

# An Experiment in Co-operative Development in Botswana

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From 1970 to 1975 the ILO/UNDP (United Nations International Labour Organisation) project number 3 attempted, with some success, the improved development of co-operatives in Botswana. They were started in 1963 with the appointment of Trevor Bottomley as Registrar. By 1967, when he left, the Government Annual Report showed there were four consumer societies, five marketing societies and the Botswana Co-operative Union (Wholesale) and seven small Thrift and Loan societies. They were not Credit Unions but simple savings groups where members could borrow from within the limits of their savings.

The ILO/UNDP project was required to prepare "A Statistical Report of Co-operatives" at the start of the project and its results are summarised in the following "Comparative Summary ... 1969-74". By 1969 there were ten consumer societies, but three stopped trading about the time I arrived to take over the management of the project. In 1970, of the 23 marketing co-operatives, 14 had trading losses and the large scale Bamangatto Marketing co-operative had failed. The BCU had had no board meetings for three years and

the main problem facing the consumer societies is lack of experience among committees in the management of retail business, the lack of adequately trained staff at all levels and the lack of knowledge and experience among the shop managers. (*Government Annual Report 1967*)

The trading results of the marketing co-operatives suggests that the same could be said of them. In these circumstances there is always a tendency among expatriates who come to help to think they are required to show signs of new growth, sometimes it has to be spectacular growth. The real need may be to show improved performance of what is already on-going, especially if the general direction is good and what is required above all is better management.

This was the case in Botswana and I had to nip in the bud bright ideas for large schemes and slowly turn the project towards improved management of co-operatives which were

generally on the right lines. The same problems arose later in Indonesia.

By 1972 we were demonstrating that we were making progress. In a report of a visit in 1972, the Deputy Foreign Office Adviser on Co-operatives (Archie Macintosh) said that, like his Chief Bert Youngjohns, he had formed the opinion:

The Co-operative Development Centre (CODEC) I feel is so important and valuable a revision of thinking on co-operative development with its stress on an intensive education programme, specialisation, detailed supervision and constant consultation that every aspect of its possibilities for its expansion elsewhere should be considered.

Trevor Bottomley was appointed by UNDP New York to lead the evaluation team in 1975. The following are quotations from their report. Of the Government Co-operative Department they said:

There has been established and secured within the Co-operative Department a pattern of operation which would effectively support a growing co-operative movement.

A study of the co-operatives they visited revealed:

That the societies are capable to a large degree of self government ... the societies are financially sound. Collective savings equal almost US \$500,000 ... For the three years 1972-74 seven trading losses were made, none of them creating significant damage.

More than sixty managers have been trained ... the training programme is well organised and effective.

Archie Macintosh thought our approach was so important

and valuable a revision of thinking on co-operative development that every aspect

## Comparative Summary 1969-1974

The following statistical comparison shows some of the developments with co-operatives during the five years of the Co-operative Development Centre's operation:

	1969	1974
Number of Societies - Consumer	8	18
- Marketing	23	44
- Thrift & Loan	27	29
Number of Members - Consumer	5,741	12,252
- Marketing	2,513	7,821
- Thrift & Loan	2,360	3,096
Share Capital - Consumer	R19,627	R58 682
- Marketing	R18,163	R112,715
(Savings) - Thrift & Loan	R17,959	R38,598
*Sales: Marketing Societies Total	R388,181	R3,613,732
Number of beasts	6,300	24,080
% if BMC throughput	6%	13%
Crop Sales	R28,219	R131,600
Sales Consumer Societies Total	R533,148	R2,488,193
Total Net Surplus - Consumer Societies	R27,396	R102,722
- Marketing	R29,504	R72,359
- Thrift & Loan	-	-
Thrift & Loan Societies:		
Loans Granted	R7,257	R20,010
Botswana Co-operative Union:		
- Number of Society Members	23	48
- Share Capital	2,000	13,667
- Sales - total	R500,341	R1,286,041
- Net Surplus	Net Loss	R28,609
Reserves:		
- Consumer	R12,584	R137,617
- Marketing	R7,908	R82,297
- Thrift & Loan	R449	R2,363
- BCU	R1,091	R51,078

\* NB (1) During 1969, 14 of the 23 marketing societies recorded decreasing trade (*Statistical Data of the Co-operative Movement* ILO Technical Report No.1).

(2) The Marketing Branch of the BCU was established at Lobatse in 1972. By December 1974 it had a total staff of 9 and was acting as agent for all marketing societies' sales at the Botswana Meat Commission, covering total sales of over R4 million for the year.

(3) The Botswana Co-operative Bank was registered in December 1974 and replaces the Co-operative Development Trust set up in 1966. Its total assets are R297,108.

of its possibilities for expansion elsewhere should be considered.

A similar project was established for Swaziland and the team visited Botswana en route to its duty station. It made little progress, largely because of lack of co-operation from government. We enjoyed complete support.

In 1975, I moved to Indonesia and found that the large scale project I was to lead had also been designed on the basis of 'Top Down' development. The project was re-designed employing principles used in Botswana. In the early stages it covered only four provinces out of 27, in Java and Bali. Of that project the UK Adviser on Co-operatives, Bert Youngjohns, said:

I have no doubt that this project is on the right lines - it is directly tackling the most important problems in the area of management and is tackling them in the right way. It is obviously accepted by the people with whom it has to deal. It constitutes the basic aid project for co-operatives.

The UK contributed a team to work in central Java in Botswana. The co-operative movement made steady progress (see Annual Report 1978) but developed problems during the 1980s. During two return visits in the 1980s, I found that new outside support had failed to pay attention to what we had done and how we had done it.

In Botswana we saw the benefit of making the base secure so that co-operatives could themselves move forward in development. For two or three years we were working hard to make all co-operatives efficient and then came the joy of feeling they were taking off. One co-operative started a dairy operation to supply fresh milk to the new nearby mining town. Another started a pottery and another, against our advice, bought the village petrol station. We were now faced with a whole new set of problems.

### **Back to base**

Co-operative officers were dispersed all over Botswana charged with duty of inspecting a number of co-operatives on a regular basis. As in many parts of Asia and Africa, their supervision and support was often flimsy and not well directed. In addition we were moving

into a new way of doing things and to see that we moved off in unison, we brought all the staff back to headquarters at the Co-operative Development Centre. Here they joined one of the specialist teams and had close contact with the expert appointed to assist the head of that section.

### **Specialisation**

Round the quadrangle at CODEC there were offices for Audit and Accounts with Derek Heffer assisting; Consumer/Retailing and Wholesale with Reijo Lappi; Cattle Marketing Gordon Brasted for 17 months, and much longer, Gary Bond (USA); Education, Danny Peiris. In the closing stages of the project, Ernest Greenbaum came to head a Banking and Credit section.

The need for specialisation was still not generally recognised in Asia and Africa. Initially, co-operatives had been of one type only and all staff had grown up with fairly well defined terms of what was good practice. Up to 1939, the main development was credit societies and the great administrators had to develop principles and practices for one type of co-operative. All staff were preoccupied with the credit societies of Asia.

During the war, great changes took place. Credit societies began to trade in supplies and marketing, and many new types emerged, including consumer/retail. The co-operative inspector still had his six or eight societies to supervise but, untrained in the business affairs of the different co-operatives, he fell back on inspection of accounts and observance of the bye-laws.

The co-operative officer should be as much a trade development officer as an auditor and we set up specialised units. We stopped using the term 'inspection' for visits to societies and referred to 'Management Counselling' and allocated two whole days to a visit.

### **Management counselling**

This third feature 'Management Counselling' meant a revolution in the way officers approached their work. We later produced a handbook as a guide for each type of co-operative. We tried to identify weaknesses in present practice and seek out the potential for development. We had trained a dozen retail managers and placed them in service. All of

them had only primary education. In those days anybody with secondary education got a job in government. Nasha performed well and showed an interest in becoming a co-operative officer. We approached Personnel and they approved his appointment. He was attached to the retail section and was soon showing great promise. When a new store was started, Nasha was given the job of seeing it launched, but above all it illustrated how we wanted to grow. Eventually Kasha left the department to become the manager of the Gaborone supermarket, where he earned more than the deputy registrar.

This was also a pointer to what happens to co-operative department staff when the movement no longer needs the old structure. We aimed to see the BCU grow to the point where it employed staff to visit societies, seeking trade and offering management counselling.

Visits to societies were organised on a three monthly basis. They were set out on a table, which was sent to all societies well in advance. Some societies needed more frequent visits and some only a visit once in six months. Officers worked in pairs and spent a day and a half sorting things out; on the afternoon of the second day, they met with the manager and outlined their report and then met the committee. They returned to base and wrote up their report under the watchful eye of the head of section.

All sections spent a month visiting. All staff and experts were involved and I usually chose to do the more distant journeys and some of the bigger problems. Generally, the experts worked alongside the Botswana staff.

### **Training related to problems**

The second month was spent finishing the reports and analysing them to reveal common weaknesses and preparing teaching materials for the training courses to be held in the third month. In the third month, the managers came into residence for a week followed by the bookkeepers for another week and, lastly, the Chairmen came for a three day course. Then another cycle of visits began. It never stopped.

### **Training managers**

There was a great need for new managers, both retail and marketing, and for the first few years

we followed the pattern of recruitment and training inherited from earlier days and the student managers followed a six months training programme at the Botswana Training Centre and held supplementary sessions with the relevant section and education branch.

Trevor Bottomley in his evaluation report 1975, said of management training

more than 60 managers have been trained ... the training programme is well organised and effective. It has provided the essential cadre of professional management required by any developing co-operative movement. The managers interviewed at their place of work showed good understanding of the operating system they had been taught to follow, and of their managerial responsibilities generally.

This refers to the new programme we introduced. It took a little courage to take the training away from the Botswana Training Centre and embark on a completely different approach to the training of managers. In Ceylon, I recommended that the college principal should be the Provincial Director of all co-operatives in the province and the students in residence should be involved in the management of the province's co-operatives. Now in Botswana I had the opportunity to put my ideas into practice.

We stopped running the six months training courses at the Botswana Training Centre and recruited trainee managers in groups of 10 or 12. They were given a one year contract and paid a monthly salary equal to the manager of a small co-operative. It was clearly understood that there was no guarantee of full-time employment but, in fact, all were in a post in less than one year. Similar training was provided for marketing societies.

The funds for this project came from grants from various church organisations. The trainees came into residence for an initial two week briefing period and then went out to work in a small society, or at the wholesale for six to eight weeks. They were given guidelines and instructions on what they had to study.

Back at the Centre they now spent three months discussing their experiences and beginning to learn the systems employed in the co-operatives. Then out again to study on the ground lessons covered in the three months in residence. If the first visit had been to a small

society they now went to a large society; if they had been to a large society in the first posting, they now went to a small one. All spent time at the BCU (the wholesale).

They had to report on purchasing, pricing and stock control, cash control, and on staff relations. How far had they been involved in actual operations, and what was their assessment of what they saw. A great deal of the work back at the Centre revolved around discussions of their experiences. As time passed, the lessons prepared for these courses and the monthly short courses for serving managers provided a working manual on the management of a co-operative society and all managers, trainee managers and co-operative officers in the retail or marketing units had a copy. They had all shared in its production. As Bottomley said in the review mission report, it was one of the outstanding achievements of the project.

### **Setting up a co-operative cattle agency**

The question of co-operative officers acting as agents for societies at the abattoir had to be addressed. The co-operatives realised that they were getting something for nothing and weaning them away from an old arid, well established, practice was not going to be easy. We called them together and had long discussions. They accepted that no other government officer traded and began to see the merit of them owning an agency like Mr Pickles, a Yorkshireman who had one of the most successful agencies in Lobatse. There were other services, which their own agency could provide, such as special animal feeds and medicines and calculation of kill sheets. Eventually they agreed to the setting up of the agency in Loatse opposite the abattoir and doubled the other agencies' rate of commission to five per cent believing that there would be large initial costs for rent and equipment. Faced with the facts, the villagers nearly always made good decisions.

### **A new board of management for the BCU**

The management committee of the Botswana Co-operative Union (BCU) was trading at a loss and there had been no board meetings for three years. We solved the problem by holding a national conference of all societies twice a year at which they elected a new committee and the full board met twice a year and a small executive of board members living near Gaborone met more frequently. It worked well and the twice yearly meetings of members gave co-operative members a sense of belonging to a national movement and an opportunity to express opinions on national co-operative policy. They very wisely chose Solomon Kasali, a leading member from Muchudi as chairman and it worked well. By 1975 the BCU was making good profits and had strong reserves.

### **Annual reports**

Government Annual Reports on Co-operatives are usually written for government and seldom to serve the co-operatives and the members. We set out to prepare a report which was a complete picture of what had been achieved by each society. According to type each was listed with details of trading account and balance sheet. We spoke of achievements and failures and gave explanations for the latter. When co-operative members met they had evidence which could be compared and discussed. It was a valuable teaching tool. As far as possible we showed the figures covering a three year period.

Such reports are invaluable. Nothing can be hidden, wild claims have no place. The report is essential for good management. If we can see clearly what we have done we usually see clearly the way ahead. Our Botswana reports were excellent examples of what should be expected from all co-operative movements. When they stop appearing we can draw our own conclusions.