

**A CASE STUDY OF THE MANAGEMENT OF COFFEE COOPERATIVES  
IN RWANDA**

A Thesis

by

SAMUEL NEAL GOFF

Submitted to the Office of Graduate Studies of  
Texas A&M University  
in partial fulfillment of the requirements for the degree of

MASTER OF SCIENCE

May 2006

Major Subject: Agricultural Education

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Approved by:

Chair of Committee, James R. Lindner

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## ABSTRACT

A Case Study of the Management of Coffee Cooperatives in Rwanda. (May 2006)

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The purpose of this study was to assess the management practices of three coffee cooperatives in Rwanda and, subsequently, modify existing educational curricular modules in order to address the identified areas of need. Societal and institutional challenges, such as a lack of management training, may hinder the growth of well-developed coffee cooperatives in Rwanda. Capacity building through adult education is a central component to development efforts.

The research questions used to accomplish the purpose of this study focused on the principles of cooperative identity, participation and decision making, internal and external communications, organizational and leadership development, and the duties of and relationships between the cooperatives' leadership.

The three cooperatives have been assisted by the USAID-funded PEARL project. The sample population consisted of the Members, Management, and Board of Directors of the three coffee cooperatives in Rwanda. A purposive sample of key informants was selected. A total of 65 individuals participated in the research task. The data were collected from mid-July to mid-August, 2005.

This study was qualitative and quantitative in design. The research instruments included a quantitative, close-ended category-scale questionnaire and a qualitative, open-ended standardized interview. The responses to the open-ended standardized interviews were tabulated based on the frequency and percentage of responses. The close-ended

category-scale questionnaires were analyzed based on the frequency and percentage of responses. A case study data analysis methodology was used to combine the responses to the quantitative and qualitative methods.

Major findings of the study include that one or more of the cooperatives need education programming in the areas of cooperative member ownership, job descriptions, and ways in which to increase participation in decision-making. The cooperatives need to increase internal communications regarding the function of the federation of coffee cooperatives in securing long-term sustainability. The cooperatives need to empower the sector level leadership to resolve conflicts and increase communication flows.

## DEDICATION

My work is dedicated to my wife, Kylah Clark-Goff. This thesis has your indelible fingerprints all over it. You deserve half of the credit. I could not have completed the task without your constant encouragement and assistance. You made numerous sacrifices, including enduring physical separation, over a prolonged period of time. You remained steadfast and for that I thank you. I will forever be grateful. My time spent in Rwanda and the countless hours spent in the office rather than at home burdened you with great responsibilities. Despite the challenges, you have persevered as a wonderful wife, mother, and student. You are unequalled in your capacity for multitasking. I am amazed by your strength and perseverance.

Two enduring memories of my time in Rwanda involved specific phone conversations with you. Your voice was music to my ears the first time I heard you while sitting on the veranda of Hotel Ibis. And when I muse about the evening that I called you while surveying the border with the DRC, I am reminded that regardless of physical separations and the challenges of life you will always be the love of my life. I love you. The best day of my life was the day I met you. Thank you for making me a better man.

## ACKNOWLEDGEMENTS

I would like to thank my advisors, Dr. James R. Lindner, Dr. Kim Dooley, and Dr. Cecilia Giusti for their diligent support. Without their insight, patience, and insights this thesis would not have been possible. I would especially like to thank Dr. Lindner for his guidance and encouragement throughout the entire thesis process.

Additionally, I would like to thank Linda Cleboski in the International Agriculture Programs Office at Texas A&M University for making possible my trips to Rwanda. Likewise, I would like to thank the entire staff at PEARL, but especially Tim Shilling, Jean Claude Bizimana, and Tom Bagaza. Thank you for allowing me the opportunity to conduct my research at the coffee cooperatives supported by PEARL. I am greatly indebted to you.

My most consistent supporters have always been my parents, Bill and Emilee Goff. They have often displayed greater confidence in my abilities than I have in myself. I could not have reached this stage in life without their support and encouragement.

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## CHAPTER I

### INTRODUCTION

From the 1950s to mid-1980s, cooperatives played a central role in the economic planning of post-colonial nation states and other developing countries. Cooperatives were targets for considerable amounts of development assistance. This aid did produce some self-sustaining agricultural cooperatives, especially for farmers close to urban markets or who were strategically placed for exporting their produce. Some coffee cooperatives in Africa, dairy cooperatives in India, and beef production cooperatives in Argentina and Brazil were highly successful. Despite these successes, the vast majority of cooperatives established during that era are no longer in operation for a variety of reasons, including mismanagement (Birchall, 2003).

Present day cooperatives, such as the successful Ethiopian Oromia Coffee Cooperative established in 1999, are linking producers directly to consumers in distant markets. Central to its achievements are the emphases placed on democratic processes, bottom-up decision making, and member-ownership of the cooperative (Global Exchange, n.d.).

“Management capacity building represents the most critical development challenge facing Africa today...Management capacity is a strategic imperative for Africa’s economic transformation” (Edoho, 1998, p.229). Rwanda is plagued by inadequately trained human resources and insufficient investment in agriculture, private

industries and education. As a result, participation in global markets is limited, further perpetuating the cycle of poverty. It has been suggested by the international community that concerted efforts be made toward building individual and institutional capacities in developing nations (United Nations, 1992). This endeavor begins with education. Edoho pointed out that the strength of a nation's human resource base corresponds to its' investments in education (Edoho, 1998).

Capacity building through adult education is a central component to development efforts. Through capacity building, individuals and society will be increasingly able to control their own destinies. By acquiring the knowledge, skills, and attitudes necessary for managing their own enterprises, individuals and organizations will be able to sustain long-term gains in human resource capacities and productivity, thus increasing incomes and improving their material conditions. The goal of building capacities is to enable people to solve their own problems, gain self-confidence and self-reliance, and boost their quality of life.

In a study of the human resource capacities of agricultural cooperatives, Prakash (2000) wrote that cooperatives are the best-suited institutions for economic and agricultural development. He noted, however, that cooperatives in developing countries have historically faced many challenges, including a low level of managerial capacities among staff and Board members. For long-term sustainability, it is vitally important that cooperative leadership respond to market demands, improve their technical and managerial capabilities, and address the needs of farmers. It is imperative that managers and board members receive training relevant to their context. Through management

training, cooperatives may exploit the advantages brought about through purposeful cooperation.

Birchall (2003) has noted that cooperatives' record for reducing poverty in developing countries is less than stellar, not due to shortcomings in the cooperative model, but rather due to external and internal constraints. The barriers are multiple and multifaceted: lack of autonomy due to government interference, inadequate access to markets, men typically held membership and decision-making positions though women did most of the farming, and mismanagement. As these constraints are overcome and an environment for the growth of cooperatives is established, the viability of cooperatives is greatly increased. Birchall suggests that financial help from governments and international aid agencies for cooperatives be temporary and emphasize human resource development. Moreover, Edoho (1998) points out:

Foreign assistance to Africa relative to management capacity building should have as its primary purpose the augmentation of the level of management knowledge, technical know-how, or productive aptitudes of the population of developing countries... It should also aim at ...enhancing capacity building within national institutions to undertake development activities. (p. 243)

PEARL (Partnership for Enhancing Agriculture in Rwanda through Linkages), a project supported by the American government through USAID (United States Agency for International Development) has aided in the development of eleven coffee cooperatives in Rwanda. Abahuzamugambi, the first of the eleven cooperatives, was constituted, (that is, given official recognition by the national government as a cooperative) in 1999. In 2001, PEARL recognized the cooperative's drive and

determination. In an effort to solidify Abahuzamugambi's viability, technical assistance was offered in the production, processing, and marketing of high-grade coffee for the American and European specialty coffee markets. From its inception, PEARL's multifaceted mandate has included the strengthening of the coffee cooperatives' human resources. PEARL's mission statement (n.d., ¶1) is as follows:

1. To rebuild agriculture institutions and their human resource base
2. To identify and implement strategies for rural income generation
3. To use local Rwandan institutions and human resources to implement income generation strategies

In addition, PEARL (n.d., ¶1) has set forth ten guiding principles of the project in the document *The PEARL Model for Successful Agricultural Outreach and Technology Transfer*:

1. Work through farmer associations, cooperatives, and commodity groups as they form
2. Work through partnerships to strengthen farmer associations around key economic opportunities to add value and respond to market demand
3. Be "action oriented" in program initiation
4. Understand and accept risk
5. Reduce risk through demand orientation
6. Focus on complete agricultural product supply chains "from farm to table"
7. Ensure local government buy-in and support
8. Place emphasis on local ownership and management

9. Build an integrated program of applied research that will address practical needs of the farmer and commodity associations
10. Never overlook human resource training

### **Statement of the Problem**

The overarching concern is whether the three coffee cooperatives forming the basis of this study, Abahuzamugambi, Koakaka, and Cocagyi, possess the managerial capacities necessary for sustained long-term growth. Abahuzamugambi, Koakaka, and Cocagyi are three of the eleven coffee cooperatives assisted by PEARL (Partnership to Enhance Agriculture through Linkages), a USAID-funded project. While these cooperatives have experienced a measurable degree of organizational and financial success over the last two to five years, shortfalls in managerial capacities of the cooperatives could negatively affect the future of the cooperatives. This study plays a role in assessing the viability of the cooperatives, particularly in light of the impending withdrawal of the PEARL project from Rwanda in October 2006, the emerging threats of private coffee merchants, and the complexity involved in the assimilation of the eleven coffee cooperatives into a national federation of coffee cooperatives (T. Shilling, personal communication, May 16, 2005). If cooperatives are unable to fulfill their economic purposes they end in bankruptcy. The livelihoods of thousands of Rwandan coffee farmers depend on the survival and growth of well-managed cooperatives.

Declarations by the ICA and the ILO strongly suggest that governments “should only assist and encourage but not manage and control” cooperatives (Mendoza, 1980, p. 20). According to the document Rwandan National Policy on the Promotion of Cooperatives

(2005), cooperatives in Rwanda have been hindered due to interference on the part of both colonial and post-colonial governments. The colonial government used cooperatives as an administrative tool for securing resources for export to their own countries. Post-colonial governments used cooperatives as a means for fulfilling government policies and plans. Moreover, the government and development agencies inadvertently “introduced a culture of dependency by conditioning external assistance to the formation of cooperatives and other forms of associations. Thus, members looked at a cooperative as a means of getting financial assistance from donors rather than as a productive enterprise.” (p. 3)

Recognizing the tremendous need for income-earning enterprises in rural, agrarian areas, the current government has extended to cooperatives its national policy of economic liberalization and privatization (National Government of Rwanda, 2005). Despite this positive trend, societal and institutional challenges, such as a lack of management training, may hinder the advancement of cooperatives in Rwanda. It can be assumed that, in light of Rwanda’s history regarding cooperatives, confusion about the nature of cooperatives may predominate. In addition, low levels of education and managerial skills may impede the growth of well-developed cooperatives.

Within the Rwandan context, the current government has adopted favorable policies for the development of true, autonomous cooperatives. Presently, coffee cooperatives in Rwanda have gained access to the specialty coffee markets in Europe and the United States. Rwandan women are increasingly joining cooperatives, and in some cases, are leading cooperatives as Managers and Board Members. For example, forty-six percent of the 1,668 Members of the Abahuzamugambi coffee cooperative are women



(PEARL, 2005). In addition, the manager of Koakaka is a highly respected, talented, hard working young woman (T. Bagaza, personal communication, May 17, 2005). In these regards, the Rwandan coffee cooperatives are indeed on an upward trajectory, yet their permanence should not be determined prematurely. The coffee cooperatives have benefited from PEARL's injections of technical assistance and human capital. The present question is whether the management, board of directors, and membership of the cooperatives possess the skills, behaviors, and attitudes that set the stage for sustained long-term growth.

### **Purpose of the Study**

The purpose of the study was to assess the cooperatives' current management practices and, subsequently, modify existing educational curricular modules in order to address the identified areas of need. Recognizing the importance of capacity building and human resource development, PEARL has endorsed this study of the managerial capacities of three coffee cooperatives. In addition, an assessment of these needs will allow the researcher to modify existing educational curriculums on cooperative management in developing countries, such as the ILO MATCOM Cooperative Development Programmes. Cooperative management training that is relevant and appropriate to the Rwandan context is indispensable as is the use of existing training institutions.

### **Research Questions**

The following research objectives were used to accomplish the purpose of this study:

1. What were the perceptions of the membership, board of directors, and management concerning cooperative principles?
2. What were the perceptions of the membership, board of directors, and management regarding participation and decision-making by the various sub-populations within the cooperative?
3. What were the perceptions of the membership, board of directors, and management concerning internal and external communications?
4. What were the perceptions of the membership, board of directors, and management concerning their cooperatives' organizational and leadership development?
5. What were the perceptions of the membership, board of directors, and management regarding the duties fulfilled by the board of directors and management and the relationships among them?

The research questions seek to reveal the strengths and shortcomings of the managerial capacities of the coffee cooperatives. Weaknesses in cooperative management and their resulting negative effects can be rectified through education, training and information. Training and education relevant to the needs of the cooperatives is a crucial element in ensuring their long-term viability.

### **Methodology**

This study was qualitative and quantitative in design. Development research should ideally use qualitative and quantitative methodologies. The research instruments included a quantitative, close-ended category-scale questionnaire and a qualitative, open-

ended interview using standardized questions. The strength of the quantitative method is that many questions can be asked in a short period of time; the responses can be directly compared and easily aggregated. The strength of the chosen qualitative method is the participants' freedom to express themselves in their own words, thus providing a wealth of data (Mikkelsen, 2005).

Due to low levels of literacy, both of these methods were conducted in face-to-face conversations. Face-to-face interviews are useful research tools; the participant can be asked to clarify ambiguous responses, nonverbal behaviors can be observed, and a trust relationship can be established with the participants. The participants were assured of the confidentiality of their responses.

The sample population consisted of the members, management, and board of directors of three coffee cooperatives in southwestern Rwanda. These three cooperatives were assisted by the PEARL project, as were eight other coffee cooperatives. Dr. Tim Shilling, the PEARL project director, and the PEARL staff selected Abahuzamugambi, Koakaka, and Cocagyi for this study, as they believed these cooperatives to be representative of the other eight cooperatives assisted by the project.

It was believed that the participants possessed information relevant to the objective of this study. Managers and board of directors were deliberately chosen due to their positions while members' participation was based upon their availability at the time of the interview. A total of 65 individuals participated in the research task.

The interviewers played a critical role in ensuring the content validity and cultural appropriateness of the instrument questions developed by the researcher. Two of the five interviewers were faculty members at the National University of Rwanda, two were staff

members at the PEARL project, and one was an extension agent with the national extension service. Three were men and two were women. All five were fluent in at least English, French, and Kinyarwanda (the local mother tongue).

A pilot study was conducted to test the reliability, clarity, and length of the instruments. As a result of the pilot study, nine questions were removed and a few questions were modified to increase clarity.

The data was collected from mid-July to mid-August, 2005. On the day of the interviews, the researcher and interviewers introduced themselves to the participants. Before beginning the interviews, the researcher addressed the issue of confidentiality by explaining that the participants' names would be coded, thus their responses would not be linked with any individuals or cooperatives. Participants were requested to sign a Consent Form (Appendix 1). The interviews lasted about one hour.

The use of multiple sources of data, methods of data collection, and interviewers ensured the triangulation trustworthiness of credibility, transferability, and dependability (Lincoln & Guba, 1985). An audit trail that includes the raw data has been established and maintained.

After having completed the interviews and questionnaires at the three coffee cooperatives, the researcher requested that each of the three General Managers be interviewed a second time. The purpose of the second interview was to clarify and/or supplement the information gained during the first interview. A PEARL staff member interviewed the General Managers of Cooperative 1 and 2. The General Manager of Cooperative 3 was unavailable for an interview.

In the data analysis process, the names of the participants were coded on the paper and electronic copies of the instrument responses. The responses to the open-ended interviews were tabulated based on frequency of responses. Using the SPSS computer-based program, the close-ended category-scale questionnaires were analyzed based on the descriptive statistics, such as the frequency and percentage of responses. Taking into account the methodological pluralism of a mixed method study, a case study data analysis methodology was used to combine the responses to the quantitative and qualitative methods. The results are reported in Chapter IV.

### **Limitations of the Study**

There are five major limitations in this study:

1. The results and findings may have direct relevance only to the 65 participants. The population of the three cooperatives totals 4, 415 individuals. PEARL collaborates with a total of 13 coffee cooperatives, totaling 12,572 individuals. It is not possible to generalize the results to the other ten coffee cooperative assisted by PEARL nor other agricultural cooperatives in Rwanda.
2. Social desirability bias, that is, the inclination on the part of the interviewee is to share what they believe the interviewers wants to hear can seriously limit the validity of the results. By establishing trust relationships social desirability bias was minimized.
3. A potential limitation was that the membership population sample was determined by the members' presence at the cooperatives' office at the time of the interview

and their willingness to participate. It is unknown if the convenience sample was representative of the larger cooperative membership.

### **Basic Assumptions**

Within this study there are three basic assumptions:

1. The five interviewers accurately translated the meaning and essence of the interviews.
2. Effective cooperative management is paramount for cooperatives to survive and thrive.
3. The managerial capacities lacking among the three coffee cooperatives can be ascertained through a mixed method study.
4. Non-formal adult education programs can improve managerial capacities.

### **Definition of Terms**

*Capacity building*- the continuous upgrading of capabilities

*Agricultural cooperative*- a user-owned and controlled business that distributes benefits on the basis of use

*Federation of cooperative*- a secondary society made up of independent cooperatives, with their own Members, Boards and financial resources

*Developing country*- low and middle-income countries in which most people have a lower standard of living with access to fewer goods and services than do most people in high-income countries (World Bank, 2000)

*Adult*- anyone recognized by their own society as having reached maturity

*Education*- planned learning

*Adult education*- planned learning in which adults determine the program content in order to meet their needs

*Non-formal education*- all education provided outside of a formal system, regardless of location, purposes, target audience, and providers

*Pedagogy*- the art and science of teaching children

*Andragogy*- the art and science of teaching adults

*Human resource development*- the process of advancing capacities through organizational development and personnel training

### **Abbreviations**

BDM- Board of Directors and Management; “the leadership” also refers to the BDM

COPAC- Committee for the Promotion and Advancement of Cooperatives

FAO- Food and Agriculture Organization of the United Nations

HRD- Human Resource Development

ICA- International Cooperative Alliance

ILO- International Labour Organization of the United Nations

NUR- National University of Rwanda

PEARL- Partnership for Enhancing Agriculture in Rwanda through Linkages

USAID- United States Agency for International Development

## CHAPTER II

### LITERATURE REVIEW

This chapter lays out the theoretical framework of the study and sets Rwanda as the contextual setting. First, theories relating to this study in the fields cooperative management, management capacity building in Africa, and adult education are reviewed. Second, a description of Rwanda's geography, history, economy, education, and current governmental policies set the stage for the study.

#### Cooperative Management

Two works have been selected to provide a framework for the topic of cooperative management. The 1995 "ICA Statement of the Co-operative Identity" and Mendoza's work, *Agricultural Cooperatives in Developing Countries-A Management Approach*, provide a broad perspective of the topic at hand.

The International Cooperative Alliance, (ICA) is the global apex organization for cooperatives (National Cooperative Business Association, n.d., Significant dates in cooperative history, ¶4). As the final authority for defining cooperative values, it has made three formal statements of the cooperative principles, each updated to increase the relevance of cooperatives to the conditions of the day. In brief, the 1995 ICA Statement of the Co-operative Identity include: voluntary and open membership, democratic member control, member economic participation, cooperative autonomy and independence, education, training and information, cooperation among cooperatives, and concern for community. Following is a brief description of each principle (ICA, 1996).



### *Voluntary and Open Membership*

Individuals must freely choose cooperative membership. Members must have a clear understanding of the cooperative values, affirm those values, and be willing to take on the responsibilities of membership. In addition, cooperatives must not discriminate against potential and current members based on their gender, race, social status, or political leanings. Especially important is the stipulation that women not suffer discrimination.

### *Democratic Member Control*

The political power within the cooperative rests on the membership rather than the board of directors or managers. A one member-one vote system allows each member equal voice in setting policy and giving broad direction to cooperative activities.

### *Member Economic Participation*

As a condition for membership, members contribute equal amounts of capital to the cooperative. Members democratically control the funds. Returns on membership contributions is limited, if any. Surpluses from business transactions are used for developing the cooperative, including establishing reserves, disbursing patronage dividends relative to members' transactions with the cooperative, and other activities approved by the membership.

### *Autonomy and Independence*

Cooperatives must be free from the interventions of governments and other external bodies. In order to control their own destinies, cooperatives must be able to freely establish policies and direct day-to-day management without outside interference.

### *Education, Training, and Information*

Cooperative education must be emphasized so that leaders and members may be fully informed of the foundations and potential of cooperatives. In addition, it is vitally important to inform the youth and opinion leaders, the cooperative members and leaders of tomorrow, of the cooperative principles and their potential for economic development.

### *Cooperation among Cooperatives*

This principle indicates that cooperatives are a movement and a system. The cooperative movement is an intentional program to consolidate and strengthen the social and economic efforts of low-income groups. In order to maximize the potential of the cooperative movement and system, cooperatives should cooperate with other cooperatives at local, national, and international levels.

### *Concern for Community*

Cooperatives address economic and social issues that society at large has been unable to solve. In effect, the cooperative principles state that cooperatives not only ameliorate the conditions of their members but of society as well.

The book, *Agricultural Cooperation in Developing Countries-A Management Approach* (Mendoza, 1980), was highly relevant to the purpose of this study. Mendoza aptly describes the nature of cooperative management in developing countries, including the ideals to which they should strive, potential challenges to accomplishing these ideals, and ways in which the challenges can be overcome.

He pointed out that the principal purpose of agricultural cooperatives is economic in nature and character. If cooperatives fail to maximize economic gain, they will be unable to satisfy other needs, such as social and political objectives. Cooperatives have

four economic goals: to increase members' incomes, to distribute resources more equitably, to reduce mass unemployment, and to increase agricultural exports (Mendoza, 1980).

Agricultural cooperatives in developing countries often seek to attain social and political goals. These are achieved through men and women working together for their common good. According to Mendoza, these social and political goals may include the safeguarding of personal freedoms, the strengthening of a common heritage, and uniting people behind a common cause.

Mendoza also highlighted the role of governments in establishing a healthy environment for the development of cooperatives. He reiterated the position expounded by the ILO, ICA, and UN that governments assist cooperatives by establishing a supportive environment for their growth (COPAC, 1997). When governments exercise undue influence, cooperative democracy is negatively affected, particularly membership participation and the democratic administration of cooperatives. The 1966 ICA Commission on Principles states:

Democracy in the management of cooperative organizations necessarily implies autonomy in the sense of independence of external control...In a fully developed cooperative the management must rest in the hands of the members and all decisions must be taken by the cooperators themselves, with no external influence. Autonomy is therefore a corollary of democracy. (Mendoza, 1980, p. 23-24)

Mendoza stresses that cooperatives are democratic institutions, both in membership participation and administration. For cooperatives to be viable

options for raising the standard of living of the poor they must be structured in a bottom-up fashion. Considering that voluntary membership and democratic control are foundations of the cooperative system, the most critical participation is that which comes from the grassroots level. Ideally, cooperatives develop without any outside assistance. However, in cases where outsiders do play a role, it is imperative that members make the critical decisions, such as determining organizational structures. Genuine participation at the grassroots level avoids confusion on the question of ownership. Continuous education of members plays a vital role in ensuring that members are aware of their democratic rights and that the affairs of the cooperative are their business.

Cooperatives' democratic credentials are also strengthened through democratic administration. Mendoza cites the 1966 ICA Commission on Principles to illustrate the centrality of the democratic administration of cooperatives:

The primary and dominant purpose of a cooperative society is to promote the interests of its membership...A cooperative therefore will not in the long run work well and prosper without agreed and efficient methods of consulting the member as a body and enabling them to express their wishes...it is the members who bring the cooperative into existence...It follows further that the administrators and managers are accountable to the members...If the members are not satisfied, they have the authority and the power to criticize, to object, and in extreme cases, to dismiss and replace their officers and officials. (Mendoza, 1980, p. 22)

The management structure of a cooperative is made up of three components: the membership, the board of directors, and the management. Showing the interconnected roles of the three components, Mendoza (1980) delineated the three steps for the establishment of a cooperative. First, the members collectively elect the members of the board of directors. Second, the board of directors, acting as a body, appoints a manager and authorizes management authority. Third, the manager recommends to the board of directors the hiring of the staff and performs the functions of management in the cooperatives' day-to-day activities.

Mendoza emphasized that it is the members who ultimately determine the quality of the management of a cooperative. The ideal is that the members elect among themselves qualified and competent members of the board, who in turn, also appoint qualified and competent hired management. However, when cooperative members elect directors who are inadequate for the task, it is likely that the hired management will follow suit. For these reasons, Mendoza stated that the quality of the management depends on the quality of the membership. The membership must understand the weight of their responsibility in ensuring the proper management of their cooperative.

The first component of cooperative management, the cooperative members, are responsible for adopting and amending corporate papers, selecting and removing cooperative directors, preparing for management position through constant exposure to the actual workings of the cooperative and training, as is available, and patronizing the cooperative. Members who patronize the cooperative consistently are entitled to receive a patronage refund in proportion to the volume of business contributed to the cooperative and to control the affairs of the cooperative.

The second component of cooperative management, the board of directors, is charged with the responsibility of managing the cooperative on behalf of the members. As outlined by Mendoza, the responsibilities assumed and handled by the board of directors are to act as a trustee for the members, especially in relation to financial matters, establish and develop basic objectives, broad policies, and long-range plans, and appoint the manager. In addition, the board of directors delegate authority to the manager and the staff, controls the affairs and business of the cooperative, require the installation by the hired management of an adequate accounting system, and maintain a constant two-way channel of communication with the members and the public.

The third component of cooperative management, the hired management, attends to managing the day-to-day activities of the cooperative. The manager is the driving force in management. For this reason, most people believe that the manager's position is to be equated with the management itself. This is an erroneous assumption. Each component, hired management, members, and board of directors, play a vital role in the effective management of the cooperative. However, it cannot be over-emphasized that the manager is the key player in insuring the success of a cooperative.

The manager's responsibilities include coordinating the day-to-day business and social activities of the cooperative and preparing plans and programs for the achievement of the objectives, goals, and policies proposed by the board of directors and approved by the membership. In addition, the manager recruits the management team members and sets up the organizational structure. Finally, the manager controls the activities through consistent monitoring and evaluation and establishes remedial measures as appropriate.

Among the three management components, the relationship between the hired management and the board of directors is the most challenging. This is mostly due to the real and/or perceived conflicts between their responsibilities. Hired management and the board of directors can avoid conflict by ensuring that communication flows remain healthy by delineating their corresponding activities. Mendoza suggests three guiding rules for the resolving potentially conflicting roles between the hired management and the board of directors. First, the idea-decisions versus action-decisions rule: idea decisions, such as establishing long-range objectives and goals, are the responsibility of the board of directors; making action-decisions, such as establishing when and how the objectives and goals are to be accomplished, are the responsibility of the hired manager. Second, the time period rule: the board of directors is responsible for long-term decisions while the hired manager is responsible for short-term and intermediate decisions. Third, the trusteeship rule: as a protector of the membership, the board of directors is ultimately responsible for the proper management of the cooperatives' finances.

Mendoza (1980) pointed out that the management functions can be summarized into five broad categories: planning, organizing, directing, coordinating, and controlling the cooperative.

### *Planning*

The membership are to identify the general objectives and goals of their cooperative, the board of directors approve these and set long-term policies for accomplishing them, and the hired management implement the day-to-day steps to complete them. A benefit of this forethought is to unify the membership and leadership in support of common goals and the creation of contingency plans, if necessary.

### *Organizing*

Primarily fulfilled by the board of directors, the primary task of organizing revolves around arranging the business structure. This refers to outlining the structures of work between and within the membership, board of directors, and hired management. This is commonly presented in the form of an organizational chart. Cooperatives often post an organizational chart in a public place.

### *Directing*

Directing, that is, getting work done through others, is a responsibility that falls upon the board of directors for long-run planning and the hired manager for the day-to-day activities of the cooperative. Mendoza (1980) proposes that those who assume the responsibility of directing adopt a consultative management approach. Directing may include, but is not limited to designing work projects, writing job descriptions, giving clear instructions, monitoring and evaluation, establish communication networks, and developing the managerial capabilities of subordinates.

Directing is a complex, time and effort-consuming task with ample room for failure. According to Mendoza (1980), ineffective directors may delegate their responsibilities too sparingly, communicate poorly with subordinates, and misunderstand the superior-subordinate relationship.

### *Coordinating*

According to Mendoza, the management function of coordination entails effective planning, the allocation of individual assignments, the proper arrangement of organizational units, and fitting together activities and relationship with external bodies, such as banks and government. Wise coordination requires an awareness of proper



timing, appropriateness to the context, flexibility, communication, and motivation of the hired manager and board of directors.

### *Controlling*

Mendoza (1980) suggests that controlling is assuring that plans are carried through to completion. It is highly important to take periodic comparisons between the actual and expected performance of a cooperative. For the controlling function to be corrective rather than restrictive, four steps must be taken. First, benchmarks must be based on measurable and time-specific goals. Second, conduct formative and summative evaluations of whether goals are being met. Third, suggest and implement remedial action. Fourth, record the information learned for future use and guidance.

Mendoza (1980) also addressed the issue of financial management of cooperatives. Herein, three aspects of financial management are addressed: pooling, share capital, and dividends based on patronage.

Pooling is a method of agricultural cooperative marketing by which the members' products are mixed and sold collectively. After the cooperatives' expenses have been deducted from the sales proceeds, the members are paid in accordance to the quantity and grade of the overall, mixed product. The benefits of pooling are far-reaching: participants diffuse market risk, management can establish a realistic and systematic marketing program, and the cooperative secures the benefits of economies of scale.

A cooperative needs capital for working capital, organizational expenses and long-term investments. Unfortunately, the typical agricultural cooperative in a developing country is so constrained by a lack of financial resources that it must seek backing from external sources. Compounding the situation is that, in many cases,

individuals are unfamiliar with financial management techniques, leading to poor management of funds. In certain developing countries, governments and external agencies have provided packages of financial assistance and personnel development programs. Ultimately, however, it is the cooperative that has the final responsibility of raising capital and ensuring their proper management. This can be accomplished through adhering to the cooperative principle of limited interest on capital contributed. Share capital, in other words, resources given by the members to the cooperative for building capital, is a tool used in order to provide services to the members as well as providing the cooperative with capital at a cheaper cost than a bank loan. The limit on interest is set by each cooperative according to their needs. On the other hand, one of the benefits of cooperative membership is that the financial benefit of membership is not dependent on the share capital, but rather on the basis of patronage to the cooperative. In other words, the financial dividend amounts are in proportion to their business transactions with the cooperative and not for the amount of money contributed to capital funds. This complex system of pooling the members' products, fundraising through capital contributions, and dividends based on patronage necessitates capable and well-trained finance and general managers (Mendoza, 1980).

The book *Cooperative Management and Administration*, published by the ILO, was a valuable source. It is beyond the scope of this work to review this book.

### **Management Capacity Building in Africa**

In the article entitled "Management Capacity Building: A Strategic Imperative for African Development in the Twenty-First Century," Edoho exposed the issue that he

believes is central to Africa's economic development: the need to build indigenous African capacities. African governments, foreign donor governments, and international development agencies must make a concerted effort to build the local skills and institutions that are so vital to sustain long-term development. While governments undertake massive efforts to create physical infrastructure, such as roads, bridges, and buildings, just as critical is the creation and development of social infrastructure, including doctors, technicians, and managers. Managerial capacities, then, play a crucial role in the effective running of business enterprises and the subsequent national passage from developing to developed country status.

According to Edoho, HRD can play an important role in management capacity building in Africa. Management capacity building is dependent upon the establishment of a solid foundation of education and human resource development. These encourage the advancement of entrepreneurship, technology, and management, thus leading to increases in national industrial productivity, economic growth and sustainable development (Edoho, 1998).

Moreover, he points out that the purpose of building management capacities in African nations is to increase economic independence from the West. Edoho continues:

Foreign assistance programs relative to management capacity building should have as its primary purpose the augmentation of the level of management knowledge, technical know-how, or productive aptitudes of the population of developing countries...It should also aim at the transfer of management technology and know-how and at enhancing capacity building within national institutions to undertake development activities.

Given the pervasive shortages of management skills in Africa, TA [Technical Assistance] should promote self-reliance in developing countries by building up, among other things, their productive capability and their indigenous resources- by increasing their availability of the managerial, technical, administrative, and research capabilities required for sustainable development. (Edoho, 1998, p. 243)

### **The Adult Learner**

The assessment of the management capacities of three coffee cooperatives will lead to the creation and/or modification of educational modules addressing the areas of need. Despite that the research instrument questions only assess management capacities and adult education is not addressed, adult education (and human resource development) is included herein because an education program is a product of the study. Taking into consideration that this audience is comprised of adults, the principles of adult education must be addressed.

The Andragogical Model, as presented by Knowles et al. (2005) in *The Adult Learner*, has been the leading adult education theory of the late 20<sup>th</sup> century. Andragogy is concerned with the principles of adult learning, as opposed to pedagogy, the principles of child learning. Knowles et al. distinguishes the Andragogical Model from the Pedagogical Model based on six criteria: the need to know, the learners' self-concept, the role of the learners' experiences, readiness to learn, orientation to learning, and motivation.

The differences in andragogy and pedagogy must be understood. In the following explanation of these differences pedagogy is described first and andragogy second. This is done to provide fluidity and continuity in the presentation of the chronological progression of learning from infancy to adulthood.

#### *The Need to Know*

The principle of pedagogy states that learners must learn what the teacher wants them to learn in order to advance to the next school grade. The learner does not need to know how that which is learned will be applied to future situations. On the other hand, the principle of andragogy indicates that learners desire to know why they need to learn something before attempting to learn it. Among the first tasks of the facilitator of adult education is to increase awareness of the usefulness of that which is to be learned.

#### *The Learner's Self-Concept*

The Pedagogical Model assumes that the learner is dependent on the teacher for instructions and subject matter content. The Andragogical Model assumes that adults are self-directed in their educational pursuits. As a result, in adult education programs, learners exert a great degree of control in establishing the content and delivery methods.

#### *The Role of the Learners' Experiences*

The basis of pedagogy is that the learners' limited experience due to their young age diminishes their contributions to the learning experience. The experience that is valued is that of the teacher, who is older and wiser. In contrast, andragogy values the breadth and depth of experience of the adult learner. As a result, within adult education there is a greater emphasis on individualization of content and learning strategies, such as peer helping activities.

### *Readiness to Learn*

According to the Pedagogical Model, learners are not ready to learn independently from the teacher. The Andragogical Model stipulates that adults are naturally ready to learn about topics of importance to them. Adults' readiness to learn stems from a desire to better address real-life situations. Adult education does not focus on theories, but rather on enabling adults to solve real-world problems through new skills, behaviors, and attitudes.

### *Orientation to Learning*

Within pedagogy, learning is promoted as the mastery of specific subject matters. To the contrary, within andragogy learning exercises are focused on life-centered, task-centered, or problem-centered activities. Adults desire to learn that which will help them better confront the challenges they encounter in real-life situations.

### *Motivation*

According to the Pedagogical Model, learners are motivated by extrinsic motivators, such as parental approval or grades. Extrinsic motivators, such as a promotion or an increase in salary, may also motivate adult learners. However, it is certain that adults demonstrate a greater degree of intrinsic motivation to learn than do children or youth.

## **Adult Education and Human Resource Development**

“Swanson (1996) defines human resource development as a process of developing and/or unleashing human expertise through organizational development and personnel

training and development for the purpose of improving performance at the organization, work process, and individual levels” (Knowles et al., 2005, p. 170). The principal issue that separates adult learning from human resource development is the issue of control. Within adult education the learner is given a great deal of control over the content and delivery methods used in programming. In human resource development, on the other hand, the learners’ domain of influence is a more restricted because of organizational constraints. While human resource development does not exclude the development of the individual its intended purpose is to improve the individuals’ performance so that the organization’s capacities will be improved. Meeting the individuals’ goals is secondary to those of the organization. This has a direct bearing on the ways in which adult education programming is planned for, created and implemented for HRD in organizations.

According to Knowles et al., there are four phases to the Adult Learning Planning Process. The four phases serve as a guide for understanding learners controlling their own learning process. In order to achieve goals, the learners must first determine what learning is needed. Second, the learners develop a strategy and identify the resources needed to achieve the learning goal(s). Third, the learners implement the strategy and apply the resources. Fourth, the learners evaluate the process and whether the learning goal(s) was achieved.

Due to organizational constraints, HRD must approach the learners’ control of the process from a different perspective. Knowles et al. (2005) suggests that HRD conduct a survey of the employees’ self-perceived training needs. The reported areas of greatest need form the basis for the course offerings. The strength of this approach is that it

allows the learner to participate in deciding the training content. The weakness of this approach is that the learners' self-assessments of what they need may not match their actual capacity building needs, thus often leading HRD to include multiple stakeholders and external analysts in addressing workplace training needs.

Rosenblum and Darkenwald (1983) address the issues of learner motivation, satisfaction, and achievement in relation to the second phase (to create) and third phase (to implement) of the Adult Learning Planning Process. From their research they concluded that participants could be highly satisfied with and motivated by HRD training even if they only participated in determining the needs but did not participate in creating and implementing the training program(s). Thus, it can be concluded that participant involvement at the need phase is most critical for participant satisfaction and motivation, while participant involvement in the other three phases is not as important. Brookfield (1988) notes that facilitators should respond to learners' needs and preferences yet should not give the learners sole authority to determine the learning content. In addition, facilitators are encouraged to incorporate their own curricula and teaching methods in response to the learners' needs.

### **The Context of Rwanda**

In order to appreciate the need for a study of the managerial capacities of coffee cooperatives in Rwanda, it is necessary to understand the context of Rwanda's geography, economy, and history.



## Geography and Economy

Rwanda is a small, landlocked country (slightly smaller than the state of Maryland) in the eastern part of central Africa. It is bordered by Uganda to the north, Tanzania to the east, Burundi to the south, and DRC to the west (Figure 1). The country extends between 1 degree and 3 degrees south of the equator, 29 degrees and 31 degrees east of Greenwich Meridian. The climate is moderate and characterized by temperate conditions, especially in higher altitudes in the northwest of the country. The topography is hilly to mountainous with altitude ranging from 950 to 2,500 meters above sea level in the southern part of the country and 4,500 meters in the volcanic regions of the northwest (CIA, 2005).



*Figure 1.* Map of Rwanda.

Despite a relatively high rate of arability (40%), overall agricultural productivity remains low due the stress of high population growth (5.49 children born/woman) and small landholdings. With a population of 8.2 million inhabitants, Rwanda is the most densely populated country in Africa, with an estimated 338 person per square kilometer (CIA, 2005). When taking into account only the arable area, this density increases to 955

inhabitants per square kilometer (Rwanda Development Gateway, 2005, Demography, ¶2). Traditionally landholdings are divided among the children of the deceased, leading over time to smaller and smaller landholdings. It is estimated that Rwandan families' landholdings are currently less than one half acre. Compounding the situation, 90% of the population of 8.2 million is dependent upon agriculture as their primary source of sustenance and income. The country's economy is also dependent on agriculture. Agriculture accounts for 40% of GDP and almost 90% of exportation revenues (Ministry of Finance and Economic Planning, 2002). These conditions have led to highly eroded, nutrient-depleted soils. The use of mechanization and modern fertilizers is minimal. Food security is tenuous on an annual basis. As a strategy for ensuring food security, Rwandan peasant farmers intercrop several food crops, including bananas, beans, sorghum, cassava and sweet potatoes (Clay, et al., 1996).

### **History of Coffee in Rwanda**

In 1905, German missionaries introduced coffee into Rwanda. From 1909 and 1914, colonial authorities undertook intensive extension services to increase coffee production and increase export earnings for the colonial government. From 1927, growing coffee was mandatory. During the colonial period, aggressive coffee policies were enforced, such as forcing farmers to mono-crop (De Graaff, 1986).

In 1995, the government of Rwanda liberalized the coffee sector. The two primary cash crops, tea and coffee, are the main source of government foreign exchange. This is clearly the case: In 2002, the value of coffee exports was 19.2 million USD representing 21.7 percent of the total export earnings (Rwanda Development Gateway,

2005, Agricultural sector in Rwanda, ¶4). Despite the spectrum of food and cash crops, it has been estimated by the World Bank that annual per capital income is 220 USD (World Bank, 2005).

### **History, Education, and Human Resources**

The vast majority of Rwanda's population is Hutu (roughly 84 percent), while the remaining population is Tutsi (roughly 15 percent) or Twa (1 percent). The earliest inhabitants were the pygmy Twa, a forest dwelling people group. Some time later, the Hutus settled in the area, largely supplanting the Twa. Later, nobody really knows exactly when, the Tutsi settled in what is today Rwanda. Regardless, all of this happened much before the arrival of the earliest European colonialists. Upon their arrival in the late 1800s, Europeans encountered a feudalistic monarchy. Though an overly simplistic analysis, as a historical synopsis it suffices to state that the Tutsis were the ruling elite while the Hutus toiled under the domination of their rulers (Rwanda Development Gateway, 2005, History section).

In a meeting of European powers in 1890, Rwanda and Burundi were allotted to the German Empire as "colonial spheres of influence." During this period many Europeans had become obsessed with the study of race. According to the Germans, the Tutsi were "more white" than the Hutus, thus, a superior racial type. The Tutsi oppression of the Hutus was accepted and even encouraged. German colonialism in Rwanda came to an end with their defeat in World War I.

By a League of Nations mandate Rwanda and Burundi became Belgian colonies. The Belgians further exacerbated ethnic divisions by bringing European scientists to measure the skull sizes of Hutus and Tutsis. Believing that they were indeed measuring

their brains and intelligence, the Belgians concluded that the Tutsis were of Caucasian ancestry, and thus, superior. The Belgian government continued to rely on the Tutsi power structure for administering the country. They consistently favored the Tutsis where education was concerned, leading to a situation where many Tutsis were literate, while the majority of Hutus were not. Belgians educated the Tutsis in Catholic schools, further widening the rift between Hutu and Tutsi. Racial identity cards were issued to Hutus and Tutsis, further concretizing the ethnicity-based animosity. The tactic of divide and rule favoring the Tutsis allowed only a small fragment of the population access to education and other development opportunities.

In 1959, the Hutus overthrew the Tutsi king. More than 160,000 Tutsi fled Rwanda to neighboring countries, Europe and the United States. Thousands of Tutsis without the financial means to escape stayed in Rwanda. Rwanda gained its independence from Belgium in 1962 (Rwanda Development Gateway, 2005, History section).

In the 30 years that followed, a stagnant economy, food shortages, and a low human resource base plagued Rwanda. In addition, the two Hutu military rulers (Kayibanda, 1960 to 1973, and Habyarimana, 1973 to 2004) perpetuated the racial divisions. In 1994, the conflict escalated and reached its apex. No one, except perhaps the chief instigators themselves, could have prepared for the ensuing violence.

In a span of about 100 days, radical Hutus murdered nearly one million Tutsis and moderate Hutus. Crimes against humanity were committed against men and women, infants and the elderly. Rwanda's human resource base was decimated and the country was in ruins.

The RPF (Rwandan Patriotic Front), a military force comprised of Tutsi exiles was eventually able to stop the killing and gain control of the country. The perpetrators of the crimes and many more, perhaps as many as two million, feared retribution at the hands of the RPF, fled to Burundi, Tanzania, Uganda, and Zaire (present day DRC). Meanwhile, thousands who had dispersed around the world during the Tutsi Diaspora of 1959 returned to the motherland. Gradually, the Hutu refugees in neighboring countries also began returning home. Tutsi and Hutu refugees alike encountered a country devastated by the genocide (Rwanda Development Gateway, 2005, History section).

Food was scarce, the physical infrastructure was in tatters, and above all, Rwanda's social and human resource base had been decimated. Rwanda's Managers, educators, entrepreneurs, and other professionals had been largely wiped out. Survivors and perpetrators had no choice but to live side-by-side, whether eking out an existence on their land or as professionals in urban centers. Even as "life returned to normal" there was a severe need for income earning possibilities and training for capacity building. As the embers of the conflict cooled, the Tutsi-led post-genocide government began a movement of reconciliation between Tutsi and Hutus that continues to this day. In addition, the national government supports education initiatives that will reverse a current illiteracy rate of 48% as well as on-the-job human resource training that will allow Rwandan companies and organizations compete in global markets (Ministry of Finance and Economic Planning, 2002).

## PEARL

International development agencies, too, are implementing programs that have embedded strategies for reconciliation in their development efforts. Taking into account the high percentage of the population dependent on agriculture and the low levels of education, USAID and other development agencies, are centering their efforts on building capacities through strengthening the agricultural and educational sectors and implementing an active policy of reconciliation. In the case of the PEARL project, Hutus and Tutsi are laboring side by side in coffee cooperatives, earning money together, and thinking of themselves as Rwandans rather than members of a particular ethnic group. Etienne Bihogo, a PEARL staffer, “notes that the cooperatives are helping drive reconciliation between Hutu and Tutsi farmers. Growers who were once enemies are working side by side at the local [coffee] washing stations. “You can see that people are together now and they can think in terms of profits, not in terms of what divides them” (Van Dyk, 2005).

According to Loveridge, Nyarwaya, and Shingiro (2003), smallholders have historically grown coffee in Rwanda on fields consisting of about 150 trees. Coffee farmers were typically men. In the aftermath of the genocide in 1994, many widows returned to their husbands’ land. In spite of their lack of knowledge and experience cultivating coffee, many attempted to produce enough coffee to earn a little income. At that time, however, global prices for bulk commercial coffee were at record lows because of market saturation of bulk-grade coffee. Having little incentive for increasing or intensifying coffee production efforts, some Rwandans pulled up their coffee trees to

plant bananas, beans, maize and other food crops. Others simply left their trees untended. Coffee production in Rwanda declined precipitously (Ottaway, 2004).

Rwanda has the good fortune of having a perfect climate and altitude and acidic soils for growing high grade, premium coffees. In addition, Rwanda has a long history of growing coffee, including the Bourbon variety, one of the most highly prized coffee varieties. Despite these natural advantages for gourmet coffee production, the Rwandan coffee industry emphasized quantity over the quality of the coffee beans. Traditionally, coffee beans at all stages were harvested regardless of their quality. Fertilizers and liming agents were seldom used. In addition, dry processing of the cherries decreased the quality of the beans. As a result, Rwandan coffee farmers received low prices for their coffee. Until the advent of the PEARL project, all Rwandan coffee was categorized as ordinary grade, destined for the coffee bulk market (PEARL, 2004).

In 1999, a small group of coffee producers in Butare Province joined together to increase production and sell their coffee directly to merchants, thus avoiding the middlemen. In 2001, a shared vision emerged among these producers to pool their resources as an association in order to earn increased income (PEARL, 2004). According to Shilling, the PEARL project's focus until this point was solely on assisting the National University of Rwanda to rebuild the Faculty of Agriculture. Recognizing an opportunity to support the initiative of a grassroots effort, PEARL took on an added dimension: helping Rwandan coffee producers to form cooperatives focused on production for the specialty coffee market in Europe and the United States (personal communication, July 20, 1995). Dan Clay, a specialist in international agricultural development at Michigan State University, Tim Schilling, a professor at Texas A&M

University with extensive experience in international agricultural development, and Emile Rwamasirabo, then rector at the National University of Rwanda developed a strategic plan that is proving to be highly successful (Ottaway, 2004).

Beginning with the association of coffee farmers in Maraba, PEARL began sharing methods for improved coffee production, processing, and marketing. In addition, PEARL assisted in cooperative development, including the recognition process required by the national government. In 2001, the membership of the Maraba coffee cooperative was 300; currently it stands at 1,668. In 2001, the price they received for their coffee was about 0.14 USD per pound; the price they received for their coffee in 2004 was about 0.40 USD per pound. Maraba coffee cooperative's success has spawned the formation of ten other coffee cooperatives in Rwanda (PEARL, 2004). Three of the thirteen coffee cooperatives supported by PEARL, Maraba, Karaba, and Gashonga, are the basis for this study.

As mentioned earlier, PEARL has focused on strengthening the coffee cooperatives' human resources. PEARL's mission statement is as follows:

1. To rebuild agriculture institutions and their human resource base
2. To identify and implement strategies for rural income generation
3. To use local Rwandan institutions and human resources to implement income generation strategies.

In addition, PEARL has set forth the ten guiding principles of the project in *The PEARL Model for Successful Agricultural Outreach and Technology Transfer*:

1. Work through farmer associations, cooperatives, and commodity groups as they form



2. Work through partnerships to strengthen farmer associations around key economic opportunities to add value and respond to market demand
3. Be “action oriented” in program initiation
4. Understand and accept risk
5. Reduce risk through demand orientation
6. Focus on complete agricultural product supply chains “from farm to table”
7. Ensure local government buy-in and support
8. Place emphasis on local ownership and management
9. Build an integrated program of applied research that will address practical needs of the farmer and commodity associations
10. Never overlook human resource training.

### **USAID Agriculture Strategy**

Funded by USAID, the PEARL project’s emphasis on human resource development and education is a part of a larger strategy. Made public in July 2004, *USAID Agriculture Strategy: Linking Producers to Markets*, states USAID’s strategy for agricultural development assistance efforts. Of the four strategic themes, the last one most aligns with this research endeavor. The strategic themes are:

1. To expand trade opportunities and improve the trade capacities of producers and rural industries
2. To improve the social, economic, and environmental sustainability of agriculture
3. To mobilize science and technology and foster capacity for innovation

4. To strengthen agricultural training and education, outreach, and adaptive research.

USAID points out that in order for developing nations to compete in an increasingly knowledge-based global market, developing nations must build human and institutional capacities. Closing the knowledge gap will require a concerted effort by the professional agricultural research and education communities. This undertaking to assess the managerial capacities of three coffee cooperatives in Rwanda and the subsequent creation of an educational curriculum to address the areas of need does indeed align with USAID's agricultural development strategy.

### **Rwandan Government Supports HRD for Cooperatives**

This research task also aligns with the development strategy proposed by the Rwandan national government. Two documents highlight the government's support for human resource development programming and the strengthening of cooperatives.

*Vision 2020*, the government's strategic plan for overcoming poverty by the year 2020, proposed that in the larger context of adult literacy programs, the private sector may also play a significant role in human resource training.

Second, the Rwandan government has issued a document in support of cooperatives. In 2005, the Ministry of Commerce issued the document entitled *Rwanda National Policy on the Promotion of Cooperatives*. The document states that cooperatives will play a significant role in fulfilling the goals of *Vision 2020*, specifically, facilitating rural economic transformation, human resource development, the promotion of the private sector, and poverty reduction. The government policy of creating a positive environment

in which a strong and autonomous cooperative movement will evolve in Rwanda may lead to significant economic gains for rural agricultural cooperatives and their members.

Figure 2 provides a conceptual framework for this specific needs assessment in the context of Rwanda.

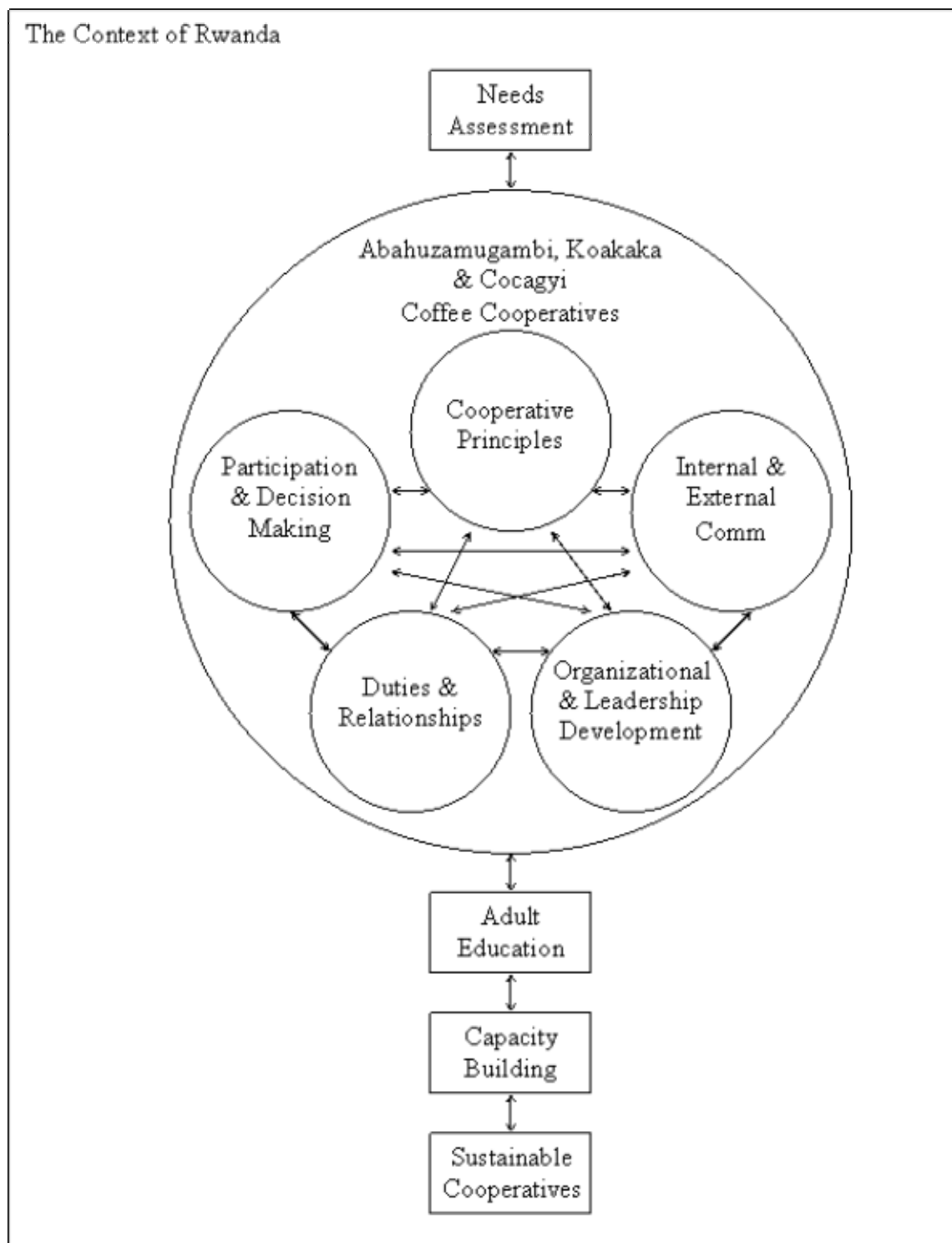


Figure 2. Conceptual framework.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

In order to accurately assess the perceptions of cooperative managers, members, and board of directors regarding the management capacities of coffee cooperatives, a research protocol was followed throughout the study. Qualitative and quantitative research methodologies were selected and used as needs assessment tools. Face-to-face interviews with open-ended questions were the basis for the qualitative methodology while a close-ended category-scale questionnaire was the basis for the quantitative methodology. In the data analysis phase, a case study research methodology was used as it “has the ability to embrace multiple cases, to embrace quantitative and qualitative data, and to embrace multiple research paradigms” (Dooley, 2002, p. 336).

In compliance with human subject research requirements, a copy of the research instruments and personal consent forms were submitted to Texas A&M University’s Institutional Review Board (IRB). Approval of the research instruments was granted by the IRB (Appendix 1).

In this Research Methodology chapter, the following topics are discussed: research design, target population, sampling, instrument development, methods of data collection, and data analysis.

#### **Research Design**

A qualitative and quantitative research design was used in order to maximize the range of data and increase triangulation. Mikkelsen (2005) stated that mixed methods are

appropriate for development research. Mikkelsen emphasized that when mixed methods are used the researcher must ensure that the quantitative and qualitative methods are integrated in the planning phase, thus optimizing the intended synergies of a mixed methodology. Mikkelsen wrote in favor of methodological pluralism by stating that it allows for an increased involvement of the participants in the research outcomes and cross checking respondents' answers. Considering that in this case the participants are the target audience and the intended beneficiaries of the research, the researcher chose to include them as much as possible in the process. This increases participant buy-in to the research results and efficacy of the educational curriculum.

The qualitative research design used a standardized open-ended and sequenced interview questions that were determined in advance (Lincoln and Guba, 1985). The interview questions for the cooperative members were slightly different than the interview questions for the cooperative board of directors and managers. All members were asked the same set of questions while all board of directors and managers were asked the same set of questions. The two sets of interview questions were only slightly different and sought the same information, thus allowing the responses to be compared. The strength of the open-ended interview instrument is that it allows the participant to respond freely, thus allowing for a variety of responses and increases the depth and breadth of data collected. Moreover, the open-ended interview instrument allows for a comparison of the responses of the BDM and membership. All the interviewees were asked questions related to the five research questions:

1. What were the perceptions of the membership, board of directors, and management concerning cooperative principles?

2. What were the perceptions of membership, board of directors, and management regarding participation and decision-making by the various sub-populations within the cooperative?
3. What were the perceptions of the membership, board of directors, and management concerning internal and external communications?
4. What were the perceptions of the members, board of directors, and management concerning their cooperatives' organizational and leadership development?
5. What were the perceptions of the membership, board of directors, and management regarding the duties fulfilled by the board of directors and management and the relationships among them?

As noted by Ary (2002), the strength of open-ended questions is that they allow respondents to respond from their own frame of reference instead of selecting a response from pre-determined alternatives. Mikkelsen (2005) stated that the limitation of the open-ended interview is that the standardized wording of questions may diminish the relevance of the questions and answers. On the other hand, Patton (1990) pointed out the emergent design characteristic of qualitative research. "A qualitative research design needs to remain sufficiently open and flexible to permit exploration of whatever the phenomenon under study offers for inquiry. Qualitative designs continue to be emergent even after data collection begins" (Patton, 1990).

A challenge of the open-ended standardized research questions was the abundant amounts of data it provided. At the same time, the copious amounts of data provided by the research design provided ample information regarding the managerial capacities of

the coffee cooperatives. The researcher read and interpreted each response, then developed a coding system that permitted a quantitative analysis of the responses (Ary, 2002).

The close-ended category-scale questionnaire used standardized questions and response categories that were determined in advance. The strengths of the close-ended category-scale questionnaire are that many questions can be asked in a short time, all of the respondents have the same frame of reference, thus leading to comparability of responses, and the data analysis is simple. Ary (2002) noted the benefits of using close-ended questions, such as making it easier for subjects to respond to questions on sensitive or private topics and the simplicity of tabulation. Responses to close-ended questions can be coded and the data entered into a computer database for analysis. The weakness of this instrument is that respondents must fit their answers into the researcher's pre-determined categories, thus possibly distorting the reality of the respondents' experiences, meanings, and feelings (Mikkelsen, 2005). The five-point category scale included the following markers: strongly disagree, disagree, don't know, agree, and strongly agree.

Both the quantitative and qualitative methods were conducted through face-to-face conversations. Due to the participants' low level of literacy, face-to-face conversations provided the most effective and efficient method of gathering data on participants' opinions, feelings, and perceptions. This technique allowed the interviewers to ask for clarifications, if needed, and write down the interviewees' responses. Essential to both methodologies was establishing rapport and a trust relationship with the interviewees. This was gained by following the Rwandan tradition of greeting everyone



present, giving a complete explanation of the nature of the research, including participant confidentiality, and by showing gratitude for their participation.

Researchers recognize the usefulness of face-to-face interviews. In *Planning and Conducting Needs Assessments*, Witkin and Altschuld (1995) commented that face-to-face interviews allow the respondent to freely express attitudes and feelings while also allowing the interviewer to probe the interviewee for clarification. In addition, the interviewer can observe and record nonverbal behaviors.

Once the data had been collected and tabulated, a case study research methodology was used to analyze the data. More information about this phase of the research methodology is provided toward the end of this chapter in the section titled data analysis.

### **Population**

Population can be defined as the complete set of subjects studied (Ary, 2002). Determining the population is fundamental to identifying the participants for the study and knowing to whom the results may be generalized. This study involved the members, managers, and board of directors of three coffee cooperatives in southwestern Rwanda. These three cooperatives are assisted by the PEARL project, as are eight other coffee cooperatives.

- Maraba Coffee Cooperative is located in Butare Province, Maraba District. The first of the eleven cooperatives to be recognized by the government, it is composed of a total of 1,668 individuals (53% men and 47% women).

- Karaba Coffee Cooperative is located in Gikongoro Province, Karaba District. It is composed of a total of 2,012 individuals (76% men and 24% women).
- Gashonga Coffee Cooperative is located in Cyangugu Province, Gashonga District. It is composed of a total of 735 individuals (89% men and 11% women) (PEARL, 2005).

### **Sampling**

Dr. Timothy Shilling, the director of the PEARL project, and the PEARL project staff deliberately chose these three cooperatives as the basis of this study. They work with these cooperatives closely and know that the challenges faced by these cooperatives reveal a great deal about the managerial capacities of the coffee cooperatives in general. These three coffee cooperatives were among the largest of the cooperatives assisted by PEARL. It is believed that as the other cooperatives grow in size, they too, may face similar challenges. Maraba and Karaba coffee cooperatives were located relatively close to the town of Butare, where PEARL is headquartered, thus minimizing expense and travel time.

The researcher selected individuals believed to possess information relevant to the objective of this study. While the participation of the managers and board of directors in the study was pre-determined by their roles within the cooperative, the selection of the cooperative members was not as deliberate. Commonly, the determining factor in the selection of the members was their availability at the time of the study and their willingness to participate. There were a few cases in which cooperative members

participated in the interviews at the behest of the manager and/or board of directors. The sample size was 65 people within the three coffee cooperatives.

### **Instrument Development**

The researcher developed open-ended interview questions (Appendix 3) and close-ended category-scale questions (Appendix 4) for face-to-face conversations. The manuals *Management of larger agricultural cooperatives* (Harper, 2001) and *Agricultural cooperative development: A manual for trainers* (FAO, 1998) proved to be valuable resources in instrument development.

The researcher followed recommendations made by Mikkelsen (2002) in *Methods for development work and research*. Some of these recommendations are:

- Do not begin with difficult or sensitive questions
- Do not make respondents feel they ought to know the answers. Accept “I don’t know” as a response
- Decide carefully whether you should avoid emotional or sensitive words
- Avoid making assumptions
- Do not use confusing questions
- Ask the same question in different ways

In addition, Fowler (1993) makes other suggestions for effective interview instruments:

- Ask one question at a time
- If what is to be covered is too complex to be included in a single question, ask multiple questions

- Beware of inferring causality
- Beware of questions that include hidden contingencies

The five research questions guided the process of developing the research instruments. After drafting the research instruments, the researcher presented them to the five interviewers assisting in the interview process. They verified the content validity of the instruments. This step was in accordance with Patten's observation that we make judgments on the appropriateness of a research instrument to determine the content validity of the instrument (Patten, 2002). The interviewers gave suggestions to improve the clarity and cultural sensitivity of the questions. Of particular interest to the researcher were the interviewers' strong suggestions to omit a question about the ethnic group composition of the cooperatives. They shared with the researcher about the ongoing national reconciliation effort to encourage the three ethnic groups to regard themselves as Rwandan rather than belonging to a particular ethnic group. These five interviewers were trained professionals; two were professors at the National University of Rwanda, two were staff members of the PEARL project, and one was an extension officer with the national agricultural extension service. Two of them were women and three were men. All five were fluent in at least French, English, and Kinyarwanda. Furthermore, they were highly cognizant of Rwanda's social, economic, and educational milieu, thus enabling the researcher to avoid cultural pitfalls and improve the clarity and content validity of the research instruments. The five interviewers considered that they would be translating the written instruments from English into spoken Kinyarwanda during the interviews. Together, they orally translated the instruments, ensuring that they use the same words in Kinyarwanda, thus ensuring the content validity of the instrument.

The interview protocol was divided into five sections: 1) Understanding cooperative principles, 2) Participation and decision-making, 3) Communication, 4) Organizational and leadership development, and 5) Duties and relationships. There were a total of 22 questions in the interview protocol.

On the survey questionnaire participants were asked to indicate their agreement with 38 statements. Their responses were based on an interval-scale, five-point Likert-type scale. The points on the scale are follows: 1= Strongly Disagree, 2= Disagree, 3= Do not know, 4= Agree, 5= Strongly agree.

### **Pilot Study**

A pilot study was conducted for testing the reliability, clarity, and length of the instruments. According to Ary (2002), a pilot study may help the researcher to decide the feasibility of the study, assess the usefulness and applicability of the research methodology, and resolve unanticipated problems, thus saving time and effort. This pilot study was conducted with members of one of the coffee cooperatives. The participants understood the questions. The interviewers, however, suggested that some questions be modified for increased clarity. Also, nine questions were removed from the instrument. The pilot study was a useful tool for increasing the clarity of the questions and the reducing the length of the interview.

### **Data Collection**

The data was collected from mid-July to mid-August, 2005. In May 2005 a planning trip to Rwanda was made. The intended purpose of these visits was to meet the

cooperative managers, board of directors, and members. A positive working relationship was established. It was explained that the researcher would return in July to conduct research for the purpose of creating an educational curriculum for management development.

Upon the researcher's arrival in July, contacts were made with the three cooperatives to ensure their continued willingness to participate in the research task. All three cooperatives agreed to participate so meeting dates and times were arranged. It was agreed that the researcher, interviewers, and participants meet at the central office of each cooperative.

Data was collected through various means: interviews and survey questionnaires, persistent observation, and personal conversations. The interviews and surveys provided the bulk of the data. On the day of the interviews, the researcher and interviewers introduced themselves, explained the purpose and objective of the study, and assured the participants of the confidentiality of the interview. Meeting places for the interviews were decided upon, and the interviewers and participants went to their selected meeting places. All of the interviews took place where there was privacy and the participants felt at ease.

Before beginning the interview, the researcher once again addressed the issue of confidentiality by indicating that their responses would not be associated with individuals or institutions' names. Furthermore, the interviewer stated that the researcher was the only person gathering and analyzing the data and writing the report. Finally, the interviewer requested that the participants sign the Interview Consent Form (Appendix 2). Each interview lasted approximately one hour.

It is important to note that the researcher and interviewers did not have a stake in the data or results of the study. Moreover, the use of multiple sources of data, multiple methods of data collection, and multiple interviewers ensured the triangulation trustworthiness criterion of credibility, transferability, and dependability (Lincoln & Guba, 1985). At the end of an interview, the interviewer conducted member checks, that is, asked for feedback from participants, especially whether there was anything they would like to add to their comments, or any clarifications. If anything was unclear to the interviewer, he/she asked the participant for clarifications. Working with a team of interviewers also increased the credibility, transferability, and dependability of the data. The researcher and interviewers held formative and summative debriefing sessions. Moreover, an audit trail of materials has been established.

During the interviews, the interviewers recorded their notes and observations. Then, later that same day, they sent the responses to the researcher as well as submitted the research instrument with their original notes.

After having collected the data provided by the 65 participants, the researcher recognized a need to gather more information from the managers of the cooperatives. Two of the three managers participated in the second round of interview questions. This procedure is sustained by the emergent design characteristic of qualitative research. This data is included at the end of Chapter IV.

### **Data Analysis**

The researcher went through the electronic and paper copies of the instrument responses and coded any names to maintain confidentiality as stated in the Consent Form.

The responses to the open-ended interviews were tabulated based on the frequency of responses. Close-ended responses were analyzed descriptively and reported as frequency of responses and percentages.

Taking into consideration the methodological pluralism encompassing qualitative and quantitative methodologies, three data collection sites, relatively large sample size (65 participants), and large amounts of data, a case study data analysis methodology was well suited to the research methodology. Dooley (2002) stated that the case study methodology is a valuable tool for researchers. The case study methodology provided a framework for analyzing data collected using a mixed methodology and multiple cases. Moreover, the case study methodology allows the researcher to observe events and experiences from multiple perspectives.

The responses to both the quantitative and qualitative methods were compiled into thematic groupings based on the research questions guiding the study. Dooley (2002) noted that when using a multiple-case design, themes across cases can be checked, thus allowing the researcher to draw conclusions from common themes. Essential to the generalizability of themes in the data is establishing and ensuring construct validity, internal validity, external validity, and reliability of the data. Construct validity is achieved when the researcher chooses the appropriate tool for the phenomena being studied. To develop internal validity, the researcher establishes a credible line of evidence that points to the conclusion(s). This task is completed through triangulation. External validity is demonstrated by gaining the same or similar results from multiple sources and observations. The reliability of a study depends on the degree and clarity of the documentation that enables other researchers to replicate the research (Dooley, 2002).



Thus, from the specific raw data collected the researcher seeks to find generalizable themes about the management training needs at Maraba, Karaba, and Gashonga coffee cooperatives in Rwanda. The results of the needs assessment will serve as a foundation for an educational curriculum for the management, board of directors, and membership of the cooperatives.

## CHAPTER IV

### RESULTS AND FINDINGS

The five research questions provide a framework for analyzing the data gathered on the three coffee cooperatives. Each cooperative was analyzed as a separate case study. The five research questions were:

1. What were the perceptions of the membership, board of directors, and management concerning cooperative principles?
2. What were the perceptions of the membership, board of directors, and management regarding participation and decision-making by the various sub-populations within the cooperative?
3. What were the perceptions of the membership, board of directors, and management concerning internal and external communications?
4. What were the perceptions of the membership, board of directors, and management concerning their cooperatives' organizational and leadership development?
5. What were the perceptions of the membership, board of directors, and management regarding the duties fulfilled by the board of directors and management and the relationships among them?

#### **Case Study: Cooperative 1**

Table 1 shows the gender, age, and education of Cooperative 1 BDM and membership. BDM participants included three men and five women, four of whom had primary schooling and four with secondary schooling. Two each were between the ages

of 20 to 30, 31 to 40, 41 to 50, and 51 to 60. Membership participants included eight men and seven women, six of whom have no schooling, eight of whom have primary schooling, and 1 with secondary schooling. Two are between the ages of 31 to 40, four are between the ages of 41 and 50, six were between the ages of 51 to 60, and three were 61 years old or older.

Table 1

*Cooperative 1: Gender, Age, and Education*

	Gender		Age		Education	
BDM	Men	3	20-30	2	No schooling	0
	Women	5	31-40	2	Primary	4
			41-50	2	Secondary	4
			51-60	2	Beyond	0
			61-	0		
Membership	Men	8	20-30	0	No schooling	6
	Women	7	31-40	2	Primary	8
			41-50	4	Secondary	1
			51-60	6	Beyond	0
			61-	3		

*Research Question 1*

To gain a sense of the cooperative's perceptions regarding cooperative principles, three questions were asked.

1. What is a cooperative? Who owns the cooperative?

All of the hired management and board of directors interviewed indicated that the cooperative was member-owned. C1BDM05 stated that a cooperative is "a place where people of common interests meet to discuss their problems and develop solutions," while

C1BDM01 shared that a cooperative is “the act of uniting people together with specific and common goals.”

Table 2

*Cooperative 1: Understanding of Cooperative Principles*

Cooperative 1 <i>Item</i>	Group	Strongly Disagree		Disagree		Do Not Know		Agree		Strongly Disagree	
		<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>
<b>Understanding cooperative principles</b>											
The local authorities should refrain from involving themselves in the affairs of the cooperative.	BDM	5	62.5	2	25	0	0	0	0	1	12.5
	M	0	0	1	6.7	1	6.7	12	80	1	6.7

Seventy-three percent of the membership participants believed that their cooperative was member-owned. Of the remaining twenty-seven percent, two members shared that the General Manager is the owner and another two that Tim (Dr. Tim Shilling, director of the PEARL project) was the owner. C1M09, a member who believed that the cooperative was member-owned, said that “a cooperative is a group of farmers uniting their effort to better their livelihood.”

2. What is the current role of (local, provincial, or national) government in the cooperative?

All of the BDM and membership participants perceived the role of government to be encouraging and facilitating the development of the cooperative. The government has not interfered in the daily affairs of the cooperative. This follows the policy set out by the government in the document *Rwanda National Policy on the Promotion of*

*Cooperatives.* C1M12 stated, “The President gave us land and personally supports cooperative development.”

As shown in Table 2, BDM participants disagreed or strongly disagreed (87.5%) with the statement, “The local authorities should refrain from the involving themselves in the affairs of the cooperative.” Membership participants, however, agreed or strongly agreed (86.7%) with the statement. This data does not align with the qualitative data. It is possible that the BDM and membership have completely different understandings of the proper role of government in cooperative development. It is also possible that wording of the question was unclear.

3. How were the leaders and managers chosen? Can the current organizational structure be improved? How?

The BDM were fully aware of how they obtained their positions: the General Assembly elected the board of directors who then hired the management. C1BDM03 shared a way in which the current organizational structure could be improved; specifically, an amendment is needed in the by-laws of the constitution. C1BDM03 stated:

The laws and regulations of the cooperative need to be adjusted and improved to favor the members. There needs to be more clarity in the cooperative structure, and procedure to delegate whenever the need arises. For example, is it allowed for the vice-president to replace the president if the president dies?

The president of the board of directors died recently and the cooperative did not have a bylaw addressing the procedures for replacing a deceased leader. As a result, the

cooperative leadership was floundering, allowing the General Manager to assume more authority and responsibility than is appropriate.

All of the membership participants recognized that the General Assembly elected the board of directors who then recruited the management. A third of the members interviewed, however, were unable to distinguish between the board of directors and the management. They did not know who fulfilled what role. C1M05 stated, “There is no distinction between the leaders and managers,” yet also indicated that, “There is no need to improve the structure as we have no complaints.”

All members did not share this sentiment. C1M08 stated, “I don’t know how the leaders and managers were chosen. They created the cooperative. It is the leaders’ cooperative. They lead it. It’s automatic. But the leaders need to be taught to respect and put our needs of timely payments into consideration.” This member, too, admitted to not knowing much about the leadership; all he/she desired is for the leadership to fulfill its obligation of paying the farmers for their coffee cherries in a timely fashion.

### *Research Question 2*

To gain an understanding of the perceptions regarding the degree of participation and decision-making by the various sub-populations within the cooperative, the BDM and membership were asked four questions.

1. How do members participate in decision-making process of the cooperative?

[LBM interview] How do you as a member participate in the decision-making process of the cooperative? [Membership interview] How do other members participate in decision-making about the policies of the cooperative?

[Membership interview]

A majority (75%) of the BDM indicated that the members voice their opinions in the General Assembly and that members have the “last say.” The remaining 25%, however, denied this is the case. C1BDM03 stated:

They (i.e., the members) have never taken any decisions. The General Manager alone makes all the decisions. He informs the board, and then communicates his decisions to the General Assembly. The General Assembly or board has never disapproved him. He is the sole decision-maker. Others are blind followers. Some employees’ salaries have been increased while others not. When we asked the board they said that it’s the GM who did it without the board’s consent. He did not even show us our mistakes. Also, this year the GM bought a Land Cruiser for 18 million Rwandan Francs (approximately \$33,700 USD) and constructed a third coffee washing station that was not in the 2005 budget. We, the management, did not approve it but the GM did it and informed the board. The effect is that now the employees have not been paid for 3 months. The farmers are crying. They have not been paid for their cherries they supplied to the cooperative. They are regretting it, saying that they “if they had known they would have taken their coffee to MIG (a privately-owned coffee trading company that is a rival).

Only 53% of the members interviewed believed to have a personal role in the decision-making process. 47% of the members made comments such as, “I don’t participate in making any decisions” (C1M11), “Making decisions is only for leaders”

Table 3

*Cooperative 1: Participation and Decision-Making*

<b>Cooperative 1</b>	Group	<b>Strongly Disagree</b>		<b>Disagree</b>		<b>Do Not Know</b>		<b>Agree</b>		<b>Strongly Disagree</b>	
		<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>
<b>Participation and Decision-Making</b>											
The opinions and suggestions of members matter to the management and leadership.	BDM	0	0	1	12.5	0	0	4	50	3	37.5
	M	0	0	1	6.7	0	0	8	53.3	6	40
The benefits of participation are shared in a fair fashion.	BDM	1	12.5	0	0	0	0	5	62.5	2	25
	M	0	0	0	0	1	6.7	6	40	8	53.3
I am satisfied with the coop.	BDM	1	12.5	1	12.5	0	0	3	37.5	3	37.5
	M	0	0	0	0	0	0	2	13.3	13	86.7
The majority of the members in the coop are dissatisfied.	BDM	0	0	1	12.5	0	0	4	50	3	37.5
	M	5	33.3	6	40	0	0	3	20	1	6.7
In the future I will continue to participate in the activities of the coop.	BDM	1	12.5	0	0	0	0	4	50	3	37.5
	M	0	0	0	0	0	0	2	13.3	13	86.7
Members and worker subgroups are able to approach the BDM.	BDM	5	62.5	3	37.5	0	0	0	0	0	0
	M	0	0	0	0	0	0	12	80	3	20
I feel like I can speak my opinion during a meeting.	BDM	1	12.5	3	37.5	0	0	3	37.5	1	12.5
	M	0	0	0	0	0	0	6	40	9	60
Gender balance is given due consideration in the membership.	BDM	0	0	3	37.5	0	0	3	37.5	2	25
	M	0	0	0	0	1	6.7	8	53.3	6	40
Gender balance is given due consideration in the leadership and management.	BDM	0	0	0	0	0	0	3	37.5	5	62.5
	M	0	0	0	0	1	6.7	8	53.3	6	40



(C1M06), or “I participate because I work hard” (C1M04). A significant portion of the membership did not believe that it is their responsibility to make decisions in the cooperative.

As shown in Table 3, both BDM and membership tended to agree or strongly agree (BDM, 87.5; membership, 93.3%) with the statement, “The opinions and suggestions of members matter to the management and leadership.”

2. How are benefits shared? Is the benefit sharing mechanism fair to all members?

[BDM interview] How are you benefiting from the outcomes of the cooperative?

Are benefits gained in a fair and reasonable way? Why do you think so?

[Membership interview]

All of the BDM and membership participants perceived that the benefit sharing mechanism was fair to all members, as dividends are in proportion to the quantity of coffee cherries supplied to the cooperative. A couple of aspects yielded from the interviews were noteworthy. First, 70% of the profits have been re-distributed among the farmers and 30% has been held by the cooperative as capital. Second, some of the benefits of increased income through profit sharing include paying for their children’s school fees, medical care, and having bank accounts.

As shown in Table 3, both the BDM and membership agreed or strongly agreed (BDM, 87.5%; membership, 93.3%) with the statement, “The benefits of participation are shared in a fair fashion.” Moreover, the BDM and membership agreed or strongly agreed (BDM, 87.5%; membership, 100%) with the statement, “In the future I will continue to participate in the activities of the cooperative.”

3. Describe the degree to which each of the following participates in the decision-making of the cooperative: men and women, youth and older folks, educated and less educated?

A majority (75%) of the BDM indicated that all segments of the membership participate in decision-making. C1BDM02 stated, "Decision-making is for all members. It does not follow or depend on any given category of people." The remaining 25% of the BDM stated that the leadership and management make all the decisions and/or the young and more educated have been discriminated against. For example, C1BDM01 stated, "It is not easy to promote the youth because the old say that we want to take their bread."

Sixty-seven percent of the membership believed that all segments of the membership participate equally and there is no discrimination among groups. Thirteen percent believed that men and the more educated were favored. Twenty percent stated that the leaders were the ones making all of the decisions.

As shown in Table 3, the BDM disagreed or strongly disagreed (100%) with the statement, "Members and worker subgroups are able to approach the leadership board and management." The membership, however, agreed or strongly agreed (100%) with the statement. To the question, "I feel like I can speak my opinion during a meeting," the BDM was split in half while the membership agreed or strongly agreed (100%) with the statement. These responses merit further study. The BDM and membership indicated that gender balance is given due consideration in the cooperative.

4. Did all members agree, privately and publicly, to join the coffee federation? How were delegates selected?

Thirty-three percent of the BDM interviewed were aware of who had been selected to represent the cooperative in the federation. They indicated that the leadership “automatically” selected from their own who will represent the cooperative. The remaining 67% of the BDM did not know who was selected or how they were selected.

C1BDM03 said,

We don't know how or who delegated those people. If the Managers don't know how those tricks were played, how can a simple farmer know? We are like a bus being driven by a simple driver and the passengers don't know where we are heading. We are just confused, given a chance where to go, I will immediately leave this place. This coop has no future if it continues like this. If the farmers are threatening to leave the coop, where will we get the output, salaries, and everything else? Everything here is confidential. We don't know the decisions made by the GM and Board.

### *Research Question 3*

To gain information about the perceptions concerning internal and external communications of the cooperative, the BDM and membership were asked five questions.

1. How often do leaders and managers of your cooperative listen, formally and informally, to cooperative members in order to recognize their concerns? [BDM interview] What are the mechanisms for gathering member input? [BDM interview] How often do leaders and managers of your cooperative listen, formally and informally, to cooperative members in order to recognize their concerns? [Membership interview]

Among the BDM, the answers run the gamut; no two answers were alike. One member of the management (C1BDM02) indicated that the leaders meet with the members only once per year while C1BDM04 stated that meetings occur eight times per year. The variety of answers gives reason to think that the frequency of the meetings is “hit or miss.” The members, too, gave a wide variety of responses indicating that there is no set pattern for the frequency of meetings. No one, however, seemed bothered by the lack of predictability. The members, overall, perceived that the BDM hears their concerns with sufficient frequency. Not one individual mentioned the sector level meetings. C1M05 observed: “We need more training on how to share information in the cooperative.”

That being said, the researcher recognizes that the wording of the interview question was unclear; the use of the term “formally and informally” allowed for vague responses.

As shown in Table 4, the BDM agreed or strongly agreed (87.5%) that it “does not listen to cooperative members” whereas the members disagreed or strongly disagreed (80%) with the statement. This warrants further study. The majority of the cooperative agreed or strongly agreed with the following statements: “Members can freely seek the

Table 4

*Cooperative 1: Internal and External Communication*

<b>Cooperative 1</b> <i>Item</i>	Group	<b>Strongly Disagree</b>		<b>Disagree</b>		<b>Do Not Know</b>		<b>Agree</b>		<b>Strongly Disagree</b>	
		<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>
<b>Communication</b>											
BDM does not listen to the cooperative members.	BDM	0	0	1	12.5	0	0	5	62.5	2	25
	M	2	13.3	10	66.7	0	0	3	20	0	0
Members can freely seek the advice/counsel of the BDM.	BDM	1	12.5	2	25	0	0	2	25	3	37.5
	M	0	0	1	6.7	0	0	11	73.3	3	20
Members are well informed of the decisions made by leadership and management.	BDM	0	0	1	12.5	0	0	6	75	5	12.5
	M	0	0	1	6.7	1	6.7	6	40	7	46.7
The leadership provides opportunities for feedback.	BDM	0	0	1	12.5	0	0	3	37.5	4	50
	M	0	0	2	13.3	0	0	8	53.3	5	33.3
The management provides opportunities for feedback.	BDM	0	0	1	12.5	0	0	5	62.5	2	25
	M	0	0	0	0	3	20	8	53.3	4	26.7
BDM knows how to help members resolve conflicts.	BDM	0	0	0	0	1	12.5	1	12.5	6	75
	M	0	0	0	0	1	6.7	9	60	5	33.3
There is a good flow of information between the cooperative and PEARL.	BDM	2	25	0	0	0	0	1	12.5	5	62.5
	M	0	0	0	0	6	40	8	53.3	1	6.7
When problems arise the cooperative can freely seek the advice/counsel of PEARL.	BDM	0	0	1	12.5	0	0	4	50	3	37.5
	M	0	0	0	0	9	60	4	26.7	2	13.3
The cooperative is respected in the community.	BDM	0	0	0	0	1	12.5	3	37.5	4	50
	M	0	0	0	0	0	0	9	60	6	40

advice/counsel of the leadership” (BDM, 62.5%; membership, 93.3%); “Members are well informed of the decisions made by the leadership and Management” (BDM, 87.5%; membership, 86.7%); “The leadership provides opportunities for feedback” (BDM, 87.5%, membership, 86.7%); and “The management provides opportunities for feedback” (BDM, 84.5%, membership, 80%).

2. If two members are having problems between each other and it could negatively affect the cooperative, how would the management and/or leadership of your cooperative handle this situation? Give an example.

This question sought information regarding the conflict resolution mechanisms and capacities of the cooperative. Fifty percent of the BDM interviewed mentioned a conflict between the General Manager and the accountant. The accountant reported to the board some inconsistencies in the General Manager’s financial dealings. The board sided with the General Manager. From the perspective of the four respondents, it was the GM who was at fault.

The consensus among the membership was that the BDM would try to resolve conflicts among members by meeting with the conflicting parties. It is of interest that only 13% of the members mentioned that conflicts can be resolved by sector level leaders.

As shown in Table 4, both the BDM and membership agreed or strongly agreed (BDM, 87.5%; membership, 93.3%) with the statement, “The leadership and management know how to help members resolve conflicts.”

3. Let us imagine that a member of the leadership board does something that breaks a constitutional by-law of the cooperative. What would the cooperative members do about it? (This question was only asked in the membership interview.)

While 100% of the members stated that the members have rights and can dismiss leaders who break bylaws, only 20% knew how to begin the process of dismissing a leader.

4. How do you perceive the involvement of PEARL in the cooperative? Describe the communication between the cooperative and PEARL. How should it be improved?

The intent of this question was to look at the degree of internal and external communication in the cooperative, especially the flow of information from PEARL to the cooperative leadership, and finally, to the members. The perception among the BDM was that the frequency of communication between the cooperative and PEARL is adequate, though two BDM participants indicated that an increased number of meetings with the PEARL staff would benefit the cooperative.

A comparison of BDM and membership responses revealed a great deal about PEARL's communication with the cooperative and communication within the cooperative. Sixty percent of the members interviewed stated that they do not know what PEARL is or the role that it has played in the development of the cooperative. C1M06 stated, "I can't say anything about the communication between the cooperative and PEARL because it is only the leaders who deal with PEARL."

Forty percent of the members were familiar with PEARL and hold positive views of it. Member participant C1M10 commented that "PEARL represents the cooperative

due to the capacity of the employees.” Inferred in this statement is that PEARL is needed because the employees do not possess all the capacities needed to sustain the management of the cooperative.

5. What do community members who are not cooperative members think about the cooperative?

C1BDM01 stated that non-member coffee growers in the area do not like the cooperative as they are in competition for securing markets for their coffee, yet the community members who do not grow coffee like the cooperative. As the income levels of the cooperative members have increased so has the flow of money in the community. According to C1BDM02, “The positive feelings among community members are a reflection of increased incomes in the area.” Approximately 40% of the BDM, however, pointed out that community members are aware of the cooperative members not receiving their dividends on time. According to C1BDM03, “They liked it but now they no longer like it because of the present situation where farmers and employees are not paid.” Despite this situation, “more community members want to join the cooperative” (C1BDM06).

As shown in Table 4, both the BDM and membership agreed or strongly agreed (BDM, 87.5%, membership, 100%) that the cooperative is respected in the community.

#### *Research Question 4*

To gain a sense about their perceptions on organizational and leadership development, the BDM and membership were asked five questions.

1. Does the leadership deliberately develop and train other members within the cooperative in order to create a pool of leadership talent? How? [BDM interview]



As a member, are you being developed into a better leader so that some day you may assume more responsibilities within the cooperative should opportunities arise? [Membership interview]

The intent was to inquire whether the cooperative has a deliberate program of developing new leaders, especially the youth, so that there is a permanent pool of leadership talent. The answer is “no,” such a program does not exist. Twenty-five percent of the BDM responded that the leadership does deliberately develop and train others in order to create a pool of leadership talent. They believed, however, that simply involving members in meetings and keeping them informing of the affairs of the cooperative can accomplish leadership training. C1BDM04 stated, “Yes, we train them. In meetings, they watch what we do and imitate us.” The remaining 75% of the BDM acknowledged that there is no training program for developing the members and creating a pool of leadership talent. C1BDM03 stated acrimoniously, “No, they (i.e., leaders) don’t want to be replaced.” On a positive note, C1M08 said: “Yes, they teach me how to plant coffee, maintain my plantation, and apply insecticides. In this way they are teaching me what I will tell members in case I become a leader.” The cooperative’s strategy for developing a pool of leadership talent has been confined to a “watch and learn” methodology rather than a well thought out program.

As shown in Table 5, the BDM and membership agreed or strongly agreed with the statements: “I see the promotion of youth in the leadership and management as important for sustainability” (BDM, 87.5%; membership, 100%) and “The youth membership in the cooperative has the potential to sustain the growth of the cooperative” (BDM, 100%; membership, 100%).

Table 5

*Cooperative 1: Organizational and Leadership Development*

<b>Cooperative 1</b> <i>Item</i>	Group	<b>Strongly Disagree</b>		<b>Disagree</b>		<b>Do Not Know</b>		<b>Agree</b>		<b>Strongly Disagree</b>	
		<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>
<b>Organizational and leadership development</b>											
The promotion of youth in the BDM is important for sustainability	BDM	0	0	1	12.5	0	0	3	37.5	4	50
	M	0	0	0	0	0	0	3	20	12	80
Youth membership in the coop has potential to sustain the growth of the coop.	BDM	0	0	0	0	0	0	3	37.5	5	62.5
	M	0	0	0	0	0	0	5	33.3	10	66.7
The management is honest.	BDM	0	0	0	0	0	0	5	62.5	3	37.5
	M	0	0	1	6.7	3	20	6	40	5	33.3
The board is honest.	BDM	5	62.5	0	0	0	0	1	12.5	2	25
	M	0	0	0	0	1	6.7	9	60	5	33.3
BDM socialize with the members of the cooperative.	BDM	0	0	1	12.5	0	0	1	12.5	6	75
	M	0	0	2	13.3	0	0	6	40	7	46.7
The leadership runs the coop to suit its own purposes.	BDM	0	0	1	12.5	0	0	6	75	1	12.5
	M	4	26.7	7	46.7	2	13.3	2	13.3	0	0
The coop has a shared vision	BDM	0	0	0	0	0	0	7	87.5	1	12.5
	M	0	0	0	0	1	6.7	10	66.7	4	26.7
The cooperative has a vision for what it wants to be and accomplish in the future.	BDM	1	12.5	0	0	0	0	0	0	7	87.5
	M	0	0	1	6.7	3	20	7	46.7	4	26.7
I believe that in the absence of PEARL the cooperative will continue to grow.	BDM	0	0	0	0	0	0	3	37.5	5	62.5
	M	4	26.7	1	6.7	7	46.7	1	6.7	2	13.3
Without the assistance of PEARL, the cooperative will be unable to function.	BDM	0	0	1	12.5	1	12.5	1	12.5	5	62.5
	M	3	20	2	13.3	5	33.3	3	20	2	13.3

2. What are the attributes of an effective leaders and managers? What are the attributes of ineffective leaders and managers? Which of these attributes do the leaders and management possess?

Seventy-five percent of the BDM indicated that the leaders possess and exercise the qualities of effective leadership. C1BDM01 stated, “Our leaders manage things in a good manager, listen, solve problems, are fair, and are honest and trustable.” The remaining 25% of the BDM directed their criticisms directly at the General Manager. C1BDM03 stated, “A good leader considers the ideas of subordinates and pursues members’ interests. A bad leader pursues his own interests and is a dictator. Our General Manager is very bad. He is a dictator and overlooks us.” This individual has shared very strong feelings that should be addressed by the General Manager and board. On the other hand, all fifteen of the cooperative members gave high marks to their leadership.

As shown in Table 5, the BDM and membership shared different views on the integrity of the board of directors. In response to the question, “The board of directors is honest” the BDM disagreed or strongly disagreed (62.5%) and the membership agreed or strongly agreed (93.3%). In response to the question, “The leadership runs the cooperative to suit its own purposes,” the BDM agreed or strongly agreed (87.5%) and the membership disagreed or strongly disagreed (73.4%). The contrast of opinions regarding the integrity of the board of directors warrants further investigation. The integrity of the management is also addressed in Table 4. To the question, “The management is honest,” the BDM and membership agree or strongly agree (BDM, 100%; membership, 73.3%).

3. What are the long-term goals of the cooperative? What will the cooperative be like in 5 years? Is this a vision shared by all the members, management, and the board?

All of the BDM stated that they collectively shared a set of goals, yet they offered eight different lists.

Forty-six percent of the membership participants did not know the long-term plans of the cooperative. C1M07 stated, “I don’t know what the cooperative’s goals are. I don’t know where we will be in five years. The leaders and managers know. They plan alone. Yet we want to take part in cooperative planning.” The remaining fifty-four percent gave vague ideas as to what they believe to be the long-term plans of the cooperative.

As shown in Table 5, the majority of the BDM and membership agreed or strongly agreed with the statements, “The cooperative has a shared vision among the membership, management, and leadership” (BDM, 100%; membership, 93.3%) and “The cooperative has a vision for what it wants to be and accomplish in the future” (BDM, 87.5%; membership, 73.4%). These results do not align with the information gathered in the face-to-face interviews. This merits further investigation.

4. Does the cooperative have a strategic plan? If so, what is the strategic plan?

Half of the BDM knew nothing about a strategic plan. The remaining half indicated that there are annual and three-year strategic plans. These strategic plans, however, consisted of ends rather than means. For example, C1BDM01 stated, “We aim at achieving high quality and production of coffee. We want to raise the price of coffee to reduce poverty, be able to pay for education fees and cover medical expenses.”

C1BDM02 shared: “Our plan is to increase production, achieve good quality so as to raise the price of coffee. We do this by providing Members with the necessary equipment, insecticide and fertilizers.”

Sixty percent of the members interviewed stated that they do not know if the cooperative has a strategic plan. The remaining forty percent gave differing opinions as to the strategic plan. C1M08 stated, “I don’t know it well. They told us that it was done by the leadership board but they did not show it to us.” C1M02 shared, “I don’t know. This is for top management. For the members like us at the low level, we don’t know.”

5. Will this cooperative continue to function in the absence of PEARL? Why do you think that?

The intent of this question was to find out their perceptions of cooperative’s institutional strength and management capabilities. Sixty-three percent of the BDM participants believed that the cooperative will continue to function in the absence of PEARL. C1BDM05 stated: “The cooperative is making some profit. The money the cooperative gets can keep it running in the absence of PEARL. Members are motivated to run the cooperative based on the benefits they get.” Yet another (C1BDM02) expressed hope in their managerial capacities and the role of the coffee federation, yet with some reservations. “Yes, we will continue because of the capacity we have now and in the federation it will be possible, though we will need more training to be confident to communicate or to link ourselves with outsiders.” One of the three BDM who expressed an outright “No” to the question stated it like this: “No, because we have a communication barrier. There is no dialogue with the market or with donors. The

manager is the sole decision maker. Others know nothing of the affairs of the cooperative. And the board is very weak” (C1BDM03).

One-third of the membership participants were not familiar enough with PEARL to be able to say whether the cooperative will continue to function in its absence because they do not know the role that PEARL has played. Thirteen percent stated that they did not know, twenty percent stated no, and the remaining one-third stated yes or maybe. No one mentioned the potential role of the federation in the long-term sustainability of the cooperative.

As shown in Table 5, the BDM and membership shared differing views on the long-term sustainability of the cooperative. The BDM and membership agree or strongly agree (BDM, 100%; membership, 20%) with the statement, “I believe that in the absence of PEARL the cooperative will continue to grow.” The BDM and membership agree or strongly agree (BDM, 75%; membership, 33.3%) with the statement, “Without the assistance of PEARL, the cooperative will be unable to function.”

#### *Research Question 5*

To gain information regarding their perceptions on the duties fulfilled by the management and board and the relationships among them, the BDM and membership were asked five questions.

1. Are the management and board of directors composed of the same individuals?

Do individuals within management ever assume responsibilities that belong to board and vice-versa?

Sixty-three percent of the BDM participants admitted that the management and board of directors assume responsibilities that should be done by the other. They stated,

“Yes, some individuals in management are on the board” (C1BDM03) and “Yes, some board members are in management” (C1BDM05), and “The General Manager convenes the board meetings, but not always” (C1BDM06).

A third of the membership participants believed that the board of directors and the management fulfill their respective responsibilities. A third stated that the board of directors and the management do in fact assume responsibilities that should be fulfilled by the other. A third did not know.

2. Describe the relationship between the General Manager and the management team members. (This question asked on the BDM questionnaire only.)

Sixty-three percent of the BDM participants indicated that the overall relationship between the General Manager and the management is typically positive. The remaining thirty-seven percent held negative feelings toward the General Manager. For example, C1BDM03 stated: “He says that we are injinji (uneducated). He does not accept our input and ideas. Generally, our relationship is good but there are issues that are not good. How can it be improved? By having meetings and plan what to do.”

3. Describe the relationship between the whole management team and the board of directors. (This question asked only on the BDM questionnaire.)

Eighty-seven percent of the BDM participants indicated that the management team and the board of directors have a positive relationship. C1BDM04 stated that the relationship is “good because we call him (the GM) in board meetings and he accepts our invitation. He does not do anything that we did not approve.” This is in direct contrast with the comments of a management team member (C1BDM03).

We are not in harmony with the leadership. They say we want to overtake them. They are the initiators so there is no way we can do anything about it. We don't meet and they don't consider us. We are scared that some of us will be chased off. This started when we advised some board members to leave the responsibilities they were taking to the management. The general manager attends all board meetings although not supposed to so as to ensure things are done the way he wants. Also, the President of the board died. The General Manager handles and runs the coop as if he is the President. It would be better if a President were elected.

As seen in Table 6, both the BDM and membership agreed or strongly agreed (BDM, 84.5%; membership, 80%) with the statement, "Leadership and management handle conflicts between each other well."

4. What are the procedures to allow for financial transparency? [BDM interview] Are all of them followed? [BDM interview] Do all members know the financial status of the cooperative? [BDM interview] Is there financial transparency? [Membership interview] What is the current financial status of the cooperative, including the repayment of loans from banks? [Membership interview] How often does the accountant prepare financial statements and make them known to all members? [Membership interview]

Sixty-three percent of the BDM respondents indicated that there is financial transparency. Two BDM shared the following statements: "The cooperative's accountant works with the bank and with the cashier, so there is reasonable transparency" (C1BDM01) and, "The accountant pays the laborers or other expenses (as ordered by the



leaders in written form). This is followed because there are people responsible to do inspection” (C1BDM02). Regarding the issue of whether the cooperative members know the financial status, C1BDM01 stated that members are informed once a year, yet C1BDM02 stated that Members are informed twice a year and any other time they ask for a financial report. These are interesting comments in light of the membership’s responses.

Two-thirds of the membership believed that there is financial transparency. No one, however, knew the current financial status of the cooperative. This is somewhat understandable in that at the time of the interview harvest had just been completed, the green coffee was in the process of being sold, and the financial standing of the cooperative for the year was yet to be determined. However, forty percent of the membership participants stated that they have never seen or heard about any financial statements made by the accountant while thirteen percent indicated that the finances are left to the top management who knows best.

As seen in Table 6, both the BDM and membership agreed or strongly agreed (BDM, 75%; membership, 80%) with the statement, “There is financial transparency in all of the financial dealings of the cooperative.” However, the following two statements revealed that the cooperative perceives the frequency of communication regarding finances to be insufficient. In response to the question, “Members approve financial reports on a regular basis,” the BDM and membership agreed or strongly agreed (BDM, 25%; membership, 46.7%). In response to the question, “Members take part in approving annual budgets,” the BDM and membership agree or strongly agree (BDM, 62.5%; membership, 40%).

Table 6

*Cooperative 1: Duties and Relationships*

Cooperative 1 <i>Item</i>	Group	Strongly Disagree		Disagree		Do Not Know		Agree		Strongly Disagree	
		<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>
<b>Duties and relationships</b>											
Leadership and management handle conflicts between each other well.	BDM	1	12.5	0	0	0	0	5	62.5	2	25
	M	0	0	0	0	3	20	8	53.3	4	26.7
The management runs the cooperative to suit its' own purposes.	BDM	0	0	1	12.5	0	0	4	50	3	37.5
	M	4	26.7	4	26.7	4	26.7	3	20	0	0
Members approve financial reports on a regular basis.	BDM	4	50	2	25	0	0	2	25	0	0
	M	1	6.7	4	26.7	3	20	6	40	1	6.7
There is transparency in all of the financial dealings of the cooperative.	BDM	0	0	1	12.5	1	12.5	6	75	0	0
	M	0	0	0	0	3	20	9	60	3	20
Members take part in approving annual budgets.	BDM	0	0	3	37.5	0	0	4	50	1	12.5
	M	1	6.7	5	33.3	3	20	5	33.3	1	6.7
Meetings are conducted in a way that I understand what is going on in the cooperative.	BDM	0	0	0	0	0	0	2	25	6	75
	M	0	0	2	13.3	0	0	10	66.7	3	20
I understand what the purpose and functions of the federation.	BDM	0	0	0	0	0	0	3	37.5	5	62.5
	M	0	0	2	13.3	10	66.7	2	13.3	1	6.7

5. What will be the structure, purpose and potential of the federation? What will be the relationship between the cooperative and the federation? (This question was only asked on the BDM questionnaire.)

Seventy-five percent of the BDM participants admitted that they have no idea of the intended structure, purpose and potential of the federation. There is very little understanding of the federation or the relationship between the federation and the

cooperatives. In addition, there is the issue to member ownership. C1BDM05 shared the following observation: "PEARL worked out the federation. The cooperatives did not take part in developing it. The members do not own it. Members do not really know what it is."

As seen in Table 6, the BDM and membership held widely differing views on the federation. In response to the question, "I understand the purpose and functions of the federation," the BDM agree or strongly agree (100%). The membership, however, indicated that they agree or strongly agree (20%) and do not know (66.7%).

#### *Follow-up interview of the General Manager of Cooperative 1*

After having completed the interviews and questionnaires at the three coffee cooperatives, the researcher requested that each of the three General Managers be interviewed a second time. The purpose of the second interview was to clarify and/or supplement the information gained during the first interview. A PEARL staff member interviewed the General Managers of Cooperative 1 and 2; at that time the General Manager of Cooperative 3 was unavailable for an interview. The questions and responses can be found in Appendix 4.

### **Case Study: Cooperative 2**

Table 7 shows the gender, age, and education of Cooperative 2 BDM and membership. BDM participants included three men and four women, three of whom had primary schooling and four with secondary schooling. Four were between the ages of 20 to 30, two are between the ages of 41 to 50, and one was 51 or older. Membership participants included six men and seven women, three of whom have no schooling, nine

with primary schooling, and one with secondary schooling. Three were between the ages of 20 to 30, two were between the ages of 31 to 40, four were between the ages of 41 to 50, three were between the ages of 51 to 60, and one was 61 years old or older.

Table 7

*Cooperative 2: Gender, Age, and Education*

	Gender		Age		Education	
BDM	Men	3	20-30	4	No schooling	0
	Women	4	31-40	0	Primary	3
			41-50	2	Secondary	4
			51-60	1	Beyond	0
Membership	Men	6	20-30	3	No schooling	3
	Women	7	31-40	2	Primary	9
			41-50	4	Secondary	1
			51-60	3	Beyond	0
			61-	1		

*Research Question 1*

To gain a sense of the cooperative's perceptions regarding cooperative principles, three questions were asked:

1. What is a cooperative? Who owns the cooperative?

All BDM and membership participants asserted that the cooperative is member-owned. Two memorable responses are: "It's an association of people with the same problems and same social status who have a goal of improving their livelihoods and living standards. All the members of the cooperative are owners" (C2BDM05) and "A cooperative is an answer to women's problems, especially single mothers or wives with irresponsible husbands" (C2BDM08).

2. What is the current role of (local, provincial, or national) government in the cooperative?

Table 8

*Cooperative 2: Understanding of Cooperative Principles*

<b>Cooperative 2</b>	Group	<b>Strongly Disagree</b>		<b>Disagree</b>		<b>Do Not Know</b>		<b>Agree</b>		<b>Strongly Disagree</b>	
		<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>
<b>Item</b>											
<b>Understanding cooperative principles</b>											
The local authorities should refrain from involving themselves in the affairs of the cooperative.	BDM	0	0	1	14.3	0	0	3	42.9	3	42.9
	M	2	15.4	1	7.7	0	0	8	61.5	2	15.4

The BDM and membership participants indicated that the government does not influence the internal policies of the cooperative nor does it interfere with its day-to-day activities. C2M05 shared that “the local government helps by building and maintaining roads and sensitizing other people in the district to join the cooperative and the national government helps by setting good policies for exportation and taxes.”

As shown in Table 8, the majority of the BDM and membership agreed or strongly agreed (BDM, 85.8%; membership, 76.9%) with the statement, “The local authorities should refrain from involving themselves in the affairs of the cooperative.” This data supports the results yielded by the interviews.

3. How were the leaders and managers chosen? Can the current organizational structure be improved? How?

All of the BDM and membership explained the selection process. All participants believed the current structure to be adequate. No one offered any suggestions for improvement. C2BDM02 gave this explanation:

Leaders at the higher level (HQ) are chosen by all members, but at zonal levels all members vote for leaders in their specific zones. An individual applies for the position of Executive Secretary (i.e. General Manager).

The leadership team (10 people total; 7 officers plus 3 advisors) and the 20 presidents (representatives) of the 20 zones then decide who becomes the Executive Secretary. No need for structural improvement as the present system is good.

### *Research Question 2*

To gain an understanding of their perceptions regarding the degree of participation and decision-making by the various sub-populations within the cooperative, the BDM and membership were asked four questions.

1. How do members participate in decision-making process of the cooperative?

[BDM interview] How do you as a member participate in the decision-making process of the cooperative? [Membership interview] How do other members participate in decision-making about the policies of the cooperative?

[Membership interview]

All the BDM participants believed that the membership participates fully in decision-making. According to C2BDM02, “When the General Assembly is convened every member has a say in the meetings.” C2BDM01 shared, “Apart from the day-to-day

activities decided upon by the management, most decisions are made by the members in the General Assembly.”

Sixty-two percent of the membership participants stated that they participate in the decision-making process through the General Assembly and sector level meetings. C2M07 pointed out his/her involvement in decision-making: “I contribute different ideas in different meetings. Members contribute ideas on policy issues through meetings in their respective zones. All people give their views in meetings and are put into consideration.” Thirty-eight percent of the membership participants said that though they attend the meetings they do not engage in decision-making. C2M10 commented: “I participated in choosing those leaders so we trust whatever is decided by them.”

As shown in Table 9, the BDM and membership agreed or strongly agreed (BDM, 100%; membership, 84.6%) with the statement, “The opinions and suggestions of the members matter to the management and leadership.” This data aligns with the interview results.

2. How are benefits shared? [BDM interview] Is the benefits-sharing mechanism fair to all members? [BDM interview] How are you benefiting from the outcomes of the cooperative? [Membership interview] Are benefits gained in a fair and reasonable way? Why do you think so? [Membership interview]

All of the BDM and membership believed the patronage dividend system to be fair. The coffee farmers have received their patronage dividends based on the quantity of coffee cherries supplied to the cooperative. Some of the benefits, financial and otherwise, include: “I can easily acquire credit” (C2M05), “I manage to get school fees for my children, afford to buy clothes, pay medical expenses, and have livestock to get

Table 9

*Cooperative 2: Participation and Decision-Making*

<b>Cooperative 2</b>	Group	<b>Strongly Disagree</b>		<b>Disagree</b>		<b>Do Not Know</b>		<b>Agree</b>		<b>Strongly Disagree</b>	
		<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>
<b>Participation and Decision-Making</b>											
The opinions and suggestions of members matter to the management and leadership.	BDM	0	0	0	0	0	0	4	57.1	3	42.9
	M	0	0	2	15.4	0	0	7	53.8	4	30.8
The benefits of participation are shared in a fair fashion.	BDM	0	0	0	0	0	0	4	57.1	3	42.9
	M	0	0	0	0	2	15.4	7	53.8	4	30.8
I am satisfied with the coop.	BDM	0	0	0	0	0	0	1	14.3	6	85.7
	M	1	7.7	0	0	0	0	3	23.1	9	69.2
The majority of the members in the coop are dissatisfied.	BDM	4	57.1	2	28.6	0	0	1	14.3	0	0
	M	5	38.5	4	30.8	1	7.7	1	7.7	2	15.4
In the future I will continue to participate in the activities of the coop.	BDM	0	0	0	0	0	0	3	42.9	4	57.1
	M	0	0	0	0	1	7.7	5	38.5	7	53.8
Members and worker subgroups are able to approach the BDM.	BDM	1	14.3	0	0	0	0	3	42.9	3	42.9
	M	0	0	0	0	0	0	8	61.5	5	38.5
I feel like I can speak my opinion during a meeting.	BDM	0	0	0	0	0	0	4	57.1	3	42.9
	M	1	7.7	1	7.7	0	0	6	46.2	5	38.5
Gender balance is given due consideration in the membership.	BDM	0	0	0	0	0	0	4	57.1	3	42.9
	M	0	0	0	0	0	0	7	53.8	6	46.2
Gender balance is given due consideration in the leadership and management.	BDM	0	0	0	0	0	0	3	42.9	4	57.1
	M	0	0	0	0	1	7.7	7	53.8	5	38.5



manure” (C2BDM04), and “I am a part of the music group for the cooperative and it occupies me. I like music and it is the cooperative that helps me exercise my talents” (C2M08).

As shown in Table 9, the BDM and membership agreed or strongly agreed with the statements: “The benefits of participation are shared in a fair fashion” (BDM, 100%; membership, 84.6%), “I am satisfied with the cooperative” (BDM, 100%; membership, 92.3%) and “In the future I will continue to participate in the activities of the cooperative” (BDM, 100%, membership, 92.3%).

3. Describe the degree to which each of the following participates in the decision-making of the cooperative: men and women, youth and older folks, educated and less educated?

Fifty-seven percent of the BDM participants believed that all segments of the cooperative population participate equally in the decision-making process. Forty-three percent believed that men tend to have a bigger role than do women and older people more so than youth. Twenty-nine percent believed that the educated participate more in decision-making. Fourteen percent stated that the less educated play a greater role than do the more educated. None of the BDM respondents who believed that some population segments play a greater role than others showed any distress; it appears that they have accepted it as a normal course of events. For example, C2BDM08 stated:

Men play a greater role than women mainly because the latter shy away from speaking in public. The youth play a small role in decision-making, mainly because they are not very responsive to coops, thus leaving it to the

older folks. The more educated tend to dominate even though the less educated have more experience than them in the coffee business.

The membership participants held similar views. Seventy-seven percent of the membership participants indicated that all segments of the cooperative participate equally in decision-making. Twenty-three percent believed that one or more segments of the cooperative wielded more power than other segments yet showed no distress.

As shown in Table 9, the BDM and membership agreed or strongly agreed with the following statements: “Members and worker subgroups are able to approach the leadership board and management” (BDM, 85.7%; membership, 100%), “I feel like I can speak my opinion during a meeting” (BDM, 100%; membership, 84.6%), “Gender balance is given due consideration in the leadership and management” (BDM, 100%; membership, 92.3%).

4. Did all members agree, privately and publicly, to join the coffee federation? How were delegates selected?

All of the BDM participants believed that the membership is aware of the federation. They admit, however, that this may be all the members know about the federation. Concerning the selection process, C2BDM07 shared that “The cooperative leadership and management made the decision. Members trust that it was a good decision because they trust their leaders.” C2BDM06 stated: “The cooperative leadership automatically gets to be the delegates to the federation.”

The BDM overestimated the membership’s awareness of the federation. Forty-six percent of the membership participants had not heard of the federation. The remaining

fifty-four percent had some knowledge of the federation but did not know anything about their cooperative's representation in the federation.

### *Research Question 3*

To gain information about their perceptions on the internal and external communications of the cooperative, the BDM and membership were asked five questions.

1. How often do leaders and managers of your cooperative listen, formally and informally, to cooperative members in order to recognize their concerns? [BDM interview] What are the mechanisms for gathering member input? [BDM interview] How often do leaders and managers of your cooperative listen, formally and informally, to cooperative members in order to recognize their concerns? [Membership interview]

All of the BDM indicated that the General Assembly meets two to three times per year. They also pointed out the important roles played by the zone level meetings and the mass mobilization personnel. C2BDM05 shared the following:

During the collection campaign (March-June) coop members convey their problems through intermediate persons (mass mobilization and production leaders). During the rest period of the year, leaders and managers listen to members through meetings at 10 zone levels and at the General Assembly meetings. There are no meetings of members during collection campaign because we are too busy. As we move toward de-centralization, want to make zonal offices powerful enough to be able to handle their own issues.

All the membership participants agreed that the cooperative leadership listens to their concerns with sufficient frequency. Some members shared the following comments: “Whenever you talk to one of the leaders, they listen to you” (C2M03), “They listen to us very often because the zone presidents live with us” (C2M04), and “Any time you need them, they are available” (C2M05).

As shown in Table 10, the BDM and membership agreed or strongly agreed with the following statements: “Members can freely seek the advice/counsel of the leadership” (BDM, 100%; membership, 100%), “Members are well informed of the decisions made by the leadership and management” (BDM, 100%; membership, 84.6%), “The leadership provides opportunities for feedback” (BDM, 100%, membership, 92.3%), and “The Management provides opportunities for feedback” (BDM, 100%, membership, 92.3%).

2. If two members are having problems between each other and it could negatively affect the cooperative, how would the management and/or leadership of your cooperative handle this situation? Give an example.

Fifty-seven percent of the BDM participants indicated that any attempt at conflict resolution should first take place at the zone level with zonal leaders. C2BDM02 stated, “Each zone has a committee of 10 people, including 3 who serve as advisors and counselors. These three are highly respected individuals in the area. They can help resolve the conflict.” The remaining forty-three percent BDM participants stated that the leadership resolves conflict between members and did not mention conflict resolution capacities at the zonal level.

Table 10

*Cooperative 2: Internal and External Communication*

<b>Cooperative 2</b> <i>Item</i>	Group	<b>Strongly Disagree</b>		<b>Disagree</b>		<b>Do Not Know</b>		<b>Agree</b>		<b>Strongly Disagree</b>	
		<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>
<b>Communication</b>											
BDM does not listen to the cooperative Members.	BDM	4	57.1	1	14.3	0	0	2	28.6	0	0
	M	8	61.5	4	30.8	0	0	0	0	1	7.7
Members can freely seek the advice/counsel of the BDM.	BDM	0	0	0	0	0	0	5	71.4	2	28.6
	M	0	0	0	0	0	0	7	53.8	6	46.2
Members are well informed of the decisions made by leadership and management.	BDM	0	0	0	0	0	0	4	57.1	3	42.9
	M	1	7.7	1	7.7	0	0	9	69.2	2	15.4
The leadership provides opportunities for feedback.	BDM	0	0	0	0	0	0	5	71.4	2	28.6
	M	0	0	1	7.7	0	0	9	69.2	3	23.1
The management provides opportunities for feedback.	BDM	0	0	0	0	0	0	3	42.9	4	57.1
	M	1	7.7	0	0	0	0	9	69.2	3	23.1
BDM knows how to help members resolve conflicts.	BDM	0	0	0	0	0	0	5	71.4	2	28.6
	M	0	0	1	7.7	1	7.7	5	38.5	6	46.2
There is a good flow of information between the cooperative and PEARL.	BDM	0	0	0	0	0	0	3	42.9	4	57.1
	M	0	0	1	7.7	1	7.7	7	53.8	4	30.8
When problems arise the cooperative can freely seek the advice/counsel of PEARL.	BDM	0	0	0	0	0	0	4	57.1	3	42.9
	M	0	0	1	7.7	2	15.4	8	61.5	2	15.4
The cooperative is respected in the community.	BDM	0	0	0	0	0	0	3	42.9	4	57.1
	M	0	0	0	0	0	0	6	46.2	7	53.8

Ninety-two percent of the membership participants stated that it is the central leadership, rather than the zonal leadership, that helps resolve conflicts among members.

As shown in Table 10, the majority of the BDM and membership agreed or strongly agreed (BDM, 100%; membership, 84.7%) with the statement, “Leadership and management know how to help members resolve conflicts.”

3. Let’s imagine that a member of the leadership board does something that breaks a constitutional by-law of the cooperative. What would the cooperative members do about it? (This question is only on the membership interview.)

All of the membership participants interviewed were well aware of their rights to dismiss a leader who has broken a constitutional bylaw of the cooperative. There is not, however, a consensus on the procedures to initiate and complete the process of dismissing a BDM and electing/selecting a replacement.

4. How do you perceive the involvement of PEARL in the cooperative? Describe the communication between the cooperative and PEARL. How should it be improved?

The intent of this question was to look at the degree of internal and external communication in the cooperative, especially the flow of information from PEARL to the cooperative leadership, and finally, to the members. Eighty-six percent of the BDM and eighty-five percent of the members interviewed believed that PEARL communicates well with the cooperative. This indicates that PEARL and the cooperative leadership have communicated effectively to the membership the role that PEARL has played in the success of the cooperative.

As shown in Table 10, the BDM and membership agreed or strongly agreed (BDM, 100%; membership, 84.6%) with the statement, “There is a good flow of information between the cooperative and PEARL.” In addition, the BDM and membership agreed or strongly agreed (BDM, 100%; membership, 76.9%) with the statement, “When problems arise the cooperative can freely seek the advice/counsel of PEARL.”

5. What do community members who are not cooperative members think about the cooperative?

All of the BDM interviewed stated that community members have positive opinions of the cooperative. Some shared the following comments: “Many new members join the cooperative every year” (C2BDM02) and “Many are fighting to grow coffee so as to qualify to become members” (C2BDM04). A subsequent conversation with two of the PEARL staff members revealed that this cooperative buys coffee from non-members. The researcher pointed out that this could reduce the incentive of joining the cooperative. To the contrary, they replied. While non-members do receive the same price for their coffee, as do the members, they do not receive the other benefits of membership, such as the patronage refund or credit. So buying from non-members actually creates a desire within non-members to join the coop for they may receive the full benefits. Community members have positive opinions of the cooperative and want to join.

As shown in Table 10, the BDM and membership agree or strongly agree (BDM, 100%; membership, 100%) with the statement, “The cooperative is respected in the community.”

#### *Research Question 4*

To gain information about their perceptions on organizational and leadership development, the BDM and membership were asked five questions.

1. Does the leadership deliberately develop and train other members within the cooperative in order to create a pool of leadership talent? How? [BDM interview]

As a member, are you being developed into a better leader so that some day you may assume more responsibilities within the cooperative should be opportunity arise? [Membership interview]

The intent was to inquire whether the cooperative has a deliberate program of developing new leaders, especially the youth, so that there is a permanent pool of leadership talent. Forty-three percent of the BDM respondents stated that a training program has already been started or is in the process of being started. C2BDM05 explained: “The training sessions target the youth, non-committee members, zonal members, and perhaps even some non-members who show promise as future leaders.” Fifty-seven percent of the BDM indicated the cooperative does not have a membership education and training program.

Seventy-seven percent of the membership participants stated that they are becoming better leaders by watching their leaders and participating in decision-making. Though there is not a deliberate program for developing and training members, overall, the members felt like they are ‘watching and learning’. Twenty-three percent did not believe they are becoming better leaders.

As shown in Table 11, both the BDM and membership agreed or strongly agreed (BDM, 100%; membership, 92.3%) with the statement, “I see the promotion of youth in



Table 11

*Cooperative 2: Organizational and Leadership Development*

<b>Cooperative 2</b> <i>Item</i>	Group	<b>Strongly Disagree</b>		<b>Disagree</b>		<b>Do Not Know</b>		<b>Agree</b>		<b>Strongly Disagree</b>	
		<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>
<b>Organizational and leadership development</b>											
The promotion of youth in the BDM is important for sustainability	BDM	0	0	0	0	0	0	2	28.6	5	71.4
	M	0	0	0	0	1	7.7	9	69.2	3	23.1
Youth membership in the coop has potential to sustain the growth of the coop.	BDM	0	0	1	14.3	0	0	2	28.6	4	57.1
	M	0	0	2	15.4	1	7.7	7	53.8	3	23.1
The management is honest.	BDM	0	0	0	0	0	0	6	85.7	1	14.3
	M	0	0	0	0	1	7.7	5	38.5	7	53.8
The leadership is honest.	BDM	1	14.3	0	0	0	0	5	71.4	1	14.3
	M	0	0	1	7.7	1	7.7	4	30.8	7	53.8
BDM socialize with the members of the cooperative.	BDM	0	0	0	0	0	0	5	71.4	2	28.6
	M	0	0	0	0	0	0	10	76.9	3	23.1
The leadership runs the coop to suit its own purposes.	BDM	3	42.9	1	14.3	0	0	3	42.9	0	0
	M	8	61.5	3	23.1	1	7.7	0	0	1	7.7
The coop has a shared vision	BDM	0	0	1	14.3	0	0	4	57.1	2	28.6
	M	1	7.7	1	7.7	2	15.4	7	53.8	2	15.4
The cooperative has a vision for what it wants to be and accomplish in the future.	BDM	0	0	0	0	0	0	4	57.1	3	42.9
	M	1	7.7	0	0	3	23.1	6	46.2	3	23.1
I believe that in the absence of PEARL the cooperative will continue to grow.	BDM	0	0	1	14.3	0	0	3	42.9	3	42.9
	M	1	7.7	0	0	3	23.1	9	68.2	0	0
Without the assistance of PEARL, the cooperative will be unable to function.	BDM	2	28.6	2	28.6	0	0	3	42.9	0	0
	M	4	30.8	3	20.0	2	15.4	2	15.4	2	15.4

the leadership and management as important for sustainability.” The BDM and membership also agreed or strongly agreed (BDM, 85.7%; membership, 76.9%) with the statement, “The youth membership in the cooperative has the potential to sustain the growth of the cooperative.”

2. What are the attributes of an effective leader and manager? What are the attributes of ineffective leaders and managers? Which of these attributes do the leaders and management possess?

The BDM and membership participants believed that the cooperative has effective leadership. Some BDM and members commented: “Our leaders treat us well and equally” (C2M03), “Coffee growers are happier than before” (C2BDM05), and “Our leaders are hard working, seek peaceful solutions to problems, and are humble. If they did not possess these characteristics, we would sack them” (C2M07).

As shown in Table 11, the cooperative believed the BDM to be honest. The BDM and membership agreed or strongly agreed with the statements, “The management is honest” (BDM, 100%; membership, 92.3%) and “The leadership (i.e. board of directors) is honest” (BDM, 85.7%; membership, 84.6%).

3. What are the long-term goals of the cooperative? What will the cooperative be like in 5 years? Is this a vision shared by all the members, management, and the leadership board?

All of the BDM participants gave widely differing responses. There was one common thread throughout their answers: they want to continue strengthening the cooperative. They lack, however, time-specific and measurable objectives.

Fifty-four percent of the membership participants shared varying goals with a common thread: to reduce poverty. The remaining forty-six percent either commented that only the top leaders and managers know the long-term goals of the cooperative or were completely unaware of the cooperative's goals.

As shown in Table 11, the BDM and membership agreed or strongly agreed (BDM, 85.7%; membership, 69.2%) with the statement, "The cooperative has a shared vision among the membership, management, and leadership."

4. Does the cooperative have a strategic plan? If so, what is the strategic plan?

Seventy-two percent of the BDM participants stated that every year the cooperative adopts strategic plans at the General Assembly meetings. This is done with assistance from PEARL. In contrast, sixty-nine percent of the members interviewed were unaware of the strategic plan or are aware that a strategic plan has been approved but don't know what it is. The remaining thirty-one percent of the members indicated that they know the strategic plans, yet none of the plans matched.

5. Will this cooperative continue to function in the absence of PEARL? Why do you think that?

The intent of this question was to find out the cooperative's perceptions of their institutional strength and management capabilities. Seventy-two percent of the BDM believed that the cooperative will continue to function in the absence of PEARL, though there may be an initial dip in performance. The membership, too, are hopeful in the future of the cooperative. Seventy percent of the membership participants interviewed believed that the cooperative will continue to function in the absence of PEARL. Fifteen percent indicated that the cooperative will not survive because it is weak. Another fifteen

percent said that they did not know and deferred to the manager. No one mentioned the role of the federation for the cooperative's long-term sustainability.

As shown in Table 11, the BDM and membership disagreed or strongly disagreed (BDM, 57.2%; membership, 53.8%) with the statement, "Without the assistance of PEARL, the cooperative will be unable to function."

#### *Research Question 5*

To gain information about their perceptions on the duties fulfilled by the BDM and the relationships among them, the BDM and membership were asked five questions.

1. Are the management and board composed of the same individuals? Do individuals within management ever assume responsibilities that belong to leadership and vice-versa?

Ninety-five percent of the participants indicated that the management and board are not composed of the same individuals.

2. Describe the relationship between the General Manager and the management team members. (This question is only on the questionnaire for the BDM.)

All of the BDM indicated that the relationship between the General Manager and the Management team is positive. C2BDM03 stated, "The General Manager and the Management team Members have their own duties. The General Manager is the responsible for carrying out the day-to-day activities of the cooperative. There are weekly meetings for planning and information."

3. Describe the relationship between the whole Management team and the Board of directors. (This question is only on the questionnaire for the BDM.)

Eighty-six percent of the BDM participants indicated that the relationship between the Management and the Board of directors is positive. The lone dissenter (C2BDM05) pointed out that though the relationship has been “generally good” there have been “a few cases of conflict over responsibilities.”

As shown in Table 12, the BDM and Membership agreed or strongly agreed (BDM, 85.7%; membership, 92.3%) that the “Leadership and management handle conflicts between each other well.”

4. What are the procedures to allow for financial transparency? [BDM interview] Are all of them followed? [BDM interview] Do all Members know the financial status of the cooperative? [BDM interview] Is there financial transparency? [Membership interview] What is the current financial status of the cooperative, including the repayment of loans from banks? [Membership interview] How often does the accountant prepare financial statements and make them know to all members? [Membership interview]

All of the BDM participants stated that the cooperative’s financial status is made public to the membership once per year and that there is an internal and external audit of the cooperatives’ accounts. The membership participants indicated that there is financial transparency. Eighty-five percent of the membership stated that the BDM takes measures to ensure financial transparency, particularly making financial statements public during the General Assembly meetings. None of the members knew the current financial status as it was the end of the season and as of that time had not received payment for their coffee.

Table 12

*Cooperative 2: Duties and Relationships*

<b>Cooperative 2</b> <i>Item</i>	Group	<b>Strongly Disagree</b>		<b>Disagree</b>		<b>Do Not Know</b>		<b>Agree</b>		<b>Strongly Disagree</b>	
		<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>
<b>Duties and relationships</b>											
Leadership and management handle conflicts between each other well.	BDM	1	14.3	0	0	0	0	5	71.4	1	14.3
	M	0	0	1	7.7	0	0	8	61.5	4	30.8
The management runs the cooperative to suit its' own purposes.	BDM	4	57.1	1	14.3	0	0	1	14.3	1	14.3
	M	6	42.6	5	38.5	1	7.7	1	7.7	0	0
Members approve financial reports on a regular basis.	BDM	0	0	0	0	0	0	4	57.1	3	42.9
	M	1	7.7	1	7.7	2	15.4	8	61.5	1	7.7
There is transparency in all of the financial dealings of the cooperative.	BDM	0	0	1	14.3	0	0	5	71.4	1	14.3
	M	0	0	1	7.7	2	15.4	7	53.8	3	23.1
Members take part in approving annual budgets.	BDM	0	0	1	14.3	0	0	4	57.1	2	28.6
	M	1	7.7	0	0	2	15.4	10	76.9	0	0
Meetings are conducted in a way that I understand what is going on in the cooperative.	BDM	0	0	0	0	0	0	6	85.7	1	14.3
	M	0	0	1	7.7	0	0	10	76.9	2	15.4
I understand what the purpose and functions of the federation will be.	BDM	1	14.3	0	0	0	0	4	57.1	2	28.6
	M	5	38.5	3	23.1	4	30.8	1	7.7	0	0

As shown in Table 12, the BDM and Membership agreed or strongly agreed with the statements: “Members approve financial reports on a regular basis” (BDM, 100%; membership, 69.2%), “There is transparency in all of the financial dealings of the cooperative” (BDM, 85.7%; membership, 76.9%), and “Members take part in approving annual budgets” (BDM, 85.7%; membership, 76.9%).

5. What will be the structure, purpose and potential of the federation? What will be the relationship between the cooperative and the federation? (This question is only on the questionnaire for the BDM.)

Seventy-one percent of the BDM participants were in agreement as to the structure, purpose, and potential of the federation of coffee cooperatives. The members, however, are not as familiar with the federation. Forty-six percent of the membership participants did not know anything about the federation while the remaining fifty-four percent only knew that it exists, yet did not know much about its intended role in the sustainability of the cooperative.

As shown in Table 12, the BDM and membership's vary widely in their awareness of the coffee federation. BDM participants agreed or strongly agreed (85.7%) with the statement, "I understand what the purpose and functions of the federation." Membership participants, however, disagreed or strongly disagreed (61.6%) with the statement and nearly a third (30.8%) did not know.

#### *Follow-up Interview with the General Manager of Cooperative 2*

After having completed the interviews and questionnaires at the three coffee cooperatives, the researcher requested that each of the three General Managers be interviewed a second time. The purpose of the second interview was to clarify and/or supplement the information gained during the first interview. A PEARL staff member interviewed the General Managers of Cooperative 1 and 2; at that time the General Manager of Cooperative 3 was unavailable for an interview. The questions and responses of the second interview of the General Manager of Cooperative 2 can be found in Appendix 5.

### Case Study: Cooperative 3

Table 13 shows the gender, age, and education of Cooperative 3 BDM and membership. BDM participants included ten men and two women, one of whom had no schooling, six who had primary schooling, and five with secondary schooling. Four were between the ages of 20 to 30, 1 was between the ages of 31 to 40, three were from the ages of 41 to 50, two were between the ages of 51 to 60, and two were 61 years old or older. Membership participants included six men and four women, eight of whom had primary schooling and two with secondary schooling. Four were between the ages of 31 to 40, two were between the ages of 41 to 50, three were between the ages of 51 to 60, and one was 61 years old or older.

Table 13

*Cooperative 3: Gender, Age, and Education*

	Gender	Age		Education		
BDM	Men	10	20-30	4	No schooling	1
	Women	02	31-40	1	Primary	6
			41-50	3	Secondary	5
			51-60	2	Beyond	0
			61-	2		
Membership	Men	6	20-30	0	No schooling	0
	Women	4	31-40	4	Primary	8
			41-50	2	Secondary	2
			51-60	3	Beyond	0
			61-	1		

*Research Question 1*

To gain a sense of the cooperative's perceptions regarding cooperative principles, three questions were asked:



1. What is a cooperative? Who owns the cooperative?

All of the BDM and membership participants stated that the cooperative is member-owned. Members shared these comments: “A cooperative is a unity of members either as individuals or small associations with the common objective of promoting a certain activity to make their lives, families, and communities better” (C3M02) and “A cooperative is a unified group of people brought together by a common activity intending to solve a common problem” (C3M05).

2. What is the current role of (local, provincial, or national) government in the cooperative?

All of the BDM and membership participants indicated that the government does not overly involve itself in the daily affairs of the cooperative. C3BDM04 stated, “The government has helped us by providing lumber for the construction of our office, helped us spread information about the cooperative to community members, and tells the agricultural officer (i.e., extension agent) to visit us.”

As shown in Table 14, the BDM and membership held different opinions regarding the involvement of the government in the cooperative’s affairs. The majority (58.4%) of the BDM agreed or strongly agreed with the statement, “The local authorities should refrain from involving themselves in the affairs of the cooperative.” The majority (80%) of the membership disagreed or strongly disagreed with the statement.

3. How were the leaders and managers chosen? Can the current organizational structure be improved? How?

All of the respondents were aware that the General Assembly elected the board of directors who, in turn, selected the management. The cooperative’s heightened

Table 14

*Cooperative 3: Understanding of Cooperative Principles*

<b>Cooperative 3</b>	Group	<b>Strongly Disagree</b>		<b>Disagree</b>		<b>Do Not Know</b>		<b>Agree</b>		<b>Strongly Disagree</b>		
		<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	
<b>Understanding cooperative principles</b>												
The local authorities should refrain from involving themselves in the affairs of the cooperative	BDM	2	16.7	2	16.7	1	8.3	5	41.7	2	16.7	
	M	2	20	6	60	0	0	2	20	0	0	

awareness may have resulted from their troubles with the previous board of directors.

The cooperative dismissed the board due to financial improprieties and elected new leadership. All of the respondents indicated that the current organizational structure is adequate.

*Research Question 2*

To gain an understanding of their perceptions regarding the degree of participation and decision-making by the various sub-populations, the BDM and membership were asked four questions.

1. How do members participate in decision-making process of the cooperative?  
[BDM interview] How do you as a member participate in the decision making process of the cooperative? [Membership interview] How do other members participate in decision making about the policies of the cooperative? [Membership interview]

All of the BDM and membership interviewed indicated that the members actively participate in decision-making. C3BDM03 shared: “They contribute their ideas in sector meetings. Their ideas are then forwarded to the leadership, which makes the final decision. C3M09 stated, “I am a sector counselor for the cooperative so I conduct regular meetings with my sector, then pass on our ideas to the sector presidents who in turn passes them on to the cooperative president and vice versa.”

As shown in Table 15, the BDM and membership agreed or strongly agreed (BDM, 100%; Membership, 100%) with the statement: “The opinions and suggestions of members matter to the management and leadership.”

2. How are benefits shared? [BDM interview] Is the benefits-sharing mechanism fair to all members? [BDM interview] How are you benefiting from the outcomes of the cooperative? [Membership interview] Are benefits gained in a fair and reasonable way? Why do you think so? [Membership interview]

All of the BDM and membership participants believed that the benefit sharing mechanism (i.e., the sale of coffee cherries at the coffee washing station and the profit-sharing patronage dividend based on quantity supplied) is fair. C3M12 shared this comment: “Benefits are shared equally even though they are still small. The profit sharing mechanism is fair because members get profit according to quantity supplied at the Coffee Washing Station (CWS).” C3M03 recounted:

I am a widow, but still able to send my children to school because of the cooperative. I am able to save a lot of time and energy because a lot of the work I used to do on my coffee plantation has been taken over by the

cooperative. This allows me to do my other household chores. I get all my money from the coffee at once which enables me make better use of it.

Forty-one percent of BDM participants and sixty percent of the membership participants pointed out that since the cooperative was established, the farmers have been paid late every year and have yet to receive a patronage dividend. C3M07 stated, “I don’t think I am benefiting because the money from the coffee comes after a very long time, forcing us to incur very many debts before it comes. But when it finally comes, it is distributed fairly.” In a personal conversation, the General Manager explained that the previous Board of directors, who was dismissed for financial improprieties, caused the present delay in the payments and the lack of a profit-sharing patronage dividend. He added that the cooperative is doing all it can to recover from this predicament by gaining financial strength.

As shown in Table 15, the BDM and membership agree or strongly agree with the following statements: “The benefits of participation are shared in a fair fashion” (BDM, 100%; membership, 90%), “I am satisfied with the cooperative” (BDM, 100%; membership, 100%), and “In the future I will continue to participate in the activities of the cooperative” (BDM, 100%; membership, 100%).

3. Describe the degree to which each of the following participates in the decision-making of the cooperative: men and women, youth and older folks, educated and less educated?

Half of the BDM believed that all segments of the cooperative participate equally in decision-making. Of those who believed that the decisions of one or more subpopulations carry more weight, one-fourth believed that men have a greater role than

Table 15

*Cooperative 3: Participation and Decision-Making*

<b>Cooperative 3</b>	Group	<b>Strongly Disagree</b>		<b>Disagree</b>		<b>Do Not Know</b>		<b>Agree</b>		<b>Strongly Disagree</b>	
		<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>
<b>Participation and Decision-Making</b>											
The opinions and suggestions of members matter to the management and leadership.	BDM	0	0	0	0	0	0	8	66.7	4	33.3
	M	0	0	0	0	0	0	8	40	2	20
The benefits of participation are shared in a fair fashion.	BDM	0	0	0	0	0	0	9	75	3	25
	M	0	0	1	10	0	0	6	60	3	30
I am satisfied with the coop.	BDM	0	0	0	0	0	0	8	66.7	4	33.3
	M	0	0	0	0	0	0	5	50	5	50
The majority of the members in the coop are dissatisfied.	BDM	2	16.7	6	50	0	0	4	33.3	0	0
	M	2	20	6	60	0	0	2	20	0	0
In the future I will continue to participate in the activities of the coop.	BDM	0	0	0	0	0	0	6	50	6	50
	M	0	0	0	0	0	0	5	50	5	50
Members and worker subgroups are able to approach the BDM.	BDM	0	0	0	0	1	8.3	7	58.3	4	33.3
	M	0	0	0	0	0	0	7	70	3	30
I feel like I can speak my opinion during a meeting.	BDM	0	0	0	0	0	0	6	50	6	50
	M	0	0	0	0	0	0	6	60	4	40
Gender balance is given due consideration in the membership.	BDM	0	0	0	0	1	8.3	7	58.3	4	33.3
	M	0	0	0	0	0	0	7	70	3	30
Gender balance is given due consideration in the leadership and management.	BDM	0	0	0	0	0	0	8	66.7	4	33.3
	M	0	0	0	0	0	0	8	80	2	20

women. Half believed that older people have a greater role and that the more educated play a greater role in decision-making. C3BDM07 shared: “There are very few women. Though they are few there is no discrimination against them.” C3BDM02 observed,

The youth play a smaller role because they prefer to move to the cities in search of jobs. They typically are not members. Even those who are, it is through their families, so the head of the family plays a bigger role in decision making.

Half of the membership respondents believed that each subpopulation participates equally in decision-making. Of those who believed that one (or more) subpopulation are more influential, thirty percent believed that men play a greater role, thirty percent believed that the older folks have a greater role, and twenty percent believed that the youth have a greater role because several of the management positions are held by youth who have graduated from secondary school. Despite that half of the BDM and membership interviewed believed that certain sub-populations possess greater influence in decision-making, no one expressed any concern.

As shown in Table 15, the BDM and membership agreed or strongly agreed with the statements, “Members and worker subgroups are able to approach the board of directors and management” (BDM, 91.7%; membership, 100%), “I feel like I can speak my opinion during a meeting” (BDM, 100%; membership, 100%) and “Gender balance is given due consideration in the board of directors and management” (BDM, 100%; membership, 100%).

4. Did all members agree, privately and publicly, to join the coffee federation? How were delegates selected?

Half of the BDM indicated that the members agreed to join the federation. Sixty percent of the membership participants, however, knew nothing about the federation.

Half of the BDM admitted that the board of directors had selected the delegates. Twenty percent of the BDM knew nothing about the federation.

### *Research Question 3*

To gain information about their perceptions on the internal and external communications of the cooperative, the BDM and membership were asked five questions.

1. How often do leaders and managers of your cooperative listen, formally and informally, to cooperative members in order to recognize their concerns? [BDM interview] What are the mechanisms for gathering member input? [BDM interview] How often do leaders and managers of your cooperative listen, formally and informally, to cooperative members in order to recognize their concerns? [Membership interview]

All of the BDM believed that leaders and manager listen on a frequent basis to cooperative members. The most common response was that they meet with the cooperative members at least three times a year. The BDM emphasized the role played by the sector presidents, advisors, and extension agents in the internal communications of the cooperative. C3BDM07 commented: “They meet often. There is a two-way flow of information that is possible thanks to locally-based extension agents and representatives

Table 16

*Cooperative 3: Internal and External Communication*

<b>Cooperative 3</b> <i>Item</i>	Group	<b>Strongly Disagree</b>		<b>Disagree</b>		<b>Do Not Know</b>		<b>Agree</b>		<b>Strongly Disagree</b>	
		<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>
<b>Communication</b>											
BDM does not listen to the cooperative members.	BDM	4	33.3	6	50	0	0	2	16.7	0	0
	M	3	30	6	60	0	0	1	10	0	0
Members can freely seek the advice/counsel of the BDM.	BDM	0	0	0	0	0	0	9	75	3	25
	M	0	0	0	0	0	0	7	70	3	30
Members are well informed of the decisions made by leadership and management.	BDM	1	8.3	0	0	1	8.3	9	75	1	8.3
	M	1	10	1	10	0	0	6	60	2	20
The leadership provides opportunities for feedback.	BDM	0	0	0	0	0	0	9	75	3	25
	M	0	0	0	0	0	0	8	80	2	20
The management provides opportunities for feedback.	BDM	0	0	0	0	0	0	10	83.3	2	16.7
	M	0	0	0	0	0	0	8	80	2	20
BDM knows how to help members resolve conflicts.	BDM	0	0	1	8.3	0	0	8	66.7	3	25
	M	0	0	0	0	0	0	6	60	4	40
There is a good flow of information between the cooperative and PEARL.	BDM	0	0	0	0	0	0	7	58.3	5	41.7
	M	0	0	3	30	1	10	4	40	2	20
When problems arise the cooperative can freely seek the advice/counsel of PEARL.	BDM	0	0	0	0	0	0	6	50	6	50
	M	0	0	0	0	1	10	7	70	2	20
The cooperative is respected in the community.	BDM	0	0	0	0	0	0	7	58.3	5	41.7
	M	0	0	0	0	0	0	5	50	5	50



at the sector level. There are formal meetings held by the board of directors in which all sectors have representatives.”

All of the membership participants felt like there are an adequate number of opportunities for meeting with the BDM. C3M09 said, “We communicate easily. There is no problem.”

As shown in Table 16, the BDM and Membership agree or strongly agree with the following statements: “Members can freely seek the advice/counsel of the leadership” (BDM, 100%; membership, 100%), “Members are well informed of the decisions made by the leadership and management” (BDM, 83.3%; membership, 100%), “The leadership provides opportunities for feedback” (BDM, 100%; membership, 100%), and “The management provides opportunities for feedback” (BDM, 100%; membership, 100%).

2. If two members are having problems between each other and it could negatively affect the cooperative, how would the management and/or leadership of your cooperative handle this situation? Give an example.

All of the BDM believed that the BDM is responsible for resolving conflicts rather than sector level leadership. The membership participants gave varied answers. Fifty percent of the membership participants stated that the board of directors would solve the conflict without consulting the membership; twenty percent indicated that the board of director would call a general meeting and let the membership make a decision, and thirty percent stated that conflict resolution must first be attempted at the sector level before proceeding anywhere else.

As shown in Table 16, the BDM and membership agree or strongly agree (BDM, 100%; membership, 100%) with the statement, “The leadership and management know how to help members resolve conflicts.”

3. Let’s imagine that a member of the leadership board does something that breaks a constitutional by-law of the cooperative. What would the cooperative members do about it? (This question is included only on the membership questionnaire.)

Fifty percent stated that to dismiss a leader, the membership must call a general meeting. Thirty percent stated that the BDM should meet and make a decision. Forty percent admitted that they did not know what to do.

4. How do you perceive the involvement of PEARL in the cooperative? Describe the communication between the cooperative and PEARL. How should it be improved?

The intent of this question is not to assess PEARL; it is to look at the degree of internal and external communication in the cooperative, especially the flow of information from PEARL to the cooperative leadership, and finally, to the members. Such an assessment sheds light on the flows of communication in the cooperative. All of the BDM perceive PEARL very positively. C3BDM03 stated, “If it were not for PEARL, our cooperative would have collapsed.” C3BDM07 added: “In general, we have good feelings about PEARL. They try to guide us to solve our own problems.” Member participant C3M05 suggested that the flow of communication from PEARL to the BDM be improved. “For important decisions, the information should be sent to the whole leadership team instead of just one or two members of the board.”

It must be noted, however, that three BDM participants and two members suggested that PEARL purchase cell phones and cows for the cooperative. These suggestions do not align with PEARL's mission of building self-sufficiency. Moreover, these comments revealed that not all the BDM or members in this cooperative fully understand PEARL's mission.

As shown in Table 16, the BDM and membership agreed or strongly agreed with the statements, "There is a good flow of information between the cooperative and PEARL" (BDM, 100%; membership, 60%) and "When problems arise the cooperative can freely seek the advice/counsel of PEARL" (BDM, 100%; membership, 90%).

5. What do community Members who are not cooperative members think about the cooperative?

Half of the BDM participants believed that the cooperative is well thought of in the community. Two BDM pointed out that community members would like to join the cooperative if it offered higher prices. This is the situation the cooperative finds itself in: There are local, private coffee traders who offer an initial higher price for coffee beans, but do not offer a patronage dividend or credit. As an incentive, the private coffee traders have offered cows to their top suppliers. (In Rwanda, cattle ownership is the greatest sign of wealth and prestige.) Many of the cooperative members have opted to sell their beans to the cooperative's rival, mostly because the trader pays cash immediately whereas the cooperative may take weeks to pay out. As the farmers are extremely poor, the trader is a tremendous threat to the cooperative. It is believed that the long-term goal of these traders is to draw the members away from the cooperative to cause its collapse and then lower the price offered for the beans.

Sixty percent of the membership participants believed that the cooperative is well thought of among the community members. Twenty percent believed that community members disregard the cooperative because of the low prices offered. C3M07 said, “Some speak well of it and would like to join while others who have noticed that the money from our coffee sales takes a long time to get to us laugh at us saying that the cooperative is a failure.”

As shown in Table 16, the BDM and membership agreed or strongly agreed (BDM, 100%; membership, 100%) with the statement, “The cooperative is respected in the community.”

#### *Research Question 4*

To gain information about their perceptions on organizational and leadership development, the BDM and membership were asked five questions.

1. Does the leadership deliberately develop and train other members within the cooperative in order to create a pool of leadership talent? How? [BDM interview]  
As a member, are you being developed into a better leader so that some day you may assume more responsibilities within the cooperative should the opportunities arise?

Two-thirds of the BDM interviewed indicated that there is not a deliberate plan for developing and training members, especially the youth, in order to create a pool of leadership talent. A comment by C3BDM05 revealed a great deal about why the cooperative has not instituted a member education program. “The leaders don’t even want to think that a time will come when they have to leave their positions, so they don’t want to start preparing someone who will take over from them.”

Table 17

*Cooperative 3: Organizational and Leadership Development*

<b>Cooperative 3</b> <i>Item</i>	Group	<b>Strongly Disagree</b>		<b>Disagree</b>		<b>Do Not Know</b>		<b>Agree</b>		<b>Strongly Disagree</b>	
		<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>
<b>Organizational and leadership development</b>											
The promotion of youth in the BDM is important for sustainability	BDM	0	0	0	0	0	0	9	75	3	25
	M	0	0	0	0	1	10	6	60	3	30
Youth membership in the coop has potential to sustain the growth of the coop.	BDM	1	8.3	2	16.7	0	0	3	25	6	50
	M	0	0	0	0	0	0	9	90	1	10
The management is honest.	BDM	0	0	0	0	0	0	9	75	3	25
	M	0	0	0	0	0	0	6	60	4	40
The leadership is honest.	BDM	0	0	1	8.3	0	0	7	58.3	4	33.3
	M	0	0	0	0	0	0	4	40	6	60
BDM socialize with the members of the cooperative.	BDM	0	0	0	0	0	0	7	58.3	5	41.7
	M	0	0	1	10	0	0	4	40	5	50
The leadership runs the coop to suit its own purposes.	BDM	7	58.3	4	33.3	0	0	0	0	1	8.3
	M	3	30	7	70	0	0	0	0	0	0
The coop has a shared vision	BDM	0	0	0	0	1	8.3	7	58.3	4	33.3
	M	0	0	1	10	0	0	4	40	5	50
The cooperative has a vision for what it wants to be and accomplish in the future.	BDM	0	0	0	0	1	8.3	7	58.3	4	33.3
	M	1	10	1	10	0	0	5	50	3	30
I believe that in the absence of PEARL the cooperative will continue to grow.	BDM	0	0	0	0	2	16.7	10	83.3	0	0
	M	1	10	0	0	2	20	6	60	1	10
Without the assistance of PEARL, the cooperative will be unable to function.	BDM	0	0	7	58.3	1	8.3	3	25	1	8.3
	M	0	0	3	30	3	30	3	30	1	10

Though the question for the membership was poorly worded, the answer to the intended question can be surmised: no, there is not a deliberate program for member development. Sixty percent of the membership participants stated that they are developing into better leaders through observing their leaders. Thirty percent stated that they are not being developed into better leaders. Ten percent did not know.

As shown in Table 17, the BDM and membership agreed or strongly agreed with the statements, “I see the promotion of youth in the leadership and management as important for sustainability” (BDM, 100%; membership, 90%) and “The youth membership in the cooperative has the potential to sustain the growth of the cooperative” (BDM, 75%; membership, 100%).

2. What are the attributes of an effective leader and manager? What are the attributes of ineffective leaders and managers? Which of these attributes do the leaders and management possess?

All of the BDM and membership participants believed that the BDM possess and exercise the qualities of effective leaders.

As shown in Table 17, the BDM and membership agreed or strongly agreed with the statements: “The management is honest” (BDM, 100%; membership, 100%) and “The leadership is honest” (BDM, 91.7%, membership, 100%).

3. What are the long-term goals of the cooperative? What will the cooperative be like in 5 years? Is this a vision shared by all the members, management, and the leadership board?

The BDM offered varying responses regarding the cooperative’s long-term goals. Some examples are increased prices, increased production, improving the welfare of the

members. Three stated that all members will own clothes, shoes, and bicycles. Three would like for the cooperative to establish a bank. One said that the cooperative plans to buy a truck. The membership's responses mirrored the goals offered by the BDM. The shared vision among the BDM and membership is to improve the welfare of the members through increased incomes.

As shown in Table 17, the BDM and membership agreed or strongly agreed with the statements, "The cooperative has a shared vision among the membership, management and leadership" (BDM, 91.7%; membership, 90%) and "The cooperative has a vision for what it wants to be and accomplish in the future" (BDM, 91.7%; membership, 80%). These responses do not support the information gathered in the interview and merit further investigation.

4. Does the cooperative have a strategic plan? If so, what is the strategic plan?

Two-thirds of the BDM believed that the cooperative has a strategic plan yet not one of these respondents could give more than a definition of the term "strategic plan." "It is the plan of what we will do in the future" (C3BDM02) and "to increase production" (C3BDM05) are examples of their strategic plan. A third of the BDM did not know the cooperative's strategic plan.

Half of the membership participants believed that the cooperative has a strategic plan, but when prompted, could offer little more than a definition of a "strategic plan." The other half stated that they either do not know what the strategic plan is or that the cooperative does not have a strategic plan.

5. Will this cooperative continue to function in the absence of PEARL? Why do you think that?

The intent of this question was to find out the cooperative's perceptions of their institutional strength and management capabilities. All of the BDM participants believed that the cooperative will continue to function in the absence of PEARL. Half, however, indicated that the cooperative will face some serious difficulties in the absence of the PEARL project. C3BDM07 stated, "For now, if PEARL leaves, there will be problems." Only seventeen percent of the BDM mentioned the coffee federation.

As shown in Table 17, the BDM and membership agreed or strongly agreed (BDM, 83.3%; membership, 70%) with the statement, "I believe that in the absence of PEARL the cooperative will continue to grow."

#### *Research Question 5*

To gather information about their perceptions of the duties fulfilled by the management and board and their relationship, the BDM and membership were asked five questions.

1. Are the management and board composed of the same individuals? Do individuals within management ever assume responsibilities that belong to leadership and vice-versa?

All of the BDM and membership participants indicated that the management and board were composed of different individuals. Moreover, their responsibilities have been delegated clearly. C3M05 stated, "They are different people. They have separate responsibilities. The leaders represent the cooperative while the managers execute the cooperative's activities."

2. Describe the relationship between the General Manager and the management team members. (This question is only on the BDM questionnaire.)



All of the BDM believed that the relationship is positive. One-third of the BDM, however, stated that the cooperative does not have a General Manager. C3BDM08 said, “The cooperative does not have a General Manager because of financial problems. The Board president and the accountant are currently assuming the responsibilities normally fulfilled by the General Manager.”

3. Describe the relationship between the whole management team and the leadership. (This question is only on the LBM questionnaire.)

Two thirds of the BDM interviewed believed that the relationship between the management team and the leadership is positive. They could not think of any ways to improve the relationship.

As shown in Table 18, the BDM and Membership agreed or strongly agreed (BDM, 100%; membership, 90%) that the “Leadership and management handle conflicts between each other well.”

4. What are the procedures to allow for financial transparency? [BDM interview]  
Are all of them followed? [BDM interview] Do all members know the financial status of the cooperative? [BDM interview] Is there financial transparency?  
[Membership interview] What is the current financial status of the cooperative, including the repayment of loans from banks? [Membership interview] How often does the accountant prepare financial statements and make them known to all members? [Membership interview]

Two-thirds of the BDM participants indicated that procedures were followed to ensure financial transparency. The remaining third stated that procedures have been discussed but not written down or put into effect. Regarding whether the membership

has been fully informed of the cooperative's financial status, C3BDM08 shared the following: "The members are presented with the financial reports in public. However, most people don't really care about the financial status of the coop. What matters to them is what goes to their pockets."

Ninety percent of the members affirm that the BDM is transparent in handling the cooperative's finances. There were, however, wide differing opinions on the frequency of financial report making. Four members gave four different timetables ranging from once to four times a year. Three members stated that only the board knows the financial status and that the members have never been informed. These opinions do not align; it is impossible for a cooperative to be financially transparent and not have a firmly established timetable for sharing financial information.

As shown in Table 18, the BDM and membership agree or strongly agree with the statement, "There is financial transparency in all of the financial dealings of the cooperative" (BDM, 91.7%; membership, 100%), "Members approve financial reports on a regular basis" (BDM, 58.3%; membership, 60%), "Members take part in approving annual budgets" (BDM, 91.7%; membership, 50%).

Table 18

*Cooperative 3: Duties and Relationships*

<b>Cooperative 3</b> <i>Item</i>	Group	<b>Strongly Disagree</b>		<b>Disagree</b>		<b>Do Not Know</b>		<b>Agree</b>		<b>Strongly Disagree</b>	
		<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>
<b>Duties and relationships</b>											
Leadership and management handle conflicts between each other well.	BDM	0	0	0	0	0	0	9	75	3	25
	M	0	0	1	10	0	0	7	70	2	20
The management runs the cooperative to suit its' own purposes.	BDM	5	41.7	5	41.7	0	0	2	16.7	0	0
	M	1	10	9	90	0	0	0	0	0	0
Members approve financial reports on a regular basis.	BDM	2	16.7	1	8.3	2	16.7	7	58.3	0	0
	M	0	0	2	20	2	20	3	30	3	30
There is transparency in all of the financial dealings of the cooperative.	BDM	0	0	1	8.3	0	0	11	91.7	0	0
	M	0	0	0	0	2	20	6	60	2	20
Members take part in approving annual budgets.	BDM	0	0	0	0	1	8.3	11	91.7	0	0
	M	2	20	2	20	1	10	4	40	1	10
Meetings are conducted in a way that I understand what is going on in the cooperative.	BDM	0	0	0	0	1	8.3	8	66.7	3	25
	M	0	0	1	10	0	0	5	50	4	40
I understand the purpose and functions of the federation.	BDM	3	25	1	8.3	1	8.3	4	33.3	3	25
	M	3	30	2	20	2	20	2	20	1	10

5. What will be the structure, purpose and potential of the federation? What will be the relationship between the cooperative and the federation? (This question is only on the BDM questionnaire.)

Eighty percent of the BDM participants did not know how the federation will work. As shown in Table 18, the BDM and Membership agree or strongly agree (BDM,

58.3%; membership, 30%) with the statement, “I understand what the purpose and function of the federation.”

*Follow-up Interview with the General Manager of Cooperative 3*

Due to the unavailability of the General Manager of Cooperative 3, a follow-up interview was not conducted.

## **CHAPTER V**

### **SUMMARIES, CONCLUSIONS AND RECOMMENDATIONS**

The purpose of the study, objectives of the study, type of research, population, instrumentation, data collection, data analysis, summaries of findings, conclusions, and recommendations are presented in this chapter.

#### **Purpose of the Study**

The purpose of this study was to assess the cooperatives' current management practices and, subsequently, modify existing educational curricular modules in order to address the identified areas of need in cooperative management. The following research objectives were used to accomplish the purpose of this study:

1. What were the perceptions of the cooperative members, board of directors, and management concerning cooperative principles?
2. What were the perceptions of cooperative members, board of directors, and management regarding participation and decision-making by the various sub-populations within the cooperative?
3. What were the perceptions of the cooperative members, board of directors, and management concerning internal and external communications?
4. What were the perceptions of the cooperative members, board of directors, and management concerning their cooperatives' organizational and leadership development?

5. What were the perceptions of the cooperative members, board of directors, and management regarding the duties fulfilled by the board of directors and management and the relationships among them?

### **Summary of the Methodology**

In order to maximize the range of data and increase triangulation, a mixed methodology was used for this study. Qualitative and quantitative research methodologies were selected and used as needs assessment tools. Face-to-face interviews with open-ended questions were the basis for the qualitative methodology while a close-ended category-scale questionnaire was the basis for the quantitative methodology.

#### *Population*

This study involved the members, managers, and board of directors of three coffee cooperatives in southwestern Rwanda. These three cooperatives were assisted by the PEARL project, as were eight other coffee cooperatives. A total of 65 individuals participated in this research task:

- Maraba Coffee Cooperative is located in Butare Province, Maraba District. The first of the eleven cooperatives to be recognized by the government, it is composed of a total of 1,668 individuals (53% men and 47% women).
- Karaba Coffee Cooperative is located in Gikongoro Province, Karaba District. It is composed of a total of 2,012 individuals (76% men and 24% women).

- Gashonga Coffee Cooperative is located in Cyangugu Province, Gashonga District. It is composed of a total of 735 individuals (89% men and 11% women).

### *Instrument Development*

The research instruments were designed based on a review of the literature. These books and manuals proved to be valuable resources in instrument development: *Agricultural cooperation in developing countries: a Management approach* (Mendoza, 1980), *Methods for development work and research* (Mikkelsen, 2005), *Management of larger agricultural cooperatives* (Harper, 2001), and *Agricultural cooperative development: A manual for trainers* (FAO, 1998).

The interview protocol was divided into five sections: 1) Understanding cooperative principles, 2) Participation and decision-making, 3) Communication, 4) Organizational and leadership development, and 5) Duties and relationships. There were a total of 22 questions in the interview protocol.

On the survey questionnaire participants were asked to indicate their agreement with 38 statements. Their responses were based on an interval-scale, five-point Likert-type scale. The points on the scale are follows: 1= Strongly Disagree, 2= Disagree, 3= Do not know, 4= Agree, 5= Strongly agree.

While the survey questions dealt with the same concepts as the interview questions, it was not physically divided into five sections in the protocol. It was not until the data analysis stage that the survey questions were aligned with the interview questions.

### *Data Collection*

Data were collected from mid-July to mid-August, 2005. Data were collected through various means: interviews and survey questionnaires, persistent observation, and personal conversations. The interviews and surveys provided the bulk of the data. Each interview lasted approximately one hour.

Participants were assured by the researcher and the interviewers of the confidentiality of the information shared. Each participant signed the Interview Consent Form (Appendix 2). Five Rwandan professionals conducted the interviews. Two were professors at the National University of Rwanda, two were staff members of the PEARL project, and one was an extension officer with the national agricultural extension service. All five were fluent in French, English, and Kinyarwanda, and were highly cognizant of Rwanda's social, economic, and educational context. Working with a team of interviewers supports the credibility, transferability, and dependability of the data.

### *Data Analysis*

In order to maintain the participants' confidentiality, the researcher coded any names on the instrument responses. In the data analysis phase, a case study research methodology was used as it "has the ability to embrace multiple cases, to embrace quantitative and qualitative data, and to embrace multiple research paradigms" (Dooley, 2002, p. 336). The responses to both the quantitative and qualitative methods were compiled into thematic groupings based on the research questions guiding the study. Dooley (2002) noted that when using a multiple-case design, themes across cases can be checked, thus allowing the researcher to draw conclusions from common themes.



The response frequencies were used to analyze the interviews. The wealth of information gathered in the face-to-face interviews provided highly insightful data. For the survey questionnaire response frequencies and percentages were used in order to analyze the data. By framing the results of the qualitative and quantitative methodologies in the context of case studies, the validity of the data was strengthened.

### **Summary of Findings**

This section presents a summary of findings by research questions.

### **Conclusion 1 and Recommendations**

Question 1: What were the perceptions of the cooperative members, board of directors, and management concerning cooperative principles?

Cooperatives 2 and 3 indicated that their cooperatives were member-owned, rather than an external agency such as PEARL, the government, or an internal structure such as the BDM. A quarter of Cooperative 1 membership participants indicated that specific individuals own the cooperative. Cooperative 1 membership did not fully understand that the political power within the cooperative rests on the membership rather than the BDM. Comments such as, “That kind of information is left to the top management who knows best” (C1M05), “I participated in choosing those leaders so we trust whatever is decided by them,” (C1M07), and “Most people don’t really care about the financial status of the cooperative. What matters to them is what goes into their pockets,” (C1BDM14) revealed a lack of understanding of the cooperative principle of democratic member control. An implication exists that Cooperative 1 BDM has not

adequately educated the membership nor emphasized in word and action the cooperative principle of member ownership.

Another issue related to democratic control and member ownership of the cooperative is the need to have an increased understanding of power-enhancing measures, such as the procedures for dismissing cooperative leaders from their posts. In light of the 1966 ICA Cooperative Principles, Mendoza (1980) stated that cooperative leadership must consider that it is the members who bring the cooperative into existence.

Administrators and managers are to be held accountable by the members. If the members are not satisfied, they have the authority and power to object, and even to dismiss and replace their leadership. However, if the members were unaware of the procedures for dismissing and replacing officers and officials, their power is baseless. The educational modules must increase members' awareness of their cooperatives' bylaws and how it can be amended to better meet the cooperatives' needs.

Cooperative 2 is the only cooperative in which the BDM and membership indicated that the government should support cooperative development through setting policies and building infrastructure, but should refrain from involving themselves in the affairs of the cooperative. Cooperatives 1 and 3, on the other hand, gave mixed responses. An implication is that as a result of the national government's historical involvement in cooperative governance and crop production, Cooperatives 1 and 3 BDM have not yet understood the cooperative principle as promoted by the 1995 ICA *Statement of the Cooperative Identity* and the new policy established in 2005 by the Rwandan government on cooperatives, *Rwanda National Policy on the Promotion of Cooperatives*.

All three cooperatives were fully aware that the General Assembly elected the board of directors, who in turn, selected the management. A third of the Cooperative 1 membership participants were unable to distinguish between the board of directors and management. Moreover, in the follow-up interview of the General Manager (Appendix 2), the General Manager indicated that the board of directors and management did not have job descriptions. An implication exists that the lack of job descriptions has caused the board of directors and management to not know their exact responsibilities. As a result, each has fulfilled roles belonging to the other. Thus, the membership has been unable to distinguish between the board of directors and management. This may be detrimental to the long-term viability of Cooperative 1.

The cooperatives may benefit from educational programming addressing the issues of the member ownership of cooperatives, the involvement of the government in cooperative affairs as proposed by the *Statement on the Cooperative Identity* (ICA, 1996), and the value of and the procedures for writing job descriptions. An educational curriculum can stimulate a cooperative-wide discussion on the cooperative's constitutional by-laws addressing memberships' rights. The discussion may focus on the by-laws that highlight the procedures for improving the performance of their leaders and the procedures for filling the position of a deceased leader.

## **Conclusion 2 and Recommendations**

Question 2: What are the perceptions of cooperative members, board of directors, and management regarding participation and decision-making by the various sub-populations within the cooperative?

Every participant in Cooperative 3 indicated that they participate in some capacity in the decision-making of the cooperative. The results were not as positive for Cooperatives 1 and 2. In Cooperative 1, half of the membership interviewed indicated that they either do not participate in decision-making or they believe that it is not their responsibility to make voice their opinions and make decisions. In Cooperative 2, thirty-eight percent of the membership participants said that though they attend the meetings they do not engage in decision-making. The issue of contention is that most of the members have asserted the principle of member ownership, yet far too many have relegated their decision-making powers to the BDM. The implication is that Cooperatives 1 and 2 need educational training on member participation and decision-making.

All three cooperatives believe that the patronage dividend system is fair. The coffee farmers receive patronage dividends based on the quantity of coffee cherries supplied to the cooperative. An implication exists that the cooperatives, with PEARL's assistance, have instituted a fair and equitable patronage dividend system.

Regarding the issue of whether one or more sub-populations dominate the decision-making process of the cooperatives, all three cooperatives indicated that opinions of some sub-populations do tend to weigh more heavily in decision-making. However, no one seemed perturbed. In addition, the cooperatives largely perceive that gender balance is given due consideration. It is natural for some segments of the population to dominate the decision-making process. The implication exists that the cooperatives have thus far treated the issue as a natural course of events. However, if power is too heavily concentrated the cooperative will be negatively affected. In

Cooperative 1, a quarter of the BDM and membership participants believed the manager to be the sole decision-maker. Though in the minority, those who believed to be the case must be heard by the cooperative. The cooperative needs to resolve this matter.

Cooperative 1 yielded some curious results. Whereas the membership believes that it can approach the BDM, the BDM does not believe that the membership can freely approach them. An implication exists that the BDM is not as open and available to the membership as the BDM would like. The membership believes (100%) that it can share opinions during meetings, yet only 50% of the BDM feel similarly. An implication is that the BDM are hindered to share their opinions in meetings due to General Manager's autocratic leadership style.

All three cooperatives yielded similar results on the issues of whether all members agreed to join the federation of coffee cooperatives and the delegate(s) selection process. The BDM of the three cooperatives acknowledged that the members knew very little about the federation. Moreover, in Cooperatives 1 and 3 more than half of the BDM knew little, if anything, about the federation, including who had already been selected as delegates. It is clear that neither the membership nor the BDM is fully informed about the coffee federation: An implication exists that PEARL has not had sufficient time to disseminate information about the federation. However, it is not solely PEARL's responsibility to inform the cooperatives of the federation. It was apparent that a fraction of the BDM in Cooperative 1 and 3 was safeguarding information about the federation in order to more favorably position themselves in the federation.

The three cooperatives may benefit from cooperative-wide discussions on the role of membership participation in decision-making. Cooperative 1 and 2 need it the most.

This can be accomplished through the educational curriculum. Mendoza's (1980) statement rings true:

The members must be aware that the cooperative society is their business and that it is to their advantage to make full use of their democratic rights as members. Continuous education of members is thus a precondition to the existence of cooperatives as a truly democratic movement. (p. 22)

Through an educational curriculum, the three cooperatives may gain a greater understanding of the federation. Since the cooperatives will be represented in the federation, the members must decide who will represent them. The BDM privately selecting among them who will represent the cooperative goes against the cooperative principle of democratic member control. If the members select their own representatives, even if they are from among the BDM, it will increase their support of the federation, thus playing a significant role in the viability of the federation and the survival of the cooperatives in the absence of PEARL. The educational curriculum will serve as a stimulus for a cooperative-wide conversation about member participation in decision-making about the federation as well as the functions and purposes of the federation.

### **Conclusion 3 and Recommendations**

Question 3: What are the perceptions of the cooperative members, board of directors, and management concerning internal and external communications?

The data on Cooperatives 2 and 3 support the idea that the BDM listens to the memberships' concerns and opinions. Results on Cooperative 1, on the other hand, produced some perplexing findings. The BDM and membership have widely differing

opinions on whether the BDM listens to cooperative members and whether members can seek the counsel of the leadership. The membership believed that the BDM listens to cooperative members and they can seek the counsel of the leadership while the BDM rejected these two statements. A possible implication is that the BDM senses that it is not making the time or effort to listen to cooperative members.

All three cooperatives shared the opinion that their leadership can resolve conflict between members. The responses, however, demonstrate that the mechanism for enabling conflict resolution among members is largely on a case-by-case basis. A lack of a uniform method for solving conflict, such as attempting to resolve it at the sector level before involving the cooperative leadership, may be detrimental. Though a majority (57%) of Cooperative 2 BDM stated that the sector level leadership should first attempt to resolve conflict, only 8% of the membership participants gave a similar response. Despite Cooperatives 1 and 3 also having sector level leadership, their role in conflict resolution was scarcely mentioned by either the BDM or membership. An implication exists that the cooperatives have failed to emphasize the potential roles of the sector level meetings and strengthen the sector level leadership.

The membership of Cooperatives 1, 2, and 3 understand that they have rights and can dismiss leaders who break constitutional by-laws but are largely unaware of the procedures for removing a leader from office. If they were cognizant of their rights yet do not know how to initiate and follow through with the process, their awareness is empty. An implication exists that the cooperatives have not sufficiently educated the Members on power-enhancing measures for the members. It is critical that members are fully aware of the procedures for dismissing leadership.

The questions, “How do you perceive the involvement of PEARL in the cooperative? Describe the communication between the cooperative and PEARL,” reveal two insights: perceptions about communication flows and an awareness of the seminal role that PEARL has played in the development of the cooperatives. It naturally follows that cooperatives with good internal communication would know the most about PEARL. The BDM of all three cooperatives and the membership of Cooperative 2 perceive a positive flow of information between PEARL and the cooperative(s) and are well aware of the role played by PEARL in the cooperatives’ development. On the other hand, the membership of Cooperatives 1 and 3 do not know if there is good communication between PEARL and the cooperatives. Particularly disconcerting is that sixty percent of the membership participants of Cooperative 1 stated that they do not know what PEARL is or the role that it has played in the development of the cooperative. There are three (possibly overlapping) implications for Cooperative 1: first, PEARL primarily deals with the BDM and as a result the membership are uncertain about the PEARL project’s role; second, the BDM has failed to inform the membership of the PEARL project’s role; and third, the membership is so geographically scattered and don’t visit the coop offices with enough frequency to encounter PEARL personnel during their visits to the cooperative.

The primary recommendation is that the sector level meetings and leadership be strengthened. The benefits are multiple and multifaceted. The sector level leaders are physically closer to the members than the BDM. The large membership populations need sector level leaders who can spend time with the members, listen to their concerns and opinions, resolve conflicts, give counsel and advice, and improve general communication flows between the BDM and membership. Moreover, it would be highly appropriate for



the sector level meetings to incorporate educational programming on cooperative principles and the bylaws of the cooperative, among other important topics.

An educational program can spearhead a movement among the cooperatives to increase and enhance the strength of the sector level leadership. Educational training that leads to effective and timely conflict resolution mechanisms, a well-informed membership, and efficient communication flows, can deepen the cooperative spirit and increase the cooperative's long-term viability.

#### **Conclusion 4 and Recommendations**

Question 4: What are the perceptions of the cooperative members, board of directors, and management concerning their cooperatives' organizational and leadership development?

The three cooperatives lack a member education and training program. Hoyt (1996) pointed out in *And Then There Were Seven*, to achieve long-term sustainability a cooperative educate members, especially young and opinion leaders, about the nature and benefits of cooperation. An implication exists that the cooperative principle of cooperative education be emphasized so that members may be fully informed of the foundations and potential of cooperatives.

All three cooperatives need to engage in a cooperative-wide effort of goal setting and strategic planning. The management, board of directors, and membership may all play meaningful roles in goal setting and strategic planning. In this process, the membership is to identify the goals. The board of directors is to approve these and set long-term policies for accomplishing them. The management is to implement the day-to-

day strategic steps for accomplishing the goals. A benefit of this forethought is making public the expected product of their efforts and the creation of contingency plans, if necessary. An implication exists that setting goals and planning strategically begins with the membership. Establishing goals and plans for achieving those goals is essential for increasing democratic member control of the cooperative and participation and increasing the long-term sustainability of the cooperative.

It is recommended that the cooperatives use and adapt the educational curriculum developed by the researcher. The educational programs can be used to train the youth, potential leaders, and the membership. Important facets of the program will be sections on goal setting, strategic planning, strengthening the sector level leadership, and the federation. The curriculum, however, should not be the only program that the cooperatives use for education, training and information; it should merely stimulate each cooperative to develop its own educational programming pertinent to needs at the sector level. The researcher foresees that the cooperative-led programming will diffuse more efficiently and rapidly through sector level meetings. The process of goal setting and strategic planning can commence through the educational curriculum and will stimulate a discussion among the cooperative BDM and membership. Moreover, it lays a firm foundation for effective management of the cooperatives, thus enhancing their long-term sustainability.

Typically, youth are typically not decision makers within the cooperative because their either do not own land or move away to urban areas in search of employment. This threatens the sustainability of the cooperative. An approach to mitigate this effect is for the cooperatives to recruit a select group of youth who then shadow the General

Manager, management team and board of directors during a time-specific period. These youth serve as apprentices to the cooperative. The youth may then stand for election for office in the cooperative.

### **Conclusion 5 and Recommendations**

Question 5: What are the perceptions of the membership, board of directors, and management regarding the duties fulfilled by the board of directors and management and the relationships among them?

The board of directors and management in Cooperatives 2 and 3 has positive relationships among themselves. In Cooperative 1 about 25% of the BDM and membership believed the General Manager to have been autocratic and inconsiderate of the BDM and membership. Though not in the majority, the cooperative may benefit from listening to these individuals' observations and complaints.

In Cooperatives 1 and 3, the management and board of directors have assumed responsibilities that should be fulfilled by the other. The General Manager at Cooperative 1 blatantly admitted that the role of each BDM member has not been clearly defined. In Cooperative 3, the President of the board of directors has been serving as the acting General Manager. Due to the financial improprieties of a previous General Manager, the cooperative does not have sufficient funds to hire and pay a General Manager's salary. According to the President of the board, he will step down as the acting General Manager once the cooperative is financially stable.

An implication is that Cooperatives 1 and 3 need to discuss, create, implement and make public job descriptions for each position in the cooperative. A discussion

among the BDM and the subsequent writing of job descriptions may prove to be a helpful exercise. Considering the conflict between the General Manager and the management, Cooperative 1 may benefit from this process. Cooperative 3 may benefit from an increased awareness of the need to hire a General Manager. Cooperative 3 must ensure that the President of the board does not continue indefinitely as the acting General Manager.

Cooperatives 1 and 3 indicated that they do not approve annual budgets or financial reports on a regular basis. An implication exists that making public financial reports more than once per year at the General Assembly will increase the Members' interests in the internal affairs of the cooperative. As a result, there will be increased desire to patronize the cooperative. Financial reports can be disseminated through sector level meetings, thus enhancing the importance of the sector level leadership in communicating information from the BDM to the membership.

It is recommended that the BDM of Cooperatives 1 and 3 discuss, develop, implement and make public job descriptions. The cooperatives may profit from implementing the educational curriculum materials relating to writing job descriptions. In addition, the curriculum may serve as a springboard for creating and implementing a record keeping system that allows for financial statements to be made multiple times per year. The adoption of these recommendations may lead to significant improvements in the management practices of the cooperative, boost the members' satisfaction and patronage, and hopefully, increase the long-term viability of the cooperative.

### **Additional Recommendations**

The researcher recommends that future studies on the management practices of coffee cooperatives in Rwanda for the creation of educational curricular modules include topics not included in the research instruments. For example, future studies should include question(s) relating to the specific financial statement tools used by the accountants. This will allow researchers to know if the financial statement tools are appropriate for the needs of the cooperative. Perhaps one of the reasons why the cooperatives report the financial status only once a year is that the financial statement in current use are inappropriate to the context.

Another recommendation is that research instruments include a set of questions for all respondents about whether an educational curriculum on the management of cooperatives is needed, and if so, what would they hope to learn from it. This is a glaring omission in the research instruments. Recognizing this shortcoming, the researcher included this question in the second interview of the Managers. It should have, however, been included in the original research instruments for BDM and membership.

A third recommendation is that future researchers ask the BDM and members specific questions relating to their cooperative's constitutional by-laws, thus assessing the cooperatives' knowledge and awareness of their own internal regulations. This requires that the researcher be familiar with the cooperatives' by-laws. Future researchers and cooperatives would benefit from this need assessment in that it could be addressed in later educational curriculum modules.

A fourth recommendation is that future research efforts on the management practices of coffee cooperatives in Rwanda include a wider scope of questions regarding

the roles fulfilled by the hired management, board of directors, and membership as laid out in pages 23-31 of this document.

A fifth recommendation is that professors and students at the National University of Rwanda conduct future research endeavors on the management practices of coffee cooperatives in Rwanda, thus eliminating the language and cultural barriers encountered by the researcher. It is likely that research instruments and educational curriculum may be more suited to the Rwandan context than those created by an outside consultant. Finally, such a research endeavor by a Rwandan professor or university student may accomplish that which was pointed out by Edoho (1998). African governments (in this case, in the form of university professors and students), foreign donor governments, and international development agencies must make a concerted effort to build the local skills and institutions that are so vital to sustain long-term development.

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## APPENDIX 1

### CONSENT FORM

I have been asked to participate in a research study to respond to emerging needs in farming cooperatives. The information yielded from the farming cooperatives and the Partnership to Enhance Agriculture in Rwanda (PEARL) project will serve as a guide for the creation of a curriculum to be used with the Members of farming cooperatives. The goal of the curriculum is to train cooperative leadership, Management, and Membership in the best Management practices of farmer cooperatives. I understand that Samuel Goff, the primary investigator, will use the information collected toward the completion of a Master of Science thesis at Texas A&M University.

I was selected to be a possible participant because of my experience, knowledge of the topic, and familiarity with those who will benefit from the curriculum. I have been identified as a potential contributor to the research by individuals related to PEARL. A total of about 60 people have been asked to participate in this study.

If I agree to be in this study, I will be asked to participate in a semi-structured interview and a Likert-scale based questionnaire. My participation may be requested for one day. I understand that the risks involved in participating are no more than would normally be expected on a daily basis. I will not be financially compensated.

To minimize any risk to me for my participation in this study, my responses will be coded and a pseudonym will be given to me. This study is confidential. The records of this study will be kept private. No identifiers linking me to the study will be included in any sort of report that might be published.

My decision whether or not to participate will not affect my current or future relations with PEARL, National University of Rwanda or Texas A&M University. If I decide to participate, I am free to refuse to answer any of the questions that may make me uncomfortable. I may withdraw at any time without my relations with the any of the above named institutions being affected, nor will it affect my job or benefits. I can contact Samuel Goff (sgoff@aged.tamu.edu), Dr. James R. Lindner (j-lindner@tamu.edu), or Dr. Tim Schilling (schilling@rwandatel.com) with any questions about this study.

This research study has been reviewed by the Institutional Review Board-Human Subjects in Research, Texas A&M University. For research-related problems or questions regarding subjects' rights, I can contact the institutional Review Board through Dr. Michael W. Buckley, Director of Research Compliance, Office of Vice President for Research at 011-979-845-8585 (mwbuckley@tamu.edu).

I have read the above information. I have asked questions and have received answers to my satisfaction. I have been given a copy of this consent document for my records. By signing this document, I consent to participate in the study.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Investigator: \_\_\_\_\_ Date: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_  
Date \_\_\_\_\_ Initial \_\_\_\_\_

## APPENDIX 2

### INTERVIEW QUESTIONS

#### Research Question 1: Cooperative principles

1. What is a cooperative? Who owns the cooperative?
2. What is the current role of (local, provincial, or national) government in the cooperative?
3. How were the leaders and managers chosen? Can the current organizational structure be improved? How?

#### Research Question 2: Participation and Decision-Making

1. How do members participate in decision-making process of the cooperative?  
[BDM interview] How do you as a member participate in the decision-making process of the cooperative? [Membership interview] How do other members participate in decision-making about the policies of the cooperative?  
[Membership interview]
2. How are benefits shared? [BDM interview] Is the benefits-sharing mechanism fair to all members? [BDM interview] How are you benefiting from the outcomes of the cooperative? [Membership interview] Are benefits gained in a fair and reasonable way? Why do you think so? [Membership interview]
3. Describe the degree to which each of the following participates in the decision-making of the cooperative: men and women, youth and older folks, educated and less educated?

4. Did all members agree, privately and publicly, to join the coffee federation? How were delegates selected?

#### Research Question 3: Internal and External Communications

1. How often do leaders and managers of your cooperative listen, formally and informally, to cooperative members in order to recognize their concerns? [BDM interview] What are the mechanisms for gathering member input? [BDM interview] How often do leaders and managers of your cooperative listen, formally and informally, to cooperative members in order to recognize their concerns? [Membership interview]
2. If two members are having problems between each other and it could negatively affect the cooperative, how would the management and/or leadership of your cooperative handle this situation? Give an example.
3. Let's imagine that a member of the leadership board does something that breaks a constitutional by-law of the cooperative. What would the cooperative members do about it? (This question is only on the membership interview.)
4. How do you perceive the involvement of PEARL in the cooperative? Describe the communication between the cooperative and PEARL. How should it be improved?
5. What do community members who are not cooperative members think about the cooperative?

#### Research Question 4: Organizational and leadership development

1. Does the leadership deliberately develop and train other members within the cooperative in order to create a pool of leadership talent? How? [BDM interview]

- As a member, are you being developed into a better leader so that some day you may assume more responsibilities within the cooperative should be opportunity arise? [Membership interview]
2. What are the attributes of an effective leader and manager? What are the attributes of ineffective leaders and managers? Which of these attributes do the leaders and management possess?
  3. What are the long-term goals of the cooperative? What will the cooperative be like in 5 years? Is this a vision shared by all the members, management, and the leadership board?
  4. Does the cooperative have a strategic plan? If so, what is the strategic plan?
  5. Will this cooperative continue to function in the absence of PEARL? Why do you think that?

#### Research Question 5: BDM Duties and Relationships

1. Are the management and board composed of the same individuals? Do individuals within management ever assume responsibilities that belong to leadership and vice-versa?
2. Describe the relationship between the General Manager and the management team members. (This question is only on the questionnaire for the BDM.)
3. Describe the relationship between the whole management team and the board of directors. (This question is only on the questionnaire for the BDM.)
4. What are the procedures to allow for financial transparency? [BDM interview] Are all of them followed? [BDM interview] Do all members know the financial status of the cooperative? [BDM interview] Is there financial transparency?

[Membership interview] What is the current financial status of the cooperative, including the repayment of loans from banks? [Membership interview] How often does the accountant prepare financial statements and make them know to all members? [Membership interview]

5. What will be the structure, purpose and potential of the federation? What will be the relationship between the cooperative and the federation? (This question is only on the questionnaire for the BDM.)



### APPENDIX 3

#### LIKERT QUESTIONNAIRE

Participant Number	Cooperative	Gender	Age
1	2	3	4
Strongly Disagree	Disagree	Do not Know	Agree
			5
			Strongly Agree

- 1) \_\_\_ There is a good flow of information between the cooperative and PEARL.
- 2) \_\_\_ Members can freely seek the advice/counsel of the leadership.
- 3) \_\_\_ Leadership and Management handle conflict between each other well.
- 4) \_\_\_ Members are well informed of the decisions made by leadership and Management.
- 5) \_\_\_ The Management is honest.
- 6) \_\_\_ Members and work subgroups (e.g. bean sorters) are able to approach their cooperative's Board and Management whenever they need to.
- 7) \_\_\_ The Management runs the cooperative to suit its own purposes.
- 8) \_\_\_ When problems arise the cooperative can freely seek the advice/counsel of PEARL.
- 9) \_\_\_ The leadership provides opportunities for feedback.
- 10) \_\_\_ I am satisfied with the cooperative.
- 11) \_\_\_ The opinions and suggestions of Members matter to the Management and leadership.
- 12) \_\_\_ Meetings are conducted in a way that I understand what is going on in the cooperative.
- 13) \_\_\_ I see the promotion of youth in the leadership and Management as important for the sustainability of the cooperative.
- 14) \_\_\_ The Management and leadership socialize with the Members of the cooperative.
- 15) \_\_\_ I feel like I can speak my opinion during a meeting.
- 16) \_\_\_ Without the assistance of PEARL, the cooperative will be unable to function.
- 17) \_\_\_ In the future I will continue to participate in the activities of the cooperative.
- 18) \_\_\_ The cooperative has a shared vision among Membership, Management, and leadership.
- 19) \_\_\_ Members approve financial reports on a regular basis.
- 20) \_\_\_ The majority of Members in the cooperative are dissatisfied.
- 21) \_\_\_ There is transparency in all of the financial dealings of the cooperative.
- 22) \_\_\_ I understand what the purpose and functions of the federation will be.
- 23) \_\_\_ Gender balance is given due consideration in the Membership.
- 24) \_\_\_ Within my cooperative, the leadership and the Membership are very different kinds of people.
- 25) \_\_\_ The leadership is honest.

- 26) \_\_\_ Management and leadership do not listen to the cooperative Members.
- 27) \_\_\_ Leadership and Management know how to help Members resolve conflicts.
- 28) \_\_\_ The cooperative has a vision for what it wants to be and accomplish in the future.
- 29) \_\_\_ The benefits of participation are shared in a fair fashion.
- 30) \_\_\_ I believe that in the absence of PEARL the cooperative will continue to grow.
- 31) \_\_\_ The Management provides opportunities for feedback.
- 32) \_\_\_ Members take part in approving annual budgets.
- 33) \_\_\_ The local authorities should refrain from involving themselves in the affairs of the cooperative.
- 34) \_\_\_ The leadership runs the cooperative to suit its own purposes.
- 35) \_\_\_ The tools used by Management to communicate with the Membership are adequate.
- 36) \_\_\_ Gender balance is given due consideration in the leadership and Management.
- 37) \_\_\_ The youth Membership in the cooperative has the potential to sustain the growth of the cooperative.
- 38) \_\_\_ The cooperative is respected in the community.

**APPENDIX 4****SECOND INTERVIEW OF COOPERATIVE 1 GM**

1. During the course of a year, what are the work tasks for which you are responsible?
  - Annual plans
  - Making the budget
  - Forecasting production
  - Represent the cooperative (external affairs)
  - Monitoring all activities
  - Reporting
  - Preparing loan applications
  - Prepare for meetings: General Assembly and Leadership Board (i.e., Board of directors) meetings
  - Signing contracts with buyers
  
2. What skills and knowledge do you as a manager need to possess in order to fulfill those tasks?
  - Being social; collaborating with others
  - Like my job
  - Love coffee farmers
  - Have vision
  - Have clear goals
  - Able to do the evaluation

3. Has the Leadership Board (i.e., Board of directors) written a “job description” for the General Manager and each member of the Management team? If yes, is each member of the Management team aware of his/her tasks and responsibilities? If no, is there a need for a written “job descriptions”?
  - No, written “job descriptions” are needed
4. What part of your work do you enjoy the most? What part of your work do you dislike the most?
  - I enjoy all of my tasks apart from planning and reporting
5. Describe one of more problems/challenges that are facing you at work at this time. What do you need in order to solve the problem/challenges?
  - I have a problem of language barrier (English and French). It is not easy to communicate with the buyers.
  - I have a problem in making strategic plans and technical reports
  - I need training in these areas
6. Is a training program on the Management of cooperatives needed? Why or why not?
  - It is needed because
  - We need to improve the cooperative leadership that is not very good today
  - Transparency can be improved hence leading to farmer’s motivation, increased production and farmers’ incomes.
7. What are the educational needs of the Membership? Leadership Board? Management? These are areas that you would like to see addressed in the curriculum on cooperative Management.

Members:

- Quality control
- Market requirements and marketing strategies
- Good agricultural methods
- Soil protection
- Managing family incomes (home economics)

\*\*The General Manager did not respond to the educational needs of the Leadership Board or Management.

8. As a result of attending future training programs, I hope I shall be able to...
- Make good strategic plans and reports
  - Improve financial Management
  - Negotiate contracts myself

**APPENDIX 5****SECOND INTERVIEW OF COOPERATIVE 2 GM**

1. During the course of a year, what are the work tasks for which you are responsible?
  - Organization of farmers- mobilization in meetings
  - Coordination of all activities at the coffee washing stations
  - Ensure cooperative relations with others
2. What skills and knowledge do you as a manager need to possess in order to fulfill those tasks?
  - Computer skills
  - Knowing international languages like English and French
  - Preparing cash flows and loan applications
3. Has the Leadership Board (i.e., Board of directors) written a “job description” for the General Manager and each member of the Management team? If yes, is each member of the Management team aware of his/her tasks and responsibilities? If no, is there a need for “job descriptions”?
  - Yes, I have a job description
  - Other employees also have job descriptions and they know their tasks and responsibilities
4. What part of your work do you enjoy the most? What part of your work do you dislike the most?
  - I enjoy meeting with the farmers

- I dislike most coordinating activities, especially during harvesting and processing

5. Describe one of more problems/challenges that are facing you at work at this time. What do you need in order to solve the problem/challenges?

- Farmer's commitment to supply coffee to cooperative. In meetings, all farmers accept to supply cherries to their cooperative but some of them betray us and take coffee to intermediaries
- External communication with buyers
- We need continued mobilization and teaching farmers their responsibility to ensure the sustainability of the cooperatives
- We need the internet to solve problem of communicating with the buyers

6. Is a training program on the Management of cooperatives needed? Why or why not?

Yes, because

- It will lead to increased transparency in the financial Management of the cooperative
- The quality of the reports can improve

7. What are the educational needs of the Membership? Leadership Board? Management? These are areas that you would like to see addressed in the curriculum on cooperative Management.

Membership needs to know

- The cooperative principles
- Their responsibilities in a cooperative and

- The requirements of the specialty coffee market

Leadership Board needs to know

- They are leaders, not rulers. Decision-making should be shared. A few influential Board Members should not give orders, like when some dictate who gets a job without having followed recruitment procedures
- Need to know that Board Members should not get involved in the daily activities at the coffee washing stations

Management needs to know

- Cooperative Management
  - Quality control procedures
  - Need to know how to work with the different organs of the cooperative
8. As a result of attending future training programs, I hope I shall be able to...
- Fulfill my tasks as stipulated in my job description, such as timely reporting
  - Be computer literate



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