LCF). While Harte's framework rationalised the formation of a cooperative as a corrective measure in the face of free-market failures. He argued that after a certain point, when the correction has been done, the cooperative has one option which is to convert into an investor-owned-firm (Harte, 1997 in Royer (1999)). On the other hand, Cook's LCF provides more options depending on such things as the specificities of the cooperative, the environment, and the membership. Building on a host of other earlier scholars

who proposed as many as ten stages in a cooperative life-span, Cook (2018, pp. 3-13) suggested five distinct stages that a cooperative goes through (Figure 3.3).

Figure 3.3: Cook’s lifecycle of a cooperative

Health of Cooperative



Source: (Cook, 2018, p. 7)

The first stage (P1) is called ‘*justification*’ and involves ‘*would-be members*’ jointly realising the need for concerted effort to solving a problem. Just like Harte (1997), there obviously should be a problem that the cooperation seeks to solve. This problem can take the form of unfair market-power relations, information asymmetry, low coordination, high market risk, and alienation. The second stage (P2), *organisational design*, involves designing the rules of the game. The founding members decide what should be the product, the goals and objectives, the values, the principles. The general homogenization of potential member differences is carried out. It is in this stage that property rights to cooperative resources are defined and hence making it one of the most critical stages. Also, the founding members need to decide on how to monitor and evaluate the progress of the cooperative. The LCF framework suggest a measure called the *cooperative health* for this purpose. The cooperative health measures the amount paid to the individual member and the sustainability of the cooperative (ownership costs) (*ibid*).

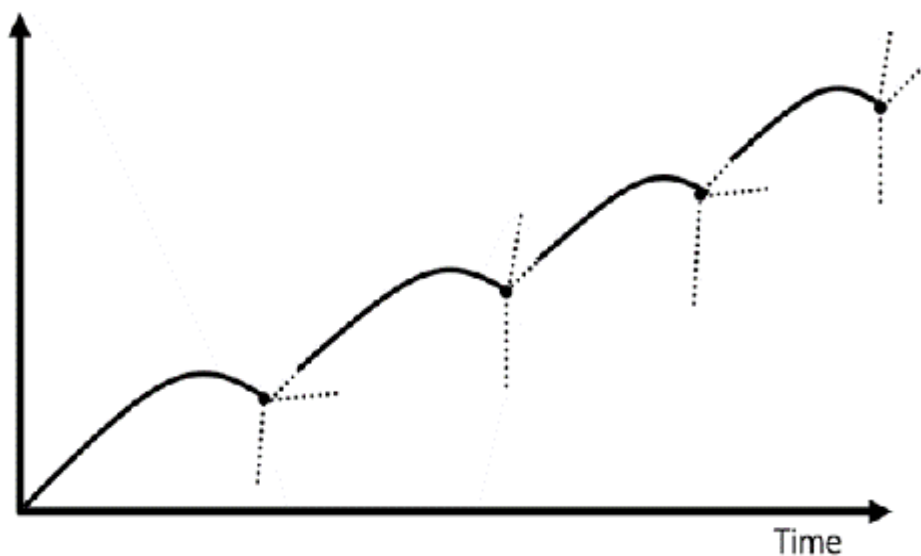
Stage 3 (P3), the *growth, glory & heterogeneity* is the most challenging stage of them all. As the cooperative grows, the cracks between individual objectives and goals (heterogeneity) start to show, especially in light of poorly defined property rights. It is in this stage that the five problems of horizon, portfolio, control, free-rider, and influence costs start to show (Ortmann & King, 2007; Royer, 1999, p. 57). The organisational design should be able to ‘*tinker*’ its

structure to resolve adverse effects of heterogeneity. A clear understanding of the nature and extent of heterogeneity will become vital in stage 4 and 5 when the managers choose which direction to take (Cook & Buress, 2009, p. 13). Stage 4 (P4) is for *recognition and introspection* about the progress that the cooperative has made, the current status quo and the choices that they have to make going forward. In this stage, the number of members who are loyal to the cooperative has significantly decreased, and the dichotomy in the membership becomes more pronounced, the cooperative has started to become like a company.

The life-cycle theory argues that in this situation, the managers need to move to stage 5 (P5) and make a *choice* between tinkering, reinventing, or exiting. Tinkering involves strategizing the organisational design (changing by-laws, goals, objective, management styles), but there are no momentous changes in property ownership rights. Reinvention, on the other hand, pertains to a notable change in ownership rights (member to investor-owned). A cooperative can also choose to exit or stopping operations (Cook & Buress, 2009, pp. 3-4; Cook M. L., 2018, pp. 12-13; Royer, 1999, pp. 57-58). If a cooperative can continually tinker or reinvent, then it would be able to survive in the market for a longer time (Figure 3.4).

Figure 3.4: Multiple life-cycles of a regenerative cooperative organisation

Health of Cooperative

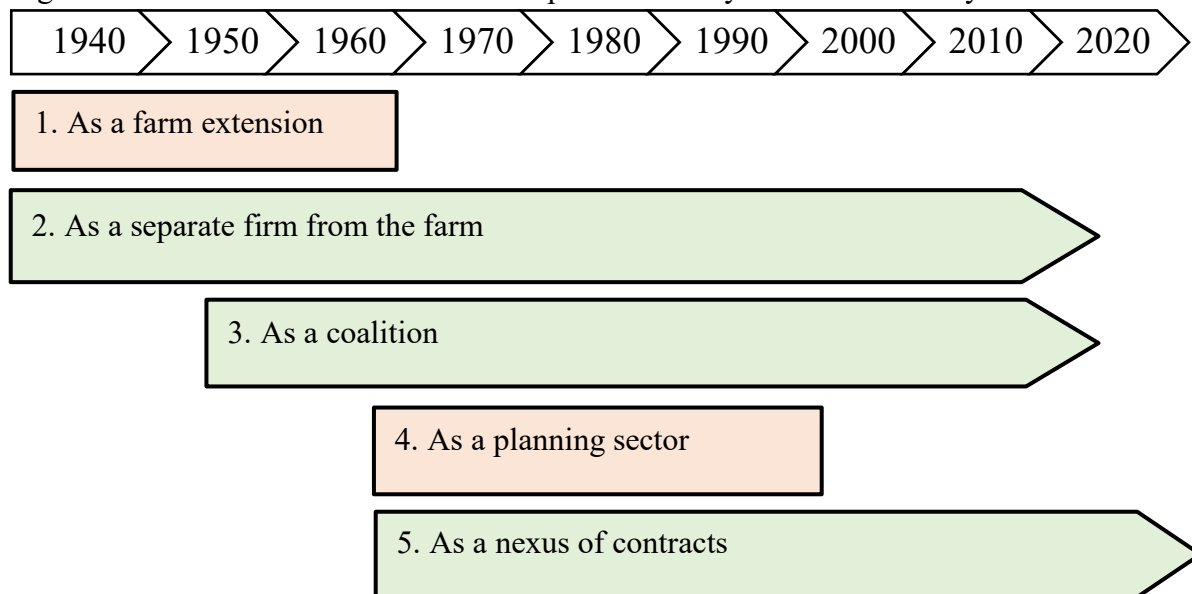


Source: (Cook, 2018, p. 13)

They argued that their frameworks could explain how 19th-century cooperatives either died/exited (Rochdale) or reinvented (Raiffeisen) themselves, and provides a framework for the 20th-century cooperatives.

Iliopoulos (2017) divides the development of cooperatives in the 20th century into five distinct stages depending on the approach used, the focus or the goals of the cooperatives, the tools used, and the assumptions made about the movement. In the first stage, he argues, began from post-world war up until the 1960s, market-oriented scholars (Emelianoff, 1942; Robotka, 1947; Phillips, 1953 and Vanek, 1970) in this era viewed the agricultural cooperative movement as an extension of the farm and the overall objective was to optimize farm operations and productivity. Second stage began in the late 1940 but became more pronounced from the 1970s onwards (see *Figure 3.5*). The cooperative as a separate entity from the farm and hence was supposed to become multi-purpose through increased production and vertical integration. In this stage, the cooperative is more engaged in the market and acts like a corporation (firm) and is involved in inter-cooperative competition. Many of the cooperatives are still viewed in this way until today (Hambeger & Hoos, 1962; Sexton, 1984 and Royer, 1999).

Figure 3.5: Evolution of neo-classical cooperative theory in the 20th century



Source: Created by author based on Iliopoulos (2017, p. 4)

The third stage, which began in the 1950s and is still present, perceive cooperative as a coalition. This coalition is concerned about activities that improve management decisions and organisational structures at farm level; additionally, they are more concerned about intra-cooperative bargaining as opposed to competition (Sexton, 1995 and Staarz, 1995). The fourth stage, which lasted for about 20 years from 1970, saw cooperatives as institutions that can help or improve the planning sector in a rural or national economy (Figure 3.5). They were concerned about the improvement of coordination within the movement. In the last stage, in which the majority of the scholars are found (Cook & Iliopoulos, 1999; Buress, 2009; Birchall,

2005; Royer, 2014), cooperatives are regarded as a network of contracts whose primary goals are to improve economic efficiency and organisational design (Iliopoulos, 2017). The cooperative movement is advised to focus on property rights, improve governance and coordination, and encourage the state to formulate sound public policies.

The above illustrates how neoclassical (NCE) theories have struggled to describe cooperatives which led to a new breed of New Institutional Economics (NIE) theories found in the last stage. These mainly utilise games theory, the transaction cost theory, property rights theory and the agency theory to model cooperative behaviour (Ortmann & King, 2007). Although both NCE and NIE theories believe in the power of the market, the latter believes that the market is not perfect because information asymmetries exist, hence there is no perfect competition (Samuelson, 2012). This justified cooperatives existence. In explaining cooperative behaviour, NIE theories focus on the completeness and incompleteness of contracts.

Given that markets are inefficient, and the potential for opportunistic appropriation of quasi-rents from farmers in the markets, NIE argue that cooperatives may be necessary in order to maximise benefits to the members, to maximise the per-unit value or average price, and increase the patronage earnings to the members. The cooperative must organise its institutional structures, make coordinated decisions, and respect property rights, just like an ordinary firm would do in a perfect market economy (Ortmann & King, 2007, p. 52; Royer, 1999, pp. 45-52). Thus, the more a cooperative behaves like a private-firm, the more it can be explained through NCE and NIE theories. A discussion of NIE that describe late 20th-century cooperative behaviour follows below.

3.3.2 Transactions cost theory and cooperatives

Transaction costs refer to the costs of organising and transacting, which occurs in every part of an exchange process. The process involves wide-ranging costs, including those associated with soliciting information, bargaining, decisions making, policing and enforcement, which all occur within a political, social, economic, and legal environment (Royer, 1999, p. 46; Ortmann & King, 2007, p. 54; Royer, 2014). According to this theory, more market participants prefer to act in a market with adequately freely accessible information, and hence would instead enter into contracts to reduce the likelihood of information asymmetries. Information asymmetries lead to higher transaction costs and hence leads to opportunistic behaviour and eventually to the exploitation of the farmers. Furthermore, if a cooperative can select an institutional

arrangement that reduce these transactions costs and reduce information asymmetries, then a rationale for the existence of a cooperative would have been established.

Therefore, a case for the existence of cooperatives from an NIE perspective can be argued along the lines that they have the pro-competitive drive to correct market imperfections. That is done by reducing the monopolistic power of firms and eventually improving the economic welfare state of a local economy. In welfare economic terms, the sum of the consumer and the producer surpluses defines economic welfare, and this sum is highest when the transactions costs are relatively low. That is to say that economic welfare is maximised when the cost of producing the last unit of a product (marginal cost) equals the value of the last unit produced (Royer, 2014, p. 27). In this sense, the theory moves away from forcing the cooperative to behave like an investor-owned firm which seeks to maximise profit by producing at a point where marginal cost equates price (or sometimes marginal revenue depending on the type of demand schedule). Thus, a cooperative may be preferred more than an investor-owned firm because, although not as efficient in allocation of resources, it has a higher aggregate producer and consumer surplus (Royer, 2014, p. 28).

Since the cooperative usually provides farmers with goods and services at cost price, this will take away some of the consumers for the investor-owned firms, reducing the overall demand, or shifting the demand curve to the left. The shift drives private firm price down as they respond to the competition from the cooperative. According to game theory, in a perfectly competitive market without a cooperative, these two firms can sit down and decide the price for their products to avoid competition (Royer, 1999). However, when one of the firms is a cooperative, its primary aim is not profit maximisation through price manipulation, but to lower the price of the service — the presence of cooperative results in equilibrium price and quantity, which has effects on aggregate economic efficiency. Neoclassical economics also tried to understand the existence of a principle for open membership into the cooperative. LeVay (1983, cited in Royer 2014, p. 30) argued that open membership would result in the overproduction of a good (by accepting whatever quantity produced by members), reduce the producer surplus, and hence the economic welfare. However, Helmburger (1964, cited in Royer 2014, p. 30) dismissed this by arguing that even under open membership, cooperative could achieve increased economic welfare states even when they held the principle of open membership. The argument was based on the fact that if a cooperative has excess produce, it then can lower its price which will attract more consumers to buy cooperative good which in turn forces the private company to lower its price, hence resulting in equilibrium prices.

3.3.3 The agency theory and cooperatives

It seeks to understand the relationship between an individual or group of individuals (agent) who acts on behalf of another organisation (principal). The theory highlights that the objectives of the management may become divorced from those of the capital owners, and hence resulting in *principal and agent* problems (Royer, 1999, p. 50). The centre of control within a cooperative business is ambiguous (Royer, 2014). In a classical investor-owned firm, the investor, who owns the capital is the one who makes the decisions in terms of capital outlay, labour, and allocation of other resources which generates profits. Although cooperatives are said to be member-controlled, and hence members of the cooperative must make the decision about use of capital and labour, the fact that a group of members will have varied goals and objectives makes it difficult to understand how they can agree on which combination of land, labour and capital to use.

On the other hand, cooperatives nominate management and supervisory committees which sometimes make these decisions with or without the immediate consent of the members. The management committee (agent) is chosen to run the cooperative on behalf of the peasants/community (principal); hence, it establishes principal-agent problems. In this sense, the principal-agent problem (which is experienced more in cooperatives than in investor-owned firms) can be read as a problem that can lead to a decrease in member participation as the distance between principal objectives and agent principles increases. This complexity makes it extremely hard for the cooperatives to be understood by market-oriented theories since they lack a centre of power to make executive decisions (Royer, 2014, p. 3). Some marketed-market scholars have thus postulated that within the chaos of cooperative member decision making, they have to utilise another neoclassical approach in the form of games theory to arrive at a consensus (*ibid*). Just as suggested in the transactions cost theory, a contract (that bind the agent to act according to the principal's specific interest) should be entered into to reduce the principal-agent problems. The two significant differences between these two market-oriented approaches is that the former focuses on the transactions while the latter focuses on the individual or organisation (Royer, 1999, p. 50). Agency theory also highlights the problem of incentive and measurement (trade-off between incentive and risk-sharing), which often affects investor-owned firms.

For market-oriented theories, the complexities brought about by the principle of democratic member control are exacerbated by the presence of multiple, and often antinomic objectives. Cooperatives simultaneously pursue several principles or objectives which make it challenging

to model the factors that affect decision making incidental to attaining those objectives. Thus, neoclassical theory must make sweeping assumptions about what the ‘most essential’ cooperative objective is. In this respect, Royer (2014, pg. 4) highlights that neoclassical theory assumes that cooperative’s ultimate goal is to increase the amount of money paid to each member as earnings or dividends. Moreover, any other goals are achievable only after this one has been achieved. By doing this, neoclassical theory attempts to model the movement as close to investor-owned firm as much as possible. This point of view, unfortunately, oversimplifies the theory of cooperatives. Not all of the principles of the cooperative can be quantified through net earnings or the ‘profits’ made. It is difficult to measure ‘concern for the community’ or ‘cooperation among cooperatives’ using a neoclassical theory.

3.3.4 The property rights theory and cooperatives

This theory hinges on one of the underlying market-oriented assumptions which says property is privately held and that private-property rights are far more superior than any other form of property rights. The theory argues that the nature of ownership of a set of assets affects its allocation and organisation during value creation (Ortmann & King, 2007; Cook & Buress, 2009). Conspicuously, this implies that any property rights structure that deviates from private property results in inefficient reallocation of resources (Royer, 1999, p. 51). The theory further argues that the transferability of one asset to the next is extremely important in order for markets to work. Hence, compared to privately held firms, publicly held firms have less motivated stakeholders to supervise the management. Just as in the case for the transaction costs theory, contracts are also incomplete (because of information asymmetry). However, if property rights are individually owned, it means each party can use their private property rights to negotiate or bargain on how the asset’s market activities should be carried out. Thus, the incompleteness of contracts necessitates the definition of property rights and necessitates assigning private property rights.

The cooperative movement is therefore defined, through this theory, as an association of assets under joint ownership. To improve the allocation and restructuring of that asset to create wealth, the cooperative must have internal mechanism that clearly define the property rights of those assets (Ortmann & King, 2007; Royer, 1999, p. 49). The property rights theory seems to argue for a cooperative ahead of collectives because the central unit of ownership of an asset or a line of production remains as the individual farmer for cooperatives. The farmer still has bargaining power to negotiate for more efficient allocation of his/her resources to produce high value than in the latter.

NIE problematization of cooperatives

The theoretical analysis above-identified five primary problems in cooperative development; the free-rider, horizon, control, portfolio, and influence-cost problem. The existence of these problems forms the basis for market-oriented theory's argument to restructure and reorganise a cooperative towards an investor type of organisation as a solution as observed in the Japanese Cooperative movement. This forms the basis for the degeneration theory, which argues that eventually cooperatives risk converting into investor-owned firms (see section 3.3.1 and 3.4.4). The *free-rider problem* emanates from the property rights theory which argues that when property rights are not defined clearly within a cooperative, individuals cannot face the full cost or benefit of their decisions or activities in the market place (Cotterill, 1988, p. 227; Hayami & Godo, 2005, pp. 13-15). Free-rider problems can occur internally, e.g. when new members get equal benefits as those of old members who went through the complicated initial start-up process; or externally, e.g. when non-members enjoy market conditions brought about by the efforts of the cooperative (FAO, 1998, p. 19). The theory highlights that this can be a source of disincentive to the cooperative movement.

Horizon problems are based on the concept of poorly defined property rights as well. This problem emerges because cooperatives are concerned about satisfying their members in the short-run. Members are said to underinvest into the cooperative depending on intended membership period. That makes it harder for the cooperative to invest into research and education or other long-term investments (Ortmann & King, 2007; Royer, 2014). *Portfolio problems*, on the other hand, arise because cooperative capital is based on equity shares with restricted tradability, which undercuts their ability to expand their portfolio. Members cannot spread their risk outside the scope of their cooperative while at the same time, those investors outside cannot absorb the risk because membership is restricted to the scope of the cooperative (Cook M. L., 2018, p. 10). *Control problems* are derived from the agency theory and refer to the situation in which the principal and agent's objectives start to diverge. According to this theory, as compared to investor-owned firms, the absence of a market for equity shares in cooperativism means the principal cannot supervise and closely monitor the agent (Royer, 1999, pp. 55-56). Finally, since the one member one vote principle decides cooperative decisions and the general direction of the cooperative, *influence costs* arise when members of the cooperative try to persuade other members to vote in a certain way. These costs can become extremely high and in worst cases, can become more like bribes. The theory highlights that although influence costs are found even in non-cooperative organisations with a more homogenous money-making

objective, they are mostly higher for cooperatives because they have more stockholders with diverse goals and objectives (Ortmann & King, 2007, p. 59).

The problem with the liberal theory of degeneration is that although the trend for degeneration does exist, the theory cannot predict exactly when this happens. It grossly overlooks the role of resistance to degeneration from below as shall be seen in the case of Japanese movement (Chapter Four and Six), and this may not be a matter of choice of the management. Neo-classical and new institutional theories only understand cooperative if they assume them to behave like investor-owned firms. Thus, while trying to shape them within the context of neoliberal macro-environment, cooperative nature of not pursuing profit maximisation and distributing proceeds to the members reduces the compatibility of cooperatives practice and theory. Although the theory enables managers to lead their cooperatives more professionally (like investor-owned business) and hence improve incomes (profits), its conceptualisation of the cooperative problem (seen as income to member maximising like any other business) is weak. This is so because the cooperative seeks, simultaneously, social, political and economic objectives which cannot be modelled solely through increased cooperative income. Therefore, I could not adopt this theory for my research.

3.4 Marxist theory of cooperatives

I have discussed the aggregate theory of production that is most likely to kick-start economic growth and highlighted the relationship that needs to exist between the state, community, and the market. I have also discussed how market-oriented theories views and conceptualises the cooperative movement and how it should restructure itself in the face of a hegemonic capitalist system. The next step is to analyse cooperatives from the socialist-oriented view point and try to locate its conceptualisation of the movement and how it fits within contemporary globalised markets.

In Marxism, what structures, principles and laws are cooperatives supposed to obey and what goals and objectives are they supposed to achieve? To begin with, I peruse the writings of Karl Marx, Engels, Kautsky, and Lenin before moving to other contemporary leftist scholars. For a long time, there had existed a misreading of Marx, and Marxist position on labour managed firms (in Marxism) as some scholars argued that Marx did not like cooperatives (Jossa, 2014b, pp. 4-5). That was primarily based on the fact that Marxists thought peasants as a potential capitalist producers. These capitalist producers would be unable to develop or contribute to the economy in such a way that would lead to socialism; thus, Marx is said to have rejected

cooperatives. One crucial fact that should be known before any discussion of Marx is the fact that all his theories and writings are not doctrines but are instead methods of doing research and should be taken merely as that. As I shall present in this section, Marx and the scholars that followed his theories not only endorsed cooperatives as a new production model but also regretted not having focused on them much earlier in their scholarship. Lenin (1923, p. 1803) explained that this was the best way of “*setting our feet on the soils of socialism*” and goes further to equate cooperativism to socialism.

3.4.1 Marx and cooperatives

Although Karl Marx’s primary focus was not on the peasantry, his worker’s cooperative (proletariat) and the joint-stock company cooperatives formed by the petty bourgeoisie could be applied easily to the peasant cooperatives (Egan, 1990, p. 76; Jossa, 2018, p. 154). Much of Marx’s works also focused on class struggle, that everything is an endless class struggle between labour and capital. In this respect, cooperative offered a far more superior production model because it would result in a worker-owned firm in which the workers become their capitalists, exploit their labour, and valorise it at the same time. In doing so, cooperatives would resolve class struggle since labour would feel free to work for firms owned by themselves. Therefore, cooperatives were a means to an end and a way of achieving socialism.

We acknowledge the cooperative movement as one of the transforming forces of the present society based upon class antagonism. Its great merit is to practically show that the present pauperising, and despotic system of the subordination of labour to capital can be superseded by the republican and beneficent system of the association of free and equal producers. – (Marx, 1866)

Producer cooperatives take two primary forms; the Labour Managed Firms (LMF) and the Worker Managed Firms (WMF) (Jossa, 2014b; 2018, p. 67). The LMF are institutions that are self-owned and self-controlled by labour or its representatives and carry out productive activities using loan capital. They separate between the income earned from labour and that earned from capital invested. On the other hand, WMF are self-financed firms which do not necessarily separate income earned from capital from that earned from labour. According to Jossa (2014b, pp. 4-5), the former’s ability to differentiate the two streams of income as well as the ability to utilise loan capital makes it superior and most ideal approach to reverse the imbalances brought about by the capitalistic mode of production. The LMF can be a state-

owned cooperative with a worker-elected management which makes decisions freely. When a cooperative management has this power to make decisions about its affairs, it eventually empowers the workers who elect the management to act on their behalf. By doing this, a smooth transition from capitalism to socialism which falls well in line with the Marxist thought can be envisaged (Jossa, 2014b, p. 5).

Marx and Engels postulated that there are structural problems in the capitalist system which emanate from class struggle and that these problems would be solved through socialism. However, the transition from capitalism to socialism should be peaceful and gradual. It should be dialectic instead of nihilistic (Jossa, 2008, p. 8), meaning that one form of society would evolve into the other form instead of the other replacing the former.

Communism is not the abolition of property generally, but the abolition of bourgeois property [...] Communism deprives no man of the power to appropriate the products of society; all that it does is deprive him of the power to subjugate the labour of others by means of such appropriation. – Marx and Engels (1848 pp. 498-500) cited in Jossa (2008, p. 8)

Marx explained that the joint-stock companies must be an intermediate form from capitalist-owned to the worker-owned (capitalist to WMF and then to LMF). In this sense, the workers become the exploiters of their labour. However, he highlights that the problems of the capitalist production model have not been resolved as such, but the opposition between the labour and the capital has been abolished, albeit in a negative way. This represents the WMF and is the first stage towards the most desirable LMF in which the workers stop being capitalist of their labour. They start to produce commodities that reflect value of their free will, labour made by workers in associations (Egan, 1990, p. 76; Winn, 2013; Jossa, 2014b, p. 9). Ideally, what Marx wrote about was the shift from capitalist than to the bourgeoisie-controlled joint-stock companies which would evolve into workers/proletariat-controlled cooperatives. It can be said that one of the reasons why Marx strongly advocated for cooperatives was the fact that they were the only types of economic organisation that guaranteed both political and economic democracy (Jossa, 2014b, pp. 5-6). He argued that as long as economic power rested in the hands of a few capitalists, then no amount of political democracy would ever be enough to bring about economic democracy.

3.4.2 Lenin and cooperatives

Vladimir Lenin's article that was eventually published in May 1923 represents a significant turning point in Marxist thinking. Up to this day, the cooperative envisaged by Marx took the form of a state-controlled institution, governed by workers and the labour as is required under a socialist model. However, as a follower of Marx, Lenin soon realised the need to reduce economic nationalisation or central planning by giving peasants more control of their local economies. Jossa (2014a, p. 4) argues that this new line of thinking was influenced by the formulation of the New Economic Plan in USSR, which Lenin thought of as a temporary retreat from socialism. It is noteworthy that Lenin redirects Marxism towards a new trajectory. For Karl Marx, cooperatives were a transition from capitalism to socialism, or a means to an end and not the end itself. However, enter Lenin, and cooperatives had to be owned by the community itself, is capable of jumping stages straight into socialism;

[...] we are entitled to say that the mere growth of cooperation...is identical with the growth of socialism [...] at the same time, we have to admit that there has been a radical modification of our whole outlook on socialism [...]. Cooperatives, which we formerly ridiculed as huckstering constitutes the social regime we have to support by any means. As soon as those advocating a transition to communism seize power, cooperation under our conditions nearly always coincides fully with socialism. – (Lenin, 1923, p. 467)

Marxism had reached a point when it realised that not only was it supposed to let the peasantry participate in the new social order, but it had to gain a significant amount of control of its local economies. Lenin goes on to argue that increasingly, economic power and control should go to the cooperatives instead of the state since the state and central planning were “*deplorable, not to say wretched, that we must first think very carefully how to combat its defects*” (Lenin, 1923, p. 487). Thus, there is a movement away from the advocacy of a state-owned firm exploiting hired labour, to a system of labour-controlled firms exploiting self-labour. Lenin's article on cooperation managed to do two main things, *i*) to advocate for the unification of the peasants and the proletariat to undo the hegemony of the large and private capital, and *ii*) it described cooperatives as socialist firms controlled by the working class on behalf of the state (Jossa, 2014a). This line of thought supports the basis for this thesis as I explained the role of these two sectors, including the private sector (discussed in section 3.1).

There have been several interpretations of Lenin's 1923 *On Cooperation* article. Recent scholars believe that Lenin was not clear on what the role of the people/community in this new production model would be. For example, Jossa (2014a, p. 9) argues that a more in-depth analysis of the article reveals nothing innovative about the ideas that Lenin was pushing for. If anything, it was by Lenin that he had been wrong in focusing too much on state control. Lenin said:

Success in the practical work that now lies ahead will depend largely on the establishment, through the medium of commodity exchange, of proper relations between urban industry and agriculture. It will depend on the ability of the co-operative societies, by steady and persistent effort, to clear the way for the development of commodity exchange and to take the lead in this field. It will depend on their ability to collect the scattered stocks of commodities and to secure the production of new ones. Eventually, the practical solution to these problems is the best way to achieve our aims, namely, to restore agriculture and, on that basis, to strengthen and develop large-scale industry. – (Lenin, 1921)

This is reflective of the contemporary global markets where the peasant economy interacts with the urban economy daily. This interaction happens on an unequal basis, and the peasants continually gets the short straw. Thus, Lenin's assertion that the peasant must develop a robust commodity exchange system '*to take the lead in this field*' is of particular importance. This is because the peasantry, operating as individual farmers in the market do not have organised institutions that can ensure efficient '*collection of scattered stocks of commodities and to secure the production of new ones*' (Lenin, Lenin Speeches, 1921). This passage helps us to understand why Lenin might have changed his mind and thought the best solution for the peasants is to organise them into cooperatives to improve their organisational capacity.

Furthermore, Lenin advocated for a dialectic solution in which the capitalist production model in the countryside (in the form of cooperatives) would work side by side with the socialist industry production model (state-owned-worker-managed). He drew a clear distinction between worker's cooperatives and producer cooperatives; the former were the state-owned ones and relatively large-scale while the latter were small-scale and owned by individual farmers (2014a). What this argument seems to suggest is that cooperatives have always been viewed as more capitalist than socialist, that they were a capitalist form of production that

would eventually lead to a socialist state. To Lenin, cooperatives were a way for the state to control private-capitalist production.

[...] for we have now found the degree of coordination of private interest, of private commercial interest, with state supervision and control of this interest, that degree of its subordination to the common interests which was formerly the stumbling block for very many socialists. – (Lenin V. I., 1923, p. 1797)

3.4.3 Gramsci and cooperatives

Gramsci wrote extensively about the theory of worker's councils, which is not too far from the Vanek (1970) cooperative, or the labour managed firms. One of the things that Gramsci conceptualised, which is of interest and fits well into this thesis is his attack on the polarisation of economic development theory or the existence of binary frameworks within it. He argued against the notion that only two forms of solutions, either private property or command/planned economic organs existed. Just like Marx and Lenin, Gramsci viewed cooperatives as a step towards socialism and not socialism itself. For Gramsci, a cooperative is an enterprise which is run by workers through structures of elected managers. These managers make day to day decisions for the cooperative on behalf of the workers. The management is also responsible for the redistribution of surplus to all the workers, making decisions about how to gradually take power and control of resources from the capitalist, efficiently and peacefully (Jossa, 2008, pp. 8-10). These cooperatives are free to carry out businesses just like any other corporate business when they interact with the market.

Although Gramsci believed that a Marxist victory lay in the proletarian revolution, he never thought of this revolution occurring over a short period of time, rather, that it would be a protracted struggle (Jossa, 2008, pp. 15-16). One of Gramsci's most exceptional contributions to Marxism, and more so to behavioural science is the theory of hegemony (Gramsci, 1971; Jossa, 2014a; Bates R. H., 1975). He stated that the most significant power comes from consent; anyone who can control the person holding a sword is more powerful and stronger than the steel blade held by the person. Furthermore, a person cannot control another person, but a person's idea can control other people (people do not wield power, it is the idea of power that wields people) and that is hegemony (Forgacs, 1988, p. VI). Therefore, hegemony is the ability to build and foster consent. In such a crisis, given that they have enough social organisations,

they can rise and represent their interest and re-transform hegemonic relations. According to Gramsci, these social organisations could be realised from more organised and stable workers' councils which were less radical than worker's unions. Although radicalism was very important, it needed to be controlled and directed in the right direction.

It is quite interesting how Gramsci's concept of consent or the need to go through the democratic process is a central issue in the contemporary cooperative movement, self-management and hence, to this thesis. One of the significant differences between Gramsci's worker councils and the present-day worker's movement is that, although they both talk about the taking over of the control and management of the means of production by the workers, his theory did not succinctly specify that the workers should appropriate part of the profits as dividends (Jossa, 2008; Bates R. H., 1975). Additionally, Gramsci's councils were a means to socialism and hence was supposed to be a transition from capitalism towards socialism; however, modern cooperatives are designed or envisaged to work within a capitalist mode of production and hence can be thought of as a version of socialism often termed market socialism (Jossa, 2008, p. 14).

3.4.4 Contemporary Marxist scholars on cooperatives

Over the past half-century or so, there has been a global push for 'western democracy' by world leaders, human rights activist and political scientist. Historically, governments have pursued political democracy at the expense of economic and social democracy (Jossa, 2014a, p. 4; Jossa, 2018, p. 8). In political democracy, a country is desirably ruled by the people, and hence decisions made about the political welfare of the country are representative of the people's wishes. However, when it comes to the economy and the decisions about how the resources are to be utilised, a democratic process is believed to be inefficient, and hence only a few capital-owners have the right to decide (Egan, 1990; Jossa, 2018). Economic democracy can be achieved through the use of labour-managed firms (LMF) (Egan, 1990; Jossa, 2008, pp. 5-9; Jossa, 2014a, p. 9; Winn, 2013). Workers make decisions about the firm, hire capital, and pay it at a specified interest rate and retain the balance.

The degeneration thesis

There seems to be a silent consensus that classical Marxist cooperatives cannot be envisaged within an advanced capitalist model [Reich and Devine (1981) cited in Egan (1990, p. 74)]. Egan (1990, pp. 74-75) argues that most of the scholars who believe that Marxism did not favour cooperativism do so because they associate Marxist scholarship to the degeneration

thesis. The degeneration thesis says that cooperatives start as labour-managed and Labour-controlled organisations, but then they grow larger to such an extent that they need to hire labour outside their cooperative. With further growth, control becomes wholly vested in the hands of the management. It decides for the members while at the same time coordinating capital. Additionally, to keep a positive growth rate, they will eventually need to cut down on cost, labour cost to be precise, hence resulting in the exploitation of labour just in the same way that a corporate firm would.

Egan (1990), however, argued that cooperatives could overcome degeneration. At the beginning, there is a capitalist who is directly in control of the capital. As the firm grows, the capitalist will hire management to look after the capital and to employ labour. The capitalist no longer needs to carry out all the functions, and this creates a joint-stock firm in which management (who are also workers) are in charge of labour instead of capital. Thus, at this stage, Marx argued that social production and private property are now divorced from each other, but since this divorce occurs within the capitalist production framework, the *resolution is negative* (Marx, 1992, pp. 571-572). What Marx meant by a negative resolution of the capital-labour problem is that labour still sells its labour-power to capital, which still exploits it, this time through the management. In the case of cooperatives, the contradiction between management and the labour is removed since labour hires management and not the other way around. Going a step further from this brings us the Labour-Managed Firms in which the capital owned by the capitalist is converted into producer capital (Egan, 1990, pp. 76-77).

Since cooperatives operate in a capitalist market system, it must operate according to the rules of the game. That puts it at the mercy of the capitalist, and it is forced to operate like a capitalist firm eventually. At some point, it will try to increase the productivity of labour (as is required to survive in a capitalist set-up) by either self-exploitation of its labour or by hiring non-cooperative member labour, and lastly, it will be forced to compete with other cooperatives in the same market. Additionally, more successful cooperatives will result in the accumulation of wealth in one region which ideologically undermines the whole concept of cooperatives. The hegemony of the capitalist framework is seen as so overwhelming that it always forces the cooperative to become more like any other capitalist organisation. That is the rationale of the degeneration thesis. Mandel (1975) in Egan (1990) wrote:

All that they have succeeded in, however, has been to transform themselves into profitable capitalist enterprises, operating in the same way as other capitalist firms. – Mandel (1975, p. 8) in Egan (1990, p. 78).

This stage of a cooperative development equates to the LCF stage 4 (P4) in which the cooperatives has to decide whether to tinker, reinvent or exit (see section 3.3.1 on page 63). However, to counter this problem, contemporary Marxist cooperative theory then stipulates that there should be a national federation (Marx, 1973). This federation should oversee redistribution and governing of issues or contradictions that may arise between the cooperative movement and the market (Vanek, 1970; Egan, 1990, p. 79). The federation should reduce class struggle, to ensure intra- and inter-cooperative ‘*solidaristic orientation*’. This, together with a deliberate but moderate connection with political struggle, makes cooperatives unite and help each other instead of competing.

Thus, three issues were suggested to avoid degeneration in Marxist cooperatives; **i)** all workers must share in the firm in order to reduce the risk of recreating classes within the cooperative, this mostly means no hiring labour from outside the cooperative, **ii)** all cooperatives must belong to a national federation which should be in charge of fostering common bonds and common grounds, and **iii)** a proportion of the surplus should be devoted to the creation of more capital and the creation of more cooperatives (Marx, 1973). Considerably, these remedies are reflected in the 1995 ICA cooperative values of self-help, equality, equity, democracy, and solidarity. The relationship between the degeneration thesis and the cooperative is tied to the later commentary on Marxist cooperatives than the Marxist theorisation of cooperatives itself (Egan, 1990, pp. 77-81).

The significant differences between Lenin and Marx is the focus on the role of the state within the cooperative movement, while Marx cooperatives were state-owned and worker-run, the Lenin cooperatives were owned and run by the workers. Thus, a movement from WMF to LMF as described by Gramsci. Gramsci himself was a scholar of Lenin, and some commentators claim Lenin wrote his 1923 article with insights from Chayanov’s writings (Chayanov, 1991, p. xxxi). I sought to show the existence of polarised views within scholarship and how to transition towards a common centre ground as seen through movement from Marx to Lenin (after the 1923 article) and Gramsci and Chayanov theories.

3.5 Introduction to Chayanov's theory of peasant cooperatives

This theory was put forward by a Russian scholar, Alexander Vasilevich Chayanov (1888-1937). His ideas on the peasantry were later recognised in 1987 by Theodor Shanin (Chayanov, 1991; Shanin T. , 2009). His studies mainly focused on the agricultural cooperatives in rural Belgium, Italy, France, Switzerland and Russia in the 1920s. To articulate ideas on the progressive path that peasant societies should take, Chayanov first came up with a working definition of the peasantry. His conceptualisation of the peasantry (Section 2.63.5.1) enabled him to reduce the problem of the countryside to a reasonable level. However, his interpretation of the peasantry would also become the focus of most of his criticism, especially within Marxist scholarship (Banaji, 1976; Bernstein, 2009, pp. 56-59) (as elaborated in Section 2.63.5.1). I have discussed the Marxist, NCE and NIE theories on cooperation, Chayanov's model comes in as a third-way type and most useful framework for understanding present-day cooperatives in Japan and Zimbabwe. In this respect, I describe the background and context to Russia when Chayanov was carrying out his theorisation in order to succinctly explain how relevant his ideas are for the contemporary Zimbabwean cooperatives.

A general agreement that cooperatives were the best form of social organisations that would deliver the peasants out of pauperisation swept across Russia as seen by an increase in the number of cooperatives from 1,625 in 1905 to 35,200 in 1915. These types of cooperatives were not bottom-up but were prompted by either the scholarly works of the intellectuals or the state (Chayanov, 1991). The general idea was to use cooperatives to achieve socialism, and this had to depend on the political conscientization of the peasants (as espoused in the Marxist-Leninist framework). Before Chayanov took centre stage, two significant scholars were writing about agricultural cooperatives in Russia. The first one was S.N Prokopovich (1913) who believed that there existed administrative and legal impediments to the cooperative movement and that individual rights (autonomy and freedom of association) had to be established before the cooperative could move forward (Chayanov, 1991, pp. xv-xvi). The second intellectual, Tugan-Baranovskii (1913) believed that although cooperatives were unable to achieve a shift from socialism to capitalism, they played a critical role in aggregating the peasants' voices to guard their interest. For Tugan-Baranovskii, the cooperative had the potential to build a new society within an already existing one.

Chayanov's works drew a lot from these two scholars, and he focused on producing a theory that could be adopted and modernised to suit any point in time. He was a fascinating character

in terms of his political views during the last 20 years of his life because he neither outrightly supported nor discredited the Bolsheviks. His scholarship grew as he wrote articles and contributions in weekly magazines in Russia, Belgium and Italy; and so did his popularity among the general public (Chayanov, 1991, p. xxv; Shanin, 2009, p. 85; Bernstein, 2009, p. 57). Chayanov was able to connect science to everyday life or theory to practice making it easier for people to listen and relate to his ideas. He began to contribute as an intellectual to the Central Association of Fla-producer's cooperatives (Apex body of 42 Unions and 142 individual societies) in 1915 (Motta, 2018, p. 64).

After the Russian revolution of 1917, Chayanov fought to implement democratic social reforms, especially in agriculture as seen through the formation of the League of Agrarian Reformers in 1917 whose mandate was to discuss the best ways of answering the Russian agrarian questions at that time (Motta, 2018). One of the most important outcomes from this league was the documents with three significant recommendations for the resolution of the agrarian question. Firstly, the foundation of the Russian agrarian system was supposed to be premised on the superiority of cooperation of self-employed peasants. Secondly, there would be a state-led land reform which had to respect geospatial differences across Russia and; thirdly, land reform was to be recognized only as the first step towards resolution of the agrarian question, and the cooperative was to link the peasant producers to the outside economy (Motta, 2018; Chayanov, 1991, p. xxvi).

Although this put him on the map, his pamphlet titled 'What is the agrarian question' published by the League of Agrarian Reformers in 1917 made him unpopular with the ruling elites (Chayanov, 2018; 1991, p. xxvi). This was so because 'land to the working people' was central to his *revolutionary demand* (virtually a demand for the landlords to cede their land to the peasantry). Alexander Chayanov never associated himself with any political party and criticised the government when he thought they were wrong and praised them when he thought they were doing good (Motta, 2018). In the same sense, he despised capitalism, but also did not outrightly support state socialism or anarchistic communism, but instead believed that a middle ground could be established (Chayanov, 1991, p. xxvii). His solutions to the agrarian question are termed 'third-way type' of interventions for this reason. So only cooperation could help establish this third-way common ground just as argued by Tugan-Baranovskii:

A cooperative emerges fully equipped with capitalist technology, and it stands on capitalist ground, and this is what distinguishes it in principle from socialist communes

which seek to create an economic organisation on an entirely new economic basis. – Tugan-Baranovskii cited in Chayanov (1991, p. xxvii)

The revolution of the 1916-17 placed Lenin's Bolsheviks into power, and these implemented a radical land reform by dictatorial methods (Chayanov, 1991, p. xxix) against the advice of people such as Chayanov. Thus, although Chayanov continued to work with the Bolshevik government, his antagonism to the October revolution was a public secret which set a series of persecutions under Stalin and culminated in his execution in 1937. His main argument was that the Bolshevik's 1917 revolution had chosen to take the path of a dictatorship of the proletariat (radical seizure of power) instead of the constituent assembly (representative democracy) which he preferred (Shanin T. , 2009, p. 85; Bernstein, 2009, p. 54; Chayanov, 1991, p. xxi). The final blow to him was his opposition to collectivisation (horizontal integration) which was implemented by Stalin instead of cooperatives (vertical integration). He was arrested and killed allegedly for 'high treason and sabotage of Russian agriculture'.

3.5.1. Understanding the peasantry according to Chayanov

Chayanov made some daring inferences about the peasantry (motivated by the 1917 revolution) arguing that peasant farmer's production was motivated by use value rather than the exchange value. That is, small peasant farmers are primarily concerned with utilising their labour to a level consistent with household food security (Chayanov, 1991, p. xxv). The focus on labour was backed by what he called the labour-consumer balance concept. In this respect, peasant farmers utilised their labour on and off-farm to satisfy family needs and only commodified their produce in order to meet the household needs that could not be met by their production, i.e., to buy such things as sugar, cooking oil and salt (the labour-consumption concept) (Thorner D. , 1965, p. 231; Thorner, Kerblay, Smith, & Shanin, 1986, p. xv). Chayanov's definition of the peasantry implicitly assumed the peasants to be rural-based, with small-scale technological units and minimal capital-intensive technologies. The most exceptional observation, which influenced a number of his solutions and theories about the peasantry and peasant cooperatives was that the peasant farmers predominantly relied on family labour.

Chayanov's definition of the family farm may surprise us by its narrowness when compared with the much wider usage of the term in recent decades. Present-day economists familiar with model building might assume that for his purpose Chayanov framed a special model or ideal type. In fact, Chayanov considered his category a real

one drawn from life. He contended that 90 per cent or more of the farms in Russia in the first quarter of the twentieth century had no hired labourers, that they were family farms in the full sense of his definition. – (Thorner, Kerblay, Smith, & Shanin, 1986, p. xiii)

These observations were persistent in the countryside in both Russia and Asia in the first three-quarters of the 1900s, and are currently pervasive in rural Africa. The peasant nature and condition determined the development and prosperity of cooperatives, according to Chayanov, in Russia and Asia; and hence should also support the development of these in rural Africa, I argue.

Although critics of Chayanov's theory of peasant cooperatives directed their criticism to his definition of the peasantry, this has profound effects on the theory of peasant cooperatives which heavily relied on this definition. This has often been termed the Chayanov-Lenin debate. Harrison [1977 cited in Lyimo (2012)], a Marxist scholar, listed the flaws of Chayanov's ideas on the peasantry as follows; i) empirical data did not support the assumptions that low producer and consumer ratios caused low per-capita income; ii) he ignored the pervasiveness of peasant differentiation hence classified all peasants as not labour hiring and thus did not differentiate between rich peasants and poor peasants; iii) issues of specialization brought about by new technologies and population growth were not taken into consideration in Chayanov's definition of the peasantry.

Indeed Bernstein's (2009) article on Lenin & Chayanov provides excellent insights into the differences between their theories of the peasantry. He explained that many of the critics of Chayanov believed that he opposed Lenin, but he opposed Stalin's policies instead. It was supposed to be Chayanov-Stalin debate instead of Chayanov-Lenin debate (Bernstein, 2009, pp. 55-59). These two scholars had more points of convergences than divergence, and that Lenin had managed to receive more 'advertising' than had Chayanov. However, some scholars argue that the two differed on a couple of extremely fundamental issues, including the issue of peasant differentiation (Bernstein, 2009; Cook & Binford, 1986). For example, while Lenin emphasised on the presence of differentiation based on land sizes within the peasantry, Chayanov acknowledged differences in land sizes but underplayed its role in differentiation phenomenon.

The peasant households, taken as a whole as some kind of social stratum, represent a complex phenomenon which is extremely heterogeneous in its make-up [...] It transpired from the system of classification that peasant households varied enormously in size and included those whose area was five to six times greater than that of their neighbours. [...] under a communal system of land tenure, the land area of households was determined by the number of people, workers and mouths to be fed. [...] This point of view, which seemed extremely plausible from a superficial observation of the countryside, persisted stubbornly and for a long time in economic literature, and it led economic thought on to an unproductive path of research. [...] the system of classification according to the area under cultivation cannot, of itself, serve as a tool for revealing the social differentiation of the countryside; and that it largely reflects the demographic process of an increase of families, who obtain for themselves a corresponding increase in land, through communal redistributions or through leasing. – (Chayanov, 1991, pp. 24-25)

Thus, Chayanov argued that land sizes were not the basis for differences in the peasant development; interestingly Lenin agreed that after the land reforms of 1921, peasant differentiation had decreased. That is particularly interesting for post-land reform cooperatives such as those in Zimbabwe. He further argues that Chayanov and Lenin never actually debated or mentioned each other's names throughout their writings (Bernstein, 2009, p. 61). Despite criticism on Chayanov's theory of peasant cooperatives, it has remained one of the theories grounded upon in-depth agricultural economic interpretation of data collected from the Russian peasantry. It is worthwhile to pursue a deeper understanding of this theory. I strive to do this in the proceeding sections.

3.5.2. Development of the theory

In the early 20th century, Russia wanted to aggregate land holdings in the rural areas to pave the way for large-scale production. In arguing against such a model of production, Chayanov used the analogy of the industrial and manufacturing sector in pre-capitalist Russia, which were once family-owned before the explosion of capitalism. He warned that agriculture could also see the same fate, but horizontal integration in the agricultural sector would be a disaster (Chayanov A. V., 1925). Also, capitalism would penetrate through vertical concentration by controlling the channels utilised by farmers in accessing their input and output markets. By doing this, capital then effectively gains control of the market by developing a system of credit

and finance based on conditions amounting to slavery and hence turned agriculture into a system of exploitation of the farmers. This straightforward narrative was pervasive in the Asian agrarian sector, with particular mention of Japan where the feudal system had laid ground for the development of capitalism; and the later landlord-tenant system merely continuing with an already established system of exploitation (see Teruoka, 2008)).

African agricultural-based economies engaged in the production of commodities for export (mostly in their raw or near-raw form) are still subjected to these exploitative tendencies of capitalism. Production processes are dictated through imposition of standards, quotas, planting dates and rotation schemes which effectively reduces producers to mere technical labour providers, a phenomenon that has been argued by some scholars as ‘disguised workers’¹³ (Little & Watts, 1994; Shonhe, 2018, pp. 31-32)]. The prevalence of contract farming for tobacco, cotton and sugarcane in the Zimbabwean agricultural sector is a typical example. Chayanov also argued that capitalism had other means of catching up with farmers and exploiting them as well. These included the mortgaging, credit, transportation and irrigation systems which abetted the turning of the rural area into a source of labour, with no control of the means of production.

It was this agrarian problem presented by the capitalist mode of production that resulted in the suppositions of rural cooperatives. Thus, if capitalist control of the means of production were to manifest itself as cooperative ‘capitalism’, which is controlled by the peasant, then small producers would not surrender their produce (and hence control) to the markets. They would engage with it collectively as associations of numerous farmers. The ordinary farmer is saved from the jaws of the capitalist dragon and is then able to connect to millions of other producers and consumers directly by selling through a cooperative (Holyoake, 1900). This manifestation of cooperativism can and should initially be supported by the state only through legislature and state credit for the cooperative to evolve into a reputable organisation that eventually avails credit resources to the rural areas on its own (Hayami & Godo, 2005). Thus, regaining control of the rural economy, bringing vertical concentration, where cooperatives and the farmers are elevated to a better status in the economy and society (household); as farmers reconfigure their households to match cooperative goals. This conceptualisation seems to dispute Harrison’s

¹³ Disguised workers (‘concealed wage labour’ or ‘hired hands in his own land’ or ‘disguised proletariat’) are usually landowner farmers under contract farming. The capitalist firm provides all the factors of production from inputs to extension (planting, harvesting schedules) and supervision such that the landowner virtually becomes a labourer on their own farm (Little & Watts, 1994).

assertion (1977) that Chayanov's theory did not account for changes in household characteristics.

3.5.3. Defining a Chayanov cooperative

What then constitutes a cooperative, and what makes it different from corporations and capitalist farming enterprises? There is no one agreed definition of what a cooperative is; however, in developing the theory, Chayanov utilised two famous definitions of cooperatives:

A cooperative is an economic enterprise made up of several voluntary associated individuals whose main aim is **not to obtain the maximum profit** from capital outlay **but to increase the income** derived from the work of its members, or to **reduce the latter's expenditure** by means of **common economic management**. (bold by author for emphasis). –M Tugan-Baranovskii cited in Chayanov (1991, p. 14)

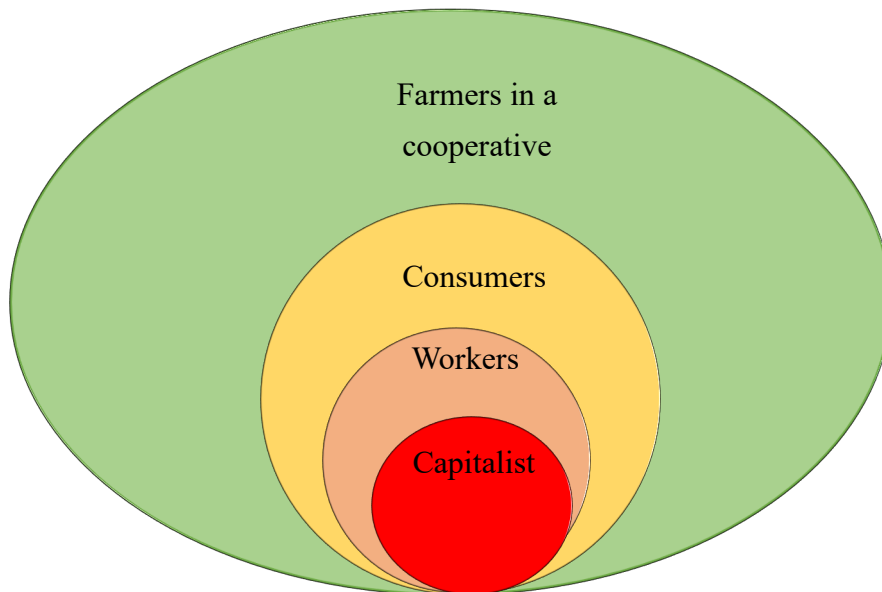
And a second definition by Pazhitnov.

A cooperative is a voluntary association of some individuals which aims, by its joint efforts, to **combat the exploitation** (by capital) and **to improve the position of its members** through the production, exchange and distribution of economic benefits, thus as producers, consumers or sellers of labour. (bold by author for emphasis) – K Pazhitnov cited in Chayanov (1991, p. 14)

From these two definitions, cooperatives appear either to seek to establish organisational and efficient allocation of capital and distribution of gains or those that focus on trying to fix socio-economic (sometimes political) ills (capitalism, class harmony and liberation of the peasantry from economic bondage), or sometimes both. Additionally, cooperatives do try to improve the position of the members through increasing their incomes (making it appeal to market-oriented theory). Chayanov combined the two definitions to describe a cooperative with entrepreneurship and social movement characteristics. For that reason, Chayanov concludes that in coming up with a theory of cooperatives, it is necessary to define the 'cooperative' as representing a variation of the peasant economy with enablers for a small-scale farmer to enjoy 'large-scale benefits' without losing the individuality or control of his production process.

To further understand the significance of a cooperative and which type of cooperative in particular, Chayanov used an example of a butter processing plant that can be established in a milk-producing rural area or region. The butter factory can thus be owned by four distinct types of owners, as illustrated in Figure 3.6. The example holds for agrarian societies that have the majority of people living in the rural areas such as those in African countries.

Figure 3.6: Advantages of adopting producer cooperatives



Source: Created by author based on Chayanov (1991, pp. 18-20)

Suppose a producer cooperative (farmers) owned the factory and did production with the help of hired labour, then the benefits or 'profits' of this factory are shared among the cooperative members. Thus, the interest of the producer cooperative is to increase the price of the milk purchased from the farmers, which is desirable assuming that the motive is to develop the peasantry who make up majority of the population (Stack & Sukume, 2006, p. 557). The second case is if that factory is under the control of a consumer cooperative which naturally aims to get butter to the consumer at the lowest price possible. What this means is that the farmer producer surplus labour is exploited and hence tend to lose out. The third scenario is if a worker's union/cooperative owns the factory, then the will and interest of the workers guide the cooperative. Thus, here the workers try to buy the milk at a lower price from the farmers so that they can process and sell at a higher price to the consumers. The benefit from manufacture of the butter, in this case, is now only shared among the cooperative worker members. The farmer loses out.

Lastly, the fourth scenario is where the factory is owned by one private entrepreneur whose primary goal is to increase his profits at all costs. This is the classic capitalist who will extract surplus labour from the farmers, the workers and still charge higher prices of the butter to the consumer to maximise his overall gain. The premise of the argument is that farmer (and their household) account for a higher proportion of population in agrarian societies, and hence a system that benefits farmers then benefits a more substantial proportion of the population. The proportion of farming households is higher than consumer household (non-farmer consumers). Consumer households, on the other hand, overwhelm workers households who overwhelm the capitalist household. Thus, in an agrarian society, producer cooperatives engaged in vertical integration result in more equitable distribution of benefits/wealth.

The above description is sometimes known as the hold-up problem in market-oriented theory; it is a situation in which the capitalist monopolises the market and forces farmers to accept lower prices (Royer, 1999, p. 53). This nexus between market-oriented theory and Chayanov theory is exceptionally appealing to this thesis as it tries to come up with a third-way developmental trajectory of cooperatives.

3.5.4. The role and character of peasants in Chayanovian cooperative formation

Having discussed the definitions of a cooperative, the development of the theory of peasant cooperative and the nature of the peasantry according to Chayanov, the next port of call becomes the finer details of forming the cooperative itself. The theory, therefore, has specific provisions or suggestions on the ideal type of cooperatives to be formed subject to the conditions in the rural areas, the nature of the peasantry and the type of crop/product being produced. The character and nature of the peasants determine the type of cooperatives that can be formed and hence, it is essential to describe how Chayanov conceptualized differences in the peasants before delving into the specifics of the cooperatives.

3.5.4a Differences in the peasants and the motivation to join cooperative

As a point of departure, Chayanov argued against class differentiation centred on land size (see discussion in section 3.5.1). However, he did acknowledge the existence of six different types of farmers, whose classification had little to do with land size under cultivation but instead on the utilisation of family labour for on-farm and off-farm activities (Chayanov, 1991, p. 26). This situation seems to resonate with some of the findings in the Zimbabwean peasantry, where some smaller land-sized farmers were well off than larger land-sized (although a positive

correlation exists). Rich peasants can be found in the CA and A1 sector while poor to middle peasants can be found in the more extensive land sized A2 farms (Moyo S. , et al., 2009; Moyo S. , 2011a).

Although the peasantry can be separated into six different strands of households, whose goals and interest in each cooperative varied, Chayanov (1991) still argued for its homogeneity based on the fact that the different groups of households are tough to alienate and hence are often found mixed and overlapped. The households include the *a*) type whom obtain income from trade turnover (returns on investment outside agricultural production), do not hire labour for their own farming they have a stronger influence in the countryside than all the other types (*b* to *f*). Then there are *b*) type peasants that do not derive income from investments, are productive and also hire labour, potentially exploited by the first group as wage labour or through unfair market interactions. The *c*) type have no non-farm investments, are productive (they can meet household reproductive needs from agricultural sources) and do not hire permanent labour (only casual labour at times) and are usually exposed to exploitation when they enter into commodity and labour markets. The *d*) type do not hire labour, are productive and do not sell labour, these use their labour on their farm exclusively, in addition to market exploitation, these are usually the ones targeted by capitalist exploitation through loans and credit above commercial rates. Then there is the *e*) type that do not hire labour, are productive but also sell their labour to other households, these are usually victims of all types of exploitation (in labour markets, usury/finance markets and outputs markets). Lastly, the *f*) type undertake subsistence production with their income based solely on selling their labour to other farmers. The last type usually will not join the cooperative because they lack the minimum resource requirements to participate in production (they cannot meet auto-consumption production). However, if initially provided with cooperative credit, they can transform from *f*) type into *e*) and *d*) type which accentuates the importance of starting finance cooperatives ahead of all other types of cooperatives (summarized in Table 3.2). Thus, the majority of the peasantry found in the countryside at that time was concentrated in the *b*), *c*), *d*) & *e*), and these were all ideal for participating in rural cooperatives (Chayanov, 1991, pp. 26-28). It is this classification of the different farmer groups that prompted some scholars (Bernstein, 2009, p. 55) to argue that Chayanov did engage in debate with Lenin about peasant differentiation.

Table 3.2: Classification of the Chayanovian peasantry

Classification of the Chayanovian peasantry						
Type	Turnover income	Family labour use	Productive	Labour hiring		Sell of labour
				Permanent	Casual	
a	YES	YES	NO	NO	NO	NO
b	NO	YES	YES	YES	YES	NO
c	NO	YES	YES	NO	YES	NO
d	NO	YES	YES	NO	NO	NO
e	NO	YES	YES	NO	NO	YES
f	NO	YES	NO	NO	NO	YES

Source: Adapted from Chayanov (1991, pp. 26-28)

Chayanov further noted that, besides profits from turn-over, income from other sources outside agriculture was held constant because a small proportion of peasants had this as an income source. To overcome the problem of the overlapping of categories highlighted earlier, Chayanov (1991, p. 31) further aggregated these six into two distinct types of households to which the ‘social foundations of agricultural cooperatives rested upon’. Thus;

- 1) Those that exploit other farmers’ wage labour for their income and are called capitalist market-oriented farms, whose interests or needs could be summed up using gross income, cost of labour (wages), gross profit, production costs and net profit margins.
- 2) Those that do not hire labour and or may rely on selling their own to other farmers, these are termed market-oriented peasants whose interests and needs are summed up using only the gross income and the cost of production.

Chayanov’s differentiation reduced the peasantry into a bi-modal structure (having two forms, the poor peasant and the richer peasant even though he acknowledged the existence of intermediate types, but their numbers were not significant) (Chayanov, 1991, p. 31). The first class is essential, especially initially in the provision of capital resources which the second group can access as cooperative credit. Hence, we can then introduce the question of what level do farmers seek to produce? What is their motivation to produce? Theoretically, the peasantry is not too concerned about profit maximisation. Instead, Chayanov argued that the peasantry is concerned with utilising their labour up to a point where their marginal utility of output is equal to the marginal disutility of work (Cook & Binford, 1986, p. 7). It would be a gross mistake to try and calculate profits for a peasant household in the same way as for a capitalist farmer because, unlike the family-farm, the capitalist farmer does not use his/her labour and his/her most significant goal is to make profit (Thorner, Kerblay, Smith, & Shanin, 1986). Therefore,

it is suggested that the ‘profit’ for the peasant household to be termed ‘payment for the labour of the peasant household’.

3.5.4b Ideal cooperatives and the type of peasants to support it

Consequently, the ideal cooperative will depend on the structure of the peasants. In Zimbabwe, where significant proportions of the peasants are expected to be in the second group (market-oriented peasants), according to Chayanov, agriculture crop-specific cooperatives can thrive. The cooperative mimics the household dynamics, and the cooperative can only grow in response to the growth in household incomes; thus, the progress of the cooperative is measured, not by the profits it makes, but by the increase in member income over time. This connection between the household and the cooperative was used by Chayanov to decide the sequence of activities or the types of cooperatives that should be formed as the cooperative develops. Just as in a household that requires (i) finance to (ii) purchase inputs, (iii) produce and then (iv) market or (v) process; ideally and indeed historically, cooperative activities should start with Credit cooperatives, then purchasing cooperatives, then marketing, then processing cooperatives and then eventually can take the form of multi-purpose cooperatives (Shanin T. , 2009, pp. 50-51; Chayanov A. V., 1991).

3.6 The distinction between cooperatives & other social organisations

Cooperative organisations and other social organisations such as unions, clubs or churches have often been viewed as one type of organisation both at the institutional and organisational levels. Historically, they have even been hostile towards each other in terms of competing for members while in other cases, they have found a way to coexist. For example, in the agricultural sector, farmer unions viewed cooperatives as a way in which farmers could gain meaningful ownership and control over their products and processes of production (Cathy, 2017). Thus, cooperatives are substantially different from unions and other social not-for-profit organisations such as churches. The significant differences lie in how the organisations are financed, capitalised and to whom does the managing committee account to and finally in the manner in which the organisation interacts with the outside stakeholders (see also section 3.2.1 on page 58). Not-for-profit organisations are accountable to the donors while cooperatives are accountable to the voting members. Although the internal structure of cooperatives and other not-for-profit organisations may be structured in the same way to improve democratic processes, another difference lies in the manner in which profits are redistributed to the community. For most not-for-profit organisations, they receive income from donations, and the organisation is structured

not to make any profits. However, cooperatives get receivables from the sale of products and services, and profits are redistributed to the community depending on the amount of activities done through the cooperative by each member (Cathy, 2017).

Throughout the development of agricultural social organisation, these different forms of cooperatives have existed in varying forms and have, to a larger extent, failed to transform the countryside. This has mainly been due to the fact that their goals were not for the benefit of the members but for the benefit of the founders of the social groups in the case of unions, churches, for the benefit of the donors in the case of donor-funded social organisations and for the state in the case of state-funded and controlled cooperatives. Collectives and early cooperatives in Africa were controlled by the state and mainly worked to achieve the objectives of the state. Other donor-funded community organisations also worked within the confines of their funders, hence undermining the potential of the organisations. What I propose in this thesis are robust grassroots and genuinely farmer-controlled cooperatives that use the political apparatus to demand development from the state and fair market practices from the private sector.

3.7 Summary and conclusions

I have discussed various theoretical underpinnings to cooperative development in this chapter and identified two dominant diametric views. On the one hand, is the neoclassical and NIE theories that give the impression of cooperatives as a firm whose objectives is to increase member satisfaction by increasing their incomes and profits. These focused on making cooperatives more business-like (attention is on private property rights, governance and coordination) while at the same time encouraging its role as a civil organisation that is responsible for making the government to formulate sound public policies. Therefore, neoclassical cooperatives emphasise on the free, individualistic market transactions of the cooperative entity while NIE highlight the need for state regulatory institutions (including government legislation). On the other hand, I discussed Marxist theories on cooperatives and how they viewed cooperatives as a means to controlling peasant capitalist production, fighting capitalism and achieving socialism. While appealing in some instances (their need to integrate farmers into markets and NIE view that they can resolve market distortions), NCE and NIE theory of cooperatives has severe problems in the way it conceptualises the cooperative problem and hence in its solution of converting cooperatives into investor-owned firms. The same could be said for Marxist cooperatives which intended to replace capitalism with socialism which may not be feasible in the short run.

Table 3.3: Summary of theoretical frameworks

Theory	Strength/Weakness
1. NCE & NIE	<p style="text-align: center;">Major Strength</p> <ul style="list-style-type: none"> • The drive to increase member income is important • Helps to make farm production more business-oriented which helps increase economic production
	<p style="text-align: center;">Major Weakness</p> <ul style="list-style-type: none"> • Wrongly assumes the problem of the cooperative is profit maximisation (which renders it a weak model for cooperatives) • No focus on social aspects of production • Low adaptability in Socialist national production models • The Cooperative lifecycle assumes the cooperative to be like any other private firm • Concerned with increased production and pays less attention to the effects on social development
2. Marxist-Leninist	<p style="text-align: center;">Major Strength</p> <ul style="list-style-type: none"> • Recognises the need to farmer voice aggregation against the adverse effects of capitalist markets • Recognises the need for economic democracy (majority control of local economies)
	<p style="text-align: center;">Major Weakness</p> <ul style="list-style-type: none"> • No concise theory on the peasant cooperatives • Focuses on WMF and LMF • Inclined towards state-owned but member-controlled organisations • Too abstract, low adaptability in modern-day Zimbabwe (compatible with Socialist production models) • Seeks to use cooperatives as a means to Socialism, less concern on the peasants themselves
3. Chayanovian	<p style="text-align: center;">Major Strength</p> <ul style="list-style-type: none"> • Practical • High adaptability in socialist and neoliberal national economic production systems • Designed for the agricultural sector • Favours peasant owned and controlled cooperative organisations • Concerned with solving the more parts of AQ than the other (GDP with development)
	<p style="text-align: center;">Major Weakness</p> <ul style="list-style-type: none"> • His conceptualisation of the peasants has significantly changed. The theory needs adaptive modifications.

I discussed Chayanov’s theory of cooperatives and highlighted how it focused not only on theory but also on the practical side, which is appealing to my research. It is a ‘third way’ is more suitable for understanding the contemporary cooperatives under study more than the other perspectives because farmers cannot avoid contact with market (under Marxist) while at the same time they cannot afford to form private companies as individuals (under neo-liberal theories). Chayanovian cooperatives espouse solidarity-based values, which can be interpreted as an expanding community perspective. Chayanov’s theory of cooperatives is practical, dully targeted to agricultural sector unlike the generic NIE theory or the Marxist theory whose focus was on LMF and WMF (with less emphasis on peasant organisations, see Table 3.3). This

chapter has set out my theoretical backbone utilised in data collection, in analysing the research findings and in formulating a new cooperative model for Zimbabwe. Theoretically, federation-making may lead to the formation of a mega monopoly capitalist firm. There are advantages and disadvantages to having a strong federation; it needs to have an entry and exit point. For Zimbabwe, with over 70% of the population in the rural areas, a strong federation is desirable while for Japan with less than 5% as rural people, smaller coops make more sense. Another way to avoid degeneration can be to divide a grown cooperative to smaller cooperatives to revitalize the organization and make it closer to members. This is deliberately to go against the economy of scale. Federations can be suitable in the growth stage, while decentralization can be a good option in (or before) the degeneration stage.

CHAPTER FOUR: JAPANESE AGRICULTURAL COOPERATIVES – A LITERATURE REVIEW

The ultimate goal of farming is not the growing of crops, but the cultivation and perfection of human beings. – Masanobu Fukuoka

4.0 Introduction

This chapter gives an overview of the Japanese agricultural and cooperative system. What I intend to do is to elucidate the role of the state, community and market in the input and output supply system. Particular focus will be on how agricultural cooperatives were structured, what linkages existed between the state and the community and to what extent did this nexus provide a better platform for the farmers to engage with the private capital markets. As such, the chapter starts by giving the historical background to Japan after the WWII, then discusses the evolution of the Japanese agrarian structure and the role played by the state in this process. A discussion on the structure of the inputs, financing and land markets is provided. I then discuss rice productivity trends and output marketing trends because it is the staple food of Japan, as I shall do with maize for Zimbabwe in chapter five. Next, the chapter then talks about the various types of cooperatives in Japan focusing on generic cooperative movement (supported by the state) and the relatively new cooperative movement whose influence ranges from local, regional to national spheres. This is extremely important to understand how the cooperative industry managed to succeed in increasing farmer incomes, and community development (through amplifying farmer voices in government agriculture policy for example) in Japan. The chapter concludes by drawing lessons from the Japanese experiences and how these can be applied in the context of a developing country like Zimbabwe.

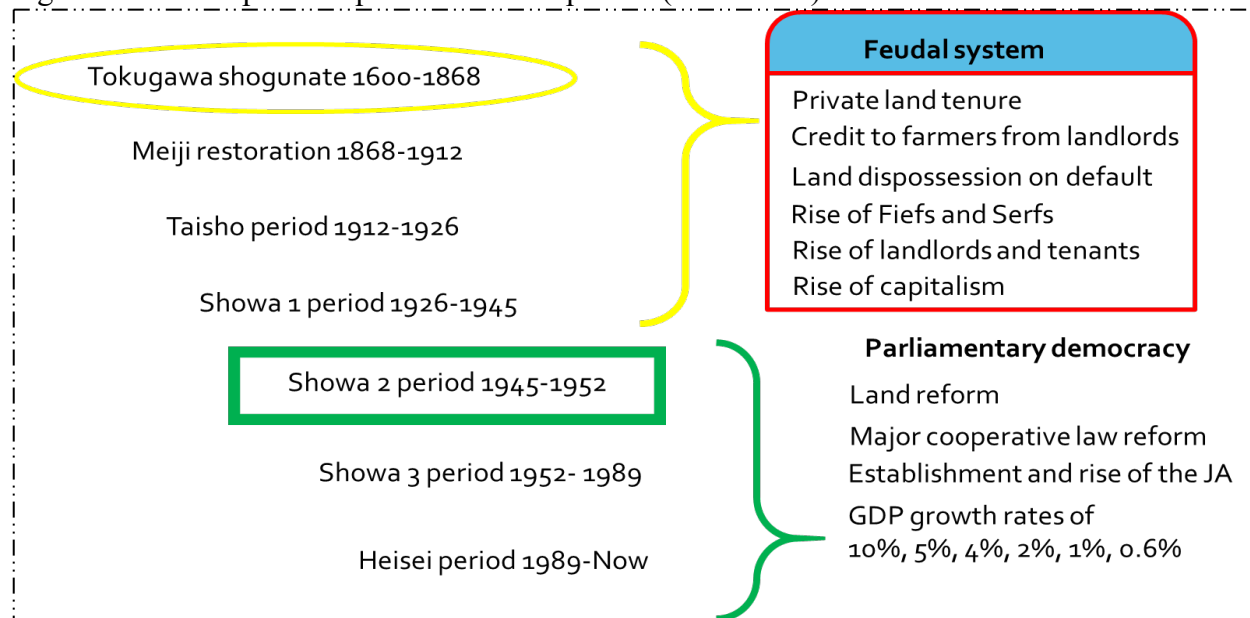
4.1 The development of the Japanese agriculture

Working together in Japanese society is as old as Japan itself, and thus, the contemporary agrarian structure should be discussed within the context of the historical path it has taken. Although there exists a vast body of literature on Japanese agriculture, most of it is found in the Japanese language. The works of Dore (2012) and Teruoka (2008) have mainly formed the basis for this section's literature review.

4.1.1 Historical background of the pre-land reform Japanese agriculture

Japan has four main islands (4,000 other smaller islands) with Honshu being the biggest of them and enjoys high rainfall patterns throughout the year (Teruoka, 2008). Massive changes that occurred from as early as the 16th and 17th centuries are forever printed in the Japanese agricultural socio-economic sector. Japan went through several socio-political periods that are significant for any scholar interested in understanding various aspects of contemporary Japanese life. The Tokugawa Shogunate period popularly known as the Edo period (1600-1868) was the most prolonged period in which Japan was under feudalist rule by an influential family. Although this period witnessed high rates of urbanisation, education, and trading, it eventually became unsustainable and had to give way to the restoration of the emperor/imperial system (explained later in this chapter) in the feudal period from 1868 to 1945 (Gluck, 1997).

Figure 4.1: Socio-political periods of the Japanese (1600-2020)



Source: Created by the author based on various sources (2018)

This period is popularly sub-divided into the Meiji period (1868-1912), the Taisho period (1912-1926) and then first pre-occupation Showa period (1926-1945). The parliamentary ‘democracy’ system was then established after the defeat of Japan in the 2nd world war from 1945. This again can be divided into the occupied Showa (1945-1952) (Figure 4.1), the post-occupation Showa (1952-1989), the Heisei (1989-2019) and the new Reiwa era from April 2019. Understanding these periods is extremely important as they had varying political, social and economic ramifications on the Japanese contemporary urban and rural societies.

The propagation of feudalism in the Tokugawa period resulted in an agrarian structure with landlords, on the one hand, owning all the land, and tenants on the other (especially around the 1700s). It is during this period that private tenure established itself in Japanese agriculture resulting in some families (e.g. Homma of Yamagata) acquiring private land (Dore, 2012, pp. 12-13). A growing rural and urban population pushed up the prices of land and made it profitable to lease out land rather than be involved in farming themselves. Teruoka (2008) described this process as the establishment of capitalism in rural Japan as more landowners continued to acquire land from the peasants. This was mainly achieved through the provision of credit to farmers under usury, and land was then dispossessed if they defaulted on their loans. A farmer whose land was possessed would then become a tenant (serf), working on the farm and paying rent (often paid in rice produce) to the landowner or feudal lord (fief). The serfs and the fiefs would later just be referred to as the tenants and the landlords respectively, with the former predominantly paying taxes (2.5% - 5% of land value) to the government and sharing half of their products with the latter. Needless to state that this relationship was highly exploitative as the peasantry always got the short straw with each policy and reform adopted by the government of the Shogunate.

Japan, being a mountainous island, whose total surface area is approximately 38.7 million hectares (0.4 million hectares less than that of Zimbabwe), has only 16% of its surface area as arable land (Ishida, 2002a) (compared to Zimbabwe which has 40% of its land as arable land). This has significant influence on the average land sizes of peasant farmers (by 1945) who had to practice intensive use of land, fertilisers, chemicals, and irrigation facilities on an average area of two acres of land (Ogura, 1966, p. 154; Nagatani, 2015). Although there were some structural differences in farming systems between Northern and Southern Japan due to extremes in winter temperatures, during the Tokugawa (and most parts of the Meiji periods), rice was the staple crop mostly grown on 59% of the land (and provided 57% of the energy requirements) (Kawagoe, 1999, p. 19; OECD, 2009, p. 13). Livestock rearing was minimal due to the absence of good pastures, and animals were stall-fed on grasses from dykes, root crops and concentrates. One of the reasons why farming succeeded in Japan was because of the growing Japanese population, which depended on rice for food and hence kept the price of rice relatively high throughout. The abundance of labour also played a significant role in both maintaining a steady rural population while at the same time following an aggressive industrialisation path driven by fabric export (Teruoka, 2008). Typical of capital, it did not annihilate the small-scale farmers but instead maintained them in a position of economic

dependence on the landowners, and merchant capital, and cleverly used and exploited them (Chayanov, 1991).

Following the end of the Second World War (WWII), Japan entered its first democratic parliamentary era (see Figure 4.1). During the occupation by the Supreme Command of the Allied Powers (SCAP), Japan carried out a land reform which drastically reconfigured the agricultural sector (Chayanov, 1991). By 1955, agriculture was contributing 18% to the GDP while employing approximately 41% of the working population (Dore, 2012). The increase was achieved even though approximately six million households held two acres of arable land between 1950-1955. The current population of Japan stands at 127 million people (World Bank, 2017). The Japanese society is changing and is no longer composed of one race, one culture and one traditional belief because the number of foreigners (some 3rd and 4th generation Koreans, Vietnamese and Philippines can be found) have moved to Japan to find work. Some of these people provide labour in the agricultural sector. Japan has never been colonised (save for the USA occupation 1945-1953) and hence has had limited external influence (Ishida, 2002a), but it has imported almost everything from religion to art and culture, improved (through community participation) and fused it with local knowledge to make it suitable for the Japanese society. Japan's population growth has been declining in recent years which has been a result of the drop in the birth rate, hence has resulted in the population structure which has a considerable proportion of older adults over the age of 65 years (retirement age in Japan). It is led by a Prime Minister who is elected by the Diet (国会, Kokkai)¹⁴. Some various ministries and agencies help the Prime Minister to administer a legal framework and give subsidies to the 47 prefectures governments and 3246 local administrators classified into cities, towns and villagers (federal system) (Ishida, 2002a). The Ministry of Agriculture Forestry and Fisheries has control and influence in the regulation of agricultural cooperatives through various enacted laws.

4.1.2 The Japanese land reform (1945-1948)

Setting the land reform framework

As highlighted, the tenant and the land questions have always been discussed within the Japanese governance system. A market-based land reform was attempted in the 1926-1937

¹⁴ The Diet is the legislature part of the government of Japan (highest organ of state power and sole law-making organ) composed of voted members of the House of Representatives and Upper House of Councillors (Japan Constitution, 1947).

period in which tenants who wished to buy land (given that such land was available) could get a subsidised loan from agricultural cooperatives to purchase land (Kawagoe, 1999, p. 22). This initiative was, however, a top-down approach which was pushed by a reformist portion of the then Ministry of Agriculture and Commerce. The establishment of the Land Tenancy Conciliation Law to see to any tenant-tenant or tenant-landlord disputes was the first step in this reform. More importantly, the government established the Owner Farmers Establishment Law (1926) to oversee the speedy transfer of land from landlords to tenants once they had agreed on a price. The law provided that the cooperatives could loan out finance to the tenants at 4.8% interest and that the government would provide a subsidy of the purchase price of up to 1.3% (Kawagoe, 1999, p. 23). Although it was successful in redistributing land to over, just like Zimbabwe's land reform in the 1980s, it was sluggish, and tenants purchased low quality and highly disaggregated portions of land (see Moyo 1995).

With the defeat of Japan in WWII, the tenant question resurfaced. One way or the other, the land reform, or some form of it, was inevitable. Also, the release of political prisoners after the war meant that there would be a revival of the left-wing movement (which was evidenced by the sharp rise in the number of peasant unions) (Grad, 1948, p. 115; Banno, 1997). Although much praise is given to the General Headquarters of the Allied Powers (GHQ), the land reform was unavoidable, and the GHQ was nothing but a midwife delivering a baby that was conceived much earlier on (Dore, 2012) as evidenced by the Land Reform bill of 13 October 1945 (Kawagoe, 1999, pp. 8, 27). There seemed to be confusion about the push for a land reform within the GHQ as official documents and plans for the post-war Japan drafted by the GHQ did not include implicit instructions about carrying out a land reform, except the 'need to democratize' the rural areas to enable real development (Kawagoe, 1999, p. 8; Dore, 2012, pp. 130-131). There were possibilities that the GHQ was afraid that the land reform could open the way for communism.

In this phase, several laws were enacted to pave the way for a land reform; for example, the conversion of rent payments to cash while simultaneously reducing the amount payable (Dore, 2012). Most importantly, revision to the Land Reform Law were made to specify how such issues as how absentee landlords and land leasing would be handled. The revisions had to accommodate the concerns of both the tenants and the landlords. The final effect of all the laws was to allow for the acquisition of *i*) all land of absentee owners, *ii*) all tenanted land owned by resident landlords that exceeded a certain threshold-depending on region approximately, 12 hectares in Hokkaido and an average of three hectares elsewhere, *iii*) all land cultivated by the

owner-farmer that exceed a certain threshold, iv) any uncultivated land suitable for cultivation that was needed and, v) Other residential land buildings or grassland rented by a tenant. As part of the process, just as I later discuss in the case of the Zimbabwe land reform, three-tier land committees were formed which comprised equal representation of the tenants and the landlords as well as owner farmers. The committees had to administer the land reform at the village level. These comprised of five tenants (owning less than 33% of their farm), three landlords (cultivating less than 33%) and two owner farmers (the rest). The prefectural level had the same structure except for double the figures of primary level, and were elected by town and village members. At the national level, the government appointed a central land committee which had eight tenant representatives, eight landlords, two peasant unions and five university professors who mainly scrutinised administrative orders issued under the various enacted acts.

Zimbabwe has similarities with the Japanese story as can be seen by the retaining of some landlord and tenant land. The land reform law had provisions for each landlord to at least retain approximately one hectare of rented out land. This was also noticed in the Zimbabwean case when the government left some commercial farms virtually untouched because they formed what was termed economically 'strategic farms'. For the Japanese case, we see the enduring influence of the landlord while in Zimbabwe, it was the case of a residual influence of large-scale farmers (backed by capital). The Diet explained this, however, by arguing that due to illness, family sizes and death, provisions for families to lease out land should be made.

Carrying out the reform

During the process of the reform, many problems were encountered. The reasons ranged from the fact that this was an attempt to change the land tenure rights of over 6 million people and that approximately 2 million of them were in opposition (Kawagoe, 1999, p. 31). The timing of the land reform was not ideal (some scholars (Chitsike, 2003, p. 10; Matondi, 2012, p. 13) believe this to be the problem of the Zimbabwean case as well), it was too soon after the war, and there was still confusion in the countryside (even in the urban areas). Weak communication systems worsened the situation, shortage of paper, understaffing of land reform committees, poor working conditions (offices had no heating systems) and inflation was ravaging throughout the economy (Dore, 2012). Also noted was the fact that the remuneration paid to the staff of the land committees was too low, and hence poor farmers could not juggle this with farming and hence were discouraged from taking part, and those who just managed to take part were more susceptible to bribery (ibid). As such, Land Committees often did not know or understand the limits of their power and jurisdiction. This led to many the processes being left

to the discretion of the local land committees. The situation was quite similar in the Zimbabwe land reform committees as reported in Moyo, S (2007a, pp. 108-113).

As already highlighted, the land reform was not a smooth process, which can also be seen through the various conflicts of interest which arose through the reform course. Land committees were biased towards landlord interests, and on many occasions, they had to be reshuffled, reorganised and in some extreme cases had to be disbanded and new committees installed. The same scenario was obtained in the build-up to the Zimbabwe land reform, in which the LSCF were firmly protected by the private property rights and hence delayed, objected and derailed the land reform through numerous litigation cases at the courts of law (Utete, 2003, pp. 50-51). Additionally, just as it later happened in Zimbabwe (where land occupations were driven from below in the initial phases but became top-down when it was formalised in 2001), the land reform in Japan took a top-down approach after the war in which the government dominated the movement. One of the reasons for a strong top-bottom drive (state & GHQ) was to subdue the socialist and communist movements in the countryside. There was one case which led to the dissolving of one of the land committees when some members were ostracised because they were thought to be communist (Dore, 2012, pp. 153-155).

Within the land reform process, class struggles emerged mainly in the enclaves of landholding status. Owner-farmers formed a social class whose goals was divorced from that of the feudal landowners and the tenants. The land reform also influenced the rate of farmer's union formation in the countryside (tenant, owner farmer and landlord unions). Here we see the power of collective action and aggregating voices as a form of agency. Because of the proportionate increase in the number of land dispossession cases, there was a corresponding increase in the number of agricultural unions between 1945 to 1947 (24,000 in 1946, 1 million by 1947 and over 2 million unions by 1949) (Dore, 2012, pp. 168-169). Although farmer's unions mostly attracted owner-farmers who did not eagerly support the reform, it was predominantly left-wing and hence also worked hand in hand with the equally leftist Japanese scholars in this era (Ishida, 2003) (see discussion on cooperative organisations in section 4.1.3). The push for repossession of tenanted land even led to the formation of several landlord unions that helped landlords to appeal (in courts) against any land that they wanted to repossess from the tenants. This eventually presented itself as a threat to the whole reform such that the Occupation forces had to issue out orders to stop and disband some landlord unions (Dore, 2012, pp. 171-173). The reform was officially done by 1950, by then the country was experiencing inflation, and

several tenants paid off all the amount of the land they had received from the landlords within a year or two (Kawagoe, 1999, p. 32).

Agrarian structure of Japan

Scholarship on Japanese agriculture seem to agree that the current agrarian structure is as a result of two major reforms, the first occurring at the beginning of the Meiji restoration and the last one immediately after the WWII in the mid-Showa period (Ogura, 1966; Kawagoe, 1999; Teruoka, 2008; Dore, 2012). Ogura (1966, p. 157) argues that in as much as these land reforms shifted political relations, they had little significance on the overall productivity of the farmers. Instead, it was increased use of technological and Green Revolutionary type of inputs that resulted in the rapid expansion of agriculture (given that there was no increase in the average land size held by each peasant farmer). However, typical land reforms affect not just political structures, but its influence far reaches the various social and economic spheres of peasants (cooperatives and organisations), capital as well as the government itself (Ogura, 1966). Therefore, a discussion of the development of the agrarian structure within the context of these two major reforms is apparent.

Pre-WWII agrarian structure

The agrarian structure in the Shogunate era consisted of the feudal lords (who were the dominant political actors in Japan and who had tenants, hence the landlord-tenant system) and owner-farmers. Feudal lords held approximately a third of the total agricultural land in the Shogunate era, which rose to 45% by the start of WWII (Teruoka, 2008; Ogura, 1966, pp. 152-153). These feudal lords also had control of the social lives of the farmers as they often discouraged luxury and made sure to reduce the prospects of a peasant revolt, for example by removing all swords from the community (only a samurai could have access to the swords, and these bore allegiance to the feuds and landlords) (Dore, 2012). In the 16th and 17th century, there was rapid growth in population and land under agriculture, and hence the tax collected increased as well. However, in the 18th century, expansion of land cultivated stopped, and with it, the increase in the tax for the feudal lords. This prompted the lords to try and find other ways of exploiting the peasants to maintain a steady tax base. The Shogunate then allowed the merchants and moneylenders to enter into the land markets, i.e., own, lend and speculate on land values, which further accentuated the plight of the peasantry. It is then that revolts and farmer agency escalate, including moving to rent land with other favourable landlords and stopping farming altogether. Peasant unions and tenant unions were not yet recorded.

The arrival of the Americans in 1853 later resulted in the opening of Japan's borders to foreign trade. Japanese gold was grossly undervalued, which saw bulky exports to the US (Teruoka, 2008). After they realise that the price was low, they reduced the amount of gold in their gold coins, creating inflation which mostly affected the peasants. The Shogunate lost its power over politics and even economy, leading into the restoration of the Meiji or emperor system. With this new system came in new land reforms, i.e. land was supposed to be surveyed and registered to individuals and they would be awarded title deeds called *chiken* (land rights). Therefore, the land surveying was delegated to local villages, and the responsibility for tax collection was removed from village level to the individual level. This was the birth of property rights, which further accentuated the development of capitalism (Teruoka, 2008). From then on, we see the state selling many businesses to the private sector at supercheap prices, i.e., from industries, mining, construction and the establishment of the Bank of Japan in 1885 to give the conditions necessary for industrial revolution.

The abolition of the Tokugawa Shogunate feudal system in the 1860s saw the establishment of individual farmer private property rights in the peasantry. This was the first land reform of Japan which eventually created the land-owning farmers, landlords (landowners who did not do farming) and tenant (farmers who owned no land) system. Three main categories of landlords developed; the absentee landlords, the village landlords (and lived near the village), and Paternalistic landlords (good landlords whose contract was guided by social norms that proscribed the landlord from abusing the tenants) (Dore, 2012, pp. 23-33). These sometimes helped their tenants with issues that improved their general well-being and taught best practices in agriculture. It is these types of landlords that helped formulate producer interest-oriented cooperatives and farmers' associations/unions. The rent for land was pegged over 50% of the product nevertheless.

The role of the landlords has been debated in literature. With some arguing that in as much as they had a positive impact on rural areas (formation of Cooperatives), it could have been better if the surplus-value of agriculture was not concentrated in a few. Although the concentration of capital enabled expensive things like farm and irrigation refurbishments to be more accessible, scholars argue that this could still have been mobilized more efficiently without the presence of landlords (Dore, 2012, pp. 47-50). Japanese industrial-capitalism predominantly depended on the rural population to replenish its labour force which deteriorated rapidly because of the poor working conditions. Most of the people employed in fabric/cotton spinning factories were woman (mainly girls) who were, to some extent 'sold' by their parents to these

factories (Teruoka, 2008). The state maintained a huge fiscal budget that was mainly supported by the land taxes at first and subsequently by other various commodity taxes (soy sauce, alcohol and sugar). Hence capitalism and imperialism in Japan was by and large financed by taxing the peasantry. In this respect, Dore (2012) asserts that, based on data from the Meiji period, farmer-owned productivity was overwhelmingly higher than tenant productivity hence supporting the argument that the landlords were able to use surplus-value to kick-start the industry.

By the time of the Showa period, it was clear that this agrarian structure could not sustain itself, the fall of the tenancy system was inevitable, disregard of the war or the US occupation. Overall, reform was pushed from four fronts. There were radical reform *Marxists & tenants*, then *landlords* – concerned with preserving their advantage through the political structures. The third group were *bureaucrats & the army* supported by the *academia* and the press – mainly concerned with social stability. The last group espoused the *Nouhon-Shugi* (農本主義) – a pre-war ideology that believed that real development should be based on agriculture nationalist in nature (Dore, 2012, pp. 54-63; Iwasaki, 1997).

Of interest to this study is the emergence of farmer associations and groupings in the early Meiji period as they sought to unify their voices to have their concerns addressed as the number of land disputes, tenants, landlords and conciliation unions were on the increase. The academia/intellectuals played a significant role in the formation of these unions, e.g. the Japan Peasant Union in 1922 in Osaka (Dore, 2012). The peasant unions were so aggressive that they competed for influential positions in the Diet on the one hand, encouraged the formation of more collective organisations, including consumer organisation on the other. The formation of collective organisations and unions also led to increased disputes and increase in need of securing tenure for the tenants or a second land reform. Although riots/violent confrontations did not directly lead to the land reform itself (before 1945), it achieved a lot as in 1923 a law was enacted to allow for reduction of rents in times of bad harvests and the recognition of fixed tenants was established (Kawagoe, 1999, p. 21).

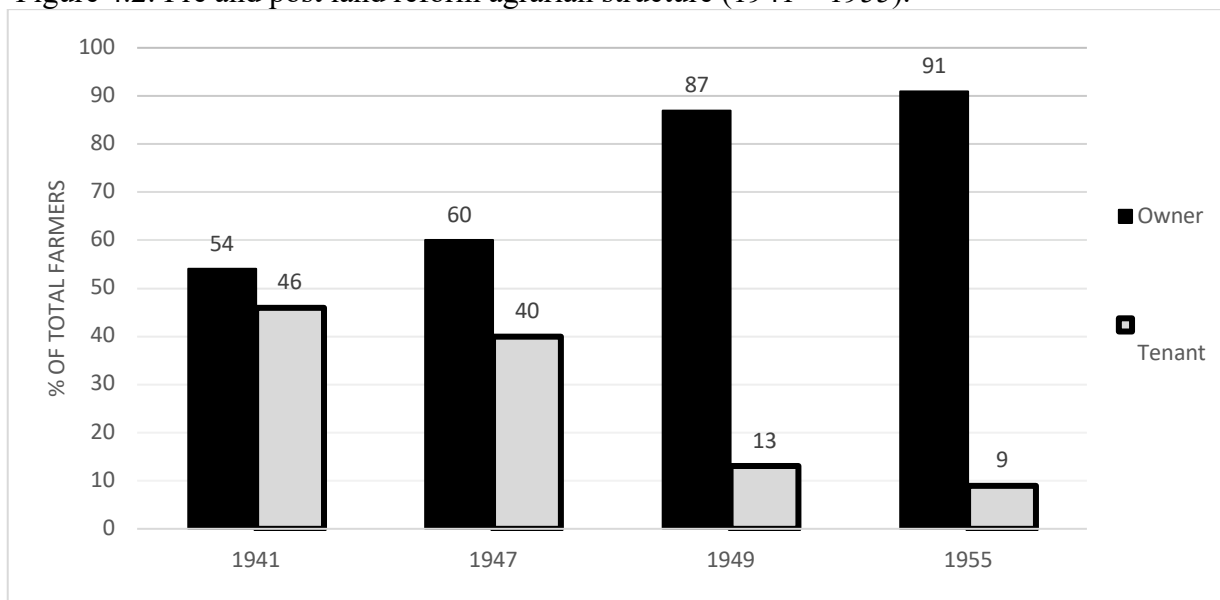
The post-WWII agrarian structure

The Japanese agrarian (second) reform is often described as complete and an enormous success because it managed to meet the bulk of its objectives. Before the land reform, the agrarian structure was said to be disadvantageous to the tenants, since their land sizes were too small to be profitable, and they always defaulted on the loans that they got. Their land tenure was said to be highly insecure (Kawagoe, 1999, p. 28). By the end of 1952, the reform had managed

to address issues of overcrowding on land successfully, widespread unproductive/exploitative tenancy conditions, high farm indebtedness or high-interest rates on loans given to the tenants (in the context of widespread inflation), reduce the focus on industry and most importantly, reduce the government control of the farmer organisations without due regard for farmer's interests (Ishida, 2002a; Dore, 2012).

The fact that the Zimbabwe land reform also sought to reduce overcrowding and poverty levels in the CA is another point of convergence between my two research sites. Tenure security is one of the most severe issues to deal with after agrarian reforms and is an enormous issue in Zimbabwe. For Japan, the primary concern was to prevent the return of landlordism. This is relevant for Zimbabwe because in addition to imposition of state tenures (which restricts market transactions in the A1 and CA), there also was post-reform fear of land grabs and farm dispossessions). As shown in Figure 4.2, the agrarian structure of Japan was now dominated by the owner-farmers after the reform in 1949-1952, who also dominated the membership in agricultural cooperatives. In 1950, as a measure to prevent the reversal of the land reform, the government gave a provisional Order number 307 (until the establishment of the Agricultural Law) and later was solidified by the Agricultural Cooperative Law (discussed in sub-section 4.4.3 on page 134). It mainly focused on land-owner with less regard to the other forms of tenancy that existed.

Figure 4.2: Pre and post land reform agrarian structure (1941 – 1955).



Source: Kayo (1977) in Kawagoe (1999, p. 54)

Although farmers now held land under private property, the state, through this Order number 307 and the cooperative movement and the local governing body still had a lot to say in the

way the land could be sold and purchased on the market. The market could decide the prices, but the law had restrictions on who had the right to purchase agricultural land. If landowners wanted to sell their land, they had to sell it to their tenants. Corporations, foreigners and non-farmers could not purchase farmland. Furthermore, not any farmer could buy land, and only those who were able to cultivate at least 0.3 hectares were permitted to so. There was a maximum limit on the land size that farmers could accumulate as well. Absentee ownership was strictly forbidden except when landowner stayed in the same village as his/her tenant. This land tenure system was maintained for a long time going into the 1990s in which the system became a problem for agricultural structural adjustments (Kawagoe, 1999, p. 34). Hence, application of the law relied on information from the farmers themselves. I argue that the smooth operation of this law was made possible by the widespread cooperatives that were in place at that time.

4.1.3 Contemporary agrarian issues in Japan

The MAFF is influenced by the Diet members, who are connected to the board members of the agricultural cooperatives. This has created an iron triangle which notably weakens the conformation of Japanese agricultural cooperatives to the principles of the ICA (see Ishida, 2002a). Over the past half-century, the Japanese agricultural sector has undergone various changes. The importance of agriculture to the Japanese economy has been decreasing while the imports of agricultural products, especially rice and soybean, has consequently increased. As Japan industrialised, the gap between urban and rural incomes resulted in mass migration (Teruoka, 2008; Honma & Hayami, 2006, p. 8; OECD, 2009, p. 16). The situation was worsened by the complex agrarian structure and the productive industrial sector which drew huge populations from rural areas. There has also been an increase in the number of part-time farmers with almost half of the 3.4 million farming households being part-time farmers (MAFF, 2018). Full-time farmers produce more than part-time farmers (Esham, Kobayashi, Matsumura, & Alam, 2012, p. 952; Yamashita, 2009). Part-time farmers only grow rice while the full-time have diversified crops that they grow which also includes horticultural crops. However, both these types of farmers all have influential connections with the cooperatives and of late, the part-time farmers, being the majority, have had their concerns take centre stage in cooperative business (MAFF, 2018; Yamashita, 2015b).

Rural poverty was eradicated mainly due to the development of the industry, which mopped up most of the excess rural labour. Just under 40% of this land is put under intensive rice

production while wheat and some horticultural crops were also grown in smaller quantities as an alternative. Livestock production was still limited. Up until the 1970s, Japan was food self-sufficient. As the number of people relying on agricultural production (rice) declined, so did the rural population. Currently, agriculture accounts for less than 2% of the GDP (MAFF, 2018; GoJ, 2018, pp. 29-30). This means that Japan is no longer food self-sufficient (self-sufficiency stands at 36%) and given the volatility of international food markets on which it heavily relies, it is at risk of waking up one day as a food insecure nation (Muchetu, 2019, p. 84). The current agricultural policy of 2013-14 was put together to tackle, *inter alia*, declining rural population and the increasing abandonment of farmlands mainly by ageing farmers (MAFF, 2018). The declining rural population is predominantly driven by 15-64-year-olds, who mainly migrate to the city.

4.2 Development of agricultural cooperatives in Japan

The thesis analysed the development of Japanese cooperatives by dividing it into two periods, the pre-war and the post-war cooperative movements. I discuss these in detail in this section.

4.2.1 Pre-1945 cooperative movement

The Shogunate system disallowed unmonitored mobility; hence, the villagers were bound to their land. They paid land tax in kind and had hereditary usufruct rights to the land (Ishida, 2002c; Esham, et al., 2012, p. 944). What cemented the groups together was the presence of the village head, whose job was to manage the activities of the villagers to make sure that tax was paid every time, thus when one or more of the peasants could not pay, it was up to the village head to rally the whole village to contribute and help pay the tax in full for the whole village. This encouraged teamwork and working together within the village and moved the cooperative culture henceforth. These villages were autonomous to a significant extent as the outside political structures did not meddle too much in its politics, so long as the tax was paid in full (Ishida, 2002c).

The peasants, as single household units, took active part in this village set up primarily through production of various market-oriented crops. Goods and services were exchanged using rice as the standard measure of exchange. The introduction of money towards the end of the Tokugawa period exposed farmers to higher rates of exploitation as they got deeper into debt with each credit facility, they took (Dore, 2012). Eventually, as a way of addressing the constant attack on the peasants by the credit givers, the farmers formed cooperatives to gather their voices and

be heard collectively (ibid). One of these earliest cooperatives were the *Season* (rice stock association for emergency), *Mujinkoh* (mutual loan association), *Tanomoshikoh* (mutual financing association), *Hotoku-sha* (Association for the ‘thanks for the favour’) and the *Senzoukabu kumiai* (association for the administration of farmland) (Ishida, 2002c). The success of these organisations in socio-economic development depended heavily on ethical leadership. The *Hotoku-sha* type was the one that resembled the Raiffeisen in its principles of economic benefit coupled with individual or community development. Some still exists in the villages of Japan today. Yet, this was way before the introduction of the Western type of cooperatives in the Meiji restoration of 1868. Credit associations, however, whose formation predates the 1900 cooperatives law, were formed through the unanimous decision of the feudal lords, and rice savings were compulsory to prepare for a bad harvest. After the 1900 law, the growth of the credit associations (and all cooperatives) generally followed areas which were mostly influenced by the Germany type of cooperatives (Esham, et al., 2012, p. 944).

The exciting thing in the Japanese experience is the fact that they sent many scholars abroad to study other advanced societies and try to adapt what they learned to Japanese society. The first imported cooperative movement came in the form of Raiffeisen type because the conditions in England was hugely different from that in the Japanese agrarian structure (Ishida, 2002c). At that time, both Germany and Japan had a considerable number of peasants and middle class (Birchall, 1997; Dore, 2012; Kappes, 2014, pp. 3-4; Kurimoto, 2004, p. 116). After deciding to adopt the Raiffeisen type, two scholars, Shinagawa and Hirata, proposed a law to establish credit associations modelled after the Schultze-Delitzsch in 1891 but it was considered too radical by the lawmakers (Ishida, 2002c). However, their efforts led to the transformation of the traditional cooperatives into modern-day cooperatives with proper institutional structures.

The balance between government effort (as the supply conditions of cooperatives) and the farmers (as the demand conditions of cooperatives) was critical to cooperative development in Japan. The landowners and the owner-farmers played an essential role as they had both an economic incentive (to make sure that their tenants were producing enough for them to pay their rents, and for them to be more productive) and a social incentive (some held positions in the government and hence wanted to develop their villages) (Ishida, 2003). Thus, leaders and upper-class farmers were critical in the formation of cooperatives; they were the drivers, often forcing the smaller farmers to pay share/owned capital. Eventually, the Ministry of Agriculture and Commerce adopted and passed the act for the establishment of credit associations in 1900. This led to the creation of the purchasing, marketing, production (later called utilization) and

the credit associations. This demonstrated that the Japanese cooperatives followed the German movement, where credit associations were disallowed from carrying other businesses other than they were registered for. However, they were freed in Japan later in 1906 after Germany had revised its cooperatives law in 1889 as well.

The 1906 changes to the Cooperatives law were followed by the 1909 revisions which gave provisions for the formation of federations at both local and national levels to oversee the overall business of the cooperatives (Asuwa, 1962, p. 41). The third revision then followed this in 1917, which allowed cooperatives to expand to provincial levels depending on their capacity. This marked a move away from pure cooperative principles because it limited the options for choice of cooperatives to be involved in. In this same year, the Agricultural Warehouse Law was enacted that sought for the establishment of agricultural storage facilities in the rural areas. It was to be supported by a 20% government subsidy (government would later avail 50% of the share capital in the formation of the cooperatives bank) (Asuwa, 1962, p. 43; Ishida, 2002c). In 1921, there was another major revision in the Agricultural Cooperative Act which saw the establishment of national federations like the National Marketing/Purchasing Federation of Cooperatives or the Industrial Cooperative Central Bank Law. These revisions were a deliberate attempt to centralize the cooperatives movement, and eventually, amendments to the law were made to allow the appointment of cooperative directors (Ishida, 2002c; Asuwa, 1962, p. 44). This meant that the state now had substantial influence in the running and direction of the cooperatives. There would eventually be more minor revisions of the Agricultural Cooperative Act from 1921 to 1937. The control of the cooperatives bank through the directors meant the cooperatives had to follow the wishes of the state, and in doing so, they became a tool for siphoning out money from the peasants to the urban areas to fund industrial development (Ishida, 2002c). However, Ishida (2003) maintains that the development of these cooperatives did indeed benefit the farmers by bringing on to their doorstep, credit/savings and marketing services otherwise unavailable to all small-scale farmers.

Before the 1930s agricultural recession, voluntary landowners and wealthy farmers formed industrial cooperatives/organisations that focused on the provision of credit and other financial services. After the recession, the government installed constitutional provisions for the establishment of a comprehensive nationwide multi-purpose cooperative system that would extend beyond finance and credit. These could now do crop input and output marketing. The government's five-year plan (1933-1937) for multi-purpose cooperative development sought to make sure that cooperatives had covered all areas of Japan through converting almost all the

villages and districts into cooperative units which would govern themselves (Yamashita, 2009). They were hugely successful and that the only opposition they faced came from the private companies that we are losing out to the now protected (by law) cooperative organisations (Ishida, 2003). However, during the war, in light of food shortages, the government brought the cooperatives together with the political groups to form agricultural associations. The wartime Agricultural Organisation Law of (1943) was created to amalgamate some of the urban and rural cooperatives to work together in the bid to be victorious in WWII. In this case, the orientation of the cooperatives wholly moved away from serving the farmers to national interests — this era set back development of the cooperatives movement. The resulting amalgamations were better known as the *Nogyokai* organisation and effectively were not hard-line agricultural cooperatives (ibid). Some scholars argued that the state preferred the post-1945 cooperatives because they were less engrossed in ideology and were more concerned with economic prosperity under the strict instruction of the Tokyo government (Yamashita, 2015a).

4.2.2 Post-war cooperative movement

As already highlighted, the government had a lot to say about agricultural development in Japan. This can be seen through the various laws and regulations that were enacted continuously year in year out. After WWII, the government, under the instructions from the GHQ, dissolved the pre-war cooperatives set-up by reassigning all the economic activities of the *Nogyokai* to the *Nokyo* cooperative. This was further made official by the Agricultural Cooperatives Law of 1947 and through a couple of other laws such as the Consumer Cooperatives Law (1948); Fishery Cooperatives Law (1948); the Small and Medium Enterprises Cooperatives Law (1949); the forestry cooperatives law (1950); and the credit cooperatives law (1951) (Godo, 2014). The reestablishment of cooperatives meant the reinstatement of the pyramid system in which there was; *i*) a vertically federated system based on the Food Control Law; *ii*) unconditional consignment of primary cooperatives to their federations based on the Law of promoting consolidation of agricultural, forestry and fisheries cooperative federations; *iii*) a uniform business policy based on the detailed regulations for bankers (Ishida, 2002a). The *Nokyo* movement differed from the rest to the global cooperative movement because it was a government establishment and covered all farmers in the countryside. A perennial government-funded and controlled cooperative movement is obviously undesirable based on the experience of the British-Indian cooperatives (both in Europe and through its colonies) in which the state funding never stopped but increased, the state sees and uses the cooperatives as rural developmental tools administrated under

government control, that is undermining individual capacity building (Schwettmann, 2000, pp. 4-5).

The reinstatement of the cooperative system after WWII brought in a new type of cooperatives that could carry out multi-purpose functions. This meant one single cooperative could provide members with many different types of services and hence reduce the costs of participating in several different cooperatives. The multi-purpose cooperatives had three things that made them unique; *i*) comprehensiveness- provided all services under one roof *ii*) full coverage- all farm households had full membership in the cooperatives, more like compulsory; *iii*) territorial possessiveness- farmers had no freedom of choice of which cooperatives to join as the one that was in their area automatically became their cooperative (Ishida, 2002a), violating the principles of Raiffeisen cooperatives . The comprehensiveness of cooperatives had its own problems as it led to the cooperatives weighing out profitable ventures and pursuing them ahead of the needs of farmers. Also, the provision of several services leads reduced specialisation among the labour force of the cooperatives.

There are two types, multi-purpose and single-purpose types of cooperatives in Japan (numbering 2006 and 3363, respectively). The multi-purpose cooperatives law was put in place in 1947 entering in a new wave of cooperatives unidentical to those in Europe or USA. They were also allowed to have non-farmer members as associate members so that the latter could also derive the several benefits offered by the cooperatives. Yamashita (2015a) argues that the cooperative in Japan was not as independent as is required under strict cooperative principles. He argues that the JA was formed from the organs of the wartime command economy in which it was an institution for the transmission of information and instructions from the JA *Zenchu* head-quartered in Tokyo and operating through the 47 prefectures. This view is probably the view that the members are starting to see that the system of JA is a top-down institution that carries out government wishes. However, this does not explain why the group was an obstacle when they wanted to pass the Trans-Pacific Partnership (TPP)¹⁵ with the USA. This view ignores the fact that the poor farmers voluntarily supported the JA (and also the LDP party) after the war. It ignores the agency of farmers in the socio-economic structures of the country who often ‘vote with their feet’. If the government had so much power in the movement, how

¹⁵ The Trans-Pacific Partnership (TPP) is meant to represent a regional ‘free-trade’ agreement among 11 countries in the pacific rim. This had been debated widely with neoliberal Japanese scholars (Yamashita, 2015a) arguing for it while socialist scholars (McMichael, 2014, p. 11) warned how it was an attempt to contained socialist China’s growing economic influence.

come it remains challenging to pass agricultural reforms till this day? It appears the farmers still have riddled agency which stretches high into the halls of political power.

The government has been suggesting reforming the JA for a long time now; still, the pressure feels a lot like an attempt to clip its wings because it has become too powerful. In the case of Japan, where only 6% or less of the population are farmers, it is fascinating that these groups of people were stalling a policy as infamous as the trans-pacific partnership (TPP). What this means is that, in the case of Zimbabwe, where 68% of the population is rural (World Bank, 2019; ZimStats, 2012), it should surely benefit the rural areas. The biggest lesson we can learn from the JA and its battle with the political technocrats and bureaucrats is that if farmers' voices are brought together, they cannot be taken for granted. We get this picture, especially when we analyse the food control system and the role that the cooperative movement played in the development of the policy.

4.3 The Japanese Agricultural Cooperatives (JA)

The JA is the national cooperatives name for the multi-purpose farmer's organisation which is governed by the Central Union of Agricultural Cooperatives (CUAC or *JA-Zenchu*). Its formation was facilitated by the Agricultural Cooperatives Societies Law of 1947 which gave them power to control and manage rural societies from the village level. I discuss the JA in detail in this section.

4.3.1 Ideology and institutional structure of the JA

There are basically two types of decision-making that are usually utilised by the Japanese agricultural cooperatives, the unanimous and majority decision making (Ishida, 2003). Unanimous or consensus decision-making is adopting a course of action based on the fact that all the people involved agree to that decision. It is accepted through the need to foster group action. Opposing members are usually persuaded privately and promised a long-term benefit from accepting a particular decision (*Nemawashi*) (ibid). In contrast, majority decision-making adopts a course of action based on what the majority of the people want. This style is consistent with the Western (German and Rochdalian) types of decision-making. Thus, an opposing member is given a platform to air his views and try to make people see things from his/her perspective. Informal discussions are discouraged.

The pre-war cooperatives based on the village structures were more leaned towards the unanimous rule as compared to the post-war cooperatives that focused on the majority rule

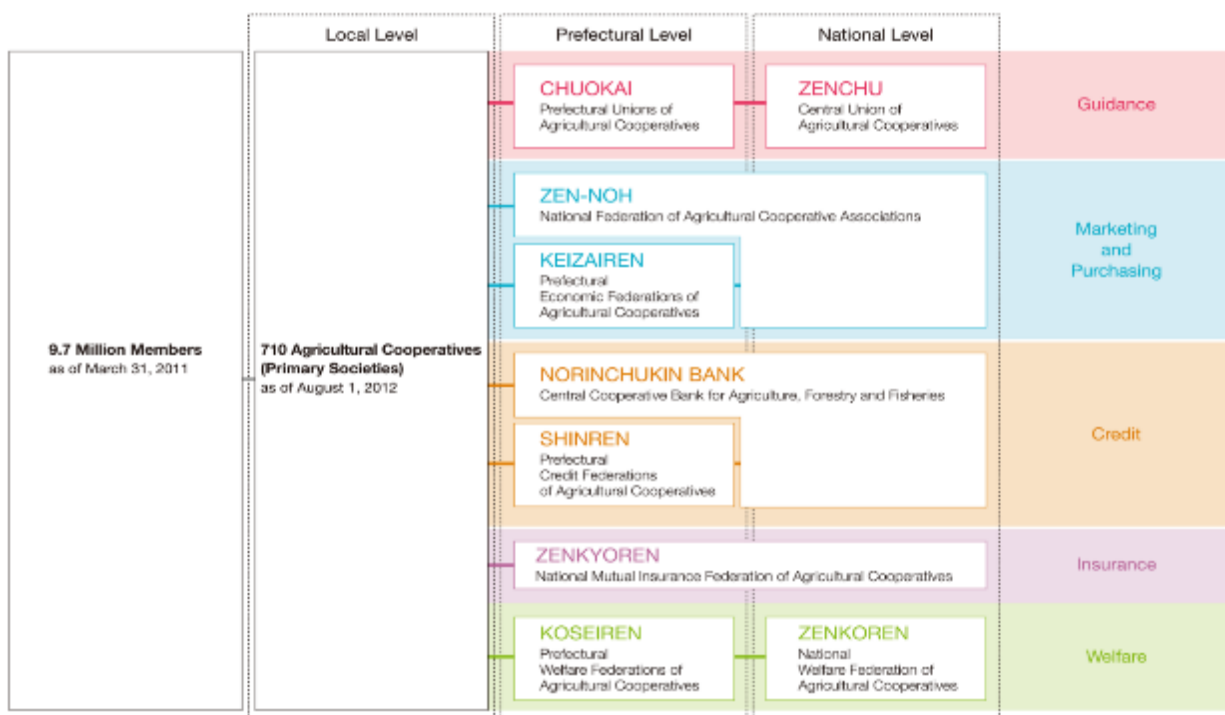
system. These two approaches have implications on democracy because the former tries to encourage cooperation through seeking consent from the members that may oppose a given decision while the latter is more of a competitive approach that may divide solidarity since it creates winner/loser dichotomy (Ishida, 2003). The group action developed from the Tokugawa era; nevertheless, did so within the confines of equality and competition. Generally, anyone who was a threat to communal harmony and equality was ostracized by the village (Dore, 2012). The autonomy of the village then brought in a particular type of democracy which differed from the Western type. The Western-style has more freedom but less equality, while the Japanese style had more equality and less freedom. And these two types require different forms and modes of management (Ishida, 2003).

The structure of JA is such that they heavily rely on capital reserves rather than share capital. Although in the Japanese case, the proportion of share capital is stable enough from year to year due to the low mobility of members, it remains low to be relied on. Thus, the capital, controlled by the directors and full members is the one that defines the success or failure of cooperatives. Although the institutional structure and ideology of the JA was imported from Europe (mainly German and England), it later evolved into something completely different. Instead of following the British Indian pattern of cooperatives where the people are ‘helped’ to create cooperatives with constant state financial and legal support, the JA movement was instead actively formed by the peasants themselves before the war, and then integrated as a quasi-arm of the government after the war. However, this did not mean the farmers were passive in the process. Because they were organised at a grassroots level, they made a deal for protection and assistance in exchange for economic and political support. As noted earlier (Section 4.1.2), the disbandment of the agricultural associations after WWII was meant to reduce the level of communist ideology and the power of such fundamentalism within the movement for easy control of the movement by the state. George-Mulgan (2005) highlights how the aggressive state intervention through the MAFF compounded this problem.

The JA, under the encouragement of the government, adopted the multipurpose form organisational arrangement in order to provide a one-stop-shop for inputs, outputs, machinery, insurance and credit. This was ideal given the fact that farmers were small-scale and that they were settled on small land sizes; hence it would be costly for farmers to be in two or more different cooperatives that provide two different services (Ishida, 2002a, p. 20). Again, although borrowed from Europe, the Japanese cooperative movement took a different path in this respect and was successful to a greater extent. While single-purpose cooperatives still exist,

often their members also belonged to the multi-purpose cooperative. The basic structure of the JA had three levels; the primary level, which was composed of cooperatives from the villages, towns and cities; prefectural level which was composed of federated cooperatives that focused on the same type of activities; and the national level, which was composed of all the federated prefectural level cooperatives that focus on similar activities (Figure 4.3) (Godo, 2014). Other business sectors that fell under the control of the JA includes at prefectural and national level, the Central Cooperative Bank (CCB-*Norinchukin*), established to handle banking and credit issues; then there is the National Mutual Insurance Federation of Agricultural Cooperatives (NMIFAC-*Zenkyoren*), for insurance services; and the National Federation of Agricultural Cooperative Associations (NFACA-*JA-Zennoh*) which handles purchasing and marketing services. At the national level, the National Welfare Federation of Agricultural Cooperatives (NWFAC-*Zenkoren*) deals with medical care services and the Central Union of Agricultural Cooperatives (CUAC-*JA-Zenchu*) for general education, audit and consulting services (Ishida, 2002a, p. 23)(see Figure 4.3). All these organisations go under the JA banner and form part of a system whose goals and the national agricultural policy hugely influences functions, hence this has been the reason why it has often been used as a state institution in delivering rural development (Godo, 2014).

Figure 4.3: The three tier-structure of Japanese Agricultural Cooperatives (JA)



Source: JA-Group (2012)

From the establishment of the three-tier system until the early 1980s, there had been several criticisms about the system, arguing that it was very inefficient (Asuwa, 1962, p. 23; Ishida, 2002a; JA-Group, 2012; Prakash, 2003, p. 14). With the intensification of liberalisation and gradual opening of Japan for international trade, JA and the government has consistently pushed to restructure the movement to a two-tier system (Ishida, 2002a, p. 24; Esham, Kobayashi, Matsumura, & Alam, 2012, pp. 944-952). The resulting two-tier system will be devoid of the prefectural level because some of the functions were given to the primary level while some were upgraded the national level.

The relationship between the JA and the Farmers (members)

The JA-Zenchu uses the profits from banking (majority revenue of the banks comes from member savings), insurance and inputs/machinery sales to fund other cooperative programs such as extension and logistic shipment of farm products (Ishida, 2003; Esham, et al., 2012). The problem lies in the fact that the number of associate members has overwhelmed that of regular full members in 2012 (Yamashita, 2015a). Given the fact that the associate members are contributing more revenue, it is argued that the cooperative has shifted its core focus from the farmers to the non-farmers. This is the reason why the government suggested reforms that seek to reduce the benefits that associate or part-time farmer members can get relative to regular members. The full member to JA staff ratio has however decreased, which means a reduction in the distance between staff and the members (Ishida, 2002b). While such institutions as the private sector and the government have used this as a way to apply pressure on the movement to reform (Esham, Kobayashi, Matsumura, & Alam, 2012; Yamashita, 2015a), other scholars argue that the cooperative needs to continue with credit and insurance activities in order to fund the cooperative non-profit making activities (Ishida, 2003; Godo, 2014).

The primary cooperative management issues raised had to do with whether power should be vested in the management committee or the board of directors for more prominent cooperatives. Some countries advocate for power to be with the board of directors while others feel that the power should be with the management committee. The Japanese cooperative system has more power vested in the directors (who were usually attached to the previous government post). However, the ICA is more inclined towards the management committee (more independent and autonomous). Achieving independence and autonomy from the government will always be difficult since there is usually a low capacity to hire professional managers and poor working conditions for professional managers. Some scholars advocate for the management committees to outsource their officers. The external managers either can be hired on a permanent or

temporary basis, and the manager is expected to train a local understudy as a way of cooperative human resource development (Ishida, 2003).

Active participation and involvement of members in cooperative affairs was identified as one of the critical things that cooperative movement should safeguard. The movement's affairs should be done according to the wishes of the members. Moreover, in improving member participation, it is critical to have people understand the issues and the development path that they need to take. In doing this, education, training and capacity building of the members becomes extremely important. Naturally, studies on the relationship between education and participation pointed out that educated and enlightened members could quickly and amicably find solutions to their problems. Furthermore, the JA has been encouraged to reform itself in terms of increasing the income benefit from agricultural activities for its members while at the same time increasing the focus on core farmers as opposed to associate members.

4.3.2 The JA, reform and the political economy of contemporary issues

As indicated, the JA had solid links with the politicians, and this was achieved through the Central Union of Agricultural Cooperatives (CUAC), which had powerful influence in the Diet and hence in the MAFF (Ishida, 2002a, p. 23; George-Mulgan, 2005, pp. 48-50). The CCB and NIMFAC are the most profitable business ventures of the cooperative movement (Godo, 2014), and it is from the proceeds of these businesses that the cooperative was able to fund the rest of its programs. The CCB was initially co-owned by the government until 1962 when saying the full control was transferred to the cooperatives. The heads of the CCB are usually former MAFF officials while the deputy heads are usually ex-Ministry of Finance officials; hence this shows the active link between the most powerful arm of the cooperative and the most influential division of the government (Ishida, 2002a, p. 23).

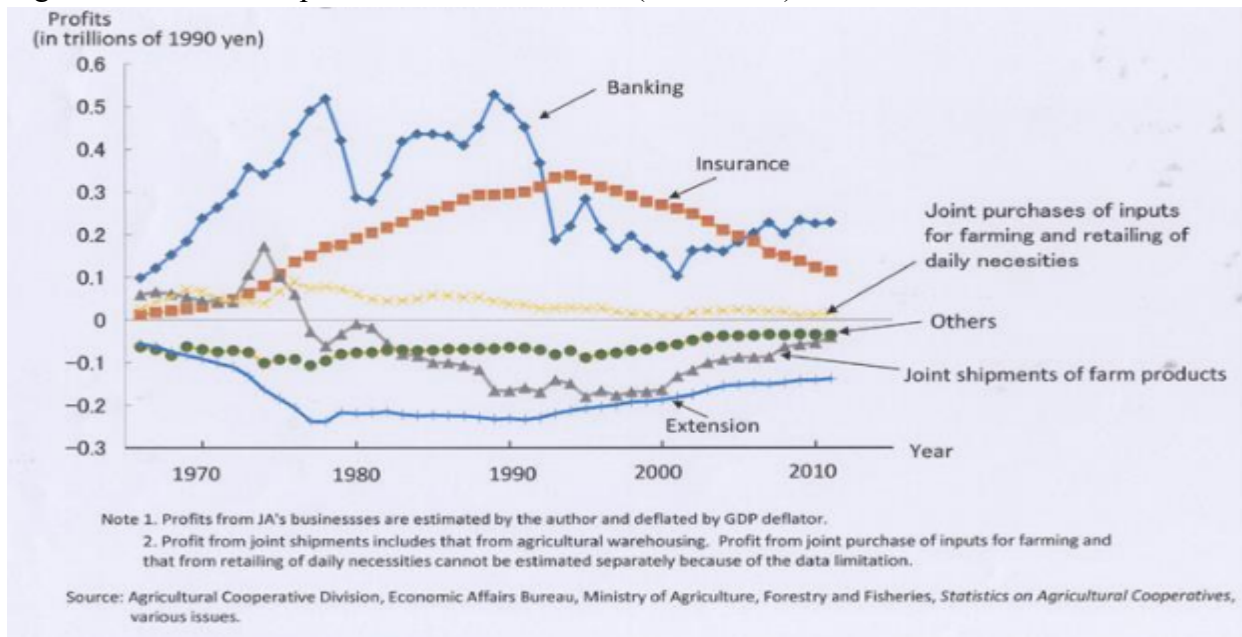
The 1990s was a decade in which the neo-liberal agenda and globalisation presented a myriad of opportunities and constraints that required swift reform and re-adjustment in cooperative business structures. The agenda meant a retreat of the state from the market. Hence, cooperatives that were mostly government backed suffered. The JA was not immune. Its case was worsened by rapid developments in urban and industrial areas, which sucked all its labour. Other problems included an increase in world food demand, changes in diets, lifestyle and distribution channels (due to policy reforms such as the Food Control Policy) (Ichiya, 2016, pp. 10-13). Agricultural policy reforms carried out then were meant to reduce the power of the cooperative movement in lobbying against free and open borders for rice. Japan was a member

of the General Agreements on Trade and Tariffs (GATT) and continued control of rice trade threatened the IT industry and international trade relations (major Japanese economic contributors) (see Section 4.4.1 on page 130).

In as much as there has been talk of resistance to reform by the JA, it has not been static. It has always changed its organisational, business and management structures in accordance with socio-economic conditions. The amalgamations in the cooperatives at local levels and the acceptance of associate and non-farmer members to the cooperatives (which shifted the dynamics and composition of the cooperatives) exemplifies organizational restructuring. In the same sense, the heterogeneity of the organisation has drastically changed. The business focus on credit and insurance was necessitated by an increase in the amount of money saved/loaned out to non-agricultural activities. The management aspect of cooperatives has changed as well with the increase in the number of staff members resulting from the amalgamation of the cooperatives at local levels (Ishida, 2002a).

In addition to agricultural input/output marketing and extension, the JA is also involved in activities such as welfare programs (youth and elderly programs, funeral services), fisheries, forestry, medical care, retail, insurance, banking and credit. This is the essence of multi-purpose cooperatives. As of the end of 2017, the overall cooperative movement had a turnover of US\$145 billion per year, with over 65 million members and 35,600 locations (Cooperative Japan, 2017). The cooperative movement is virtually part of Japanese people's lives as approximately 37% (21 million households; which is seven times the number of households in Zimbabwe) of all households in Japan use the products and services of the cooperative consumer movement. Additionally, 25% (38 million people; which is more than twice the population of Zimbabwe) of the people are insured through the cooperative insurance system while 25% of total deposits are held in cooperative banks (ibid). What this points to is the fact that most of JA's profits come mainly from non-farm production sources such as banking and insurance (Figure 4.4). This enormous amount of money has always attracted private businesses and lately international capital as well, thus convoluting the political economy of the state-led pressure for JA reform.

Figure 4.4: Sources of profits for the JA-Zenchu (1970-2012)



Source: Godo (2014, p. 5)

Additionally, many corporations have been pushing for the government to deregister the JA-Zenchu as a cooperative (including the JA-Zennoh and other prefectural bodies) and administer it under the Companies Act instead (Yamashita, 2015a). This means the JA is caught between a rock and a hard surface and must figure out a way that ensures a win-win situation for them and the farmers. In 2015, JA conceded to the deregistering of only the JA-Zenchu from the Agricultural Cooperative Act, while JA-Zennoh were given the prerogative to decide on their own. For this compromise, the movement managed to defer the decision to limit the benefits that the all-important associate members could enjoy (Yamashita, 2015a).

The pressure to reform from a number of business bodies (scholars and such institutions as the Council for Regulatory Reform) who advocated for the removal of cooperative exemptions from the Antimonopoly Act (1947) is based on the rationale that *i*) the agricultural cooperatives no longer supports farmer's interest and that of the government, hence were behaving just like any other company that is concerned with making profits for itself *ii*) the cooperative does not need to be protected under the 'protecting enterprises with less marketing power' mantra because JA-Zennoh has a significant command of the whole market in Japan *iii*) the Act is being abused by a number of large-scale corporates to escape the Anti-monopoly Act since companies can necessarily form or join cooperatives of their own (Godo Y. , 2015; George-Mulgan & Honma, 2015, p. 113). On the other hand, pro-cooperative scholars argue that they support a significant number of people and provide employment to a substantial segment of the population (GoJ, 1947). Therefore, removal of this exemption would significantly affect these

people's livelihoods. It would destroy the prospects of keeping agrarian society, agriculture and secondary industries afloat.

4.3.3 Options for sustainability of the JA

In terms of suggestions and recommendations for the sustainability of JAs found across the vast literature on Japanese Agricultural Cooperatives, a general trend can be noticed. The outcry has been an encouragement to convert the cooperative movement into a corporation which can be run just like any other Japanese private-business model. As discussed in the theoretical [Chapter Three](#), the JA is under threat to degenerate. While neoliberal scholars argue that in light of the considerable drop in the number of full-time farmers, and the increased number of old farmers who are less productive, the JA should close most of its local JA departments (Yamashita, 2015a). Alternatively, convert them to local cooperative associations that exclusively focus on banking and credit. The cooperative will have to rely on its farmer base in order to avoid degeneration (Jossa, 2014a). However, in the case of JA, whose ties with the original farmer base are believed to be weak, one of the best options that it has is to try and improve member incomes and benefits, while at the same time working to restore national solidarity. The government-backed reform supposedly encourages JA to serve farmers instead of being concerned too much about the business and profit-making. These cooperatives would be authentic and real cooperatives that base their existence on its farmer membership and internationally recognized cooperative principles. The cooperative movement needs to overhaul its entire business system, administration system and the institution itself (Morozumi, 1993, p. 82). It needs to participate in value chains and improve its marketing system while being grounded in satisfying member's needs. This is not an easy task.

4.4 Government regulations and the cooperative movement

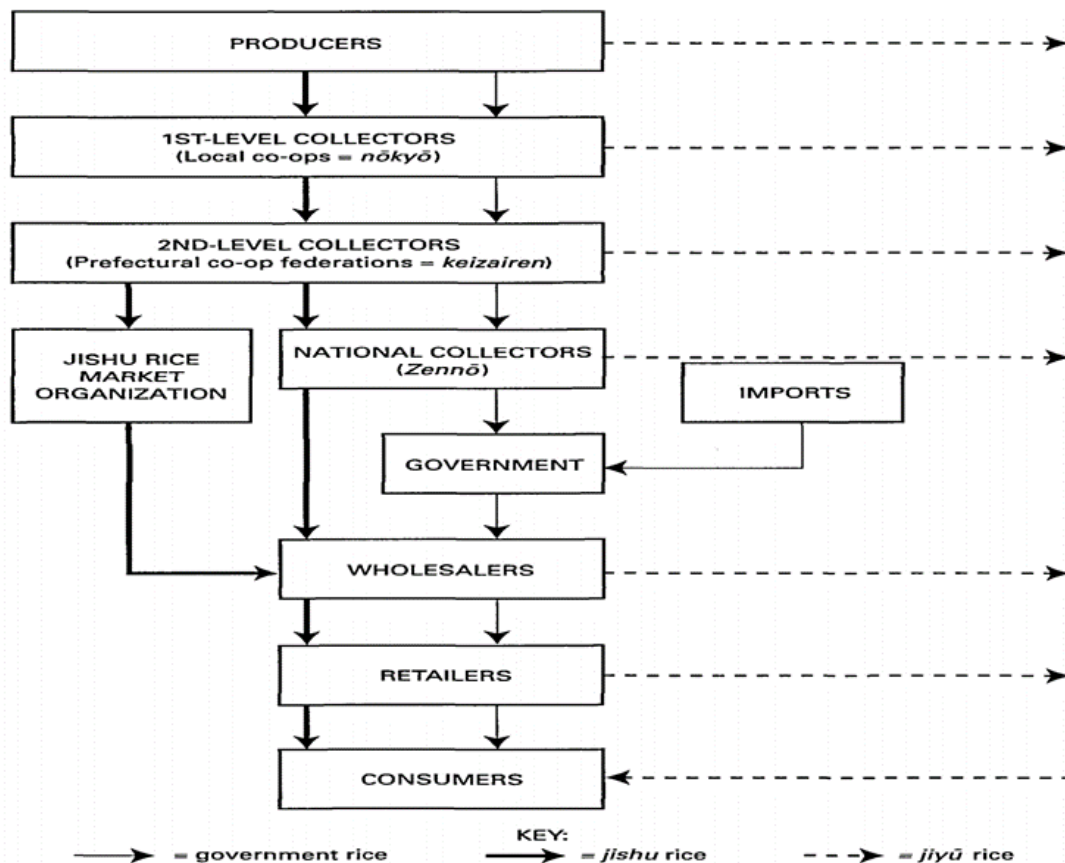
In this section, I discuss the way the government engages with the cooperative movement through various policies and government-related programs. In doing this, I establish the role that the Food Control Act (1968) played in cementing and structuring the state-cooperative relations. Furthermore, I analyse the various agricultural cooperative laws as well as the agricultural financing programs that the government implements for the sector. I must highlight the fact that the Japanese government has predominantly utilised the ubiquitous liberal economic theory ever since the 1990s to understand the problem of the cooperative movement I discussed in detail in section [3.3.4](#), on page [79](#).

4.4.1 The Rice Control Act (1968)

A discussion of Japanese agricultural cooperatives would be incomplete without a brief discussion of the Food Control System (1968). This law and its institutional structures were formed to manage/ration food supplies during the wartime. The same structures were adopted after the war. It is vital to note that rice took prominence in the 'Food Control System' to such an extent that it would not be far from the truth to call the Act the 'rice control system' (Mishima, 1992, p. 43). Up until 1968, by law, rice supplies went through the government which had full control of all the market transactions of rice. This was mostly through three institutional structures; i) the MAFF, ii) cooperative organisations comprising the producers themselves and lastly, iii) the distribution network encompassing the wholesalers and retailers (also cooperatives) (Francks, 1998, p. 2). The three institutions, (led by state), decided how much, at what price and when rice could be sold on the market. This was a departure from the pre-war arrangement of 'free markets'. The state took advantage of the already existing cooperative networks and farmer organisations to collect and administer the program. The cooperatives were organised from the village level to the district, provincial and to the national level. It was easy to run the program, and the approach was cost-effective.

Rice moved from the producers in the village to the respective village cooperative. It was sold to the cooperatives at a fixed price, and no other channels could be utilised. From the primary cooperatives, the rice was sold to the secondary cooperatives, then to the national level cooperatives and eventually to the government that later sold it to the wholesalers and retailers (Figure 4.5). At each level, the price was determined by the price determination board in consultation with representatives from rice marketing stakeholders (retailers, government, national (JA-Zenchu), provincial (*Zennoh/Keizairen*) and village-level cooperatives) (Mishima, 1992, p. 52; Francks, 1998, pp. 3-4). There were no quality standards and no grading, and rice was all bought and sold as the same grade.

Figure 4.5: The rice distribution system during the era of the Food Control System



Source: (Francks, 1998, p. 4)

In this sense, the rice industry was vital in Japan as it employed vast amounts of labour and supported livelihoods. The system might be labelled bureaucratic and inefficient, but the system worked, and it kept prices higher and stable for a considerably long time (stabilised food security). The cooperatives at local and national level became the most critical players in the industry, as such more income accrued to them. And since they were organisations owned and controlled by the farmers, the benefits ideally accrued to the people as well.

From 1968 up until the late 1980s, the system benefited everyone and was used as an anti-inflationary mechanism. Eventually, the rise in incomes and demand, alongside the continuation of the rice controls evolved into the black market for the commodity (*Yami-mai*) (Francks, 1998, p. 6). Rice grades had to be developed, and the better-quality rice was more common on the black market, while the rest found its way onto the government-regulated market. It was then necessary to supplement government regulation with market-based regulations. In 1969, it was regularized to sell rice to wholesalers from cooperative distributors, and this became to be known as the *Jishu* marketing channel (voluntarily marketed rice) (Figure 4.5) (Mishima, 1992, p. 42; Francks, 1998, p. 4). Although the *jishu* prices were based on the

state prices, they were a bit higher, and as such, the state had to gradually increase the producer prices to reduce the price differentials in the two markets. This was pushed mainly by the farmers through the cooperative. An annual meeting was held between cooperative and the Diet members to discuss issues to do with rice buying and selling. The cooperatives had established some small monopoly in the sector and thus were adversely affected by the opening of the *jishu* market. Thus, began the convergence towards liberal agricultural markets in a controlled or regulated way. The markets were not wholly free but had a combination of the state, the community and the business corporates who owned retail and wholesale outlets.

In the early 1990s, the pressure for the total removal of the controls mounted, the political leaders, bureaucrats, farmers (cooperatives) vehemently resolved that not even a single grain of rice would be imported. Although the law had stabilised the rice markets, there were outcries from outside Japan at the disbanding of the law since Japan had joined the GATT in 1955, and hence had to abide by the rules of maintaining unfettered market mechanisms (MAFF, 2018, p. 48; Kako, Gemma, & Ito, 1997). Francks (1998, p. 1) supports this, writing that much of the pressure to open rice markets emanated from the outside and the internal pressure was merely the final blow. Disputes with the USA over trade in beef and oranges before were well documented (Francks, 1998, p. 11). The United States Rice Millers Association was one of the largest companies outside Japan to push for free trade of rice between the US and Japan. The politicians were weighing the cost of losing the market for manufactured goods with the benefit of protecting agriculture. The government chose the former and eventually acknowledged the total but gradual opening of the markets. In 1993, prior to accepting the opening up of the agricultural markets, Japan experienced a cold season that negatively affected rice production (23% lower than average rice), this meant they had to import 2.5million tonnes of rice from abroad and that the food control law had to be revised (Yamashita, 2015b). When the law was eventually repealed (December 1994), the farmers were the overbearing losers.

The new law removed the need to sell rice to the government, and with it, the state lost the control of supply and demand and therefore the ability to fix prices. Moreover, the control of the channels through which rice could be marketed ceased. The freely marketed rice was known as the *Jiyu* rice. Although the cooperatives had lost out when the old law was disbanded, they continued to play an essential role in the new food law in which they became the major private channels through which rice was sold (Francks, 1998, p. 13). The new law gave more power to the cooperatives as they could make their own decisions regarding the amounts and timing of offloading their rice on the market. This, hurt the rice markets as they became highly unstable,

thus increasing the chances of food insecurity. Cooperatives, who were now at the fore of these markets, faced higher market risks formerly shared with the government (ibid). Additionally, with unfettered market mechanisms gave rise to large-scale commercial farmers who had the power to drive out 'less efficient' rice producers. The new law greatly disadvantaged those farmers who were represented by the cooperative, and an increasing number were driven out of rice production. This is the same situation which Economic Structural Adjustment Programs presented to Southern African farmers in the early and mid-1990s.

4.4.2 The Agricultural Basic Law (1961 & 1999)

The establishment of the Agricultural Basic Law in 1961 (and later the New Basic Law in 1999) made sure that all other laws to do with agriculture had to be in tandem with these laws (George-Mulgan, 2005, p. 73; Kako, Gemma, & Ito, 1997). This has its advantages and disadvantages. These laws put in place the institutional and procedural structures for administration of policy. While it made administration and implementation of government policy more manageable, it also gave the state a stronghold on the agricultural system. The Agricultural Basic Law also described and explained the exact type of activities that government will support, and how farmers and stakeholders in agriculture should try to pursue such programs. This law also put into motion to restrict sale of land among farmers without the involvement of the state. The reason was to avoid the entrance of private companies into the sector. This is similar to the land tenure system that Zimbabwe has been trying to forge out after its 2000 fast track land reform program (Moyo & Nyoni, 2013). The law also had provisions to keep the gap between rural and urban incomes as small as possible. This was evidenced by an increase in the total proportion of the agricultural budget towards management of production of rice and wheat (the food control act) from 21% in 1961 to 35% in 1970 (George-Mulgan, 2005, p. 184). The structure of the agricultural budget followed the itemized list of the Agricultural Basic Law of 1961 (ibid).

The Agricultural Basic Law of 1961 was updated to the New Basic Law in 1999. Although not wholly different from the old act, the main goal of the new basic law was the improvement of land tenure and farm organisation. What this means is that the government wanted to improve productivity and thought they could do this by amalgamating land into bigger, more commercially viable and manageable units (Article 2, clause 3). This they claimed was necessitated by the decline in rural populations and the need to reduce the disparity between farm and industrial wages/incomes.

Enlargement of land would be achieved through sales and leasing. Recently the agricultural reform law (2016/17) has taken this task head-on as seen through the works of the organisation of temporary Farmland Management (OTFM). Additionally, the new law sought to maintain and preserve land for agriculture (George-Mulgan, 2005, p. 130), that is to mean monitoring land-use patterns adhere to environmental safety, and that land remains usable for future agricultural purposes. George-Mulgan criticizes this new law saying that it was another attempt to justify the government's intervention in the agricultural sector (2005, p. 197). Or put it differently, an attempt to justify continued financial spending and subsidies on non-profitable agricultural ventures.

Other concerns of the new basic law include the need to ensure food self-sufficiency. The objectives were *i*) securing a stable supply of food *ii*) sustainable development of agriculture, and *iii*) promotion of rural areas. The new basic law is shaping contemporary Japanese agriculture as seen through the reorganisation of the MAFF into bureaus according to the precepts of the New Basic Law. The state restructured and allocated even more money into agriculture to protect against agricultural trade liberalization (George-Mulgan, 2005, pp. 156-158). On the surface the government policy seems to be worried about the protection of the family farmer land ownership agrarian structure; however, George-Mulgan (2005, p. 132) argues that the Agricultural Basic Law has tried to consolidate land into bigger larger scale farms that are commercially viable.

4.4.3 The Agricultural Cooperative Law (1947)

The Japan Agricultural Cooperative Law has gone under various changes ever since the 1900 law. The success of the 1947 Act was set by the Agricultural Reorganisation Law of 1943, which enforced all farmers to become members of the cooperative movement (Futagami, 1993, p. 85). After the war, new laws specific for each economic activity (agriculture, fisheries and forestry) were enacted between 1947-1955 (see section 4.2.2, on page 120), and the resulting Agricultural Cooperative Law would endure the test of time until the mid-1990s. In most cases, the establishment of a law resulted in the formation, at national level, of a quasi-government organisation/union/cooperative, for example, the Agricultural Cooperative Act (1947) resulted in the National Guidance Federation of Agricultural Cooperatives in (1948).

Agricultural cooperative laws from other countries across the world have witnessed several changes as well, especially after the 1995 ICA Manchester conference. As highlighted in [Chapter Three](#), the rationale for updating and amending cooperatives laws is rooted in the

desire to keep the cooperative system alive in light of widespread neo-liberal economic production models. For example, changes in cooperative law among developed countries were carried out in countries such as France (1992), Germany (1994), Japan (1996), Australia (1997), and Canada (1998) (ILO, 2001). Some changes had to do with the enshrining of new values and principles, while others were more technical, for example, the sourcing of equity capital on the capital markets as a new form of raising capital (ibid). Although this situation is less noticeable in developing countries such as Zimbabwe, the level of capitalist production has forced lawmakers to pass laws that make it easy to convert some of the cooperatives into general incorporated companies. This is why Marx discredited the power of cooperatives to attain socialism because cooperatives were prone to what Egan (1990) described as the degeneration of cooperatives (see [Chapter Three](#), section 3.4.1 to 3.4.4).

The Agricultural Cooperative Law provides a list of 13 types of activities in which cooperative organisations can be formed. These include; *i*) loaning funds for reproduction or better living conditions for members; *ii*) acceptance of savings from members; *iii*) supply of commodities for reproduction or better living conditions for members; *iv*) establishment of common facilities for reproductive or better-living conditions; *v*) establishment of facilities relating to cooperation in farming, sales, letting or exchange of farmland, or installation or administration of irrigation facilities; *vi*) transportation, processing, storage or sales of farm produce; *vii*) establishment of facilities relating to rural industry; *viii*) establishment of facilities for mutual insurance; *ix*) establishment of facilities for medical care; *x*) establishment of facilities relating to the welfare of the aged people; *xi*) establishment of the facilities for education to improve agricultural technology and farm management for members, or relating to the improvement of rural life and culture; *xii*) conclusion of collective bargains for the improvement of the economic position of members; and *xiii*) services accompanying these 12 mandates.

Ishida (2002b) argues that the Japanese agricultural cooperatives law was and continues to be modelled around the German cooperative law as evidenced by the enactment of similar revisions as that of the 1973 and 1994 German cooperatives law revisions. The changes included introductions of a singular director of the directorate and later in the 1996 amendments, the separation of supervisory committee and the board of directors. These were being done in line with the changing economic environment (capitalism), size of cooperatives and increased heterogeneity of members. The changes that were made to the cooperatives law itself were broad. It included areas of *a*) increasing the strength of the business ventures of cooperatives to make them conform more with the commercial entities in the economy;

however, this also initiated the departure from serving farmer interests; *b*) increase in the owned capital and the reserve capital, this involved increasing the minimum share of the owned capital, legal reserve and increasing the standards of current surplus disposal; *c*) reinforcing the auditing system, so the cooperatives had to be audited by both external and CUAC auditors, and they had to hire professional accountants; *d*) full disclosure of financial position of cooperatives businesses; *e*) deregulation of fund operations, thus the cooperatives could now lend and loan out to outsiders or non-members, the quota moved from 15% to 20% of their fund amount (ibid).

Further revisions and amendments to the Agricultural Cooperative Law were made in 2015. In revising the Agricultural Cooperative Act, the government recognized the role the cooperative had to play to help efforts of farm restructuring, which was being carried out by the OTFM (MAFF, 2018). The amendments re-enforced the need for the cooperative to reassert themselves in agricultural marketing of inputs and outputs, to make more profits and redistribute them according to the amount of business contribution by each member. Cooperatives can no longer force members to use cooperative channels for marketing their produce. Also banned in the new law is the forced use of farmer's dividends as cooperative capital. This means cooperatives must pay out dividends to the members, and then members can then decide if they want to re-invest them or not (Nishikawa, 2015). This is a movement away from strict Raiffeisen principles.

Additionally, two or more cooperatives that specialize in the same product can now be formed to give more freedoms or options to the farmers to do what they desire. Leaders of the cooperative should be the most qualified in the membership and should be a certified farmer. Cooperatives will now freely reorganize, dissolve or form new ones and convert into joint-stock companies. The change of the JA-Zenchu into an incorporated association was instituted while prefectural associations and JA Zennoh were given the power to decide on their own whether they would want to remain as cooperative bodies or convert into corporate ones (ibid). Larger income making cooperatives (business income sources) are now supposed to get audited by reputable or government approved/recognized auditing companies and not just by the JA-Zennoh and the JA-Zenchu.

Although the Agricultural Cooperative Law interfaces with other laws inside the MAFF and other state institutions such as the Food Agency, the treatment of cooperatives under the Anti-Monopoly Act of 1947 is of great importance. This Anti-Monopoly Act was put in place to

prevent private monopolization and excessive concentration of resources into a few hands. Japanese cooperatives enjoy a special treatment with respect to the anti-monopoly law. The law seeks to restrict, as much as possible, the prevalence of unfair and unreasonable restraints on production, sales and transaction of production inputs/outputs (GoJ, 1947, p. 1). Farmers and agricultural cooperatives are described or recognized as enterprises within this law. Article 22 of the antimonopoly highlight cases in which cooperative enterprises (mainly small-scale enterprises) are exempted from the restrictions imposed on other businesses.

However, a cooperative may not be protected by this law if they *i*) forbid farmers from using other channels (including private channels) to sell off their output or to source their inputs *ii*) force members to only use cooperative facilities only if they marketed their products through cooperative channels and, *iii*) grant loans and credit to members on the condition that these farmers sell their produce or outsource their inputs through the cooperative channel. In such cases, the unit cooperative is not protected. The same situation holds at the national level. No preferential treatment should be given to the unit cooperatives that has more business activities with the JA-Zennoh (Godo Y. , 2015; GoJ, 1947, p. 17).

4.4.4 The role of Ministry of Agriculture, Forestry and Fisheries

The Japanese government (MAFF) played a significant and pro-active role in agriculture as well as in the cooperative movement. MAFF's current mandate is summarised as striving:

to secure the stable supply of food, to develop agricultural, forestry and fisheries industries, to improve the welfare of the people engaged in farming, forestry and fisheries, to promote the development of agricultural, forestry and fishery villages and mountainous areas, to demonstrate the multifunctionality of agriculture, to increase forest production capacity, to protect and cultivate forestry, and to preserve and control fishery resources appropriately' (MAFF Establishment Law, 2003 as cited in George-Mulgan, 2005, p. 53)

However, before the Establishment Law of 1999 (implemented in 2001), the institutional structure was slightly different from the current set-up.

MAFF was organised into bureaus equipped with a certain degree of independence and discretion from the central government. From the 1945 to 1999, the MAFF had one secretariat,

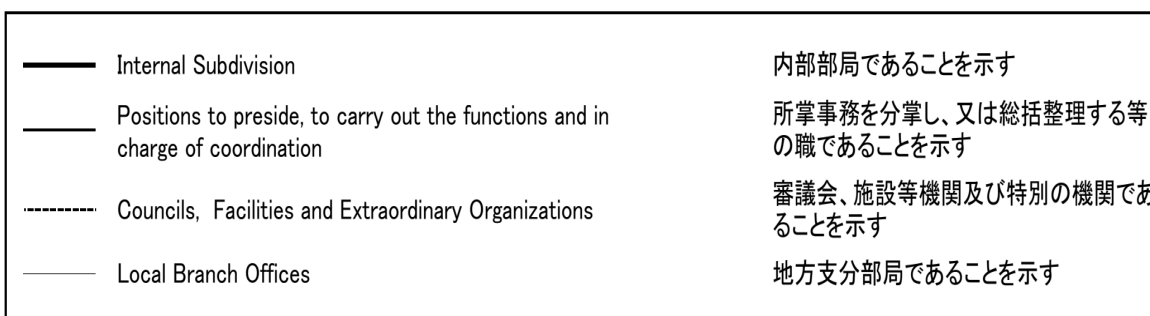
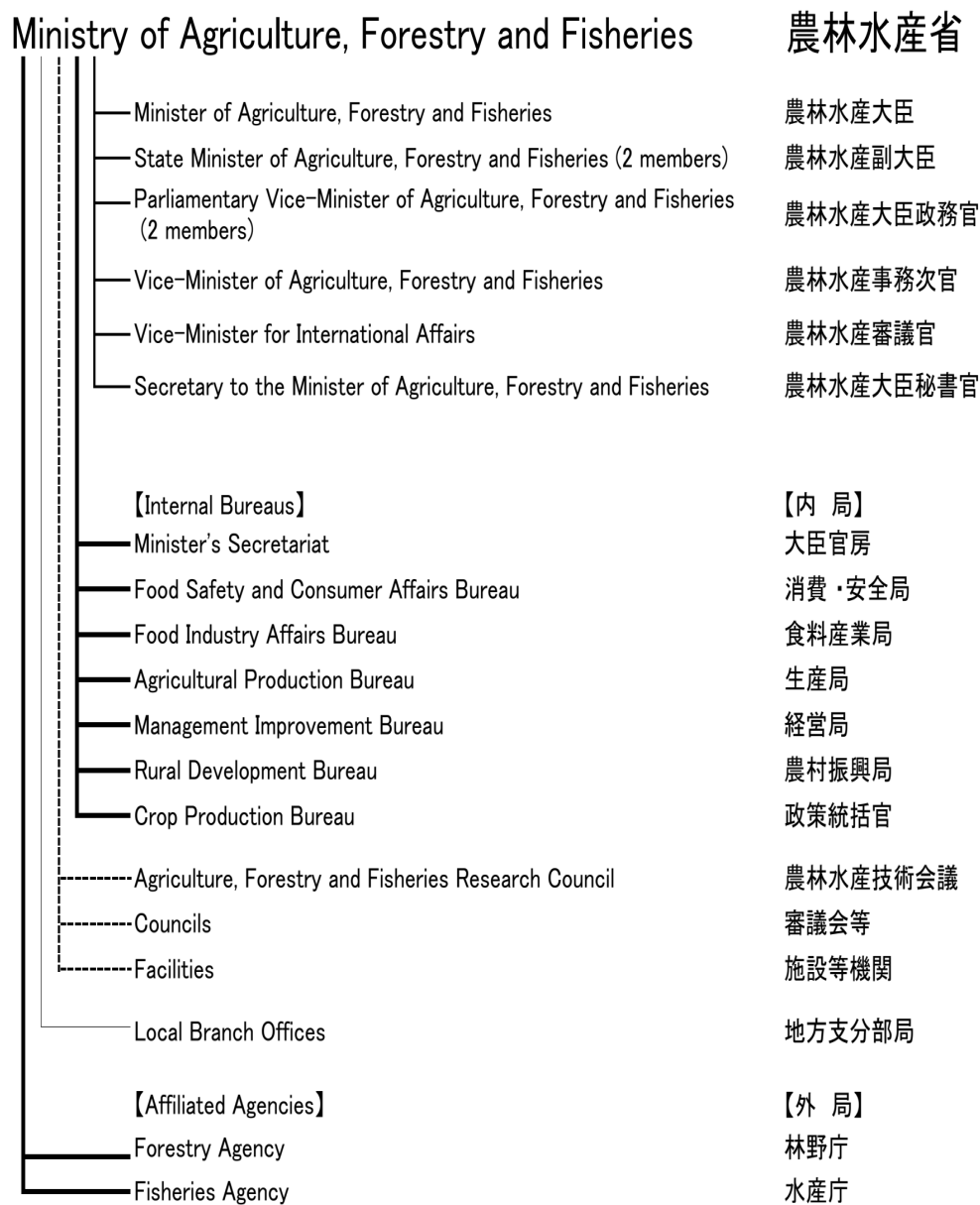
five bureaus (economic affairs, agricultural structure improvement, agricultural production, livestock industry production and the food & marketing). Then three agencies which were for food, forestry and fisheries; additionally, there existed a food agency department which was organised outside the ministry but worked closely with it. The Economic Affairs Bureau had an agricultural cooperatives department (*Nogyo Kyodo Kumiaiika*) responsible for development and management of cooperatives. The same bureau oversaw agricultural trade policy in its international affairs department (*Kokusaibu*) (George-Mulgan, 2005, p. 47). This explains the disputes between the government and the cooperative on the food control system (see Section 4.4.1 on page 130) because both had power in terms of decision-making.

After the reforms of 2001, the structure consisted of five bureaus and the number of agencies did not change (Figure 4.6). The Agricultural Production bureau was responsible for issues that had to do with production, distribution and consumption of agricultural products (such as inputs, machinery and fertilizers) (George-Mulgan, 2005, p. 51) which ironically was also the responsibility of the Agricultural Cooperatives. This signified a point of convergence (or sometimes point of conflicts) between the ministry and the cooperative movement.

This bureau, together with the Management Improvement Bureau (responsible for land, labour, cooperative supervision and management-structure of agricultural societies) formed the driving engine for the ministry of Agriculture. This meant that they were responsible for the supervision of the agricultural cooperative movement itself (see Article 4, Clauses 1 and 4–12 of the revised MAFF Establishment Law). Furthermore, to emphasize how important and influential the cooperative movement was for the ministry, there was a cooperative inspection department within the secretariat. As discussed in the preceding section 4.1.3, the government opted to promote the multi-purpose cooperative ahead of the single-purpose model (Ishida, 2002a, p. 21). George-Mulgan (2005, pp. 54-59) even suggest that the MAFF policy virtually ‘took over’ the lives of the people in the rural areas, because they were supervising and monitoring their social, economic and political spheres of agriculture and related industry.

Figure 4.6: The structure of the new MAFF internal structure

英文農林水産省組織・機構名



Source: MAFF (2019, p. 1)

The government of Japan mediated in the agricultural sector through three main ways. Firstly, regulatory interventions which involved extensive implementation of legislative tools that dictated the flow of food within the industry done through such policies as the food control system (see section 4.4.1). Secondly, direct market intervention which involved the direct involvement of the government in purchasing and selling (including imports) of rice, wheat and barley through a monopoly of the market held by the Food Agency between 1942 and 1995). Thirdly, the government carried what George-Mulgan (2005, p. 67) referred to as allocatory intervention. The latter involved the use of subsidies, loans and various government-sponsored programs as interventions. Therefore, the pillars that held the MAFF agricultural policy could thus be summarized through direct rice market regulations and subsidies (George-Mulgan, p. 168; MAFF, 2019).

The major disadvantage of this is the fact that agricultural policy becomes soaked with subsidies which affect the efficiency of the sector. The Japanese government is rich (developed country) and hence can afford to subsidize the farmers heavily; however, in countries such as Zimbabwe, the governments cannot afford this. The JA has been resisting the neoliberal and profit-oriented privatization pressure of deregulation for two to three decades now. Before this (before 2001 and most importantly, before the self-reform of 2015), the JA had managed to collude with the state through the strength of its structural organisation. The current role of MAFF and government is substantially changing from interventionism/protectionism in the past to laissez-faire at present. The role of the Zimbabwe government also changed, but not in terms of 'from protectionism to laissez-faire'. The state ignored the movement because the state does not have enough resources to protect it. Thus, cooperatives in Zimbabwe cannot survive if they base their sustainability of government subsidies and free finance. One of the most important messages or lessons we can learn from the Japanese agricultural system and its liberalization is the fact that they recognized, or they defined the private sector as the cooperative. This gives different implications to agricultural market liberalization.

4.4.5 Overview of agricultural financing in Japan

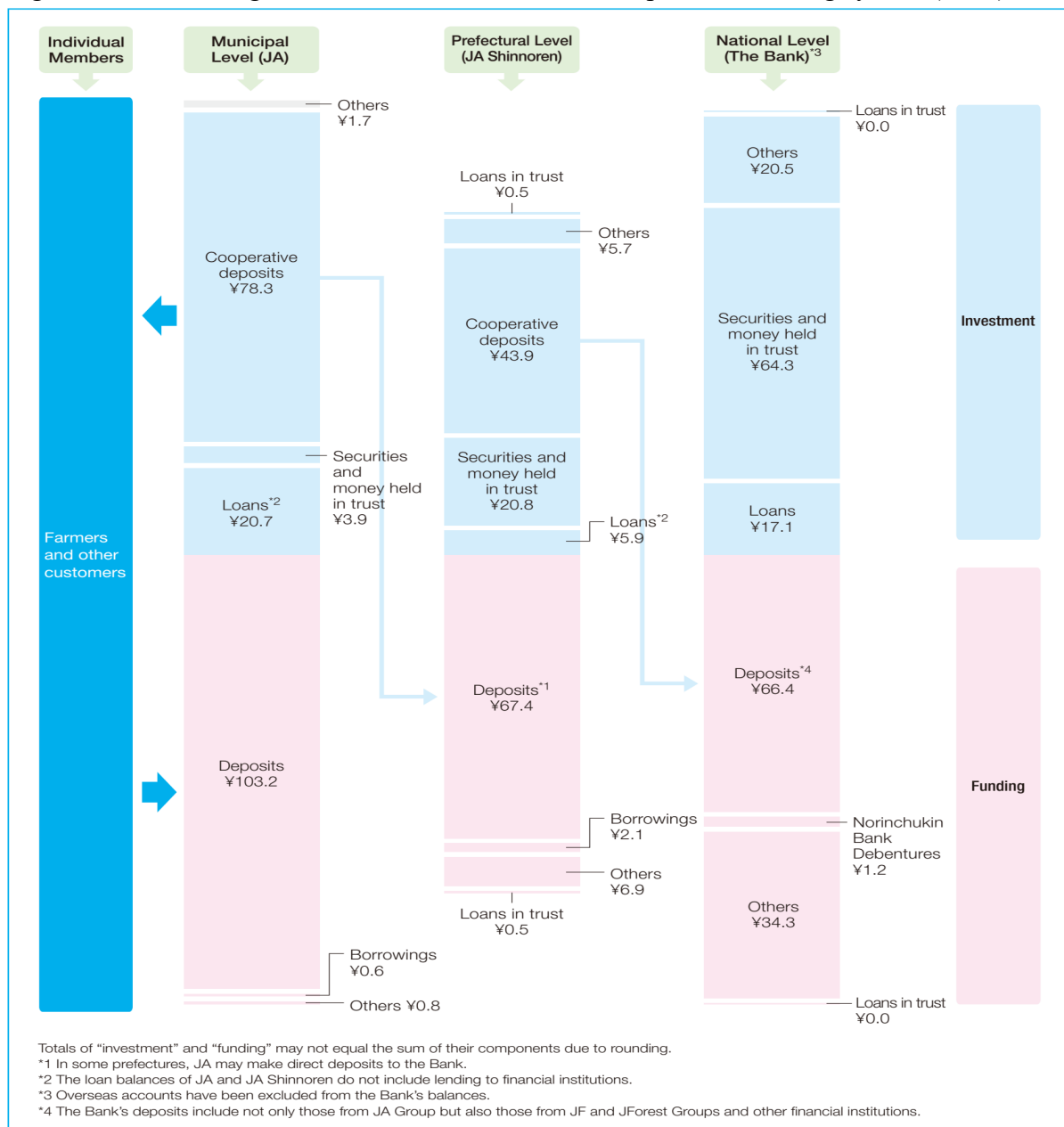
As briefly mentioned above, the Japanese government is rich and supports agricultural policy (subsidies, finance, research and regulation) (Yamashita, 2015a). Government policy was funded through the central and local government budgets. Subsidies form a considerable part of this budget (ranged from 41-63% in the period 1960-1985 and stood at 64.7% of the total allocation in 2002). Other sources of funds for the agricultural policy came from the Fiscal

Investment and Loan Program (FILP) and funded various institutions in and outside the government (George-Mulgan, 2005, p. 86). In turn, the FILP was sourced from a combination of the private sector, other government businesses profits and the general taxpayers. In such a situation, as long as the economy was active and productive, there would always be enough money to fund such programs. This is the most significant difference between developed countries and developing ones, where developing government have limited options in terms of sourcing for finance.

The financing of cooperatives, on the other hand, is done by the Agricultural Cooperative Bank System and the Norinchukin bank. The bulk of the funds for the cooperative activities (from agricultural to fisheries and forestry) comes from the JA cooperative banking system (Norinchukin, 2019). The Norinchukin Bank is supported, on the other hand, by member deposits in the form of savings. The ACC is involved in two main activities *i*) to run the rural credit schemes and *ii*) they raise funding for the agricultural cooperative activities (Morozumi, 1993, p. 71; Norinchukin, 2019). The ACC was responsible for collection of savings in member households, lending those funds for agriculture and rural activities and transferring the remainder to the prefectural federations and making more money on behalf of the cooperative. A similar system should be developed in Zimbabwe. It does not make sense for commercial banks to be allowed to handle farmer's incomes when they are not prepared to give them loans. In Japan, the money that forms part of the ACC is raised as already highlighted, from the unit cooperatives while some of the money, nearly half (40% in 1990), came from investments made by the ACC through buying government bonds and stocks as well as their activities in the private securities markets (Morozumi, 1993, p. 75) (shown as investment in Figure 4.7).

The broad framework of the agricultural cooperative financing can be summarized as consisting of income from *i*) the government financing institution (FILP, budget) and *ii*) from the Norinchukin Bank (collecting funds from their three/two-tier system). The agricultural finance system gets most if not all, its funding from the government and the cooperatives structures rather than straight from commercial banks.

Figure 4.7: Flow of agricultural funds within the JA cooperative banking system (2019)



Source: Norinchukin (2019, p. 13)

4.5 Summary and conclusions

This chapter provided a concise description of the Japanese Agriculture and Agricultural cooperative system and its relationship with the state, farmers and the private businesses. In general, the Japanese cooperative movement has taken two broad forms i) the classical form which was found in the pre-war era, characterised by a centralized authority (often with heavy state influence) which aggregated consensus from its provincial and local members and then aggressively negotiated with capital and; ii) the contemporary post-war form whose 'outstanding feature is its enterprise centredness. This trend seeks to realize its aims exclusively

through the corporate unit' (Banno, 1997, p. 118). The relationship between the Japanese government and the cooperative has yielded both positive and negative results. The most positive of these would be the resultant expansion and diversification of cooperative activities across all aspects of rural life.

Consequently, there was massive socio-economic and political development of the farmers. In conclusion, the government wanted to control cooperatives and use them as a quasi-arm for rural development. At the same time, the ruling party needed the political support of the farmers and had to bring them to the negotiation table. On the other hand, through their advanced organisation at local and provincial levels, the farmers negotiated for the government to protect the agricultural cooperatives. This was a cosy relationship.

Study of Japan helped us understand how the JA overcame the free-rider problem. Membership is almost 100%, and people paid up part of their dividends into the cooperative reserve even after the law that made it mandatory to do so had been scraped off. This proved that the cooperative had the grassroots support of the poor farmers (discrediting the top-down argument). The nature of the membership also extinguished horizon problems because cooperatives deposits are membership savings, and these form a considerable chunk of cooperative profits. Portfolio problems were also almost non-existent because Japanese cooperatives are multi-purpose and are involved in several income-generating activities.

Opinion leaders and upper-class farmers in cooperatives formation are relevant because they have economic incentive (to make money) and social incentive (to see an area under their control progress), often they had to force the smaller farmers to pay share/owned capital. However, sometimes the power of opinion leaders within a cooperative may become overwhelming and detrimental to cooperative development; this is when the state can come in. The Japan Agricultural Cooperative movement is akin to the Raiffeisen type of cooperative (more equality, less freedom) as opposed to the Rochdale (which has more freedom and less equality). Each case requires different managerial modes which has implications for the study of cooperatives in Africa and Zimbabwe, where the British-Indian colonial cooperative systems had a massive influence. Thus, any recommendations for Zimbabwe must consider these factors.

CHAPTER FIVE: ZIMBABWE AGRICULTURAL COOPERATIVES – A LITERATURE REVIEW

You have little power over what's not yours. — Zimbabwean proverb

5.0 Introduction

This chapter reviews the path taken by Zimbabwe agriculture and the cooperative movement since the first cooperatives were instituted in the 1909 till today. I intend to elucidate, as done for the Japanese agricultural system in [Chapter Four](#), the role that the state, the community and the business people played in the agricultural input and output marketing system up to this point. Focus was on structure; the state-community linkages and the extent to which it fostered a better platform for the farmers to engage with the private sector. A description of this is necessary since it gives context that enables the understanding and attainment of research objective number three, which seeks to map the trajectory of the Zimbabwe cooperative movement. As such, the chapter starts by giving the historical background to Zimbabwe during the colonial era, then it discusses the evolution of Zimbabwean agrarian structure, and the role played by the state in the cooperative development process. A discussion on the structure of the inputs, financing and land markets is then provided as well as the sales market of maize, the staple food of Zimbabwe.

Given that maize is the staple crop of Zimbabwe (and was for Rhodesia as well), the general direction of the agricultural marketing policies was primarily based on the maize marketing policy. Just as in [Chapter Four](#), where I followed the rice marketing system, I also follow the maize marketing system for the case of Zimbabwe. Thus, [Chapter Five](#) discusses the development of Zimbabwe agriculture from three perspectives; government agricultural marketing policy, government land and land reform, and finally cooperative perspective. The chapter ends by discussing the contemporary relationship between the state and the cooperative movement in light of the new agrarian structure.

5.1 Review of strategic agricultural marketing policies

Throughout Zimbabwe history, several events occurred, affected and shaped the maize production system. These range from the great depression in the 1930s, the sanctions imposed on Rhodesia in the 1960s after the Unilateral Declaration of Independence (UDI), the liberation war (civil war) in the 1980s, the ESAP in the 1990s and the recent 2000 FTLRP. I review the maize marketing system in this section and try to understand how it influenced the overall

agricultural markets. Additionally, I attempt to discuss the problems encountered in the policy as well as how they give scope for the formation of cooperatives.

Zimbabwe is organised into natural regions depending on the amount of rainfall and temperature and which determined the degree of intensity of farming that each region could support. On one end was Natural Region 1 (NRI) which is the wettest, had the highest number of estates and is suitable for specialized and diversified farming (owned by companies and white settlers). The NRII is ideal for intensive farming while NRIII has semi-intensive agriculture. The NRIV had semi-extensive while NRV was mostly in the CAs and is suitable for extensive livestock rearing (Vincent & Thomas, 1960). These classifications affected agricultural production and hence affected agricultural policy, for example in the 1980s, in response to improved government subsidy support, the most substantial increases in maize production occurred in the regions with medium to high agro-ecological potential (Stack, 1994, pp. 258-262).

Although maize was already being consumed by the Africans when the white settlers came (maize arrived in Africa through trade with the Portuguese in the 15th century), it quickly became a very profitable crop for the white settlers. They produced the crop for export, especially into the British starch industry. In the settler Rhodesia, between 1906 and 1932, exports of maize grew at an average of 18.8% per annum until the 1930s (because of WWII and the global economic depression) (Masters, 1993). After the world war, production and marketing of the crop improved until the liberation struggle in the 1970s as most rural farmers and some commercial farmers abandoned their farms in fear of the armed struggle.

The pattern of production before and after independence has been differentiated. Noteworthy is the increase in contribution of small-scale agriculture to total agricultural production after 1980, mainly because the colonial restrictions had been removed (Binswanger-Mkhize & Moyo, 2012, p. 47). Due to increased support through massive government subsidies (and better output prices) for the small-scale maize production prior to the liberalisation, production doubled as more small-scale farmers (from 5% to 10% in the 1979-1985 period) started to market their output (Muir-Leresche & Muchopa, 2006, p. 300; Eicher, 1995, p. 808). Maize production by small-scale farmers increased from 10% to 40%; it grew from 7% to 53% for cotton, 41% to 53% for groundnuts between 1980 and 1987 seasons respectively. After ESAP, maize production by 25% declined due to reduced support for maize production coupled with two significant droughts (Stack & Sukume, 2006, p. 567). Agriculture played a significant role

in the Zimbabwe economy of the 1980s through exports. Although it contributed approximately 14% to GDP, it formed about 40% of the total Zimbabwe exports. Additionally, agriculture was a significant absorber of labour and drove a significant amount of indirect economic activities through its linkages with other sectors of the economy, such as the manufacturing industry.

The biggest issue was how the state and all relevant stakeholders should develop and maintain a viable and robust agricultural marketing system. Some scholars (Masters, 1993, p. 239) encouraged the government to open more and allow for private-sector competition into the maize marketing system since it was state-run, just as we saw in the rice marketing system in Japan. Some studies have shown that although maize liberalisation improved maize prices, expanded rural trading, processing, farmer commercialisation and improved grain supply to private millers in urban areas (Muir-Leresche & Muchopa, 2006, p. 307), the increase could not off-set the rising cost of production which overall affected rural farmers (Makamure, Jowa, & Muzuva, 2001, p. 8). Maize output in Zimbabwe is also greatly affected by drought especially in the late 1980s and the 1990s with the severest drought year of 1992/3 resulting in maize imports rising to 1.8 million tonnes (Binswanger-Mkhize & Moyo, 2012, p. 55). Another drought which occurred against the backdrop of the land reform in 2003 also had devastating effects on the amount that the country had to import (and food aid), however, maize imports have stabilised from 2003. In the 2011 season, growth in maize production made sure that the maize policy further reduced maize imports and saw vanishing of food aid (ibid).

The Agricultural Marketing Authority Act (1967) was established to control and oversee the running of most agricultural boards (Cold Storage Commission, Sugar Industry Board, Cotton Marketing Board, Dairy Marketing Board, Tobacco Marketing Board, GMB). Of interest to my study was the establishment and running of the GMB. The Zimbabwe grain and maize markets were under the control of the state through the Grain Marketing Board (GMB; formally known as the Grain Control Board when it was established in 1931) (Eicher, 1995, p. 811). The GMB had a highly centralized system which was the only channel for farmers to sell their products to consumers. Although there were three channels that farmers could use, namely i) through the GMB depots (in rural and urban areas) ii) through to the collection points of GMB or iii) through GMB approved grain buyers, all the grain had to pass through the GMB. The approved buyers had to submit all the maize to the GMB who would sell it to the consumers/industry (just as in the case of the Japanese rice industry). No private sales were permitted, just as in the case of Japan, with the only difference being the fact that the MAFF

approved private-buyers were cooperatives and not individuals. In terms of pricing, the government oversaw the processes of pricing in the period 1980-1990. However, government expenditure in agriculture grew in the first six years after 1980 (Makamure, Jowa, & Muzuva, 2001, pp. 11-12) and then fell into perpetual decline during the ESAP era. From the year 2000, due to the withdrawal of the private sector from agricultural finance, government spending started to increase (see more detail in Section [5.5.1a.5.5.1](#) on page [175](#)).

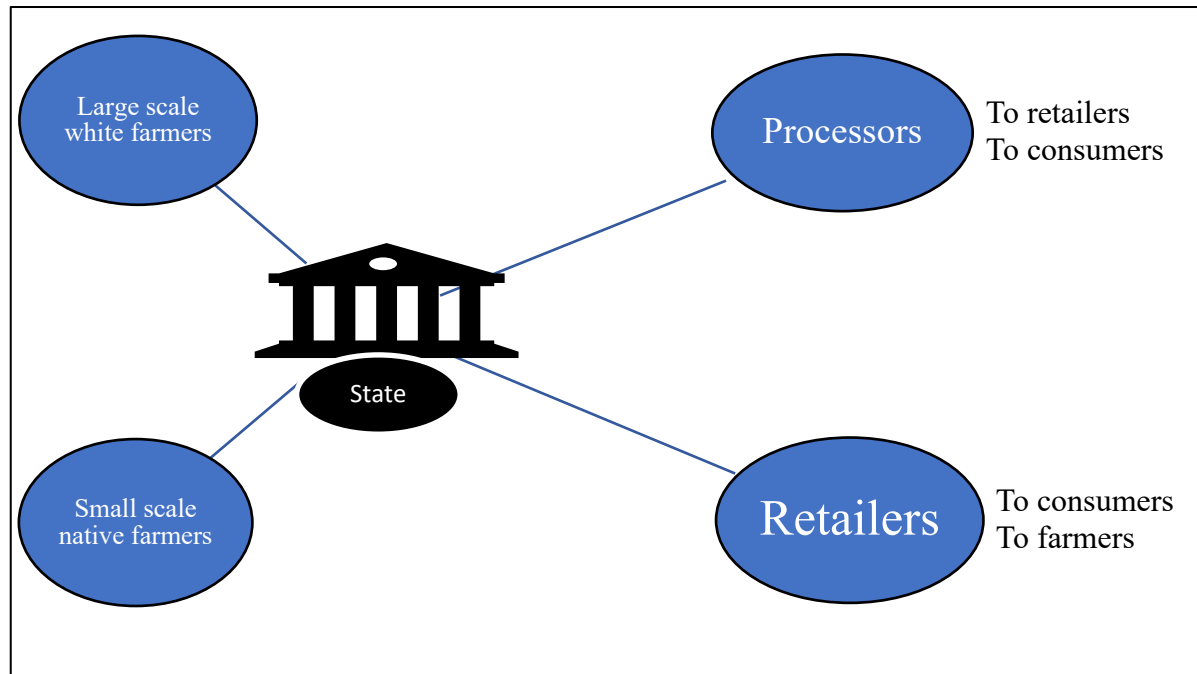
The Grain Marketing Board

The first set of regulations in the grain markets were introduced when the Grain Marketing Board (GMB) was established in 1931 . Although the board was formed as a temporary measure to whither the harmful effects of the great depression, it stayed until present-day Zimbabwe (Eicher, 1995; Mudege, 2005, p. 79). It sought to keep prices of grains (mainly maize) artificially higher than the world prices and hence shielded the local farmers from the depression (Masters, 1993, pp. 229-230), just as in the case of Japan during the Food Control Act. However, the farmers in this period were predominantly white large-scale farmers who had huge state-support through finance (subsidies), inputs, outputs and export incentives. The structure of the GMB maintained a dual pricing systems for large-scale white farms and also another for the black farmers in tribal trust lands and instituted white-settler economic dominance over the blacks (Bratton, 1987, pp. 181-182). The country had a hard time recovering from the great depression and the world war such that by the 1940s, it was importing most of its food. It is during this time that the government decided to establish a Native Development Fund in which 10% of all the produce from black farmers were put into this fund. The GMB was establishing large-scale storage infrastructures along areas populated by white-settler farmers, further disadvantaging the native farmers. Moreover, with the adoption of the Native Reserve Act of 1961, the situation worsened as native farmers were moved further away from the easily accessible marketing channel (Masters, 1993) s. It is on record that the GMB policy was extremely biased towards the commercial white-settler farmers.

The GMB had a monopoly on the market which was protected by law; no other player could buy and distribute maize (pre-independence to 1993, and 2002 to 2008) (Muir-Leresche & Muchopa, 2006; Binswanger-Mkhize & Moyo, 2012, p. 65). The pattern observable in these periods mimics that of the Japanese government during the rice control era. The attainment of independence in 1980 resulted in a relatively upward movement as the country stabilized, and farmers went back to their once abandoned farms. Additionally, more smallholder farmers

adopted the latest seed varieties and fertilizers, and more low-risk credit was availed to them (Masters, 1993, pp. 231-232).

Figure 5.1: Distribution of maize in the maize marketing system (1930-1993 and 2001-2008)



Source: Created by author based on various sources

Since the GMB controlled the pricing system, their pricing mechanism was such that the price set would be just high enough to incentivize the farmers to sell to the GMB while at the same time, not too low to proliferate the black/parallel market (Herbst, 1988, pp. 280-281; Muir-Leresche & Muchopa, 2006, p. 303). Upon the attainment of independence in 1980, the new socialist government continued with the policy and sought to bring more small-scale farmers into the marketing system through establishment of new seasonal grain buying depots (Eicher, 1995, p. 812). This process was almost similar to the Japanese post-war food control system. It wanted to expand the GMB network to include rural maize markets as a way of fixing the historic racial and social injustices of the colonial era. However, their efforts were mainly affected by the droughts in 1983-1984 and 1987, and the economy stagnated. In addition to increasing balance of payments deficits and foreign currency shortages, this formed one of the reasons why the state eventually adopted and implemented the disastrous Economic Structural Adjustment Programs (ESAP) in the early 1990s.

The large-scale farmers drove the 1960s boom in production, but the small-scale farmers took centre stage, especially after independence. The trajectory taken by the agricultural production

and marketing over the last six decades can be pinned on the behaviour of the GMB pricing system (Masters, 1993, p. 232). As with the Japanese rice production system, the GMB officials negotiated with farmer representatives (farmer unions) when setting up prices and in other policy-related issues. It is important to note that these farmer unions were not cooperatives and the large-scale farmers mainly dominated them, and hence they mainly represented the interest of the large-scale farmers (Masters, 1993, p. 232; Moyo S. , 2000a). The prices were usually set towards the start of the harvesting period; hence, farmers got into production of the maize without output prices information. Before 1980, the price of maize output was a function of the cost of production, however, from 1980 onwards, it was based on the freight on board (FOB) of a tonne of maize. By 1990, about 66 depots (an increase from 34 in 1980) were fully operational with about just under half being in the rural areas (Masters, 1993, p. 230). However, private sales and transportation of grains was still unlawful; this meant the pre-independence GMB structure (Figure 5.1) remained in place, industrial millers had to buy from the GMB, and small-scale and large-scale producers had to sell to the GMB.

The GMB employed the pan-territorial and pan-seasonal pricing system in which the grain was bought at the same price across the whole country and throughout the year, respectively. This closely resembled the Japanese food control system in which rice had no quality standards and was purchased at the same price. During the era of the regulated market, price setting was done by the government through the GMB monopoly which consulted farmer organisations such as Commercial Farmer's Union (usually with little small-scale representation) From the government perspective, the rationale was to protect those farmers in highly productive areas from lower prices immediately after harvest (Muir & Takavarasha, 1989, p. 111). Additionally, the system would also protect the working class in the urban areas for social and political reasons (Muir-Leresche & Muchopa, 2006, p. 305; Chayanov, 1991, p. 56; Bates R. H., 1981; Herbst, 1988, p. 266). However, the fact that the net sellers of grain were the small-scale producers meant that they were taxed, while large-scale farmers who were producing other high-value crops and livestock were subsidized in purchasing this maize (Muir-Leresche & Muchopa, 2006, p. 300).

Here we see the disadvantage of poor organisation of the farmers, if they had proper representation in the decision-making echelons, as happened in the case of Japan, they could have managed to negotiate for a better pricing model which would benefit the actual producers. In 1988, the producer-surplus loss for small-holders accounted for 17% of their produce; this means they were being paid 17% less than they should have been under non-pan-territorial

pricing system(Muir-Leresche & Muchopa, 2006, p. 302; Masters, 1993). At the same time, the system was subsidizing the large-scale farmers by 9% (ibid). Pan-territorial pricing affected farm-gate pricing and consumer prices which encouraged parallel market activities as intermediaries found it profitable to buy in the CA and sell to millers in urban areas. If a strong cooperative had been in place, things would have panned out differently.

The GMB's production cost schedule was dominated by storage cost, especially after bumper harvests. Additionally, because after independence, they had to collect maize from even more remote areas, the cost of operations (including logistics) rose and became a significant expense to the GMB account. Before 1980, the GMB operated at break-even pricing and passed the profits of its monopoly to the consumers or the suppliers of the grains. However, with the rising cost, coupled with a firm stand on keeping consumer prices low, they had to run deficits which would be covered by the government subsidy (Masters, 1993, p. 234; Muir & Takavarasha, 1989; Muir-Leresche & Muchopa, 2006, p. 306). This was done in the 1990s and 2000s. In a way, both price and non-price factors affected the maize marketing system in Zimbabwe before and after independence. The sales of maize to the GMB is seasonal in the sense that farmers try to discharge all their output soon after harvest since the price is constant throughout the year.

This could have been the same situation found in the cooperative movement where it pays back its members dividends when it makes profits. Farmers also demand GMB to protect them using the strategic grain reserve in times of grain shortages (when prices went up) (Makamure, Jowa, & Muzuva, 2001, p. 24).

Liberalization of agricultural markets

There has been two broad deregulation of maize markets in Zimbabwe since independence, the first during ESAP and the second during the 2009 dollarization period. In the late 1980s, the Zimbabwe economy was experiencing stagnation and the import substitution policy which the government had not alleviated the situation. With the recommendation and support from the World Bank (WB) and the International Monetary Fund (IMF), the government adopted ESAP, which was meant to resuscitate the economy. The ESAP was implemented officially in October 1991, and its principal objective was to reduce the amount of government intervention in the whole economy. It took the form of a five-year plan (1991-1995). It basically resulted in the cutting down of the number of ministries and the amount of resources that went to ministerial activities. For agriculture, liberalization was interpreted as a deliberate reduction of the

government's role in production, distribution and marketing of agricultural inputs and commodities as well as their role in guaranteeing output markets. The GMB had a monopoly in purchase, sale and exports of maize grain until 1993. The market was regulated again from 2001 (through the Statutory Instrument 235A of 2001) where it had to regulate movement of grains (Muir-Leresche & Muchopa, 2006, pp. 301-316) until deregulation occurred again during dollarization in 2009 (Binswanger-Mkhize & Moyo, 2012, p. 63). This was in line with World Trade Organisation (WTO) requirement since Zimbabwe was a signatory of the organisation (just like Japan).

Before ESAP and deregulation, government intervention was justified on the basis of i) ensuring that farmers got fair prices, ii) ensuring that urban consumers got cheap priced food, iii) maintenance of food security and grain reserves, iv) taxation of the agricultural produce. Makamure et al. (2001) concluded that liberalization had worsened the plight of farmers, especially for less-tradable crop producing farmers (maize, sweet potatoes). This then affected food security. This can be seen or explained by the fact that these small-holder farmers in the CAs did not own private land title (required by banking institutions in order to access loans); hence, there was no way that they could have benefited from the liberalization.

Liberalization eroded the viability of farming (inflation, interest rates, taxes) because the key stakeholders in the agricultural marketing system were not consulted during the reform formulation of the policy (Makamure, Jowa, & Muzuva, 2001). Such interest groups included farmer and producer organisations (Zimbabwe Farmers Union-ZFU, Commercial Farmers Union-CFU, Indigenous Commercial Farmers Union-ICFU, Cooperatives), agro-industrialists, and individual farmers. In Zimbabwe, large-scale farmers have their own associations different from that of the small-scale farmers with little to no inter-association networking for a common goal.

The liberalization of the marketing system also involved a few other policy incentive instruments such as the Export Retention Scheme (ERS), which encouraged exporters by allowing them to retain a certain (up to 30% depending on agricultural sector) proportion of the exports in foreign currency (Chayanov, 1991, p. 61; Rusike & Sukume, 2006, p. 287; Murisa, 2009, p. 53). Also, the Open General Import License Scheme (OGILS) enabled free importation of several commodities (Makamure, Jowa, & Muzuva, 2001, p. 18; Chayanov, 1991, p. 64). There was the Export Support Facility for funding imports of raw materials for export-oriented production. Most importantly, the devaluation of the Zimbabwe dollar made

exports to be extremely valuable and worked as an excellent incentive for exporters. The sad part was that many of the small-scale farmers had low access to land title (required by banks) and hence they could not access funding to sell their goods on the international markets. Thus, such acts did not yield desired outcomes. The greatest mistake that the ESAP policy had was to assume that all market participants had equal opportunities. In terms of marketing, the smallholder farmers were considerably affected when the GMB removed its temporary collection depots which were close to their places of agricultural production, and this increased their cost of production (transaction costs). By 1996, there were no GMB collection points in the rural areas which virtually back-rolled the gains of the 1980s (Makamure, Jowa, & Muzuva, 2001, p. 20).

Zimbabwe Agricultural Commodity Exchange

As prospects of a growth from the ESAP become deceptive, the Zimbabwe Agricultural Commodity Exchange (ZIMACE) facility emerged in 1994 through private sector and state negotiations to try and provide the farmers with an alternative to the unfavourable markets (Muir-Leresche & Muchopa, 2006, p. 316). Producers would get bids and offers for their produce from buyers or brokers in attendance, reducing the gap between supply and demand (Makamure, Jowa, & Muzuva, 2001, p. 44). The platform grew because it gave farmers some form of security and transparency as they were trading through legally binding contracts. Maize and other grains such as wheat and soybean formed the bulk of goods traded on this platform and the traded volumes increase year in year by an average of 35% between 1994 and 1996 (Makamure, Jowa, & Muzuva, 2001, p. 45; Muir-Leresche & Muchopa, 2006, p. 316). However, such platforms, although functional, could not accommodate all producers from all sectors and membership mainly consisted of Delta beverages, Olivine Industries, large-scale millers and LSCFs. During the ZIMACE era, there was as a rise in the number of middlemen who bought maize from the CA and sold to agribusinesses. In this situation, there is need to consider farmers in groups with group leaders being responsible for these negotiations for the entire farming community to benefit and to develop. This would also reduce the transaction costs of negotiation on the part of brokers, producers and the government. This gives scope for the cooperative model because it reveals that institutional groups at grassroots level improves structural organisation necessary for agricultural development. The small-scale farmers benefited from ZIMACE through accessing base price information for their commodity. Therefore, a group of farmers in Gokwe had formed an organisation to have concerted efforts when selling on the ZIMACE platform (Makamure, Jowa, & Muzuva, 2001, p. 45). If farmers

operate within a group, the 14 days payment period is easy to accept as compared when they are individuals.

Maize policy after the FTLRP

After the implementation of the FTLRP, the government took control of the maize markets (through the apparatus of the GMB). The GMB received subsidies from the government, bought maize at controlled prices and sold it to the millers at subsidized rates. This affected profitability of the maize producers as seen through just over half of the A1 (53%) and A2 (58%) farmers were selling through the GMB (Binswanger-Mkhize & Moyo, 2012, p. 65). The policy soon after the reform punished the farmers and protected the urban consumers, and this is in stark contrast to the rice policy in Japan where prices are still kept artificially higher for the benefit of the grain producers.

After dollarization in 2009, maize markets were liberalised, which saw the increase in importation of cheaply produced grains from the region. Although this improved access to grains, it negatively affected local producers as they had to compete from cheaper processed GMO maize from South Africa. Although the markets were liberalised, GMB still plays a significant role in the market primarily through the maintenance of the strategic grain reserve (290 thousand tonnes). One of the latest and most interesting developments in the maize policy is the Targeted Command Agriculture Programme or better known as Command Agriculture. It is a Zimbabwe government-led Special Maize Import Substitution ‘contract-farming’ scheme for large and small-scale farmers using domestic finance capital resources. It brings state, private sector and farmers together to produce food (Mazwi, Chemura, Mudimu, & Chambati, 2019, pp. 6-9). Prior to such a program, the private sector was involved in maize markets through complex supply chain interlinkages (small-scale agricultural producers, traders and millers); however, for the first time, their participation has been observed in financing the production of maize under ‘contract-farming-type’ arrangements.

5.2 The development of the Zimbabwe land reform

The roots and nature of contemporary land issues in Zimbabwe are a direct result of several decades of land ownership activities dating a few centuries back. The structure of the FTLRP should not be analysed as static, but as a continuum set in motion by socio-economic and political relations that were found before colonization; to the arrival of white settlers in the 1890s through to the 1960s (land alienation period); and finally to the market-led land reforms in the 1980-1990s (Moyo S. , 1992; Moyo & Matondi, 2004; Moyo S. , 2011c; Muchetu, 2018,

p. 71). After colonization had been completed, land markets were controlled by the state, and in most cases, the local indigenous populations were not allowed to purchase freehold land. It was only later in the 1930s that the Native Purchase Areas were created for a few black elites to participate in the land markets. The process of land alienation and land grabbing, which began with the arrival of the white settlers was reinforced through more laws in the mid-1900. From the 1930s, through a few laws (Land Apportionment Act of 1930, Land Husbandry Act of 1931, and the Tribal Trust Lands Act of 1965) oversized tracks of land were appropriated by the white-settlers and converted to private property lands creating a dualistic agrarian structure (Moyo S. , 1992). It is imperative to understand the structure and conduct of the land markets and the resulting agrarian structure because this has a significant bearing on the types of cooperatives that can be formed in these agricultural areas (see Chayanov 1991). In this section, I discuss the attempts to redistribute land under different economic models from 1980.

5.2.1 The Zimbabwean land markets and production (1980-2018)

Up to 1980, the contribution to the national agricultural output for the small-scale farmers (SSF) was limited due to several constraining policies under the colonial regime of Rhodesia. In 1980, the new government faced the task of trying to correct this imbalance which was deeply embedded along racial and class lines. The bi-modal agrarian structure at independence had 39% of the arable land under white commercial farming, while one million black farmers possessed 49% (Moyo & Nyoni, 2013, p. 202). The white-settlers had private property rights while the blacks had customary tenure for their land. The land reform carried out by the state in the 1980s transferred 15% of white-controlled lands to 6% of the small-scale farmers (Moyo S. , 2000a, p. 72). People who benefited in this era form what is known today as the old resettlement areas. Indigenous land-seekers could also buy land through the willing-buyer-willing-seller system, which favoured black middle-class workers and those individuals close to the elites who had access to loans from the Agricultural Finance Corporation. One of the most exciting outcomes from this period (for my study) was an attempt to establish Collectives (under a scheme known as the Model B) like those in China, Russia and Tanzania. The scheme failed because it had weak financial backing, inadequate infrastructure and had higher degrees of poor management.

Land reform attempts between 1980 to 1997

In the first decade after independence, the government sought to access and control land within the framework set by the 1980 Lancaster House Conference (LHC) agreement¹⁶. From 1980 to 1985, the sovereign state was still in its most infant stages, thus understanding the land tenure system it had inherited proved to be a herculean task (Herbst, 1987). In addition to the Communal Lands Act of 1981, the government set out the Land Acquisition Act (1985) to speed up the market-based land reform. This Act secured the right of first refusal to the government; thus, any agricultural land that would be sold in Zimbabwe had to be offered to the state before it was sold to anyone else. This had limited effect as the land supplied was very low, of poor quality, and priced artificially higher. The land redistribution in the markets (through state-mediated market mechanism) was profiting the white-settlers more while delaying land redistribution and re-establishing the white-settler control in both land markets and financial markets. The LHC agreement proved to be the most significant impediment to a faster land redistribution system between 1980 and 1990.

A few black elites managed to purchase land from the market through private loans secured from such institutions as the Agricultural Finance Cooperation (AFC). However, the rest of black Zimbabweans, traditional authority and Zimbabwe National War Veterans Association (ZNVVA/WVA) were excluded from the land markets, and the force of their agency to access land was not yet radicalized (Sadomba, 2011). It is noteworthy that women's access to land was shallow at that stage. Even in the white-settler farms, women-only owned an average of 5% of the title deeds, and the land markets were extremely male-dominated. The funding from the UK, Germany and the USA had not flowed to the government as informally agreed during the LHC (not entrenched in the agreement) (Masiwa, 2005, pp. 217-218). By 1988, the flow of funds had drastically reduced, and only £44 million had been received amid increased conditions set by the Conservatives of the UK government. In addition to setting the price of land they wished to sell, the LHC agreement gave the white-settler the right to choose in which currency they preferred to be paid in. This further complicated and delayed land market transactions given the shortages of foreign currency that was rampant at that time. Although some scholars (Kinsey, 2004, p. 1671) underplay the effect of the LHC on the pace of land

¹⁶ The LHC agreement was held in London (December 1979) to bring an end to the armed struggle between the Rhodesian white army and the black guerilla freedom fighters. It was an agreement to a cease-fire, renounce use of force for political gain, peaceful post-cease-fire election campaign and a pledge to accept the outcome of the elections thereof (Rhodesia, 1979).

reform, it stunted progress of land redistribution from 1980 to 1995 (Moyo S. , 1995, p. 124). Only 60 thousand families were resettled against a target of 160 thousand households on 2.1 million hectares (7% of the arable lands) by 1990 (Masiwa, 2005, p. 218).

The LHC agreement expired in 1990, and land reform was expected to speed up; however, the adoption of ESAP made sure that this did not happen. The effect of this in the land market was a U-turn in power relations from state-led redistribution to market-based/white landowner-controlled transactions which was even worse than the LHC agreement. At this stage, the government was not sure of the implications of continued land redistribution (the Land Acquisition Act of 1992 which sought to acquire land compulsorily), while at the same time following a market-based economic mode of production. The Land Apportionment Act had much potential to accelerate the land reform had it been supported by the local farmers, donors and the international community. Instead, it was ridiculed. The IMF and World Bank recommended re-focusing of support to large-scale commercial production instead. Land redistribution was shelved during ESAP as focus shifted to the implementation of the economic reforms under supervision of the Bretton Woods institutions (Moyo, Chambati, & Siziba, 2014, p. 2).

Moyo and Skalness (1990) therefore stresses that: *i)* the purchase of land by influential party elites, *ii)* the unity accord of 1987, and *iii)* the continued economic crisis extinguished any thoughts of a state-led radical land reform. By 1995, the prospects of a state-led reform looked grim. By 1996, we start to see agency coming from below, increases in peasant's rate of squatting in commercial farms, land occupations, widespread protests, armed confrontations and resource poaching as a form of agency against a state unwilling to do a redistributive land reform (Moyo S. , 2000a, pp. 10-11; Moyo & Yeros, 2005, pp. 182-186). By 1997, ESAP had caused disaster and untold mayhem in the land markets and to the lives of the rural poor by increasing differentiation in land use, labour and commodity marketing. More black-business capitalist joined the white-settlers in their quest to access land. CSOs and CBOs were silent in this stage. The farmer organisations were also quoted as useless in collecting the peasants' voices as in most cases, were formed by white master-farmers who opposed land redistribution (Masiwa, 2005). Here we learn that the peasant organisations that existed in the rural areas did not represent the socio-political needs of the peasants. Isolated and low intensity that had started in the 1980s (by war veterans and non-war veterans, peasants, traditional leaders and farm workers) and were heavily repressed by the state had persisted and kept the land reform agenda alive (Sadomba, 2011). I argue in this thesis that if there had been reliable social

organisation in the rural areas, amicable land reforms would have occurred or if not, the radical land reform would have happened earlier than it did.

Land markets and reform policies, 1997 to 2010

Although ESAP was officially abandoned in 2001, the government had started to move away from it from 1996 onwards. The budgetary support from the UK had officially expired. The new Labour Party made it clear that it was not going to support further land reform programs through the infamous Clare Short letter (Secretary of State for International Development). The intensity of land squatting, inversions and occupations was picking up pace. The WVA which had been formed in 1989 took it upon themselves to initiate restructuring of land markets. Between 1996-1997, the government used the Land Acquisition Act (1992) provisions such as land under-utilisation, multiple farm ownership, derelict land, absentee farm-owners and proximity to Communal Areas (CA) to identify 1471 farms for resettlement (Chayanov A. V., 1991). Sadly, the program failed. It was implemented within a liberalized market which was to respect private property rights. Just as in the 1993 and 1995 court cases against the state's compulsory land acquisition program, the land-owners challenged and won back 40% of these farms.

It was at this stage that farm occupations intensified beginning with the famous action in Svosve village in 1998 which spread to other areas such as Manicaland, Masvingo and even Matabeleland (Sadomba, 2008, pp. 98-105). This time around, the peasants (through the WVA) had amassed political connections and were not facing state repression anymore. While other scholars viewed this social movement as the works of powerful elites in the ZANU PF party, others argued that it was, in fact, the WVA who had established itself with influential elites (Moyo S. , 2000a) and that the government, realising the extent of the land occupations and pressure for land by the poor, had co-opted it into its land acquisition agenda. The 1998 donor conference was subsequently organised to try and mobilize funding to the Zimbabwe government so that it would pay compensation. The property rights (enshrined in the constitution in 1980) were still being protected under laws and delayed the compulsory land acquisition process much to the chagrin of the state. In the meantime, WVA and elite political leaders further fuelled radicalism. The donor conference resolutions crumbled. By 1999, GoZ still could not smoothly redistribute the remaining 60% of the farms as more court challenges came. This unified the peasants, the state, WVA, party officials and traditional authority to push the land reform agenda forward. For the first time since independence, the WVA had amassed adequate power to challenge the inequitable land distribution (see Table 5.1). Once

the peasants had a unified voice, we see the power of social organisations and the ability to link with the state apparatus in action for the first time since independence.

Table 5.1: Source, type and effectiveness of land demand 1997-2014

Period	Sources	Demand type	Influence
1997-2007 State controlled	White settlers	Tenure security	Low
	State	Redistribution	High
	Peasants	Redistribution	High
	ZNWVA	Redistribution	High
2008-2014 Re-liberalization	Foreign Capital	Tenure security, Leases, purchase	High
	State	Redistribution	High
	Peasants	Redistribution, tenure security	Medium
	ZNWVA	Redistribution, tenure security	Medium

Source: Adapted from Moyo (various writings); Muchetu (2018, p. 76)

In the wake of failed donor’s conference, failed land reform and a rejected referendum (1997-2000), small cases of land occupations, farm inversions and squatting then developed into full-scale occupations that would last until 2003-2004. Once the peasants and WVA had pressured the state to implement the Fast Track Land Reform Program (FTLRP) through a new Land Acquisition Act of 2000 which finally removed the need to pay compensation for the invaded farms. In this respect, a state-led economic model of production was adopted, which saw the GoZ reasserting authority throughout the agrarian markets from input distribution to output marketing.

Although the WVA were already carrying out land occupations, officially, the FTLRP was launched in July 2000 as part of the second phase of the land reform (Sachikonye L. M., 2005, p. 33). It was a completely different creature from the previous land delivery systems. It was ideologically different in that it no longer respected the property rights held by the white-settlers. This reform was institutionally supported by the state as seen through increased constitutional amendments to allow for no compensation, remove legal challenges and protection of the land occupiers from eviction (Rural Land Occupiers Act of 2000). Some of these acts had to rely on presidential decrees vested in the ‘Presidential Powers Act’ to be passed. Moreover, the FTLRP was to be taken on an accelerated manner with speeding up of land identification, planning, demarcation and resettlement of the people (Moyo & Yeros, 2005, p. 192; Sadomba, 2008, p. 180). However, just like the previous reform program, the FTLRP was hinged on achieving equitable land ownership, poverty reduction, increased productivity which formed the socio-economic objectives of the reform. Furthermore, it targeted the

decongestion of CAs, improving their land access, and the formation of an indigenous commercial farming sector (Hanyama 2009, S. Moyo 2001).

Most of the land seekers who took part in the land occupations were later officially given usufruct rights (permission) under the A1 resettlement tenure model with land size ranging from 1-30 ha depending on the implanted region. The other resettlement tenure system was the A2 model. This model was for those that proved that they had the means to utilise more land. There are four forms of landholding in this model with the small-scale, medium-scale, large-scale and peri-urban (subject to land size and agroecological zones) and. The A2 model beneficiaries hold leasehold tenure title. The FTLRP also left some former white-owned LSCF and some large corporate farms untouched if they were deemed as strategic farms, these still hold freehold tenure title.

The result of the FTLRP has been the focus of debate for the past decade. Scholars and government policymakers grapple with the task of fully understanding the nature and socio-economic implications of the radical land reform. By 2010, around ten million hectares of land had been redistributed during the FTLRP to over 170 thousand households under A2 (commercially oriented: 13% of the land) and A1 (small-scale: 79% of the land) settlement models (Moyo & Nyoni, 2013, p. 202). This was ten times the land and 2.5 times the number of beneficiaries as compared to 1980-1999 reform, all done in a quarter of the time (Moyo S. , 2005a; Moyo S. , 2011b; Muchetu, 2018). Moyo (2011c) argues that exclusively using economic variables to measure the impact of the reform is inadequate, and there is a need for more profound social and class analysis in addition to economic analysis. He proposed the use of a tri-modal agrarian structure. This structure categorizes the results of the reform based on such variables as land size (adjusted to reflect differences in quality and the agro-ecological potential of the land), tenure system that the land was under, control of land holdings, access to markets (support), class structure of the inhabitants, technical capacity, crop produced and organisation of production. Analysis of these variables enabled the classification of the beneficiaries into peasants, middle to medium capitalists and large-to-corporate capitalist farmers. This is extremely important for the formation of cooperatives according to Chayanov's theory of peasant cooperatives (see [Chapter One](#) and [Chapter Three](#)).

Emerging land markets post-2010

The FTLRP was the second land reform since independence, but it did not wholly eradicate land ownership inequalities seen through persistent demand for land post-2007 global food-

crisis (Moyo S. , 2011a; Chambati, 2013). Thus, pressure for the rationalisation of the shortcomings such as allocation of oversized farms, multiple ownership (from the peasants' side) and land compensation (from the dispossessed white farmers) will drive land demand/debates going into the future. The FTRLP nationalised land that was acquired for redistribution, but agricultural land belonging to LSCFs that was not acquired remains under freehold title and can be subjected to market transactions. However, new forms of local and international land deals have emerged post-reform signalling a new dimension in the land markets (S. Moyo 2009). The emerging markets are characterized by large-scale land deals¹⁷ as well as localized land sharing, leasing, and renting (Muchetu, 2018). The most recent example of this 'new scramble' for Zimbabwean land has been concentration of land for sugarcane production aimed at bio-fuels production where some farmers had to be moved to accommodate such projects in Mashonaland West, Masvingo and Manicaland. Largescale land investments have also taken place, being disguised as contract farming or out-grower systems as evidenced in some cases in Chiredzi district (Mazwi & Muchetu, 2015; Little & Watts, 1994). The emerging land markets pose a threat to the gains of the land reform and thus give scope for better organisation and cooperation as a bulwark within the rural spaces. The emerging agrarian structure and its challenges are ideal for the cooperative model.

5.2.2 The post-reform agrarian structure

In this section, I seek to describe the beneficiaries of the land reform since these people make the population of potential members of cooperatives in the resettled areas. The agrarian structure is now dominated by peasants (on less than ten hectares) who are settled on 73% of the Zimbabwe's arable land, followed by small to middle capitalists (30 to 150 hectares) settled on 9% of the arable land. The level of land quality/quantity, off-farm income, class, influence, gender and age structures differ throughout peasant farms, which indicates differentiated control of the land markets (Moyo S. , 2004; Moyo, Chambati, & Siziba, 2014). In general, land seekers in the A2 relied on associational brokering while that of the A1 was based on a mixture of participation (in occupation movement) and negotiations with local land authorities(Moyo S. , 2011b). However, participation in land occupations, engagement with local land authorities and WVA did not guarantee land access. It took a lot of dedication and

¹⁷ Large-scale land deals refer to land acquisition of larger tracks of land (usually greater than 200ha or two times the median landholding in that territory). Recent large-scale land deals of investment have marked a renewed scramble for African land which has often seen many peasants land being dispossessed through the state apparatus. The beneficiaries are international investors of tourism, wild-life preservation and bio-fuel production (Moyo, Yeros, & Jha, 2012)

commitment. Some beneficiaries had to spend several nights encamped in the forest, in what became known as ‘bases’ awaiting re-allocation from District Land Committees (Moyo S. , et al., 2009; Moyo & Yeros, 2011; Sadomba, 2008, p. 108). This has positive implications on the formation and sustainability of cooperatives because new farmers believe in commitment, dedication and the strength of working together towards the achievement of set objectives.

The amount reflects the scale and magnitude of the land reform for land demand in the Zimbabwe land markets. Approximately 85.9% of the land redistribution occurred between 2000 and 2004, with the remainder taking place from 2005 to 2015 (SMAIAS, 2015, pp. 7-8). The FTLRP aimed at decongesting CAs and to lessen rates of poverty, and as such, most of the land beneficiaries (53.6%) came from the CAs while 29.6% came from the urban areas (SMAIAS, 2015). This has implications on the rate at which farmers can come together and form groups or fashion resistance to exploitation in the agrarian markets. It takes time to establish social relations and strengthen kin, kith-ship and trust given that the allocation process did not consider the origins of the people who were applying for land (Chiweshe, 2011, p. 1; Murisa, 2009, p. 100; Mafeje, 2003). Thus, the type of cooperatives (and their success) depends on the amount of time that the members have known each other.

The size of the families also has a bearing on the type of cooperatives that can be formed. Overall, the households with more than six members per farm beneficiary accounted for more than half of the total beneficiaries (53.9%) (SMAIAS, 2015, p. 14). In a case where cooperatives can accept more than one member per household, the newly resettled farmer’s family structure has a huge potential to draw many members that can support the network. Furthermore, the level of education within these households pointed to the fact that 84.3% of those who took part in land resettlement had completed primary education (could read and write) (SMAIAS, 2015, pp. 19-20). This is very important for the flow of information within the cooperatives. A significant proportion of the respondents had been ‘previously employed’ (40.6%) while a slightly lower number (38.5%) had ‘never been employed’ prior to accessing land (SMAIAS, 2015, p. 21). This analysis helps us to understand the level of skill, networks and habits built over time, and resource base of landholders. This fact can be interpreted as the ability of the members to understand how formal institutions work which could go a long way in improving management skills and sustainability of the cooperatives.

Ownership and access to land for women has been a contentious issue throughout literature. Women’s role in agriculture cannot be overstated as they are virtually at the fore of all farm activities from household production to reproduction. However, a mismatch remains between

labour days spent invested and benefits from farming. By 2014, a few studies estimated the number of women who benefited from the land reform in their own right to be between 12 and 20% (Buka 2002; Utete 2003; GoZ 2007; SMAIAS, 2015). Although women accessed land through other channels such as through marriage and family institutions, the above result points to a more massive challenge for the resolution of the gender issues which hinges on more gender-equitable landholding structure. Some cooperatives require a member to be a landholder before they are admitted into the cooperative.

5.3 Development of agricultural cooperatives in Zimbabwe

In Africa, cooperatives initially served colonial interest. African cooperatives were not bonafide cooperatives because many lacked democratic member control; hence, they did not respect many of the cooperative values and principles. In this section, I follow the development of the cooperative movement in Zimbabwe and try to understand how it fared against various challenges along its growth trajectory.

5.3.1 Pre-independence cooperative movement

Cooperation is part of society and can be said to have existed within the concepts of *ubuntu*¹⁸ which formed the basis of the socio-economic organisation of the pre-colonial Zimbabwe (Samkange, 1980). However, ‘formal movements’ as they are known today began in the colonial era to support white-settler commercial farmers (LSCFs) and tackle output marketing and input supply issues for white farmers. In Zimbabwe, the first cooperatives were formally registered in the aftermath of the Cooperative Agricultural Act of 1909 which formalized white-settler farmer’s cooperatives. This Act was based on the Ceylon Cooperative Ordinance of 1922, which was in turn modelled around the British Indian Pattern of Cooperation of 1904 (remodelled in 1912 and 1946). These were primarily for LSCFs that were white-owned and dominated.

In addition to the discriminatory dual markets in grain and livestock markets between whites and black agriculture in 1950s, the settler government decided to intensify their control of the black agrarian sector by encouraging formation of cooperatives (Muir-Leresche & Muchopa, 2006; Masters, 1993; Weiner, 1988). The Agricultural Cooperative Act of 1956

¹⁸ The concept of *ubuntu* recognises the equality of a human disregard of the strength of kith and kinship. *Ubuntu* (*unhu* in Shona usually used in the axiom '*munhu munhu nekuda kwevanhu*', which means a person is only human if they recognize the humanity of others) has three broad values i) to recognize others as human beings ii) human life supersedes all material things such as wealth iii) all leaders hold power at the will of the people (Samkange 1980).

institutionalized this move under the Cooperative Societies Act (chapter 193) on 15th October in the African purchase lands of Mashonaland West Province, Chitombogwizi area (Musininga, 1988). This came as a recommendation by the African Production and Trade commission which had been previously set up in 1944. The Act sought to i) organize bulk purchases of farm inputs ii) to provide marketing options for the surplus production that peasants were producing iii) to organize transport for the members and reduce transaction cost. The Agricultural Service Cooperative oversaw these activities. Unfortunately, just like many economic stakeholders, cooperatives were also affected by the geopolitical and economic shocks that hit the globe, such as the great depression, the world wars and the liberalization of the markets. The sanctions on Rhodesia of 1963, the liberation war and the economic adjustment programs had its toll on the system.

Initially, the cooperative movement was so successful that provincial cooperatives had to be formed to provide centralized services to the primary cooperatives. The Agricultural Cooperative Act of 1956 was administered in the Ministry of Cooperative, Community Development and Women's Affairs. This model meant that the government would be involved in the guiding of cooperative activities as an advisor by offering extension, help craft by-laws, and teach cooperative principles to the developing societies. Theoretically, the British-Indian model envisaged limited state control in the cooperative movement as it grew bigger and became self-governing. However, the experience in subsequent colonial state legislative enactments substantially increased the power of the Registrar of Cooperatives. The government chose an officer who ran and managed all cooperatives businesses and performed most of the technical services and activities required by the cooperatives (World Bank, 1989, p. 5). This was maintained up to 1980.

5.3.2 Post-independence cooperative movement

After attaining independence, the state officially followed socialist policies (a mix of state intervention and market-heterodox policies in practice) and hence turned to cooperatives as a rural development model. This was evidenced by i) creation of cooperative-friendly legislature, ii) preparation of a cooperative policy paper in 1983 which detailed long term plans for cooperatives, iii) increasing the support and the staff to supervise cooperative development (though not sufficient), iv) establishment of the Ministry of Cooperatives (which survived for only a year) (World Bank, 1989). In 1980, given that the government had put hope on the cooperative movement to help in rural development, the cooperative was given several vital roles (such as input distribution, organize bulk purchases of outputs, transportation). It started

the establishment of a network of depots across the remote areas to make supply and purchase of small-scale produce easier (Bratton, 1987, p. 194). The movement was significantly under-resourced, and the staff had little technical training; thus, eventually, it proved too much to handle for the ministry and the cooperative movement because there was not much financial support and institutional infrastructure to support it. Some of the cooperatives (about 40%) died soon after because the state did not provide enough resources for them to thrive. There were approximately 343 registered agricultural service cooperatives for the 70,000 households, and by 1987, this number had grown to 642 covering 125,000 households (World Bank, 1989, p. 5). It is not the establishment of cooperatives that determines success, but it is their management and the ability to produce in a sustainably. Furthermore, the government and the cooperative movement itself knew that the biggest problem that they had was the agricultural pricing mechanism, marketing constraints and input supplying (World Bank, 1989, p. 1). The government was seeking to circumvent these problems using the cooperative model.

The cooperatives that were most popular in this era were the agricultural service cooperative, they were marketing and supply cooperatives, but because they carried many functions other than marketing and supply, they were better to be referred to as agricultural service cooperatives. The biggest problem of the cooperative movement during this period was that it did not have enough trained staff, no storage and transportation warehouses and had no robust management systems. Additionally, other players who wanted to benefit from the agricultural markets influenced the success of these cooperatives, including the government itself. Thus, private companies that supplied the same market presented competition while the expansion of the GMB also had its negative effect. This was government policy inconsistency since it was both promoting cooperatives and at the same time competing with agricultural cooperatives in purchasing grains. It set up several grain collection points and thus taking over the role of the cooperatives.

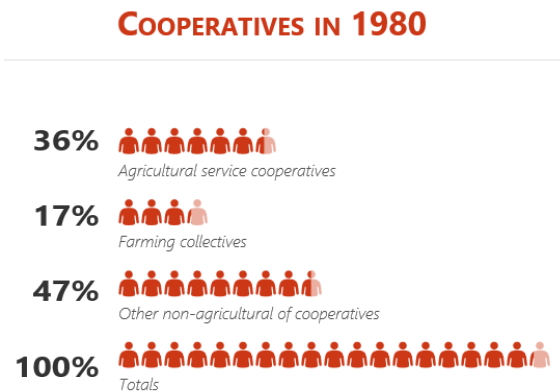
Establishment of collectives

The collectives gained traction in the state policies because the government was following a socialist socio-economic production model following the likes of China, Russia and Tanzania. However, the government did not abandon other conventional types of cooperatives. The prescribed role that the government was supposed to play has not changed even in the current cooperative societies act (World Bank, 1989, p. 4; Makochekamwa, 2015). At the peak of the government control, just as in China, collectives/communes (model B) were formed under the

land resettlement program. These were developed along the lines of the cooperative model, but the most significant difference was that the unit of production was not the individual within the cooperative, but it was the cooperative itself. Such is the nature of the collectives, and it is this nature that renders collectives difficult to maintain and highly unstable.

Table 5.2: Growth of agricultural service and collective cooperatives 1956-1987

	1956	1960	1965	1970	1975	1980	1987
Agric service coops	2	21	169	283	310	343	642
Farming collectives	-	-	-	-	-	1	312
Other non-agric coops	-	3	7	18	30	32	848
Totals	2	24	176	301	340	376	1802



Source: (World Bank, 1989)

Most of the beneficiaries of the program were the war veterans who formed themselves into groups and then applied for land. About 1100 collectives were formed between 1984 and 1987 and consisted of about 35000 members. However, the bulk of them were never registered and hence eventually did not get land. The number that managed to get registered amounted to 312 (with 13000 members) to which only 93 managed to receive land (5000 members) (World Bank, 1989, p. 6) (Table 5.2). Again, the WB argues that the reason why these failed also was because they were not built and supported (financially) to hold the overwhelming number of people or members that it eventually attracted. And also, because the state had too much power and control in their management.

A recent study discovered that some of the cooperatives that were created during this time are still in existence and that some increases were recorded for collectives (312 in 1989 to 400 worker and producer collectives in 2015). The collective membership had increased to approximately 18000 from 13000 in 1989, and most of the members were women (Makochekamwa, 2015, p. 21). The collectives are currently organised under the Organisation of Collective Cooperatives in Zimbabwe (OCCZIM). Although support for the cooperatives and the number of trained staff was limited, the cooperatives grew in the first decade of gaining independence. The 70,000 members accounted for 9.8% of the small-scale farmers in 1980,

and this rose to 135,000 total cooperatives and collectives by 1987 (19.1% of the small-scale producers). This represented more than 100% increase in cooperatives in this decade.

5.4 The structure of contemporary Zimbabwean cooperatives

Cooperatives in Zimbabwe started in the agricultural sector, as indicated in the preceding section. Other sectors of the economy, which wanted to progress, also utilised the cooperative model as they formed their own cooperatives. As it stands, there are about eight sectors or types of cooperatives in Zimbabwe. These are *i)* mining, *ii)* agriculture, *iii)* tourism, *iv)* housing, *v)* savings & credit, *vi)* transport and communication, *vii)* fishing and *viii)* arts and crafts (SMECD, 2017; Makochekamwa, 2015, pp. 4-5). However, even though all these types of cooperatives require different types of legislature, management and monitoring models, in Zimbabwe, they are all administered by one legal instrument, the Cooperatives Societies Act (1996). In this section, I analyse the basic structure of Zimbabwe's cooperative movement, its nature and ideological trajectory as well as some of the current challenges and the spaces available to solve them.

5.4.1 Ideology and Institutional structure of Zimbabwe Cooperatives

The cooperative movement in Zimbabwe was and is still structured along the British-Indian type of cooperatives, where the government has overarching power within the movement (Schwettmann, 2000, pp. 4-5). In 1980, due to the socialist influence of Russia and China, the movement adopted socialist ideology which resulted in more focus on equitable distribution of wealth and productive capacity throughout its members. This explains the rise of collectives in the first decade after 1980. Contradictions in these two approaches are still present in the current movement although it has leaned more towards the International Cooperative Alliance (ICA) ideology (which is more neoliberal than the Russian and Chinese cooperative movement). The ICA ideology has gradually been incorporated or given in to the fact that the world is predominately capitalist, and the movement needs to reform, find whatever ways possible to survive, sometimes at the cost of the initial ideologies. For example, scholars such as Ortmann & King (2007) and Cook & Buress (2009) highlight that more cooperatives need to convert into shareholder-owned companies to survive the neo-liberal onslaught.

As already discussed in section 5.3, cooperatives started in the pre-independence era, where they represented an extension of the government arm into the cooperative movement. It can be argued that traditional African norms (*ubuntu*) and cultural norms played a significant role in the way leaders of cooperatives carried their duties as leaders of such socialist organisations

(Samkange, 1980; Muchetu, 2019, p. 27). Although the movement developed urgency itself, it was always under the hubristic arm of the state, which is ever-present in their day to day activities. The Zimbabwe cooperative movement has never managed to separate its philosophy from that of the state.

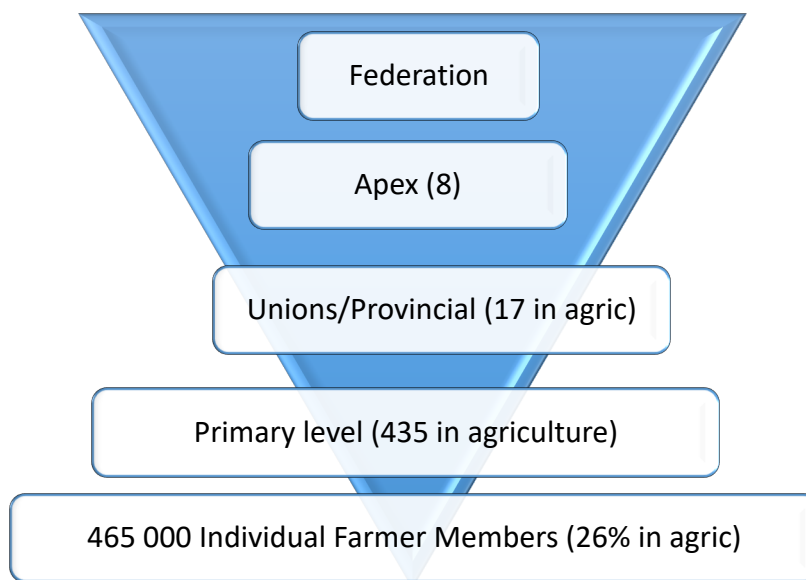
As highlighted earlier on, the movement was formed under the British-Indian cooperative framework, which emphasizes the significant role of the state within the movement (Wedig & Weigratz, 2018). Aligning socialist ideology to British-Indian based cooperatives has often led to ideological confusion. This lack of an independent ideology distinct from the state can further be illustrated through the reduction in socio-economic activities by the movement when the state reduced its activities during the ESAP era. It proved that the cooperative movement was not based on a strong ideology, but based on farmers who were in the movement in order to obtain free resources offered by the government. If the movement had an ideology of its own which was well understood by the members, the initial support by the state would have kick-started its development, and it would have survived the absence of government funding and support during the 1990-2000 economic reforms.

To have a clear ideology and structure within a movement is indeed a virtue. Lack of a sense of identity, belonging, and ownership of the means of production in the movement can reduce the potential of the cooperative. It can also be argued that there were two different movements in the history of Zimbabwe cooperatives, each with different sets of trajectories and ideologies. The white-settler cooperative movement was formed by the former white farmers at the beginning of the 1900s and was controlled by the white farmers themselves. These had power and influence in the Rhodesian government itself and profoundly influenced the economy of the colonial state. Their power and influence can be likened to the JA of Japan because farmers organised into cooperatives improved their agency and influence in Japanese agricultural policy (see [Chapter Four](#)). It is also not false to say they spearheaded the formation of the cooperative movement in the black communal farmlands to also benefit from the production in those areas. Given the fact that they had a concise ideology and vision different from that of the state, and consisted of a few thousand farmers, when the state (colonial) collapsed, they were able to turn their cooperatives into companies that still stand till this day (Windmill and Farmers Corp.). On the other hand, the second movement, whose ideology was steadily dictated and hijacked by the state (the black cooperative movement) could not survive beyond state sponsorship. These were the first to try and foster positive development in the

neglected CA and Small-Scale Commercial Farms, although these were controlled by the government and were extremely undemocratic.

The way the current cooperative movement is structured mimics the structure that existed in colonial-era despite several bouts of geopolitical and socio-economic reforms that have occurred at the global and local scale. This resistance to change and reform represent one of the biggest challenges in the cooperative movement (see section 5.4.2). The Zimbabwe agricultural cooperative structure consists of four levels (Figure 5.2); individual members belong to primary level cooperatives across the eight different sectors of the Zimbabwe economy. These may include village-level agricultural cooperatives or ward level cooperatives as in the case of housing cooperatives. Each of these primary level cooperatives belongs to the provincial or union cooperative level. Each of the economic sectors has its essential Apex cooperative organisation responsible for sector-specific duties. Other countries such as Japan are slowly moving away from a three-tier structure to a two-tier structure of cooperatives by collapsing primary, provincial and Apex bodies into one tier to improve efficiency (Esham, Kobayashi, Matsumura, & Alam, 2012, pp. 944-952). At the top of the cooperative structure is the federation, which represents the movement at macro-level dialogue with relevant stakeholders in the cooperative movement (all eight sectors).

Figure 5.2: Structure of Zimbabwe Agricultural Cooperatives Movement



Source: Compiled by author from Makochekamwa (2015) and CACU database (2018)

The power relations tend to increase moving up the ladder as represented by the inverted triangle (which might be said of the pre-reform JA of Japan). This structure is because of the historically installed government hierarchy in which real decision making about the macro-

direction of the movement was in the hands of the federation. This federation’s committee was heavily influenced by the state and had several former members of the government serving as federation leaders. This helped the government to maintain a firm grip on the movement and has been a source of dispute in the cooperative reformation debates as shall be explained in later [Chapter Seven](#).

5.4.2 Contemporary issues in the cooperative movement

Just like any form of social organisation, the Zimbabwe cooperative movement has its fair share of problems, some analogous to the global cooperative movement. These emanate from the contradictions in the neo-liberal socio-economic order, and others are specific to the realities of the members at agricultural local and national levels. Given that the agricultural movement is governed under the broad Cooperative Societies Act, some of the challenges faced in other sectors (such as the Housing sector) tend to affect the agricultural cooperative movement as well.

Table 5.3: Contemporary local level cooperative challenges in Zimbabwe

Challenge	Most affected sector
Membership contributions and subscriptions	Agriculture and Fishing
Negative perception about contributions	Agriculture and Fishing
Corruption	Housing, Agriculture and Mining
Scattered, weak and uncoordinated cooperatives	Agriculture
Lack of infrastructure	Agriculture
Outdated laws	Agriculture and Housing
Political interference	Agriculture and Housing
Bureaucracy & high license renewal and registration costs	Housing and Fishing
Access to finance and raw materials	Agriculture, Fishing and Arts & Crafts
Marketing	Fishing and Arts & Crafts
Theft and vandalism of property	Agriculture and Fishing
High import taxes and duties	Transport & Communication

Source: Created by author based on Makochekamwa (2015)

At the macro level, the operational environment has not been conducive for cooperative development and have come through economic liberalisation (globalisation), ever-changing economic development policies (indigenisation, SMEs development, Agrarian reform, economic recovery plans), rising unemployment, gender mainstreaming and declining economic growth (MYDEC, 2005, p. iii). Cooperatives are experiencing many problems which have worsened in the current trajectory as compared to the 1980s, as shown in Table 5.3 (Makochekamwa, 2015, p. 4). Other local-level problems for agricultural cooperatives

encompassed risky behaviour (conflict and corruption are hidden, and there is reduced trust); inadequate problem-solving skills, decision making and judgement (peasant farmer's decisions not considered); no commitment to personnel investment; neglect of individual feelings, and people compete instead of cooperating; feedback was usually ignored; over-reliance on traditional management styles which limited improvisation and innovation.

Political appointments in the leadership were rampant; thus, a few wealthy private business people with political influence were getting influential positions in the movement. In most cases, if they were not unqualified or incompetent, then they were involved in the same businesses as that of the cooperative (Akwabi-Ameyaw, 1997, p. 448). The cooperative movement in the rural areas was not big enough and not supported enough (by the government and stakeholders) to undertake multi-purpose functions. Thus, trying to form the cooperative bank, insurance, audit and federation companies simultaneously with marketing and supply of agricultural products was not feasible. Cooperatives should be structured in a way such that it develops first and stabilise its economic and financial viability before it can move into other sectors of the economy. The most significant issues also came in the form of differences in the incentive to employees, committee members and the management, discrepancies in benefits from business with cooperative. Some believe that those that get more should work more for their money. Additionally, some members are not allowed to borrow money from the society which demotivates them.

Some general issues that are peculiar to the global cooperative movement were also present in the Zimbabwe cooperative movement. Such issues included low member participation, coordination and cooperation and public relations; low levels of education hinder information flow within the cooperative. Therefore, members are not involved in the actual decision-making. Additionally, only the managing committees tend to think for the rest of the cooperative without even consulting other farmer representative organisations such as the Zimbabwe Farmers Union (ZFU), National Farmer Association of Zimbabwe (NFAZ) and Zimbabwe National Farmers Union (ZNFU) or the government institutions such as AREX. Conflict of interest is another challenge represented by widespread mistrust between the managers and the committee members. This scenario constitutes mutual mistrust and mutual inspection in the case of the Japanese cooperatives (Ishida, 2003). The goals of the managers and the committee members often differ, while in most cases the committee seems to have too much power because they are in charge of too many roles and responsibilities.

Interference in the management of the movement was rampant as well, and here there were overlapping of duties and command, which other analysts (Musininga 1988) referred to as 'lack of unity of command' within the 1980s movement. Some instructions coming from the management committee may differ or contradict with that coming from the supervisory committee resulting in confusion and inefficiencies. In the same way, the registrar or state officials also have too much power in the running of the cooperative beyond their expected role of just advising and guiding as seen in the Cooperatives Societies Act (1996). Indeed, other researchers have gone further to classify their behaviour as that of the police.

Record keeping and minutes writing were also among significant constraints due to the lack of appreciation of the importance of such tasks for future referencing. Cooperative leaders and farmers do not seem to understand why it is done, which affects the filling of essential documents and accounting systems (Chiweshe, 2011, p. 199; Chayanov, 1991, p. 47). Some cooperatives are not even registered. Some, on the other hand, do not have accounting systems cannot draw up final accounts, and hence, the cooperatives are unable to pay out dividends and patronage bonuses. The problem also extended to include such practices of writing or endorsing blank cheques, which resulted in substantial financial losses. The greatest threat was and remained as 'the possibility of the movement being highjacked' by the government. Additionally, the free market economy that prevails has meant that the cooperatives have to fight for their share in the open market. Furthermore, some competition came from the government itself as it expanded its depots across the country. The Ministry of Agriculture, Mechanisation and Irrigation Development (MAMID) was using state funds to expand GMB depots, at the same time, the cooperatives had access to some funding from the same ministry; however, it was supposed to pay back the money as compared to budget allocations for the GMB (Musininga, 1988).

5.4.3 Options for cooperative sustainability

Several studies have identified the ability to reform and to allow change as the most excellent means to which cooperatives can survive (see Prakash, (2003); Ortmann & King, 2007; Cook & Buress, 2009; Yan & Chen (2013); Iliopoulos, (2017)). The movement needs to be dynamic and to transform with the changing environment. However, these different scholars differ in the nature and scope of the change and dynamism that must take place. While others believe that more cooperatives should adopt the business model and do away with unprofitable activities (do less free services) in order to survive (Ortmann & King, 2007), others think that the movement needs to dig deeper into the principles of the cooperative model in order to

survive and also to resolve the various forms of agrarian contradictions that exist in the rural area (Jossa, 2014a; Iliopoulos, 2017).

Musininga (1988) argued that in Zimbabwe, the Department of Cooperative Development and the Ministry of Community Development, Cooperatives and Women's Affairs that housed it were opposed to change and thus threatened cooperative sustainability. The scholar argued that the cooperatives was too static and should be given more freedom to change through empowering of the grassroots members and fostering self-help. The prediction eventually came to pass after the introduction of the ESAP, half a decade after his publication. Although the main argument in his publication was based on the contradictions in the behaviour of the individuals within the organisations, the macro-economic conditions and policy environment also had a considerable influence on cooperative decline. It is not further from the truth to suggest that the cooperative movement has the highest potential to alleviate lives in the rural areas since the movement has existed in Zimbabwe (Romdhane & Moyo, 2002, p. 1). The movement had vast experiences in the agricultural sector as compared to other forms of organisations; they already had 45 established warehouses for distribution of inputs and 250 collection points of outputs by 1990 (these centres were in the most remote areas of the country close to the farmers which made cashing in of farmers cheques easier). They have provisions for structured government support through organised training and auditing of books as well as free provision of transportation for those that do cooperative business (ibid). The cooperative once had a monopoly over input distribution and commanded bargaining power with input suppliers. Furthermore, they enjoyed preferential access to credit from financial institutions as compared to individual applications. Such characteristics drew increased membership and can thus be recreated for the benefit of the peasants. Formation of cooperatives is motivated by the fact that the government cannot adequately serve the rural areas on its own; it is too expensive for the state and too unprofitable for the private sector (Chiweshe, 2011, p. 4). President of Tanzania, Julius Nyerere once said “[...] the number of people wanting government help will make dissemination of Government services and assistance financially expensive and administratively impossible” (Government of Tanzania, 1967, p. 15). This gives scope for continued support to the cooperative movement.

5.5 Government and the cooperative movement

The relationship between the government and the cooperative movement is legally derived from the Cooperative Societies Act (1909 revised in 1922, 1956, 1990 and 1996) and other related acts (Collective Investment Schemes Act, Companies Act, Grain Marketing Act, Rural

District Councils Act, Small Enterprises Development Corporation Act And Unlawful Organisations Act to mention just a few) managed by other line ministries such as the Ministry of Lands, the Ministry of Local Government. Various ministries have administered this law since the turn of the century. However, my study focused on the ministries that were formed after the independent Zimbabwe government. In 1980, the state, as mentioned already, undertook to a socialist-oriented policy which encouraged the formation and sustenance of cooperatives. The Cooperative Societies Act gave overarching power to the government to virtually controlled everything (see [Chapter Seven](#), Section 7.4 on page 285).

Table 5.4: Periodization of ministries that mandated cooperative activities 1980-2019

Period	Name	Mandate	Minister
1980-1985	Minister of Community Development and Women's Affairs	Youth, woman, culture and Recreational activities and cooperative development	Joice Mujuru
1986-1988	Ministry of Cooperative development	-	-
1988-1992	Minister of Community Development, Cooperatives and Women's Affairs	Community Development and Co-operatives.	Joice Mujuru
1989-1993	---	---	---
1993-2000	---	---	---
2000-2005	Ministry of Youth Development, Gender and Employment Creation.	Youth Development, Gender and Employment Creation.	Elliot Manyika
2005-2009	Ministry of Youth Development and Employment Creation and Cooperative development	Youth Development, Employment Creation and co-operatives Development.	Ambrose Mutinhiri
2009-2017	Ministry of Small and Medium Enterprises and Cooperative development	Create and maintain an enabling environment that promotes the development and sustainable growth of SMEs and Cooperatives	Sithembiso Nyoni
2017-	Minister of Women and Youth Affairs and Cooperative development.	Gender issues and community development	Sithembiso Nyoni

Source: Compiled by author from various sources (2019) (---) means no data available

The administration of the cooperative societies Act moved from one-line ministry to the other ever since 1980, and at one point was a separate ministry on its own. This greatly affected continuity and some information was lost during crossing over. As shall be reviewed through interview data in [Chapter Seven](#), the cooperative register has been lost because of this issue. The Ministry of Lands Agriculture and Rural Resettlement, as well as the Ministry of Cooperative Development and Women affairs, were the most influential agricultural institutions. At the beginning, the Act was part of the Ministry of Women Affairs and Community Development under Joyce Mujuru; then it moved to its own Ministry of

Cooperative Development (1986) before being merged again with the Women Affairs department in 1988 (World Bank, 1989, p. 5) (Table 5.4). According to the SMECD (2017), the government's mandate is to:

- encourage the formation of societies economy and to promote their efficiency;
- develop legal as well as regulatory frameworks and implement policies;
- develop, promote and coordinate cooperatives as well as monitoring finance schemes;
- provide training of management, committees, officers, members and staff of societies;
- provide business consultancy services and infrastructural services;
- conduct R&D to improve opportunity environment;
- develop, maintain databases, monitor activities of the societies, administer & develop funds;
- recognize and appraise prohibitive laws and regulations;
- provide platforms that enable high technological adoption rates for the cooperatives.

The heavy hand of the state was evident from these functions that the ministry was responsible for. It virtually controlled all the aspects of the cooperative, including the setting up and voting in of the national federation organisation. In 1989, the World Bank reported that the Cooperative Societies Act was under review to factor in the recommendation from the Ministry of Cooperatives to focus on the promotion of cooperative interest instead of the government interest (World Bank 1989). Some of the proposed changes included i) the proper adherence to the cooperative principles through development of a self-reliant cooperative movement, ii) minimum government role in supervision of cooperatives (ideally, the government should just regulate and promote through friendly policies and not necessarily supervise), iii) introduction of half cooperatives (that can mean a cooperative that is waiting to become a full cooperatives) termed pre-cooperative stage, iv) the establishment of a central cooperative fund to support cooperative programs like education, training and audits), v) formation of a Cooperative Tribunal for the settlement of disputes vii) empower the registrar to act in 'extraordinary' circumstances to prevent mismanagement of cooperatives (World Bank, 1989, p. 8; MYDEC, 2005). The registrar was supposed to get more power to revoke any decisions made by a cooperative (democratically or otherwise). The WB support this because they believed that the cooperative was too young to be given the wings to fly on its own without the help of the government. While this makes sense, I maintain that the cooperatives (through the national and Apex organisations) should take over most of the functions of the registrar that have to do with

direct contact with cooperative members. The report highlights that by 1989, the government had tried to achieve too much in too little time. It further noted that social change took time and happened gradually and should not be expected to have transformed lives in such a short time.

5.5.1 Agricultural financing in Zimbabwe

Before 1980, the discriminatory dual policy in agriculture ensured that both public and private sector agricultural services (provision of research, advice, credit and transport) got to the commercial farming sector first, before they could think of the black farmers in the ‘tribal trust lands. The Zimbabwe agricultural policy framework has changed several times since independence, mostly in line with the thrust of the national economic production model adopted by the government. In the first formative stages, the country’s agricultural finance policy had considerably higher allocations and financing directly from the state to the farming sector. However, as highlighted, this favoured large-scale farmers even though support to the small-scale increased after independence. Loans and grants to the small-scale increased from 2% of the total loans/grants from the Agricultural Finance Corporation (AFC, now Agribank) in 1979/80 agricultural season to 17% and benefited about 8.3% of the peasants (Bratton, 1987, p. 194; Weiner, 1988, p. 481). Indeed, provision to input subsidy programs, infrastructural programs and extension programs for the small-scale sector increased as the government tried to incorporate it into the agricultural marketing sector. The increase in the number of peasants using fertilisers as well as the doubling of maize production corresponded to the increase in number of peasants accessing credit in the period 1980 (18,000 accessed credit) to 1986 (77,000) (Eicher, 1995, p. 805 & 810).

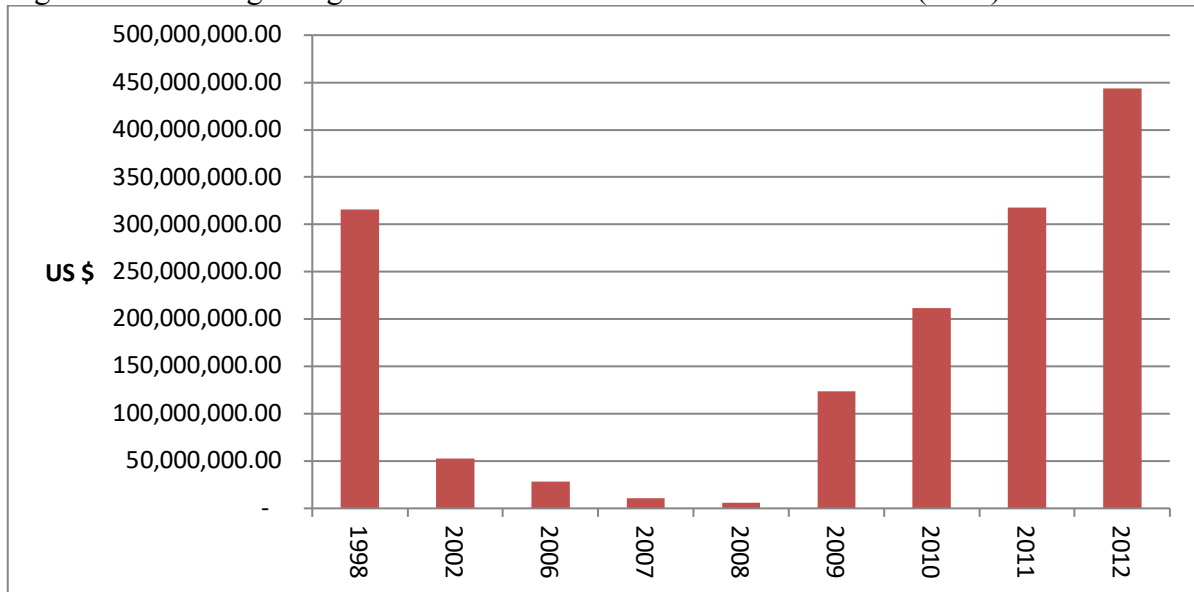
The introduction of ESAP in the 1990s then concluded the once progressive state-funded agricultural policy as it withdrew its dynamic activities in the sector. It reduced public spending in subsidies, infrastructure and extension leaving the farmers at the mercy of the markets (see section 5.1). In addition to the dictates of ESAP, the AFC decided to reduce the number of peasants receiving credit from 77,000 in 1986 to 30,000 in 1990 because of i) managerial and loan supervision issues, ii) droughts and iii) the rate of loan delinquency. In 1994, white-settler farmers were still getting over 80% of the loans from AFC (government) (Eicher, 1995, p. 809). Other forms of agricultural financing that emerged post-ESAP included contract farming, out-grower system and micro-financing which depended on free-market usury (Moyo, Chambati, & Siziba, 2014; Muchetu, 2019; Mazwi & Muchetu, 2015). Most of these financing methods focused on non-food crop production (cash crops like tobacco, sugarcane and cotton) which

threatened food security except for the new command agriculture program which focused on maize (Mazwi, Chemura, Mudimu, & Chambati, 2019). Therefore, the role of the private sector in the development of the maize grain has been limited only to maize breeding, seed distribution and marketing of high-yielding varieties. Eicher (1995, p. 810) categorically states that during the boom in agricultural production in the 1980s, the private sector did not carry out enough research and that the donor had not fostered robust farming support groups. He argued that the state had taken it upon itself to fund the small-scale sector.

The state reintroduced subsidies and input schemes for food crops such as the presidential maize input scheme during and towards the end of the ESAP. However, from the FTLRP era (from 2000), the government itself was incapacitated to provide adequate inputs for an expanded peasantry resulting from the land reform. Rural financing has taken two broad approaches; formal and informal, targeting the two distinct small (CA and A1) and large-scale farming sectors (A2 and LSCFs) (Zumbika, 2006, p. 342). Loans to the small-scale have usually been short term and have accessed more informal sources such as chimbadzo and micro-finance schemes. Before the FTLRP, LSCFs used to access both government and private sector sources (Leasing Company of Zimbabwe and Scotfin), but there were high rates of capital flight after the land reform (ibid). From 2000-2008, the government (through the AgriBank), had no other choice but to support both small and large-scale farmers after the FTLRP. The post-2000 government's agricultural finance policy used two primary approaches, direct injections into farming from the national budget through the Ministry of Agriculture; and Reserve Bank of Zimbabwe quasi-fiscal operations (Binswanger-Mkhize & Moyo, 2012, p. 91). This was through the provision of cheaper credit to farmers and agribusiness directly, instead of through the Ministry of Agriculture (Moyo, Chambati, & Siziba, 2014, p. 25; Zumbika, 2006, pp. 343-345). These allocations declined from 2000 onwards until the start of the dollarization era.

About 80% of the farmers relied on own-savings (from agricultural production), remittances and non-farm income to finance their day to day agricultural activities, and with the dollarization of the economy in 2009, many lost their life savings (Binswanger-Mkhize & Moyo, 2012, p. 89). After 2009, the country went back again to less public spending and private sector credit facilities (Figure 5.3). Although this type of savings managed to resuscitate the agricultural sector, it was again focused on cash crops (cotton and tobacco) through contract farming.

Figure 5.3: Lending to Agriculture from Zimbabwe commercial banks (USD)



Source: Moyo, Chambati, & Siziba (2014)

In 2012, the government formulated a new 20-year agricultural finance policy framework. The framework centred on three issues; improving financing of agriculture, increase contract farming to enhance access to inputs and output marketing, and improving equity financing in agriculture. The government, therefore, aimed to increase access to credit for the farmers by establishing an agricultural fund, negotiating with banks to enable them to set aside an agreed percentage of their reserves to agriculture, reduce lending cost and interest rate among other things. Firms were to be incentivised to engage in contract farming through the creation of a regulatory environment for the mutually beneficial contract arrangements. Lastly, the framework realises the need to incorporate international private/individual finance by facilitating and allowing joint agribusiness ventures between local land beneficiaries and international entities (including former farm owners). The most interesting was the need to facilitate the creation of a conducive environment for the development and maintenance of rural savings organisations, better known as SACCOS (MAMID, 2012, pp. 15-16). However, the framework has been challenging to implement in practice.

5.6 Summary and conclusions

In this chapter, I sought to understand the current situation of the cooperative movement by reviewing agricultural marketing policies in Zimbabwe. I have also done a review of the functions of the GMB by period, from pre- to post-independence, through to the FTLRP and beyond. I discussed these within the context of the resulting land reform agrarian structure and its implications on the cooperative movement. I did this to give context to the discussion on

the history and the trajectory of the cooperative movement. This chapter gave a concise evaluation of the structure of the Zimbabwean cooperative movement, its ideology and relationship with the actual farmer members, with the government and the options available for its sustainability from a literature review perspective.

The main lessons we can draw from this discussion is that the cooperative movement in Zimbabwe has and is still heavily monitored by the state through its heavy-handed and outdated Cooperative Societies Law. However, the movement has had limited options but to rely on the state given minimised private sector involvement before and after the land reform. The movement has had to rely on the state as it was the sole provider of finance since independence. The development of the peasantry seems unprofitable for the private sector unless it is at usury rates. This means if agricultural cooperatives, that begin by addressing financial challenges and encourage self-help (and formation of the cooperative bank that prioritises the farmers), then the problem of agriculture financing would be half solved. I highlighted how the government tried to employ the cooperative model with little success. I argued that the failure came from the fact that the government used the cooperative model as a top-down channel of instructions; the peasants were regarded as uneducated folks who were unable to resolve their own contradictions. This massive hubristic stance on rural development was the primary source of failure for the development agents over the past half-century or more. The lesson is that policymakers must rethink and restructure programs to include peasants; not as 'subjects' of development but as equal stakeholders in the development trajectory.

CHAPTER SIX: UNDERSTANDING THE CONTEMPORARY JAPANESE AGRICULTURAL COOPERATIVE SYSTEMS

Eating meals from the same iron pot. (おなじ釜の飯を食う). – Japanese Proverb

Three people gathering can create wisdom. (三人寄れば文殊の知恵) – Japanese proverb

6.0 Introduction

In [Chapter Four](#), I discussed the development of the Japanese agricultural system from both historical and contemporary perspectives and [Chapter Five](#) discussed the situation of agriculture in Zimbabwe and how some aspects are directly comparable with Japan. Thus, the two chapters discussed the two country land reforms, their respective grain marketing policies and the role that the peasant movements played in shaping these policies. The chapter discussed how the Japanese cooperatives developed and prospered within the context of a vibrant capitalist system. In doing this, I provide a few answers to the first and second research questions. The research questions were as follows:

- 1) Can cooperativism survive within a capitalist mode of production?
- 2) How does a reconfiguration of the agrarian structure affect cooperativism?
- 3) What is the state of cooperativism in Zimbabwe, and what are the opportunities for future growth?
- 4) What role should the state play in the cooperative development?
- 5) What form of cooperative framework is ideal for the cooperative movement in Zimbabwe?

In this chapter, I discuss data collected from the fieldwork in Japan and try to give substantial answers to research questions one, two and four. Data collected was fixated more on the contemporary movement, as explained in [Chapter Two](#), Section 2.3.2. [Chapter Seven](#) will presents data for questions three and four. I identified learning experiences from Japan that will assist in answering research question five in [Chapter Eight](#).

6.1 Overall interpretation of interviews

The research in Japan predominantly involved qualitative data collected through structured and unstructured interviews and participatory observations. As indicated in the methodology chapters two, I managed to conduct 24 interviews. These composed of one academic scholar, two rural activist farmers, three were with those within the national JA leadership, and the rest

were farmers or cooperative members and local leaders. In the following discussion of narratives, some of the names of the interviewees were changed upon their request or in cases of unavailability of written consent. Thus, in this section, I analyse the information provided by participants in Table 6.1.

Table 6.1: List of interview participants in Japan

Name	Date and place of interview	Organisation Name	Role or occupation
1. Konomi*	March 2017, Nose farm	Nose/Yotsuba cooperative	Farmer
2. Tohira Kazuo*			
3. Abe			
4. Takajin (on attachment)			
5. Michio Tsuda* (Leader)	March 2017, Yotsuba HQ**		
6. Nakamura	December 2018, Farmer's homestead in Sanbu Village, Chiba	Sanbu network	Farmer
7. Sato			
8. Suzuki			
9. Takahashi			
10. Watanabe			
11. Yamada			
12. Kobayashi			
13. Kobayashi Jnr (the son)			
14. Mr Kawakita*	July 2019, Ryou JA Green Ohmi offices	JA Green Omi	Leader
15. JA Green Omi leaders			Representative
16. Mr Ken Morishima*	Published interview, March 2017	JA-Zennoh	Representative
17. Mr Higa Nakanaka*	Published interview, September 2019		Managing director
18. Prof. Ishida Maasaki*	University of Ryukoku, July 2017	University of Ryukoku	Retired lecturer, coops scholar

Source: Own study; NB* = These are their real names; the rest are pseudo names; ** = Headquarters

Kobayashi Jnr (son to Kobayashi senior) is practising farming in the Sanbu and represents a 'rare' success story of generational farmer succession. Nakamura and Kobayashi Jnr. were all taught how to farm organic vegetables by Kobayashi. Michio Tsuda and Tohira Kazuo from Yotsuba cooperative are anti-nuclear, environmental, rural livelihoods activist in Nose district. They oversee the activities of the political wing of Yotsuba cooperative. The research also utilised two published articles from the national JA communications newsletter; an interview of Mr Ken Morishima on the pressure of the JA local, provincial and national associations to

degenerate; and a speech by the managing director of the JA, Mr Higa Nakanaka which focused on the attitudes of the members to the idea, nature and progress of the self-reform.

I identified a total of 15 sub-themes from the interview and FGDs transcripts. These became the codes in which I organised the text as described in [Chapter Two](#). All the themes were of importance as they told their own story, but the seven listed below seemed to dominate the interviews in Japan. Throughout this chapter, I will continuously refer to the following themes:

Cooperative appeal- What are the most appealing aspect of cooperatives?

Ideology- What were the issues that had to do with the ideology of cooperatives?

Information- How does information asymmetries affect cooperative activities?

Institutional relationships- What are the issues that affect relationships of cooperatives with the members, the government and the private sector?

Management- What are the issues that affected the management of cooperatives?

Political economy- What are the political issues that surround the cooperative movement?

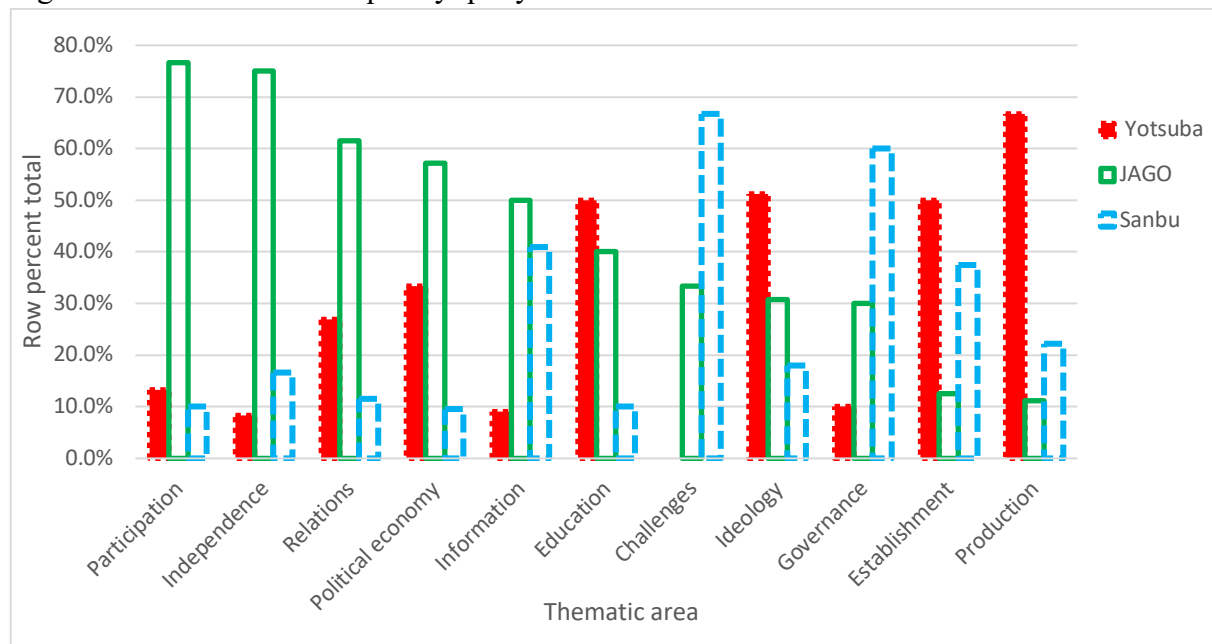
Challenges- What are the challenges faced in the overall cooperative movement?

There exist structural, management and ideological differences between Yotsuba cooperative, Sanbu cooperative and JA Green Ohmi (JAGO) cooperative. Comparatively, farmers and leaders from Yotsuba dominated in the discussions on production as 66.7% of all words/phrases which referred to ‘production issues’ were linked to Yotsuba. They also led discussion on ideology (51.3%), education (50%) and about the establishment (50%). On the other hand, the members of the Sanbu network spoke at great length about the challenges that they faced (66.7%), issues to do with the governance of the cooperative (60%). For the JA Green Ohmi, the issues were more widespread across all the themes with particular focus on participation (76.7%), independence issues (75%), the institutional relationships (61.5%) and the political economy of cooperatives (57.1%) (see *Figure 6.1*). Information flow and education were also topical for the JA Green Ohmi.

The differences in thematic area focus between the cooperatives reflects the contemporary issues that they face and how they are grappling to find solutions to them; this will provide wealthy data for the development of the new cooperative model for Zimbabwe. While there were statistically significant differences in terms of how the three groups of farmers mainly spoke about their challenges, ideology and political economy, there was no difference in terms of management issues indicating that the latter were intimately relatable across the groups. The data seems to confirm the cooperatives theory which argues that as a cooperative grows and

become more prominent, increase in heterogeneity intensifies their challenges (Cook & Buress, 2009; Cook M. L., 2018).

Figure 6.1: Matrix code frequency query of themes

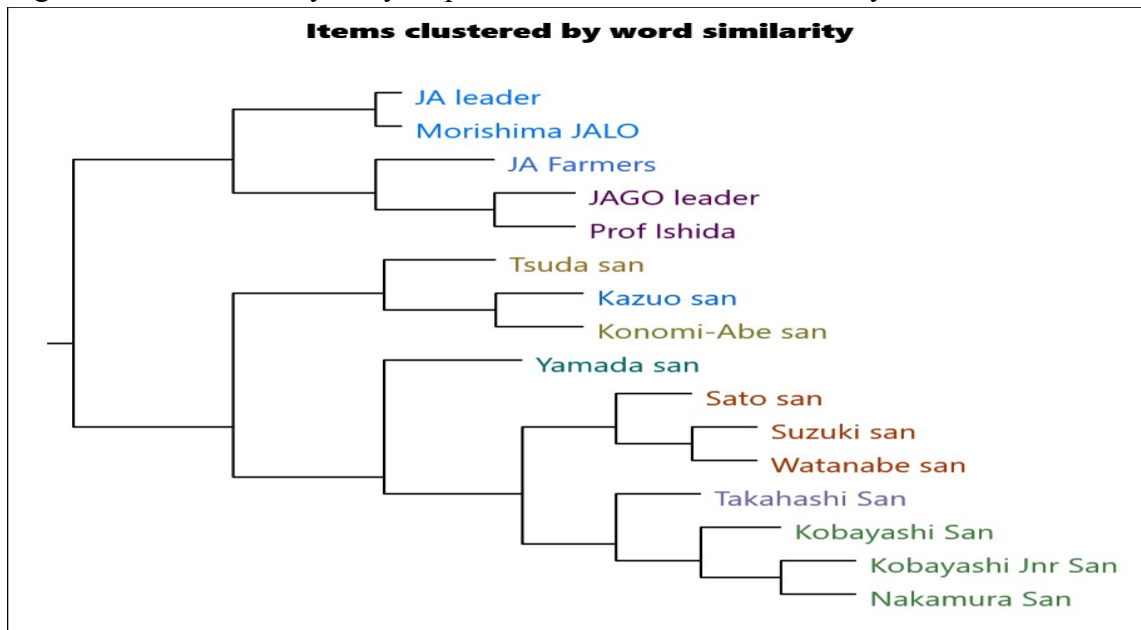


Source: Compiled by the author based on own survey data, 2018-19 (NVivo matrix coding)

Cluster analysis of the correlation of respondents by thematic area did not produce different outcomes as the three distinct clusters almost corresponded to the three cooperatives. The results of the cluster analysis solidified my confidence in the data set because it grouped Kobayashi Jnr and Nakamura, but also close to Kobayashi. As mentioned, Kobayashi introduced both of them to the organic vegetable production. In the same sense, Tohira, Konomi and Abe were clustered closer together because they work on the farm and experience issues differently than Tsuda who is the leader of the movement and generally based at their headquarters in Osaka. Furthermore, interviewees linked to JA were grouped on their own just as those from Sanbu Yasai network (see *Figure 6.2*).

I carried a cluster analysis of the coded themes to find out if they were interrelated. Using the Pearson's correlation coefficient matrix, I discovered that, naturally, when respondents spoke of challenges, they also had a good idea of the means and steps that would undo the constraints. In the same instance, those that spoke of impediments in independence of the cooperative also spoke about governance issues.

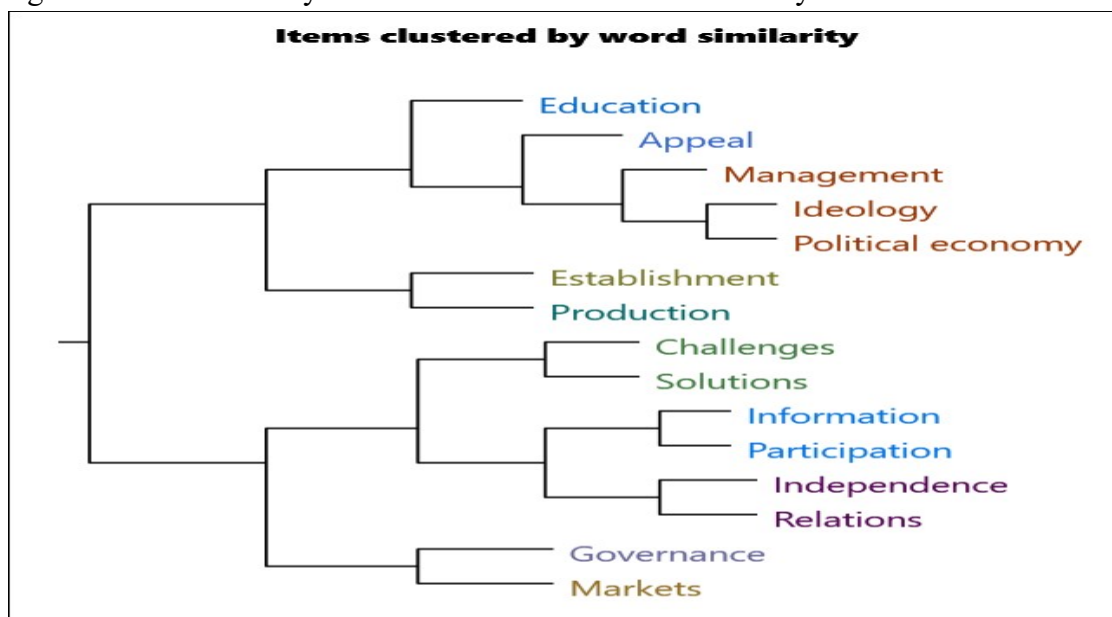
Figure 6.2: Cluster analysis by respondents based on word similarity



Source: Compiled by the author based on own survey data, 2018-19 (NVivo cluster analysis)

Figure 6.1 on page 182 showed that more interviewees from Sanbu network spoke of ‘challenges’, Figure 6.3 reveals that most of these challenges were significantly linked to issues of the flow of information and then to the issues that had to do with the ‘independence’ and ‘relations’ of the movement. Another cluster that resulted consisted issues of politics, ideology and management. This result indicates how the management of the cooperative is closely related to ‘ideology’ and the ‘political economy’ issues around cooperative activity.

Figure 6.3: Cluster analysis of themes based on word similarity



Source: Compiled by the author based on own survey data, 2018-19 (NVivo cluster analysis)

Participation was linkable to education activities and also depended on the reason why members had chosen to join the cooperative ('appeal' in *Figure 6.3*). Finally, issues to do with markets and institutional relationships were discussed within the context of levels of production. In the following sections, I delve more into the themes and try to understand how each affected the Japanese agricultural movement to draw learning points.

6.2 Appeal, demand and establishment of the cooperatives

The history of Japanese cooperatives dates back to the Meiji period (and even before). Dore (2012) wrote extensively on how the cooperative movement of the pre-capitalist Japan was bottom-up with most of the farmers joining the cooperatives freely in order to benefit from the economies of scale. Ishida (2002a) argued that although farmers found the cooperatives model appealing, the landlords and village heads in those times encouraged people to work in cooperatives to make it easier for them to collect rice taxes. On the other hand, George-Mulgan (2005) argues that the post-war demand for cooperatives was state-driven calling the Japanese government an interventionist state (discussed in detail in [Chapter Four](#) section 4.4.2-on page 133). However, while their argument is plausible, especially given the fact that the JA had a monopoly in the cooperative sector due to mandatory farmer membership, other stronger issues also exist. The results of this sub-section provide useful data for the development of the cooperative model for Zimbabwe in [Chapter Eight](#).

6.2.1 Yotsuba cooperative (よつ葉生活協同組合)

The story of Yotsuba cooperative is fascinating. It has two distinct but well-integrated structures. At its base is a socialist organisation that closely resembles a collective, where the central production unit was the group of farmers put together and not individuals. The socialist organisation is based on a farm known today as Nose farm. Nose is not only perceived as a place of agricultural production, but also as a place of "self-transformation and self-enlightenment". Members joined more for ideological reasons than for increased profits. The farm was started from scratch by Mr Ueda in the 1980s, a former municipality officer who got sacked from his job because of his activism aligned with the Chinese way of communism. During these times, Japan had a firm stance against communism which was bankrolled by the USA. The farm was established to provide an income and food for the ideological school that Mr Ueda wanted to open. The members and students who joined the communist movement could not get employment from the state or even from other farmers because they were known as communists (Tsuda interview, March 2017). Deeply entrenched in their ideology was the

need to live in harmony with nature and hence, the reason why they later focused on organic production. Many of the first workers/members at that time were university student activists.

After forty years of existence, the method of recruiting members remains the same. Those farmers that are interested in the way of life of Yotsuba are welcome. As indicated, its philosophy is more inclined towards 'a collective' rather than a cooperative in its purest sense. The workers at the Nose farm are all paid the same monthly salary (¥90,000 as of March 2017) irrespective of their positions and roles on the farm. The cooperative provides for food, accommodation, working tools in addition to the basic salary. Members take turns to prepare breakfast, lunch and dinner, eat together around a huge dining table (discussing the events of the day and preparing for the activities of the following day and thus also acted as were pseudo daily meetings) and everyone washed their dishes by themselves. Young students from universities are admitted into this farm for internship so that they experience this way of life, and if they find it interesting, then they may also stay and work on the farm. According to the farm head, 60% of the students always come back after they finish their internship.

I was born in a prefecture near Tokyo. I did my internship at this farm, and I fell in love with it. I then found a job to work here and have been working for six years now. I fell in love with the kindness of the people and their way of life, which treated everyone with equal respect. I also loved the philosophy of Nose farm and their focus on natural or organic farming. – (Konomi interview, March 2017)

People call me Abe. My hometown is in Takatsu, which is in Osaka prefecture. I started working at one of the Yotsuba offices in my hometown doing office work, and this is where I met one of the people who would lead me to like, and study [introduced me to] Che Guevara philosophy on how to live a healthy life in a classless, oppression less and free society, this motivated me to want to come and live on the actual farm. – (Abe interview, March 2017)

The whole purpose of the farm is to improve the lives of the members; therefore, the profits from the farming operations are invested in more farming units, infrastructure and education (Tohira interview, March 2017). Nose farm has two farms, one in Nose district and another in Hyogo prefecture both producing cattle (over 200 as of March 2017). The farm has 12 permanent members/workers, but through cooperative labour arrangements with other farmers and cooperative members around Nose district, the farm has on average 21 people that are

available for farm tasks every day. These 12 permanent workers also provide labour to the ageing farmers with some labour-intensive tasks like planting, weeding and harvesting.

Yotsuba cooperative was formed from the philosophy of Nose farm to take care of marketing operations when a parent cooperative to which Nose belonged broke up. The parent cooperative wanted to focus more on consumer needs, but Yotsuba maintained their allegiance to the farmers in the Kansai area. That is the reason why most farmers decided to join Yotsuba instead of the consumer-oriented cooperative. However, Yotsuba with a membership of over 40,000 now, is also associated to the consumer cooperative, Kansai Yotsuba Renraku Kai and has close relations with other producer cooperatives such as Hokusetsu Cooperative Farm, and Setoda Farm (with farms located in Kyoto, Nara, Hyogo, Osaka and Shiga prefectures). In addition to wholesome cooperatives joining the Yotsuba group, many individual farmers sell their organic agricultural produce via Yotsuba as well. This represents the second structure in which the individual farmer, as a unit of production, can also take part in the cooperative.

In addition to the ideology and being a producer cooperative, Yotsuba cooperative attracted individual farmers for several other reasons. Many of the farmers felt that JA had become more concerned with the needs of the urban consumers at the expense of the original farming households. Some farmers highlighted that the focus on organic farming attracted them while others wanted to access the marketing channels of Yotsuba, which seemed to fetch higher prices than their marketing channels and that of JA.

The farmers themselves want to join Yotsuba because of the prices JA offers are low. Here in Nose, there are around 200 farmers who have joined Yotsuba. JA has recently presented itself as more of a consumer cooperative than a producer cooperative. – (Tohira interview, March 2017)

6.2.2 Sanbu Yasai Network (さんぶ野菜ネットワーク)

While the story of Yotsuba was intriguing and more drenched in leftist ideological foundations, the establishment of Sanbu Yasai network (which means Sanbu vegetable network; Sanbu henceforth) provided many lessons as well. Farmers used toxic materials in the 1950s-60s in their agricultural production, before those around Chiba area decided that it would be better to reduce the amount of chemicals during agricultural production and charge a smaller premium for chemical-free vegetables. Eventually, this became part of a movement in Japan in the 1970s, and it was at this time that farmers teamed up to grow organic vegetables. Thus, healthy food

was produced using methods that were friendly to the environment (and the farmers as well) while being able to increase the overall income levels.

I can grow vegetables without using any chemical fertiliser, chemical pesticide or herbicide. Reliable and safe vegetables can put a smile on many people's faces. This fact is priceless for me, so my life is better after joining the cooperative. – (Suzuki interview, December 2018)

In the first days, the cooperative registered under the JA Chiba structures in 1988. At the same time, it was decided to form a delivery company that would deliver the vegetables right to the customer's doorstep. As the network became bigger and realised more substantial profits, it became easier for others to join the network. The year 2018 marks the 13th anniversary since branching from the JA in 2005. They decided to get out because of intra-structural issues with the leaders because they felt that the JA was no longer representing their interest. The JA seemed to be 'stuck in a time loop of the boom years' and that the JA was failing to move with the changing times since it took too long to make decisions (Nakamura interview, December 2018).

Sanbu is a small network of about 61 farmers who produce organic vegetables individually and sell as a cooperative; 81.9% were active contributors, and approximately 49.2% had joined the network less than five years ago. The network has a warehouse in Sanbu village where it collects the vegetables which they sell through several channels including straight to supermarkets in Tokyo, Chiba and at the Organic farmer's market. The network is strict about the genetically modified organisms (GMO) and health of the consumers (see *Picture 6.1* – the writing on the pictures loosely translate to 'we are a health-conscious and GMO-free vegetable producing network'). There are no subscription payments; instead, each member contributes through 20% of the income made from products sold through the cooperative. This management was a refreshing style because payment of subscriptions is one of the most challenging issues in cooperative management. When the cooperative makes some profits, they redistribute them to the members, and this was a vital source of attraction for the farmers to join the network. Sanbu is not the most prominent network or cooperative in Chiba area, but some other of like-structured networks (some smaller and some bigger) exist.

Picture 6.1: Cooperative warehouse for receiving and dispatching farmer's produce



Source: Picture taken by author from Sanbu village fieldwork, December 2018

The need to grow organic vegetables was thus the most valued aspect of the network, while increased income was the primary motivation to join Sanbu; this brought it closer to Yotsuba. In the sense that Nose is a collective, and the local farmers' network around it seems to function like Sanbu does. They bring their products to Nose because Yotsuba offers a better price. They say bad things about left ideology of Nose, but they bring vegetables because Nose/Yotsuba buys them at reasonable prices. Some of the farmers enjoyed the social interactions among themselves, interaction with the consumers as well as interaction with several companies (input and service providers). Some extra-marketing techniques utilised included farmer-identifying-markers on the products sold at the supermarkets, and sometimes pictures of the producers are displayed in the supermarket (*Picture 6.2*). It increased farmer's satisfaction with the network and worked as a way of motivating the farmers while increasing the information sharing and better pricing between farmers and the consumers.

I think the interaction between consumers and farmers is the greatest aspect of the cooperative, it allows backwards and forward feedback of information. We sometimes hold meetings with consumers and sometimes consumers write messages to us. It motivates us, producers, to work even harder. – (Kobayashi Jnr interview, December 2018).

Picture 6.2: Produce is associated to a farmer in the cooperative stand in the supermarket



Source: Picture taken by author from Sanbu village fieldwork, December 2018

I like the fact that I meet new farmers, and we share a lot of *beginner's experiences* and ideas as well as to find creative ways of solving some of the challenges in farming. – (Nakamura interview, December 2018)

We can work together for a common goal, although at times, I doubt whether the cooperative improves my life, income-wise that is. However, one of the things that I like about the network is that customers give us direct feedback, when they are satisfied and when they are not. – (Watanabe interview, December 2018)

I can meet many business associates through the network. By next year, I would have been in the network for 30 years. It was a challenging milestone to achieve, but it is also a rewarding thing for my life. – (Sato interview, December 2018)

On the other hand, several farmers appreciated the amount of new information that the network was able to gather and relay to the farmers on time. This information enabled them to save time and become more efficient.

I especially appreciate government information targeted to farmers. The network takes this information and re-packages it in an organised and easily understandable way for

us farmers. For example, I learnt about the housing loan scheme for farmers through the cooperative. – (Nakamura interview, December 2018)

Since I belong to the cooperative, I can get information about government programs and subsidies, which is very important for me. I cannot easily access this information by myself. – (Kobayashi Jnr. Interview, December 2018)

Other farmers highlighted that some production challenges in Japan was securing markets for the products. Therefore, joining the cooperative effectively reduced this problem. Some of the interviewees had this to say:

I joined the network to never worry about securing markets and hence focus on growing vegetables. So, I concentrate on the production of various vegetables and they worry about marketing my produce. I also thought that organic vegetables would make more money than conventionally produced vegetables. – (Takahashi interview, December 2018)

Others viewed the cooperative as a method of improving their status in the society. What this meant was that being part of the network was viewed as a positive achievement. As one of the younger farmers who grew up within the structures of the network, and whose father held a decision-making position elaborated:

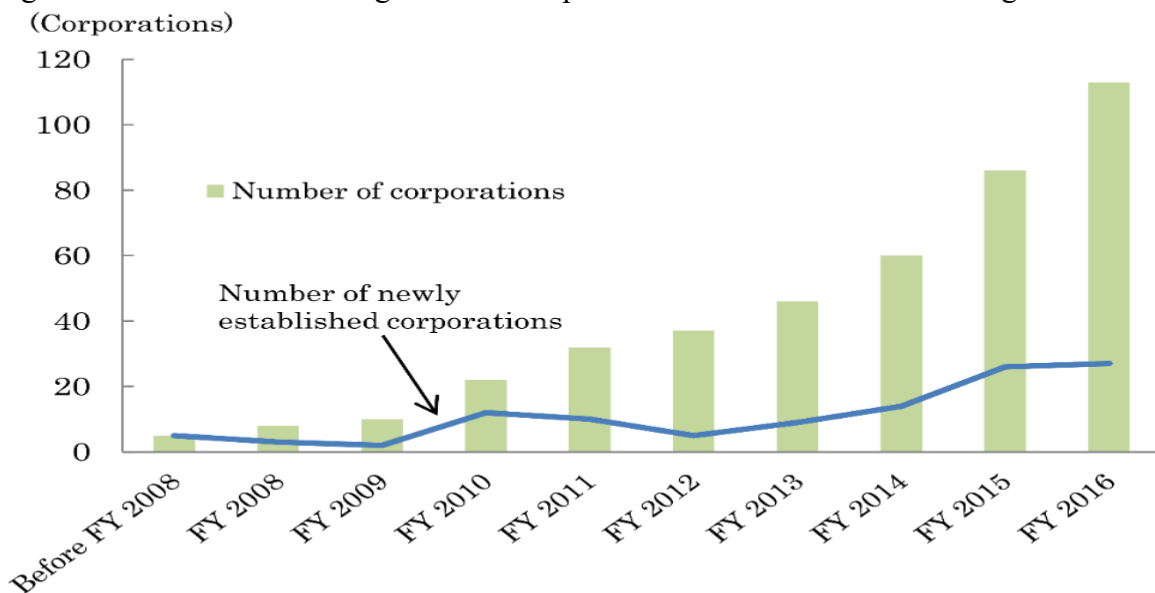
I am the successor of one of the organic farms, so that is how I joined by taking over part of the farming that my father was doing. I worked for an insurance company after graduating from school, and then my father introduced me to organic farming. I finally chose to join the network because, in the network, the individual identification sticker on products represents me. So, to me, joining the cooperative enabled me to realise not only economic benefit but also benefits in terms of social interaction. I attend the meetings in my capacity as a potential executive of the cooperative because my father used to be an executive before. – (Kobayashi Jnr. Interview, December 2018)

6.2.3 JA Green Ohmi (JA グリーン近江)

JA Green Ohmi is a cooperative consisting of nine district-level JA cooperatives established on the 1st of October 1994 in Shiga prefecture. The cooperative has various business activities,

mainly credit, mutual aid, purchasing and sales, tourism, asset management and welfare of the elderly. It has a total of 23,884 members (8,645 as regular members and the rest are associate members) with a total arable land area of 13,500ha (740ha cropped area) as of 31 July 2019 (JA Green Ohmi, 2019). In the last ten years, the number of local-level cooperative members has grown from 5 in 2008 to 131 in 2019 (Figure 6.4) with each cooperative having 30-50 households. On average, 70% of the households are rice paddy farmers whose incomes have improved after joining JA Green Ohmi (Kawakita interview, July 2019). This is the significant positive aspect of JA Green Ohmi. It managed to increase members benefits amid decreases of farmers satisfaction throughout other regional JAs. A Good Agricultural Practice¹⁹ certification was awarded to the cooperative from Germany, showing how JA Green Ohmi has been able to stick to cooperative principles and guidelines.

Figure 6.4: Number of local agricultural cooperatives in the JA Green Ohmi region.



Source: (Saito, 2018, p. 13)

JA Green Ohmi has bank, credit and insurance portfolios which were instrumental in attracting agricultural and non-agricultural members. The banking branch is autonomous in selecting the target of the beneficiaries at the local level but still operates under the cooperative law. Membership participation in their district is almost 100% as is seen throughout other regions in Japan with 'only about 4 out of 131 who sometimes show hostility towards the JA Green Ohmi (Kawakita interview, July 2019).

¹⁹ This is a set of global certification standards based on food safety, traceability and adherence to environmentally friendly production methods.

The researcher made contact and participated in activities between JA Green Ohmi and a consumer cooperative called *Seikatsu Kurabu* (Life Club) in Kyoto. The consumer cooperative has strong ties with the Ryuo district farmers who are members of the JA Green Ohmi. The farmers in Ryuo were relatively autonomous and were JA members individually, but no formal group existed outside of the JA itself. This revelation was interesting for my study because it allowed us to understand micro-village realities in terms of how farmers perceive the role of JA in contemporary agriculture. While many of the farmers across Japan complain that the JA has neglected the farmers and instead was more concerned with other economic activities such as insurance, the JA Green Ohmi seemed to have maintained a firm focus on increasing the standards of living for the farmers. In each activity in which the researcher took part, 10-12 JA Green Ohmi officials were in attendance. The farmer's field hosted planting activities while JA Green Ohmi office spaces hosted product marketing meetings (see *Picture 6.3*). There seemed to be a mutual understanding between the farmers, the cooperative members and the consumer-cooperative leaders.

Picture 6.3: Participatory field research, planting activities and price negotiation meetings



Source: Picture taken by the author at Ryuo village fieldwork, June 2018

Many of the officials who organised and attended the activities were former university students of agriculture. In an interview with a university professor, we learned that the JA used to absorb many of the universities agricultural graduates as employees, this seemed to persist in JA Green Ohmi (Ishida interview, July 2017). In Ryuo, I found that some multi-national companies that had a global monopoly in fertilisers, pesticides and herbicides had to partner with JA Green

Ohmi in order to sell their products to the farmers (*Picture 6.4*). In doing this, the farmers take part in the value chains through the cooperative, hence benefiting the cooperative members through lower input prices.

Picture 6.4: Round-up herbicide of Monsanto/Bayer in partnership with JA cooperative



Source: Picture by author from Ryuo field research, May 2018

The three cases are quite distinctive. First, Yotsuba is a consumer cooperative that wants to respect farmers' livelihoods. Nose Farm is a sort of collective cooperative as a part of Yotsuba, which became possible because their activity is capital intensive cattle breeding. Its members are not farmers *per se* because the unit of production is the farm. At the same time, Nose Farm seems to function as a node of local village farmers by providing sales marketing services. Yotsuba tries to bridge the rural and the urban as an Osaka-wide regional cooperative, with an ideological emphasis being placed on the rural. Their behaviour seems to be explained better through Marxist-Leninist theory of cooperative behaviour.

Second, Sanbu is a village cooperative, though they do not belong to a Green Ohmi-style regional organization nor a national federation. Sanbu's leaders also share the origin of the new left movement as Yotsuba, but it seems that they wanted to become more "realistic". Like small radical trade unions often fight big bureaucratic trade unions, Sanbu's leadership seems to be eager to dismantle the old conservative national JA structure, and to this end, they seem to have sought to establish some links with liberals in national politics. Their behaviour seems to focus

on creating robust institutional structure for penetrating liberal markets and making profits; they fit more into the NIE and NCE theory of cooperative behaviour.

Thirdly, JA Green Ohmi is a regional cooperative that forms part of the national federation (JA-Zennoh). JA Green Ohmi has tried to organise village cooperatives quite successfully under its umbrella. It strives to revitalise the old JA. They do not control but facilitate activities of local village cooperatives (like Sanbu), promote organizational unity in the Ohmi region, and wield some national political influence through the nationwide JA structure. Ideologically, they are neither left or right, they want to promote the interest of farmers. While they have aspects of both political right and left, their focus changes with respect to what benefits the farmers; thus, they are inclined towards agrarian populism, hence ideally fit into the Chayanovian theory of cooperation.

6.3 Importance of strong cooperative ideology

I have given a general description of the cooperatives in the previous sections, and I will delve more into the effect of ideology on various aspects of the cooperative. Yotsuba used its ideology more strongly in management, production, flow of information and the general sustainability of the cooperative movement than the other two.

Nose farm started in order to provide an income and food for the ideology school because the members and students could not get employment. They were labelled communists. So, the farm sought to educate the young activists in Japan. Explicitly, to teach them about nature, how-to live-in harmony with nature. Many of the first workers at that time were university student activists. – (Tohira interview, March 2017)

Philosophy (a hybrid of Maoist and Che Guevara teachings) leads all the activities at Nose farm. It is visible in the cooperative's approach to organic vegetable production. The philosophy encouraged the free flow of information and treating of all persons as equals during meetings which improved cooperative management over time. There are no superiors during allocation of farm tasks; in fact, leadership for various activities was rotational and provided opportunities for each member to learn and teach others. The general business model is also influenced by philosophy as it seeks to prioritise the needs of the members. The farm encourages an interactive social life in which workers/members depend on each other and work

as a team. They are encouraged to be kind to everyone because everyone is equal in importance. Meals are taken together in a communal dining hall.

It started from the beginning, the idea of co-living and sharing everything. It started with the students of Ueda san. Staying a one unit helps in teaching people the importance of respecting others and also always thinking about the welfare of others, and reduce the need to be alone all the time. People are starting to like how we do things. I see Nose having a positive effect as people are starting to see the wrong side of capitalism, and inorganic production, which is unhealthy and responsible for natural disasters. – (Tohira interview, March 2017)

The farm is a regional base and aims at social reform, resisting adverse effects of globalisation, and nurturing critical consciousness among farmers. A portrait of Che Guevara hangs in the dining hall. One of the things that came to mind was the fact that maybe this collective set-up was some kind of an indoctrination group, teaching people to follow communist ideologies. However, from my survey, I discovered that the Che Guevara portrait had been put by a former member and no one had taken it down ever since even though the member was no longer with Nose farm. The farm teaches about agricultural production philosophy, but if they are also interested in such things as Guevara, they are taught as well (Teramoto informal interview, March 2017). The farm hopes to encourage this type of lifestyle within other farms. At the moment, the Yotsuba head office cooperative staff adopted this structure as well.

In line with the farm objective of “self-transformation and self-enlightenment”, a banner with the farm charter is erected to remind members of cooperative vision and goals. Although the charter is important, it is not enforced upon the members as if it is a law, but were just guidelines for an ideal society (Tsuda interview, March 2017). Members can choose to adhere to them or to ignore them, and no repercussions will befall them. The charter was made in 1991, and summarised as the following:

Our purpose is to achieve human emancipation through:

1. bringing together as many people as possible,
2. fostering spaces for self-help and equal social relationships,
3. recuperating the art of work, in which people enjoy working together,
4. aiming for the symbiotic relationship between human and nature on a global scale,
5. working and learning together in our community life,

6. not discriminating each other in terms of working ability,
7. criticising each other and avoiding easy collusion and conspiracy.

Source: Observatory Nose/Yotsuba field survey, 2017

Farming for Sanbu was more of a guideline or a set of principles for producing food that is safe for the consumers and the environment. The target of philosophical teachings in this particular cooperative is the improvement of products in order to increase the overall individual income from agricultural activities. One of the founding fathers of the network confirmed this by saying:

There was a movement in Japan in the 1970s about such issues to do with consideration of the environment, and it was at this time that I decided to team up with several farmers in order to grow organic vegetables. This would also serve the purpose of introducing a new product into the horticultural business which would be sold as organic vegetables for a higher price and hence more profitable [...] As I became a prominent farmer using this method and realising substantial profits from it, it became easier for others to join the network. – (Kobayashi interview, December 2018)

It may be argued that in the purest sense of the term of ideology, Sanbu Yasai network did not have a laid-out philosophy. Their main concern was to produce food for the consumers and be able to increase the profits of the farmers. It was purely a business motivated by profit maximisation. Sanbu represents a set of smaller-scale farmers that engage in collective action in order to be able to compete well within the capitalist world. They are not fighting it; instead, they want to find ways in which they can benefit and survive within the system. Some of the farmers had extreme, self-proclaimed liberal views on the way that the agricultural system of Japan should be set up. One of the farmers claimed that:

I agree with the concept of free markets, I am not a liberalist (*per se*), but I agree with the free markets way. The free trade concept is OK for the cooperative movement. However, many cooperatives say they do not want the (agricultural) sector to liberalise, but I think it is good to have free trade even in fresh vegetables. It should be OK to open agricultural sector to the private sector and companies to come in, and hence regulations should be discarded. However, at the same time, cooperatives should be

allowed to participate in other economic sectors as well (such as insurance and finance) in order to spread their risk and survive. I am actually conservative in my way of life but kind of a liberalist when it comes to the economy. – (Nakamura interview, December 2018)

However, some farmers in the same cooperative held different views about the way on which cooperative philosophy should focus. While older farmers (the founding members) believed that the cooperative was extraordinarily successful and that they were doing the right thing, others, more energetic and younger farmers felt that the cooperative was losing focus. One of the younger farmers highlighted that the older leaders viewed the cooperative as their private property and hence were slowly ignoring the plight of the farmers. They complained that they were starting to focus more on making the consumers happy at the expense of the farmers. He blamed a lack of cooperative philosophy that prioritised the farmer from the beginning for this challenge.

We can work together for a common goal although at times I doubt whether the cooperative improves my life, financial wise that is [...] I think the organisation is losing sight of its objectives because of their need to make profits. There are also times when the need to follow management protocol also affects the overall goals of the cooperative. Also, the purpose of the network needs to be more explicit, as well as its significance. – (Watanabe interview, December 2018)

For JA Green Ohmi, because it is still under the strong influence of the JA, it can be argued that ideological basis followed that of the national government. Prof. Ishida explained that:

Agricultural unions had a strong Marxist orientation about them before the end of the WWII. So, this was not desired by the government, thus the abolishing of unions and the establishment of less ideologically driven agricultural cooperatives. – (Ishida interview, July 2017)

Therefore, the Japanese government policy plays a considerable role shaping JA Green Ohmi philosophy. However, local-level cooperatives can define their paths, which may account for local-level differences in cooperative success. For example, unlike many other JAs across Japan, JA Green Ohmi has maintained an ideology in which the individual farmers maintain

some advanced level of autonomy, while actively participating in the overall activities of the cooperative. Thus, JA Green Ohmi tries to obtain consent from the members through surveys and meetings before implementing any local policies.

[...] I would like to thank the efforts of JA who continue to investigate (look for information about members perspective). Also, Union members should continue dialogue. This time, we raised a dialogue campaign based on the survey, but we would like to propose a policy for more future dialogues. – (Nakanaka interview, September 2019)

I also found that in the case of JA Green Ohmi, which has very close ties with the consumer cooperative, pursuit of one clear-cut ideology for a producer may be difficult since they always needed to balance their interest with the consumer cooperative. These two types of cooperative operate on a different ideological wavelength. While all the three discussed cooperative approaches are essential and very interesting, their applicability in developing countries and societies such as that of Zimbabwe would differ immensely. However, I sought to use these insights to construct an ideal ideological path for Zimbabwe (see [Chapter Eight](#)).

To conclude, the three cooperatives revealed a lot about the importance of a clearly defined ideology. Yotsuba ideologically focused on a disciplined way of life, Sanbu on the processes of production while the focus of JA Green Ohmi was widespread with an inclination towards resolving political-economic contradictions. For Zimbabwean farmers, who care more about increased incomes than about ideology, the focus (at least in the initial stages) should be to provide services otherwise unavailable, most importantly financial capital. Thus, an ideology that is ‘business-oriented’ like Sanbu and yet leaning towards JA Green Ohmi’s selective use of ideology and politics for the benefit of farmers would be ideal.

6.4 Information asymmetries

Hayami & Godo (2005)’s CMS theorem argues that substantial information asymmetries exist in the rural areas. Other scholars go further and argue that intra-cooperative information asymmetries also play a significant role in undermining cooperative growth and development. From the interviews that I carried out, Nose farm seemed to have the lowest levels of intra-cooperative information asymmetries attributed to holding of meetings almost daily, during

meals and after meals. For the overall Yotsuba cooperative, meetings were held once every two months. Given the structural set-up of the cooperative, every individual is regarded as equal to everyone else, and hence their input in the cooperative is considered necessary. In doing so, the leaders of the cooperative provide all information about cooperative business activities to every member. The farmers also share information among themselves and sometimes hold teaching seminars on machinery use and new technologies, especially to the younger aspiring farmers (Konomi interview, March 2017). The leader of the Nose farm pointed that:

We have farm meetings every day while eating for things such as allocation of duties and to discussion of unplanned circumstances that arose. More so, Yotsuba cooperative has meetings every two months to talk about the progress of the cooperative. Our AGM [Annual General Meeting] for the sharing of the decisions made by the executive is regularly held in March. Customer company representatives are invited to this AGM as well as the local government. Information about the financial position of the cooperative is made [public] in this meeting. – (Teramoto interview, March 2017)

Empirical evidence seems to suggest that the structure of Nose farm and that of Yotsuba farm, where there is a strong emphasis on ideology to lead all aspect of farm life, production and marketing, enables it to achieve lowest levels of information asymmetries.

JA Green Ohmi also emphasised on the crucial role that the flow of information within the cooperative played. However, because JA Green Ohmi was a massive cooperative with over twenty thousand members (within regional assemblage village cooperatives), the flow of information was complicated. For that reason, it was important for the JA staff to carry out as many dialogue activities and opinion surveys as much as possible. Additionally, farmer's thoughts and opinions were collected through the group approach.

There is an understanding between the members and the JA Green Ohmi [...]. Decision making is a process. The top management/leaders prepare a policy plan in consultation with their members at the local level. In strategy planning, officers and employees will consider drafts based on opinions from union members and users. The meeting of representatives discusses it further before improving it at an annual meeting/conference. There are some successes and some failures of cause, but because

of the size of the cooperative, we cannot skip any stage. – (Kawakita interview, June 2019)

Conversely, among all the issues discussed with the farmers in Sanbu, the quantity and quality of information seemed to be of great concern to the members. While most of them pointed to the fact that they received a significant amount of information about prices of commodities and quantities on demand, they did not have mechanism for their ideas and information to be communicated to the management team. Thus, information flow in Sanbu Yasai network was uni-directional. The fact that elder members of the network (founding members) that hold relatively senior positions in the cooperative were satisfied with the information flow compounded the problem. For example:

While information such as sales, losses and prices of produce is shared widely, such information on the rationale of some of the decisions made by the executives is not shared, but is kept within the top leadership. – (Takahashi interview, December 2018)

There is no problem with the quantity of the information; however, the quality of information flow leaves a lot to be desired. There is some specific information that we require, and we do not get it. The network should also do more research on the things that can improve the demand from the customers. – (Watanabe interview, 12/2018)

Another group of interviewees were satisfied because they did not expect too much from the cooperative. One farmer pointed to the fact that although the cooperative should be a one-stop-shop for all needs of a farmer, they should be able to access information from various other sources such as the internet and the newspaper without relying on the cooperative.

I get about 60% of the information needed for agricultural production from the cooperative and am satisfied with it. I, however, have got to find the remainder (40%) from other sources. Since I belong to the cooperative, I can get information about government programs and subsidies, which is very important for the farmers. – (Kobayashi Jnr. Interview, December 2018)

I am satisfied because I do not expect too much from the network. I especially appreciate information from the government for farmers. The network takes this

information and packages it in an organised and easily understandable way for us farmers [...] – (Nakamura interview, December 2018)

Therefore, information flow within the cooperative is of great importance, as seen through Yotsuba's ideological based approach and JA Green Ohmi's systematic approach. The data from Sanbu network showed us what can happen if information does not flow perfectly between management and the members. The model we shall produce should take great care to curb information asymmetries.

6.5 Institutional relationship matters

Let us now try to understand characteristic inter- and intra- cooperative differences between the three cooperatives, and how these can apply to developing countries like Zimbabwe. Again, in the context of the CMS framework, the institutional relationships between these three structures is exceptionally vital for this thesis because it enables us to understand how cooperatives fit into the community vertex. For Japan, which is predominantly capitalist, strict market forces regulate access to factors of production such as credit, finance and inputs. However, even though the government of Japan has been reducing its support to the rural areas ever since the disbandment of the Rice Control Act in the 1990s, there still exist several subsidies and programs earmarked for the agricultural sector.

For Nose and Yotsuba cooperative, considering their deep socialist socio-political standpoint, most of their relations with the outside institutions are governed purely by market forces. Although it has some structures that carry extensive fundraising, it has to borrow from banking institutions from time to time. The leader of the Yotsuba cooperative mentioned that:

Nose and Yotsuba borrow from the commercial banks, and that is how they raise their financial capital. Yotsuba also has some other companies that are also into the finance business, or they organise financing on behalf of Nose. The relationship is that all the products from the farm goes to Yotsuba and it sells it through its various channels. For example, the cows that are killed here go to the beef processing private company which then processes, sell it and then later pays us. – (Tsuda interview, March 2017)

The livestock at Nose consume a lot of feed mix. Depending on the type of animal, they are fed different types of feed and in differentiated frequencies. Some of the mix comes from by-products of the food industry in Osaka such as *sopa* and soybean by-products (Konomi

interview, March 2017). That means some of the relations are within the contexts of mutual business relations which does not transcend beyond that. I also observed that some of the cattle feed comes from outside the country. In this sense, the farm and cooperatives depend on foreign agrarian capital or agribusiness to a certain extent to meet livestock feed requirements and hence the need to maintain good relations with importation companies.

As has highlighted earlier (Section 6.2), a number of the members who work at Nose farm belong to or are ex-graduates from universities. They have programs in which they accept university students for internship, and thus, they also developed good relations with educational institutions. They also hope that these relations can help spread their message across to the younger generation. I discovered that some surrounding local cooperative members were also part of the JA Nose district cooperative and that there was some mutual understanding between Yotsuba cooperative and the JA Nose district structures. In the same sense, there also existed other cooperatives around the area, and Yotsuba had some relationships or some established ground for meeting and discussing potential areas of conflict.

Furthermore, just as does many other social organisations (even the *Yakuza* does so), Yotsuba provides a helping hand in times of natural disasters such as typhoons, earthquakes and floods as highlighted by Tohira:

[...] some of the farmers belong to the JA and some to other cooperatives, and they want to join us, so sometimes the relationship is through the farmers themselves. We have to develop relations for the benefit of the farmers. Another one is called Farmer's Union, which belongs to the communist party and has very few membership. Their prices are also above JA prices for buying rice. [...] We also help when there are national natural disasters. For example, during the earthquake times, Yotsuba helped with money, food and this one time, we had to go there ourselves. – (Tohira interview, March 2017)

What we can learn from this information is that there is a need to have a broader social and business network in order for a cooperative to develop. While Yotsuba has a progressive philosophy, it acknowledges that the rest of the world may not share the same ideology; thus, safe spaces that allow for dialogue needs to be created in order for Yotsuba to sustain itself.

Sanbu network had institutional relations with consumers and private logistics companies, but private business ethics predominantly governed the relations. That is, they had an understanding with producers of input only as far as buying from them while they relied on logistical companies to ferry their products. Nothing went beyond that. There were no mutual understandings with other producer cooperatives, but instead, there existed some competition. The cooperative was also able to access information from various government sources which it was able to repackage to be palatable to the farmers. Those farmers that can access benefits from institutions outside their cooperative did so from own initiatives and less on the cooperative initiative. There are other cases where the farmer researches on their own and establish relations by themselves. The latter is more common than when the cooperatives help to find information. Many of the farmers highlighted that besides selling the product, the network was not helping the farmers in any other way. Their role was confined to the selling of outputs and provision of an organised outlet for small farmers.

This network operates almost like a private company; hence, it works with other private companies just like any way that other companies work with other companies in this area. It is all business-oriented. There are other networks almost as ‘privately owned’ as this one. Most are more prominent than this one and are only concerned with the marketing of produce. - (Takahashi interview, December 2017)

Nevertheless, one of the younger farmers highlighted that they had reduced the amount of produce that they sold through the cooperative, and suggested the need to re-evaluate intra-cooperative relations since the cooperative leader’s committee or executive no longer reflected the wishes of the rest of the membership at heart. They lamented that the network was too concerned about making profit (just like any other company) such that it was affecting the production itself from the farmers. Kobayashi Jnr. also seconded this:

The network cannot survive for a long time without the support and effort of the farmers; thus, we need to make sure that the farmers are also happy in the arrangements between consumers, companies and the government. (Kobayashi Jnr. interview, December 2018)

The presence of the government in the Sanbu network became less pronounced after moving out of the regional JA cooperative. They feel like they do not need to conform to the

Cooperative Act but rather to the Companies Act. Although this reflected some level of misunderstanding of Societies Act, it also indicates value the relations with the government. The formation of cooperative model for Zimbabwe will consider this result.

In the case of JA Green Ohmi, considering that the government historically institutionalised the movement, it is complicated to understand where the mandate of the cooperative institution ends and where that of the government starts. However, the Abe administration has recently intensified efforts to change this as it wants to privatise the JA. The JA is expected to operate more as a company and reduce its 'dependence' on the state. These running battles between the state and the JA have given birth to the reform debate which local and national cooperatives are supposed to carry out (see full discussion in Section 6.8, on page 213). The MAFF and JA Green Ohmi are jointly carrying out the farm reorganisation²⁰ program in Ryuo. In some cases, retiring farmers approach the cooperative directly to surrender land, and JA Green Ohmi liaises with the MAFF during the processes.

Some farmers give their land to the JA [...]. JA's way of land rental is performing much better than the MAFF way of lending in this region [...]. It is essential to keep contact and relationship with the government despite several disagreements. However, it is supposed to be neutral. JA has a political wing or association which is different from the JA production group. This wing has more contact with government politics and political institutions. – (Kawakita interview, June 2019)

Interestingly, the JA Green Ohmi seemed to be hostile to private businesses, especially those that seek to be in agricultural production. JA Green Ohmi is part of the JA and hence has direct access to JA cooperative banking resources. This enables the cooperative to operate without too much reliance on private capital. Their rationale for avoiding production partnerships is that agricultural production should never be privatised, and hence they refuse to privatise their local cooperative. The message was clear.

²⁰ Farm reorganization is an on-going process that started in the 1950s where disaggregated pieces of land that belong to one family were reorganized through swapping, buying and selling scattered plots to make them more manageable and easier to use small tractors on. The current reorganization tries to consolidate abandoned and under-utilised farmland (MAFF, 2017, pp. 7-10; 2018; Hirasawa, 2014, p. 16)

There is no room for private companies, especially in rice production. There is no partnership in production what so ever. Even in the future, there is no possibility. Unless the business people come from within the membership. Rice production is a public venture and uses public water and hence cannot be privatised. – (Kawakita interview, June 2019)

The thesis advances the need for cooperatives to be organised in order to better negotiate with other sectors in the agricultural value chains. This sub-section revealed how necessary it is to keep all relations warm despite philosophical orientation or production approach. Thus, all cooperatives valued relations with the state, the private sector and other cooperatives. The model which shall come from this thesis will consider this.

6.6 Management issues in the cooperative movement

The discussion thus far has highlighted several management issues and how they are supposed to be solved based on the data I collected in Japan. This section extends the analysis through the lens of the three cooperatives studied. The latter utilise different types of management approaches, and all have varying effects on cooperative development. Management approaches refers to the method of leadership by the management committee and can fall into three broad categories (Cornerstone, nd). The first one is the autocratic approach in which decisions are carried unitarily without consideration of the lower echelons of the cooperative; it is swift. The *laissez-faire* represents the second category whereby the manager takes the role of a mentor rather than an authoritative figure and allows for lower echelons to take part in decision making. Decisions take more time to make in this manner. The third category entails other variations, which can be consultative, persuasive, or democratic means. Ideally, because a group of people owns a cooperative, democratic and *laissez-faire* type of management styles are expected to dominate the cooperative movement.

Based on the data collected from the Yotsuba cooperative, I found that the farm and the cooperative management styles were more inclined towards the *laissez-faire* axis. That was mainly because of the intense focus on cooperative ideology. Yotsuba itself was formed out of an earlier cooperative because the older refused to change their ideology. Specifically, Yotsuba emerged from the Kansai Purchasing Cooperative. In 1984, through a somewhat autocratic management approach, it called for an abrupt change from inorganic to pure organic ways of production pushing the agendas of the consumers (Tohira interview, March 2017). However,

consultations with the producers themselves revealed that they wanted a gradual as opposed to sudden change in order to allow their farm infrastructure to adjust into organic methods. This then led to the separation of the Kansai co-purchasing cooperative into two. Yotsuba was one of them, and the other still in existence (as Kansai co-purchasing cooperative) until this very day, but has primarily remained as consumer cooperative.

Yotsuba focused on the producers and has been able to negotiate higher prices for the farmer's products illustrating the differences in management styles. The management approach integrated the idea of co-living and sharing of everything. Staying together helps in teaching people the importance of respecting others. The leaders of the cooperative added that:

A school has been established, which involves monthly lectures about the ideology and the history of the Yotsuba to try to teach the younger members about this way of life, and how we can help and sustain producers. Everyone is equal on the farm, they get the same salary, and the aim is encouraging equality and a more advanced level of living. It sets the farm miles apart from all other farms. This is only for Nose farm, other farms in the same cooperative can choose what and how they want to run their farms [...] people here treat each other (well), and they appreciate it (the farm) even though the money is little and even though the system seems like inefficient since we always discuss everything before deciding. – (Tohira interview, March 2017)

Although we buy expensive machines, such as meat processing machines, we need highly specialised skills and knowledge to operate them [...] Our way of management is inefficient in terms of economic production, because it takes time to make decisions, and not competitive in the capitalistic production system. However, we chose this way to bring up the next generation. Let us avoid an obsession in which everybody seeks to expand their business larger. What we should seek is how we can make a strong alliance among smaller local units of production, distribution and consumers. – (Tsuda interview, March 2017)

The management styles of Sanbu network stands diametrical to that of Yotsuba cooperative. Based on the interviews data, it represents a consultative management system. The network has five executive directors and a standing director (representing all these directors). These directors were not democratically elected (Nakamura interview, December 2018). The farmers

I talked to seemed to think that this was normal since the network did not belong to JA cooperative but was rather more of a private network. This issue seemed to be at the heart of the cooperative problems (see Section 6.8). The result of such management system is that the management committee becomes unforthcoming in sharing a specific type of information or even listening to the concerns of the members. Nakamura had a lot to say on this issue:

The members of the cooperative should request to have a more open flow of information, especially information to do with the activities of the top leadership. Free elections of the executive should be democratic and well-constituted, and new people or new blood should form a significant proportion of the executive [...] Recently, they just decided to reduce the number of meetings (citing the need) to improve the quality of the meetings. In order to solve farming, there is need to improve the decision-making framework and the flow of information between (from) the farmers and (to) the executive. The acceptance of such reform, of new ideas and of bringing in new younger farmers will save the network. – (Nakamura interview, December 2017)

The problem in this respect is that many meetings that are held are pre-decided or pre-concluded. The actual meetings serve only to rubber-stamp the executives' decisions or as a way of informing the members on the decisions that have been reached by the management (Takahashi interview, December 2018). This makes sense because Sanbu is not as big as JA Green Ohmi, which requires that management formulate solutions and the members vote on their feasibility, Sanbu management is expected to engage more with the farmers. At the end, the members feel as if the network is a private logistics company organised as a cooperative in order to enjoy the benefits of cooperative law. Some farmers felt that since the network does not require any membership fees, and that farmers would only pay a certain percentage from the sales made through the cooperative. This means that the cooperative was not for the farmers but was for the leaders.

Additionally, some farmers argued that management style was conducive for what they called 'natural/core farmers' and not for new farmers. Natural farmers mean those who inherited a farm or have always been into farming since they were born. New farmers were those that once worked in other economic sectors and had decided to pursue agriculture. Thus, natural farmers did not care about calculating the amount of actual net income that they were getting since they had lower cost as opposed to new farmers that have to pay for land rates. In recent times, the

Japanese agrarian structure has seen an increase in the number of these non-natural farmers. To fix this emerging problem, cooperative leadership needed to have a representative of the new farmers to air their plight during decision making as stressed by one of the new farmers:

The management type of JA cooperatives is typically a top-down approach. The latter has a lot to do with the Japanese system of vertically structured society popularly known as the *tate shakai* (縦社会) than it has to do with the cooperative as discussed in Nakane (1967, pp. 58-64; 1970, pp. 40-48) In a vertically structured society, seniority plays a significant role in decision making, and the opinion leaders can manipulate the strength of the voices of a group of people. However, as we saw in Yotsuba, this can be avoided. Also, to a greater extent, I found out that the JA Green Ohmi had reduced the intensity of this top-down approach, probably from an autocratic management system to a more persuasive one (Ishida interview, July 2017). This finding is buttressed by the fact that there still were many productive activities (agricultural production, marketing, inputs acquisition and output marketing) that were observed at the JA Green Ohmi facilities than in any other JA place that I had visited. The JA facility in Nose and that of Sanbu area looked like ghost shops in which no farmers ever come to purchase inputs or to seek advice from the cooperative structures.

Although the management of the JA Green Ohmi cooperative is the typical JA style of cooperatives, it has been able to encourage participation by the farmers. Institutionalisation of the movement in that area was unavoidable because JA has strong governmental ties. These ties were forged during the development phases of the cooperative in which the state needed support from the rural population while the people wanted protection. One way or the other, it would have happened, and at some point, it is desirable, especially in the initial stages of the development of the cooperative movement. These lukewarm relations have severed in current times which has seen regional cooperatives such as JA Green Ohmi re-connecting with the farmers for support. Developing countries like Zimbabwe needs to have government structures that work (and sometimes overlap) with those of the cooperatives to collectively cascade development initiatives to the cooperative members. JA Green Ohmi is a multi-purpose cooperative just as in Yotsuba, and unlike Sanbu network which is a single-purpose cooperative. Single-purpose are most suited during at the initial stages when the cooperative is small.

Then organizing a multi-purpose cooperative is the way to go when a cooperative grows bigger, especially in light of the current global economic waves. If a cooperative has many business activities, in case the organisation faces a downturn in one section, it can use other businesses

to stay afloat. As in the case of JA Green Ohmi, it has been involved in the insurance and banking sector to fund some of non-profitable activities like crop input supply and output marketing. It is essential to understand that cooperatives, especially in the case of Japan, used profits from banking and insurance to carry out cooperative farming activities. While this approach worked out for Japanese movement, developing countries (with limited access to external financial capital) can begin by SACCO type of self-help financing institutions with cooperative banking as a long-term plan. However, they should avoid getting carried away and forgetting to use that money to develop the members. To minimise this, JA Green Ohmi always has meetings with the farmers and the consumer organisation. During data collection, I managed to sit in one of the meetings to witness the negotiations for a price increase in the price of vegetables sold to a consumer cooperative. They agreed to increase the price with inputs from all the people or groups who would be affected by this decision.

6.7 Political economy of cooperatives in Japan

The role of the government in the cooperative movement in Japan is well documented. As discussed in [Chapter Four](#), the state was concerned with securing a stable supply of food, development of the agricultural, forestry and fisheries industries. Given the fact that cooperative socio-organisational structures dominated the rural areas of Japan, it was probable for most government programs to be carried out within the frameworks of cooperative organisation structures. Therefore, this section analyses how different governmental socio-economic and political pressure affected the cooperative movement. Several studies pointed to the fact that the cooperative movement that helped develop the rural areas after the Japanese government-engineered WWII as a counter to the pre-war rural social movements (Ishida, 2002a; Dore, 2012). Banno (1997, pp. 239-251) weighed in on the discussion arguing that rural labour-farmer movements were too political because they had strong political wings within their structures. They took part in political campaigns and even ran for office. In doing this, they increased many points of conflict with the ruling political echelons. Thus, after the war, all labour and farmer's unions were discouraged ahead of the more reasonable and easily negotiable cooperatives.

In this study, Yotsuba showed that it was not only difficult to separate politics and cooperatives, but that it was a mistake to separate them. This is the reason why they still had a politically active wing within their cooperative structures and why they maintained a 'loose political wing' for activist and anti-government policy demonstrations. They had many problems with state

policies, and there was a longer distance between the cooperative and the government or the private sector. In principle, Yotsuba stands for the exact opposite of the state's model of economic production, although an uneasy coexistence exists between the two. All of the founders of the cooperative were influenced by the Cultural leftist ideology of the Chinese Revolution. In the past 40-50 years, Japan enjoyed economic growth, and the younger generation did not think much about underlying social problems. The capitalistic economy has been in a perilous situation over the past decade or so. This has reignited their will and are more convinced that collective action to resist further economic liberalisation will be the saviour of Japanese society (Tsuda interview, March 2017). However, the interviewees highlighted that Japan has one of the most conservative societies who are opposed to radical changes that go against the central governments.

The 'loose political party' seeks to educate people and spread their ideas of an ideal way of life. The long-run objective is to try to set an example starting from Nose farm. People are not forced, they have to observe Nose's way of living and hopefully they can change their perception and their way of thinking. It obviously will take time, but the Yotsuba leaders highlighted that they are determined to continue working in this way (Tohira interview, March 2017). Several farmers highlighted that they are disgruntled by the way JA cooperative is handling agricultural development in rural areas, but they still retain their membership cooperative because they are afraid of radical change by withdrawing their membership from JA abruptly. Another farmer explained that the problem was not really with the government but in the structure and organisation of Japanese hierarchical rural society which made it easy to manipulate authority. In addition to this, the farmers also hold an image of the good times that the JA and the government had brought to them during the Japanese 'golden ages' and hence, the older generation sincerely held high hopes of reliving those days (Tohira interview, March 2017). They bewailed:

In this local (rural) region, we are still strangers after these forty years, as some residents regard us as a radical (dangerous) leftist organisation. We sent members of our farm to the town assembly for five terms, that is, twenty years. One of our members stood as a candidate for the town mayor, but we were defeated because we are still outsiders. (Tsuda interview, March 2017)

Outside of the farm, the cooperative organised an anti-nuclear demonstration in Osaka for the government to stop the production of nuclear electricity. They argued that there was no need to produce nuclear electricity because Japan could effectively meet its demands using other safer methods. Their counter-argument is that nuclear energy investment was to make supernormal-profits at the expense of the safety of the people and the environment. They cited the Fukushima nuclear accident repeatedly in their argument. I watched some documentaries about the disaster during my stay at Nose farm. These documentaries were bought to help people understand the consequences of chasing profits ahead human safety. The political wing was also involved in other anti-governmental protest which it thought would not benefit the environment or the rural people as reported below:

[...] I am actively involved in the political wing of the cooperative, tomorrow I am going to demonstrate against conspiracy law under discussion in the Diet. Am going to demonstrate at the Nose supermarket and also later in the Osaka railway loop line [and eventually] to demonstrate at every station. – (Tohira interview, March 2017)

The law passed through the parliament three months after my interview with Tohira amid remonstrations from within Japan and multi-national organisations such (like the United Nations). Such an enterprise requires more time to observe the dynamics than was possible during this research because of resource limitations. There are always problems between different echelons in any organisation. However, Yotsuba had a seamless integration of decision making and development strategies within the leadership, the management and the members/workers. What this meant is that inter-echelon contradictions were, at best-case scenario, minimised or in worst case scenario deeply hidden. Higher levels of information sharing, openness and humanness seemed to iron out political as well as social discontent within the movement.

On the contrary, Sanbu network members agreed that it was tough to separate the cooperative movement from politics since most of the members were integrated into the same through voting in local and national elections. However, they seemed to be in line with most of the government policies and programs and did not mind an even more pro-active role from the government. They had a considerable amount of trust in the government's thrust of economic production, including a mild support of the pro-liberalisation approach to agriculture. The

network members highlighted that the government had several programs that it ran through the cooperative to benefit the farmers and this was, in fact, one of the reasons why some new farmers were attracted to the cooperative (Yamada interview, December 2018). Some members of the network had this to say:

The politics and economy are united. Economy cannot solve politics sometimes, but the politics can solve the economy all the time. Thus, the cooperative cannot be divorced from the politics. The politics can activate and change the farming situation. – (Kobayashi Jnr. Interview, December 2018).

There is no way to stay out of politics because it affects everything else. The free trade concept is OK for the cooperative movement; however, many cooperatives said they do not want to liberalise the sector, but I think it is good to have free trade even in fresh vegetables. – (Nakamura interview, December 2018)

As highlighted throughout this thesis, the level of state involvement is instated by the active JA national movement involvement despite deteriorating relations. For the state, Green Ohmi type of regional cooperative continues to be appealing to the government because it can still push development and farmer assistance programs via this same channel. Maintenance of a friendly JA cooperative structure also enables the government to keep such organisations as Yotsuba in check. This is so because if the government completely abandons the cooperative movement, it surely will give the farmers freedom to form genuine bottom-up organisations that have the power to question ruling party decisions as seen in the Ugandan case (see Wedig & Weigratz, 2018).

Government needs to have structures that work (and sometimes overlap) with those of the cooperatives to collectively cascade development initiatives to the cooperative members (the rural farmers). I asked the interviewees on their opinion of who had ultimate power in the JA movement, the government or the cooperative members themselves. They highlighted that on the surface, it seems like the government has overwhelming power, but there is a need for a deeper understanding of the inter-JA politics in order to answer that question in its entirety. An academic who has studied cooperatives thus opined:

Because the government has institutionalised the cooperative movement, it is hard to understand which side, the government or the JA, possessed real power. However,

through working together, it may be safe to say that they worked together on a 50-50 basis to support the farmers. – (Ishida interview, July 2017)

In conclusion, why we have seen how difficult it is to be apolitical, and that it may not be desirable to be, it is crucial to avoid politics within the initial stages of the cooperatives when it does not have either the intellectual and financial resources to be politically active. Instead, the cooperative should strengthen its institutional structure such that when political players and private business approach them, they are better prepared to negotiate or bargain deals that benefit them as well.

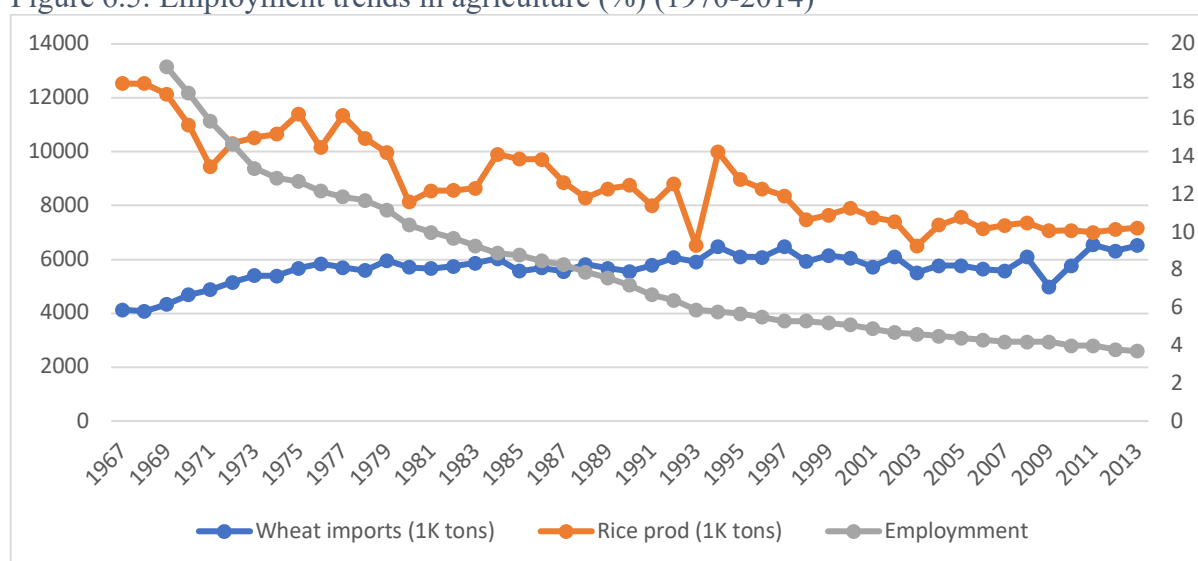
6.8 Summary of constraints in the movement

There exists a myriad of challenges in the contemporary cooperative movement of Japan. The intensity of differentiated challenges affected the three cooperative organisational structures in various ways. These challenges, which included an ageing agrarian structure, scattered/disarticulated farmlands and cooperative management issues, are elaborated below.

6.8.1 The national problem of an ageing agrarian structure

The general trend in rural population continued to show a decline between 2010 and 2015, which translated to decreases in the number of people employed in agriculture. The rate of change in agricultural employment was positively correlated to that of change in rice production, suggesting that the majority of the labour was employed or were involved in rice production (*Figure 6.5*).

Figure 6.5: Employment trends in agriculture (%) (1970-2014)



Source: (FAOstat, 2016)

On the other hand, change in agricultural labour is inversely correlated to the amount imported wheat; from 1988, a decrease in the total amount of agricultural labour is offset by an increase in the amount of wheat imported into Japan. Although the high demand for labour in the industry (and hence to the rural to urban migration) explains the decrease in the employment rate in the sector, the decrease reveals a significant agrarian issue. Not only is the number of producers decreasing, but the majority of the remaining farmers are over 65 years old. The number of farmers aged 70 years or older accounts for about 50% of the total agricultural workforce (Japan Times, 2016). Thus, one of the most significant issues facing JA is how to attract younger farmers. The future of agriculture lies with the younger farmers as they are the ones with the energy and are more likely to assimilate technological advancements than older farmers.

6.8.2 The national problem of disarticulated farmland

Japan's rice productivity was approximately 40% lower than that of California in 2012 because the government through the Minister of Finance and the JA have indirectly instructed MAFF not to develop higher-yielding rice varieties that may disturb the price stability and may reduce the price of rice and its associated sales. This is the political economy of rice and agriculture in Japan which is meant to keep the prices of rice higher and protect the farmers (George-Mulgan, 2005; Yamashita, 2015b, p. 72). Given the difficulty involved in bequeathing a piece of land, and the rate at which older farmers are retiring (or dying) and the number of non-farming households, the proportion of abandoned farmland has soared to 50% of all agricultural land in Japan (Nishikawa, 2014a, p. 1). The government faces a dilemma as to whether in deciding to potentially 'reverse the 1945 land reform' or witness agricultural production decline. This is because more land needs to be amalgamated into larger parcels.

6.8.3 Local-level constraints in the cooperative movement

Most problems reported by the leaders and the members of Yotsuba cooperative were about their fight to convince the community about the benefits of their particular way of life. This makes sense given the fact that their ultimate objectives are not just confined to increasing output and the standard of living for the members and the workers, but rather about whether the people can change their ways of thinking and move away from practices that harm the health of the farmers, consumers and the environment. There exist some generic production challenges such as the high cost of inputs, unavailability of stock feeds in Japan, the effect of an ageing farmer's population within their membership. A number of the older farmers relied on the cooperative labour arrangement systems (some farmers offered their labour to help

harvest older farmer's plots, this labour was arranged and organised through Nose farm) in order to continue agricultural production:

I think our position is precarious. We cannot continue with our way of production, and people are getting old, and also the environment and the economy is changing, so there is need for more effective methods to attract more young people. We need to build relationships with the younger ones. – (Tohira interview, March 2017)

These issues give rise to other issues. It takes more time to convince the younger generation to adhere to ideology and for them to understand its importance fully. One of the issues that they faced in terms of following a clear ideology is the fact that their cooperative was growing bigger. As the cooperative grows large, the more difficult for people to adhere to the ideology (Tsuda interview, March 2017). At the same time, an ageing population forces the cooperative to rely more on machines and hence reduce the number of people who can be working at the farm at any point in time. On the other hand, there is also a growing proportion within the older farmers who wish to abandon organic farming citing the fact that it was labour intensive and also that the premium for organic vegetables had drastically reduced over the years, so has the incentive to grow them.

In **Sanbu Yasai network**, many challenges existed, ranging from intra-cooperative contradictions to those that were more external. Generic problems that affect the whole agricultural system in Japan, such as ageing, was listed as one of the most significant challenges in the cooperative.

Generally, the movement is becoming less active, which, to a less extent, can be blamed on the overwhelming proportion of ageing farmers. The older farmer's do not have the capacity to innovate. It is the biggest challenge in Japan now. I am worried, even more than the network, about the successors of the current older farmers. If young farmers increase, the network will be rejuvenated naturally. – (Kobayashi Interview, 12/2018)

I think that 50% of the executive should resign and be replaced by younger farmers who understand the plight of non-natural farmers or younger farmers. New farmers that are joining do not know about the other bad stuff. Also, the office people are not farmers, and they do not know the plight of the farmers and they do not know the realities of the farmers. They are a bit detached from the realities on the ground. – (Yamada interview,

December 2018)

However, ageing farmers comes as an opportunity for some ambitious young farmers like Nakamura, who was interviewed during the research. Nakamura represents one of those younger farmers who are desperate to change the cooperative *modus operandi* because he firmly believes that the movement has a higher potential, but it needs leadership renewal, and it needs to adapt more to the changing environment. His story is presented in *Textbox 6.1*.

One of the most significant observation from Nakamura's story (in *Textbox 6.1*) is that a few individuals in the movement now think and believe that they own the network on the premise that they formed the network in the first place. These insinuate that they have a right to enjoy extra benefits from the cooperative and that the movement belongs to them. Eventually, the other farmers/members lose faith in the cooperative and begin to leave the organisation. According to the interviewees, the organisation was starting to lose sight of their objectives because of their need to make profits coupled with strict management styles that does not allow for flexible decisions to be made without approval of the top leadership (Watanabe interview, December 2018). This represents Sanbu Yasai cooperative's foremost challenge.

Other farmers, especially the younger ones, seemed to relate to Nakamura's story somewhat inadvertently. They highlighted that the flow of information was uni-directional, and they had no significant input in the decision-making process. Information flow is a symptom of the more significant challenges that dominate Nakamura's story. For them, the reduced flow of information was the tributary source to the river of other challenges such as the reduced number of consumers willing to buy their products. The other farmers had this to say:

I am not satisfied with the flow of information now. In the beginning, we had managed to strike a deal with the consumers, and the deal was based on the smooth flow of information, which is no longer the case. We had a closer relationship with the consumers then. – (Kobayashi interview, December 2018)

Textbox 6.1: The story of Nakamura san from Sanbu Yasai Network

As told by Nakamura san

I used to work for a company that dealt with transistors and semi-conductors which had head offices in Tokyo, Germany, USA and China. The job had an excellent salary, but it had much pressure which was not healthy for me. So, I quit and came to start farming. I got training from an uncle to start agricultural production 8 years ago. I managed to secure land from an old land owner who stays in Tokyo, who is too old to do farming. I had the option to [own and] pay for the land over 50 years, but I opted to rent it instead. It was way cheaper since I had to pay ¥150000 per hectare per year. I secured perfect [piece of] land, rich in black volcanic soils that is good for all types of crop production from carrots to daikon to peas. The sad part is that not many younger farmers want to come and do farming like me. A lot of the younger farmers are comfortable working day jobs in the city.

The network is facing several other challenges chief among them the lack of creativity and leadership renewal strategies. I believe that the era of organic food is slowly dying and that all organic-vegetable producing cooperatives should be prepared for the time when it comes to an abrupt halt. This is because consumer prices have been driven down such that people are not willing to pay the extra money for organically produced vegetables. Now I only sell about 55-60% of my produce through the cooperative and then sell the remainder through other channels such as by myself in Chiba supermarkets and restaurants. I thought about getting out of the cooperative a couple of times but stopped because of my respect for my mentors and his neighbours who belong to the network. A few farmers have stopped their membership from the network entirely because they do not see any profit to it.

However, the leaders or the members of the administration of the network seems to differ in thinking. They seem to think that organic food production is still viable and that the network should and will survive in the future. There is no advantage now when selling through the cooperatives since we are unable to sell at high prices. There used to be an advantage a long time ago. It does not want to change or to get creative people to change things within the cooperative, that is its greatest weakness. They don't make elections about the leaders of the cooperative and hence have never been in the decision-making structures. I am only a member to help my friend who taught me about farming and to keep the connection and harmony within the village. The natural-born farmers have no problems with the way things work in the network because the government supports them, and they receive several subsidies. However, some farmers who are into farming as a business have issues since they want the cooperative to change into a more business model.

The disadvantage of the cooperative is contracted produce and the fact that the price gap between organic and the other products is very few. The other issue is if the public market price is low, then we cannot sell to these consumers because they would buy in the public market despite the contract with the cooperative. The leaders of the cooperative cannot force the consumers to buy. In the scope of Japan with advanced marketing systems and robust and stable markets, cooperatives seem to be losing their appeal, which is expected. However, for most of the developing countries, where the distance between the markets and the farmers is high, cooperatives still have a considerable potential for helping farmers to move out of poverty.

The flow of information is OK, but the quality of information may not be. While information such as sales, losses and prices of produce is shared widely, such information about the rationale of some of the decisions made by the executives is not shared and is kept within the top leadership. (Takahashi interview, December 2018)

Overall, challenges will always be present in the cooperative movement, and this sub-section shows how important generational renewal is at the cooperative level to ensure continuity and to bring in new ideas and dynamism. The challenges can be resolved through a stronger emphasis on education and philosophy as in Yotsuba, or improvement of information flow and democratic means as in Sanbu. The challenges of JA Green Ohmi are discussed in the proceeding section.

6.9 JA Green Ohmi cooperative self-reform issues

As discussed in [Chapter Four](#), the Japanese government has been trying to privatise agriculture as it did to other economic sectors such as the Japan Railway (JR), Nippon Telegraph and Telephone (NTT) and Japan Postal Bank (JP). While experts hailed privatisation in these service industries as a miracle success, critics remain adamant that privatisation in agriculture would not work (see Chayanov 1991). In the case of Japan, where the farmers control agriculture through their membership to the JA, privatising ‘already private’ cooperatives was always going to be problematic. Because the members have consolidated voices which they can air through the cooperative, they have resisted privatisation (degeneration) of agriculture for over forty years. The pressure has intensified in recent years. Because to the strength of farmer agency exerted through cooperative structures, they managed to negotiate reform on their terms, this is what has come to be known as JA’s so-called ‘self-reform’. The sub-section analyses how the farmers in JA Green Ohmi has been carrying out such a reform and the socio-economic sources of agency.

For JA Green Ohmi leaders and members, the reform has two fronts, at the national association level (structure, ownership and legal governance) and also at the district/local level (improved production and management levels). They felt that the actual reform as advocated by the government was targeting a reformation of the national cooperative associations. Due to JA national association solidarity, JA Green Ohmi has the prerogative to decide on which parts of their cooperative to reform and which ones not to. Through a consultative process with their members (meetings, seminars and representative discussions), they made provisions, proposals

and policies to *i*) improve social and agricultural development *ii*) adopt business models in marketing agricultural products and *iii*) improve cooperative human resources including fostering the next generation of farmers:

To be honest, at the local level, reform is an iterative and gradual process that we have always done even before the ‘reform’. Issues are discussed between members and their respective JA management committees, then it is taken further to the meeting of representatives, and they will take the issue to the annual conference. Because JA is expansive, a plan [for self-reform in the case] is prepared by the top management in consultation with the representatives, then discussed and improved at the conference. – (Interview with JA Green Ohmi leaders, July 2019)

Many JAs in Japan are engaged in wide-ranging business (banking, insurance) which compete with private businesses. However, significant portions of their income still come from agriculture-related activities (see *Table 6.2*); some revenue comes from membership and extension services fees. Although the cooperative’s portfolio is rather vast, business activities (banking and insurance) provide most of the income, which is in turn used to finance other non-profitable activities such as extension and community development. This is listed by the cooperative as a way of beneficiating the members from the other activities of the organisation and represents self-reformation. Beneficiation within JA Green Ohmi also includes annual dividends and other non-direct means such as input price reduction (subsidy). One per cent of the membership fees is also given back as dividends.

Of significant importance was to understand local opinions about changing the cooperative structure to become an investor-owned company. My interview data showed that there was no place for private companies in production and owning agricultural land. JA Green Ohmi would only work with private companies in marketing transactions with producers of inputs and buyers of products, that is, the producers of inputs (fertiliser and equipment) and buyers of produce (consumers, supermarkets). The recent push by some of the big supermarkets to produce on their own was an attack on the small-scale farmer’s livelihoods. The leaders of JA Green Ohmi vehemently highlighted that:

JA Green Ohmi has no plans to become a farming company; there is no room for changing into a private company, or even partnering with a private company, especially

in the production of rice. Even in the future, there is no possibility. Unless the business people are the farmers themselves producing within the cooperative. Rice production is a public venture and uses public water and hence cannot be privatised. The target of the reform is JA-Zennoh and not necessarily the regional cooperatives that are involved in production. We want to serve the farmers indefinitely, and we will continue self-reform to keep production and incomes up for the farmers as we have always done. – (Kawakita interview, July 2019)

Continued hegemony of the cooperative, which supports less than 3% of the population has been argued to infringe on trading rules and regulations that call for total deregulation in agricultural markets. Thus, from JA Green Ohmi perspective, the government-advocated-reform seeks to liberalise the agricultural markets to protect the IT manufacturing sector. However, due to the strength and power of the national movement, they realised that they need to navigate the issue with extreme care. Kawakita pointed out that:

[...] the government-led reform benefits the industry and the overall economy, but the JA at local level is focusing on benefiting the farmers. That is the greatest difference between the two reforms. The good thing is that farmers were allowed to decide their reform agenda [...]. JA Green Ohmi has a political wing or association which is different from the JA production group. It tries to have certain politicians into office of national Diet and prefecture. – (Kawakita interview, July 2019).

As argued in [Chapter Three](#), if the national cooperative association is allowed to turn into a company, the cooperative will start to degenerate. The passing of law to pressure JA-Zenchu into a company is a direct attack on the cooperative movement. JA Zennoh got the option to decide whether they would change into a company and they refused. However, based on the global neo-liberal thrust, it would be tenable to say the next amendments to the cooperative law will make it mandatory for JA Zennoh to degenerate while granting local JAs the prerogative. This might go on until it becomes mandatory for all cooperatives at the local level to become companies. The end game in all this is for the private businesses to enter into the lucrative business of agricultural production. However, evidence presented in [Section 6.9.1](#) show that the JA has the potential to resist at local and national level. In an opinion piece circulated on the JA communications website, Mr Morishima lamented:

The strategic objective is to link the business community with all agriculture on the surface. However, it is not the actual purpose. The real strategic purpose is for capital to take over the agricultural cooperatives. [Besides,] it does not take over the entire organisation but only for profitable businesses, then cut off and discard those that are not [like extension]. That will dismantle and collapse agriculture. The government and the ruling parties lead the movement. – (Morishima, 2017)

The government justification for a top-down approach to reformation usually cites the changes in membership structure for JA Green Ohmi. Scholars have widely accepted (and some cooperative members as well) that the cooperative focuses more on the needs of the associate members at the expense of the core/regular farmers (Key informant interviews, 2017-2019). Over ten years from 2008, associate members increased from 11,806 to 15,222 while full members reduced from 9,087 to 8,681 in 2018 (see *Table 6.2*) bringing the proportion of associates to 64% of the membership (JA Green Ohmi, 2019). Resolving this contradiction for the cooperative has proved to be difficult thus far for the reason that the associate member business activities have driven the profits for the JA Green Ohmi which it then uses to fund the rest of the less profitable portfolios like farm-guidance (Ishida interview, July 2017). It is critical to point out here that the rate of ageing/retiring farmers influences the reduction in the number of full members and not dissatisfaction in the cooperative *per se*.

Active participation and involvement of all members in cooperative affairs is one of the critical things that the cooperative movement should safeguard throughout the reform. Interview data revealed JA Green Ohmi was still focusing on the regular members and that the regular members, who had voting rights, directed the process of reform. Thus, associate members had no voting rights although their concerns are heard (because they also contribute immensely to incomes) and considered during program formulation. A reduction of full-members and a stable employment rate has meant a decline in the member-staff ratio, hence shortening the distance between the JA Green Ohmi workers and the farmers. Altogether, this had improved service delivery to the membership, JA Green Ohmi leaders highlighted that the bulk of the workers are members of the cooperative and that even some specialist skills such as auditing were done within JA at national level to reduce external exploitation of labour. Self-exploitation is critical to reduce cooperative degeneration.

6.9.1 JA Green Ohmi capital structure analysis

Understanding the cooperative capital structure is vital in the fight against degeneration as it determines sources of financing and the ability of the movement to create capital as well as to create more cooperatives. I have shown in the preceding subsection that the JA Green Ohmi's resilience to degeneration is high through its membership, ideology and presence of JA-Zennoh, it is essential to go further and peruse the capital structure of the cooperative, which determines its ability to create other cooperatives. Generally, the debt and equity capital ratio determine the capital structure of cooperative societies. Debt capital is the portion of the capital received from external sources such as banks, government in the form of debentures, long-term loan, grant/loan, short-term loan and current liabilities. On the other hand, equity capital consists of share capital and statutory reserve funds for those cooperatives that have this rule. To examine the capital structure of JA Green Ohmi to determine its financial position in overcoming degeneration, I analysed the relationship (ratios) between debt and equity capital, income sources and their relationship to the profits of the cooperative, and the nature and character of membership (see *Table 6.2*).

JA Green Ohmi, just like any other cooperatives in Japan, has more or less stable membership which directly translate into a steady share capital (*a*) as shown in *Table 6.2* confirming the arguments advanced by Ishida (2002a, p. 31). What is worrying, however, is the fact that less than half of the membership (averaged 37.2%) were full-time members (*p*). Consequently, this weakened channels of solidarity as mentioned to earlier through social and economic class differentiation (see discussion in Chapter Three, Section 3.4.4). The full-time member to staff ratio (*n*) and the reserve equity ratio (*o*) of the cooperatives are relatively stable, giving strength to the cooperative. Although it was difficult to extricate tier 1 capital (which is the cushion against potential or unexpected loss) and Tier 2 capital (which can be used to expand and formation of other cooperatives), the cooperative had a massive and stable capital base (*d + e*). An average share capital (*a*) base of ¥4.4 billion, making it very stable and a significant player in the local and regional economy (*Table 6.2*). These high financial figures form part of the reason why the local and international private capital is pushing the state to deregulate cooperative movement under the company law and free markets rules. They also want to tap into the cooperative capital base.

Table 6.2: Summary of JA Green Ohmi accounts 2015-2018 (JP¥ 1Billion; people; %)

Type	Variable	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Value in Billion Japanese Yens (JP¥)	Share Capital (a)	4.48	4.45	4.41	4.39	4.36	4.36	4.36	4.37	4.37	4.43	4.48
	Capital Reserve (b)	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39
	Reserve revenue (c)	7.91	8.09	8.46	8.62	8.90	9.00	9.41	9.71	9.65	9.76	10.14
	Equity Capital (d)	12.75	12.89	13.22	13.37	13.62	13.74	14.14	14.46	14.39	14.56	14.98
	Debt capital (e)	207.04	209.23	214.65	229.48	240.36	250.21	261.45	272.54	280.97	297.33	309.49
	Agric revenue (f)	6.98	6.35	6.16	6.06	5.65	6.21	5.73	5.64	5.63	5.73	5.68
	Gross Income (g)	15.06	13.89	13.48	12.98	12.25	12.48	12.12	11.95	11.68	11.71	11.57
	Total assets (h)	219.76	222.53	228.23	243.27	254.54	264.46	276.23	287.74	295.73	312.23	325.06
Number of people	Associate members (i)	11,806	12,007	12,123	12,301	12,471	13,149	13,695	14,251	14,577	14,974	15,222
	Full members (j)	9,087	9,030	8,934	8,871	8,879	8,886	8,775	8,763	8,731	8,716	8,681
	Total Membership (k)= i + j	20,893	21,037	21,057	21,172	21,350	22,035	22,470	23,014	23,308	23,690	23,903
	Employees (l)	593	598	583	582	568	551	558	531	561	552	533
Ratio as percentage	Capital ratio (m)= e / d (%)	18.59	18.67	17.97	16.54	16.14	16.03	15.23	14.95	14.15	13.70	12.55
	Full member-stuff ratio (n)= j / l	15.32	15.10	15.32	15.24	15.63	16.13	15.73	16.50	15.56	15.79	16.29
	Reserve equity ratio (o)= c / d (%)	62.07	62.71	63.95	64.49	65.31	65.51	66.55	67.19	67.03	67.02	67.67
	Proportion of full member (p)= % j / k	43.49	42.92	42.43	41.90	41.59	40.33	39.05	38.08	37.46	36.79	36.32
	Equity asset ratio (q)= % d / h	5.8	5.8	5.8	5.5	5.4	5.2	5.1	5.0	4.9	4.7	4.6
	Debt asset ratio (r)= % e / h	94.2	94.0	94.1	94.3	94.4	94.6	94.7	94.7	95.0	95.2	95.2
	Agric % of profits (s)= % f / g	46.34	45.70	45.68	46.66	46.15	49.74	47.32	47.21	48.22	48.89	49.12

Source: Compiled from JA Green Omi database, (Disclosure 2009 to 2019)

Nonetheless, the cooperative has a substantial amount of debt capital (*e*) which steadily averaged ¥ 272 billion over the past five years, also reflected through the debt to asset ratio (*q*) which averaged over 95% over the ten years. Ideally, the highest proportion of the cooperative assets should be financed through the local capital because this means members are in charge of their assets (Patel, 2014, pp. 393-394; Kumar, 2006, p. 71). The high debt-asset ratio of JA Green Ohmi has two implications. Firstly, the creditors who finances the cooperative assets and activities have a considerable amount of leverage in the cooperative business, hence, undermining the strength to resist degeneration. The second probable implication is that the creditors had so much confidence in the activities of the cooperative and are thus willing to invest or lend money to it in anticipation of higher returns. However, the value of debt for Japanese cooperative needs an unpacking. By taking the debt value for 2018 as an example, which is approximately JP¥309B of which JP¥301B is in the form of savings. The JA Bank savings are predominantly fixed-term deposits by individual members. As they have to return the savings money to depositors on demand, this is classified as debt in their 2019 disclosure report. Then, the same savings are counted as assets in various forms. Approximately JP¥223B is re-deposited to Norinchukin Bank (the parent JA National level bank), while JP¥48B is given out as loans, and JP¥31B goes to the purchase of financial securities. In this case, the stability of the debt-asset ratio becomes of great importance to understanding of the capital structure of JA Green Ohmi. As shown in *Table 6.2*, the ratio has been maintained at approximately 94% over the past ten years mainly because the membership (which provides deposits into the bank to fund cooperative assets – which proves self-help principle) has been stable in the same period. This is a positive aspect in terms of the resilience of the cooperative movement in overcoming degeneration.

High potential returns to investments probably explains the push by external players outside Japan who want to enter into the market that is currently controlled by the cooperatives. It is, however, critical for us to highlight that JA Green Ohmi treats aggregate member deposits into the cooperative bank as a part of debt capital instead of equity which may seem to exaggerate the amount of debt. JA Green Ohmi self-reform has always existed; it will take longer to notice substantial results. Nonetheless, some efforts to refocus attention on increasing agricultural-related business and the focus on core farmers can be pre-judged through a slight increase in the proportion of total income from agricultural activities (*s*) from 46.3% in 2008 to 49.1% in 2018 (*Table 6.2*). The increase strengthens the cooperative resilience to degeneration. Thus,

JA Green Ohmi had the financial potential to resist or overcome moves towards the privatisation of the movement.

Furthermore, JA Green Ohmi is part of the national federation (ZA-Zennoh which refused to degenerate) responsible for fostering solidarity. The three conditions of overcoming degeneration discussed in [Chapter Three \(Section 3.4.4\)](#) were i) maintenance of a stable and robust national federation, ii) all workers must share in the firm (profit and loss) and cooperative should hire labour from within the cooperative, and iii) a proportion of the surplus should be devoted to the creation of more capital and the creation of more cooperatives (Marx, 1973). Continued existence of JA-Zennoh and a stable capital structure gives high potential for the JA Green Ohmi of overcoming degeneration.

6.10 Summary and conclusion

In this chapter, I discussed survey data from three case studies in Japan. I discussed several issues-based appeal and establishment of the cooperative; importance of strong ideological foundations, issues of management, information flow and the political economy of cooperatives in Japan. This chapter, together with [Chapter Four](#), provides several lessons for the Zimbabwe cooperative movement, discussed further in [Chapter Eight](#). In Yotsuba, they were more attracted to the ideological sides of the cooperative and less about making money. In Sanbu, although the concept of organic farming had played a role in members' willingness to join a cooperative, it was not enough to maintain their membership and the farmers were considering leaving the cooperative because it had become unprofitable. In Ryuo, farmers joined the cooperative as part of the national drive and had stayed in the cooperative because it had assured high incomes and access to various government programs, among other reasons.

[Chapter Three](#), Section 3.3.4 highlighted four problems of cooperatives from an NIE framework as free rider, horizon, portfolio, control and influence costs problem. Based on the literature, I discussed the first three in [Chapter Four](#) (Section 4.2 to 4.5); however, this chapter infers about the last two. Control problems were minimum, depending on the type of cooperative. Control issues were cited only in Sanbu while they were absent in Yotsuba. On the contrary, JA Green Ohmi seemed to have structures that reduced control problems by insuring cooperative member participation. In terms of influence costs, my data was insufficient to substantiate or refute their presence or absence.

Although the ideology of the Yotsuba might be too radical by Japanese society standards, many were starting to recognise and acknowledge its objectives and goals. In the same manner, people who were members of Yotsuba highlighted that it was the strength of the cooperative ideology that helped in having a higher level of management efficacy because the ideology encouraged discipline and a shared sense of commitment. There were fewer information asymmetries in Yotsuba as compared to all other cooperatives, mainly because of the ideology that fed into the management style. The absence of ideology harmed the efficacy of management, the relationships with other institutions, the number and breadth problems within the cooperatives. However, we also learnt that too strong cooperative ideologies could repel some conservative members (as seen through the prolonged isolation of Nose and Yotsuba members from the larger Nose village) in some cases. Alternatively, it could produce societies that are too strong and infringe on the government's monopoly of power in the rural areas (as seen through the battles between government and the national federation in the TPP and international trade debates). In such a case, state-cooperative relations become hostile, and some political decisions may disadvantage the cooperative movement (as seen through the pressure to change JA-Zenchu and JA-Zennoh into corporations). Thus, in my attempt to create a cooperative model, one of the questions I had to ask was what role ideology should be able to play in the cooperative frameworks. I answer this question here. I learnt that ideal cooperative movement should be somewhere between Yotsuba and Ryu JA Ohmi cooperative.

In conclusion, while Yotsuba type of cooperatives, drenched in ideology, had been fashionable before the end of the Cold War, the overwhelming neo-liberal macro or global economy has presented several challenges to it. Adoption of these may be difficult in Zimbabwe. On the other hand, smaller business-oriented networks such as the Sanbu, which gained traction after the Cold-War (last ten to twenty years), have also faced an array of challenges that threatened its sustainability. The JA Green Ohmi type of cooperatives also have many challenges, but they seem to have managed to navigate through the unfettered markets to become one of the most profitable enterprises in Japan. Their previous cosy relationship with the state and its political machinery has become adversarial cooperation. While partnering the private sector in input and output markets, the antagonistic collaboration solidifies farmer's agency in the rural economy. Such cooperatives could succeed if adopted, modified and implemented in Zimbabwe as explained in [Chapter Four](#), (Section 4.1.1, page 106).

CHAPTER SEVEN: CURRENT TRENDS AND PATTERNS IN THE ZIMBABWE COOPERATIVE MOVEMENT

He who thinks is leading & has no one behind him is only taking a walk; Wisdom is like a baobab tree; no one individual can embrace it.– African Proverb

In the context of looking at the broader issue of failed strategies of economic development throughout Africa, many analysts now argue that the central reflective feature to consider is the political economy that surrounds development policies formulated and implemented since post-colonial days. – (Akwabi-Ameyaw, 1997, p. 440)

7.0 Introduction

I discussed trends and patterns pertaining to the agricultural cooperative movement of Japan in [Chapter Six](#); now, I turn my attention to Zimbabwe. The main objective of this chapter is to examine the nature and structure of the internal environment of the Zimbabwe movement, as well as the external environment (government policies, laws, institutions and other relevant stakeholders) that influences its direction. This chapter provides information that enables us to answer research question number four: What the state of cooperativism in Zimbabwe, and what are the future opportunities for growth?

The chapter is divided into two major sections. I begin the chapter by discussing and explaining the class character of the farmers in Goromonzi district in order to understand their labour, land and inputs utilisation as well as their sources of income and production. A classification analysis was critical to determine the type of farmers available for formation of cooperatives as dictated by Chayanov (1991) (see [Chapter Three](#), Section 3.5, page 90). Additionally, classification enabled us to understand the current status of the members of the cooperative, and hence helped to answer question number four. The second section of the Chapter describes the political economy of cooperative development and tries to answer the research question number three which is; ‘What is the role of the government in the cooperative development?’. This section mainly utilised qualitative data collected through case study survey methods. The use of this method enabled the study to get data that is more comparable to the qualitative section of the case study surveys from Japan. Therefore, just as I did for Sanbu, Yotsuba and

JA Green Ohmi, I collected reactions and opinions of cooperative members (farmers) and leaders with respect to the cooperative appeal, management, ideology, legislature, political economy and the challenges.

7.1 Differentiation within the cooperative movement

Building from Chayanov's theory of peasant cooperatives, which underpins this study, I sought to understand the socio-economic structure found in the cooperative movement. Socio-economic differentiation has a profound effect on the potential of an agrarian community to form and maintain viable cooperatives. As discussed in [Chapter Three](#), for example, an agrarian structure that is bloated with impoverished peasants who are less productive, with no means of production and who rely on wage labour is unlikely to have successful and sustainable cooperatives. Additionally, a structure that has a substantial proportion of wealthy peasants, who primarily depend on income derived from sources outside of agriculture will have less incentives to start cooperatives, and if they do, they will do only to exploit non-rich peasants. In this sense, a clear understanding of the composition of the agrarian structure is essential.

It is imperative to explain and prove the robustness of the process since it is virtually the ground on which the thesis rests upon. As discussed, [Chapter Two](#) (Section 2.2 - 2.3, page 34 - 40), quantitative data for Zimbabwe was collected from Goromonzi district through a purposive snowball sampling of households in the A1 resettled areas as well as in the CA. I used data obtained from 192-respondent questionnaire from Goromonzi district. The quantitative data was used to carry out factor analysis followed by cluster analysis to group into distinct class categories. In contrast, qualitative data was collected predominantly through key-informant interviews with experts and farmers as well as interviews with ministry officials. FGDs with cooperative leaders and farmers was a source of qualitative data as well.

7.1.1 Factor analysis

Based on Chayanov (1991), I came up with a total of ten variables that directly affect farmers participation in a group organisation as follows; i) turn-over from sources outside agriculture, ii) self-employment on own farm, iii) productivity, iv) permanent labour hiring, v) casual labour hiring and finally, vi) sell of family labour to other farms. *Table 7.1* shows the ten variables together with their average scores, standard deviations and the total number of cases (N) available for analysis of each variable.

Table 7.1: Variables used to determine critical study components

	Mean	Std. Deviation	Analysis N
Land utilization % (cropped/owned x 100) in 2017	72.91	40.84	192
Income realised from capital invested outside agriculture (2014-2017)	414.09	2500.98	192
Average family labour hired in 2014-2017	3.61	1.40	192
Income from agricultural production in 2014-2017	1816.08	3836.42	192
Permanent hired labour average of 2014-2017	0.37	1.03	192
Casual hired labour average of 2014-2017	2.96	4.58	192
Average amount of family labour sold out of 2014-2017	0.16	0.59	192
Cropped area in 2017	2.02	2.02	192
Average savings per household in 2017	236.09	1168.62	192
What is your meeting % attendance rate?	59.02	19.35	192

Source: Compiled by author based on SPSS Factor analysis output, own study

To check the fitness of the data to perform principal factor analysis, I carried out a Kaiser-Meyer-Olkin and Bartlett's test of sampling adequacy, as shown in *Table 7.2* in SPSS version 25. The minimum KMO and Bartlett's score is 0.5, but the best score is a straight 0.6, and the Bartlett's test of sphericity should be as significant as possible. My sample data produced a score of 0.667, and the chi-squared test was statistically significant with $p=0.000$. The factor analysis had passed its first and critical test, and it showed that the variables chosen were adequate to create groups within the sample.

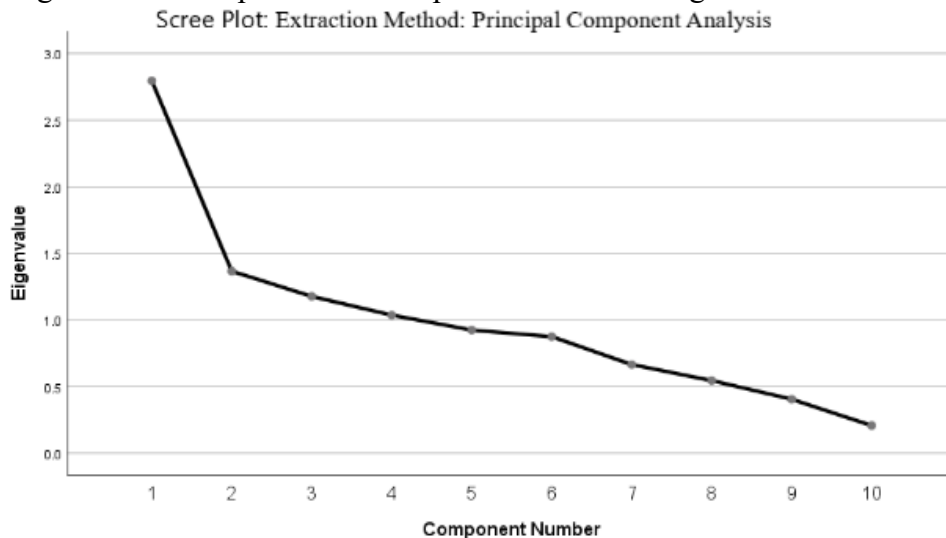
Table 7.2: KMO and Bartlett's Test of sample adequacy

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.667
Bartlett's Test of Sphericity	Approx. Chi-Square	402.217
	df	45
	Sig.	.000

Source: Compiled by author based on SPSS Factor analysis output, own study

The results of my factor analysis are summarised by the scree plot in *Figure 7.1*, which shows the Eigenvalue of the extracted components (SPSS calculation). SPSS principal component analysis uses the components whose Eigenvalue is higher than one. All the components with Eigen-values higher than one are assumed to accurately describe the behaviour of the rest of the other variables. There are four components whose Eigen-value is higher than one in the plot; thus, four variables can be used to represent all the other ten variables as alluded to earlier.

Figure 7.1: Scree plot of the components and their Eigen-value



Source: Compiled by author based on SPSS Factor analysis output, own study

Table 7.3 presents the amount of variation that can be explained by the extracted components. The sample showed relatively stable communalities as most of their variation could be explained up to an average of 60% across all the chosen variables. Since there are four components with Eigenvalues ≥ 1 from Table 7.3, I selected variables with the highest extraction values or amount of variance that could be explained by these extracted components.

Table 7.3: Communalities: Variables whose variance is best explained

	Initial	Extraction
Casual hired labour average of 2014-2017	1.000	.802
Income realised from capital invested outside agriculture	1.000	.788
Average amount of family labour sold out of 2014-2017	1.000	.783
Land utilization (cropped/owned x 100) in 2017	1.000	.709
Cropped area in 2017	1.000	.704
What is your meeting % attendance rate?	1.000	.682
Income from agricultural production in 2014-2017	1.000	.651
Permanent hired labour average of 2014-2017	1.000	.621
Average family labour hired in 2014-2017	1.000	.425
Average savings per household in 2017	1.000	.181

Extraction Method: Principal Component Analysis.

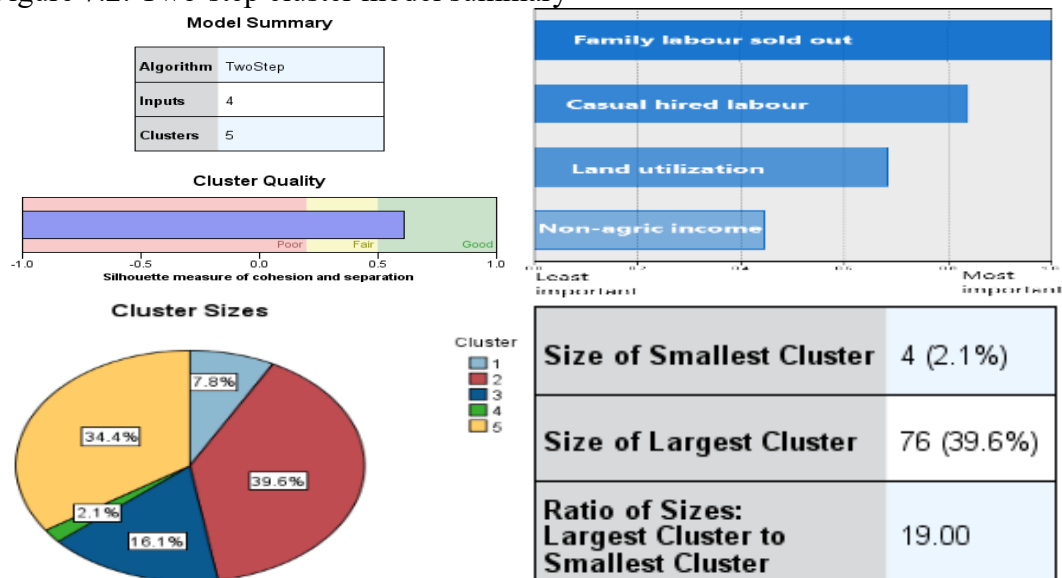
Source: Compiled by author based on SPSS Factor analysis output, own study

These became *i)* casual hired labour, *ii)* income from capital invested outside agriculture, *iii)* average amount of labour sold out, and *iv)* percentage land utilisation rate. These were the results of the factor analysis, which I then employed to carry out the cluster analysis.

7.1.2 Cluster analysis

The four variables identified by the factor analysis became the inputs of the SPSS Two-step cluster analysis algorithm, which identified five clusters. Because of the quality of the data, the quality of the cluster was well within the acceptable range, as shown by the Silhouette measure of cohesion and separation (Figure 7.2). The five clusters contained 4 (2.1%), 15 (7.8%), 31 (16.1%), 66 (34.4%) and 76 (39.6%) farmers respectively. The most influential variables in determining the clusters were ‘amount of family labour hired out’ of the household, the amount of ‘casual hired labour’ used by the households and rate of ‘land utilisation’. The least determining variable among the four was the amount of non-agricultural based income’ that each household received. The next step was to describe these categories or clusters and come up with suitable names.

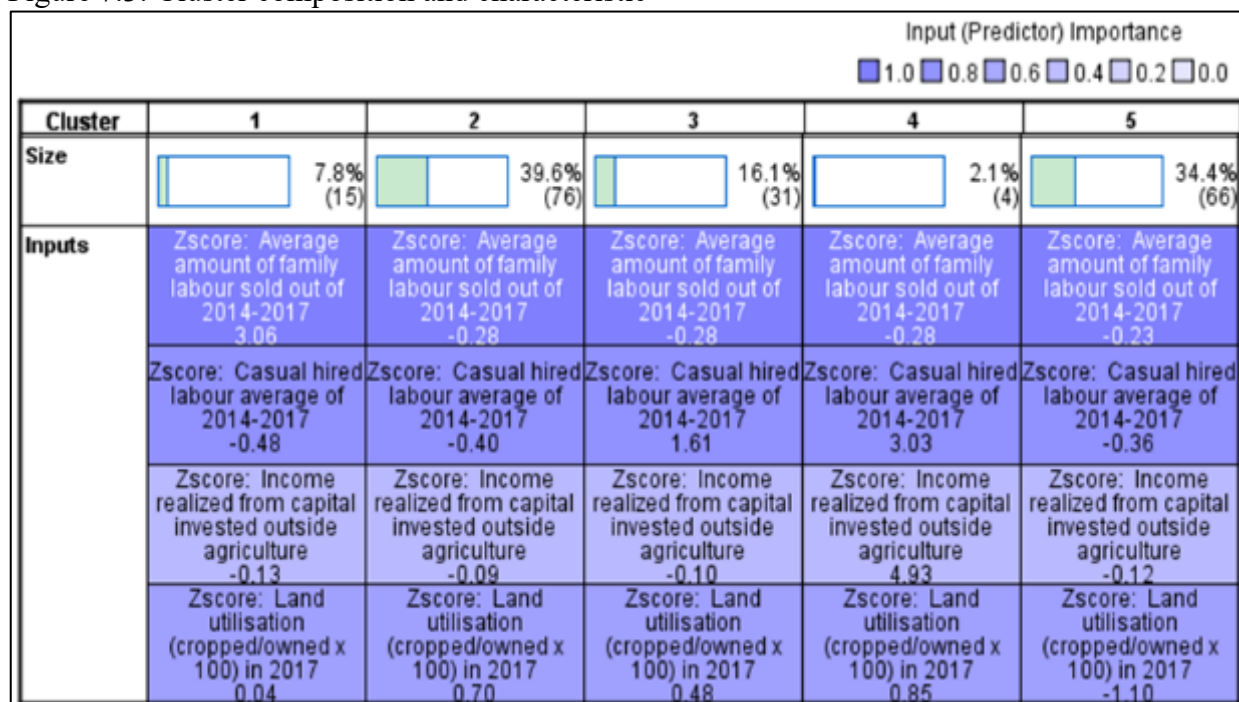
Figure 7.2: Two-step cluster model summary



Source: Compiled by author based on SPSS Cluster analysis output, own study

In order to understand how farmers differed within the CA and the A1 resettled farming areas, I compared the individual characteristics of the clusters using another output from SPSS (Figure 7.3).

Figure 7.3: Cluster composition and characteristic



Source: Compiled by author based on SPSS Cluster analysis output, own study

The first cluster had the highest average amount of family members selling their labour to others within the agrarian structure. These households had low levels of casual labour hiring, income from trade turn-over and land utilisation rates. The farmers in this cluster represent those that hire little labour, are the least productive but also sell their labour to other households and are victims of all types of exploitation. Some of these may not possess land, and if they do, production occurs within the confines of subsistence production, their income is based solely on selling their labour to other farmers, these usually will not join the cooperative because they lack the minimum resource requirements to participate in production as highlighted by Chayanov (1991). I named this category of farmers the ‘penury peasants’ (permanent labour labourers), meaning indigent farming households.

The second cluster had the lowest average family labour sold and the second-lowest amount of casual labour hired, at the same time. They had little to no alternative sources of income outside of agriculture. However, they had the second-highest land utilisation rates. Thus, these farmers have limited resources for agricultural production, and they remain poor because of this despite owning larger cropped area. Thus, the farmers in this cluster exhibit characteristics of those that do hire minimal labour, are productive but do not sell labour. They use their labour exclusively on their farm and get exploited each time they engage the market for agricultural commodities. This group of farmers are also subject to exploitation from capitalist farmers or

commercial companies from the cities through such conduits as contract farming, usury credit lines and loans as explained by Mazwi and Muchetu (2015). I named them ‘poor peasants’, meaning those that barely manage to feed themselves, *ceteris paribus*, but may need assistance in times of poor weather.

The third cluster consisted of farmers who hardly sold their family labour to other farms but had high rates of casual labour hiring. Their incomes and land utilisation rates were intermediate. The farmers in this cluster represent those that have diversified income streams. These types of farmers are usually involved in petty trading and may be employed in semi-skilled industry while at the same time undertaking commercial or market-oriented agricultural production. They hire labour, usually on a part-time basis. These are at more risk of exploitation from the market than from the capitalist farmers. I named them ‘middle-rich peasants’ in this study.

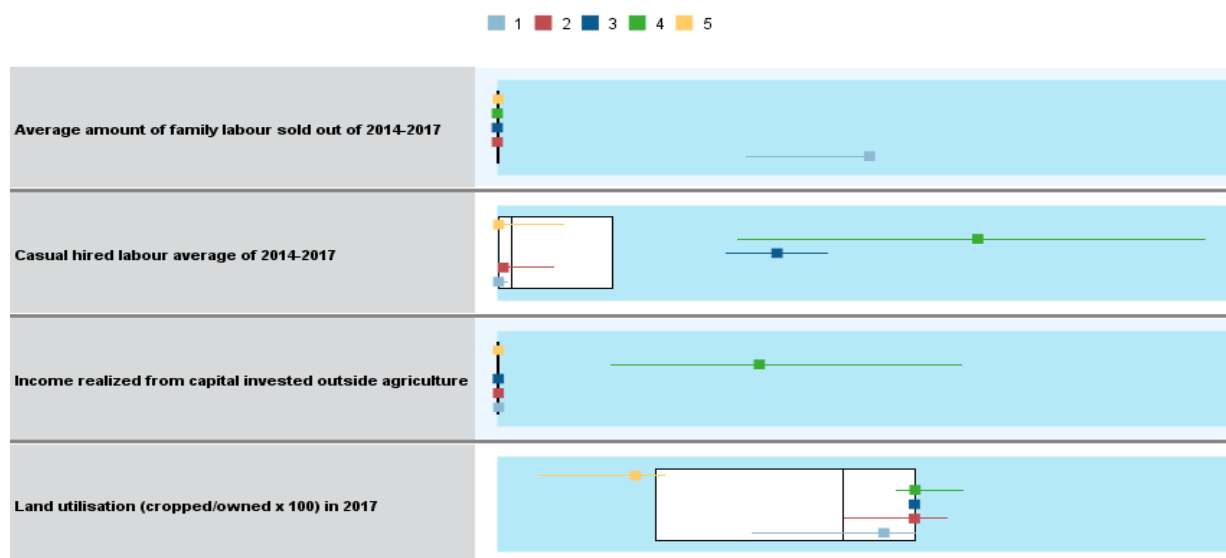
The fourth cluster of farmers had low levels of family labour sold out to other farms. However, they had the highest average amount of casual labour hiring (paid labour), the highest amount of income from investments outside agriculture and the highest rates of land utilisation. These farmers are the prosperous farmers. These types of farmers usually hire-in agricultural land, which resulted in their land utilisation rates exceeding a hundred per cent. They usually have business in the growth points and maybe running transportation, maize milling and related services in the rural areas. They obtain income from trade turnover (returns on investment outside agricultural production), sometimes avoid hiring farm labour for agricultural production on their own farms (they may hire labour for non-farm activities). They are influential in the community, countryside and hence in the cooperative. Their numbers are, however, limited in Southern African agrarian structures, as evidenced in this study; they represent only 2.1% of the sample. I called this group of farmers ‘rich peasants’ (capitalist peasant).

The fifth and final group of farmers was composed of households that scored lowest in land utilisation as well as selling of own-family labour. Their levels of casual labour hiring and income from investments outside of agriculture were also low. These farmers solely depend on agricultural production using limited resources and are a target of exploitation from all agents of exploitation. They form the bulk of the farmers in this study and also in African agrarian structures (Amin, 2012) and are termed ‘middle peasants’ (efficient land users) in this thesis. *Figure 7.4* shows a comparison of the five clusters. The essential characterisation criteria were

average amount of family labour sold for cluster one, casual labour hired for cluster two and three, casual labour hired and income from investment for cluster four, and land utilisation for cluster five.

These different classes were named based on a modification of Chayanov (1991), which had six categories. In the Chayanovian categorisation, the six types of peasant had no access to land and was not involved in agricultural production, hence survived only by selling their labour. I did not have these types of farmers in my survey, especially in the newly resettled farming area where land ownership was a prerequisite. Thus, each name or category was informed by the composition or intensity (SPSS score) of the four variables of ‘family labour used’, ‘casual labour hired in’, ‘income from capital invested outside agriculture’ and ‘land utilisation rates’ as explained through SPSS factor/cluster analysis.

Figure 7.4: Cluster comparison



Source: Compiled by author based on SPSS Cluster analysis output, own study

After completing cluster analysis, I carried out a Pearson Chi-squared test and a comparison of column proportion analysis of the clusters for the settlement or model types. Higher proportion of farmers in the A1 sector are middle peasants (45.7%) followed by the middle-rich peasants (31.5%) while rich peasants only accounted for 3.3%. Penury peasants were very few in both models. The CAs cooperative movement has more poor peasants (64%) followed by middle peasants (24%) while rich peasants were hardly present (see *Figure 7.5*). The results of my classification model revealed three dominant (and two passive) classes.

Figure 7.5: Custom pivot tables, Chi-square test and comparison of proportions analysis

Peasant class	Settlement type					
	A1		CA		Total	
	No.	%	No.	%	No.	%
Penury	6	6.5	9	9.0	15	7.8
Poor	12	13.0	64	64.0	76	39.6
Middle	42	45.7	24	24.0	66	34.4
Middle-Rich	29	31.5	2	2.0	31	16.1
Rich	3	3.3	1	1.0	4	2.1
Total	92	100	100	100	192	100

Pearson Chi-Square Tests

		a.9. Model type
Classification of the peasants	Chi-square	65.384
	df	4
	Sig.	.000 ^{a,b}

Comparisons of Column Proportions^a

		a.9. Model type	
		A1 (A)	CA (B)
Classification of the peasants	Penury		
	Poor		A (.000)
	Middle	B (.002)	
	Middle-Rich	B (.000)	
	Rich		

Source: Compiled by author based on SPSS Pivot table analysis output, own study

The composition of the clusters within the two settlement models were statistically different as highlighted in the Pearson chi-squared test (it was significant at 0.05 confidence interval). I found statistically significant differences between the poor, middle and middle-rich clusters with significance values of 0.00, 0.02 and 0.00 at 5% CI respectively. The penury and rich peasant clusters were not significantly different between farmers in the A1 and those in the CAs. This finding seems to confirm the existence of three significantly different dominant classes within the peasantry.

Nevertheless, these classes are not static; I argue that there is mobility within these three dominant classes which explains the other two ‘passive’ classes obtained. Those who become better off (upward mobility) in the lower class move to the middle class while those in the middle move to the upper class. The same is true for those households that become worse-off (downward mobility), from rich to middle and to poor. I argue that two passive classes explain the downward mobility from the poor classes and the very rare yet present and valuable upward mobility from the middle-rich class to the rich class. Considering worsening standards of living, access to means of production and underdevelopment in the rural spaces, brought about by the hegemony of global neoliberalism, it does not come as a surprise to observe that the rate of penury formation is higher than that of rich peasant formation (higher proportions in the penury class-7.8% than those moving into the rich class-2.1%, *Figure 7.5*).

7.2 Socio-economic production trends and patterns in peasant movements

The cooperative movement in Zimbabwe is viewed from several different perspectives. Some scholars view it as a powerful development tool (Romdhane & Moyo, 2002), and others believe that it is a spent force which has been tried, tested and has failed before (Akwabi-Ameyaw, 1997). Perspectives also differ by institutions; some NGOs always utilise agricultural cooperatives to advance rural development, government has continued to view cooperatives as an arm to control the peasants while the business community have viewed it as antagonistic. However, cooperatives should not be viewed as an opposing force to private business *per se*; instead, it should be viewed as a means for the peasantry to better negotiate with capitalism. This is what Amin (2018) referred to as the means to move away from the current *liberal globalisation* to *negotiated globalisation*. The theory of peasant cooperatives emphasised that the success of cooperatives depends on a combination of developing linkages between diverse forms of farming organisations (Chayanov, 1991, p. 225). The emphasis is on the presence of organisational methods that enable implementation of socio-economic ideas within the cooperative. Therefore, in this section, I analyse data from cooperatives in Zimbabwe to get a clear understanding of their trajectory and their potential to answer the agrarian question. The unit of analysis in this subsection is the cooperative itself.

7.2.1 The topography of cooperatives in Zimbabwe

I analysed data from cooperatives from *i*) the resettled areas (A1), i.e. those formed after the land reform era of 2000 and *ii*) the CA mainly formed before the 2000-land reform. Although some argue that the A1-peasant is an extension of the CA-peasant, there are significant differences in terms of labour hiring, land sizes, production and quite crucially tenure relations. The analysis in this section is based on the fact that the cooperatives in the A1 are relatively newer than that in the CA. Predominately using descriptive analysis and information obtained from key informant interviews, I focused on the level of organisation attained by the cooperative, i.e. the robustness of the management committees. The rationale for this is that the commonly identified cooperative problems such as free-rider problems, control problems, adaptation to innovations and technological developments (see Ortmann & King, 2007, pg. 57-59) all depend on the robustness of the cooperative management structures.

7.2.2 Socio-economic status of the cooperators.

The respondents in this study were farmers drawn from a total of 9 cooperatives in Goromonzi district. Seven of these cooperatives were in the CA and were involved in a variety of agricultural production activities ranging from organic gardening to egg production and dairy milk production. These were Chikwaka Dairy Cooperative, Gosha Eggs Cooperative, Gutu Golden Eggs, Kumboedza Cooperative Gardens, Shungu Organic Cooperative, Simba Ivhu Cooperative and Survival Skills Cooperative. The other two cooperatives were in the resettled area (A1) with the predominant activity being field crops and horticultural production; namely Tagarika Irrigation Cooperative and Xanadu A. Agricultural Cooperative.

The average membership of the nine cooperatives was 71 and was slightly higher in the CA (75) than in the A1 sector (66). Female membership of my sample respondents outnumbered males 57.7% to 42.3%. However, there was a statistically significant difference between females in A1 (37.9%), and the CAs as more females (70.7%) were members of the cooperative groups (Table 7.4). Many of the cooperative members (70%) were married across the two settlement models, followed by those who were widowed (23.4%). Although 82% of the widowed cooperative members were females, there were no significant statistical differences in marital status between the two models. I discuss the implications of lower women participation in later sections.

Table 7.4: Gender and marital status of cooperative members

Variable	A1		CA		Total	
	mean	%	mean	%	mean	%
Gender						
Male	41	62.1	22	29.3	30	42.3
Female	25	37.9	53	70.7	41	57.7
Average total	66	100	75	100	71	100
Marital status	No.	%	No.	%	No.	%
Married	68	73.9	67	67	135	70.3
Single	1	1.1	0	0	1	0.5
Divorced	1	1.1	3	3	4	2.1
Separated	1	1.1	6	6	7	3.6
Widowed	21	22.8	24	24	45	23.4

Source: Compiled by the author based on own survey data, 2018-19

Given the proximity of the district to the capital city of Harare, some studies in the same area found that farmers straddle between farming and non-farm wage labour in the city (Chambati, 2017). However, approximately 83% of the cooperators were unemployed and hence were full-

time farmers earning their livelihoods from agricultural and on-farm production (*Table 7.5*). Furthermore, 17.7% of the respondents had never earned any income from formal sources, and have thus always relied on farming. Of the 65.6% formerly employed, only 11.3% were receiving pensions. This information is particularly important in defining the farmer or peasant. Additionally, the peasant cooperative theory appeals more to peasant societies with limited livelihood options (Chayanov, 1991).

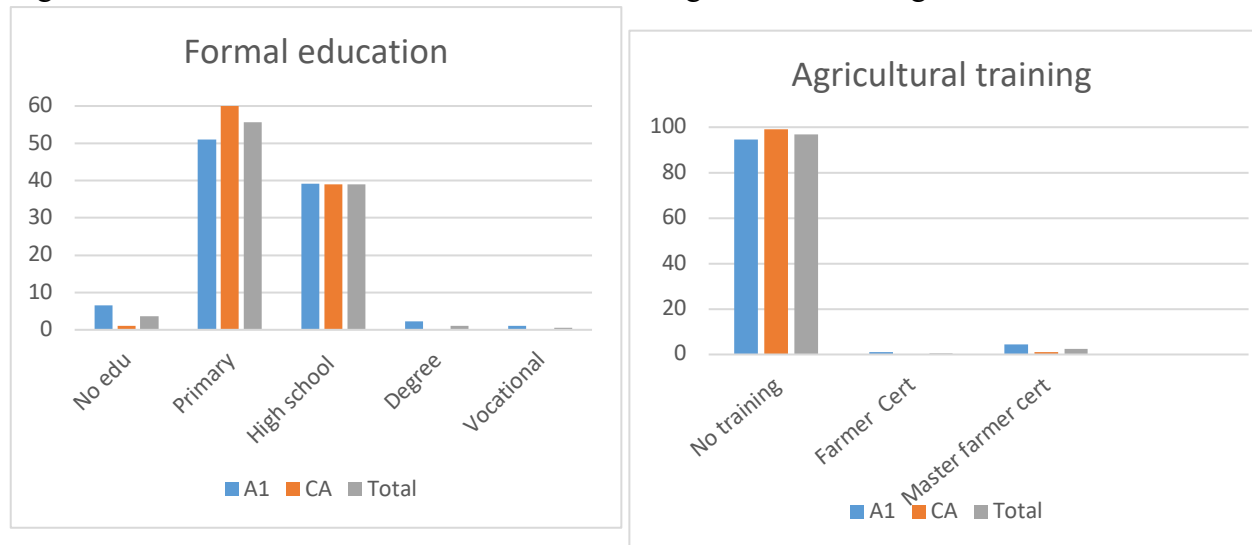
Table 7.5: Employment status of members

Employment status		A1		CA		Total	
		No.	%	No.	%	No.	%
Unemployed	Never been employed	22	23.9	12	12	34	17.7
	Formerly employed	59	64.1	67	67	126	65.6
	Total unemployed	81	88	79	79	160	83.3
Currently employed		11	12	21	21	32	16.7
Receiving pension		8	9.9	10	12.7	18	11.3

Source: Compiled by the author based on own survey data, 2018-19

The level of education and technical skills attained through agricultural technical training is vital in management or assimilation of information. The majority of the co-operators (96.4%) were literate, meaning that they could at least read and write and had managed to complete at least seven years of primary education (*Figure 7.6*). Only 3.6% of the respondents had no formal education. There were no statistically significant differences (based on SPSS comparisons of columns, means and also test of independence – Chi-squared test) between the two settlement models in terms of the level of education just as in the case of agricultural training. Very few of the respondents (3%) had received formal agricultural training (with a certification document). In-depth interviews revealed that cooperatives carry out member training on the production of specific agricultural products regularly, but did not give certificates except on rare occasions where certificates of attendance are issued. My data, therefore, illustrates that the level and quality of education and training were sub-optimal. This in turn affected flow and comprehension of information, hence affected quality of management committees members.

Figure 7.6: Level of education attained, and formal agricultural training received

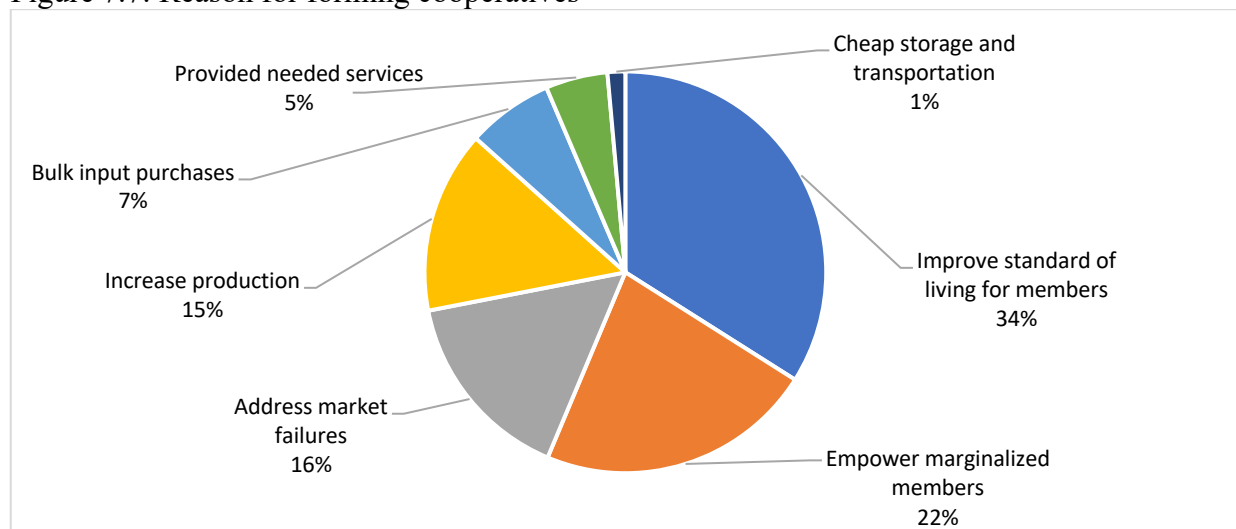


Source: Compiled by the author based on own survey data, 2018-19

7.2.3 Establishment of cooperatives

In this sub-section, I look at the establishment of cooperatives and the differences that exists between the two settlement areas. In the earlier discussion, I highlighted how cooperatives are determined to improve or develop the lives of the members as its primary goal. Overall, to improvement of the standard of living (33.3%); to empower marginalised members (21.9%), to address marketing imperfections (15.3%) and to increase productive farmer capacity (14.4%) were the primary reasons for establishing cooperatives mentioned by the survey respondents (*Figure 7.7*). There were no statistically significant differences between the CA and the A1 in terms of the reason for forming cooperatives.

Figure 7.7: Reason for forming cooperatives



Source: Compiled by the author based on own survey data, 2018-19

Comparison between these findings and the reasons why individual members joined the cooperative reveals a slight disjuncture between reasons why members join cooperatives and reasons for the establishment of the cooperative in the first place. The majority of the people joined in order to increase their level of income or their production (56.3%), followed by those who joined in order to improve the quality of their product (24%), increasing the bargaining power (6.8%) and as a defence mechanism against adverse market conditions (5.7%) were ranked third and fourth respectively (*Table 7.6*). This disjuncture between the goals of the cooperatives and those of the individual members is a potential source of inefficiency and may lead to what Ortmann & King (2007) identified as control problems between the principals and the membership.

Additionally, most A1 cooperators had joined the cooperative in order to improve the quality of their produce (47.8%) while those in the CA wanted to increase their production (75%). Thus, the reason for establishing cooperatives seems generic, but the motives that eventually drive farmers into joining the cooperative are diverse. That may indicate the reason why multi-purpose cooperatives are more attractive to farmers than single-purpose cooperatives. This data has implications on the development of strategies to improve the current cooperative movement as well as on the cooperative model I intend to produce.

Table 7.6: What was the main reason for joining Cooperative?

Reason	A1		CA		Total	
	No.	%	No.	%	No.	%
Increase production	33	35.9	75	75	108	56.3
Improve product or service quality	44	47.8	2	2	46	24
Increase bargaining power	0	0	13	13	13	6.8
Defence against adverse conditions	10	10.9	1	1	11	5.7
Lower operating costs	1	1.1	5	5	6	3.1
Bulk purchases	0	0	4	4	4	2.1
Obtain services otherwise unavailable	3	3.3	0	0	3	1.6
Cheap storage and transportation	1	1.1	0	0	1	0.5
Total	92	100	100	100	192	100

Source: Compiled by the author based on own survey data, 2018-19

Historically, cooperatives in Africa were formed either by the colonial governments or later in the 1990s by NGOs and other development agents. The study found that 64% of the respondents belonged to cooperatives that were formed by NGOs or donor organisation in the Communal Areas. Then it was followed by those that were formed by the government (20%). This result was in stark contrast to cooperatives in the A1 model in which 97.8% of the

respondents reported that their cooperative was formed and driven by the local farmers or the cooperative members themselves (*Table 7.7*).

Table 7.7: Founder of the cooperatives

	A1		CA		Total	
	No.	%	No.	%	No.	%
Political Party	1	1.1	0	0	1	0.5
Extension Officer	0	0	1	1	1	0.5
NGO	1	1.1	64	64	65	33.9
Local Authority	0	0	4	4	4	2.1
Local Political Leader	0	0	4	4	4	2.1
Local Farmers or Coop Members	90	97.8	7	7	97	50.5
DDP (Government)	0	0	20	20	20	10.4
Total	92	100	100	100	192	100
Chi-square= 162.030		df = 6		sig.= 0.000*		

Source: Compiled by the author based on own survey data, 2018-19

The government of Zimbabwe (GoZ) abandoned its socialist policies in the early 1990s which resulted in the desertion of their top-down control and support of the cooperatives (Musininga, 1988; Akwabi-Ameyaw, 1997). However, the study noted that the Cooperative Societies Act that existed in the 1990s is the same one that is still in effect today, meaning that the cooperative movement is still firmly under the government by an act of law (Manthosi interviews, 2018). This finding has varying implications on the newly formed cooperatives in the resettled areas, i.e. although they were formed and are farmer-driven, still, they must operate within a framework in which ultimate power is vested in the GoZ through the 1990 Act. The interviews also revealed that there had been two attempts to revise the Cooperative Societies Act, once in 2005 and more recently a new draft act of 2017 has been proposed (see discussion in Section 7.4.1, on page 286).

In this study, I found statistically significant differences in what cooperative members perceived to be the factors that affect a member's ability or chances to join a cooperative. In the CAs, socio-economic status (reported by 56.6% of the cooperators), level of production (56%) and land ownership (42%) were the three significant factors that could affect a member's interest in joining and of being admitted into the cooperative (*Table 7.8*). It is fascinating to find out that the highest number of people in the CAs listed socioeconomic status (peasant class). The peasant class that an individual placed themselves affects their decision to join or form a cooperative. It also affects the type of people that can join a cooperative. This fact strengthens the rationale for carrying out a robust social differentiation analysis as done in Section 7.1.

Table 7.8: Does the following affects chances of someone joining a Cooperative?

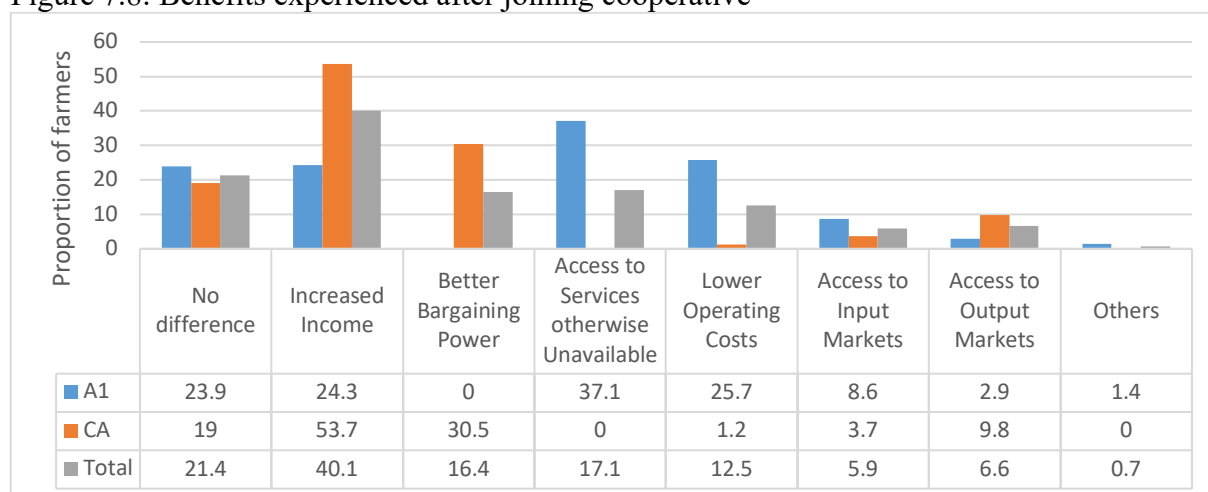
	A1		CA		Total		Chi-square test		
	No.	%	No.	%	No.	%	Sig.	Df	X ² value
Farm/Land ownership	91	98.9	42	42	133	69.3	.000	1	72.914
Level of production	2	2.2	56	56	58	30.2	.000	1	65.848
Socio-economic status	1	1.1	56	56.6	57	29.8	.000	1	70.102
Political affiliation	0	0	14	14.1	14	7.3	.000	1	14.039
Level of education	1	1.1	28	28.3	29	15.2	.000	1	27.387

Source: Multiple response; Compiled by the author based on own survey data, 2018-19

Divergent views emerged from most A1 cooperators who highlighted that only land/farm ownership status (98.9%) might affect chances to join or to be admitted into a cooperative. Although a few CA farmers reported that political affiliation (14.1%) and level of education (28.3%) affected chances of joining a cooperative, less than 3% reported these two reasons in the A1 sector. Although there is a need for more research in this aspect, what is evident from these results is the fact that there exist different hurdles for joining a cooperative depending between the CA and the resettled areas. Additionally, the result suggests that the founders of a movement will affect the perception and the type of people it will attract.

Additionally, I examined whether the members had indeed enjoyed any benefit ever since joining the cooperative. A thought-provoking result across the two settlement types is that approximately one-fifth of the cooperators highlighted that they had seen no difference (Figure 7.8). The difference between the reasons for forming the cooperative and the reason for joining that cooperative, as discussed earlier, explains this result. Cooperatives need to carry out more training to conscientize their members on cooperative goals and objectives.

Figure 7.8: Benefits experienced after joining cooperative



Source: Compiled by the author based on own survey data, 2018-19

However, of the 79.6% of the respondents that actually experienced a substantial improvement after joining the cooperative, increased income (40.1%), better bargaining power (16.4%), access to services otherwise unavailable (17.4%) and lower operating costs (12.5%) were mentioned across both farming models (*Figure 7.8*). This is an important finding since one of the theoretical advanced is that cooperatives can resolve the agrarian question. Not only were cooperatives able to improve income and bargaining power, but they were able to provide new services that were not available, proving the ability of the cooperative to innovate. The CA cooperative was able to score higher in terms of improving income and consolidating the bargaining power of the peasants, which is ideal for fighting the adverse effects of the free market system. The A1 farmers, on the other hand, also enjoyed increased income (24.3%) and lowered operating costs (25.7%). Nonetheless, most had benefited from the ability to access services that were otherwise unavailable in the area (37.1%). In this case, cooperatives are filling in a gap that the free market, as well as government programs, have failed to do and thus validates Hayami Yujiro's (2005; 2010) CMS framework.

7.2.4 Flow of information in the cooperative

The proportion of farmers who knew such things as frequency of meetings, awareness of the year of cooperative establishment, the number of members (by gender) in the cooperative as well as sources of funding averaged over 80% across the two settlement models. Thus, members accessed a considerable amount of necessary information. However, such information as the cooperative objectives, mission and goals, which is critical in uniting the people towards achieving set goals was not widely accessible to the rank and file membership. Just over 56% of the respondents received such information through training, implying that almost half of the cooperative members did not formally receive and were virtually unaware of this information (*Table 7.9*). Considering that A1 cooperatives are relatively new, hardly ten years since formation, the fact that the proportion of members who accessed information is approximately equal to that of CA is commendable.

Table 7.9: Access to information within the cooperative

Type of information	A1		CA		Total	
	No.	%	No.	%	No.	%
Frequency of meetings	87	94.6	100	100	187	97.4
Year of establishment	89	96.3	97	97	186	96.7
Membership structures (by gender)	81	88	100	100	181	94.3
Sources of funding	86	93.5	76	76	162	84.4
Amount of cooperative debt	44	47.8	89	89	133	69.3
Goals and objectives	51	55.4	58	58	109	56.8
Total money paid to Apex organisations	11	12	62	62	73	38
Annual balances in the revenue fund	2	2.2	53	53	55	28.6
Price of shares	0	0	6	6	6	3.1

Source: Compiled by the author based on own survey data, 2018-19

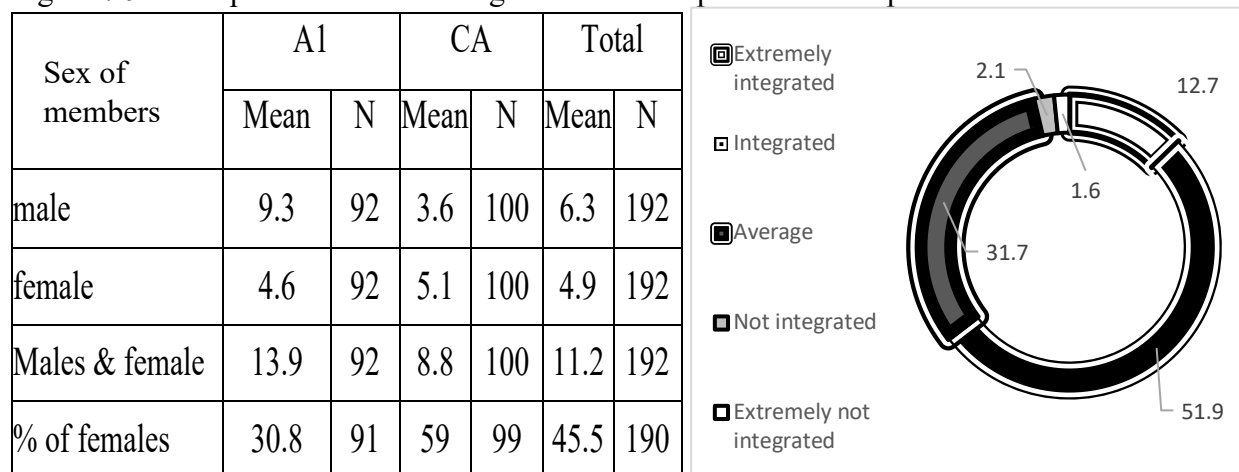
Except for the amount of cooperative debt (69.3%), access to financial information was relatively low as seen through those who reported having knowledge of the amount of money paid to apex organisations (38%), annual balances of the reserve ratio (28.6%) and how much each share in their cooperative cost (3.1%) (*Table 7.9*). Therefore, it appears that general information such as the number of people in the cooperative is more natural to get, but finance related information is harder to get within both CA and A1 cooperatives. Lack of transparency leads to much mistrust within the cooperative movement since sensitive information on the financial health of the cooperative should be known to every cooperative member.

7.2.5 Cooperative management issues

The Cooperative Societies Act of 1996 has specific provisions that stipulate that all cooperatives should have a management committee. The efficiency of this committee depends on several variables such as level of education; skills; internal and external flow, interpretation and assimilation of information as well as the levels of trust. A few critics of the cooperative movement cite, relative to corporate professionals and well-trained managers, the inefficiency of management committee as a rate-determining-factor in cooperative success (Cook & Buress, 2009; Ortmann & King, 2007). The management committee is one of the mandatory structures that should exist in any cooperative. As I highlighted in [Chapter One](#) and [Three](#), gender participation in the cooperative is also of great importance in understanding the potential of the cooperative to answer the agrarian question of gender (and hence the overall agrarian question). Overall, for every five female members in a management committee, there were six male members (or 45.5% of the members in the committee). In the CA, the ratio was higher (5:4 or 59%), as compared to the A1 (5:9 or 30.8%) (*Figure 7.9*). The lower number of women in the A1 cooperative can be explained by the fact that acceptance into the cooperative significantly

depended on land ownership, and also that women advocacy groups had campaigned for a minimum 20% land allocation to women (19.5% as reported in SMAIAS (2015) and 24% in Utete (2003)). Thus, more women are taking part in the cooperative movement than they would in a government or private-sector program suggesting that women capacitation is higher as the cooperatives grows. This result illustrates how the cooperative model can help in solving some of the gender issues in agriculture, such as women access to land and production resources. Women participation in the cooperatives is particularly encouraged by the ability of the cooperative to give a platform for the women to express themselves (giving them a voice, respect, political legitimacy and influence) (Green, 2013). In the context of agriculture, therefore, women access to input/output marketing and production services is significantly improved through the cooperative. Thus, cooperatives enable isolated women issues to be mainstreamed. Additionally, women-only cooperatives are ideally structured to provide a free and comfortable space for women to lead and develop themselves (ILO, 2015). These are among the primary motivations for women to join the cooperative.

Figure 7.9: Perception of women integration and composition in cooperative committees



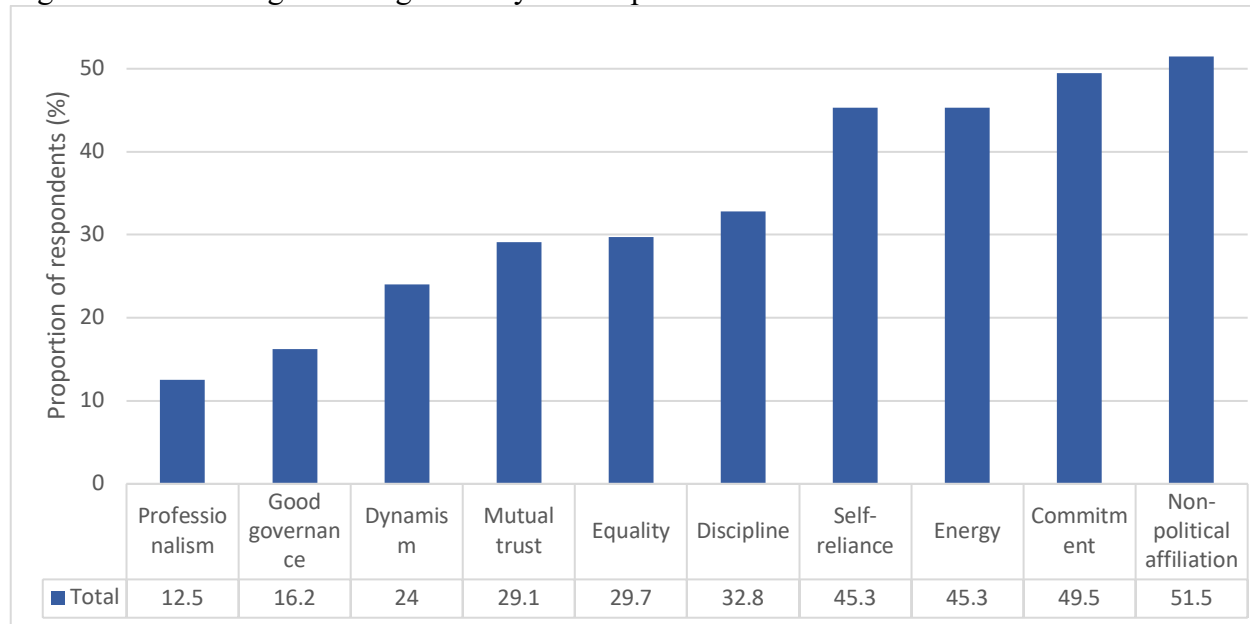
Source: Compiled by the author based on own survey data, 2018-19

To further support my argument, the study collected opinions of cooperative members in terms of how they felt about women integration within the cooperative structures and the cooperative as a whole. Approximately 63.6% reported that the cooperative had integrated women (integrated and well-integrated), 31.7% reported that there was no significant difference and only 3.7% of them argued that women were not well integrated into the cooperative.

After conducting further analysis, it appeared as though co-operators had low confidence in the management committees in as far as essential aspects of the management process such as

professionalism, good governance, dynamism and mutual trust were concerned (*Figure 7.10*). Interestingly, members felt that their management committees scored well in terms of commitment, non-political affiliation, self-reliance and energy. Thus, I argue that incompetence explains the low confidence of the membership in the committees in terms of professionalism and good governance. Indeed, such characteristics originate from the lack of agricultural training (see discussion in section 7.2.4 on page 243).

Figure 7.10: Ranking of management by the cooperative members



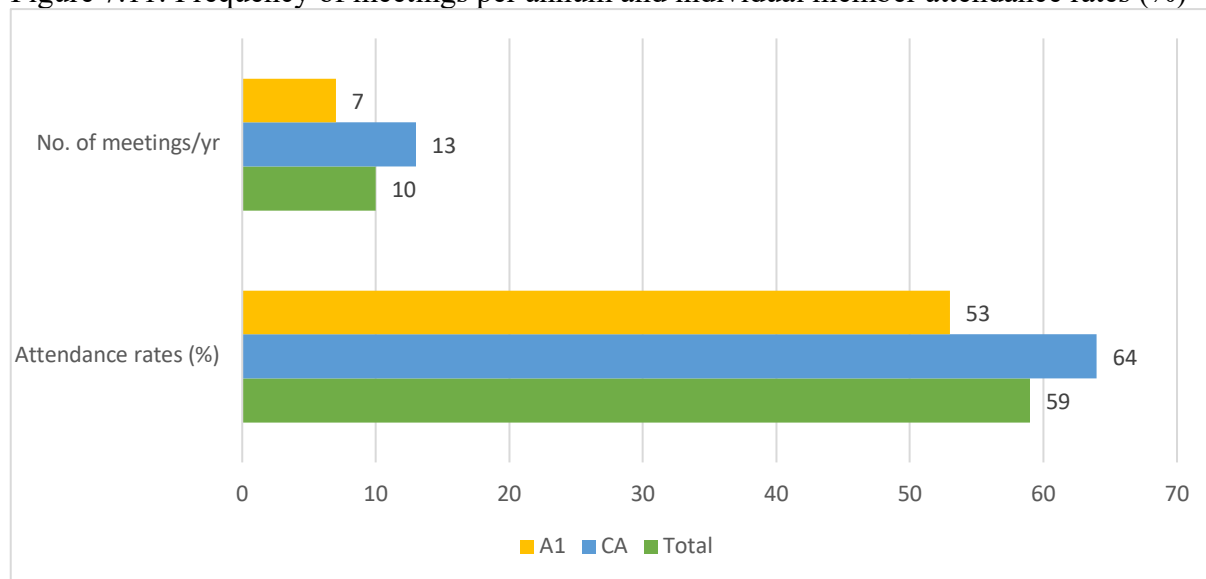
Source: Compiled by the author based on own survey data, 2018-19

The frequency of cooperative meetings, together with the level of participation of the cooperative members is indicative of the health of the management committee. The more the number of meetings, the more the management can report and spread information to its members as well as to get feedback. Meetings are a crucial way of minimising the free-rider and control problems. Overall, an average of ten meetings per year were held. More meetings were recorded in the CA (13/annum or monthly) than in the A1 model (7/annum or bi-monthly) (*Figure 7.11*). Further comparative research is required to determine how these rates compare with those in the rest of Africa and the world. As expected, more cooperators in the A1 (92.4%) than in the CA (25%) agreed that the number of meetings held was not enough, and more meetings were necessary. The quality of resolutions resulting from the meetings depend on the structure and composition of the people who attend the meeting.

Although the study could not get data on whether cooperatives were following strict quorum principles when conducting meetings, I was able to establish that each member attended, on

average 59% of these meetings (*Figure 7.11*). Thus, using an average of ten meetings per annum, members were able to attend six of them, or in other words, if the cooperative by-laws stipulate that meetings would be held every month, each member would only attend every other meeting. This has severe implications for the success of the cooperative, especially the newly formed ones in which members would attend, on average, four meetings per year. Thus, managers need to work extra hard in sending information on time and announcing the schedule of the meetings to improve attendance rates.

Figure 7.11: Frequency of meetings per annum and individual member attendance rates (%)



Source: Compiled by the author based on own survey data, 2018-19

Ishida (2003, p. 42) highlighted the existence of mutual trust and mutual inspection in the management echelons of the Japanese cooperative movement and how suspicion was rooted in the withholding of information, especially in the finance department. For Zimbabwe, approximately 47.1% of the people interviewed said that they were aware of at least one case of corruption that had occurred in the cooperative. Sadly, more cases, though the difference was not statistically significant, were reported in the new established A1 (50.5%) cooperatives than in the CA (44%). FGD data pointed to some members of the cooperatives using political lines to justify their looting of cooperative resources (fertiliser, in that specific case). However, members who took part in the same FGD pointed out that the use of politics was a thing of the past, highlighting that political bigwigs who had been causing problems were ZANU PF members aligned to the late former President Mugabe and they no longer had power after the latter was ousted in coup d'état in November 2017.

At this moment, I learned that the overall political rot at the national level had found its way into household levels as those related to the then ruling echelons abused their power and privilege, and amassed wealth and resources from the people. FGD participants were encouraged to speak out if they saw any corrupt activities by the chairman of an apex organisation who stressed that political demi-gods were a thing of the past and even chiefs can be held accountable. Results revealed that many such cases were resolved within cooperative structures in the A1 sector (60.9%) while no action was taken for the remainder of the cases (39.1%) (Table 7.10). Interestingly, cooperatives in the CA took most of the corruption cases to the police (75%).

Table 7.10: Management’s handling of corruption cases

		A1		CA		Total	
		No.	%	No.	%	No.	%
No corruption cases		45	49.5	56	56	101	52.9
Corruption cases	Reported to police	0	0	33	75	33	36.7
	Within Coop structure	28	60.9	8	18.2	36	40
	Nothing	18	39.1	3	6.8	21	23.3
	Total corrupt cases	46	50.5	44	44	90	47.1
Total		92	100	100	100	191	100

Source: Compiled by the author based on own survey data, 2018-19

The need to settle inter-cooperative contradictions internally can be viewed or justified as a necessary evil in order to preserve peace and conflict within both the cooperative and the community. However, failure to effectively recover debts from members is detrimental to cooperatives. From the data obtained from FGDs, it emerged that this was indeed the biggest challenges that the cooperative movement was facing. Additionally, the cooperative, as a social organisation whose clients are also members, had limited punitive debt collection measures in case of default.

When holding differences in individual cooperative by-laws constant, bad debts were rarely reported to the police (3.1%), and instead, nothing (60.9%) was done about the issue (see Table 7.11). The cooperative society hoped the members would, on their own accord, eventually payback. Sometimes the debts were wholly written off as bad debts (18.8%) while a few cases had resulted in the confiscation of debtor’s assets (17.2%). There were statistically significant differences between the old and the new cooperative movements, with the former mainly doing nothing (52%). Approximately 70% of the A1 farmers reported that nothing is done in terms of trying to recover unpaid cooperative debts or in the worst cases they are written off as bad debts (28.3%). Therefore, the A1 cooperative movement potentially loses 100% of its debts

which is hugely detrimental to the sustainability of the cooperative. Better debt recovery mechanisms are necessary in this regard.

Table 7.11: How does the Cooperative recover its debts?

	A1		CA		Total	
	No.	%	No.	%	No.	%
Report to police	1	1.1	5	5	6	3.1
Nothing	65	70.7	52	52	117	60.9
Confiscate assets	0	0	33	33	33	17.2
Write them off as bad debts	26	28.3	10	10	36	18.8
Total	92	100	100	100	192	100

Source: Compiled by the author based on own survey data, 2018-19

What was not covered in the study was the contents of the individual cooperative by-laws that, as provided by the Cooperative Societies Act (1996), is supposed to have specifications on prosecution of members suspected of misconduct or corruption. However, to what level do cooperative members have confidence in their management committee in terms of upholding the law? The data obtained suggested that significant numbers of cooperators, especially in the A1 (82.6%) were confident that their management committee had reasonable knowledge of the Cooperative Societies law which guides their activities. For the CA, approximately 43% reported that they were sure that the committees understood the act/law. In the same instance, many of the cooperative members believed that their committees were either neutral (41.1%) or did not take seriously (33.9%) the auditing of cooperative accounting books at the end of the financial year (*Table 7.12*). This result is not surprising, given the fact that just over half (55.7%, see *Figure 7.6* on page 239) of the members of the cooperative had attained formal education up to primary level, and the fact that they virtually had received no agricultural training. However, it shows that there is massive potential for the movement if more educational programs or support are infused into their activities.

Table 7.12: Running of cooperatives and auditing of accounting books.

		A1		CA		Total	
		No.	%	No.	%	No.	%
Aware of Cooperative law	Yes	76	82.6	43	43	119	62
Is auditing of accounting books taken seriously by management?	Larger extent	39	42.4	9	9	48	25
	Neutral	8	8.7	71	71	79	41.1
	Lesser extent	45	48.9	20	20	65	33.9
	Total	92	100	100	100	192	100

Source: Compiled by the author based on own survey data, 2018-19

Cooperators listed several issues that they thought were mostly affecting their management committees. The problems identified by those in the CA differed significantly from those noted A1 landholders. Three major issues in the A1 sector were power relations (52.2%), low mutual trust (17.4%) and inadequate number of meetings (14.1%). That meant that the management committee had many characters that wanted authority, yet they did not trust each other, and the fact that they did not meet often enough to discuss these issues exacerbated the problems (*Table 7.13*). The problems identified in the CA were more varied, ranging from quorum issues (28%), low mutual trust (16%), methods of committee member selection (14%) and low levels of skills and qualification (13%).

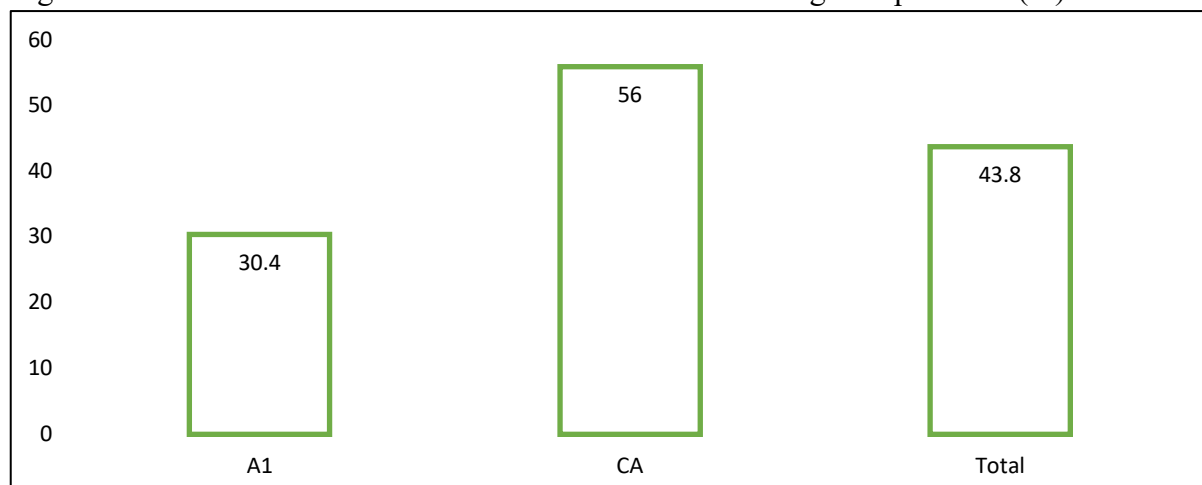
Table 7.13: Concerns raised by co-operators with regards to the efficiency of managers

	A1		CA		Total	
	No.	%	No.	%	No.	%
Quorum issues	2	2.2	28	28	30	15.6
Low qualifications	6	6.5	13	13	19	9.9
Method of selection	6	6.5	14	14	20	10.4
Corruption	1	1.1	9	9	10	5.2
Power relations	48	52.2	1	1	49	25.5
Incompetence	0	0	9	9	9	4.7
Low mutual trust	16	17.4	16	16	32	16.7
Inadequate meetings	13	14.1	10	10	23	12
Total	92	100	100	100	192	100

Source: Compiled by the author based on own survey data, 2018-19

Given the above discussion, it is only surprising that the A1 sector (30.4%) (with ‘power relations’ issues) had fewer respondents that thought cooperatives should be headed and run by outsiders who are trained and academically competent than those in the CAs. In contrast, the more experienced co-operators in the CA (56%) seemed to warm up to the idea of incorporating more skilled and professionals into the cooperative structures (*Figure 7.12*). This may be indicative of the fact that CA cooperatives, mostly founded by professionals from NGOs and government, are more open to the idea of depending more on external resources than the A1s.

Figure 7.12: Farmers who believed that outsiders should manage cooperatives (%)



Source: Compiled by the author based on own survey data, 2018-19

More central to the theoretical debate presented in earlier ([Chapter Three](#)) are issues of the role or the relationships forged between players in the agricultural and non-agricultural sectors of the economy of Zimbabwe. I sought to understand the strength of these relations between cooperatives and other sectors such as corporates and the government.

Table 7.14: The strength of relations between cooperative and other sub-sectors

	A1		CA		Total	
	No	%	No	%	No	%
Other agriculture cooperatives	5	5.4	21	21.0	26	13.5
Other general coops	8	8.7	21	21.0	29	15.1
Corporates or private companies	38	41.3	35	35.0	73	38.0
Government institutions	62	67.4	83	83.0	145	75.5
International donors or NGOs	22	23.9	94	94.0	116	60.4
Other non-member farmers	13	14.1	12	12.0	25	13.0

Source: Compiled by the author based on own survey data, 2018-19

The critical thing to learn from *Table 7.14* is the fact that A1 cooperatives had good relations with government institutions (67.4%) and corporate/private companies (41.3%) while co-operators in the CA reported that they had the most substantial ties with the NGOs (94%) and government institutions (83%). This finding has severe implications on the argument advanced in this thesis that cooperatives can bridge the distance between the state, the private sector and themselves within the CMS framework. These results indicate a conducive environment for the application of Hayami Yujiro's 'Community-Market-State' model in which these three entities mutually depend on each other in a cycle of backward and forward feedback. Thus, the old cooperative movement, formed basically by the government or by development agents seems to neglect the role of the private sector while the new cooperative movement witnessed

in the newly resettled areas is connected to the state and the markets as well as with the multi-lateral institutions (NGOs and donors). This result illustrates the need to reduce binary or polarised models of development.

7.3 Effects of class differentiation on cooperative development

In the theory of peasant cooperatives, Chayanov highlights how the problem of differentiation in the peasantry can affect the ability or potential of farmers to join, strive and remain within a cooperative (see [Chapter Three](#)). In this sub-section, using empirical data collected from the field, I apply this argument to construct a more vibrant picture of the extent to which the different classes (from my cluster analysis in section 7.1.2) participate, engage or access agricultural market information and market facilities. I divided this section into subsections that reflect the different spheres of the contemporary agrarian question. My unit of analysis in this sub-section is the farmer or cooperative member.

7.3.1 Access to market information

As noted in Hayami (2005), information asymmetries account for a substantial part of agrarian problems because access to all types of agricultural information is fundamental for the peasants to access cheaper input or output markets and increase their incomes (hence avoid exploitation). Overall, 76% of the respondents reported that they had access to agricultural information and as expected, higher proportions of farmers who accessed information were in the middle, middle-rich and rich peasants (*Table 7.15*). While market price and demand schedules were accessible to the farmers, other types of essential information such as availability of services (seed, insecticide, water, fertiliser and equipment information was harder to find. There were statistically significant differences (p -values < 0.05) in access to such information by the clusters concerning the type of information received.

Table 7.15: Access to agricultural information by clusters

	Commodity prices		Commodity on demand		Time of demand		Supply in different markets		Availability of services		Overall	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Penury	14	93.3	14	93.3	14	93.3	8	53.3	6	40.0	11	74.7
Poor	63	82.9	56	73.7	53	69.7	45	59.2	27	35.5	49	64.2
Middle	60	90.9	54	81.8	49	74.2	46	69.7	43	65.2	50	76.4
Middle-Rich	31	100	31	100	31	100	31	100	31	100	31	100
Rich	4	100	4	100	4	100	4	100	4	100	4	100
Overall	171	89.1	159	82.8	151	78.6	134	69.8	111	57.8	145	75.6
Pearson Chi-Square Tests;												

Chi-sq	8.1		12.9		15.8		21.1		46	
df	4		4		4		4		4	
Sig.	0.088		.012*		.003*		.000*		.000*	
Results are based on nonempty rows and columns in each innermost sub-table.										
* The Chi-square statistic is significant at the .05 level.										

Source: Compiled by the author based on own survey data, 2018-19

Word of mouth from other farmers within the same cooperative (32.5%) and family/friends (18.8%) was the most common channel for all clusters followed by Radio/TV (26.3%) (Table 7.16). Farmers also accessed information through SMS messages (5.2%). Radio/TV programs played an important role in terms of disseminating the types of commodities on-demand in different markets, prices of these commodities and the estimated times in which these commodities could be on-demand. An under-resourced farmer without Radio/TV or electric power cannot access this channel, and hence word of mouth is an essential source for them. What this implies is that any information passed through cooperative structures would get more audience than that passed through television. Additionally, use of the internet is depressed due to poor connectedness in the rural areas. Radios/TVs, internet and SMSs/cell-phone channels are high potential information dissemination channels that are still grossly underutilised at the moment.

Table 7.16: Sources of price information for the cooperative members

	Penury		Poor		Middle		Middle-Rich		Rich		Overall	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
My Coop structures	0	0	6	6.7	3	2.8	3	3.7	0	0	12	3.9
Family and friends	5	21.7	24	27	26	24.5	3	3.7	0	0	58	18.8
Radio/TV	8	34.8	25	28.1	16	15.1	29	35.4	3	37.5	81	26.3
Other Coop Farmers	7	30.4	19	21.3	43	40.6	28	34.1	3	37.5	100	32.5
Market Posters	1	4.3	0	0	0	0	0	0	0	0	1	0.3
Agricultural traders	0	0	0	0	9	8.5	8	9.8	0	0	17	5.5
SMS messages	2	8.7	10	11.2	4	3.8	0	0	0	0	16	5.2
Internet	0	0	3	3.4	0	0	0	0	0	0	3	1
Extension officer	0	0	2	2.2	5	4.7	11	13.4	2	25	20	6.5

Source: Compiled by the author based on own survey data, 2018-19

It is not surprising to find out that most of the people in the rich (75%) and middle-rich (67.7%) were happy with the quality of the information that they had access. This is because they paid a premium for the information (TV, radio, cellphones and electricity). On the other hand, many of the poor households in the penury and poor category rated the quality of the information as fair or poor (Table 7.17).

Table 7.17: Quality of overall information received

	did not receive		Poor		fair		Good	
	No.	%	No.	%	No.	%	No.	%
Penury	0	0	7	46.7	7	46.7	1	6.7
Poor	4	5.3	40	52.6	29	38.2	3	3.9
Middle	6	9.1	11	16.7	40	60.6	9	13.6
Middle-Rich	0	0	1	3.2	9	29	21	67.7
Rich	0	0	0	0	1	25	3	75
Total	10	5.2	59	30.7	86	44.8	37	19.3
Pearson Chi-Square Tests: Chi-square = 93.064; df = 12 Sig. = .000*								
Results are based on nonempty rows and columns in each innermost sub-table.								
* The Chi-square statistic is significant at the .05 level.								

Source: Compiled by the author based on own survey data, 2018-19

There has been a long-standing debate within the government on their role in provision of extension services in the rural areas of Zimbabwe in terms of increasing/reducing its budget allocations while at the same time allowing private sector participation in extension (Hanyani-Mlambo, 2000, pp. 666-668). The fact of the matter is that the budget allocation to the sector have always been inadequate. From the time of independence to the time of the disastrous collectives and the post-FTLRP era. Akwabi-Ameyaw (1997) cited poor extension services as one of the main reasons why the 1980s collectives had failed. In recent years, in light of increased agricultural market liberalisation, more state policymakers have considered reducing extension services, presumably, to allow for individual farmers to purchase own extension services from the open market (Hanyani-Mlambo, 2000, p. 665). Although there were no statistically significant differences between clusters, my data revealed that in addition to private extension services, higher proportions of farmers in the upper echelons of the peasant classes accessed public extension services such as the Departments of Extension and Research or Irrigation Development.

A different scenario characterised the poor and penury farmers as the provision of extension services was dominated by Non-Governmental Organisations (NGOs) (*Table 7.18*). With the global push to withdraw the state from agriculture, it would not be surprising to see decreasing government services to the middle, poor and penury classes and an increase in the NGO and private extension activities. In such a case, cooperatives become necessary.

Table 7.18: Access to government public extension services.

	Classification of the peasants											
	Penury		Poor		Middle		Middle-Rich		Rich		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Dept of crop extension	10	71.7	61	84.7	49	79	31	100	4	100	158	85.9
Dept of livestock & veterinary	9	60	39	54.2	43	69.4	29	93.5	4	100	124	67.4
Dept irrigation & tech services	10	71.7	59	75.7	60	92.3	28	90.3	3	75	158	83.3
Dept natural resources	0	0	2	2.8	0	0	0	0	0	0	2	1.1
Forestry commission	3	20	9	12.5	1	1.6	0	0	1	25	14	7.6
Private company	6	40	20	27.8	19	30.6	11	35.5	2	50	58	31.5
NGO	7	46.7	41	56.9	21	32.3	1	3.2	1	25	71	38
Farmer Cooperative	0	0	6	8.3	15	23.1	6	19.4	0	0	27	14.4
Local opinion leaders	6	40	18	25	38	58.5	24	77.4	4	100	90	48.1

Source: Compiled by the author based on own survey data, 2018-19

Extension service delivery fall into many categories ranging from farmer training, group development, commodity interest groups, demonstrations, competitions, field days, study tours and farm visits (Hanyani-Mlambo, 2000, p. 667). These can be regrouped into; i) the group approach, ii) individual approach (in which each extension officer visits each farmer); iii) and use of other channels which may include mass media (radio & television). Extension officers hardly utilise one approach, frequently using a mixture of the three depending on the type of information to be disseminated. I found significant differences between extension approaches used between the five peasant classes. Higher proportions of the poor and penury farmers had received extension services within a group approach more (in terms of frequency) than the middle-rich and rich farmers. This is because the number and geographical location of the CAs makes it easier and economical for the group approach. There were no statistically significant differences in terms of access to extension through media (radio and TVs), on the contrary, higher proportions of middle to rich farmers (50% rich, 77.4% middle-rich and 54.5% middle) had accessed extension services through individual visits between 2 and 6 times in the 2018/19 agricultural season (*Table 7.19*).

Table 7.19: Use and frequency of public extension services by cooperative members

	Penury		Poor		Middle		Middle-Rich		Rich		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Number of times group approach was used in extension												
0	1	6.7	25	32.9	15	22.7	0	.0	0	.0	41	21.4
>2	8	53.3	15	19.7	15	22.7	7	22.6	1	25.0	46	24.0
2-6	6	40.0	33	43.4	36	54.5	24	77.4	2	50.0	101	52.6
<6	0	.0	3	3.9	0	.0	0	.0	1	25.0	4	2.1
Number of times individual approach was used in extension												
0	5	33.3	28	36.8	27	40.9	23	74.2	3	75.0	86	44.8
>2	7	46.7	45	59.2	35	53.0	7	22.6	0	.0	94	49.0
2-6	3	20.0	3	3.9	4	6.1	1	3.2	1	25.0	12	6.3
Number of times mass media approach was used in extension												
0	15	100.0	75	98.7	64	97.0	31	100.0	4	100.0	189	98.4
>2	0	.0	1	1.3	2	3.0	0	.0	0	.0	3	1.6

Source: Compiled by the author based on own survey data, 2018-19

These findings have serious implications to my study because the groups approach dominated the lower echelons in order to minimise the costs of extension on the part of the government. This fact is the same rationale that underpins agricultural cooperative input and output marketing, that of the need to reduce transactions costs by aggregating purchasing and marketing activities. This approach of extension delivery to the rural areas (particularly to the CAs) has been in use ever since the attainment of independence and has been the preferred method of extension for the government of tremendous. Thus, if it is used together with the structures of the cooperative (where more cooperative leaders and members are trained to be able to provide extension services), then win-win situation between the government and the cooperative can be attained.

7.3.2 Access to and utilisation of credit and inputs

Access to agricultural input markets is one of the many problems that affect not only farmers in the Zimbabwe's agrarian structure but is pervasive throughout Sub-Saharan Africa (Bates R. H., 1981, pp. 76-77; Scoones, Marongwe, Mavedzenge, Murimbarimba, & Sukume, 2010, p. 101; Moyo S. , 2011a, pp. 953-955). In cases where markets have been 'functional' (the green revolution in India, contract farming in tobacco and cotton, outgrower markets in sugar cane production), they have resulted in exploitation of the small-scale farmers much to the negation

of the development agenda (Scott, 1985, p. 56; Bernstein, 2005, p. 77; Mazwi & Muchetu, 2015; Amin, 2012, p. 18). Thus, by analysing access and utilisation of inputs, I sought to understand deeply, the challenges and potential solutions that can be forged to overcome the contradictions posed by class differentiation. This process will also help us understand the role that cooperatives can or cannot play within the agricultural input marketing system. As many economists argue, productivity is a direct function of land, labour and capital (Marx, 1992, p. 77). Zimbabwe is one of the countries that has reasonably good quality or strong labour force, and farmers accessed land during the FTLRP, thus securing the ‘land’ and ‘labour’ parts of the productivity function. The constraining factor thereof is access to agricultural inputs and equipment capital. Scholars such as Moyo (2010) argue that lack of access to inputs, brought about by inadequate access to agricultural financing is the reason why the land reform has not achieved its production objectives up to now.

Access to loans and credit

Overall, farmers across the five peasant categories highlighted that their access to credit and financial markets was either average (35.4%), poor (19.3%) or extremely poor (40.6%) (Table 7.20). Only 4.7% of the respondents reported that it was rather easy to access credit. However, data from the questionnaire reviewed statically significant differences (at 5% CI) between cluster access to credit. For example, more than 50% of the farmers in the penury and poor echelons listed the process to be hard or extremely hard (Table 7.20). As we go up the class hierarchy, higher proportions (61.3% middle-rich and 50% of the rich cluster rated the ease of accessing credit as average).

Table 7.20: Ease of accessing credit from the cooperative structures

	Extremely hard		hard		Average		Easy		Extremely easy	
	No.	%	No.	%	No.	%	No.	%	No.	%
Penury	7	46.7	6	40	2	13.3	0	0	0	0
Poor	35	46.1	24	31.6	14	18.4	3	3.9	0	0
Middle	31	47	4	6.1	31	47	0	0	0	0
Middle-Rich	4	12.9	2	6.5	19	61.3	6	19.4	0	0
Rich	1	25	1	25	2	50	0	0	0	0
Total	78	40.6	37	19.3	68	35.4	9	4.7	0	0
Pearson Chi-Square Tests: Chi-square = 60.603; df = 12 Sig. = .000*										
Results are based on nonempty rows and columns in each innermost sub-table.										
* The Chi-square statistic is significant at the .05 level.										

Source: Compiled by the author based on own survey data, 2018-19

The poor and penury farmers, who have no such collateral area are automatically left out of the agricultural finance markets. Consequently, this will reduce the level of development given the fact that Zimbabwean agrarian structures are rife with poor, penury and middle peasants. Effective alternative sources of credit are therefore needed. Recent literature has suggested that post the FTLRP, rural finance has mostly taken the form of private micro-finance at usury rates (Vitoria, Mudimu, & Moyo, 2012).

The approach used in these private-led micro-finance lending initiatives is predominantly group lending in which small loans are given to a group of farmers to engage in farming activities, instead of being given to individuals. Thus, the whole group is held accountable in the case in which one member fails to re-pay their debt. This way, farmers encourage each other to be productive, and they are forced to pass agricultural information that improves the output of each member of that lending group. This is yet another example of the cooperative system in action to provide loans to farmers with little or no collateral. Thus, when the markets underserve the poor farmers, cooperatives are critical in filling the gaps.

Many of the farmers (63% across all clusters) in my survey had never tried to borrow from financial institutions like banks and lending companies. The minority that tried to borrow had not experienced any significant challenges (20.8%), and only about 16.1% of them had significant challenges in accessing credit. Although higher proportions of farmers in the penury to middle clusters had never tried to borrow finance, and also those who tried had experienced many challenges, the difference between clusters was not statistically significant (*Table 7.21*). This implies that the problems in accessing credit affects all the farmers across the clusters and access to finance is, therefore, a critical component of the contemporary agrarian question. One concern also is the fact that 14 out of the 15 farmers who belong to the penury cluster had never tried to borrow. Such a result supports Chayanov's theory of peasant cooperatives which suggest that the lowest peasant class are oriented towards zero on-farm production and that they solely rely on income from the sale of their labour (or on other sources of finance such as remittances; see Section 7.3.4 on page 272) (Chayanov, 1991). Thus, they usually are not concerned with trying to borrow any credit for agricultural production.

Additionally, due to the reduced flow of information within this cluster, these farmers do not know where and how to apply for production credit. In such a case, under a cooperative system, these farmers can be provided with both information and with credit such that they can produce and move up the ladder. Amongst the farmers that experienced challenges in accessing credit,

83.9% of them cited lack of collateral-related issues to secure the loans from banks. This finding does not come as a surprise given the long-standing disagreement between the government and the banking sector to recognise the state land tenure documents as proof of tenure for collateral (see Moyo, Chambati, & Siziba, 2014b).

Table 7.21: Presence and nature of challenges in accessing credit for agricultural production

Peasant cluster	No challenges		Never tried to borrow		Faced challenges		Nature of challenges					
							No collateral security		Unaware of credit facilities		Failure to meet other bank requirements	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Penury	0	0	14	93.3	1	3.2	1	100	0	0	0	0
Poor	21	27.6	39	51.3	17	54.8	14	82.4	1	5.9	2	11.8
Middle	10	15.2	45	68.2	10	32.3	9	90	1	10	0	0
Middle-Rich	8	25.8	21	67.7	2	6.5	1	50	0	0	1	50
Rich	1	25	2	50	1	3.2	1	100	0	0	0	0
Total	40	20.8	121	63	31	100	26	83.9	2	6.5	3	9.7
Pearson Chi-Square Tests: Chi-square = 14.548 df = 8 Sig. = 0.769												
Results are based on nonempty rows and columns in each innermost sub-table.												

Source: Compiled by the author based on own survey data, 2018-19

Some farmers never experienced any challenges in accessing credit, and they eventually got credit or loans from banks and other institutions. For the period from the 2012/13 to 2017/18 agricultural seasons, approximately 33.9% had unpaid debts to various institutions. On average, each of these households had an outstanding loan of US\$ 212, with an average interest of 10% per annum. Ironically, the bulk of this money (63.1%) was owed to the cooperative credit facilities followed by that owed to friends and family (20%) and then to local lenders (16.9% to micro-finance schemes) (see *Table 7.22*). The poor (76%) and the middle-rich clusters (69.2%) had the highest proportion of farmers that owed the cooperative credit scheme than any other cluster. Cooperative members were not repaying their debt to the cooperative due to the weak debt collection mechanism, as discussed in Section 7.2.5. Cooperative structures lack robust mechanism to deal with issues of corruption and bad debtors because they hardly punish their members. Local lenders and micro-finance institutions have been known to confiscate assets in times of bad debts.

On the other hand, borrowers stand to lose a lot more if they do not repay debts to family and friends through strained social relationships that they do if they do not repay debt to the cooperative. Thus, robust measures need to be put into place to reduce the occurrence of bad debtors within the cooperative movement. Within the clusters, the debt was taken and split between education and on-farm production for the penury peasants while poor, middle and

middle to rich clusters channelled the bulk of the funds towards agricultural production. The only consoling factor from this finding is that at least some of the funds were aimed at agricultural production, as shown in *Table 7.22*.

Table 7.22: Amount, interest, source and purpose of overdue debts in the 2017/18 season

		Penury	Poor	Middle	Middle-Rich	Rich	Total
Amount (US\$)	Mean	308	211	230	170	180	212
Interest (%)	Mean	5	8	12	10	0	10
Owed to who (% proportion of farmers)	Friends	50	20	16.7	15.4	100	20
	Local lender	0	4	33.3	15.4	0	16.9
	Coop credit scheme	50	76	50	69.2	0	63.1
Borrowed for what purposes (% proportion of farmers)	On-farm production	50	80	83.3	84.6	0	80
	Education	50	12	12.5	7.7	100	13.8
	Pay off other debts	0	8	4.2	7.7	0	6.2

Source: Compiled by the author based on own survey data, 2018-19

All of the rich peasants who took out loans (from family and friends) directed these loans to payment of school fees for their children (education). Again, this data seems to validate the theory of peasant cooperative, which suggest that the rich peasants is not only concerned with trying to maximise profits from agricultural activities (Chayanov, 1991). This is because their primary source of income is outside agricultural production (further discussion in section 7.3.4).

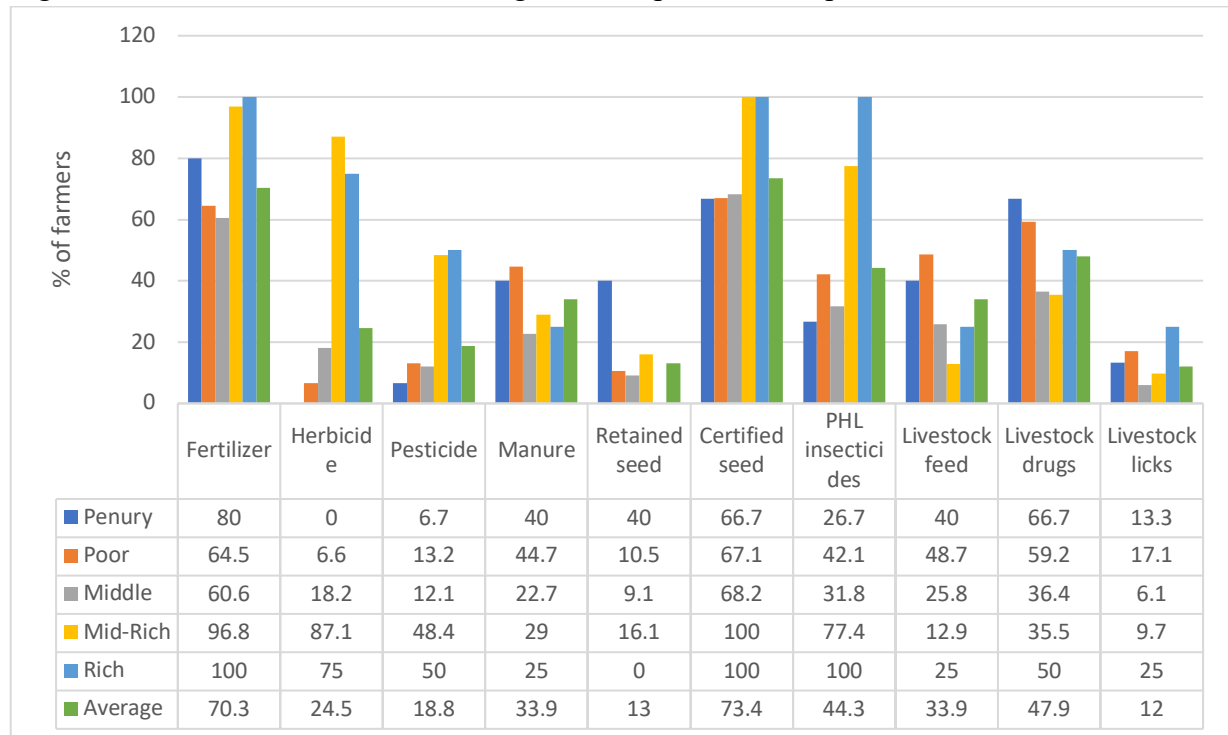
Access and utilisation of inputs

In addition to poor access to credit and finance in the agrarian structures of Africa, various scholars argue that development in Africa lags behind other regions due to inadequate access to Green-Revolution-type of inputs (Eicher, 1995, pp. 805-807). These include fertilisers, hybrid seeds and chemicals. However, political economists criticise the overreliance on Green-Revolution type inputs because it displaces indigenous peasant seed production systems with multinational companies' "suicide" hybrid systems as witnessed in Asian countries in the mid-1900s (Scott, 1985; De Janvry, 1981, pp. 124-125; Patnaik & Moyo, 2011, pp. 75-76). Suicide hybrid seeds²¹ renders production highly dependent on these inputs providers because the seeds cannot be retained for more than one season. Overall, I found that use of certified, patented seed and inorganic fertiliser was as high as 73.4% and 70.3% of all the households during the

²¹ This is also known as Genetic Use Restriction Technology (GURT) and is the method of restricting use of hybrid patented seeds through activation of some genes that can only respond to specified stimuli. This makes second generation (retained seed) infertile (Jefferson, Byth, Correa, Otero, & Qualset, 1999, p. 13)

2017/18 agricultural season respectively. However, an average of around 67% of the penury, poor and middle clusters used these inputs, while they were recorded in all middle-rich and rich clusters (*Figure 7.13*). Use of herbicides and pesticides was generally higher for upper-end clusters than it was for lower end. Only a few of the surveyed households utilised retained seed and livestock mineral licks, while everyone across the clusters accessed and utilised livestock feed and drugs.

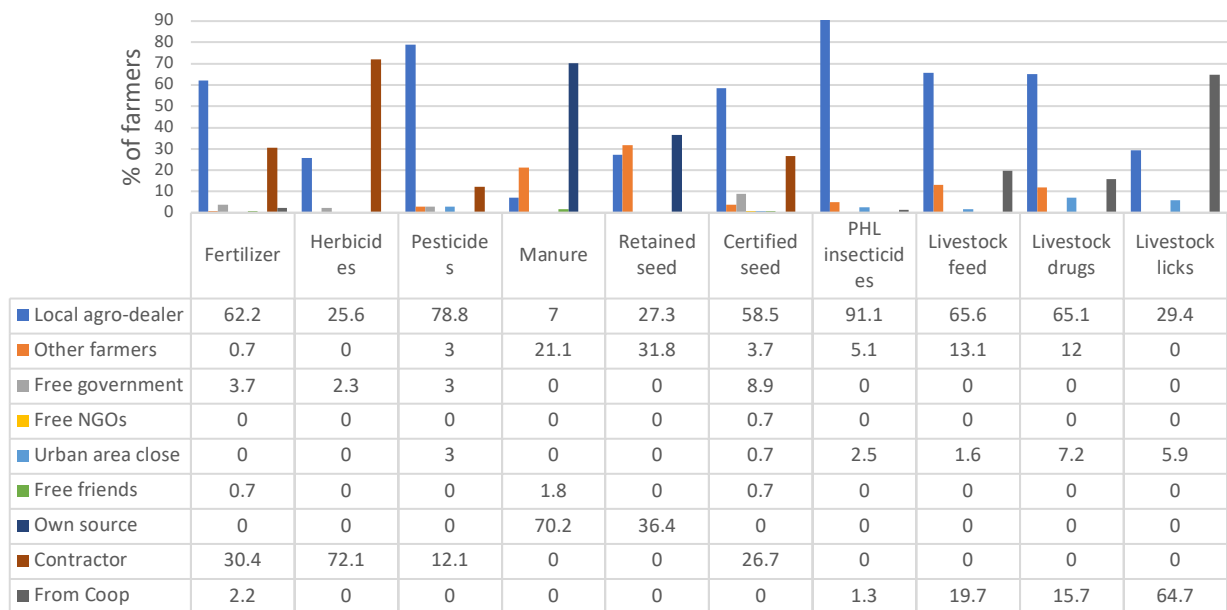
Figure 7.13: Access and utilisation of agricultural production inputs for the 2017/18 season



Source: Compiled by the author based on own survey data, 2018-19

A steady increase in the proportion of farmers that used inorganic fertilisers from penury to rich peasant clusters and the opposite was correct regarding the deployment of organic fertilisers. Organic farming, as we saw in [Chapter Six](#) for Japanese organic cooperatives, is an alternative method of farming that reduces the use of harmful inputs like pesticides by encouraging natural methods of weed and pest control. Organic farming can be done efficiently within the confines of a cooperative in which each member helps and monitors one another in the use and practice of organic farming.

Figure 7.14: Sources of agricultural inputs in the 2017/18 agricultural season

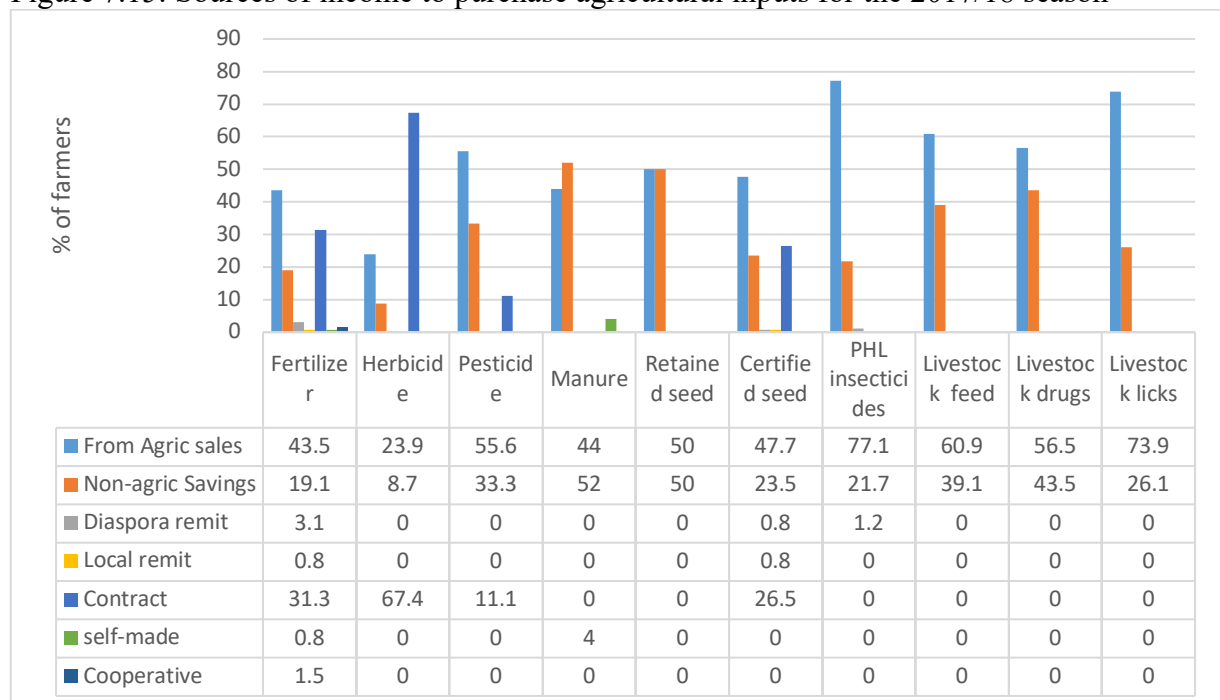


Source: Compiled by the author based on own survey data, 2018-19

Save for such things as manure and retained seed (generated within the production cycle), the bulk of the inputs were obtained from agro-dealers stationed within the area. Specifically, 62.2%, 78.8%, 58.5%, 91.1%, 65.6% and 65.1% of the farmers accessed fertiliser, pesticides, certified seed, post-harvest loss (PHL) insecticides, livestock feed and livestock drugs from local agro-dealers respectively (see *Figure 7.14*). Rural area agro-dealers charged up to three times the wholesale price of agricultural commodities. This means that a farmer who accessed grain protectants from the agro-dealers faced increased overall costs of production (Govere, Muchetu, Mvumi, & Chuma, 2019) than they would if they were buying their inputs in bulk from the whole or the manufacturer. Some farmers were contracted to produce such crops as tobacco and had to access inputs from the contracting companies. Of particular importance to my study is the role of cooperatives in input purchasing and supply. Approximately 19.7%, 15.7% and 64.7% of the farmers obtained their livestock feed, livestock drugs and mineral licks from the cooperative structures respectively. The use of this channel depended on the type, and product orientation of the cooperatives, e.g. farmers from non-crop producing cooperatives such as Chikwaka dairy, Gosha egg and Gutu golden egg accessed their inputs from the cooperative. This finding has serious implications to the nature and character of the cooperatives that can work in Zimbabwe, which shall be used in Chapter Eight to develop a cooperative model for the country.

An average of more than 80% of the farmers managed to use either their proceeds from agricultural production or their savings from income obtained in other non-agricultural income-generating activities to finance production. Indeed, the bulk of the income used to pay for inputs comes from proceeds agriculture (*Figure 7.15*). These findings provide scope for the success of the cooperative credit schemes that I proposed in this study (Chapter Eight). Contract farming came third in terms of importance as a source of agricultural inputs. Contract farming has been proved to be a viable source of rural financing, one that was able to sustain cotton production between the years 2000 and 2015 (Mazwi & Muchetu, 2015). However, contract farming has tended to focus on cash crop production much to the neglect of other crops. If contract farming can be directed at food production as attempted by Command Agriculture²², then this method of financing can work even within a cooperative framework where the cooperative becomes the contracting company. It is possible to contract farmers to grow maize instead of cotton. Maize is more rewarding per hectare than cotton or tobacco, as argued by Muchetu (2019, p. 51).

Figure 7.15: Sources of income to purchase agricultural inputs for the 2017/18 season



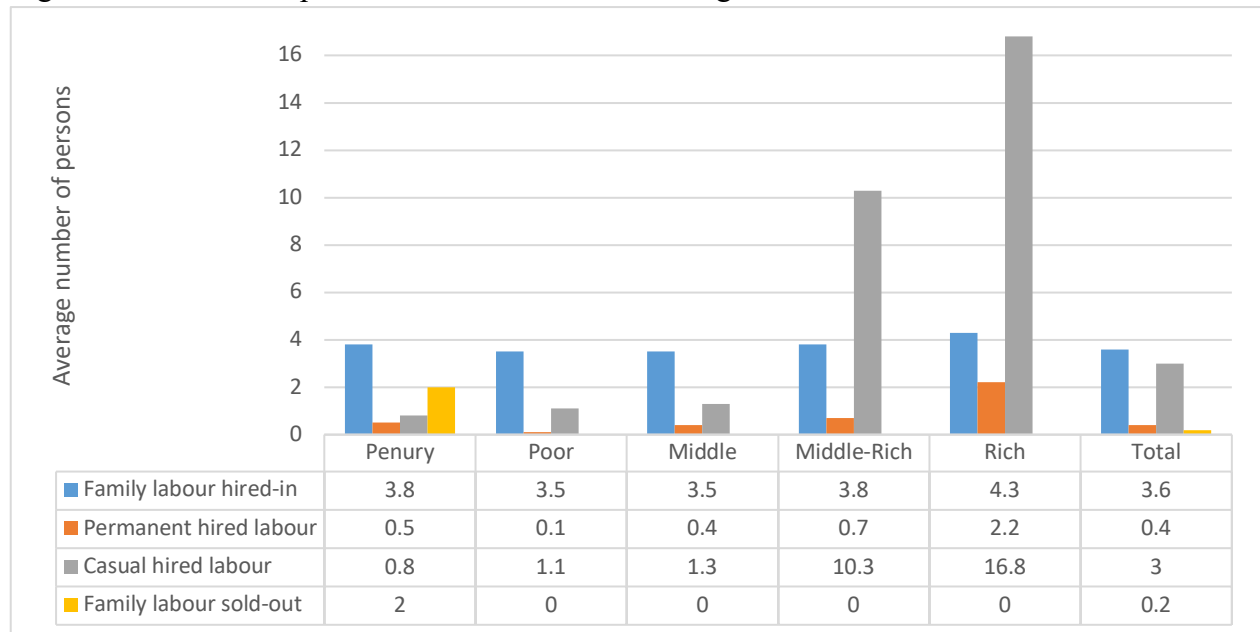
Source: Compiled by the author based on own survey data, 2018-19

²² The Targeted Command Agriculture Programme is a Zimbabwe government-led Special Maize Import Substitution ‘contract-farming’ scheme for large and small-scale farmers using domestic finance capital resources; it is an interesting programme that brings state, private sector and farmers together to produce food (Mazwi, Chemura, Mudimu, & Chambati, 2019, pp. 6-9).

In addition to the amount of capital and the levels of inputs accessed, I analysed the levels of labour use in my sample because labour use patterns are critical in defining and describing the nature and character of producers (Patnaik U. , 1988, p. 302). As I explained earlier, labour use was one of the variables that helped us classify these agricultural producers. I found no statistically significant differences in self-employment traits between the clusters as most of these used own-labour on their farms (an average of 3.6 or 4 persons per farm). Here, the data I found deviated from the confines of Chayanov's theory of cooperatives which argued that the uppermost echelons within the peasant classes hardly used own-labour on their farms. This is due to the fact that our study only collected the number of persons employed on the farm and did not go more in-depth into quantity of labour invested by the persons in terms of labour days as done in studies such as Chambati (2017). Thus, a 'reduced' indicator of labour was used, and no significant radical picture could be found. In the study, they had the highest average (4.3 persons) working on their farm (*Figure 7.16*). This can be explained, chiefly by the fact that labour cost accounts for a significant amount of production cost, and rich peasants would not want to increase the amount of cost of agricultural production (which is not really their primary source of income) and would instead utilise own-labour in conjunction with power-driven machinery. This seems plausible and also explains the situation obtaining in the Japanese rich peasants who rely entirely on family labour and machinery (see [Chapter Six](#)).

The same situation was obtaining in utilisation of permanent hired labour which averaged 2 in the rich cluster, 0.5 in the penury, 0.7 in the middle-rich and almost none in the rest of the clusters. In this case, the rich lived up to the expectations of the Chayanovian theory; however, the penury or the lowest cluster did not; instead, they performed better than the poor peasant cluster which hired an average of 0.1 persons per household. This points to a contradiction that although farmers would sell off their labour, one in every two of such households had a permanent worker. This result from the fact that some farm owners can decide to provide labour to other well up farmers in order to get inputs or draught power. This is particularly true for those A1 and CA farmers that are surrounded by A2 commercial farmers who usually own power-driven tractors and other machinery. Although the farmer in the penury cluster is selling their labour (2 persons on average) and hiring others, differences in wages exist between A1, CA and A2 commercial farmers (see Chambati (2017)).

Figure 7.16: Labour input access and utilisation: Averages for 2014 to 2018 season



Source: Compiled by the author based on own survey data, 2018-19

The study found statistically significant differences in the casual labour hiring behaviours of the five different clusters (as shown in Section 7.1 in this chapter). The number of seasonal workers significantly increased as I moved from lower penury cluster (0.8 persons) to the rich peasant clusters (16.8 persons). Supplementary investigations into the reasons why this may be so showed that this was due to the changing forms of wage labour witnessed on a global scale (labour is increasingly being casualised within the context of flexible labour markets). Capitalist entrepreneurs are moving away from hiring permanent labour, which is costlier, to hiring season labour which they can engage with only in times of need and let them go when there is no work (also the seasonality of some agricultural crops that imply that farmers cannot employ labour throughout the year). These findings reveal the presence of quality labour that straddles between different farming sectors in order to find jobs (Chambati, 2017).

7.3.3 Agricultural production, output markets and the role of the cooperative

I have established that farmers, especially in the resettled areas (A1) accessed land, relatively adequate labour, but low access to inputs. This section tries to understand production levels and access to output markets as well as the current and potential role that the cooperative can play in the process. Although the cooperatives were focused on other agricultural commodities such as eggs, milk and market gardening, and irrigation equipment sharing, an overwhelming number of the individual farmers were involved in non-cooperative maize production across all peasant clusters (92.7%). Thus, farmers try to attain food security through own-production

and only venture into other income-generating activities to purchase goods and services that they cannot produce on their own. This fact has severe implications for the construction of a cooperative model because such an enterprise need not only focus on the production of a specific commodity (e.g. eggs) without factoring in the time that farmers will dedicate to maize production otherwise it will most likely fail.

There were statistically significant differences in the cropped area under maize as I moved from penury to rich clusters. The penury and the poor clusters put on average, half a hectare of their field under the crop, while the middle-cluster averaged one hectare, and the middle-rich and the rich averaged 2 hectares between 2015 and 2018. The second most produced crop outside the focus of their cooperatives was tobacco, grown on an average of 1.18 ha per farmer (higher in the rich-cluster). However, there were differences in the proportions of farmers that were producing the latter cash crop as evidenced by only 5 in 15 of the penury farmers and 39 of the 76 poor farmers (*Table 7.22*). Approximately 61.3% of the and 75% of the middle-rich and rich grew tobacco respectively.

Table 7.23: Area under primary crop production

Peasant cluster	N	Maize			Soybean			Tobacco			Groundnuts		
		Pp ¹	% Pp ²	Mn ³	Pp ¹	% Pp ²	Mn ³	Pp ¹	% Pp ²	Mn ³	Pp ¹	% Pp ²	Mn ³
Penury	15	14	93.3	0.56	0	0.0	-	5	33.3	0.86	5	33.3	0.44
Poor	76	70	92.1	0.50	8	11.4	0.99	29	38.2	0.81	31	40.8	0.28
Middle	66	62	93.9	1.03	6	9.7	0.98	27	40.9	1.05	25	37.9	0.55
Middle-Rich	31	28	90.3	2.62	5	17.9	2.27	19	61.3	1.84	14	45.2	0.46
Rich	4	4	100.0	1.97	1	25.0	3.05	3	75.0	2.12	2	50.0	0.58
Total	192	178	92.7	1.06	20	11.2	1.41	83	43.2	1.18	77	40.1	0.42

N=Total number of farmers in the sample; Pp¹=Number of crop producers; %Pp²= Proportion of crop producers to total number of farmers; Mn³= Mean area under crop

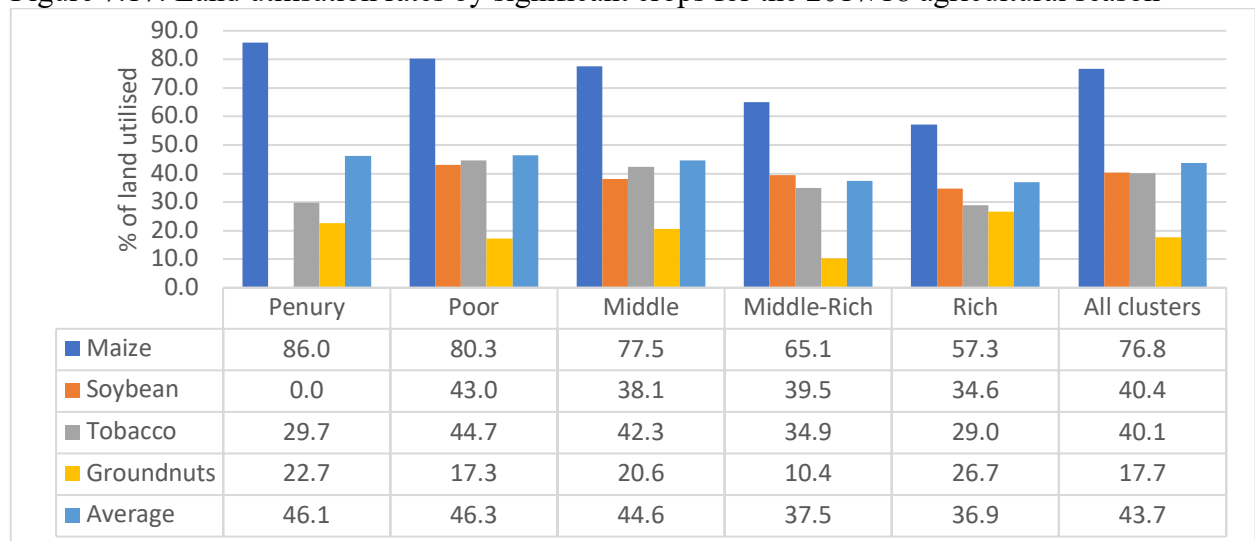
Source: Compiled by the author based on own survey data, 2018-19

As discussed earlier, an appreciation of the dynamics of cropped areas and the proportion of farmers engaged in the production of these crops will be vital in the proceeding sections of the thesis. This is because it helps us understand which crops are essential to the farmers and hence, the type of farming services that a cooperative would have to provide. The least grown major crops were groundnuts and soybean, which averaged 40.1% and 11.2% of the farmers and was put under 0.42ha and 1.41ha of land respectively. Groundnuts are usually grown for subsistence purposes while soybean is for commercial purposes.

These cropping patterns, however, need to be understood within the concept of land utilisation. Media outlets and several other opponents of the FTLRP have often cited land under-utilisation

as the reason why the reform had failed (Gumede, 2018; Bond, 2008; Johnson, 2009). However, my survey seems to support various other scholars who have reported increased levels of cropped area from the pre-FTLRP era. On average, farmers had 43.7% of their land under some crops. Most of the land was dedicated to maize production (76.8% of the land, highest in the penury clusters), followed by soybean (40.4), then tobacco (40.1%) and groundnuts (17.7%) (Figure 7.17). Cooperative activities were being done on tiny portions of their land as a sideshow activity for most of the cooperatives. Since the bulk of the land had non-cooperative crops like maize and tobacco.

Figure 7.17: Land utilisation rates by significant crops for the 2017/18 agricultural season



Source: Compiled by the author based on own survey data, 2018-19

Land utilisation, across all crops, was highest among the lower clusters because most of the farmers in the lower echelons hail from the CAs where the average land-holding is less than one hectare. Thus, farmers will cultivate all their land with some even renting in. There are some cases where CA farmers rent in farming area from the nearby A1 farms, and some A1 farmers that rent in from A2 farms. The bulk of the farmers in the middle-rich and rich-echelons were A1 farmers (accessed four to six hectares of arable land). In the current economic environment, where agricultural finance and inputs are scarce, putting all the land under agricultural production is difficult, hence the lower levels of land utilisation recorded amongst the surveyed households. To ascertain whether land utilisation translates to higher income and productivity levels, I examined the output levels in monetary terms.

It was not surprising to note that on average, higher-end clusters performed better than lower-end ones. On average, from agricultural production alone, farmers in the penury class obtained

a gross value of output worth US\$825 per annum from their agricultural production activities, compared to US\$1,175 and US\$910 for the poor and middle clusters respectively (*Table 7.24*). This result was in stark contrast with the middle-rich and the rich peasants who obtained US\$4,366 and US\$12,898 respectively. Thus, with these amounts of earnings from agricultural activities alone, I maintain the position that the rural households can be productive enough to sustain themselves and self-finance their next agricultural activities. This is particularly so given that the food poverty line (FPL) and the Total Consumption Poverty Line (TCPL) for 2017 stood at \$2,200 and \$6750 for the average Zimbabwe family of five respectively (ZimStats, Poverty Analysis, 2018). The value for consumption is significantly lower for rural agricultural producers.

As it is, money earned in US dollars from agriculture is usually stored in a bank (farmers are paid through bank transfers for tobacco and soybean production, some of the money for maize is also paid through mobile money channels such as Ecocash). Farmers can only use it (local currency) when they want to purchase something. What this means is that banks make more money and farmers are not paid anything for their contributions, and when they ask for loans, they are told that they need to produce collateral. Cooperatives schemes, which can grow into cooperative banks, can capture and solve this problem by giving some of the money back to the farmers.

Table 7.24: Production levels: Income from agricultural production

	Agric prod under coop			Agric prod not under coop			Overall	
	No.	% No.	Mean US\$	No.	% No.	Mean US\$	No.	Mean US\$
Penury	14	93.3	292	4	26.7	1088	15	825.47
Poor	60	78.9	522	31	40.8	1522	76	1175.07
Middle	41	62.1	1039	24	36.4	728	66	909.98
Middle-Rich	28	90.3	3849	16	51.6	2217	31	4366.16
Rich	3	75.0	11863	2	50.0	8000	4	12897.5
Total	146	76.0	1516	77	40.1	1564	192	1816.08

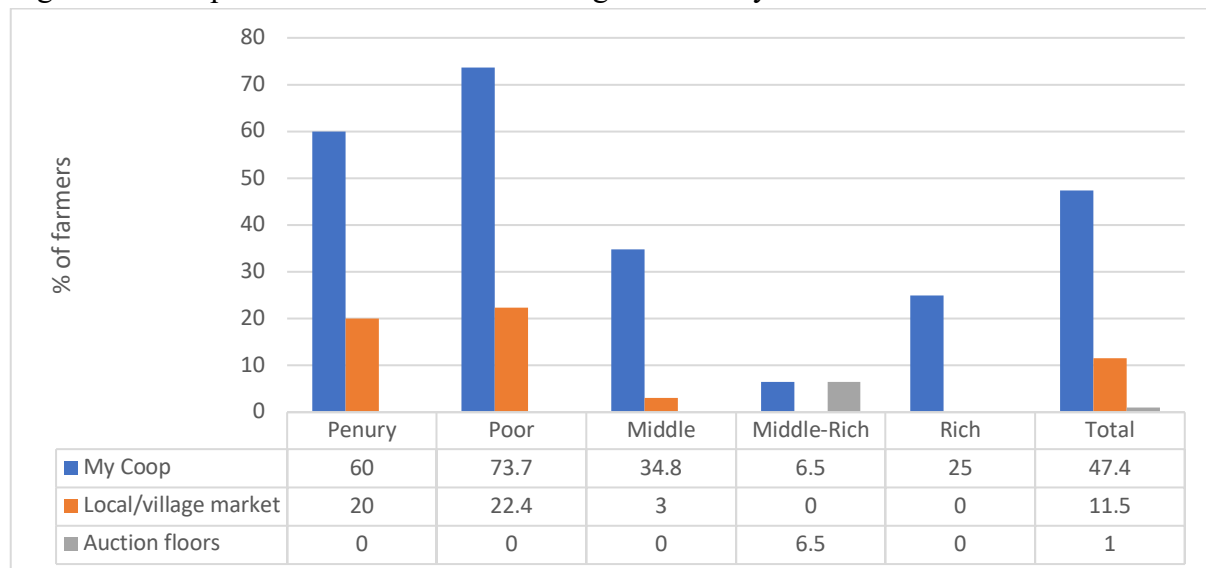
Source: Compiled by the author based on own survey data, 2018-19

Across all the clusters, higher income was made from agricultural activities outside the cooperative because some of these cooperatives were just for irrigation and did not care about any other activities that a farmer was involved in, thus calculating the amount of production dedicated to the cooperatives was a considerable hurdle. Additionally, a number of the farmers joined the cooperatives, such as egg production and market gardening as a second source of income, or as an off-season activity since their primary crop production is rainfed. However,

on average, 76% of the farmers were engaged in cooperative related activities, while 40.1% had other extra-cooperative production activities (see *Table 7.24*). This was a crucial finding in light of the results that I learned from the Chiba cooperative in Japan, where some farmers had stopped selling their products through the cooperative structures altogether.

There were three dominant marketing channels that farmers used to sell their crops to the market. For the penury (60%), poor (73.7%) and middle (34.8%) households, who were mostly involved in cooperative oriented production, the cooperative channel was one of the viable marketing channel they utilised (*Figure 7.18*). Middle-rich and rich households utilised other channels beyond the cooperatives. A considerable number of farmers also sold their output on the local markets, which are known to have lower output prices within the agricultural marketing system (Muir-Leresche & Muchopa, 2006; SMAIAS, 2015).

Figure 7.18: Top three most utilised marketing channels by cluster for the 2017/18 season

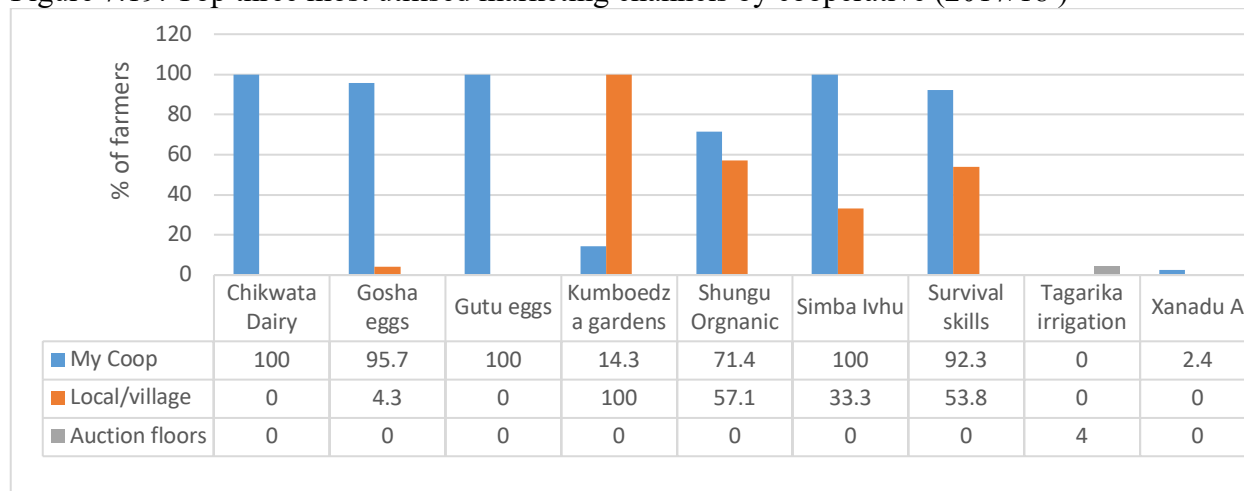


Source: Compiled by the author based on own survey data, 2018-19

These results point to the fact that agricultural cooperatives in Goromonzi, or Zimbabwe, are now focusing more on selling output and have neglected other functions such as input supply which they were previously known for (CACU chairperson interview, 2018). This a useful piece of information for the construction of the model in the proceeding chapters. It is imperative to note at this stage that the type of cooperative and the type of commodity influenced the choice of marketing channel. Dairy and egg cooperative, which requires sophisticated machinery during the transportation and movement of the milk & eggs, had more farmers selling their output through cooperative structures (see *Figure 7.19*). Other cooperatives, such as Kumboedza, Shungu, Simba Ivhu and Survival Skills, had a mixture of

cooperative and local market channels that they used. This is also because of the nature of their products, which is not fragile and does not require specialised transport vessels as in the case of milk and eggs.

Figure 7.19: Top three most utilised marketing channels by cooperative (2017/18)



Source: Compiled by the author based on own survey data, 2018-19

On the other hand, Xanadu A (a tractor and equipment sharing cooperative) and Tagarika (irrigation equipment sharing cooperative) had meagre proportions of farmers who had utilised any of the channels. These farmer’s commodity marketing behaviour proved challenging to capture because they only met or cooperated as far as sharing equipment was concerned.

Figure 7.20: Reasons for selecting marketing channel by cluster for the 2017/18 season



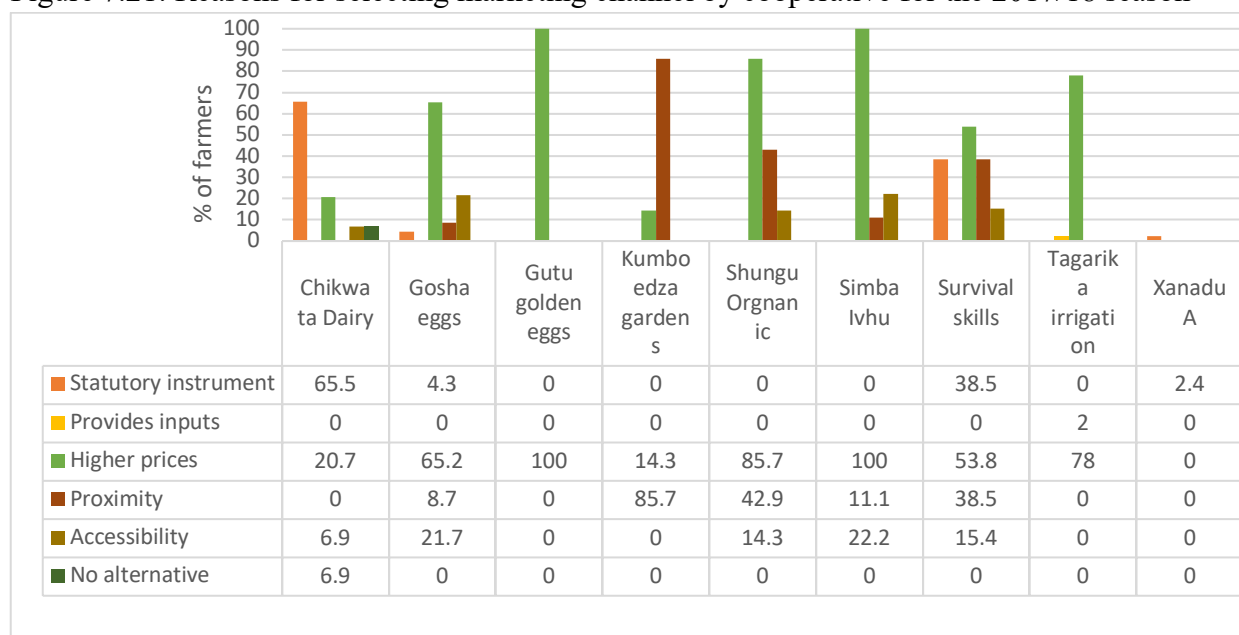
Source: Compiled by the author based on own survey data, 2018-19

Higher prices for output was mentioned by the majority of farmers as the key reason for choosing a marketing channel to sell their products. This was true for all the clusters (*Figure*

7.20). However, an interesting finding was the fact that some farmers in the penury cluster (33.3%) reported that it was a statutory requirement for them to sell their products through the cooperative. The question of whether the cooperative allow their members to sell their produce to other cooperatives or just be restricted to the cooperative has illuminated cooperative management debates (Godo Y. , 2015; 2016). In Japan, cooperatives had to abide by the Anti-Monopoly Act, which allows farmers or members of a cooperative to exercise their discretion when choosing a marketing channel for their produce. On average, 13.5% of the farmers reported that they had to sell through the cooperative structures.

I analysed this further and found that two cooperatives, in particular, had higher proportions of farmers who believed that they had to sell their output through the cooperative. These were Chikwaka dairy cooperative (65.5%) and Survival Skills cooperative (38.5%) as shown in *Figure 7.21*.

Figure 7.21: Reasons for selecting marketing channel by cooperative for the 2017/18 season



Source: Compiled by the author based on own survey data, 2018-19

The former is a milk production cooperative, and thus it could be understood that milk had to be sold through the cooperative in order to maintain such things as food safety, quality and standard. While the latter is a market gardening cooperative that produces horticultural produce which has more flexible marketing options. All other cooperatives members from other cooperatives highlighted that they considered the price of the output under offer before deciding on a channel.

7.3.4 Incomes and accumulation trajectories

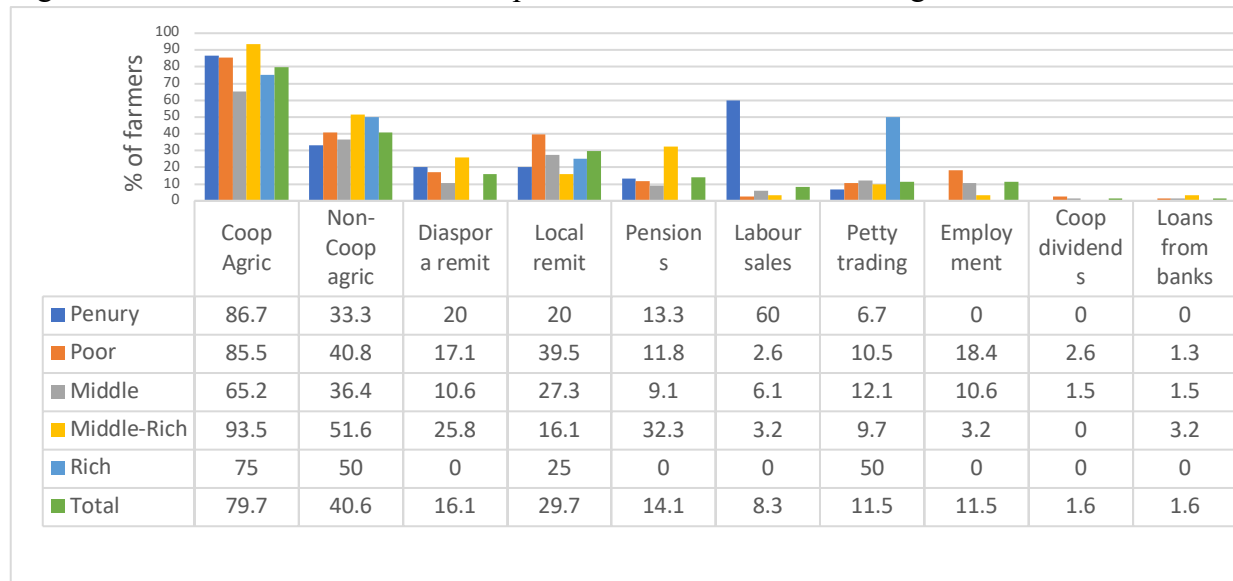
The study has discussed the production behaviours of the cooperative members as well as the various decision-making processes that take place during output marketing. The examination of whether gross incomes derived from agricultural production were enough to sustain their lives and access to other sources of income extends the analysis. These questions are vital in the understanding of the peasantry, considering the base theoretical framework because they aid us in identifying and differentiating farmers when modelling their role in the cooperative framework. In Chayanov's analysis of the peasantry in Russia, a very few peasants had access to other non-agricultural sources of income (Shanin, 2009; Chayanov, 1991). Although there are many differences in both time and space for Russia and Zimbabwe peasants, Chayanov's theory of peasant cooperatives can still be utilised as an analysis framework. The next step is to get an in-depth understanding of income diversification in Goromonzi, and how these shape their respective accumulation trajectories.

Incomes

The two most reported sources of income for the respondents were agricultural production activities followed by remittances received. Overall, 79.7% of the households across the five clusters had received some money income from agricultural activities done under the cooperative while 40.6% had other agricultural activities that had nothing to do with the cooperative (*Figure 7.22*). Although there were no significant statistical differences between clusters who received incomes from cooperative related activities, in the case of non-cooperative related income sources, the upper or richer-clusters of the peasantry had higher proportions of farmers earning income outside the structures of the cooperative.

This finding has two implications: the first one is that the middle to rich clusters are able to stand on their own, and hence it may be difficult for them to stay in the cooperative. However, the second implication is that since these farmers are able to stand on their own using alternative incomes but still choose to be confined to the structures of the cooperative, this result reflects on the functionality and attractiveness of the cooperative. It means that even the rich can see or realise benefits using the cooperative channels of marketing. Approximately 29.7% and 16.1% of the farmers had received local remittances and diaspora remittances, respectively. The poor-cluster (39.5% of the farmers) dominated local remittances, while the middle-rich (25.8%) dominated diaspora remittances.

Figure 7.22: Sources of income for cooperative members 2016-2018 agricultural seasons

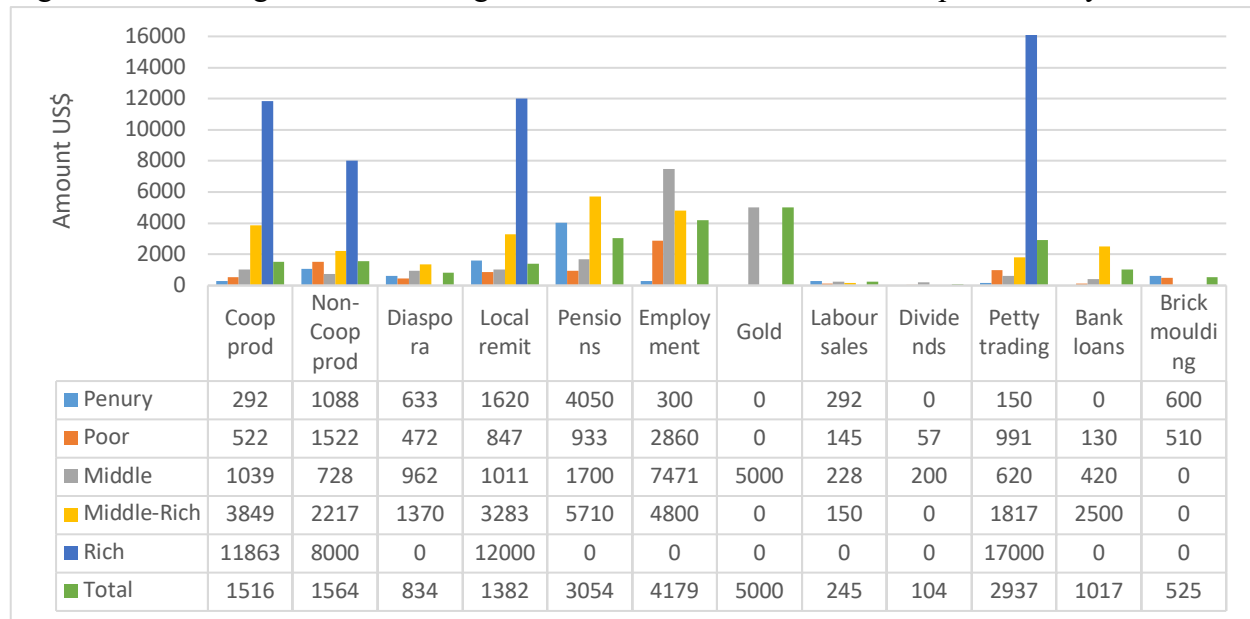


Source: Compiled by the author based on own survey data, 2018-19

Given the inaccessibility to finance capital, these alternative sources of finance have been instrumental in bridging the rural agricultural funding gap. Other sources of finance were petty trading (11.5%) and sell of labour (8.3%). Of interest in this finding is the overwhelming proportions of rich-cluster peasants involved in petty-trading and that of penury peasants in the sale of labour (*Figure 7.22*). Again, this seems to validate Chayanov’s theorisation of the peasantry since the rich mainly derive their incomes from investments outside agriculture while the lowest echelon derives its income from the sale of its labour to other farmers (Chayanov, 1991).

There were significant statistical differences between the average amount of income obtained from various sources within the clusters. The upper-echelons (rich and middle-rich) dominated in terms of incomes derived from the two forms of agricultural production (local remittances and petty-trading). The middle-cluster enjoyed higher average incomes from wages and salaries in formal employment while the middle-rich (and penury clusters) received higher average receivables from pensions, while other farmers in the penury and poor clusters were also engaged in brick moulding, which earned them an average of US\$525 per annum (*Figure 7.23*).

Figure 7.23: Average income earnings from various sources in the 2017 production year



Source: Compiled by the author based on own survey data, 2018-19

The fascinating points from these findings is the fact that agricultural production continues to be a significant source of income in terms of the total number of people engaged in the activity as well as the absolute values/amounts of earnings from these livelihood strategies. This result gives scope for the formation and possible sustainability of a viable agricultural cooperative system centred around one agricultural product. If farmers depended on off-farm income sources, for instance, the formation and development of such cooperative organisations would be implausible.

Accumulation

Eighteen years after the FTLRP, it certainly makes sense to try and analyse the accumulation patterns of farmers in the resettled areas because they are way past their ‘farm establishment’ stage of farm development. In this sub-section, I analysed the ownership of production assets and equipment as well as that of productive and non-productive on-farm infrastructure for the farmers in Goromonzi. I tried to understand how this could affect the ability of the respective farmers to form and join the cooperatives.

It was not surprising that all the farmers possessed the most basic agricultural tool, the hand hoe. Higher proportions of farmers possessed hand tools, followed by those that owned animal-driven implements while lower proportions of farmers owned power-driven implements such as vehicles and tractors. As is expected, higher-end clusters dominate power-driven assets ownership and the penury and poor dominate the ownership of hand-held implements.

However, what is most interesting is a comparison of my results with those obtained in the Sam Moyo African Institute for Agrarian Studies (SMAIAS) household survey carried out in 2014/15. The survey covered six districts across the country, including Goromonzi district.

Table 7.25: Percentage ownership of productive assets in Goromonzi, 2011 & 2018

	SMAIAS survey 2011			Own Survey 2018		
	A1	CA	Total	A1	CA	Total
Hoes	93.4	98	95.5	100	100	100
Axes	90.2	92	91	95.7	88	91.7
Wheelbarrow	67.2	62	64.9	71.7	59	65.1
Spade folks	41	12	27.9	81.5	60	70.3
Knapsack	77	16	49.5	77.2	53	64.6
Animal drawn ploughs	60.7	54	57.7	35.9	51	43.8
Scotch carts	44.3	38	41.4	19.6	37	28.6
Generator	16.4	4	10.8	14.1	11	12.5
Tractor	3.3	0	1.8	8.7	0	4.2
Vehicles	1.0	0.5	1.6	21.7	5	13
Water pump	1.5	0.6	1.9	30.4	2	15.6
Grinding mills	0.6	0	0.8	2.2	0	1

Source: Compiled by the author based on own survey data (2018/19) and SMAIAS household survey data (2014/15)

I extracted the Goromonzi data for A1 and CA sectors from the SMAIAS data and compared it with my own. Higher proportions of farmers in my survey had reported owning productive assets than did those in the SMAIAS survey in 2011 (see *Table 7.25*). Further analysis showed that higher proportions of farmers had accumulated hand tools and power-driven tools, while the proportion of farmers who had bought animal-driven tools had reduced. Although more data is needed to make more robust inferences, this is a positive development towards a preference for more technologically advanced methods of farming in which power-driven ones slowly replace animal-drawn implements. More in-depth analysis is necessary to ascertain the effect on asset accumulation of their participation in the cooperative; the current study could not establish this because farmers struggled to separate sources of income and the respective expenditure.

The same situation was obtaining in the investment by farmers in infrastructural assets such as housing, storage and crop processing facilities. Indeed, accumulation was happening in the households despite the adverse economic environment and depressed levels of financial market accessibility. On average, higher proportions of people had invested in deep-wells in my survey (78.6%) as compared to the proportion of farmers in the SMAIAS survey (54%) (see *Table 7.26*).

In their survey report, SMAIAS (2015, pp. 155-160) argued that there had seen increased asset accumulation in Goromonzi (and all other districts) basing this on earlier baseline survey they had carried out in 2006/7. The survey results show increases in the proportion of farmers who invested their incomes in Blair-toilets and storage facilities as well as in deep-wells (water points). Thus, my study further supports this argument that accumulation of both productive and non-productive assets is underway in Goromonzi district. This ability of the farmers to accumulate and alleviate themselves from poverty motivates this study because shows that under the right conditions set by the cooperative, or any other rural social organisations, the peasantry can self-finance their way out of under-development.

Table 7.26: Percentage ownership of on-farm infrastructure by peasant cluster (2017/18)

	SMAIAS survey 2011			Own Survey 2018		
	A1	CA	Total	A1	CA	Total
Deep well	48	60	54	63.0	93	78.6
Brick/asbestos/Zinc	21.7	40	30.9	23.9	58	41.7
Private tobacco barns	1.5	5	3.3	6.5	5	5.7
Communal tobacco barns	30	0	0.2	25.0	0	12.0
Irrigation	12	6	9	15	6	12
Blair toilets	15	40	27.5	67.4	92	80.2
Storage	6.1	1.9	4	27.2	0	13.0

Source: Compiled by the author based on own survey data, 2018-19

The farmers utilised among various sources, two primary sources of income to invest in assets and infrastructure; proceeds from agricultural sells (cooperative and non-cooperative production) and savings outside of agricultural production (employment, petty trading, sale of labour).

Table 7.27: Sources of income to fund asset and infrastructure accumulation, 2016-2018

Asset	Proceeds from Agric-sales	Savings outside agriculture	Asset	Proceeds from Agric-sales	Savings outside agriculture
Hand and ox-drawn tools			Power-driven equipment		
Hoes	57.8	42.2	Vehicles	25	75
Axes	62.2	37.8	Generator	50	50
Spades & forks	68.2	31.8	Tractor	0	100
Wheel barrow	58.3	41.7	Water pump	50	50
Watering cans	59.1	40.9	Grinding mill	0	100
Knap sack	65.4	34.6	Infrastructure		
Scotch-cart	100	0	Deep well	55.6	44.4
Ox-Plough	100	0	Cattle facilities	40	60
Ox-Planter	100	0	Poultry runs	46.2	53.8
Ox-Ridger	100	0	Private barns	50	50
Ox-Cultivator	75	25	Grading shade	66.7	33.3
Ox-Harrow	66.7	33.3	Blair toilets	80	20
Maize sheller	0	100	Storage	66.7	33.3

Source: Compiled by the author based on own survey data, 2018-19

In general, farmers who bought bigger assets or machinery such as vehicles, tractor and grinding mills had to use incomes derived from personal savings outside agricultural activities. In contrast, with regard to smaller assets such as ox-drawn implements (plough, ridger, planter and harrow), farmers purchased these using income proceeds from agricultural activities (*Table 7.27*). This finding seems to shoot down the argument that farmers cannot accumulate from income derived through agricultural activities. However, we need to understand that savings outside of agriculture is playing the role of lender of the last resort for the bulk of the farmers in an economy that does not provide credit and loans to the farmers. If financial markets were ‘working’ relatively well, farmers would be able to access loans to purchase machinery and equipment at concessionary rates. They would become more productive (since they will be able to buy inputs, machinery and labour on time) and be able to repay their loans. Thus, the use of savings outside agriculture to purchase farming assets and infrastructure only goes to show the willingness of the farmers to engage in productive farming activities, which is a pre-requisite for the formation of the cooperative system. Again, regarding the trajectory that the national financial markets are taking, more well-up farmers will be able to access credit since they have assets that they can mortgage.

7.3.5 Cooperatives and gender mainstreaming

One of the issues discussed in the introductory chapter was the issue of the gender aspects of the agrarian question. Gender issues have become topical over the past decade, and rightly so because for so long, women’s contribution to agriculture has often been undermined or neglected, and yet they play a significant role in agrarian processes (MAMID, 2012, p. 30; Moyo S. , et al., nd; World Bank, 2019, p. 2). The literature stresses the advantages that cooperatives/local farmer groups give to women, how they improve women’s access to productive resources and output markets, hence a key conduit for empowering them (Chiweshe, 2011, pp. 41-45; Sachikonye L. M., 1995, pp. 407-408). Additionally, cooperatives have been thought of as a last resort for women as seen through the formation of several productive women cooperatives throughout Africa and beyond as witnessed by women pressure groups to allocate at least 20% of land to women in Zimbabwe’s 2000 land reform (Sachikonye L. M., 1995, p. 408). Thus, my study also assessed the gendered aspects of the cooperative movement to try and understand how women were involved in the movement.

In Zimbabwe, women empowerment has always been depressed, even in the pre-independence era. For instance, women held less than 4% of the land around in the pre-1980 white

commercial sector, and their access to other resources was also highly constrained (Moyo S. , et al., nd). The situation continued after independence until the FTLRP, which improved women's access to land to a figure between 19.5 and 24% (Utete, 2003; SMAIAS, 2015). Such an improvement has nonetheless come after over more than four decades, and a lot more needs to be done to move towards equitable distribution of land resources since their role in various agricultural production activities exceeds 50% (World Bank, 2019, p. 2). From my study, higher proportions of female cooperative members were found in the CA movement as compared to that of the resettled areas. This finding can be seen through the aggregate of cooperatives from the CAs (74.9% females), as shown in *Table 7.28*. Most of the cooperatives in the CAs have almost equal representation except in two of the cooperatives, Gutu eggs (with an 82.4% female membership) and Kumboedza gardens which is effectively a woman only cooperative. These results point to the power of cooperatives to attract disadvantaged groups. There virtually is no other productive rural activity that can attract more women than the cooperative.

In the resettled areas, female representation stood at 36.6% of the total membership. Although this figure is lower than that of the cooperatives in the CAs, it essential to note that land ownership is a pre-requisite for the cooperatives that exist in the resettled areas. Thus, given the fact that female land ownership stood well below 25%, a 36.6% participation rate of females still points to the strength of the cooperative to include women in production activities. Overall, there were more woman in the cooperative movement than there were men (65.8%), which goes on to highlight that cooperatives can answer gender parts of the contemporary agrarian question. Furthermore, among the female co-operators alone, 41.4% of these were in the middle peasant cluster as compared to 31.3% of males (*Table 7.28*). Approximately 58.6% of the female co-operators were in the middle or upper clusters as compared to 49.9% of men in the same categories. This illustrates how women can take an active role in rural development initiatives, which can serve to propel their material interests.

Table 7.28: Gender composition, by cooperative and by peasant classes

By cooperative	Males	Females	Total	% of females	By peasant cluster	Male		Female	
						No.	%	No.	%
Chikwaka	34	31	65	47.7	Penury	12	9	3	5.2
Gosha	15	23	38	60.5	Poor	55	41	21	36.2
Gutu	60	280	340	82.4	Middle	42	31.3	24	41.4
Kumboedza	0	12	12	100	Middle-Rich	22	16.4	9	15.5
Shungu	6	4	10	40	Rich	3	2.2	1	1.7
Simba Ivhu	5	6	11	54.5	Total	134	100	58	100
Survival skills	3	11	14	78.6					
Total in CA	123	367	490	74.9					
Tagarika	37	13	50	26					
Xanadu A	60	43	103	41.7					
Total in A1	97	56	153	36.6					
Total	220	423	643	65.8					

Source: Compiled by the author based on own survey data, 2018-19

Although women overwhelm men in terms of numbers, their access to information was highly constrained, and the difference in access to information were statistically significant (*Table 7.29*). That has implications on the female farmer because as highlighted, information is very critical in the agricultural production cycle. Women accessed less information on such issues as ‘type of commodities on-demand’, ‘time that they would be on-demand’, and ‘supply in different markets’.

Table 7.29: Access to marketing information by gender

	male		female		Pearson Chi-Square Tests		
	No.	%	No.	%	Chi-value	df	Sig.
Commodity prices in different markets	121	90.3	50	86.2	0.696	1	0.404
What commodities are on demand	118	88.1	41	70.7	8.581	1	0.003*
When commodities are demanded	113	84.3	38	65.5	8.529	1	0.003*
Supply in different markets	103	76.9	31	53.4	10.529	1	0.001*
Availability of services eb transport	85	63.9	26	46.4	4.969	1	0.026*
Results are based on nonempty rows and columns in each innermost sub-table.							
* The Chi-square statistic is significant at the .05 level.							

Source: Compiled by the author based on own survey data, 2018-19

In their 2009 and 2015 survey reports, the SMAIAS (2015) argued that women faced more impediments in purchasing inputs such as fertilisers, weedicides and certified seeds. While my study agrees with the results, in the sense that lesser proportions of women accessed and utilised varied inputs. Nevertheless, differences between male and female farmers in input access were not statistically significant (*Table 7.30*).

Table 7.30: Access and utilisation of agricultural inputs by gender

	male		female		Pearson Chi-Square Tests		
	No.	%	No.	%	Chi-square	df	Sig.
Fertilizer	100	74.6	35	60.3	3.956	1	.047*
Herbicides	35	26.1	12	20.7	0.646	1	0.422
Pesticides	26	19.4	10	17.2	0.124	1	0.725
Animal Manure	44	32.8	21	36.2	0.205	1	0.65
Retained seed	16	11.9	9	15.5	0.205	1	0.65
Certified seed	102	76.1	39	67.2	0.457	1	0.499
Post-harvest insecticides	62	46.3	23	39.7	1.636	1	0.201
Livestock supplementary feed	48	35.8	17	29.3	0.718	1	0.397
Livestock drugs	68	50.7	24	41.4	0.766	1	0.381
Animal/mineral licks	21	15.7	2	3.4	1.423	1	0.233
Results are based on non-empty rows and columns in each innermost sub-table.							
* The Chi-square statistic is significant at the .05 level.							

Source: Compiled by the author based on own survey data, 2018-19

The same situation was observed within the overall performance across of various agricultural production variables. For instance, the amount of income derived from the activities in agriculture for men was US\$2021 while that of women was US\$2158, meeting attendance rates for men was 60% while that of females was 56%, men hired 5.76 persons of casual labour while women hired 5.88. The same pattern was recorded for permanent labour utilised and average number of family labour hired in for on-farm activities. The only significant difference observed was that men were receiving 7.5 times more incomes (US\$2865) from activities outside of agriculture (from investments) than women (US\$385) (see *Table 7.31*). This reality further reinforces my argument that the cooperative offers a way for the women to climb the economic ladder.

There were no statistical differences in the challenges that men and women faced in selling their cooperative produced goods into the market. Without cooperatives, men tend to dominate women in access to education, information, material resources and market access.

Table 7.31: Performance of women and men on the cooperative

	male			female		
	N	% No	Mean	N	% No	Mean
Income from agricultural production in 2014-2017	117	87.3	2020.96	52	89.7	2158.37
Income realise from capital invested outside agriculture	26	19.4	2865.46	13	22.4	384.85
Average savings per households in 2017	134	100	175	58	100	377
Meeting % attendance rate	134	100	60	58	100	56
Casual hired labour average of 2014-2017	68	50.7	5.76	30	51.7	5.88
Average family labour hired in 2014-2017	133	99.3	4	57	98.3	3
Permanent hired labour average of 2014-2017	23	17.2	2	11	19	2
Average amount of family labour sold out of 2014-2017	12	9	1.78	6	10.3	1.61

Source: Compiled by the author based on own survey data, 2018-19

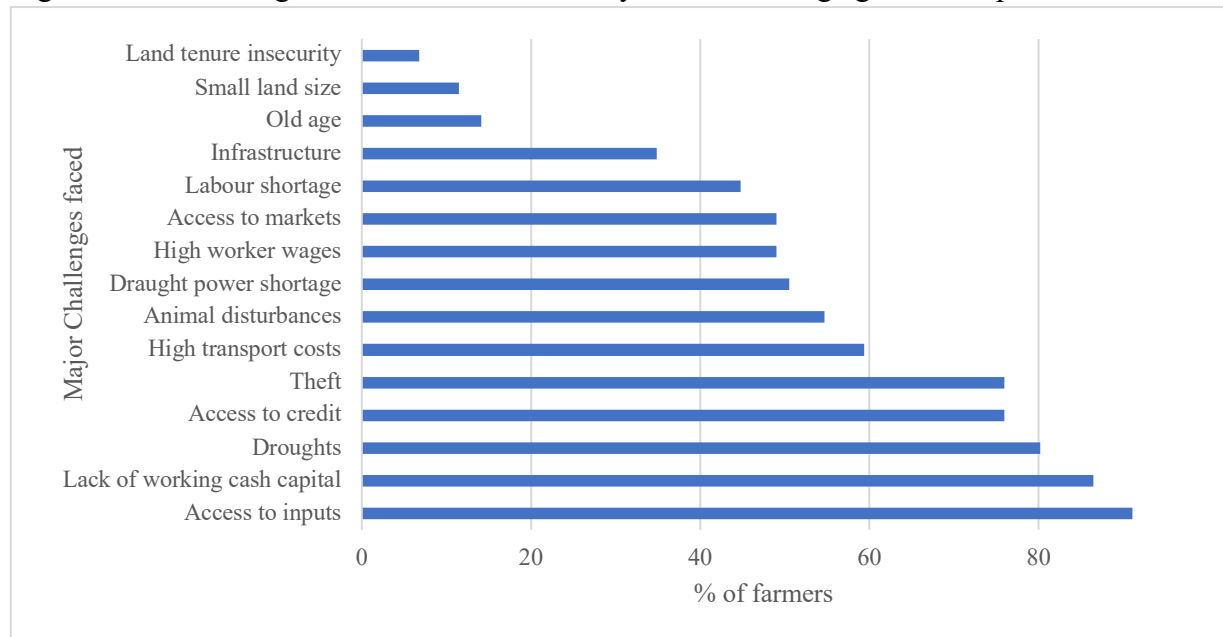
7.3.6 Challenges faced in agricultural and cooperative activities

Throughout this chapter, I have highlighted several challenges that affect the farmers and the movement in passing. However, it is necessary to dedicate a sub-section to this discussion. I asked the farmers to rank the challenges they faced; 1) as farmers trying to access resources necessary for agricultural and social production, 2) as farmers trying to offload their produce into the commodity markets, and 3) as cooperative members involved in all matters that concern the movement.

A higher proportion of the farmers ranked access to inputs as the most significant challenge. They believed that if they could access inputs, then all other problems could simultaneously be resolved. In theory, the cooperative is supposed to take care of this. It should be able to mobilise funding and identify cheaper options for the farmers to buy inputs and cost-effective transport to the rural areas. However, as we saw in [Chapter Four](#) and this chapter, Zimbabwean cooperatives were focused on selling output and hence had neglected their role as a farm supply and marketing organisation. The movement needs to reclaim its role as the supplier of inputs, especially in these times when the farmers have limited affordable options available. Lack of working capital and lack of access to credit were ranked second and third, respectively (*Table 7.31*). Just as in the case of access to inputs, this is not a problem that affects only farmers in the cooperative or the same province, but it is a problem that affects all farmers across the nation, and even affects other economic sectors (World Bank, 2019). In order to achieve agricultural development, attention will need to go to the provision of credit and funding to agriculture.

The problems associated with poor rainfall also came in second. Zimbabwe has had several low rainfall (and high temperatures) patterns occurring every in NRIV & NRV every five years and across the whole country every 10 years (World Bank, 2019, p. 16). The advent of climate change has thus taken its toll on Zimbabwe as well. Before the 2000s, the whole country used to experience severe droughts once every decade, but recently they have been more frequent and are pronounced by mid-season droughts (World Bank, 2019, p. 2). More irrigation cooperatives such as Tagarika cooperative can be the solution in this case. Over 75% of the farmers reported that they had lost their property due to theft and that it was indeed an issue of concern. In most cases, those who steal do so in order to feed their families because they do not have stable livelihoods. It is also an area that cooperatives can play an essential role since it diversifies livelihood options for the farmers.

Figure 7.24: Challenges and constraints faced by farmers during agricultural production

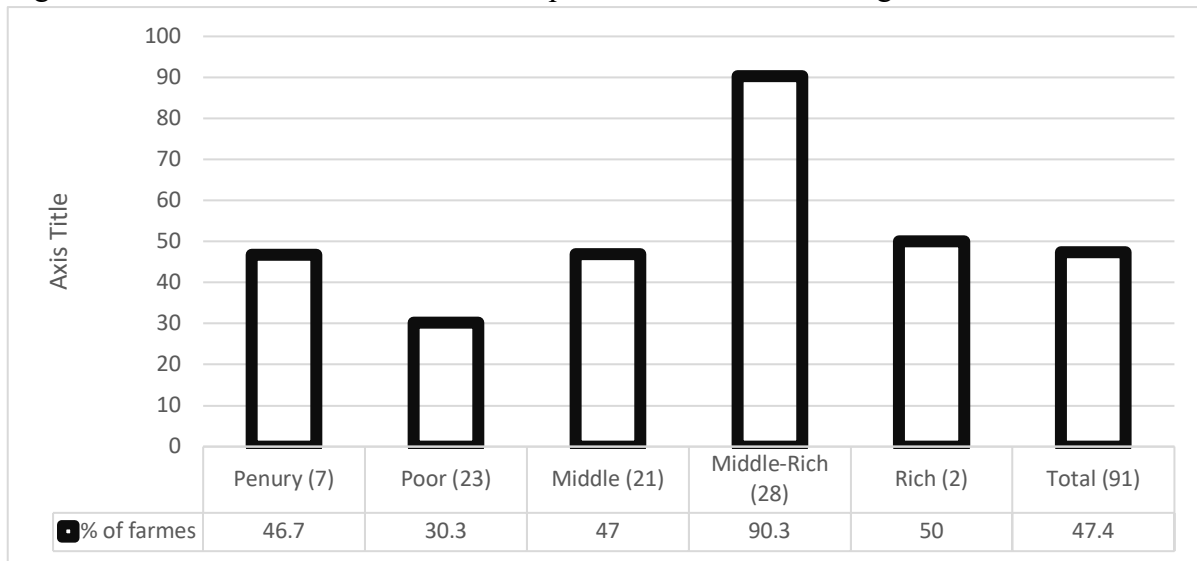


Source: Compiled by the author based on own survey data, 2018-19

High transport cost, animal disturbances, high worker wages, access to markets and labour shortages were all reported to be challenges by 40 to 50% of the interviewed households. The cooperative can resolve these problems by reasserting its input supply component of the ‘supply and marketing cooperative’. Other problems such as ageing farmers, small land size and land tenure insecurity ranked lower. In my study, a tiny proportion of the farmers were able to lease-in land from other farmers. Hence few people reported land shortages as a problem. The same can be said for land tenure insecurity (*Figure 7.24*), meaning farmers feel very secure about the ownership status that they hold under the current land administration system. In this respect, farmers need to pressure the government and the private sector some more, so that banks can start accepting the current tenure documents as collateral security to obtain loans. A lot of the pressure necessary to achieve this can be mobilised or gathered through the cooperative system. Thus, we continue to see the relevance of the cooperative system in Zimbabwe.

I wanted to understand who was experiencing most constraints during the marketing of their crops. From my data, the middle-rich cluster had the highest proportion of farmers (90.3%) who experienced constraints during marketing time. There were no significant differences in terms of the proportion of the farmers who had issues during the marketing of their crops across the remaining peasant clusters. Overall, 47.4% of all the respondents had experienced challenges in marketing their crops and/or livestock between 2015-2018 seasons (*Figure 7.25*).

Figure 7.25: Presence of constraints to crops and livestock marketing 2015-2018

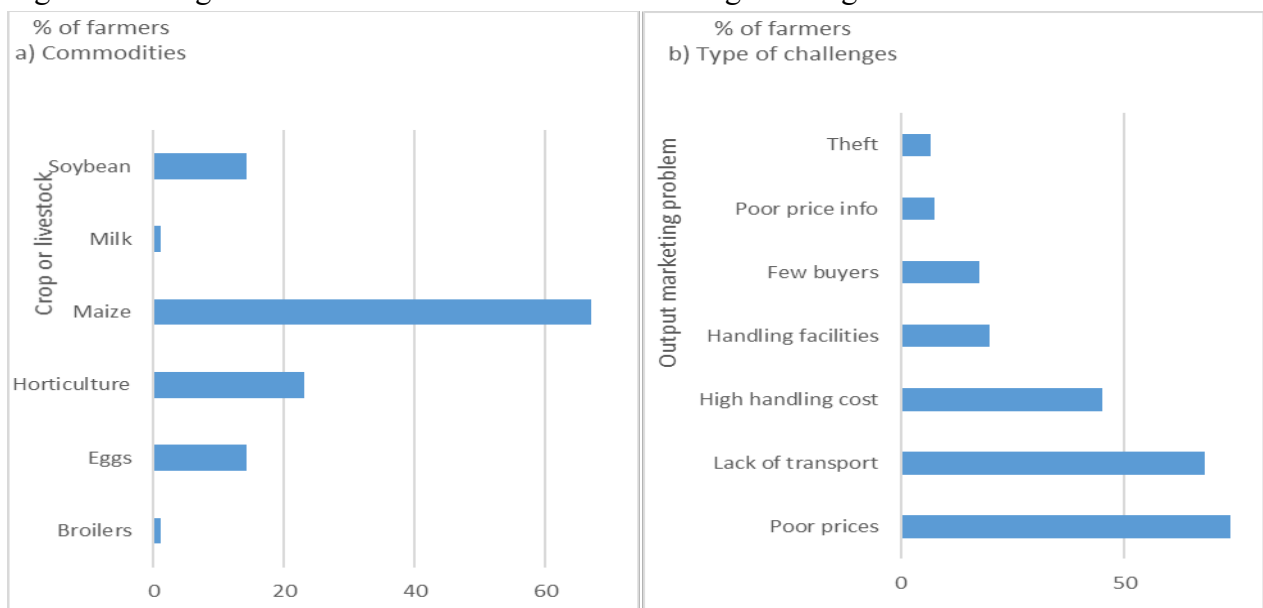


Source: Compiled by the author based on own survey data, 2018-19

Further analysis unpacked the nature of these marketing issues since my data demonstrated that the cooperative has abandoned their supply mandate and were instead focusing more on commodity marketing. Hence, there are not supposed to be any challenges in marketing.

Figure 7.26(a) illustrates that the bulk of the people who faced challenges in marketing their produce did so in the maize crop (67%), implying that the challenges were specific to a particular grown crop.

Figure 7.26: Agricultural commodities and the marketing challenges faced 2015-2018



Source: Compiled by the author based on own survey data, 2018-19

It also means that, given that none of the cooperatives focused on production of maize *per se*, and thus the cooperative was not responsible for its distribution. In fact, maize formed part of the ‘agricultural production outside cooperative structures’. The second type of crops that had challenges were all horticultural, but these only accounted for 23.1% of the farmers, while soybean (another non-cooperatively produced crop) had 14.3% of the producers complaining. Figure 7.26(b) shows us the type of challenges that farmers experienced, especially for maize marketing. Approximately 73.3% and 68.1% of the farmers that had experienced problems during the marketing of their crops reported that the problems took the nature of reduced prices and lack of transport services respectively. Those that claimed that the cost of handling the output was too high that it significantly reduced their net income levels then followed. Other challenges such as unavailability of commodity buyers (markets), inadequate price information and theft were also reported, *alas* by smaller proportions of farmers. What can be gleaned from these results is the fact that the cooperative system could resolve most of the significant challenges faced in the selling of commodities. If cooperatives could be developed for maize production as well, then these issues would become a thing of the past.

Finally, I analysed cooperative members’ perception about the type, nature and character of the challenges that their cooperative faced. The farmers reported that their cooperative was affected by low levels of mutual trust, among members and between members and the management committees. Overall, 65.1% of the farmers regarded this as a challenge, and interestingly, this was highest in the middle-rich (83.9%) followed by the middle cluster (78.8%). These findings perhaps suggest that as the person becomes more uplifted in the social ladder, the more they become suspicious of other members and fear that they are out there to take advantage of them. The latter has far-reaching implications on the cooperative model that can work in the rural areas. It will need to come up with a mechanism that reduces areas of mistrust and improve transparency. Issues of trust also affected the Japanese cooperative movement and thus, a model that can overcome this should be precious ([Chapter Six](#)).

The second most listed problem was the absence of infrastructure in the rural areas. In particular, the quality of roads to transport agricultural commodities and people who provide services, modern storage facilities, electricity, and clean water were vital concerns. Again, more farmers in the upper echelons of the peasant cluster felt that this was a big challenge. This fact means that these farmers are no longer satisfied with necessities but are concerned with more prominent and more rapid development of their cooperatives. Therefore, the way they value

challenges was different from the lower echelons. That is the reason why they also noted that their cooperatives were accessing markets for their products, but the markets were not competitive enough as reported by 93.5% of the middle-rich, 68.2% of the middle and 75% of the rich (Table 7.32). Less than half of the poor and penury peasants listed these problems as leading problems for the cooperative movement. However, more of the farmers in lower end echelons of the clusters highlighted that their cooperative had lower member commitment (penury 53.3% and 40.8% poor while middle-rich had 22.6% and rich had 25%).

Table 7.32: Challenges facing the cooperative organisations by peasant class

	Penury		Poor		Middle		Middle-Rich		Rich		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Poor mutual trust	6	40	38	50	52	78.8	26	83.9	3	75	125	65.1
Poor infrastructure	7	46.7	31	40.8	44	66.7	26	83.9	4	100	112	58.3
Competitive markets	6	40	25	32.9	45	68.2	29	93.5	3	75	108	56.3
Management & admin	5	33.3	20	26.3	42	63.6	24	77.4	3	75	94	49
Member commitment	8	53.3	31	40.8	31	47	7	22.6	1	25	78	40.6
Value of shares	5	33.3	34	44.7	32	48.5	4	12.9	0	0	75	39.1
Technical skills	6	40	26	34.2	28	42.4	7	22.6	3	75	70	36.5
Bank conditions	8	53.3	26	34.2	30	45.5	3	9.7	0	0	67	34.9
Limited income alternative	2	13.3	15	19.7	25	37.9	18	58.1	2	50	62	32.3
No irrigation systems	7	46.7	27	35.5	20	30.3	4	12.9	1	25	59	30.7
Credit facilities	4	26.7	14	18.4	25	37.9	6	19.4	1	25	50	26
High interest rate	5	33.3	21	27.6	22	33.3	1	3.2	0	0	49	25.5

Source: Compiled by the author based on own survey data, 2018-19

Other challenges that farmers thought their cooperatives were experiencing the most, as reported by between 25% to 40% of the farmers across all clusters were the lower value of shares, lower levels of technical skills, poor conditions of borrowing from the banks, limited income sources and high interest rates in cases that the cooperative actually found funding. These results will become vital in drawing up a cooperative model in Chapter Eight.

7.4 Government, policy and cooperative relations

This sub-section attempts to describe the political economy of cooperative legislature, rules and regulation that exist in the Zimbabwe cooperative movement. As we have already discussed (Chapter Three), the state itself is at times under the control of the neoliberal markets and the wishes of the markets is often engraved in the so-called development policies that the state proposes, adopts and implements. The Cooperatives Societies Act 1996 has not changed since 1990, although minor amendments were done in 1996 and 2001. Thus, my first port of call was to examine the contents of this act and try to understand how it lacked or did not lack

in terms of addressing the contemporary problems faced by rural people. Additionally, I managed to get a copy of a proposal for a new Cooperative Society Act in 2005, which was never implemented. I discuss some of the proposed changes in light of a further 2017 proposal (yet to be implemented as well).

To understand the role of the state in Zimbabwe's cooperatives, the thesis sought to; 1) understand the Cooperative Societies Act of 1996 together with the other supporting legislative instruments; 2) examine the evidence from various in-depth interviews carried out with key informants, ministry officials, experts and cooperators (cooperative practitioners) and; 3) assess farmer attitudes about the nature and extent of state hegemony in cooperative movement. The section provides data to answer research question four and meets objective four which was to examine the role of legislature in the development of cooperatives in Zimbabwe.

7.4.1 The length of government's arm in the cooperative movement

The Cooperatives Societies Act of 1996 (Chapter 24:05) (CSA henceforth) was put in place to provide for the formation, registration, management, functioning and dissolution of cooperative societies across the eight different sectors of the economy. Here lies the first legislative problem. Most countries have sector-specific societies acts, while others have two or three laws within each sector. The Zimbabwe movement has only one for the different types of cooperatives in the economy. Although some scholars argue that one blanket law is easier to administer, the problems of fake housing cooperatives in the Zimbabwe movement pokes holes into that argument (Mavhinyingwa interview, 17/03/2018). Activities incidental to the objectives of the Act should be carried out by the ministry responsible for cooperatives (which differs from time to time) and should be under the ICA cooperative principles. In this study, I picked a total of 27 key provisions (out of a total of 124 number of provisions in the act, this makes about 21.7%) from the Cooperative Societies Act of 1996 that I deem to be the most important provisions for the running of cooperatives. These have conceptual, ideological and practical contradictions for the development of the cooperative movement and are discussed in detail below.

7.4.1.1 Formation, registration and functions of the cooperative

I divided the problem areas into four sub-themes to enable for easy cross-comparisons of policy objectives with those of the cooperative and the cooperative members.

Functions of the minister and other officers (Section 3) – The minister, registrar and other state officers as espoused in section 3 of the CSA highlight that they should attend all meetings to establish or form cooperatives. That shows too much power of the government which should instead be vested in the nations cooperative association. The state should be involved in training the farmers and administering the act through the national associations.

Structure of cooperative movement (Section 6) – The Zimbabwe cooperative movement (consisting of eight different economic sectors) is governed by one act (the CSA). This legislative arrangement should be revisited since each sector has unique needs that require specific laws. The CSA is administered by one ministry, again across the eight economic sectors. Due to the differences in focus and orientation of these ministries, I argue that a ministry responsible for a particular sector should administer the new particular cooperative act (e.g. agricultural cooperatives to agriculture). Furthermore, section six stipulates that there should be four tiers in the cooperatives structure (primary, secondary, apex and national federation). I argue that this should be reduced to three tiers (primary, Apex and National federation) to reduce the replication of duties between primary and secondary cooperatives.

Cooperatives principles (Section 7) – The Zimbabwe CSA has eight principles which differ from those of the ICA which has seven. To add to that, only four of the CSA principles (principle 1, 2, 3 and 7 as (discussed in [Chapter Three](#), Section 3.2.4, page 63) directly reflect those of the ICA. However, principles *iv* (services shall be rendered by the society mainly to its members including employment), *v* (dividends on share capital shall be limited in accordance with the Act) and *vi* (surplus shall be allocated to the reserves or credited/distributed to the members) of the Zimbabwe CSA are not on the ICA list of principle for cooperatives (GoZ, 1996, p. 447). In this context of Zimbabwean cooperatives which are predominantly semi-structured, the adherence to all these principles remains a challenge. Thus, before cooperatives try to adhere to the ICA principles, they would already have violated three of the principles. Effects and ramifications of violating cooperative principles cripple the development of the cooperative and the rural areas.

Register of cooperatives (Section 10) – The act stipulates that the registrar should keep a cooperative register at the ministry; that it should contain co-operative information (by-laws, addresses and members' name) and; that it should be open for inspection. At the time of the research, a cooperative register did not exist, and hence the government violated section 10 of CSA. Key-informant interview data revealed that the register was not available because some

top government officials who abuse the cooperative movement did not want it to be available to cover up for their corrupt activities (Key Informant interviews, 2017).

Requirements for registration of a cooperative (Section 13) – This section points to the processes involved in order to register a cooperative. I argue that, again, it gives too much power to the registrar to influence the by-laws and formation of committees. Although necessary, especially given the level of training existing in the rural areas, this task should be handled by the national federation structures instead.

By-laws of registered societies (Section 23) – Just as in section 13, section 23 stipulates that the government should be present during the formulation of cooperative by-laws and has the power to amend or reject them as it sees fit. That proves overarching hegemony of state into the movement. One interviewed assistant registrar highlighted that cooperatives hardly contributed their thoughts during the formation of by-laws, but they adopted the ones suggested by the government. These functions should be handed over to the national federation.

Member's personal information to be open for public inspection (Section 28) – Section 25 talks about how the society is supposed to keep a register of the members' name, address, date started, and number of shares owned. This information should be available to all persons, including cooperative members and the registrar and the minister on demand. Modern cooperatives should protect personal information, inspection should be limited to cooperative members, and state officials from the ministry, and not to anyone as prescribed by the Act in section 28.

Disposal of produce to or through the registered societies (Section 29) – Sections 29-36 highlight guidelines to follow during the disposal of products including the fact that they should sell through the cooperatives and that a penalty should be instituted if a farmer violates. Other countries, such as Japan changed this law through the Anti-Monopoly Act. Farmers should be given control of at least 50% of the products in which they can decide which channel to sale it through. The cooperative should then work hard to make sure that their channels are attractive to farmers.

Audit of accounts of registered societies (Section 35) – This section gives the government the mandate to carry out audits of the cooperatives. I argue that the national federation should be the one auditing the primary cooperatives. To ensure genuine independence of the movement, they should be given the power to decide who gets to audit their accounts.

7.4.1.2 Membership, organisation and management of cooperatives

Throughout the literature review chapters, and from the data that I collected and presented in Section 7.1 to 7.3, we learnt that the cooperative movement faces many challenges, especially in terms of management. In this subsection, I sought to understand, the extent to which legislative tool (CSA) played in improving or worsening administration in the cooperative movement.

First general meetings (Section 46) – It stipulates that the cooperative is to hold meetings such as the AGM. Section 46 and section 48 highlight that the societies have to report the proceedings of their AGM to the registrar and if they failed to carry out a meeting within six months of the end of their financial year are supposed to report this to the registrar. The said role should be given to the apex organisations or the national federation so that they run these activities. That will significantly reduce the involvement of the state in the affairs of the movement.

Qualifications for membership of management committee (Section 55) – The variables used to qualify people who can be part of the management committee (such as must be members of the same cooperative, never been convicted and should not have outstanding loans) are necessary. However, they should consider academic qualifications and level of skills as well. Also, I suggest the use of the farmer certification to select candidates for the management committee (see more in [Chapter Eight](#)). Section 56 was hardly being followed by cooperatives. It states that a cooperative management committee member shall vacate their offices without fail if they do not attend three consecutive meetings of their cooperative. From my data, these conditions are not being met, and in this case, measures to ensure that committee members adhere to this should be placed. Again, the National Federation should enforce this and not the ministry.

Functions of management committees (Section 57) – These people need to be competent and dedicated to their work, and are responsible for the running of the cooperative affairs and business. In essence, the management committee has the power to steer the cooperative to success or failure, and thus, the quality of their skills, education and commitment can never be overstated. These are supposed to meet as much as possible, and half of the committee present constitute a quorum. The problem lies in the clause that says none of these members may receive remuneration for their duties as members of the management committee.

From FGD and interview data, I discovered that committee members' motivation was a huge factor in the success or failure of the cooperatives. In light of current economic challenges, farmers who carry out cooperative business needs higher levels of motivation to forgo their own private lives and attend to cooperative business. In the same FGD, committee members suggested that committee members should be rewarded, by either giving them loans (if they applied) at no interests or lower interest rates. Alternatively, that they would automatically become beneficiaries of any cooperative programs. Therefore, there should be provisions, either in the by-law or in this legislative tool, for incentives to the cooperative committee members.

Duties of the Chairman, vice chairman, secretary, treasurer and manager (Section 61) – The section describes the roles of chairman and vice-chairman, secretary, treasurer and bookkeeper. These roles require not only skilfulness but soberness and incorruptibility. Trained personal or holders of the farmers' certificate should fill these roles. Again, from the FGD, I found several problems in this area. Because of low skills and levels of education, some of the elected chairmen did not understand the importance of following procedures as highlighted by one case in which the secretary signed accounting books on behalf of the chairmen and the manager and also for the treasurer. In addition to signing statements on behalf of the manager, secretaries were writing reports for the manager, chairman and treasurer. In addition to highlighting that these reports should be sent to the national federation or apex organisations instead of the registrar, I would like to stress further the importance of capacitating the national federation and apex organisations to intensify their training programs of cooperative members.

Registrar may attend meetings of supervisory committee (Section 69) – As has been highlighted so far in this analysis, the ministry, through the registrar can attend any meetings of the supervisory committee without any bounds. Time and time again, I see the substantial involvement of the ministry or the government, and hence the act needs amendments as soon as possible to whittle down the involvement of the state in the cooperatives. However, just as in the case of the management committee, the supervisory committee is not given any allowances or salaries for their effort as committee members. Some motivational provisions are necessary.

7.4.1.3 Apex and national cooperative organisations

This sub-section contains provisions for the establishment of the highest cooperative organ that can represent the cooperative movement at the national and international levels. Key informant

interviews revealed that it is in this part of the act that the government has maintained a stronghold on the cooperative movement. Cooperative self-funding is one of the essential ways by of attaining self-sustainability and independence. Thus, a stronger legislature that gives more freedom for the cooperative movement at the national level to be in control of its resources and decisions is necessary. This is particularly true in the current situation where the government is relatively centralised and corrupt.

Formation of federation (Section 89) – Registered apex organisations through the approval of the ministry are allowed to form a federation. They need to have clear objectives, by-laws, structures (chairpersons and other officers) as well as written methods of winding-up the federation when it becomes necessary. Since this is the highest representation for the movement at national level, the relationship of the cooperative movement and the state/government vastly depends on the people who hold the chairman and vice-chairman positions in the federation. This body is responsible for coordinating economic and other socio-economic plans and submitting to the ministry. Ideally, this body should be in charge of all things that concern the cooperative, that is to say, the federation should supervise most of the task currently superintended by the ministry through the registrar. However, if the state does this, to a greater extent, it would have surrendered its hegemony on the rural socio-economy. The government of Zimbabwe or any other government in Africa has been unforthcoming in this respect (Wedig & Weigratz, 2018). The federation’s financial health reflects on the health of the whole movement. It is supposed to compile information that enables farmers to be knowledgeable in terms of protecting themselves from any social, political and economic problems. The federation should be able to produce or facilitate loans for the members.

Establishment and objectives of a central fund (Section 91) – This is the provision to establish a national cooperative reserve fund backed by Apex organisations, member donations and any other money that may become due. One exciting aspect of the central fund is the composition of its committee. The ministry appoints two members as the representatives of the government; then three more members are chosen by the government itself from a list submitted by the federation. Here the ministry has the final say into what happens in the cooperative fund since they appoint the committee members. Its responsibilities have little to do with policy and legal issues so naturally, the state should not be involved too much in its formation and maintenance. The central fund is responsible for getting funds for activities such as education and training, auditing of books, research and development of the cooperative movement. In a case where the government no longer prioritise the cooperative movement, and where the state still controls a

central cooperative fund, disaster and doom is the most probable result. We, therefore, cannot stress this enough, the National Federation needs to be appropriately reconstituted. In section 93, the act stipulates that 5% of the annual proceeds from cooperative activities goes to the central cooperative fund. However, it is mute in terms of how the secondary and apex organisations, as well as the federation itself, are supposed to be funded.

7.4.2 The revised government policy on cooperative development

Throughout the discussion, I have consistently argued that the government has too much power within the cooperative movement. This point of view is not only held by this author but by other scholars (Musininga, 1988; Makochekamwa, 2015), co-operators (as shall be discussed in the next sub-sections) and even the government of Zimbabwe itself (MYDEC, 2005). I come to this conclusion based on the proposed revision to the 1990s Cooperative Society Act which was done by the ministry itself. The first proposal titled “The revised Government policy on Cooperative development” was in 2005 under the guidance of the then Minister of Youth Development and Employment Creation (MYDEC), Mr Ambrose Mutinhiri. In general, the propositions in this revision were extremely radical from a government point of view but would have helped the movement. Since most of these propositions were moving ultimate power to the cooperative movement and away from the state itself, it is not surprising that the proposal never saw the light of day.

The document noted that by 1987, there were 1,800 cooperatives which rose to 3,575 (six apex and one federation) by 2003. An estimate made in 2003 put the total membership approximately around 200,000 nationwide (stands at 465,000 members as of 2017). The policy document highlighted how the Savings and Credit Cooperative (SACCO) and the housing cooperatives spearheaded the current cooperative movement (as at 2003). The SACCOs had been able to mobilise savings of approximately US\$675 million from a share capital of US\$40million and a total loan portfolio of US\$500 million, which was in circulation within the movement. Interestingly, the cooperative policy identified and acknowledged that the government had changed its political ideology from socialist to market-oriented, considering the fall of socialism on the international platform. The policy document acknowledged the fact that there had been a considerable loss of qualified and competent staff in the cooperative development, which had catastrophically reduced the quality of support from the government side. This admission may point to the fact that the staff within the government is not skilled enough to transform the movement and that these people had little to no experience.

Furthermore, the report also confesses the fact that most cooperatives formed after independence were mainly state and donor cooperatives. The members never identified with the movement either through investment of cooperative share capital base or through commitment and dedication in the movement. So, as highlighted in Wedig & Weigratz (2018), the movement was seen as a state or donor movement in which the farmers only had to register in order to benefit from the initial capital donations. This fact profoundly affected the sustainability of the program. Again, as argued in Wedig & Weigratz (2018), governments have been trying to encourage the emergence of a new wave of grassroots cooperatives.

The revised policy document has a lot of positive proposals which if followed, could revolutionise the movement. The ministry acknowledged its excessive power through the registrar which enabled ‘the government to exercise too much control in the administration of the cooperative, thus inhibiting their growth as independent business organisations’ (MYDEC, 2005, p. 2). The regulatory environment since independence (and even now) is highly ‘restrictive and prescriptive’ and hence cannot oversee to genuine cooperative development. The 2005 policy proposal went further to say:

[...] apart from the common problems such as lack of access to credit facilities, limited technical support services and inadequate human resource base, some of the problems have been related to inflexible, unaccommodating and bureaucratic regulatory controls, the existence of an uneven playing field and the lack of specialised knowledge and expertise. – (MYDEC, 2005, p. 13)

This rationale links to the fact that the state cannot develop the country-side by imposing on the cooperatives since half the time they do not know the exact details of the people’s problems. The state should not just seek to help the movement, but it should seek to help the movement help itself.

7.4.2.1 Policy aims and objectives

At the heart of the new revised cooperative objectives is the need to move away from the non-viable and highly unsustainable cooperatives that depend on donor and state funding; to the establishment and maintenance of viable and sustainable cooperatives through programs geared to building capacity of the members to empower, govern and manage themselves. The specific objectives are as follows:

- To create a conducive environment for the growth of the cooperative movement in Zimbabwe
- To address the new challenges faced by the cooperative movement since the enunciation of the 1984 cooperative policy. These challenges include poverty eradication and employment creation, globalisation, changes in the economic orientation, development of the SMEs, the agrarian reform and the indigenisation of the economy
- To realign the government policy on the cooperative development with the ILO recommendation 193²³ on the promotion of cooperatives adopted in June 2002 (sic) (MYDEC, 2005, p. 3).

In achieving these objectives, I argue that in addition to the problems brought about by neoliberalism in the countryside, the other closely related greatest challenge to cooperative development is the building of the small-to-medium enterprises (SMEs). This situation led to policy and ideological contradictions because the government tried to simultaneously foster for the development of the two, cooperatives and the SME by administering them through one ministry (2013-2018). SMEs are small private-owned companies with a minimal number of workers, capitalisation levels and turnover ratios (Mavhinyingwa interview, 17/03/2018). Thus, in the sense of the rural areas, individual farmers can be described as having small plots, hiring very little labour and equally smaller turnover ratios. In this sense, they become agricultural SMEs. Hence having a ministry that is responsible for promoting SMEs at the same time as promoting cooperatives in the context of the rural areas was self-defeating.

Although the policy tried to link the two, it described the SME as a cooperative type of business which is mostly untrue. SMEs are a direct competition to the cooperative movement. To a greater extent, the government's stance on SMEs is to actively develop an indigenous local black capitalist class, which is not what cooperatives do. Although cooperatives can make a profit, it is not their primary objective, which is to improve the lives of the members. Cooperatives are supposed to be recognised as part of the private-sector and hence treated as such, and the only exclusive help that could come from the government is legislative support as well as periodic training for the members to stay abreast of the latest developments in business management skills. In this proposed policy, the government wants to wean off the cooperatives and allow for a new wave of cooperatives to take precedence.

²³ “The ILO recommendation 193 is the only international policy framework for co-operative development that has the added value of being adopted by governments, employers organisations and trade unions, and supported by relevant civil society organisations” (Smith, 2004, p. 8)

7.4.2.2 Funding and the roles of the stakeholders in the development of movement

Access to funding is one of the biggest hurdles to cooperative growth. The government proposed to encourage members to be more proactive and to fund their economic ventures through joining fees and capital contributions. Such possibilities are, however, slim since the peasantry has so many poor farmers who cannot afford to raise enough money for joining fees. Nonetheless, Chayanov (1991) highlighted that the peasantry is not homogenous, and there are some farmers who can raise money for joining fees, exhibit self-reliance through share-capital contributions, and eventually generate reserves.

Since cooperatives are encouraged to become more autonomous, revisions in the Act proposed for cooperatives to establish self-help financing. One of the channels that they can take is borrowing from banks or government institutions. However, clear good debt repayment history must support borrowing. As a response, the government then will encourage the formation of a unit within the cooperative movement that will be responsible for the human resource development and provision of consultation and advisory services as well as auditing and supervisory services to its members. If the government had adopted this (14 years ago), the cooperative movement in Zimbabwe would be at a better stage at the moment.

Covered in section 7.4.1.1 (page 287) were the differences in the cooperative principles in the 1990s act and those found of the ICA. The 2005 revisions had also noticed this and had proposed to update them. The new 2005 policy also addressed the need for the movement to be in line with the rest of the world and be on the same level through the ILO recommendation 193. The complexity of the political economy of cooperative development in Zimbabwe explains why it has not yet led or informed the formation of a new up to date cooperative law. The cooperative movement is considered a tool by a number of government elites for gaining support in the rural areas or accumulating through corruption in the urban housing cooperative. What is most evident in this revised policy is the need to wean off the cooperatives so that they can help themselves and avoid depending on the government and donors too much for financial support.

7.4.2.3 The relationship between government and cooperative enterprises

The fact on the ground is that cooperatives do not get any special treatment from the government anymore, especially in terms of finance. However, neither of the ministry officials nor the leaders of the cooperative movement were willing to admit this reality. Therefore, it may mean that most of the people were not aware or had not realised the change in position of

the government. The policy revision was supposed to clarify this by highlighting that the cooperatives need to quickly reorganise themselves, implement organisational reform programs that enables them to manage and control their affairs. It concisely states that the government would no longer have any obligation to protect or support cooperatives any more or less than the private business enterprise. The state would only train and build capacity with some minimum necessary regulations reformed slowly. This process is a huge game-changer that should have sent shockwaves throughout the movement. The rationale is to rightly reduce the footprint of the government in the cooperative movement.

From independence, the government has been acting as “[...] the lawmaker, the promoter, the supervisor, the service provider, the funder and the arbitrator of disputes [...]” (MYDEC, 2005, p. 16). Moreover, this has undermined cooperative growth since in many cases, the state has interfered too much in the affairs of cooperatives (what Scott – 1998 called a high-modernist approach). Therefore, within the confines of the proposed revision, the state wanted to limit its role to enforcing the act. Policy frameworks, especially with regard to the control of food trade and other regulations, is an issue of sovereignty and national vision, hence state role should not be wholly eliminated. As we saw, in the case of Japan, the JA progressed through powerful lobbying activities to Liberal Democratic Party administration in the 1960s. And in the case of Southern African countries after independence, food producers were also protected by the state-controlled marketing boards. My view is that the time of protectionism may almost be over, but the key to achieving positive development outcomes is gradual disengagement. of the state and given that some vital/key regulations are maintained. The abrupt halt in support as that done during the ESAP may do more harm than the maintenance of the current status quo.

Development will also depend on the level of communication and information sharing between the government, the private sector and the cooperative movement. For instance, the revision proposed that the government should relinquish some of the activities into the hands of the movement, such as auditing of primary cooperatives. Proper structures need to be put in place first to enable smooth design and implementation of comprehensive cooperative re-organisation programs which are in line with national socio-economic development policies. Without communication, assistance, funding and training from the government itself, this task possesses severe challenges for cooperative movement.

The revised document also brought into perspective, the reality that increased numbers of cooperative transcend to increased demand for cooperative training and skills development. At

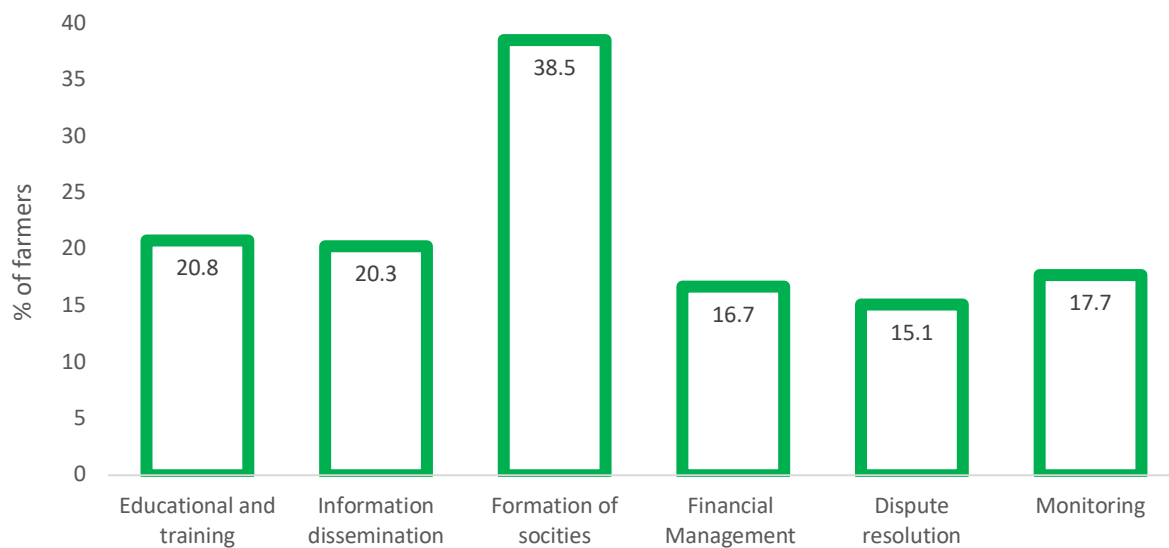
the same time, cooperative funding for training, skills and education from the government has declined in the past three to four decades. Thus, the government is currently unable to channel resources to training and education. The policy further proposed that any training by the government will no longer be free of charge but will be charged based on cost recovery. What this means is that cooperatives need to undergo Human Resource Development (HRD) on their own.

Moreover, as suggested by the policy, this HRD as well as auditing, arbitration, the carrying out of feasibility studies and representation can be taken up by the apex and federation cooperative as provided for in the CSA (section 9). As a way of lessening the burden on cooperatives, the policy proposed that the government incentivise the cooperative through tax cuts, duty free imports of equipment, tax holidays, non-taxable income as well as being given some tenders on some public works programme, especially in the rural areas. However, this is to the discretion of the government, and these incentives will be reviewed annually. My assessment of the proposed policy revision is that it was a step in the right direction. Policymakers need to view cooperative development as less of decentralisation of power or creation of stronger, educated peasantry who may rise if their needs are not met. Nevertheless, the state should view them as a group of people who can take themselves out of poverty through self-help.

7.4.3 Farmers attitudes towards the state cooperation

This sub-section examines farmers perception about the government's role in the development of the cooperative movement. I asked the cooperative members whether they had ever met any government officials responsible for cooperatives, and how many ministries they had met. Some farmers (38.5%) highlighted that they only encountered with the government or its apparatus during the formative stages of the cooperative. This is the time when the cooperative applies to the government to become a registered cooperative. Approximately 20% agreed that they had met government officials, not necessarily the cooperative registrar nor the deputy registrars, but members of the ministry. These officials had come to their areas with a training and education program (20.8%) or were disseminating information (20.3%). Other farmers pointed out that some officials came to their area to check their accounting books (16.7%) and help/monitor their financial wellbeing (15.1%) (*Figure 7.27*).

Figure 7.27: Attitudes towards the role of the government in the movement



Source: Compiled by the author based on own survey data, 2018-19

Approximately 15.1% of the respondents had highlighted that they had encountered with ministry officials when they came for dispute resolution within the cooperative movement. The government is mandated to carry out these functions by the Cooperative Societies Act of 1996. Only 7.1% and 14.3% of the farmers in Xanadu A and Shungu Organic farmers had seen or encountered with government officials. The rest of the cooperatives had higher proportions of farmers that had seen government officials in their area, Chikwaka dairy (65.5%), Gosha eggs (47.8%), Gutu golden egg (58.3%). The cooperative that had witnessed the highest number of visits from government officials was Tagarika irrigation cooperative (76%) of the farmers. While other cooperative members had seen an average of two ministry officials, members of the cooperative in Tagarika had seen and knew an average of seven government representatives who frequented their cooperative. After analysing the data, I revisited the cooperative to find out the reason for this exceptionally high level of contact with the state. I found out that the cooperative is a recipient of tractors from the government, and it is the nature of the tractor agreement that officials should come to the cooperative headquarters regularly. A detailed exploration qualitative research is provided in Section 7.5.8 on page 321).

These results reveal that the state is selective about its contacts with the cooperatives, depending on the size of the cooperative and the importance of the crop that a cooperative was producing. Relations also depended on whether there are any on-going joint projects between them and the cooperative. All of this information has implications on the nature and character of the cooperative that would be viable in Zimbabwe's agrarian structure. For example, based

on this result, organic vegetable producing cooperatives would get less attention as compared to a tobacco-producing cooperative since tobacco is an ‘essential crop’ to the country (as a principal foreign currency earner). In the same instance, smaller cooperative struggling to invest in machinery would get less attention than a prominent cooperative that has been able to accumulate assets and infrastructure. In political-economic analysis, the state is interested in what it can get from the cooperative movement before it asks itself what it can give to the cooperative.

Although the state is not present on the ground as it was in the 1980s (especially during the collectivisation period in the model B resettlement areas), the farmers still maintained that they always feel that the government is watching their activities and monitoring them. I asked farmers if they felt that the government had too much of a say in the running of the cooperative in Goromonzi district. A third reported that they were undecided on whether the government had a heavy hand in the movement, however, an overwhelming 63% (20% of these strongly agreeing) agreed that the state’s was omnipresent in the movement (*Table 7.33*). Interestingly, all the members from the Tagarika cooperative (which experienced the most visits from the government) agreed to this assertion.

Table 7.33: Attitudes towards state hegemony in the cooperative movement

	Response	1	2	3	4	5	6	7	8	9	Total
a) Ministry’s has a heavy presence in the operations of cooperatives	Strongly agree	3.4	34.8	0	0	14.3	11.1	7.7	6	19	12
	Agree	48.3	17.4	0	42.9	14.3	11.1	23.1	92	61.9	51
	Undecided	41.4	47.8	100	57.1	71.4	77.8	69.2	0	9.5	33.3
	Disagree	0	0	0	0	0	0	0	2	7.1	2.1
	Strongly disagree	6.9	0	0	0	0	0	0	0	2.4	1.6
b) The ministry should be involved more in the Cooperative management	Strongly agree	0	0	0	0	0	0	0	14	85.7	22.4
	Agree	27.6	0	0	0	57.1	0	30.8	48	2.4	21.4
	Undecided	62.1	82.6	0	85.7	14.3	22.2	38.5	36	4.8	37
	Disagree	10.3	17.4	100	14.3	14.3	66.7	30.8	2	4.8	17.7
	Strongly disagree	0	0	0	0	14.3	11.1	0	0	2.4	1.6

1=Chikwaka, 2= Gosha, 3=Gutu, 4=Kumboedza, 5=Shungu, 6=Simba Ivhu, 7=Survival skills, 8=Tagarika, 9= Xanadu A

Source: Compiled by the author based on own survey data, 2018-19

There were mixed feelings about whether the government should increase or cease its involvement in the cooperative movement among all the cooperatives. This is the reason why part of *Table 7.33* showed a higher proportion of farmers who were undecided on whether the state should increase its footprint or not. Although some cooperatives such as Gutu eggs and Simba Ivhu cooperatives were of the notion that the government need not be involved with the

cooperative movement than it already was. The rest of the cooperatives thought that there would be no harm if the government increased their role. Of note is Xanadu A and again, Tagarika cooperatives, which recorded the highest proportions of farmers (88.1% and 62% respectively) who agreed that the state should be involved more in the cooperative movement.

Follow up interviews highlighted that since these cooperatives were recently established (Tagarika in 2014 and Xanadu in 2015), the farmers felt that they needed more government's help (Research Interviews, 2019). Irrigation equipment and tractors are expensive, and given the few options for farmers to obtain credit, the farmers expected the state to take care of its farmers in their formative years. These findings imply that the cooperative model that I should come out with at the end of the thesis should factor in formative years of the cooperative and how teething problems can be overcome. Decentralisation can be a solution to this dilemma as seen in countries such as Nigeria, Japan and USA where the presence of the national government in the local spheres is only as pronounced as the prefectural government wants it to be. Financial, legal and administration coordination remains with the central government of course, but day to day issues such as extension and agricultural training go to the local government who are well in touch with the local realities. This can be one way of reducing information asymmetries

7.5 Farmer perceptions, ideology and political economy of Zimbabwe cooperatives

The Zimbabwe research involved extensive qualitative data collection through interviews, focus group discussions (FGD) and participatory observations. As indicated earlier ([Chapters Two & Seven](#)), I managed to do nine interviews and two focus group discussions. Some of the names of government officials and other interviewees have been changed upon their request. Thus, in this section, I analyse information provided by interviewees, as shown in [Table 7.34](#). Focus Group Discussions were carried out with *i*) Chairpersons of agricultural cooperatives from Mashonaland East Province which consisted of 18 chairpersons, and *ii*) Managing committee of Tagarika Irrigation and Tractor Cooperative which consisted of 5 persons.

Table 7.34: List of structured interview participants in Zimbabwe

Name	Date and place of interview	Cooperative Name	Role or occupation
1. Cooperative registrar	March 2018, SMECD* HQ in Harare	SMECD*	Cooperative Registrar
2. AR Mada			Assistant Registrar (AR)
3. AR Nyamunda			Assistant Registrar (AR)
4. ER Mavhinyingwa	March 2018, Mavhinyingwa's house in Harare	Former SMECD	Retired Registrar (ER)
5. Mrs Maziva	February 2018, CACU HQ** in Msasa	CACU	CACU Chairperson
6. Dr Matondi	April 2018, Skype interview	Ruzivo Trust (Research Organisation)	Scholar
7. CP Manthosi	March 2018, GHHCU*** Offices in Harare	GHHCU	Cooperators
8. F Mugaba	February 2019, Farmers' homestead in Xanadu	Xanadu	Farmer
9. F Manyika		Xanadu	Farmer

* = Ministry of Small & Medium Enterprises and Community Development (SMECD); ** = Head Quarters; *** = Greater Harare Housing Cooperatives Union

Just as I did in [Chapter Six](#), I identified a total of 15 sub-themes which I then reorganised into eight main themes from the interview and FGDs transcripts. These became the codes in which I organised text into as described in [Chapter Two](#), (Section 2.6.1, page 45). These sections were as follows:

- i) *Cooperative appeal*- What are the most appealing aspect of cooperatives?
- ii) *Challenges*- What are the challenges faced in the overall cooperative movement?
- iii) *Governance*- How is the movement affected by the laws, the rules and regulations?
- iv) *Ideology*- What were the issues that had to do with the ideology of cooperatives?
- v) *Independence*- What were the issues that improved or threatened independence and sustainability of the cooperative movement?
- vi) *Management*- What are the issues that affected the management of cooperatives?
- vii) *Political economy*- What are the political issues that surround the cooperative movement?
- viii) *Solutions*- What are the solutions, from the stakeholders of the cooperatives for all the challenges of the movement?

7.5.1 General attitudes and perspectives of officials, cooperators and farmers

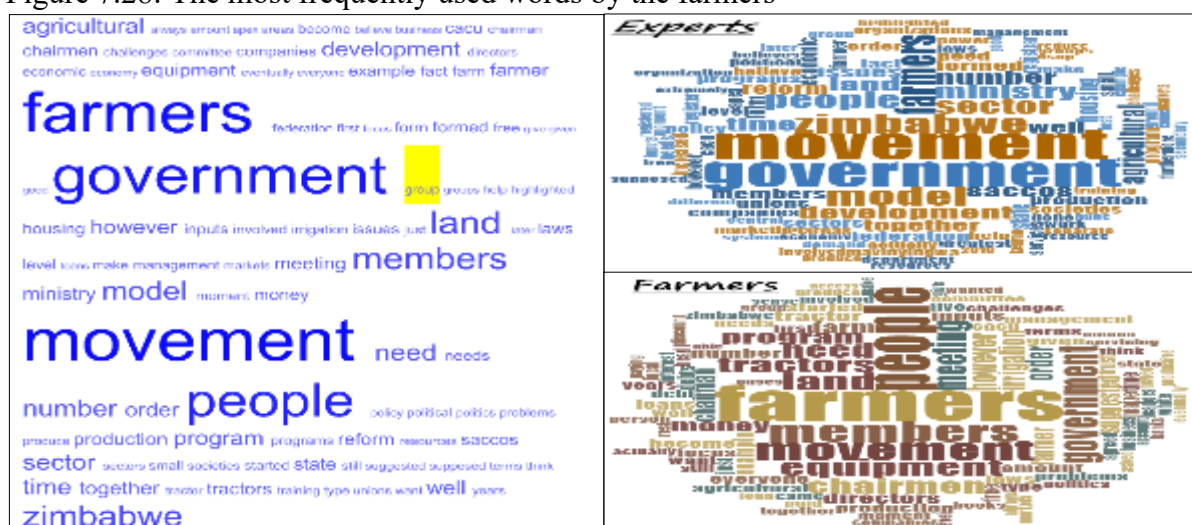
The study examined attitudes from the key informant interviews as well as FGD. After adding the word ‘cooperative’ to the list of ‘stop words’ in Nvivo, the most used words within interviews differed depending on the role of the interviewee within the national cooperative structures. I divided interviewees depending on whether they were farmers (members and cooperators) or experts (scholars and ministerial officials). From the experts’ interviews, I found out that they mainly spoke about the cooperative as a government-controlled movement within the concept of national program (the word ‘Zimbabwe’ in

Figure 7.28). The experts used other buzz words such as ‘model’, ‘development’ and ‘ministry’ more frequently than farmers.

Differing perspectives emerged from the interviews with the farmers who talked a lot about community orientation (the words ‘farmers’, ‘people’ and ‘members’ in

Figure 7.28). Additionally, they talked about the ‘movement’, ‘equipment’, ‘meetings’, ‘tractors’ and ‘the government’. These differences are noteworthy because they give us an idea of the context and nature of the challenges and solutions they face in the cooperative movement. Overall, in conjunction with ‘government’, farmers talked about ‘movement’ and ‘the people’. The Zimbabwe cooperative movement is therefore, much affected by the interaction between the government and the farmers. In this sense, it was vital to try and understand the political economy of agricultural cooperatives in Zimbabwe.

Figure 7.28: The most frequently used words by the farmers

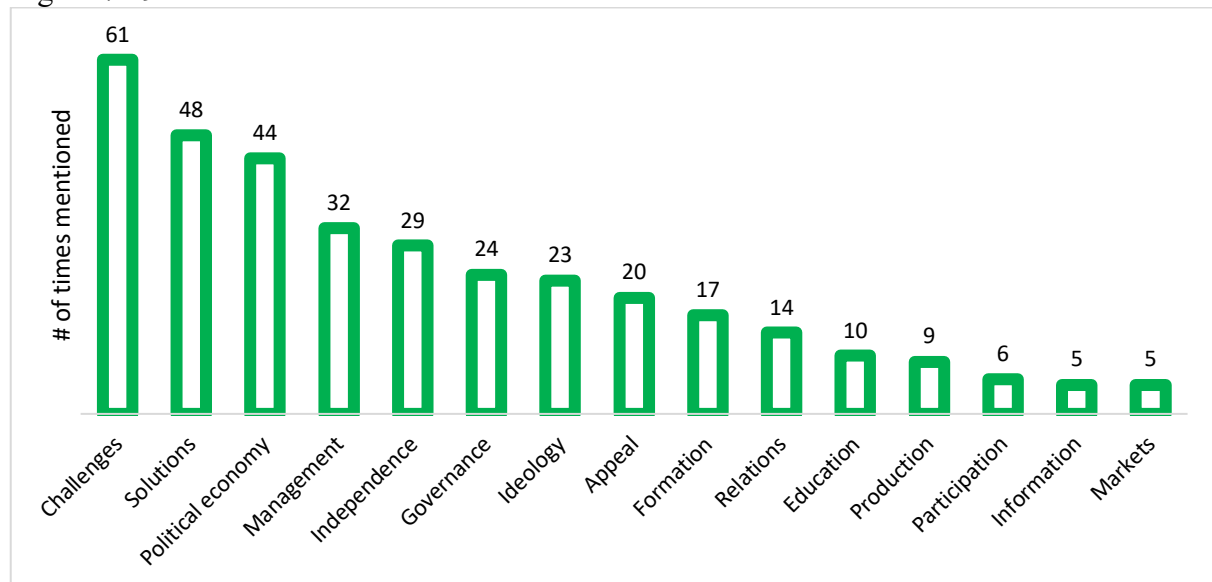


Source: Compiled by the author based on own survey data, 2018-19 (NVivo word cloud query)

Overall, across all the nine interviews and 2 FGDs, the most discussed themes were ‘challenges’ followed by ‘solutions’ and the ‘political economy’ of cooperatives in Goromonzi. Other issues that constituted the discussions were issues to do with the ‘management’ of the cooperative, issues to do with the ‘independence and sustainability’ of the movement, ‘ideology’, ‘appeal’ and issues that affected the formation of the cooperatives (

Figure 7.29). Noteworthy from the qualitative data returns was that although many challenges persisting in the cooperative movement were highlighted, the farmers and the experts knew or had some solution to them. However, they could not act on their plans because of uncondusive management and governance environment. Some issues (such as corruption and abuse of cooperative facilities) could not be solved because they had a lot to do with the political economy of the cooperatives. The sections that follow discuss the eight themes in greater detail.

Figure 7.29: Number of times that the issue was mentioned in interviews and FGDs



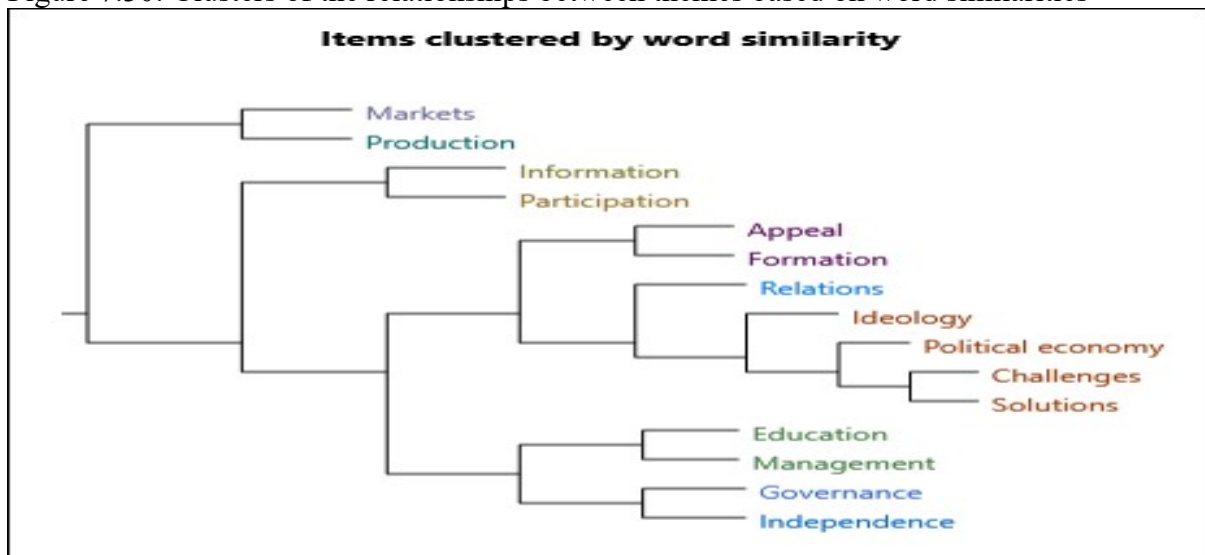
Source: Compiled by the author based on own survey data, 2018-19 (NVivo matrix coding)

Using NVivo’s cluster analysis, I wanted to understand the relationship between the chosen themes statistically. I used Pearson’s correlation coefficient method to find the association. Each time a respondent spoke about governance issues (e.g. the legislature, rules and laws), they also talked about the independence of the cooperative movement from the government. This fact means that the source of threats for cooperative independence stems from the legislative framework or the Cooperative Societies Act of 1996. At the same time, issues of management of cooperatives were discussed within the concepts of levels and quality of education within the management committees (see

Figure 7.30). Furthermore, education and management were discussed in the context of governance and independence of the cooperative movement.

Each time an interviewee mentioned a problem, they also highlighted a solution to overcome that problem. These two, challenges and solutions were close to the political economy issues and the level and quality of ideology within the cooperative movement. Issues to do with the formation and the appealing/attracting factor for people to join cooperatives were discussed together. These results prove the relevancy, strength and adequacy of the themes that I chose for this analysis. Markets and production and, information and participation, formed an isolated cluster.

Figure 7.30: Clusters of the relationships between themes based on word similarities



Source: Compiled by the author based on own survey data, 2018-19 (NVivo cluster analysis)

7.5.2 Appeal of cooperative

Farmers, scholars and policymakers are interested in cooperatives for several different reasons. However, a number of the people interviewed in the study highlighted that registration of cooperatives was formalisation of everyday life because it is human to cooperate. For example, as one of the assistant registrars from the ministry reported:

[...] cooperatives were actually started by the small-holder farmers so that they could acquire inputs in bulk, reduce transaction cost, and sometimes import inputs [...] lots of people are naturally into some collective action. There is demand for cooperatives as can be seen through many people trying to register them. Although the number of unions is not increasing, the number of registered cooperatives is increasing, as

evidenced by the fact that at least one cooperative is registered each day. – (AR Mada interview, 08/03/18)

The biggest reason why people wanted to have collective action in the rural areas, therefore, was to try and reduce the adverse effects of market imperfections such as high transaction cost and access to inputs and output markets. The message that the assistant registrar was trying to relay was more explicit in the words of the former cooperative registrar:

Cooperatives, as we know them on paper, are just formalised reality. People cooperate in everyday activities, young man, you do know that even starting from Adam and Eve in the garden of Eden, they were cooperating. They probably should be called the pioneers of cooperation on this planet. The whole essence and meaning of life usually manifest itself as cooperation, tolerance and working together between human beings. – (ER Mavhinyingwa interview, 17/03/2018)

Although the government has significantly reduced its financial support for the cooperative, it was still using the cooperative/group approach in almost all its rural programs, e.g. extension services. In addition to maintenance of standards, the cooperatives can improve farmers control of their produce and money. Farmers suffer significantly on the open market where they are duped of their hard-earned products. If farmers come together, they form a massive pool of resources that are capable of lending money to the other various sectors. This reasoning seemed to be echoed by one of the members of the Tagarika irrigation cooperative:

The cooperative was formed because of problems in accessing water around the farm. Since we had a dam nearby but no means of pumping the water to the fields, we had to come together to be able to buy the costly equipment. Irrigation equipment was too expensive to buy as individuals. Each member paid a joining fee of \$100 and then \$10 every month afterwards. The benefits from the cooperative justified these amounts that we had to pay. – (Tagarika FGDs, 31/01/18)

Farming on its own cannot sustain the lives of the farmers, but with cooperatives, the goal is to own the product, process it and add value to it. Government influence is supposed to be limited. Farmers or people can influence government policy formulation processes when they have sufficient collective action:

The farmers have no aggregate voice through which they can air their views. The rural areas are highly socially unorganised. These facts are also valid for the peri-urban areas. Taking the egg industry, for example, in 2017, a group of 12 people headed by Irvine's eggs held the whole of the egg market at ransom. They control the value chain of eggs, and to make it worse, they have entered into some form of out-grower system in which they let urbanites raise chickens in the back of their urban houses. There is so much enormous potential for cooperatives and so much scope to justify them. As we speak, I am involved in setting up a cooperative from below. The people in Beitbridge (where Mopani worms are grown) have for long been marginalised in terms of benefiting from the Mopani worms value chain. Formation of the cooperative will enable them to put a plug on income lost through surplus transfer as well as work together to establish sustainable ways of harvesting the worms and eventually developing mechanism to increase their production. – (Dr Matondi interview, 20/04/18)

From the perspective of the scholar, the reason to form cooperatives is driven by need to oppose/reduce capitalist hegemonies in the agricultural markets as in the case of the egg industry. Likewise, there is a need to improve the level of beneficiation derived by the farmers from a bundle of available resources as in the Mopani worms' example. There is a need for an institution between the government, the companies and the farmers. This institution should have experienced and qualified personnel in order to make sure that whatever program that was brought to the farmers has their concerns prioritised.

7.5.3 Management of cooperatives in Goromonzi district

In this section, I discussed management issues from two perspectives, the national and the individual cooperative.

From the government's point of view, there exists impediments to the smooth management of cooperatives. A higher number of unregistered cooperatives is one of the biggest challenges in the movement (depending on the economic sector). These unregistered cooperatives make it harder for the state to administer the cooperative law. In the agricultural sector, there are more unregistered cooperatives than in other sectors. While this might be a blessing in disguise for some cooperatives, it is a logistical nightmare for the government. Part of the reason why the situation is as it can be blamed on the government itself because registration of cooperatives can only be done in Harare. The ministry feels that they need to increase support in the form

of more personnel on the ground to interact with the farmers and train them. At the moment, a handful of staff in the department of cooperatives were too busy with clerical work and hardly had time to go on the ground. An assistant registrar elaborated:

I feel that the registrar has limited power in terms of arbitration. He has the power to make decisions but does not have the power to implement them into actions. In times of serious arbitration, the cases are handed to the police who may choose to act instantly or delay. – (AR Mada interview, 08/03/18)

According to assistant registrar Mada, differences in land sizes, tenure arrangements and products produced complicate the smooth formation of cooperatives. This means that within the same sector of agriculture, management approaches for equipment, irrigation, crop and livestock cooperatives differ significantly. While this speaks volumes about the need for sector-specific legislature, it also highlights the fact that cooperatives should sometimes consider being product-specific, at least at the beginning. Lastly, the ministry officials also highlighted the negative effect of changing parent ministries every time the cabinet is reshuffled. Much information and the concept of continuity is lost with every change. The ‘hand-over-take-over’ processes are never smooth. They argued that it was one of the reasons why the cooperative register was not available.

Additionally, the un conducive macro-economic environment that the country has also affected the cooperative operation. Most cooperatives lost out during the dollarization of the economy in 2009. A number of them had huge savings, mainly services cooperatives who had not invested in physical assets. The government sometimes import agricultural products at a cost higher than the cost of supporting the local farmers at the beginning of the season. Thus, some of the problems come from the lack of planning and prioritising.

As far as management issues at the cooperative level were concerned, lack of trust was at the top of the list. In an environment where corruption has been institutionalised in the government, private and civil society, cooperative members have grown suspicious of the top management. One of the leaders of Tagarika irrigation lamented:

Other challenges, especially within the cooperative movement and its management is that there are low levels of TRUST. However, it is not the fault of the cooperative leaders; for example, some farmers do not trust us because we could not tell them

exactly how much we owe the government. We did not tell them because we also do not know. We are still unclear about how the program actually works four years down the line. – (Tagarika FGDs, 31/01/19)

In the FGD of cooperative chairpersons, solutions were solicited concerning the most significant management problem of unpaid or un-serviced loans. It was highlighted that the total CACU debt had risen to US\$1.2 million and that if cooperatives failed to repay, (through failure to collect the debts from their respective members) property could be attached by the banks.

It is, therefore, the responsibility of the management to make sure that all farmers pay back their loans. The chairpersons here (in the FGD) present must come up with a plan to recover the loans. In a way, what I mean is that if the cooperative fails, it can be blamed entirely on the management, which consisted of the directors and the chairpersons. We want any suggestion even if you think that it is silly or unhelpful. – (Chairperson's FGDs, 19/02/18)

The FGDs opened a huge can of worms because many management malpractices were discovered. Some chairpersons habitually delegated their secretaries to write and reconcile their plan book as well as invoice books. Typically, the secretary of the cooperatives writes their separate reports and the manager does the same. At the end of a given period, although written separately, the two reports should reconcile. This improves transparency and accountability in the cooperatives. However, if one person was doing them, then it defeated the whole purpose of accountability. This issue was noted by CACU officers who collect the books in order to check if they reflect the same transactions, and in more times than not, they were written in the same handwriting.

Since there is so much misinformation in terms of who owes how much, the age of debt and the likes, the first port of call after the meeting is for each chairperson and director to reconcile their books. Thus, membership books, membership fees, and debts had to be reconciled. Then the chairmen can go around collecting debts. – (Chairperson's FGD, 19/02/18).

From the Xanadu A irrigation cooperative farmers interviews, I discovered that payment of

cooperative subscription was a huge problem. Cooperative leaders were struggling to find ways to improve payment of these fees.

Our cooperative [formerly] had eight members that paid \$10 per month as subscription, which translated to \$960 per annum. If we could pay this amount into the cooperative, it means we are productive. [...] After forming a new cooperative, the new people do not pay subscription fees, and old ones stopped too. It is difficult to go after all the members. At the moment, farmers only pay for the services they hire from the cooperative, i.e. \$100 per hectare for tillage, 60% of this money goes to the Brazilian account, and the rest goes into servicing of the tractors. – (Interview with AR Mugaba, 08/02/19)

This is a severe problem because the people were ‘forced’ to form the tractor cooperative; thus, they do not see the need to pay subscription fees. The cooperative needs such homogenous type of people faced with similar problems for it to be united and to work towards fulfilling its objectives. So thus, each farmer’s goals and objectives are too dissimilar to each other. Smaller groups or cooperatives are a solution, like-minded people together at first and then eventually they become bigger. – (F Manyika interview, 05/02/19).

7.5.4 Ideological backbone

Several scholars on cooperatives have given a great deal of attention to how cooperatives are managed, from the national perspective and individual cooperative level (Akwabi-Ameyaw, 1997; Birchall, 1997; Cook & Buress, 2009; Iliopoulos, 2017; Mariani, 1906). Moreover, in doing so, many have concluded, with less regard to the various other external factors, that it is in management area that most cooperatives fail (Ortmann & King, 2007). While such lines of argument hold water, it is also essential to understand the effects of other factors on the level and quality of management of cooperatives. In this subsection, I examined whether the stakeholders of the cooperative movement valued the role that ideology plays in the cooperative movement. In addition to challenges in agricultural production (poor farming practices, imperfect markets and climate effects), three other issues emanated from these interviews. The most significant problem has been farmers’ attitudes towards cooperative; then the level of homogeneity within the rural areas, and finally ideological contradictions within the government itself.

The level of cooperative education is not high enough for people to clearly understand how they fundamentally work. People need more information because as they get more information and more educated about how specific programs work, the more they will be able to act as expected. Many of the farmers claim to know what the cooperative is, but only a few understand the fundamentals and principles of cooperatives. The co-operator we interviewed argued that:

[...] in the pre-independence movement, farmers had to understand cooperativism first. Then afterwards, they would be taught more on theory, and also the practical aspects of the movement. This is what is lacking in all the cooperatives that came after independence and the ones that are operating now. However, again, joining a cooperative should be voluntary, even if the person joining it wants to enjoy a particular benefit, he or she should enter voluntarily. – (CP Mathonsi Interview, 09/04/2018)

Many issues contribute or affect farmer's attitude and perspective about cooperative. The narrative of cooperative activities being a 'public good' is also sometimes pushed by the politicians because most government programs were linked to the ruling party. Thus, any program provided by the government is politicized and associated with the ruling party. Hence party allegiances become an issue. In the absence of a good education & information, the members are highly susceptible to political manipulation. This challenge, coupled with disregard for cooperative principles, mostly affected the 1980s collectives programs. Negative farmer's attitudes can be argued to be the reason why most of the cooperatives formed by the government and those formed by NGOs failed. Once they feel that they do not have to put in any effort and that everything would be handed to them, then that cooperative would not last. Cooperatives demand sacrifice, dedication and commitment from its members. Especially in the establishment stages. This line of thinking resonated with that of the CACU chairperson:

I can tell you right now that most farmers who are in the cooperative think that cooperatives are government programmes that are meant to provide free inputs and free loans to the cooperative members. As mentioned, farmer attitudes influence the success or failure of the movement, which is also seen through the harmful effects of the donor syndrome. Many donors offered many free goods and services through the cooperative. Many programs crumbled as soon as the donor pulled out, meaning that farmers attitudes are affecting the sustainability of the cooperatives. – (CACU chairperson interview, 16/02/18)

Several respondents reported that the members of the cooperatives, especially in the resettled cooperatives, had too diverse farming objectives and goals (low levels of homogeneity of farmers). From these interviews, I learnt that a more homogenous group of people make the best sustainable cooperatives. The more problems or issues in common, the better the chances of the cooperative being productive and standing the test of time. Thus, without a central ideology that guides the overall objectives, the cooperative is useless.

I think the cooperative movement needs to have almost the same type of people faced with the same type of problems for it to be united and for it to work. Focus should be neither on whether one is a landholder nor on whether people who hold land are 'farmers'. In this sense, there are many differences between the people. So, each farmer's goals and objectives are too dissimilar to the rest. Smaller groups or cooperatives are a solution, like-minded people, together at first, and then eventually they become more prominent. –(F Mugaba interview, 08/02/2019)

One of the respondents highlighted that since ideology was unclear, the cooperative members did not know why they were in the cooperative.

To be honest, our cooperative is not doing anything right now (not productive). It was formed in order to access the tractors. We do not have any ideology, and we do not have one crop on which we focus. People are not working together to achieve aggregate goals. It is just a bunch of farmers who had their names written down in order to access the tractors from Brazil. Ideally, we are supposed to produce as individuals and sell as a group to cut costs, but this is not happening. People only collaborate and shared implements. – (F Manyika interview, 05/02/2019)

Another respondent added that before they took in more people into their cooperative, it was successfully run and had a clear ideology, goals and objectives that the few members understood and adhered to:

Before this (the tractor) cooperative came into existence we had another very successful one, it was called Back to Eden and had only eight members. It specialised in fruits and vegetables and had an ideology that encouraged vegetarian diets, hence the name Back

to Eden. The merging of committees was not smooth (between the old and the new), and some of the incoming members did not trust the existing structures and wanted a complete overhaul of the committees. This caused many problems. Simply put, there were many differences in terms of ideology, trust and focus of the cooperative. – (Mugaba interview, 08/02/2019)

Since 2013, government focus shifted to SMEs, which is more of an individualistic approach because SME engage with markets as single small entities (MYDEC, 2005). Ideological inconsistencies have always existed in the way government of Zimbabwe carried out its policies ever since independence. For example, the adoption of the ESAP programs in the 1990s went against the socialist stance that the country had adopted upon independence, and in turn, the eventual implementation of the land reform in 2000 went against the neo-liberal objectives of the ESAP program. Furthermore, there are several cases where ministries cancelled each other or in best-case scenarios, overstepped each other's mandates. Contradicting objectives within the same ministry stems from gross ideological confusion. The former registrar did not seem to understand the rationale behind it as well:

Young man, do you know how stupid it was to have the cooperatives development being run by the small to medium enterprises ministry? This is because ideally, you would want an active movement of informal small enterprises to be organised as cooperative entities which would then grow to become companies (this also makes sense for the government since small informal entities cannot be easily taxed). Thus, encouraging informal entrepreneurship and encouraging cooperatives was more of an internal philosophical contradiction for me. – (ER Mavhinyingwa interview, 17/03/18)

Therefore, at the heart of the solutions for movement is to have a clear and concise understanding of the ideology to which their cooperative subscribes to.

7.5.5 Legislative instrument

When the government settles into an ideal ideology and knows the objectives incidental to the ideology, the next port of call is to establish a Cooperative Act that reflects the objectives and ideology. In this section, we sought to understand the role that the regulatory instrument was playing in the development of the cooperative movement in Zimbabwe. The cooperative movement is governed by the 1990 act which was last updated/revised in 1996, and needless

to say, many events have happened since then so that a revision was necessitated. Many cooperatives are not registered, and hence they cannot formalise their organisations/groups. There has been an increase in demand of cooperatives after the land reform (especially in the agricultural, housing and mining sector) which increased the pressure for the government to provide the cooperative services.

The farmers and the experts had divided opinion about the effect of FTLRP on the cooperative movement. Some of the respondents thought that it had brought more demand for cooperatives in the sense that it enlarged the farmer base, who in turn drove the demand for cooperatives. Divergent views argued that the proliferation of the housing cooperatives had almost destroyed the movement as a whole because they were 'fake cooperatives of convenience' (Interview with AR Nyamunda, 19/03/18). Also, blame was given on the inadequate legislative framework, which had many loopholes that had different consequences, which corrupt individuals took advantage. For each economic sector, there exist several primary cooperatives, from mining to housing, tourism, and agriculture and all these are governed by one act. In this regard, they argued that if only there were separate cooperative laws for each sector, the problem would have been solved in a better way.

There are three main or core structures of the cooperative, i.e. centralised, federated and mixed. Zimbabwean movement seems to be federated. According to the act, the movement follows government administrative structures, i.e. the four-tier structure and corresponded to the several wards, 52 districts and ten provinces that Zimbabwe has. That is not the actual situation obtaining on the ground. The fact is there could be more than one secondary cooperative (focusing on same type of produce) operating in the same district which is in clear violation of the act itself (Mavhinyingwa interview, 17/03/18). Similarly, there are different types of apex/union organisations in the same provinces focusing on the same issues. There are also emerging complexities, especially in the newly resettled areas where farmers who were allocated land in the same 'former white-owned farm' are required to join the cooperative in that area. This emerging situation is not provisioned in the 1990s act. The CACU chairperson emphasised that:

The current act is also another source of headache. Zimbabwe has one umbrella Cooperative Societies Act of 1996. What is needed is a sector-specific act that is tailor-made for each economic sector, as in the case of the Japanese cooperative policy framework where you are doing your studies. There is no written criterion on who sits

on the committee and how meetings are supposed to be carried out. The act, in its broadness, cannot address some of the sector-specific challenges. –(Interview with CACU chairperson interview, 16/02/18)

An assistant registrar from the ministry echoed the same words:

[...] this necessitates a separate act for each cooperative sector since the issues that affect one sector cannot be applied to the other. In particular, I believe that the SACCOs cannot be administered effectively by the current statutory instrument. At least for now, the government should prioritise the production of a separate SACCOs law since this is a sensitive sector. – (AR Nyamunda interview, 19/03/18)

The government is trying to follow the Kenyan model of establishing a robust SACCOs sector that can then power the cooperative movement. There is a draft law for the SACCOs under review, and a separate organisational body for SACCOs outside of the Cooperatives Federation body is also on the cards. This represents one step in the correct direction for the movement, but this should be the set-up for all other economic sector cooperatives.

Many of the expert interviewees argued that the current cooperative act was also detrimental because the government has, to a greater extent, abandoned the cooperative movement, specifically in terms of financial support. However, the act still made sure that the government maintained a firm hand on the movement, *albeit* using old and outdated parameters. For example, several advances had been made in understanding how rural areas worked, including the importance of social relations such as kinship in the movement (Mafeje, 2003; Murisa, 2009; Chiweshe, 2011; Mkodzongi, 2013). Yet these issues were not reflected in the approaches that the government used in administering the act. Additionally, the act still emphasised the superiority of choosing any member of the cooperatives to be the leader of the cooperative movement with little regard to the members' skills and level of education. The CACU chairperson argued that:

[...] the federations (even unions and Apex organisations) have poor leadership selection systems because leaders are chosen based on democracy with little regard to the qualification of the candidate. Even the act is silent on this issue. These then culminate in many management issues that undermine the movement [...] Again, to

illustrate the fact that cooperatives are not a government priority, the constitution of Zimbabwe does not mention anything about cooperatives. Thus, only the act guarantees their existence. It should be enshrined in the constitution as in the case of Italy and other nations that did so. – (CACU chairperson interview, 16/02/18)

7.5.6 Independence from the government

Several concerns were raised in terms of the amount of government influence in the movement. While a number of them were related to the legislative tool (as discussed above in section 7.5.5), other concerns took the form of the types and manner of cooperative financing as well as imposition of leaders that are sympathetic to the ruling party (as observed by Wedig & Weigratz, 2018 in the Ugandan cooperative movement). The sources of funding for social movements across the world has always had defining consequences on the eventual ideology and general trajectory that a cooperative take (Dogarawa, 2005, p. 14). The basic principle is for every cooperative to be self-sustaining; this way, it can choose its objective and make decisions that genuinely benefit the members. The Zimbabwe government funds the cooperatives, and also the Ministry has the power to appoint all the committee members of the national cooperative central fund. This is a bi-pronged control system (Interview with AR Mada). Additionally, NGOs have played a significant role as well in terms of financing and creation of cooperatives. Therefore, cooperatives need to eventually move towards self-financing as exemplified by the former-white settler cooperatives that evolved into the companies such as the Farmer's Coop. An assistant registrar added that:

Most of the cooperatives on the ground are too political. Either they were formed by the state (top-down approach) or the management committee deliberately engaged themselves with politics in the hope of getting favours from the political elites. For most, it is about forming rallying points and nothing about uplifting the standard of living of the farmers. The solution to this is to encourage grassroots cooperatives to be formed. – (AR Nyamunda interview, 19/03/18)

The co-operator weighed in on this subject by adding that:

I firmly believe that government needs to stop giving farmers free inputs through subsidies because farmers always develop dependency syndrome. If farmers form

cooperatives, then the government can lend the money to these people through the cooperative. – (CP Mathonsi interview, 09/04/18)

Another contribution came from the scholar:

One of the weaknesses of the movement is that itself and its members heavily depend on the government for finance, technical support, legal issues. This is OK [in the initial stages], but the government needs to wean-off the farmers gradually. – (Dr Matondi interview, 20/04/18)

On the contrary, the reduction of persons in the ministry who are in charge of cooperatives can be a positive development for the cooperative, only if the Zimbabwe National Cooperatives Federation (ZNCNF) was functional and also independent from the state. In such a case, the ZNCNF would quickly take up functions such as auditing and training for their member cooperatives. As it stands, the federation only has two members from CACU, and the rest are from the housing cooperatives. That means from a total of eight economic sectors in Zimbabwe, only two sectors are represented in the federation, and thus it is improperly constituted (ER Mavhinyingwa interview, 17/03/18). Properly constituting the federation will ensure that the federation takes over from the state; training, educating, providing recommendations for the by-laws while the state function would be limited to regulation and registration of cooperatives. According to the former registrar, the cooperatives should not get any special protection from the government through laws, but it should be supported so that it can be competitive on open markets. The Tagarika FGD agreed that the role of the government is essential and cannot be done away with:

In this respect, the state should be involved more in the cooperative because it is the interest of the government for the cooperative to prosper. However, they need to keep giving advice and not to command us. Most importantly, it should listen to the people on the ground who experience the everyday farming challenges. – (Tagarika FGDs, 31/01/19)

One of the leaders from the Tagarika irrigation cooperative spoke about the nature of the tractor cooperative which they had entered. He summarised the problem of the attitudes among farmers which we discussed in Section 7.5.3. Cooperative ideology and sound leadership

should try to avoid such kind of programs in which free things are given to the cooperative. Although the nature of the Brazil tractor cooperatives remains open to research, cooperatives should be careful in terms of the programs that they sign up. At the national level, this can be observed through the fear arising from Sino-Africa relations where African nations get loans which they cannot repay; and then the possibility of China appropriating portions of their land or resources. In the case of cooperatives, by receiving free inputs and equipment, they become more susceptible to political manipulation. In their words, they said:

Of course, we will not be able to pay even a quarter of the cost [of the tractors], I did the maths, what we pay into the Brazil account is nothing compared to the cost of the cooperative tractors and other equipment. So, in a way, these were free. Moreover, the reason why we have to pay is so that they [the government] monitor tractor servicing. It is a way to ensure that the sustainable use of tractors. This move is good and is different from Gono's [Former Governor of the RBZ] mechanisation program in which we knew that the inputs were completely free. – (Tagarika FGDs, 31/01/19)

Other independence issues emanated from the power that the cooperative registrar held within the movement. They are responsible for registering, training and arbitration of disputes within the cooperatives. During the formation, they provide the cooperative with a template of the by-laws, which the cooperative members adopts as it is. The former registrar echoed these words:

Cooperatives are non-autonomous. For example, the government is supposed to help them in drafting their cooperative by-laws; however, the prospective cooperatives adopt the by-laws that are recommended by the ministry. The worst part is that, after adopting these recommendations, the majority of the members never try to understand them. In the same sense, the government does not carry out enough training workshops at the member level to educate the people on what the by-laws mean. – (ER Mavhinyingwa interview, 17/03/18)

Furthermore, the registrar, with the approval of the ministry has the power to remove any by-laws from the proposed by-laws of a society before they can approve it for registration (as discussed in detail in Section [7.4.1.1](#)).

7.5.7 The political economy of cooperative activities in Goromonzi

Ideally, the objective of the government should align with that of cooperatives (which is rural development and uplifting of standards of living). However, government leaders are politicians, and politicians understandably need to make political decisions that sometimes diverge from cooperative objectives. A cooperative movement funded by the government is susceptible to political manipulation, whether there is a strong ideology or an ideal legislative instrument, as discussed earlier (Section 7.5.4). I expand this discussion in this sub-section and seek to decipher the political economy of the movement. Again, as in the previous sub-sections, I analysed these issues from the government, the opinion leaders and the cooperative members' perspectives.

The interviewees had differing understanding the trajectory of government cooperative policy over the past 40 years. While some understood and defended the government's role, others chastised it through some interesting '*conspiracy theories*'. For example, it is believed that not only did the government extend its arm into the movement through the statutory instrument, but it trained and planted '*their people*' into various critical leadership positions:

There was too much interference from the state as it had too many politically affiliated people running the cooperatives, especially in the housing sector. The state imposes leaders within crucial decision-making position; for example, no one knows where the five leaders from the housing sector in the federation came from. This is detrimental to the movement. The agricultural sector seems to be abandoned at the moment with movement only visible in the housing. – (CP Mathonsi interview, 09/04/18)

Mr CP Mathonsi went on to talk about the role that former Zimbabwe Independent newspaper columnist and economist Eric Bloch (1939 - 2014) with the help of John Robertson (economist) had on the Zimbabwe dollar ever since independence. He was emotional as he spoke about this issue. He argued that the economists advised the Reserve Bank of Zimbabwe to devalue its currency arguing that it was always overvalued. Devaluation always happened towards the end of the farming seasons, i.e. the start of the marketing season for farmers. The effect of devaluing the dollar undervalued agricultural produce since it would be sold at relatively lower prices. Produce buyers (who were international middlemen with links to the European markets) made a killing from the transactions. In this respect, the government either did not know or were also interested in underpaying the farmers for their produce. He firmly believed that if the

cooperative movement were strong enough, it would have been able to pick this and put a stop or benefit from it. The same line of thinking was held by the scholar whom I interviewed:

[...] but then again, weaning the farmers so that they can stand on their own is not always a government priority. For example, tobacco may be listed as one of the primary foreign currency earners after mining. This means the state is also interested in getting their hands on the part of the US\$600-900 million in foreign currency that comes from tobacco exports. In such a case, the state will not act in any way that would compromise the buyers of the tobacco. A lot of the times, the state always protects the wishes of the foreign companies ahead of the peasantry. – (Dr Matondi interview, 20/04/18)

Other decisions seem to defy economic or development logic. The study did not get satisfactory answers from the ministry officials in terms of the motivation for the policy thrust. I was forced to hypothesise that these decisions were political calculations that placed specific individuals at a better political vantage point than the other. The former registrar, who said that he is still trying to figure out the reason behind the ‘forced early retirement’ in 2000.

I firmly believed that the momentum that my team and I had about cooperatives in 2000 was high enough to produce positive development outcomes if it had been allowed to continue. I, therefore, blame the former Minister of Youth Development, Gender and Employment, Border Gezi for killing the momentum when he forced all the top management in the cooperative department to retire. However, with my forced retirement (at the age 57) went with the prospects of the cooperative development policy which was supposed to inform a new CSA. The policy that came in 2005 had been put forward by Moven Mahachi before his death, and they had only revised it. Ambrose Mutinhiri later published this proposal for cooperative development policy in the Ministry of youth development. – (ER Mavhinyingwa, 17/03/18)

As noted earlier (Section 7.4.2), there is also another proposed cooperative development policy of 2017 that was on the cards. However, just like many things in Zimbabwe, the November 2017 events, and the July 2018 elections affected the momentum of this cooperative policy reform. Parent ministries changed, the SMECD was disbanded, and the cooperative department was placed under Women Affairs ministry. The Cooperative Societies Act of 1996 needs to be amended to bring it in line with contemporary challenges brought about by the land reform, the

changing political landscape as well as the ‘Zimbabwe is open for business’ stance taken by the government.

In addition to the contradictions that existed during the time cooperatives and small-to-medium enterprises were run in the same ministry, there seemed to be some confusion in the ministry as to who was the exact cooperative registrar at the time the interviews were carried out. The most probable explanation is extreme power struggles within the ministry or the department. In most cases, people fight over positions because they want to be in charge of programs, thus increase chances of abusing privileges and personal gain. These add complexities to the political economy of cooperatives from the government level.

While the narrative in this thesis has, to some extent, painted cooperatives leaders and their members as mere victims of government politics and manipulation, it is essential to note that they have agency too. Farmers get in free inputs from the government, or the NGOs know that these free inputs will always come. Thus, if they see an opportunity of getting free inputs or equipment, and all they need to do is to form a pseudo cooperative to extract benefits. Although this phenomenon is also present in the agricultural sector, it reached unhealthy levels in the cooperative housing sector when urban land grabbers took peri-urban land and created cooperatives in order to register and develop the area. An assistant registrar had an opinion on the issue:

Many cooperatives, especially the housing cooperatives, were formed after accessing a resource. Thus, they were motivated by the need to legitimise their resource grabbing. This violates some cooperative principles, mostly the need for voluntary membership. The cooperative movement is being misused and abused. The members are not genuine, but opportunist and they want to exploit and accumulate resources for themselves. The sooner we acknowledge this fact, the sooner we reconfigure the direction of the cooperative movement. – (Interview with AR Nyamunda, 19/03/18)

The management committees deliberately engaged themselves with politics in the hope of getting favours from the political elites. However, this led to corruption which is perhaps the biggest impediments to the smooth collection of cooperative debt. Some cooperative chairpersons were using politics and political muscles to take fertilisers from cooperative programs. In most cases, these chairmen re-sold the inputs, were not productive and never paid back. Also, they were widespread favouritism, in which chairpersons allocated fertilisers to

their relatives that were not even cooperative members. CACU itself recorded these gross violations, and the members used political connections to evade CACU and the arm of the law. Some extreme cases were reported in which fake farmer names were used in getting fertilisers from the CACU. These politically connected people would then intimidate and threaten the agricultural extension officers and the other cooperative members with untold harm if they dared to ask (Chairperson's FGDs, 19/02/18).

However, about three-quarters of the meeting agreed that these individuals do not have this power anymore ever since the new dispensation came into power in November 2017. The government of Emmerson Mnangagwa had managed to remove some of the power that these chairmen abused because they were aligned to the late former President RG Mugabe. Local authority (elected councillors) also had an important role to play in dispute resolution in the country-side. Additionally, engagement with traditional authority (chiefs, headmen and village) was another way of drumming support for the chairmen to do their jobs without fear. However, precaution should be exercised since the administrative authority is riddled with politics of its own (Chairperson's FGDs, 19/02/18). A member of the Xanadu cooperative spoke about the politics and cooperatives:

Although it is tough to do, cooperatives need to be apolitical since most of the politicians are corrupt. Thus, if they enter into politics, then they will become corrupt as well. Also, once people start doing politics, it means people from party B cannot join the cooperative if the leader is supporting party A. – (F Manyika interview, 05/02/19)

7.5.8 Challenges faced in the movement

The nature of challenges in the cooperative movement are diverse (as briefly discussed in Section 7.3.6). I deepen the analysis in this in this sub-section because a concise understanding of the problems in the movement is necessary for the construction of a cooperative model. To achieve this, I firstly present an emerging problem in the Zimbabwe cooperative movement. In light of reduced government funding in the cooperative sector, a new wave of cooperatives is emerging in the newly resettled areas. However, the government remains a threat to the proper development of these cooperatives.

The challenge emerges in three different but related ways. The first one is an 'intentional' maintenance of an old Cooperative Societies Act (1996), which is out of touch with reality (they had chances to reform the act, but they have not done so up to today). Secondly, the

government is ‘unintentionally’ destroying the cooperative movement by feeding them with free inputs and implements again, repeating the same mistake of the pre-2000 agricultural cooperatives. Thirdly, the government is still using the same hubristic approach to rural development with little intimate knowledge of the socio-economic issues underlining emerging cooperatives in the rural areas.

To illustrate this, I used a case study of the two cooperatives in the resettled areas in Goromonzi. For *Textbox 7.1*, I asked the leaders of the cooperative to describe the development of the cooperative. From their narrative, it was clear how the presence of the government became an obstacle of cooperative development.

The problem is multifaceted. On the surface, it may seem like the problem of the government policy, but it also has a lot to do with the farmers' mentality or attitude towards government programs as alluded to earlier (Section 7.5.1). Firstly, even though the intentions of the government were good, they did not sit down with the farmers or the already existing cooperative to try and see how the tractor program could be integrated. Secondly, on the side of the farmers, before the introduction of the program, people knew that they had to work hard for the cooperatives to work and that the money that they had invested in the form of subscriptions had to bear dividends (*Textbox 7.1*). However, as soon as the government brought in a program, even some of the eight members who used to keep up to date subscription accounts failed to do so. The mentality that this was a free program (in which they did not have to pay anything) affected their attitudes.

Additionally, the political leaders who are sometimes opinion leaders in the rural area advertise these programs as exactly as free government programs to benefit the political followers of the ruling government. This breeds harmful attitudes and mentality among the farmers. Xanadu A cooperative had the same result (see *Textbox 7.2* on page 324).

Textbox 7.1: The story of Tagarika Irrigation Cooperative

Chairman, Security and Secretary of the Tagarika Irrigation Scheme

In the beginning we (about 15 farmers) wanted to form a cooperative that specialized in sharing irrigation equipment in 2003. The cooperative was formed because of problems in accessing water around the farm. Since we had a dam nearby, we had no means of pumping the water to the fields, so we had to come together to be able to buy irrigation equipment since it was too expensive to buy as individuals. The farmers produced various crops, including horticultural crops and maize and soybean. A committee existed whose primary function was to lobby the government and other various possible financial sources to get more equipment. There was a government program for tractors, but we needed to be registered, and also, we needed to include everyone in this farm in order to benefit from this program. So, we applied, and the government came with a template for the creation of by-laws, we used that format to create our own by-laws which were checked by the registrar and approved in 2014. We then received two of each of tractors, discs, ploughs, planters, four hosepipe reels and three pumps (to add to the three pumps that we already had).

The cooperative works in this way, farmers pay for using the tractor services, for example, people pay for tillage services of the tractors. Since we got these tractors and other equipment on credit, the money received from the payments by farmers is used to service the machines and pay for consumables, the remainder (profit) is then paid to the Brazilian account. The advantage is that after five years, disregard of amount paid, the tractors become ours (the cooperative). However, this equipment cannot support all the 48 cooperative members. For example, the four hose reels have a 40-hectare irrigation capacity of land for one farmer, and given the fact that there are about 200ha for the whole farm, it would be difficult to rely on the four hose reels. It would have been wiser to get plastic pipes which are way cheaper and are better adaptable to single farmers with 3-5 hectares. These hose reels are ideal for a farmer with 40 hectares in which they do not need to move the hose reel too frequently. Thus, the current equipment is inappropriate for the type of farmers that we have and for the scope and scale of production underway. Old members used to pay monthly subscriptions, and it was easier to follow them up. Now no one pays for this they only pay when they use the tractors. We had our own irrigation equipment sharing cooperative, but we had to change it to a tractor equipment cooperative to be able to take part in the program. Ideally, we would want a cooperative for irrigation in which the correct type of equipment is acquired, smaller plastic pipes to go with our small-scale production levels instead of centre pivots which were available in the program. There was no dialogue between the farmers and the Brazil tractor program, and we only joined because we wanted tractors, and now, we are trapped. If only the cooperative and the government can be complimentary.

Biggest challenge is that there are low levels of **trust** in the cooperative. However, sometimes it is not the fault of the cooperative leaders; for example, some farmers do not trust us because we could not tell them exactly how much we owe the government and the Brazil account. This is because this information was never given to us as well. In fact, we are still unclear about how the program really works, four years down the line. We were just told that we have to pay for five years, and after this time, it does not matter how much we would have paid, but the tractors will become ours. They did not tell us what the initial amount of money was, or what would happen if we fail to repay the full amount in full within the five years. Or what would happen if we overpay? Some of the equipment is not durable and has since broken down.

However, we do not want to be given equipment for free. We will get used to handouts if that happens, we want to pay, we just want friendly and conducive payment plans. That is all we ask for as farmers of this cooperative (bold by author for emphasis)

Textbox 7.2: The story of Xanadu A Tractor Cooperative

Top leader of the Xanadu A tractor cooperative

Before this cooperative came into existence, it was called Back to Eden and had only eight members. It specialized in fruits and vegetables and had an ideology that encouraged vegetarian diets, hence the name Back to Eden. Our market was local, and eventually to be able to exports our produce. We were actually on track to achieving these goals only two seasons into the cooperative as we had secured markets at Holiday Inn and other like hotels and outlets. Our cooperative had eight members that paid \$10 per month as subscription. This translates to \$960 per annum just from subscriptions. Everyone produced by themselves with strict supervisory from the cooperative members in order to meet and maintain a set standard acceptable to the markets. The cooperative was an excellent concept.

When the district officers knew about the cooperative, they offered us with implements that were coming from Brazil. However, in order to receive the implement, we had to include everyone in Xanadu farm because this was a government program that was supposed to benefit everyone. About five years ago, the government encouraged us to start the tractor cooperative, and we had to abandon our fruits and vegetable ideology since many of the new people did not understand it, and were not paying their membership fees. We currently have about 103 members, in which more than half are not full members because they are not up to date in their subscription payments. Thus, the introduction of the tractors into the cooperative changed the cooperative for the worse, I think. The merging of committees was not smooth, and some of the incoming members did not trust the existing structures and wanted a complete overhaul of the committees, this caused a lot of problems. Simply put, there were many differences in terms of ideology, trust and focus of the cooperative. Focus was lost in the sense that the current cooperative is not concerned about being productive, but they are concerned about whether the farmers pay for the use of the tractors and do not really care about whether they go on and become productive, as long as the money for servicing is paid. At the moment, farmers are charged \$100 per hectare, 60% of this money goes to the Brazilian account, and the rest goes into servicing of the tractors. I think the cooperative movement needs to have almost the same type of people faced with the same type of problems for it to be united and for it to work. Focus should not be on whether one is a landholder or not because most people who hold land are not farmers. Or the fact that it is a government program and hence everyone can join without capacity to produce.

We were not told of how much we had to pay in total and actually we never asked. We just know that after five years, the equipment and tractors will become ours. In terms of clear-cut problems, there are a number of cell phone farmers who are not stationed on the farm and are not producing anything, these cause problems. **This means there are many differences between the people. And thus, each farmer's goals and objectives are too dissimilar to the other. Smaller groups or cooperatives are a solution, like-minded people together at first and then eventually they can become bigger.** AREX (government department) should be involved but within smaller groups, and they should focus on extensive training in terms of using implements, tractors, business management. If you want to learn more about a particular cooperative, check the by-laws of different cooperatives, that should give you the mentality of the people. (bold by author for emphasis)

This situation mimics that of Tagarika cooperative where an irrigation equipment sharing cooperative was turned into tractor and field implements sharing cooperative. Although the scope of implements sharing broadened, it brought many challenges, which overwhelm the benefits. For the case of Xanadu A cooperative, on the other hand, a vegetable or horticultural cooperative was turned into a tractor sharing cooperative. In this example, the government's involvement destroyed a cooperative that existed, and that had a substantial ideological focus. As I spoke to the cooperative leader, a weighty sense of regret was in the way they talked. They wished they had not accepted to change the cooperative.

Textbox 7.1 and *Textbox 7.2* is evidence of a continued hubristic government approach to rural development. Dialogue, a genuine one for that matter, would have solved all these issues. They needed to gather enough information about whether such a program could even work on this particular farm. The fact of the matter is that the Zimbabwe agricultural system is not homogenous, and the government does not seem to acknowledge this fact. Blanket policies are always formulated and implemented across the country with little regard to their suitability. An easy way to reduce this problem is to decentralise policy making and implementation so that people who know geospatial differences also take part in policy formulation and implementation.

7.6 Summary of chapter

This chapter sought out to understand in greater detail the current trajectory of the cooperative movement in Zimbabwe through data collected in Goromonzi district and from other sources. Using this data, I carried out factor analysis so that I could choose the necessary or class determining variables that describes the different classes that exist in the small-scale peasants as stipulated under Chayanov's theory of peasant cooperatives. I found out that the behaviour, production models and challenges of the farmers in the CAs and the A1 were almost similar except in land utilisation, labour self-employment, casual labour use and amount of income from investments outside of agriculture. The latter distinguished the surveyed households into five different classes of the peasants, penury, poor, middle, middle-rich and the rich. Although this was different from Chayanov's six classes, there were many similarities. Additionally, I found three dominant classes within these five classes, the other two minority classes catered for upward mobility and the other for downward mobility.

Significant differences were observed amongst the farm classes in terms of their access to inputs, access to finance, access to labour (especially casual labour) and differences in their sources of income. There were mixed feelings in the role of the government in the cooperative movements. The majority agreed that the government had too much power; however, there was no agreement on whether this was a good thing or not, and whether the government should maintain or reduce their heavy hand in the movement. I argued that deliberate government policy to limit its involvement to training and capacity building would improve cooperative management.

Even though all classes were engaged in asset accumulation, lower-end clusters accumulated smaller assets (hand tools and animal-driven equipment) using mainly proceeds from agriculture. Higher echelons of the peasant classes accumulated agricultural power-driven implements using predominantly proceeds from investments outside of agriculture. I argued that this was a positive aspect because use of incomes from outside agriculture to buy agricultural assets shows that farmers were willing to do agriculture work (which we want in order to form production-based agricultural cooperatives). Additionally, it showed us that these off-farm sources are utilised because farmers cannot access financial markets for credit and loans. There appeared to be significant differences between the Communal Area (CA) cooperative movement and the new movement in the resettled areas. Although both are getting various forms of assistance from the government, the former appeared to depend a lot on external actors (government and the NGOs) for sustainability, while the latter appeared to be finding its way. Thus, I concluded that there is a new wave of cooperatives on the rise in Goromonzi.

The Zimbabwean case study highlighted various issues in the management of cooperatives. The results showed that a higher proportion of the nine different cooperatives that I interviewed were women and that cooperatives had managed to improve the lives of their members through improved access to equipment and output markets. Women performed well across the five different peasant clusters and mainly dominated the 'middle' peasants. The group approach, which virtually is what cooperatives are, was being utilised in many instances in the rural areas, for example in extension provision as well as in micro-financing arrangements.

The chapter discussed at great length, the political economy of the cooperative movement in Zimbabwe. I learned that the government has much say in the movement, not only through the Cooperative Societies Act (1996), but they also had a commanding presence in the day-to-day

activities of the cooperatives. I discovered that there had been a couple of attempts to revise the cooperative act and give the National Federation of Cooperatives a more central role in the movement. However, these attempts did not see the light of day as the 2005 proposal, and the 2017 proposal was shelved indefinitely. From the various interviews that I carried out, I managed to validate some of the results obtained from the quantitative analysis.

While many things made the cooperative an appealing development model, there exist many other problems that currently hinder the success of the cooperative approach. At the top of these is the lack of a stable identity for the cooperative. There is no strong ideological standing which has made it easy for the government and some politicians to infiltrate them through offering free financial benefits. The harsh macro-economic environment has worsened the situation that the country has been experiencing over the last 19 years. It was reported that the movement had much mistrust in the management and leadership committees. Reduced management levels seemed to affect the cooperatives in the CA more.

Farmers were encouraged to change their attitudes about cooperatives, realise that cooperatives do not provide free goods and services. I argue that in order to have an organised community, better placed to play its role in a CMS framework, the people will need to organise themselves into cooperatives. The government should revise the cooperative act, formulate sector-specific acts and give some space to the national cooperative movement to thrive on its own. These cooperatives will be dissimilar to the British-Indian type which are controlled by a hubris government or NGO, but these should take a bottom-up form. Although the new wave has also faced several management challenges, they have the potential to revive the cooperative movement, solve contradictions brought about by the free-markets, and hence resolve the contemporary agrarian questions.

CHAPTER EIGHT: SUMMARY OF THESIS AND THE PROSPECT FOR A COOPERATIVE MODEL FOR ZIMBABWE

How to combine the community, the market and the state in the total economic system is probably the most important agenda for economists geared toward the reduction of poverty in developing economies, as well as the maintenance of economic vitality and social harmony in developed economies. – Hayami (2009, p. 118)

The thesis has discussed in greater detail, the agricultural cooperative movements in Zimbabwe and in Japan. Based on Chayanov's theory of peasant cooperatives, I collected and analysed primary and secondary data from villages in both countries. The analysis results revealed a number of similarities especially in the land reforms and the implementation of respective grain policies. The biggest difference between the two country's post-land reform realities was the robust support of grassroots cooperatives by the state in Japan. The cooperatives helped answer some aspects of the agrarian question in Japan mainly because they amplified farmer's voices within the Community-Market-State relationship. Through the local and national cooperative federations, farmers could lobby the state or negotiate better with the markets to get their concerns addressed. In contrast, this type of farmer voice amplification is missing from the Zimbabwe post-land reform sector. Using lessons from Japan, and an understanding the current situation of cooperatives in Zimbabwe discussed from [Chapter One](#) to [Chapter Seven](#), an alternative cooperative model is proposed in this chapter.

8.0 Overall summary of thesis

The first four objectives of the study were leading to the attainment of the fifth objective that sought to restructure the cooperatives in pursuit of an alternative development path (questions are discussed in [Section 1.6.1](#), page 19). The introductory chapter highlighted the nature of the problem in the agrarian areas and how it required rural people to unite and aggregate their voices when engaging the market. I argued that the nature and character of the agrarian question in the rural areas of Zimbabwe gave scope for the development of the cooperative model. Yet this has mostly been neglected by the government. The rationale for cooperatives is that:

- Cooperatives are legally easier to form as compared to other associative models such as investor-owned companies.

- The cooperative model provides a platform for dialogue between the central government, the farmers and the market. In such a platform, the state can provide subsidies, loans and tax exemptions while farmers can acquire information and negotiate prices in the market.
- The model tactfully eliminates the challenges brought by the middleman such that producer income become relatively higher while consumer prices become low.
- Cooperative models are generally more stable than private entities whose existence is affected by sudden market shocks.

I described a series of procedures utilised in collecting data from Japan and Zimbabwe and how different theories supported these methods; mainly those put forward by Hayami Yujiro and Alexander Chayanov. The study described the history of the JA, which provided valuable insights into how the Japanese movement developed within the context of an expanding capitalist system and the role played by the government in this development. This process allowed us to derive lessons about the development phases of cooperatives, which Zimbabwe finds itself 19 years after its land reform. I described the development of the Zimbabwe cooperative movement from the pre-colonial to the current era in chapter five.

In chapter six, through data, the thesis mapped out the contemporary issues obtaining in the agricultural sector of Japan in order to further understand the challenges and opportunities that cooperatives face in the long term. Section 8.1 summarised lessons from Japan. However, before I could recommend a new development path for Zimbabwe, I had to understand its contemporary cooperative movement, how they are structured, their challenges and opportunities. This process formed chapters seven. Section 8.2 summarises significant talking points in the Zimbabwe cooperative movement.

In this chapter, the study builds the new cooperative model that Zimbabwe can adopt. I first present some fundamental assumptions and policy environment that are prerequisites for the model to work. Then the chapter describes ideal cooperative structure, ideological paradigm shifts, role of the government, the community, the market and some other supporting institutions required for the cooperative movement to prosper.

8.1 Lessons from Japan relevant to Zimbabwe

In this sub-section, I list *ten* of the biggest lessons that Zimbabwe or other developing nations can learn from Japan's agricultural cooperatives. Using knowledge gained from these ten lessons, I proposed an alternative cooperative model. It is, however, critical to note the challenging differences between these countries, which makes it hard to adopt policies from one country to the other. Nevertheless, as one of the lessons we learnt from Japan; learning from other countries is acceptable. It was necessary to find ways of modifying or localising these lesson to suit local socio-economic conditions and then adopt them in under local terms. This formed lesson number one.

- 1 It's OK to learn from others** – Throughout the study of JA, we see how Japanese policy makers imported concepts learned (sometimes copied) from other countries, modified them according to their societal structures and adopted them. For example, as discussed, before adopting Western model of cooperatives that focused on single purpose, Japanese scholars modified them to multipurpose. This was done because the countryside required organisations that could provide everything all at once. The agrarian structure was dominated by small-scale producers that could not afford membership of two or more different cooperatives (discussed in [Chapter Four](#) section 4.1.1, on page 106).
- 2 We are different but the same** – The thesis reviewed many similarities in rationale, implementation, and challenges faced during or after the land reform in both Japan and Zimbabwe. The reform is a crucial point of comparison. The lesson here is that despite temporal and spatial differences, the nature of motivation, challenges and some aspects of execution of the land reform was the same. The differences only lie in the advancement of one country along the same trajectory. Hence, a study of specific periods along the trajectory can be beneficial to the country that is yet to pass through the same stage. For example, in Japan, the constitution and the agricultural policy regulates sale of agricultural land to prevent the return of landlords or reverse the 1945 land reform. The agricultural basic law forbids the sale of land on the open market and sales are made only through the state. While the rest of the market is open, the market for agricultural land is not. The Zimbabwe Land Administration has been battling to come up with a similar law. Lastly, the rice control act closely resembles the 1980s-1990s maize marketing policy of Zimbabwe (see [Chapter Five](#)), and these similarities strengthen the rationale for a comparison which we carried out (discussed in section 4.1.2, on page 108).

3 A certified farmer is a powerful farmer – The new Japanese Agricultural Cooperative Law of 2015 stipulates that the new leaders of the cooperative should be certified core farmers (and should be most qualified). Thus, farmer certification is important as a gateway to many privileges including getting loans easily. The certificate is also used when buying farmland Japanese farmland (to get a farmer certificate, one needs to be involved in farming or agricultural production) (discussed in section 4.4.3, on page 134). An institution called the Japan GAP Foundation does farmer certification.

Farmer certification is a critical lesson for Zimbabwe, especially concerning the establishment of an autonomous body responsible for assessing farmers, training, educating them and then conferring them with farmer certificates. Zimbabwe, which already has some farmer certification could learn how to make more use of these farmer certification in the future. The certificate can be a powerful tool used in acquiring loans, credit, selling to markets. It can be used to monitor and evaluate good behaviour and excellent management skills of farmers. It should reward those that score higher to incentivise those that score lower. A certificate that can be recognised by banks and financial institutions and should have several other non-monetary special privileges. The concept can also be expanded to cooperative certification. Using their certificate, a group of farmers in a cooperative can apply for bank loans just in the same way that a group of scholars with recognised academic prowess can team up to form a consultancy team and get research grants. These ideas are explored more in Section 8.6.

4 Unified farmers are hard to exploit – The JA has been under pressure to degenerate over the past 30 years; however, farmer agency remains strong because of the cooperative system. The TPP question stands as the most significant evidence of continued farmer agency in recent times. If a population of 2.1 million cooperative members (out of a total of 128 million people in Japan) can amass such power through the cooperative, the possibilities for African agrarian population, which comprise over 70% of agricultural producers are unimaginable. Another example is seen through dictating reform of agriculture by the JA resulting in what is known as JA self-reform. In 2015, the cooperative managed to strike a deal that allowed JA-Zenchu to convert to a corporate association, but maintained JA-Zennoh and its associate members. This highlights the strength of agency of farmers secured through the cooperative model (discussed in section 4.3.2, on page 126).

5 Cooperative requires the government – The structure of the MAFF revealed a more sober governmental approach to cooperative development because there was a dedicated division that oversaw agricultural cooperative business. Government funding is still very important

in the support of cooperatives and farmers. Countries like Zimbabwe that have one harmonised cooperative societies law, which is administered by a department in the Ministry of Women Affairs have a long way to go in this respect (discussed in section 4.4.4, on page 137).

- 6 Cooperatives can perform in liberal markets** – The thesis revealed how the development of capitalist Japan affected the cooperative movement and in return, how the movement managed to survive to become one of the most profitable businesses in Japan. The revelation serves as a big lesson for developing countries that seek to integrate and modernise rural areas into global markets. The JA collaborated with local and international companies along with business and market terms. The institution of cooperatives helps them perform as cooperative corporations as they did in Japan. In the long run, they can take over the liberalisation of the agricultural sector (discussed in section 4.3 and 4.4).
- 7 Cooperative identity and cooperative companies** – This concept begins at the village level where JA supported local cooperatives to focus on the production of a specific crop. In this way, we would know and identify quality with a specific region, for example, oranges from Mazowe in Mashonaland East, or sugar from Chiredzi, or bananas and avocados from Chipinge farmers. The farmer/cooperative certification model can support cooperative identity. We also learn of the use and creation of cooperative companies in the long run which may aid in the attainment of a robust corporate identity. The cooperatives wholly own these companies.
- 8 Long-term planning and consistency** – We also see the need for a broader vision and national long-term cooperatives plan which should not depend on the too volatile government policy (this should also be a prerequisite).
- 9 Cooperative freedom-equality trade-off** – The Japanese cooperative has more equality and less freedom than the Western styles. The question, then is what is the most ideal, which one should we adapt and modify in the case of Zimbabwe? How can we reimagine the British-Indian cooperatives that exist already so that they achieve an ideal freedom to equality ratio? (discussed in section 4.3.1, on page 122).
- 10 Agricultural financing** – This was key to the development and sustainability of the cooperative movement. In Japan, it was done by the government mainly because the government is financially resourceful. However, for the Zimbabwean cooperatives, there is need to set up something similar to the FILP of Japan financed through a combination of government, private sector and the taxpayer money. Additionally, cooperatives should be self-funded through the establishment of a cooperative bank such as the ACC to handle the

farmer's money and be prepared to give them loans (discussed in section 4.4.5, on page 140).

8.2 Current challenges in the Zimbabwe cooperative movement

The cooperative model that I seek to develop should recognise and resolve the current and long-term challenges in the agricultural sector and the cooperative movement as well as those faced by the farmers themselves. In order to attain this goal, I summarised the challenges from Chapter Five and Chapter Seven that are now pulled together into

Table 8.1.

Table 8.1: Summary list of challenges observed in Goromonzi cooperatives

Challenge (most affected: S = State; C = Cooperative; B = Both)	Brief Description of Challenge
1. Unregistered cooperatives (S)	There were too many unregistered cooperatives, especially in the agricultural sector, because this process is done only in Harare. Unregistered cooperatives make it harder to administer the cooperative law.
2. Limited budget allocations (S)	A handful of staff in the Department of Cooperatives were doing office work and hardly had any time to go on the ground because of inadequate resources.
3. Outdated legislature (B)	The Cooperative Societies Act of 1996 is outdated, too broad (covers all sectors) and now has many loopholes.
4. Unconducive macro-economic environment (B)	ESAP had a significant negative influence on the movement. Inflation and dollarization also played a negative role, and several people lost their savings. People lost confidence in cooperatives and SACCOs as they fear losing out their hard-earned money Corruption and politics undermine coop development.
5. Frequent Changes in parent ministries (C)	Each time this happened, it set the movement a couple of steps back since much information losses occurred with each transfer.
6. Anti-Cooperative state (C)	The government initiative has mostly been dormant over the past 25 years. The government has not been supporting cooperatives post the land reform program.
7. Politics (C)	Most of the cooperatives on the ground are too political. Either they were formed by the state (top-down approach) or the management committee deliberately engaged themselves in politics in the hope of getting favours from the political elites.
8. Low debt repayment (C)	A challenge for the success of SACCOs is the low re-payment rates from borrowers (farmers), only 15-30% repayment rates.
9. Education and information (C)	Farmers need to understand cooperativism first. Then afterwards they would be taught more on theory, and also the practical aspects of the cooperatives.
10. Ideology (C)	Farmers' attitudes towards cooperative is a big problem. Thus, each time they get a loan, they are not obliged or do not feel the need to repay it. Donor and government free inputs lead to donor syndrome, and hence ideology needs to be stronger to counter this problem. There do not follow any ideology, no focus on one crop; people are not working together to achieve development goals.

11.	Mismanagement (C)	Dishonesty is rampant. A lot of the chairmen were hiding their receipt books from their secretaries and their management committee.
12.	Trust (C)	There have been some challenges in terms of trust between the members of the cooperative. The leaders of the cooperative with some members not trusting management decisions.
13.	Government hegemony (C)	The government thinks that it knows what the farmers want, but the farmers also know what they need. They should be consulted instead of to assume and development a program without their genuine input.
14.	Compromised apex body (C)	Zimbabwe National Federation of Cooperatives (ZNFC) is incorrectly constituted, hence, compromising its independence from the State.

Source: Created by author, own study

The listed challenges, the lessons from Japan and the theories of Hayami Yujiro and Chayanov drove the formulation of the new agricultural cooperative model described henceforth.

8.3 Prerequisites for the Zimbabwe Community-Market-State system

In Zimbabwe, cooperatives have a tainted history or image such that the mention of the cooperative model in development studies takes people back to socialism government policies, and the failures of the collective farms in the 1980s. This image requires redress, and more precisely, it needs to be exorcised before genuine cooperatives are reinstalled to their rightful place in development. I present three major areas that stand as prerequisites and the tentative ways in which the government, the peasants and the markets can try to secure them.

8.3.1 The role of government, policy and policy instrument

The gap between government and farmer perception of rural problems complicates the Community-Market-State (CMS) relationship (information asymmetries as Hayami Yujiro (2005, 2010) called them (see also Stiglitz 2002. p. 469). The primary aim of the government and its policy instrument is to ensure legal basis for sustainable existence of cooperatives. As the analysis proved, although the current policy provides the legal basis for cooperative existence, other fundamental issues such as sustainability, autonomy and democratic decision making are not protected. The Act gives too much power to the state, which undermines the agency of farmers in SCM framework. The government of Zimbabwe should smoothen the functionality of cooperatives by improving the economic environment, policy instrument, political environment, state-level management and financing.

8.3.1a Economic environment

The majority of problems that are faced by the cooperatives are linked to the un conducive economic environment that it operates in. Fixing this is one of the hardest things to achieve in the sense that cooperatives should help stabilise the economy by improving production and rural incomes. Yet, cooperative development also requires a functional economic environment. The economic environment can be improved to facilitate cooperative growth by ensuring operation of some of the fundamental institutions. For example, the country has struggled to produce a functional agricultural policy since 2000; and there is low confidence in the current money system in the economy. People in the rural areas may not easily access the conventional methods of payment such as mobile payments (Ecocash). Zimbabwe needs to have a currency that is based on human, infrastructure and natural resources.

8.3.1b Policy instrument

Here lies one of the biggest problems. As highlighted earlier, the state first needs to establish a separate agricultural cooperative law to overcome several challenges specific to the sector. Secondly, the state should then amend or formulate a new agricultural cooperative law that dutifully adhere to the ICA (1996/2001) cooperative principles and recognise the complexities of agriculture and the consequences of the FTLRP of 2000. These two processes are imperative and urgent. Furthermore, the new agricultural cooperative law should pay attention to i) optimise the functions of the minister/registrar, ii) administer the law under the Ministry of Agriculture, iii) ensure legal actions for unavailability of cooperative register (contravention of the Act), iv) decentralize registration of cooperatives, v) specify minimum requirements for committee members to Certified Farmers, vi) remove the hegemony of the government in the Federation, vii) and also establish a central cooperative fund without fail (see [Chapter Seven](#), Section 7.4, on page 285).

8.3.1c Political environment

The rural areas are one of the most active areas of mobilisation for the ruling party ZANU PF, and thus, policies or programs tend to be coloured by party politics. While it may be difficult, there is a need for considerable efforts to depoliticise agricultural development, especially when it is misused to cover corruption and abusive privilege or power. It makes sense for any party in power to want to retain power at all cost; however, I argue that it is time that ruling powers ensure that they stay in power by making the people happy through developing them.

The cooperative should be owned by the people so that people can succeed by themselves (not owned by government or NGOs). Government influence is supposed to be limited so that farmers can influence government policy formulation processes when they are within the cooperative and not as individuals.

8.3.1d Management of cooperatives

In addition to reducing its influence in the National Federation, the state needs to improve its management of cooperatives. The first task is to transform the administration of the sector-specific cooperative to its respective ministry. For example, agricultural cooperatives should be managed by the Ministry of Agriculture, while mining cooperative should be the prerogative of the Ministry of Mines and Mining Development. Each ministry is better equipped to deal with sector-specific issues. Also, upon the change in government, no information is lost as had happened in the past when the administration of the Act changed ministries. Then a comprehensive cooperative register should be developed to curb corruption issues and abuse of cooperative benefits through fake cooperatives. Interview data revealed confusion and power struggles within the Department of Cooperative Development. These issues need to be sorted with immediate effect.

Furthermore, the government is supposed to engage with the farmers and involve them in the formulation of policies and their eventual implementation. While the state may argue that all their new programs had farmer participation, the situation on the ground suggest high levels of hubris. Quite crucially, they need to give the cooperative movement some breathing space, starting with clarifying conditions for running and election of chairpersons and officers of the NFC. The federation should have a representative from each of the cooperative economic sectors. The government should hand over some of the critical functions that it does to the NFC to reduce cost and also to make it more efficient. The government can focus on other issues if they ‘delegate’ this task to the national movement.

8.3.1e State Subsidies and Financing

Historically, the state mainly financed the cooperatives in Zimbabwe, and this has often undermined the autonomy of cooperatives. The state needs to re-evaluate the focus of its financing to ensure that they do not perpetuate the donor syndrome, which undermines cooperative development. The subsidies debate has stood for a long time. While I do not dispute the need for funding of agriculture, the methods and channels of the funding require

restructuring. A focus on funding of agricultural training and skills development will go a long way into resolving this challenge. I argue for the state to stop the system of free inputs to individual farmers and instead to provide for the establishment of a cooperative fund and capitalise it. Then the funds can be accessed by the farmers through the cooperative (or otherwise) at concessionary rates. Farmers need friendly and conducive payment plans and not free inputs. This move will work as a double-edged sword by answering parts of the agrarian question of finance and extinguish the dependency syndrome that affects agricultural producers.

Finally, the government should be willing to learn from other countries such as Kenya and Rwanda, where cooperatives are changing people's lives, especially when they made best use of SACCOs. There is need to embrace SACCOs at the government, national and local levels as well as to carry out extensive SACCO training workshops across Zimbabwe. The government has only recently started efforts to establish SACCOs and have developed plans for this institution for every type of cooperative. Other international organisations (ILO, UNDP, Swedish Cooperatives and World Health Organisation) are willing to help Zimbabwe achieve this. The model might work given the fact that the greatest challenge to the Zimbabwean farmer is the lack of finance for production.

8.3.1f Education, Skills & agricultural training

Agricultural education, skills and training has primarily been driven through government policy and provides one of the best ways to improve the nature, character and quality of the peasantry. The thesis argues that the government should have embarked on an extensive agricultural skills training exercise before the implementation of the FTLRP to ensure that land beneficiaries were in a better position to produce. The same should have been done before the 1980s resettlement programs and before putting farmers in collectives. If it had trained farmers and government officials, the policies would have yielded desired objectives. In addition to giving farmers knowledge about procuring finance, inputs, production and marketing of their crops, extensive agricultural training would have given the government a chance to reorient beneficiary ideology (in terms of explaining the objectives of the reform, farmer's role versus that of the government and how they all could partner with the private sector). These issues seem to be missing from the current CMS relations with many believing that just as they got the land is the same way that they should get finance and inputs necessary for production.

Institutions of agricultural training should be able to address some of the challenges in farmer attitudes, involvement in politics and corruption as well as improve management practices. I expect the government to intensify its effort in the form of funding for education and training. I propose the establishment of a mandatory course in agricultural training which can be instituted by most of the agricultural training institutes already in existence in Zimbabwe. Instead of yearly subsidy and free inputs for farmers without education, skills and training to adequately use them, agricultural production will remain low.

8.3.2 The role of the community (the peasantry)

The success of the cooperative movement henceforth will depend significantly on the nature of the peasants. I argued that the resultant agrarian structure was ideal for the development of the cooperatives, especially in the newly resettled areas where cooperatives were formed for and by the farmers themselves. However, more needs to be done in terms of inducing a significant paradigm shift in management practices; skills, education & training; and socio-economic behaviour (attitudes, politics & corruption) during agricultural production. In light of the pervasiveness of information asymmetries that rendered state and market interventions inadequate for rural development, Hayami (2005) strongly argued for a role of community that is expected to provide public goods (including fair institutions and even infrastructure). Thus, the community is expected to supplement government efforts to address market failure (undersupply of public goods) by filling in the information gap because only they know more about themselves than the state and the market (Stiglitz, 2002, p. 471).

8.3.2a Socio-economic behaviour (attitudes, politics & corruption)

Based on Hayami (2005), the community needs to foster bonds of communication and trust within the community as this has ripple effects throughout the cooperative system and the interaction with the state and the markets. While cultural, family and tribal bonds are active in the CA, the same is yet to hold for resettled areas and hence the newly resettled farmers need to foster improved trust and communication through other means such as church, sports, field day events or other recreational activities (village or location-based) (Mkodzongi, 2016, pp. 75-78). Trust and communication are critical because it enhances mutual observance of traditional norms and conventions within the peasantry, thereby reducing transaction costs.

Since many problems came from the way farmers viewed cooperative programs, farmers should change their attitude. Chairmen and directors of cooperatives need to be honest when

doing their duties as this has a profound effect on the smooth operation of the cooperatives. There needs to be a program that shifts people's mind from their current way of thinking, then reduce levels of ignorance within management committees and also among the members through intensive education and training programs. In the pre-independence movement, white farmers firstly had to understand cooperativism through theory and practical perspectives. This is what is lacking in the movement that came after independence and the ones that are operating today. In addition to proper education and ideological stability, a system of rewards for good behaviour in order to encourage more and more people to practice honest business should be developed. More commitment should also be shown by the cooperative leaders and from the rest of the management team. It is indispensable to improve the level of trust and communication within the movement.

This study revealed the difficulties for farmers to stay away from politics, but it might not be beneficial for the cooperative to be ultimately apolitical. In fact, most of the cooperatives on the ground are too political. Either they were formed by the state (top-down approach) or the management committee deliberately engaged themselves with politics in the hope of getting favour from the political elites. I argue that engagement with political apparatus should be avoided at all cost and that in any case, cooperative decisions should always be democratic and should benefit the farmers more than they do to the politicians. The government of Mnangagwa had managed to remove some of the power that some corrupt chairmen had but only as far as they were aligned to former president RG Mugabe. It is hoped that new political machinery will not create new corrupt chairpersons aligned to the new dispensation.

8.3.2b Management practices

There is need to improve management skills and practices which mainly depend on the two levels mentioned above. One of the most significant challenges in the cooperative is debt and subscription fee collection, which resulted in as much as more than 50% of cooperative revenue loss. One way of resolving this (as suggested in an FGD) is the use of incentives such as early-bird incentives. Farmers who pay their loans earlier are given a reduction such as a 10% discount on their total loan if they pay before a specific date (subject to negotiations with the lending bank).

There was a need to tighten the input distribution mechanism in order to reduce both transportation costs as well as time taken to get the inputs. Although people who do not repay their loans are counter-productive to the movement, chairpersons and directors still need to

engage with them with respect and high levels of diplomacy since the fundamental requirements of cooperatives is cooperation, peace and inclusive development. Engagement with local and traditional authority were other ways of drumming support for the chairmen to do their jobs without fear. However, chairpersons should exercise precaution since the local authority is also riddled with politics.

8.3.3 The role and nature of agricultural markets

Agricultural markets are fundamental in the CMS framework because these are platforms for coordination of profit-seeking individuals based on supply, demand and price restrictions. In summary, the CMS framework highlights that the state (through coercive power), the community (through consent-based coordination) and the market (through competition informed by supply and demand) are the three critical prerequisites for development (Otsuka & Kalirajan, 2010, p. 224; Hayami & Godo, 2005, p. 311). In most developing countries, including Zimbabwe, the state and the market are present and exercise power over a weak community. Cooperatives will help strengthen this third player. The study expects the markets to be a source of capital, technical know-how and most importantly of technology. Modern agricultural production will depend on advancement in technology adoption and use, which depends on how the community interacts with the market. Markets will significantly improve with cooperative participation.

8.4 Critical assumptions about the Zimbabwe peasantry

The definition of the peasantry has been debated in literature as I discussed in [Chapter Three](#). The nature and character of the peasants (encompassed in the definition) has a profound effect on the cooperative that we can encourage in the rural areas. In order to provide an alternative model, I had to make the following assumptions about the peasantry, based on literature, empirical data and field observations.

- A. There are three dominant classes in the cooperative movement; (mainly) middle peasants, a middle and an upper class. There were low chances of mobility between classes.
- B. The peasantry seldom employs labour outside of family labour; when it rarely does, it is a casual type of labour.
- C. Although farmers are primarily concerned with achieving a minimum level of agricultural production necessary for social reproduction, they cannot escape the currency and commodity circulation (the markets) and hence offload excess onto it.

- D. The small farmers have expanded access to land in light of the proliferation of land renting and leasing markets after the FTLRP (though not yet legalised).
- E. There is a minimum level of education necessary for skills/agricultural training. There is NO statistically significant differences in level of skills/education across households or classes.
- F. There is capital accumulation. The peasants can save for capital accumulation from agricultural income.

The assumptions above simplify the formulation of the cooperative model.

8.5 Structure of the movement

The current cooperative structure has eight sectors; each sector has a primary level, secondary level and an apex level (see [Chapter Five](#), Section 5.4.1 on page 166). The overall association that unites all is the Zimbabwe National Federation of Cooperatives (NFC). The general message I seek to push with this new model is that nothing is for free, and every new cooperative needs to work hard to achieve development goals. This model proposes tangible milestones that can help a cooperative grow internally and also develop from a broader perspective.

8.5.1 Membership structure

The first issue I would like to discuss is that of ownership rights of cooperatives. In my model, all members are equal in terms of their importance, but the focus will be on full members and commodity producers. These were topical in the Japanese cooperative movement, but for the case of Zimbabwe, the issues may not be critical primarily based on the way I have structured my model where cooperatives begin as small single-purpose cooperatives (see next sub-section 8.5.2, page 342). However, these will become apparent in the long run, and hence an idea of how to handle them is discussed in this sub-section.

One of the most significant issues with membership is getting sufficient numbers of people to join the cooperative. Thus, there is need to increase the incentive for people to become full members. In most cooperatives in Zimbabwe, there is exclusive use of cooperative facilities, and in some cases, non-members cannot trespass on cooperative property. While this makes sense, it does little in terms of advertising and attracting people to the cooperative. There needs to be more contact between the cooperative and the non-members to encourage them to join, become associate members and eventually full members.

The current cooperative structure has full and associate members. The difference between these two is primarily the voting rights and the ability to be a candidate for the committees or director/manager. Data revealed that some members were interested in using some of the cooperative facilities but were not interested in joining the cooperative or having the burden to pay subscription fees, attend meetings and become leaders. To cater for these types of farmers, and based on insights I learned from Sanbu Yasai Network of Japan, I divide associate membership into two types. The thesis would like to introduce three types of membership; 1) Full members, 2) Associate member tier 1, and 3) Associate member tier 2 (

Table 8.2). The Associate member tier 1 is the usual associate members. Associate member tier 2 is an associate member that can attend meetings and express their opinion/idea but cannot vote or stand as a leader; they do not pay subscriptions but only pay the cooperative a commission when they sell their products through the cooperative (for example, 5% commission).

Table 8.2: New three-tier membership structure

Aspect	Membership status		
	Full	Associate member	
		Tier 1	Tier 2
Attend meetings and express opinions	Yes	Yes	Yes
Subscription payments	Yes	Yes	No (only commission)
Use of facilities	Unlimited	Unlimited	Limited
Cooperative education	Free	Free	Pay a fee
Dividends	Yes	Yes	No
Subsidies	Yes	Yes	No
Price discounts	Yes	Yes	No
Voting rights	Yes	No	No
Leadership candidature	Yes	No	No

Source: Created by author based on own study, 2019

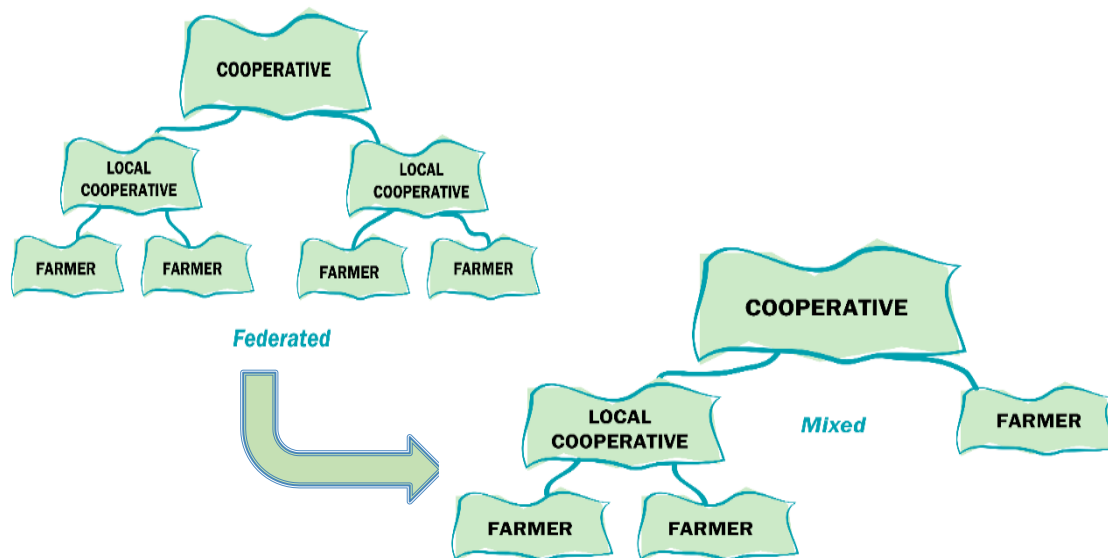
The associate member has restricted access to cooperative facilities, cannot benefit from price discounts or member subsidies and cannot earn dividends when the cooperative makes profit. The main aim is to encourage more partnerships with non-members so that they can understand how the cooperative works and why they should join it.

8.5.2 Geographical structure and stages of development

The current cooperative structure is federated, which means that local members belong to local level cooperatives which then belong to the secondary cooperative. These cooperatives can then belong to the central association. No individual member can belong to the central

association unless through the secondary level cooperative. I propose to maintain this structure given the fact that there is a three-tier cooperative structure and I advocated for many smaller cooperatives at the primary level in the beginning.

Figure 8.1: Gradual development from a federated to a mixed cooperative structure



Source: Created by author, based on USDA (2011, p. 2)

As the cooperative movement develops, I argue that it should move towards mixed governance and control structures (*Figure 8.1*). A mixed structure is more flexible and when individual cooperatives have grown into multi-purpose, belonging to a single-purpose provincial level cooperative may not make sense. Hence a shift to mixed structure enables primary multi-purpose cooperative to become direct members of the Association. I also believe the current one village one cooperative structure should be maintained considering difficulties in communication if members join cooperative in different jurisdictions.

Significant structural changes to the current cooperative structure

In coming up with a new cooperative structure, the thesis paid attention to the following key areas that require restructuring:

1. The Cooperative Societies Act of 1996 should be dismantled into different sector-specific cooperative acts. A method of doing this should be gradual and over five years or more years for the government and the stakeholders to gradually factor the changes into their institutional programs. I propose firstly dismantling the SACCOs, Agricultural Cooperatives and the Housing Cooperatives into separate laws that can be administered by the sectorial ministries. The individual acts will be administered in their respective ministries, i.e. the

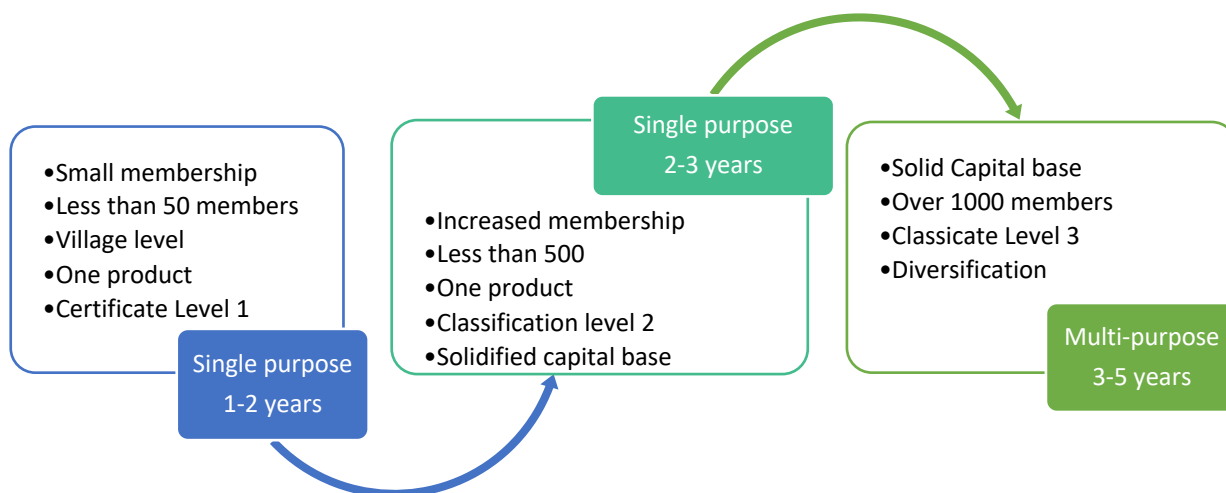
Agricultural Cooperative Act should go to the Ministry of Agriculture. There should be minimal changes in the parent ministry after that.

2. The movement needs a cooperative bank or a financing institution which can take over the handling of most agricultural financing. This bank should make use of the cooperative certificates and farmer licence criterion discussed in Section 8.6. However, this process requires time and a strong financial base, and thus in the short run, partnerships can be forged between the cooperative movement and the AgriBank of Zimbabwe to play this role. Another avenue is tentatively to have the SACCOs play the role of a cooperative bank.
3. I believe that more emphasis should be put on the primary cooperatives, which are genuinely farmer-driven. The research has proved that the probability of farmers forming a cooperative increased if farmers felt that they could benefit by being members. Thus, I recommend that more rewards should be on farmers working through cooperatives (for example a 2% price incentive if selling through a cooperative, or better chances of getting credit if applied through a cooperative).
4. There should be a Zimbabwe Good Agricultural Practices (ZiGAP) institution at national level which can oversee the certification of farmers as well as monitor safe agricultural standards and quality. The ZiGAP can work hand in hand with other economic sectors and will help build trust within the farmers, as well as with the private sector. Ultimately this will lead to the building of trust of Zimbabwe agricultural products.

Development of the cooperatives

I propose for a gradual transition from the current structure, beginning with amendment of the act (to separate the sectors). The World Bank report (1989) recommended sufficient amalgamation of small primary cooperatives to become more prominent cooperatives of at least 500 members in order to achieve economies of scale. Although I agree with this in the long, in the short run (up to 5 years) I propose that the model that Zimbabwe should take from now is that of a gradual increase in membership starting from small cooperatives. Because of low levels of cooperative education and understanding of cooperative principles and ideology, cooperatives should start as small single-purpose organisation for at least five years in which other potential members can learn and then become members.

Figure 8.2: Development from Single to Multipurpose cooperatives



Source: Created by author based on own study, 2019

Upon reaching a certain point (measured by the cooperative certification score and the member's levels of farmer licence scores in the ZiGAP) can become a multi-purpose one focusing on various other businesses (*Figure 8.2*). Applications should be sent to CACU (with ZiGAP certification) which then carries further investigations to see if the cooperative has achieved the milestones necessary for upgrading. Upon ascertaining this, CACU will forward the application together with its recommendation to the NFC. The federation can carry simple background checks, if satisfied, then send to the Ministry (with a second recommendation) for registration (the ministry can further inquire, but not necessarily a requirement). This process maintains standards and reduces corruption.

I should further clarify that the cooperative I seek to establish is not only marketing, purchasing or services cooperatives but also focuses on agricultural production. In a similar vein, a gradual increase in cooperative portfolio, cooperatives should start of as credit cooperatives as suggested by Chayanov. Eventually as their financial capacity allows, they can broaden into marketing, purchasing, producer and service provision.

8.5.3 Purchasing, marketing, distribution and service strategy

The cooperative should ensure fair trade in marketing (all involved parties must benefit from the trade of a product) and develop distribution channels directly to the market/consumer. The focus should begin on reduction of transportation cost through bargaining, buying in bulk,

buying earlier and accessing input markets otherwise unavailable. This part of the new cooperative model should take centre stage because it helps the members to control and own the product. Eventually, as the cooperative become prominent, complex processes such as grading, value addition and research can be integrated.

I learned the importance of long-term planning in the case of the Japanese cooperative, which had five, ten and twenty-year planning strategies to guide their current decision-making processes. In Zimbabwe, purchasing and marketing cooperatives do not have long term plans. I propose that cooperatives should have laid out plans for at least three proceeding seasons for each cooperative member to help plan purchasing and marketing schedules. Some cooperatives could not enjoy lower prices that comes with purchasing inputs six months before the start of the season. Also, planning would help secure markets before the production season kicks off. The cooperative certification would ensure farmers stick to this system.

Using the Japanese method of learning from others and modifying before adopting, the thesis proposes a deliberate strategy of cooperative identity to be employed. The concept of one village one product was successful in Japan rural areas, and I would like to modify and adapt it for Zimbabwe. Given that different geographical weather conditions in Zimbabwe, cooperatives can adopt crop-specific branding and marketing strategies. Goromonzi, for example, produces good quality tomatoes, and hence, should be marketed as a Goromonzi brand. Under non-cooperative strategy, this is not possible as individual farmers do not have the capacity or cannot maintain standardised products. That is the advantage of a cooperative. Other areas can adopt the same strategy, such as the wild plums from Motoko or Mopane worms from Beitbridge.

8.5.4 Management strategy and incentives

Cooperative movements across the world have management issues. One of the best ways to encourage proper management is through choosing good leaders. Good leaders can only be chosen by good members who know what to look for in a leader. In this respect, I reiterate emphasis on education and training of the cooperative members as well as of the leaders. The system of farmer licences suggested in Section 8.6 will go a long way in resolving this problem. Again, my model assumes the government and the national federation would begin extensive farmer education such that strict adherence to such leadership prerequisites can come into effect in the next four to five years. At the beginning, the rules may be relaxed as people get training.

Farmer education is critical to the success of not only this model but of agriculture as a whole. Farmer education will improve levels of understanding of cooperative ideologies and principles. Additionally, as my analysis proved, stronger ideological foundation coupled with open or free flow of information enables easier management of the cooperative. There is need to encourage both members and cooperative leaders to always act in good faith to avoid corruption and abuse of cooperative assets. I propose a system of rewards for good behaviour in order to encourage more people to practice honest business. The problem of bad debtors, for example, people who can manage to repay their loans to the cooperative should be rewarded through a discount as an incentive. Even small incentives such as T-shirts or caps, farmers will be delighted with such a gesture.

Lastly, although it is challenging to avoid local politics and that indeed the cooperative cannot afford to be politically neutral, I propose that the management should avoid political situations as much as possible. Political consciousness is essential, but as the cooperative movement is still small, it cannot afford to take too strong a political stand.

8.5.5 The National Federation of Cooperatives (NFC) and CACU

As I discussed in great length in the theory chapter, a robust and functional National Federation of Cooperatives is extremely necessary. Interview data exposed a federation that was unrepresentative of the economic sectors, and the methods of choosing its leaders and directors amounted to state meddling in the affairs of the cooperative. Thus, I would like to propose strict adherence to the law by the state in terms of Part XI, Section 89 (1)(b) of the Zimbabwe Cooperative Societies Act of 1996 which gives powers to the societies to appoint their preferred chairman and other officers. The NFC needs to be active together with the CACU, especially in sourcing funding from the government, the market and other multilateral stakeholders to finance education, training and skills development.

I argue that the Central Association of Cooperative Unions is weak and has been weak for too long a time. For example, in the 1980s, it employed less than five people at its main offices, a situation that still prevails at the moment with less than ten people working there. CACU requires a structural change in which it becomes more prominent by taking over some roles previously done by the government as well as the secondary level tier (to give them more space to deal with an expanded primary cooperative). Thus, CACU needs more financial resources such that it takes-over training, education and skills development of the cooperative members in the short run (5-10 years). In the long run, this body should oversee importation of bulky

inputs directly and the advancement in cooperative planning, research and information dissemination. As of now, the last cooperative research publication obtainable from the CACU library was done in 1988 while no dedicated website exists for the Association. CACU can also be one of the firms responsible for auditing primary cooperatives.

I propose to do cooperative registration through three different institutions, and these should tally. Each of NFC, the minister (registrar) and the Association (CACU) should be involved in the registration and should keep a copy of the register. This process will reduce instances of corruption while improving accountability and access to information within the movement. A strong CACU will strengthen daily cooperative management while a powerful NFC will unify single cooperative voices to protect the interests of farmers (especially in national politics).

8.5.6 Central Cooperative Bank (CCB) and Central Cooperative Fund (CCF)

The current cooperative Act (Part XII, Section 91) provides for establishment of a CCF in which cooperatives should contribute 5% of their net earnings (and any other sources including from other countries) in order to fund such requirements as education and training. However, donations from other countries are made through the Minister. Given the fact that most cooperatives are under-resourced at the current juncture, I propose an active fundraising scheme by the NFC from multi-lateral donors, other prominent international cooperative movements (e.g. the JA of Japan) and the ICA. This money should be used strictly for education and training of farmers.

While the prospects of a CCB at the moment may be far-fetched, I argue that it is necessary in the long run. Private financial institutions in Zimbabwe have neglected agriculture in the past 20 years, mainly finance meant for food crops (Mazwi, Chemura, Mudimu, & Chambati, 2019) However, if a CCB had been active, it would have kept productivity high when the financial markets had neglected the newly resettled farmers. The CCB would reduce the emphasis on the provision of collateral which the private financial sector has been adamant about since the inception of the FTLRP. As I argued, farmers bring in a considerable amount of foreign currency and have a right to access finance for this reason. While we develop the cooperative movement, it may be beneficial for the movement to discuss partnerships with the government-run AgriBank so that it may provisionally take the roles of a CCB. In addition to the AgriBank, proper constitution of the SACCOs has the potential to help finance and provide a basis for the formation of a CCB in the long run. Thus, I propose the AgriBank and the SACCOs to spearhead agricultural cooperative financing in the short run. Interview data highlighted that

the government was already focusing more on SACCOs as an agricultural cooperative financing mechanism (Mada interview, March 2018).

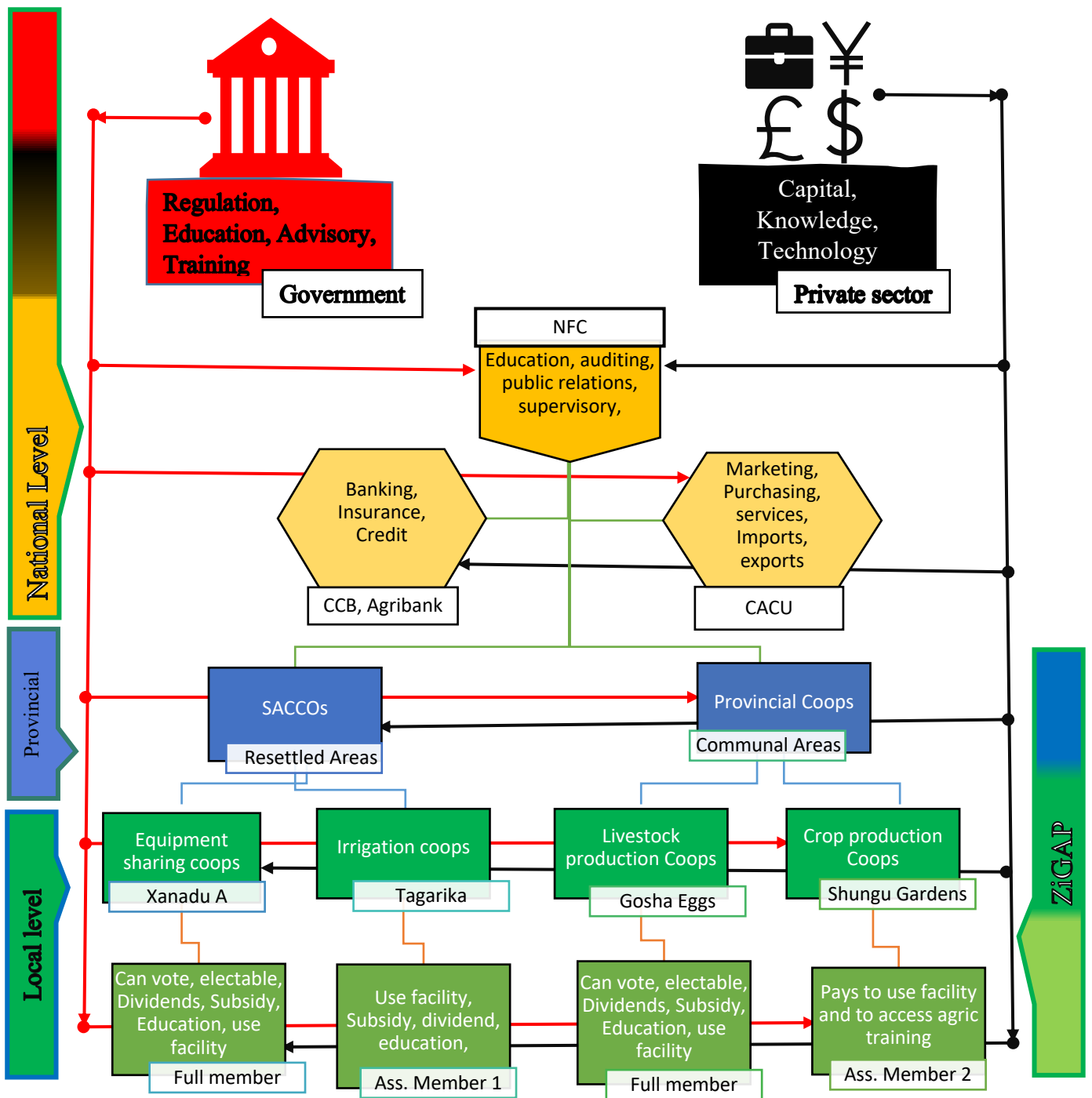
8.5.7 The overall structure of the Zimbabwe agricultural cooperative system

The overall structure of the cooperative, therefore, should have three types of cooperative members at the bottom to encourage more extensive use of the cooperative through attracting non-members to have a 'taste' of cooperative benefits. The local, district, city and town cooperative would make the first tier and consist of different types of single-purpose cooperatives in the short run, but with the aim to transform into multipurpose upon reaching specific goals in the long run. This process should be the aim of the cooperative as a way of encouraging them to work hard towards cooperative development.

The second tier is necessary because the primary cooperatives will be smaller and numerous. The third tier will be the CACU which should be responsible for national-level marketing, purchasing, services and creation & maintenance of a cooperative brand (*Figure 8.3*). The federated and three-tier should be maintained in the short-run, which should change to a mixed and two-tier structure in the long-run (say after ten years). This process should be the plan, again as a way of encouraging development at the national level. The ZiGAP will provide certification services, encourage more significant information flow, build trust as well as the Zimbabwe agricultural brand at local, provincial and national levels.

As explained, the CCB and AgriBank can be the financial institutions of choice at both provincial and national levels. These (together with provincial level, SACCOs and local level cooperatives) will get supervision, training and education from the NFC through CCF funding. In *Figure 8.3*, I highlight the importance of the government and the private sector. The state should reduce its role to just regulation and support of the movement through administering of a revised cooperative law, through education, training and skills development. The state should minimise the provision of free inputs and machinery and focus on education and training subsidies instead. On the other hand, provision of technology, technical know-how and capital should be the role of the private sector. The private sector is essential and will not directly exploit the farmers in this structure, but will interact with them on an open platform.

Figure 8.3: New Zimbabwe Cooperative Structure



Source: Created by author based on own study, 2019

8.6 Certification/licencing of farmers and cooperatives

I have discussed how the Japanese emphasize the use of farmer certification in land markets, in credit markets, in inputs lending and even in output markets. I have tried to modify and improve this for Zimbabwe and gave the responsibility to an institution that shall be called ZiGAP. The study will expand on the farmer certification and ZiGAP in this sub-section. The Zimbabwe agricultural sector has high transaction costs which include the cost of acquiring market information (about commodities, farmer data, private companies and government programs). Information asymmetries in this respect have continued to hamper government and private financial sector dialogue (for current tenure documents to be used as collateral). The use of scoring financial behaviour is widely used in USA (credit scores), or Japan (farmer certification); and have also been proposed for Kenyan farmers (credit scores) in a study by Nyafwa (2019). However, in each of the above cases, it was not used to promote cooperative development. I seek to establish the same for Zimbabwe agricultural cooperatives where scores do not rely solely on the availability of collateral or private-property tenure. In order to overcome some of these challenges, my research proposes the establishment of a national farmer certification/licensing program which would be responsible for assessing farmer capabilities and productive capacity.

The resulting farmer certificate will be used to apply for loans from financial institutions without the need for collateral. Thus, the certificate will rely on a combination of social as well as economic parameters accessible in real-time, i.e. the certificate will have a real-time score that indicates the score of the farmer at any particular time. The certification can be at the primary cooperatives and secondary cooperatives level. In addition to applying for finance, the certificate can be used to select candidates for management and leadership roles within the cooperative, in farming organisations as well as in government programs. For example, no persons can hold a leadership position without the certification. These rules can, however, be enforced over a long period (a program can start from 5 years from now).

8.6.1 Establishment of Zimbabwe Good Agricultural Practices (ZiGAP)

I propose, through an act of parliament, the establishment of the Zimbabwe Good Agricultural Practices (ZiGAP) foundation/institution which would be responsible for individual, group, cooperative and collective certification in terms of meeting set safety and maintenance of standards in agricultural production. Learning from the Japanese GAP, I propose the government to head ZiGAP, work together with funding from the private sector and

multilateral organisations. In addition to scoring farmers through the level of agricultural training received, many other self-evaluation variables should be collected (can be online or through a mobile application). ZiGAP can confer farmers with licences that prove they have attended and passed farmer training, ideological orientation, and they understand farming objectives.

It should also be responsible for preparation of Good Agricultural Practice (GAP) materials, dissemination of such materials, handling applications for the certificates, evaluation and recommendation for improvements of the farmer standards. ZiGAP should not be for cooperatives only but the whole national agricultural sector. Its standards should reflect international standards in order to make it easy for farmers and producers to penetrate international markets.

8.6.2 Specifications of the farmer licence

ZiGAP will establish farmer GAP for individual farmers, provide a certificate and call it a farmer's licence. The farmer licence will include socio-economic data that is updated at least yearly. In this respect, the farmer sends data to the extension officer. In the era of technology, this should not be too difficult to achieve since a simple mobile application can be developed and used. Thus, farmer training will include education/courses on how to capture records and upload them to their profile. There is always sensitive personal information, and this program will collect the data only necessary to construct the creditworthiness and the level of social interaction that a member has. Moreover, a farmer will keep a user number and password and should upload information freely to their profile. The benefits derivable from an updated profile will incentivise the farmers.

8.6.2a Classes of the Farmer licence

I want to propose a three-level farmer licence score. **Class 1 (C1)** should include the most minimum requirements to obtain the certificate; **Class 2 (C2)** includes farmers who are performing around the mean, and **Class 3 (C3)** should be better performing farmers. A farmer provides data for variables in *Table 8.3* by themselves and an extension officer regularly checks authenticity. If a farmer cannot get to C1 or his score decreases to below 22, they cannot obtain a farmer licence, or if they already had, will be suspended or withdrawn.

8.6.2b Major data requirements

Farmers that went through training from the government and showed an understanding of the course material to a level satisfactory with the minimum requirement to pass that course will earn ten points.

Table 8.3: Farmer licence class decision criterion

Variables	Certificate level (Max attainable score)		
	C1	C2	C3
Farmer training certificate (yes=10; no=0)	0	10	10
Last year profile updated (3=1, 2=2, 1=3)	1	2	3
Productivity average \$/10yr (0=0; upto 500=1; upto 1000= 3; upto 3000=5)	1	3	5
Income from outside agriculture average \$/10yr (upto 500=1; upto 1000= 3; upto 3000=5)	1	2	3
Land utilisation % arable (0=0; upto 30%= 1; upto 50%=4; upto 65=5)	1	2	3
Educational level attained (Primary=1; Secondary= 2; Tertiary= 3)	3	3	3
Agricultural training (yes= 5; no=0)	0	5	5
Member of a farmer group (yes= 5; no=0)	5	5	5
Family/hired ratio (<average= 1; average=2; >average=3)	1	2	3
Casual/permanent ratio (0=0; <average= 1; avrg=2; >avrg=3)	1	2	3
<i>History of accessing credit</i>			
1. Accessed before credit (yes= 5; no=0)	0	5	5
2. Managed to pay (yes= 5; no=0)	0	5	5
3. Expected/Actual repayment time (1<=1; 1=2; >1=3)	1	2	3
4. Property ever attached (yes= -5; no=0)	0	0	0
<i>Social responsibility</i>			
5. Holds a leadership position (yes= 2; no=0)	0	2	2
6. Involved in social community projects (yes= 1; no=0)	0	1	1
7. Criminal record (none=3; Misdemeanour=-5; Felon= -10)	0	0	0
<i>Access to inputs in the last two seasons</i>			
8. External Finance (yes= 3; no=0)	0	3	3
9. Used hybrid Seeds (yes= 3; no=0)	3	3	3
10. Fertiliser (yes= 3; no=0)	0	3	3
<i>Asset ownership (Value \$) (upto 500=1; upto 1000= 3; from 3000=5)</i>			
11. Animal-driven & hand tools	1	3	5
12. Power-driven	1	3	5
13. Infrastructure	1	3	5
14. Livestock	1	3	5
Expected minimum scores	22	60	80

Source: Created by author, October 2019

This is given a more significant weight because, as I highlighted, the government needs to intensify skill training to equip farmers with technical know-how. Thus, such weight will incentivise the farmers to attend and obtain a licence. I also argue that farmers should be incentivised to keep an updated record of their data with the extension offices. In the long-run, farmers will enter information on their own through a mobile application developed to reduce the cost of information collecting. A simple text platform can also be established for areas that do not have internet (but can access the network).

Agricultural productivity depends on several variables, including farming systems and agro-ecological zone. The variable to measure farmer productivity will take into consideration, agroecological differences and these will be factored into the farmer licence algorithm.

Convicted farmer will have points deducted from their score, and this will affect their overall score. In the same case, points will be deducted for those that failed to repay their loans and or those whose property/assets were seized/repossessed by financial institution in the past (Table 8.3).

8.6.2c Protection of personal information

As I highlighted, every farmer will create a profile of themselves which will contain required data. This information will be used for evaluation purposes only and should be protected by law. I suggest the propagation of a law for that purpose (there already is a bill under debate about private information).

8.6.3 Specifications of the cooperative certificate

Building from the farmer licence, a cooperative licence/certificate can be helpful as well. In the same way, the farmer licence reduces transaction costs, and the cooperative certificate will help keep a real-time record of the cooperative health, credit history, amount of community services that the cooperative is engaged in as well as their overall impact. For Zimbabwean cooperatives, who widely do not keep records, higher weights should be placed on such issues, in the beginning, to encourage them to keep such records. This idea emanates from the FGDs in which we learned about low financial motivation for the management to work extra hard and for the cooperative leaders to develop. This system can improve motivation for cooperative growth while at the same time providing robust information from the community level.

Such a system fits perfectly into the CMS framework, which underscores the need for reduced information asymmetries. A live website can support this scoring. Farmers or cooperative

leaders (secretaries and chairmen) will be trained and rewarded for keeping an up-to-date profile of the cooperative with information shown in *Table 8.4*.

Table 8.4: Cooperative certification level decision criterion

Variables	Cooperative Certificate level (Max score)		
	C1	C2	C3
Percent with Agric-training certificates (<30%= 1; upto 50%=4; upto 65%=5)	1	3	5
Last year profile updated (3=1, 2=4, 1=10)	1	2	3
Upto date paid subscriptions; (<30%=0; >60%= 5; 30-60%=3)	0	3	5
Has 5-10-year plan (yes= 3; no=0)	0	3	3
Number of members (<30= 1; 30-50=4; >50=5)	1	4	5
Total Assets (<average= 1; average =2; > average =3)	1	2	3
Gross income (<average = 1; average =2; > average =3)	1	2	3
Total Equity capital (<average = 1; average =2; > average =3)	1	2	3
Total debt capital (<average = 1; average =2; > average =3)	1	2	3
Debt to asset ratio (>1=0; 1=2; 0.5-0.99=3; <0.5=5)	1	3	5
Percent of non-agriculture income (10=3; 20=5; 50=10)	3	5	10
Access to external Finance (yes= 3; no=0)	0	3	3
Majority membership educational level (Primary=1; Secondary= 3; Tertiary= 5)	3	3	3
Member of a national association (yes= 10; no=0)	5	5	5
Uses voluntary members labour (yes= 10; sometimes=3; no=0)	0	3	10
Uses paid members labour (yes= 10; sometimes=3; no=0)	0	3	10
Uses paid non-members labour (yes= 10; sometimes=3; no=0)	0	3	10
<i>History of accessing credit as cooperative</i>			
Accessed before credit (yes= 10; no=0)	0	10	10
Managed to pay (yes= 5; no=0)	0	5	5
Expected/Actual repayment time (1<=1; 1=5; >1=10)	1	5	10
Property ever attached (yes= -5; no=0)	0	5	5
<i>Social responsibility</i>			
Involved in social community projects (yes= 5; no=0)	0	5	5
Funding local community projects (yes= 5; no=0)	0	5	5
Expected total scores	20	80	120

Source: Created by author, October 2019

The variables such as total assets, total equity, total debt and gross income are usually collected to calculate the capital structure of the cooperative and hence the health of the cooperative. Maintaining a real-time scoring of the cooperatives in this manner provides enough motivation

for the managers to perform well and to keep the cooperative productive. The mechanism put in place to curb losses due to bad debts are also evaluated in real-time through these indexes. Thus, the government and the private sector can then utilise these indexes to judge which cooperative to give capital.

A cooperative whose certificate score drops to below 20 will have its certification suspended. In this way, cooperatives will seek to maintain a minimum score of 20, which ensures that they adhere to the cooperative principles while at the same time generating income for the farmers in the markets, keeping financial records, plans and sending their information to the central cooperative union.

8.7 Chapter conclusion

The chapter presented lessons from Japan and contrasted them with the contemporary challenges in the Zimbabwe cooperative movement. This process helped to gain insights on the best ways to improve the sector which I presented through a perusal of the roles that the government, the community and the private sector had to play in cooperative development based on lessons we learned, modified and applied to Zimbabwe. I made some assumptions and highlighted essential prerequisites that would enable swift development and implementation of the alternative cooperative model which I presented.

The alternative cooperative model utilises the current structure and modified it, especially the gradual separation of the sectors such as agriculture, SACCOs and housing cooperatives to accommodate sector-specific considerations. I introduced a third type of cooperative that improves cooperative appeal and improves membership and argued that the movement should start as single-purpose cooperative, and then gradually grow into multi-purpose cooperatives. I propose provisional financing through AgriBank, which should give way to CCB. Most importantly, I introduced the farmer and cooperative certification that can reduce transaction cost for banks, reduce information asymmetries (necessary for the CMS framework) and work as a motivation for farmers. Cooperative development hinges on the improvement of access to information, finance, education, training and skills development at local, provincial and national levels. The various suggestions provided in the new cooperative model aim to improve these issues.

Overall thesis conclusion and areas for further research

The overall conclusion is that the market and the state cannot work alone. Neither can the state and the cooperative nor the community and the market as pairs in isolation. There needs to be optimum or dynamic levels of interaction between the three. The state and the market have huge voices, and for so long, the community's voice could not be heard, exacerbating information asymmetries. Hence cooperatives have the highest potential of levelling the field for farmers. Based on the research question and the data analysis, as a set of lessons for the future development of agricultural cooperatives in Zimbabwe, I conclude that:

1. Cooperatives can survive within a capitalist production model if they are supported by robust state policies. These policy should ensure maximum community involvement and minimum government within the cooperative movement.
2. Land reforms are often radical and chaotic, resulting in temporary dysfunction of agricultural markets as well as provision of public agricultural service delivery from the state and the markets. Thus, through self-help cooperatives, resettled farmers can access services otherwise unavailable.
3. From the data, two different categories of cooperative movement can be identified, the old cooperative movement that entirely relies on the state (or donor) funding for survival on one hand, and the new cooperative in the resettled areas which show a higher potential for growth if given a chance and support by the state on the other. The former more synonymous with the CA while the later more common in the resettled areas.
4. The state plays an important role in the development of cooperatives through formulation and implementation of robust policies that would reduce exploitation from the markets, that give the movement autonomy and prioritises development ahead of political gains.
5. A new agricultural cooperative model for Zimbabwe should aim to establish a separate agricultural societies act administered in the Ministry of Agriculture. This new cooperative model places a focus on education, training and the need to develop farmer certification for short-run and long-run perspectives.

I strongly believe that more research needs to be carried out in terms of the financial contribution of the cooperative movement in Zimbabwe. This should start with the basic research of coming up with the cooperative registrar for all registered and active cooperatives in Zimbabwe. Once such a baseline survey of cooperatives has been achieved (preferably

outside the government structures), then their contribution to, and their role in, alleviating poverty can be specified.

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