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ON

CO-OPERATIVES

AND

EMPLOYMENT CREATION: THE KENYAN CASE

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Abstract

World Governments face challenges that they exist to address among which are unemployment, immigration, insecurity, global warming and carbon emission. In attempts to provide solutions to the challenges, several models of business management one of which is the co-operative movement are employed. The co-operative movement in Kenya was started in 1908 and has grown to transcend all sectors of the economy. It generates a high turnover in the areas it participates in and offers opportunities for more than 63% of the Kenyan population to derive their livelihoods. It has mobilized resources and assets that are worth over KShs. 875 billion (approximately US\$10 billion).

Savings and credit societies have mobilized nearly KShs. 600 billion that they have used to satisfy members' benevolent needs and development. At the national level, they account for 31% of national savings. The collaborative effort between the Government and the co-operative movement has seen the Kenyan co-operative movement be rated the first in Africa and 7th in the world. In 2013, the SACCO movement in Kenya was rated as the fastest growing in the world.

Basing co-operative growth on collective action theory, co-operatives in Kenya have become a major employer with current employment of 500,000 employees getting direct employment. In some Counties, co-operatives account for nearly 80% of formal employment, other than the Government. It is important to note that co-operatives are increasingly becoming the models of choice for development in the country and more demands and expectations from the government are required. In the housing sector, co-operatives are expected to provide 25% of the national annual requirement of the 150,000 housing units.

However, the support to co-operative development seems to be waning under the current dispensation on the pretext that co-operatives are private entities which do not need government support and can survive on their own. This scenario needs to be addressed and co-operatives supported as they provide opportunities for employment, resource mobilization and sustainable, structured development.

Key Words: Employment, co-operatives, job creation

Acronyms

| | |
|--------|---|
| ICA | International Co-operative Alliance |
| GOK | Government of Kenya |
| CSA | Co-operatives Societies Act |
| CCD | Commissioner for Co-operative Development |
| NACO | National Co-operative Organization |
| SACCO | Savings and Credit Co-operative |
| GDP | Gross Domestic Product |
| ASAL | Arid and Semi-Arid Land |
| FOSA | Front Office Services' Activity |
| NACHU | National Co-operative Housing Union |
| KUSCCO | Kenya Union of Savings and Credit Co-operatives |
| CEO | Chief Executive Officer |

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1.0 Introduction

The co-operative philosophy dates back to the time when God said, 'Let us make man in our own image' as stated in Genesis chapter one verse twenty six. In this section of the holy bible, God generates the first duty and employment that the man He was to create was to do: manage and rule over all creation (Bible, 1990). The collective action by God utilized social capital and brought forth man whose job description was well crafted to meet his skills. Since then, man has used several approaches to generate wealth, organize it optimally and generate employment. The first such action by man was during the construction of the ark by an entrepreneur called Noah followed by the construction of the tower of Babylon (Bible, 1990).

World Governments strive to provide solutions to global challenges facing mankind like poverty, unemployment, immigration from poor economies to developed economies, insecurity, global warming and high levels of carbon emissions. Each challenge has a strong co-operative solution that is making the world a better place to live in. In using the co-operative business model, principles, values and ethical values, governments are sending a strong message that co-operatives provide a better world to live in (ICA, 2015).

The successful co-operative business model is traced back to 1844 when the Eminent Pioneers of Rochdale started their co-operative society. This coincided with the start for the scramble for Africa under which Kenya became a country under the British influence and later in 1920 became a British Colony. As more British settlers came to Kenya, they brought along the co-operative business model which they employed in the management of their business and farming concerns. It therefore came as no surprise when the settlers organised the first co-operative society in 1908 to procure their farm inputs and market farm produce. The growth of the co-operative movement was recognised by the Government and in 1931 the first Co-operative Societies Ordinance was promulgated in Kenya.

The emergence of the co-operative movement in the Kenyan economy became dominant and the first independent Kenya government enacted the Co-operative Societies' Act in 1966 to give more and direct support to co-operatives through the office of the Commissioner for Co-operative Development (Kenya Government, 1966). This was in tandem with the Government thinking of using African Socialism in its approach to national development and economic planning (GOK, 1965). This approach gained credence and acceptance among the Kenyan citizens because Kenya was emerging from colonialism under which over 90% of its people were illiterate and poor. They needed assets to support their development and economic activities but could not raise capital for such initiatives. The only avenue that supported their quest for faster economic integration was the co-operative movement. Co-operatives thereby offered employment for the owners who also were the workers, particularly in the produce marketing co-operatives. The first Kenyan president, Mzee Jomo Kenyatta, encouraged those who felt disenfranchised by the prevailing conditions in towns and urban centres to go back to the farms (*Rudi mashambani*) so that they could build the nation.

The use of co-operatives in farm purchase, construction of coffee factories, savings and credit services, marketing and provision of decent shelter accelerated the development of Kenya. It made it easy for people to get cost-effective services through the co-operative movement in Kenya thereby creating enormous opportunities for employment and self-actualization. The challenges that face the Kenyan people as identified under the Jubilee Government Manifesto are identified as unemployment, food insecurity, slow/fluctuating economic growth, insecurity and slow skills' development among the youth who form about 70% of the unemployed population. (In this regard, a youth is defined a person who is aged between 18 and 25 years of age.)

This paper tries to show the strong contribution that co-operatives make in creating employment in Kenya and makes recommendations on what other economies can learn and adopt from the Kenyan case.

2.0 Co-operative Impact

According to the World Co-operative Monitor, co-operatives employed 250 million people of the total world workforces (ICA, The World Co-operative Monitor, 2014). In contribution to this number, Kenyan co-operative employment properly started in 1950. By end of 1963, Kenya had registered 1,030 co-operatives, mostly in the agricultural sector. The co-operatives continued to be registered and expand in their outreach and impact into farm purchase, savings and credit, housing, handicraft, industrial, transport, workers, consumers, multipurpose, unions and national co-operative organisations (NACO's). As at the end of 2014, there were 17,916 registered co-operatives societies in Kenya.

2.1 Agricultural marketing co-operatives

Since the first co-operative society was organised in Kenya, there has been constant growth and member patronage has steadily improved despite the growth challenges attending to this phenomenal expansion. In the early years, marked expansion was registered in the agricultural marketing co-operatives. The situation changed in the 1980's after SACCO societies took root.

Discernible growth of co-operatives in Kenya started in 1946 when the Co-operative Societies' Ordinance No. 38 of 1945 was enacted. The Ordinance allowed for the first time indigenous African Kenyans to form and join co-operative societies and also to grow cash crops such as coffee, tea and pyrethrum that were earlier restricted to white settlers. The decision meant that Kenyans were involved in economic activities and gainful employment since formal employment was very limited and most indigenous Kenyans (over 90%) were illiterate. By independence in 1963, there were 1,030 registered co-operatives in Kenya with an estimated share-capital of KShs. 100 million. By the end of the first decade after independence, Kenya had registered 2,800 co-operative societies that were handling and dealing with the production of coffee, tea, cotton, maize and beans. Agricultural marketing co-operatives formed the backbone of the Kenyan

economy contributing 45 percent of Gross Domestic Product. The support to employment creation in Kenya by the co-operative movement was huge as can be seen from these statistics.

In the farm input supply chain, co-operatives form a strong link between manufacturers, distributors and consumers of goods and services. The income realised through co-operative supported activities enable members and farmers to afford the inputs thus indirectly securing jobs in industries, wholesalers and retailers. Despite fluctuating and unreliable world market prices for both commodities and inputs, co-operatives in Kenya continued to play an important role in stabilizing prices and retaining people in gainful employment.

In Kenya, there are over five thousand (5,000) agricultural marketing registered co-operative societies with a membership of 2.1 million members. Majority of these members work on their farms and only go to the co-operative for marketing of their produce and processing of payments. Unless the farmers are from a young couple, the average family size is six (6) members which means that about five people depend on the co-operative member for their livelihood. Direct employment is restricted to the marketing chain at factory level where record clerks, security officers and a factory manager form the bulk of permanent workers. At the society headquarters, there are mostly four main workers: the Secretary/manager, bookkeeper, main recorder and security officer. However, where the society is not affiliated to a co-operative union, other workers may be added.

Table 1: Growth in the number of co-operative societies by type in Kenya 2000-2014

| Activity | 2000 | 2002 | 2005 | 2008 | 2009 | 2012 | 2014* |
|------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Coffee | 366 | 474 | 523 | 549 | 555 | 595 | 429 |
| Cotton | 86 | 71 | 59 | 59 | 59 | 74 | 93 |
| Pyrethrum | 73 | 152 | 146 | 146 | 146 | 146 | 146 |
| Sugar | 112 | 112 | 152 | 152 | 159 | 170 | 180 |
| Dairy | 337 | 332 | 248 | 264 | 273 | 432 | 560 |
| Multi-Purpose | 1,560 | 1,608 | 1,818 | 1,883 | 1,894 | 1,503 | 1,350 |
| Farm Purchase | 731 | 624 | 111 | 114 | 114 | 114 | 114 |
| Fisheries | 82 | 85 | 66 | 67 | 67 | 72 | 86 |
| Other agric | 1,002 | 956 | 1,181 | 1,243 | 1,317 | 1,458 | 1,940 |
| Total Agric | 4,349 | 4,414 | 4,304 | 4,477 | 4,584 | 4,564 | 4,998 |
| SACCO's | 3,627 | 4,020 | 4,678 | 5,350 | 5,628 | 7,767 | 9,560 |
| Consumer | 197 | 208 | 181 | 183 | 184 | 184 | 184 |
| Housing | 468 | 440 | 512 | 596 | 636 | 1,163 | 2,233 |
| Craftsmen | 104 | 102 | 88 | 89 | 89 | 89 | 89 |
| Transport | 36 | 32 | 29 | 58 | 64 | 330 | 601 |
| Other non- Agric | 573 | 712 | 1,075 | 1,115 | 1,121 | 346 | 250 |
| Total non Agric | 5,005 | 5,514 | 6,563 | 7,391 | 7,722 | 8,879 | 12,817 |
| Unions | 89 | 89 | 99 | 100 | 101 | 101 | 101 |
| Grand Total | 9,443 | 10,017 | 10,966 | 11,968 | 12,407 | 13,444 | 17,916 |

Source: County annual reports

*Provisional

The geographical dimensions of co-operatives development

Co-operatives in Kenya are spread across the country even though there are high concentrations of agricultural marketing co-operatives in the central Kenya Region and SACCO societies in urban cities like Nairobi. Table 2 shows the geographical spread of co-operatives with the Rift Valley Region having the highest number of registered co-operatives followed by Nairobi and Central. Table 2 shows that co-operatives are well spread across the country and are contributing to employment creation at the local level and supporting national job creation in associated areas.

Table 2: Regional distribution of registered co-op societies in Kenya (2014)

| Region | Nairobi | Central | Coast | Eastern | N/Eastern | Nyanza | R/Valley | Western | Total |
|--------|---------|---------|-------|---------|-----------|--------|----------|---------|--------|
| Number | 5,573 | 2,081 | 1,648 | 1,882 | 84 | 1, 296 | 6,308 | 694 | 17,916 |

Source: Ministry of Industrialization and Enterprise Development Annual Reports

In regard to membership in the co-operative movement, there were 12.3 million members by 2014.

2.1.1 Coffee

A look at the coffee activity presents a unique situation of employment that follows a long chain both in Kenya and abroad. According to the latest statistics from the Coffee Board of Kenya, Kenya produces about 60 thousand metric tonnes of clean coffee annually. Of this figure, over 80% is produced by co-operative members who market the coffee through co-operative societies. This coffee supports farmers, marketers, coffee houses, middlemen and executives in the coffee industry.

2.1.2 Dairy

There are over 498 registered dairy co-operatives in Kenya which handle nearly 70% of the milked marketed through formal channels. Some of the large co-operatives like Githunguri Dairy Farmers and Meru Central Co-operative Union run dairy processing plants which employ more than 250 workers directly. Other than farmers who derive their livelihoods through the milk activity, the dairy co-operatives employ more than 20,000 employees.

2.1.3 Pyrethrum

Kenya is the leading pyrethrum producer in the world with more than 90% of the crop being marketed by co-operatives. There were about 146 registered co-operatives handling the pyrethrum activity in Kenya as at the end of 2013 but most of them faced challenges were emanated from delayed payments for pyrethrum deliveries dating back to the 1980's. The discouragement made many farmers sink into poverty as the land size was not enough for other crop farming. A revival of this industry will see the creation of more than 1,000 jobs within the first season of production.

2.1.4 Sugar-cane

There were about 180 registered co-operatives handling the sugar-cane activity in Kenya. People in the sugar-belt area are peasant farmers who rely on their cane for income. The cane is marketed through co-operatives which also serve as their spokesmen. The societies' employees average about 3 per a society.

2.1.5 Cotton

Cotton farming is the only cash crop in some ASAL regions in Kenya. There are about 93 registered co-operatives handling the cotton activity in Kenya. At its peak, cotton societies ran over 90% of cotton ginneries in Kenya through which members' cotton was ginned and

marketed. The current situation may not be exact as most of the cotton societies are dormant and are under revitalization. The challenges will soon be over as the government has initiated activities to support the textile industry and over 300 people will be in employment from the start.

2.1.6 Other Agricultural Marketing

There are several agricultural activities that are undertaken in Kenya whose produce is handled by co-operatives. The activities have helped transform the livelihoods of small-scale farmers because co-operatives aggregate and transport the produce to markets. There were about 146 registered co-operatives handling livestock marketing activity in Kenya each employing an average of 4 people.

2.2 Savings and Credit co-operatives

The SACCO system is a mutual membership organization focusing on the mobilization of domestic savings in form of shares and deposits from which credit is extended to members. Credit is usually assessed as a multiple of the amount of deposit/shares held by a member. The highest concentration of new co-operative activities in Kenya is in the financial services sector. Co-operatives in the financial services category are organized on employment, commodity, trade, Jua Kali (Small-scale industries), transport and community basis. However during the latter half of 1990's, a number of SACCO's moved in to provide a substantial and essential service to their members by offering quasi-banking facilities through the Front Office Savings Activity (FOSA). This created more opportunities for employment with each FOSA employing at least seven officers but the large ones employ more than 150 people. With 250 SACCO societies having FOSA, the estimated direct employment is 45,000 people while indirect employment runs into over 2 million people thereby empowering the vulnerable in society, especially women and the youth.

According to 2285 non-deposit taking SACCO societies' audited accounts for 2014, they had mobilized more than KShs. 293 billion (US\$2.9b) with a membership of nearly 700,000 members. Those of the 72 largest SACCO societies (including the Co-operative Bank) showed that they had mobilized more than KShs. 472.9 billion during the same period. Each of the co-operatives had a workforce of at least three employees with the large ones having more than ten employees. The net impact was that at least 22,000 people were given direct employment and a further 700,000 indirect employment.

Given that the SACCO's have been growing at a fast rate each year, SACCO's will represent an even greater share of the financial market thereby offering more employment opportunities. The creation of employment opportunities was not limited to SACCO societies alone as credits obtained from them was re-invested in other areas like agriculture, house, transport and housing.

The importance of Urban and Rural SACCO's in financing agricultural activities was given credence by the fact that latest statistics from a recent study showed that SACCO's contributed 60% of the finances extended to small-scale farmers in the agricultural sector. They also contributed 24 % to medium and large-scale farming. These figures demonstrated the extent to which co-operatives supported employment creation even outside co-operatives.

2.2.1 Salary-based

This category of SACCO societies serves workers in the formal sector whose common bond is easy to define. They form the bulk of SACCO societies in Kenya. Members borrow credit to finance education, Medicare, decent shelter, emergencies and development. In case of development, members invest in land acquisition, starting businesses and expansion of agricultural activities. Such initiatives create many employment activities.

2.2.2 Produce/commodity-based

This type of SACCO societies are those that are based on a particular produce or commodity like coffee, tea, business associates or group of professionals. They form the bulk of alternative banking in the rural areas where established commercial banks consider it risky to extend credit. They have revolutionized banking and created numerous job opportunities in the countryside.

2.2.3 Investment

The number of investment co-operatives in Kenya was 150 by the end of June 2015. These were spread over many sectors that employed many Kenyans in gainful and economic activities. At least 450 people have fulltime jobs in this area.

2.3 Farm Purchase co-operatives

Farm purchase co-operatives were very popular immediately after independence since people who wanted land for resettlement and farming used them to acquire financing for farm purchase. By pooling resources through the co-operative, members were able to acquire large pieces of land on which they settled and undertook economic activities. Most of the societies later converted into either multipurpose or marketing societies. In this category; there were 114 registered co-operatives in the country with a combined workforce of 613 people.

2.3.1 Resettlement

People who used farm purchase co-operatives were later involved in farming activities such as coffee, dairy, sugar-cane, cotton, etc. A low percentage, (circa 15%) which is lately expanding rapidly, with the support of the national housing co-operative union is developing housing estates for members to settle in or generate income.

2.3.2 Estate management

Some co-operatives own large estates where they grow crops like coffee. Such activities are managed by employees posted from the main society. There are also part-time and casual workers on the farms. About 2000 employees work on co-operatively owned farms in the country.

2.4 Housing co-operatives

In the country, there are over 460 registered housing co-operative societies each with at least three (3) employees. The national requirement for housing units in the country is estimated at 150,000 housing units per a year. Due to the strength and reliability of co-operative housing, the government has allotted 25% of this total to co-operatives. This is a positive challenge as the co-operative principles aim to show concern for community and maintain a green environment. In providing this important service, co-operatives will generate employment opportunities in construction, sand-harvesting, quarrying and housing management. The National Co-operative Housing Union (NACHU) will take the lead in fulfilling this requirement.

2.4.1 Construction

In the construction field, the housing demand will need the services of architects, quantity surveyors, land economists, electrical, civil and structural engineers, contractors and public health workers. This integrated approach will employ many workers in the lower construction chain like masons, drivers, artisans and technicians. Each house will take approximately three months to complete with an average workforce of fifteen people working full time. This means that at least 56,250 people will get direct full time employment in the co-operative housing area.

2.4.2 Sand –harvesting

Housing construction requires a lot of sand. The sand will need to be mined and transported to construction sites. A standard two bed-roomed house will require about 200 tons of sand and 60 tons of ballast. This will translate into 9 people working on each unit thereby offering 337,500 direct employment every three months.

2.4.3 Quarrying

Buildings will require building stones, ballast, hardcore which has to be mined, transported, dressed or crushed to be ready for construction. This requires about five people working on each housing unit translating into 187,500 direct employment opportunities per a year.

2.4.4 Housing management

Estate agents are employed to lease the housing units if not owner-managed. A conservative estimate of ten firms with twenty employees is hired to manage the housing units giving a combined figure of 200 direct employees.

2.5 Others

In the category of other co-operatives, there are several important players that mobilise resources for support to co-operative growth and employment creation. These include handicraft, industrial, worker, consumers, transport and multipurpose co-operatives.

2.5.1 Transport

Matatus

The new phenomenon in public transport in Kenya are the low capacity passenger service vehicles commonly referred to as matatus. Latest statistics show that there were over 30,000 matatus in co-operatives in the country by end of 2013. The advantage they have over buses is that they are easy to fill, have no fixed timetables and their fares are flexible. Due to this, they brought disorder in public transport causing concern in government circles. In order to bring sanity onto the roads, the government ordered them to either form co-operatives or companies. Majority opted to form co-operatives since they are sustainable and easy to run. There are over 601 registered co-operatives in this area offering more than 100,000 direct employment and 150,000 indirect employment to Kenyans. At the end of the day, the vehicles are cleaned, they are fueled and guarded.

Own transport

Many co-operatives in Kenya that deal with produce transport it over long distances to the market place. Most unions and large primary co-operatives have their own transport that transports their raw or semi-processed produce to the market place. Each vehicle has a driver, a turn boy and perhaps a transport clerk in the office. The combined fleet size of co-operatives in Kenya was about 300 as at the end of 2013 employing about 600 people. The combined workforce in the transport sector therefore exceeds 106,000 people.

2.6 Unions

Unions are formed by a number of primary co-operatives for pooling their resources and accessing critical services at a competitive cost favorable to members.

Support services

They employ secretary/managers for member societies, bookkeepers, clerks/recorders, co-operative education and publicity officers.

Administrative support

Under administrative support, they employ accountant, bookkeepers and clerks, education and training officers, activity managers and the CEO. In total, unions employed approximately 422 people in Kenya as at the end of 2013

2.7 National co-operative organisations

National Co-operative Organizations (NACO's) have two areas of engagement: the first is with their members while the second is their administrative structure. At either level, they create opportunities for Kenyans to secure employment as can be seen in Table 3.

Support services

The support services they offer include activity specific policy guidelines, education and training, networking and advocacy.

Administrative support

Under administrative support, they employ activity managers, accountants, clerks, officers and the CEO.

Table 3: Number of employees per activity - 2015

| <i>S/No</i> | <i>Type of co-operative</i> | <i>Number of Employees</i> | |
|-------------|-------------------------------|----------------------------|---------------------------------|
| | | <i>Direct</i> | <i>2014*</i> <i>Indirect</i> |
| 1 | <i>Agricultural Marketing</i> | | |
| | Coffee | 15,000 | 1,700,000 |
| | Dairy | 20,000 | 1,000,000 |
| | Pyrethrum | 1,000 | 220,000 |
| | Sugar-cane | 540 | 450,000 |
| | Cotton | 300 | 500,000 |
| | Livestock | 146 | 700,000 |
| | Horticulture | 544 | 203,500 |
| | Produce buying | 300 | 2,178,088 |
| 2 | <i>Savings and Credit</i> | 57,000 | 3,855,000 |
| 3 | <i>Farm Purchase</i> | 500 | 150,000 |
| 4 | Housing | 581,450 | 1,230,000 |
| 5 | Transport | 106,000 | 156,000 |
| 6 | Unions | 422 | 104,328 |
| 7 | NACO's | 7,400 | 22,000 |
| | Grand Total | 789,218 | 12,350,916 |

Source: Researcher's interviews and MOIED Annual Reports

*Provisional

Challenges

Some co-operatives face challenges that hamper their leading role in creating formal employment and make them be classified as failed organizations or those that are riddled with corruption. In most cases, the challenges are outside the control of the co-operative leadership. The creation of formal employment through co-operatives faces a major challenge because some co-operatives do not get remittances from agents on time. Some face governance challenges, inadequate internal reforms, weak production and marketing capacities. Some leaders take decisions that lead to uneconomic activities for societies which lead into high indebtedness and loss of employment. In some instances, poor world prices that prevail culminate in low incomes from produce delivered by farmers while low/no-payments, costly farm inputs, high levels of indebtedness, cause increased poverty levels and loss of employment because some members fear marketing their produce through established co-operatives. This action means a reduction in support for co-operative development programmes, capacity building, training and education and material development leading to low job-creation.

Conclusions and recommendations

The historical perspectives of Kenyan co-operatives show that co-operative development has been strongly supported by the Government since co-operatives were introduced in Kenya in 1908. It also shows that the cultural practices of the Kenyan people were rich in co-operation and so they readily embraced modern co-operatives when they were introduced to them. The figures in this presentation show that co-operatives are strong supporters of sustainable employment in Kenya as they support job creation in all sectors of the economy.

According to the Kenya Economic Survey, 2015, there were 14,316,700 persons employed outside small-scale agriculture and pastoralist activities in 2014 (KNBS, 2015). Of the total 2,370,200 Kenyans in formal employment, co-operatives employed 789,218 (33.3%) (KNBS, 2015). This figure shows that the strength of the Kenyan labour market is made secure by the co-operative movement because co-operatives afford members opportunities to mobilize resources out of which they are able to buy products from industries and other marketers. The indirect support of employment creation by co-operatives may be hard to quantify because Kenya's economy, being agriculture-based relies heavily on co-operatives to move produce from producers to processors.

In the SACCO sector, more than 70% of salaried people are members of SACCO societies through which they access funds for benevolent purposes. Table 4 shows that some of the SACCO societies based in both urban and rural areas have provided job opportunities for nearly 10 thousand Kenyans as at the end of July 2015 who would otherwise have no reliable sources of income.

In light of the above conclusions, it is absolutely necessary for the Government of Kenya to continue supporting and guiding co-operatives in their development path. More programmes addressing issues on education and training, savings mobilization, professional management, governance, investments and employment creation need to be developed, disseminated and supported.

Table 4: Sample societies' employment numbers (31-7-2015)

| <i>S/No</i> | <i>Name of society</i> | <i>Type of society</i> | <i>Total Assets (Billion KShs.)</i> | <i>No. of employees</i> |
|--------------|------------------------|------------------------|---|-------------------------|
| 1 | Harambee | Urban SACCO | 18 | 159 |
| 2 | Gusii Farmers | Coffee Union | 1 | 63 |
| 3 | UN SACCO | Urban SACCO | 8 | 22 |
| 4 | Vision Point | Rural SACCO | 1 | 101 |
| 5 | Shirika Staff | Urban SACCO | 2 | 16 |
| 6 | Unaitas | Rural SACCO | 6 | 324 |
| 7 | Murata Farmers | Rural SACCO | 2 | 137 |
| 8 | Githunguri Farmers | Dairy Processor | 2 | 258 |
| 9 | Meru Unions | Coffee Union | 2 | 427 |
| 10 | NACHU | Housing NACO | 1 | 24 |
| 11 | KUSCCO | SACCO NACO | 8 | 54 |
| 12 | Stima | Urban SACCO | 13 | 152 |
| 13 | Wakenya Pamoja | Rural SACCO | 1 | 199 |
| 14 | Mwalimu | Urban SACCO | 25 | 230 |
| 15 | Bingwa | Rural SACCO | 3 | 161 |
| 16 | Ukulima | Urban SACCO | 8 | 151 |
| 17 | Yetu | Rural SACCO | 3 | 101 |
| 18 | Metropolitan | Urban SACCO | 6 | 77 |
| 19 | CIC | Insurance NACO | 15 | 2,105 |
| 20 | Co-operative Bank | Commercial Bank | 232 | 4,423 |
| Total | | | 357 | 9,184 |

SACCO societies give large sums of credits that members use to create employment by re-investing in transport, agriculture, business and hospitality. The relationship between SACCO societies' savings and its employment needs to be researched into and established. The amount of credit that goes into creating more job opportunities, and in which areas, needs to be established. It will also be important to establish which percentage of the urban credit ends up supporting activities in rural areas in a bid to enhance security, job creation and benevolent purposes.

In this important area, access to capital will help mainstream co-operatives continue to serve members in all levels of society thereby creating more employment opportunities in the labour market in Kenya. Co-operatives are urged to practice high standards of leadership, management

and professionalism so as to counter negative publicity from quarters that do not understand co-operative operations and practices.

In order to continue creating more employment opportunities, world governments will need to create a conducive environment for co-operatives to continue growing and attracting a qualified and competent workforce. They need to appreciate and understand that the co-operative business model offers a better, reliable and sustainable business model which is based on internationally tested and approved principles, values and ethics.

In conclusion, I wish to quote what Professor Henry M. Bwisa, a renowned authority in entrepreneurship stated: “Any world Government that ignores co-operatives will do so at its own peril.”

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