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Influence of the Registration Process and Requirements on Cooperative Performance in Zambia

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Abstract

Having the registration process and requirements that are easy and affordable is one thing, and having the entire process that supports cooperative performance is yet another. This study intended to establish the influence of the registration process and requirements on the performance of the cooperative societies. The study adopted a descriptive research design using a mix method paradigm. 12.6% of the total cooperatives in the Central province of Zambia were sampled from 16% of the total districts in the province. A total of 210 respondents were arrived at through purposive and systematic random sampling techniques. The desk review, semi-structured questionnaires with a reliability test of Cronbach's Alpha of 0.890, and interview schedules were the instruments used to collect data. The data were analyzed qualitatively using themes and quantitatively using descriptive statistics using SPSS Version 22. The study reveals that cooperative registration requirements are affordable, and the process is easy but hardly supports the cooperative growth and performance. The study, therefore, recommends the revision of the registration process being used so as to enhance cooperative performance and eventually bring about social and economic development in rural Zambia.

Keywords: Cooperative registration, Cooperative requirements, Social and economic development, Performance.

Introduction

Over the decades, the perception of cooperatives has revolved from that of considering them as food security agents to that of social and economic agents to cooperators, community, and national development. Cooperative societies in the agriculture sector are largely regarded as solutions to poverty reduction, improved livelihood through food security, and directly help to address the high poverty levels in rural areas and contribute positively to social and economic development.

Agriculture and agro-businesses are considered to be the most lucrative or profitable with potential for growth [1]. Therefore, cooperatives in the agriculture sector are largely

regarded as solutions to poverty reduction, improved livelihood through food security, and directly help to address high poverty levels in rural areas.

Presently, Africa has several types of cooperatives stretching from agricultural, consumer, and housing to worker-based cooperatives. All these are managed by executive committees and have been subjected to many politics in most of these countries [2, 3].

Formal cooperatives were first introduced in sub-Saharan Africa by the colonial governments, often for promoting the production of cash crops by peasant farmers. After independence, many Sub-Saharan African governments adopted policies that further accentuated the role of cooperatives and other rural organizations in the

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agriculture sector [4, 5]. These became significant channels for government-sponsored credit input supply and marketing programs and usually had to operate under close guidance and control by the state.

Studies by World Bank show that past efforts by governments to promote efficient and sustainable growth of the cooperatives were constrained by inappropriate policies. Extensive government intervention tended to reduce member participation and militated against the objective of building self-sustaining organizations. Registration of cooperatives was strictly controlled. Regulations of prices and markets frequently prevented rural organizations from becoming commercially and financially viable [6]. A World Bank Operations and Evaluation Department (OEP) report covering the period 1965 to 1986 stated that agriculture projects, including group participation, often did not work because the groups were not committed to the project and acted more as an extension of the government than as organizations representing.

Currently, many cooperatives world over are free (independent from the government) to diversify and exploit the existing business opportunities not only for survival and increase individual benefits but also to contribute to social and economic development. Hence, they need to be entrepreneurial in their undertakings. Cooperative registration is now open, and the process is simplified.

Cooperatives are a form of business that benefits members, communities, and the nation in various ways. These are businesses with a minimum of ten members but no specific maximum number of members; they are voluntary businesses in nature formed by a group of people called members whose aim is to create employment for themselves [7]. The Business Enterprise Institute (BEI) describes cooperatives as businesses owned by “member-owners” and that they are democratically controlled by their member-owners, and unlike a traditional business, each member gets a voice

on how the business is run. Services or goods provided by the cooperative benefit and serve the member-owners [8].

Agricultural cooperatives play a crucial role in the development of the rural sector and in promoting food security. In Brazil, 37 percent of agricultural gross domestic product (GDP) is produced by cooperatives, while 4 million farmers earn their income through cooperative membership in Egypt. In Ethiopia, the equivalent figure is 900,000, while 16.5 million litres of milk are collected every day from 12 million farmers in dairy cooperatives in India. Further, agricultural cooperatives have an overall market share of about 60 percent of the processing and marketing of agricultural commodities and about 50 percent of the supply of inputs in Europe” [9].

World over, there is a substantial number of cooperatives in the agriculture sector. In Zambia, over 1000 cooperatives are registered annually, and the agriculture cooperatives amount to 96.1% of the total cooperatives in the country, of which 80% are in rural areas [10]. Despite the significant increase in the number of cooperatives being registered, there has been no remarkable improvement in performance and contribution to the well-being of the cooperators.

Motivation

Zambia is still a developing nation after 56 years of independence. The government of the Republic of Zambia has come up with various economic strategies that can facilitate economic growth both in rural areas and in urban areas. One of them is the creation of cooperatives. This is an economic measure to alleviate the poverty levels, especially in rural areas. As of December 2018, Zambia, through the Ministry of Commerce, Trade and Industry, had registered about 2000 cooperatives, of which 80% of them are in rural areas [11]. Despite having a lot of cooperatives in rural areas, extreme poverty levels of more than 60% are in rural areas and 15 in urban areas [12]. Many studies have been conducted on the performance of the

cooperatives, but less has been researched regarding the impact of the registration process and requirements on cooperative performance, hence this study.

Research Objectives

The Study was Guided by the Following Objectives

- i. Determine the current registration process and requirements of the cooperatives in Zambia.
- ii. Examine the extent to which the registration process, and requirements support the performance of the cooperatives.
- iii. Suggest possible measures to be considered in the registration process and requirements so as to enhance cooperative performance.

Literature Review

Helping the creation and development of entrepreneurial cooperatives is one of the ways the government can stimulate employment and alleviate the poverty levels. Poverty eradication has also been prioritized in the Seventh National Development Plan of 2017 [13], in the Vision 2030, and the Sustainable Development Goals (SDGs). Therefore, cooperatives remain the agent to poverty reduction, employment creation, and food security in Zambia.

Overview of the World Cooperatives

Statistics on cooperatives are essential to establish the impact of cooperatives on their

members and the economy at large. Nevertheless, reliable and comparable statistics on cooperatives are missing in most countries of the world despite an emphasis that national policies should seek to improve the national statistics on cooperatives with a view of forming and implementing developmental policies (Promotion of Cooperatives Recommendation no. 193, adopted by the ILO [14]. Building on this, the 19th International Conference of Labour Statisticians (ICLS) in 2013 included cooperatives in the Conference agenda for the first time in its history. This further led to the adoption of the guidelines concerning statistics on cooperatives at the 20th ICS but was only approved in March 2019 by the governing body of ILO, being the first sort of an international norm on statistics on cooperatives.

A snapshot of the statistics on cooperatives from the available literature indicates that Iran and Italy have more registered cooperatives, 92,089 and 39,600 respectively, while Mexico, Denmark, and the Netherlands have fewer cooperatives, 142,139 and 70 respectively. One notable country with the highest number of cooperators is Finland, where more than 4.6 million Finns out of the total population of 5.5 million are cooperators [15]. One of the country's biggest cooperative societies, S Group has 2.3 million members operating in retail and service sectors with more than 1800 outlets. Table 1 presents the synopsis of the registered cooperatives in the world with membership.

Table 1. Synopsis of the Registered Cooperatives in the world

Country	No. of Coop.	Year started	No. of employees	Total membership	Main enterprise
Argentina	8,618	19 th century	1,963,760	17,818,197	Associated work
Brazil	6,828	1889	425,318	14,618,720	Multipurpose
Canada	5,846	1840s	103,470	8,000,000	Multipurpose
Chile	1320	1887	10,932	2,005,646	Multipurpose
Mexico	142	1872		5,140,944	Multipurpose
Costa Rica	594	1907	17,599	860,855	Multipurpose
Iran	92,089		1,737,426	9,348,364	Multipurpose

Philippines	9,432	1896	226,400	7,647,800	Multipurpose
Rep of Korea	15,233		22000	313,000	Multipurpose
Belgium	338		6846	400,000	Agriculture
Austria	1,684		37,235	3,185,800	Agriculture
Croatia	1,247		2,716	20192	Agriculture
Czech Rep.	1307		53,594	154,323	Housing
Denmark	139		49,552	315,710	Industry/service
Finland	5051		93,511	4,663,239	Industry/service
France	22,517		1,217,466	26,106,829	Agriculture
Germany	7490		860,000	22,200,000	Agriculture
Italy	39,600		1,150,200	12,620,000	Industry/service
Netherlands	70		126,797	19,831,156	Agriculture
Portugal	871		14,198	403,298	Agriculture
Spain	20,050		290,220	7,296,629	Industry/service
Sweden	5,495		34,395	4,355,350	Banking
UK	6,800		33,829	14,919,093	Industry/service
Norway	5,592		37,500	2,411,038	Housing

Source: World Cooperative Monitor, 2019; ICA, 2017; ICA, 2019

Economic Contribution of the Cooperatives in Europe

Despite the agriculture cooperative being second to industry and service cooperatives in terms of quantities and number of employees, they contributed a bigger portion of 39.34 billion British Pounds towards the total annual turnover, only second to consumer cooperatives. With supportive strategic goals, cooperatives can be

one of the solutions to help the less privileged in society and help reduce the gap between the wealth and the poor. This is evidenced by the overwhelming rate of the annual turnover of **424.99 billion British Pounds** in European cooperatives. Europe as a continent has over 180,000 cooperative enterprises with more than 140 million cooperators. Table 2 shows the European annual turnover of the cooperatives by sector.

Table 2. Economic Contribution of the Cooperatives in Europe

Sector	Percentage of coops	Percentage by employees	Annual turn over
Agriculture	30.36% (51,392)	14.16%	39.34 billion
Industry & service	36.60% (61,964)	27.53% (1,313,696)	9.65 billion
Housing & infrastructure	22.19% (37,570)	2.29%	2.51 billion
Banking	2.48%	19% (867,345)	-
Insurance	0.01%	0.83%	6.69 billion
Consumer	6.82%	11%	102.6 billion
Pharmacy	0.45%	0.06%	0.09 billion
Renewable energy	0.74%	0.02%	0.11 billion
Retail	22.19%	24% (1,142,658)	264 billion
Total	100%		424.99 billion pounds

Source: International Cooperative Alliance (2016); <https://www.eurocoop.coop/coop-page/co-operative-movement.html>

The Zambian Context

It is well known that the United States is the wealthiest country in the world. However, it is shocking that the top 1 percent of US households own more wealth than the bottom 90 percent combined, and the situation is the same in Zambia. Among the many reasons, the main one is that most industries have greatly consolidated, and wealth has become even more concentrated.

The Zambia's 7th National Development Plan (7NDP) in the Vision for 2030 has created a platform for the integration of international, regional, multilateral, and bilateral development strategies and agreements. The main goal of the 7NDP is accelerating development efforts towards Vision 2030 without leaving anyone behind. This has not left out the cooperative societies.

The key development results of the 7NDP are:

- i. To diversify and make economic growth inclusive;
- ii. To reduce poverty and vulnerability;
- iii. To reduce developmental inequalities;
- iv. To enhance human development; and
- v. To create a conducive governance environment for a diversified and inclusive economy (Ministry of National Development Planning, 2017).

Supporting cooperatives in this regard can facilitate the actualization of Zambia's dream. Since cooperatives are more inclusive and accommodative, it will reduce the widening gap between the rich and the poor.

However, there is scanty literature establishing the relationship between cooperative registration and requirements and its impact on cooperative performance.

Methodology

This study adopted a mixed-method research design. The qualitative approach

(phenomenological) was used to provide a detailed account of the impact of the registration process and requirements on cooperative performance. On the other hand, the quantitative approach (positivism) was used to provide descriptive statistics based on the research findings so as to draw possible conclusions that can be generalized [16].

The Central province, which has 12 districts, was purposively sampled, being central in Zambia. The sampled statistics, the sample mean, S (standard deviation), and S^2 (the variance in the sample) were used as estimates of the population parameters μ , σ , and σ^2 [17] to arrive at the 209 cooperators in Kabwe and Kapiri Mposhi districts.

A four Likert scale questionnaire was used to capture quantitative data, while open-ended questions were used to capture qualitative data. The Likert scale was designed to examine how strongly subjects agreed or disagreed with statements on a four-point scale. The response over a number of items tapping a particular concept or variable was then summated for every respondent. The data collected from primary data was later analyzed using themes and descriptive statistics using SPSS Vol. 22.

Reliability and Validity

When testing the reliability of the instruments, the tests of Cronbach's alpha, Kuder-Richardson Formula 20 (KR-20), inter-correlation, and test-retest reliability are the important tools used. However, this study used Cronbach's alpha, which measures the internal consistency among questionnaire items [18].

A Cronbach's alpha showed the questionnaire to reach very acceptable internal reliability with $\alpha = 0.890$, indicating very good reliability. Further, each item test was analyzed to test its reliability. The results are presented in Table 3.

Table 3. Item Statistical Analysis

Item Statistics	Mean	Std. Deviation	N
Gender of Respondent	1.47	0.500	209
Occupation of Respondent	2.03	0.324	209
Education Level	1.83	0.930	209
Number of years in Co-operative	2.41	1.039	209
The registration process of cooperatives is easy	1.72	0.748	209
The requirements for registration are very affordable	1.68	0.671	209
The registration requirements do not predict future performance of the cooperative	2.49	0.894	209
There is no relationship between the registration requirements and future performance of cooperatives.	2.38	0.989	209
There is some level of diversification in our cooperative.	1.87	0.827	209
Extension officers are playing a key role in entrepreneurship development of district cooperatives.	1.89	0.808	209

Source: Research work, 2020

Results of the findings

Analysis of Demography

The demography was analyzed using both frequencies and descriptive statistics as presented below. The statistical analysis of demography gave a mean of 1.47 for gender,

2.03 for occupation, and 1.82 for education level, while the standard deviation is 0.50 for gender, 0.32 for occupation, and 0.93 for education level. Other statistics of the demography of the respondents are presented in Table 4.

Table 4. Frequencies of Demography

Frequency Table			
Variable	Values	Frequency	Percent
Gender	Male	111	52.9
	Female	99	47.1
	Total	210	100.0
Occupation of Respondent	Civil Servant	8	3.8
	Farmer	188	89.5
	Trader	14	6.7
	Total	210	100.0
Education Level	Grade 7	96	45.7
	Grade 9	69	32.9
	Grade 12	33	15.7
	College	10	4.8
	University	2	1.0
	Total	210	100.0
Number of years in Co-operative	0-3	46	21.9
	4-7	72	34.3
	8-10	51	24.3
	More than 10	41	19.5
	Total	210	100.0

Source: Research works, 2020

Occupation

From the study sample of 210, 8 (3.8%) of the respondents were civil servants, 188 (89.5%) were farmers, and 14 (6.7%) were traders (owning various businesses). This suggests that farmers have dominated most of the cooperatives. Civil servants are very few (3.8%) as a result of the government policies that bar civil servants from participating and benefiting from FISP. This has created the perception that agriculture cooperatives are for farmers only. In as much as this policy can help benefit the poor (farmers), it has robbed the cooperatives of the much-needed diverse knowledge and skillsets which the servants can contribute to the cooperatives.

Level of Education

Education is one of the most important principles of cooperatives established by the

ICA in 1995. Basic education is key to the success of any cooperative society. The success of the cooperative to a larger extent is dependent on the level of the knowledge base and how that knowledge is used in the cooperative. However, the study reviews that most of the cooperators have low education levels. Out of the total respondents, 99 (45.7%) are below Grade 7, 69 (32.9%) are below Grade 9, 33 (15.7%) are below Grade 12, 10 (4.8%) are below college level, and 2 (1.0%) below university level.

Experience in Cooperatives

Out of a total of 210, 46 representing 21.9% had experience ranging between 0-3 years, 72 representing 34.3% had the experience of between 4-7 years, 51 representing 24.3% had experience ranging between 8-10 years, and 41 representing 19.5% had experienced more than 10 years. The tabular frequency data is further represented in Figure 1.

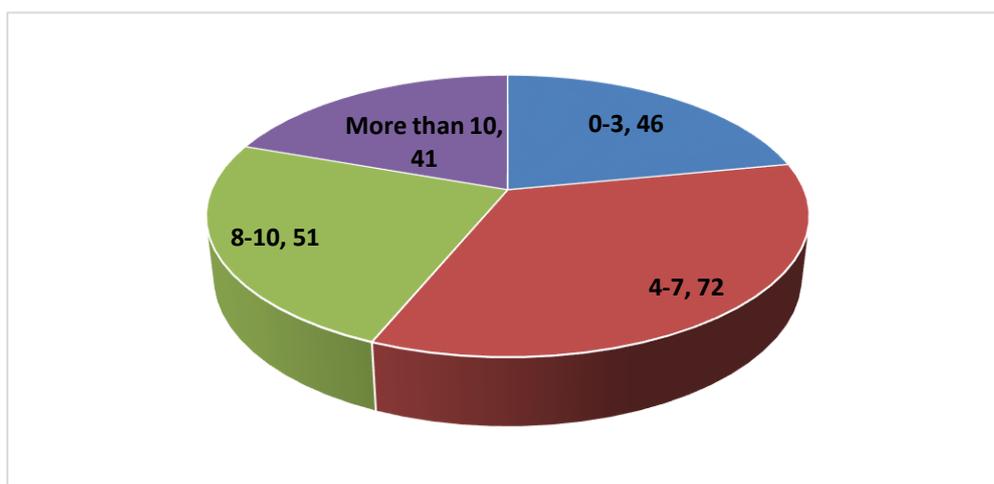


Figure 1. Frequency by experience in cooperatives

Source: Field data, 2020

The Registration Process and Requirements of the Cooperatives

Every legal cooperative is born at the registration stage. This is the stage when the cooperators organize themselves, meet the registration requirements and go to the district cooperative office to register their cooperative so that they can be operating legally. Too strict in the registration process may hinder some

cooperatives from registering, and too soft the registration process can contribute to the registration of cooperatives that will not add any value to society. Data was collected from the cooperators on how they perceived the registration process and requirements and how these can affect the future performance of the cooperatives.

The Registration Process and Requirements

From the qualitative data collected through interviews and desk review, there are a number of requirements that need to be met as a group steps forward with the intention of registering a cooperative. The steps are tabulated below;

- i. The group should have at least ten members for them to be considered for registration.
- ii. The group should present preliminary minutes of its previous meeting. This will give the registration officer an insight of what they were discussing pertaining to the coming together to form a cooperative. It is from such minutes that the officer will ride on the ideas of the group and advise further. If they do not have any minutes, the officer shall advise the group to call for a meeting where the officer shall be invited.
- iii. The group will be advised to have certain topics discussed in their meeting, which shall help the registration officer pick such details and assist in formulating the Cooperative By-Laws.
- iv. In the minutes, the registration officer normally looks at issues of:
 - a) The group needs to propose about three names of what the group shall be called. This is in order to help the officer carry out a name search. The three names at least shall give the officer leverage to have at least one of the names going through in the event that other names are already existing on the system. The PACRA platform is being used for name search.
 - b) The officer would also like to hear the type of business that the group is planning. There could be two or three business ideas, and the group can put these in order of priority if they are able to cost them, the better. From this, the officer will guide the group on how much capital investment will be required.
 - c) Since cooperatives are formed with a share capital, they are regarded as business entities registered with share capital under the Registrar of Cooperatives.
 - d) Thus, the minutes should show the total capital investment from one individual member. The investment needed is called share capital, and these shares are broken into ten equal shares.
 - e) The members need to discuss and indicate the value of each share as well as the value of the total ten shares required to be paid by each individual member into the business.
 - f) The period that it should take to finish paying for the shares is also vital as this will also have a bearing on how long it shall take for the business to take full effect. In addition, the meeting should also discuss the minimum number of shares expected to be paid for at the time of joining. This will also indicate how much would be raised before the business starts.
 - g) The meeting should also discuss the business premises (operational area or office for the cooperative).
 - h) The physical address and the chiefdom where they belong must be indicated.
 - i) Since cooperative works with the principles of democracy, there is a need to elect the interim leaders for the cooperative. These shall be responsible to do all the necessary logistics to see to it that the cooperative gets registered. The number of these leaders is guided by how big the group is. For example, if the group is less the fifteen members (15), it can only be allowed to have five (5) board members (leaders).
 - j) The group needs to provide at least ten members with photocopies of their valid National Registration Cards (NRC).
 - k) The group should complete a Cooperative application form.

- l) Complete a share register form which will indicate the value of each share and how many have been paid. Furthermore, the form shall indicate the value of the entrance fee and membership fee. The membership fee is renewable every year, while the entrance fee is a non-refundable fee paid just once by each eligible member.
- m) The cooperative officer shall use a template by-law and infuse the important points coming from the meeting. This document is given to the members to discuss, and final signed upon understanding the content.

It has to be noted that the officer has to visit the group to give guidance on most of these issues so that there is understanding and the period this may take varies with how the group is able to grasp and understand the concepts of business cooperatives.

In summary, the group applying to register a cooperative submits the following documents.

- i. Four (4) copies of by laws
- ii. Four (4) copies of minutes
- iii. Four (4) copies of membership list
- iv. Four (4) copies of application forms
- v. Four (4) copies of ten members' NRC's photocopies

Perception of the cooperators on the registration process

On quantitative data, the first stage was to establish how easy the cooperative registration process was perceived and experienced by the cooperators. The findings indicate that 96 (45.7%) strongly agreed that the registration process is easy, 79 (37.6%) agreed, 34 (16.2%) disagreed, and 1 (0.5%) strongly disagreed. This suggests that generally, the registration process is easy. Figure 2 presents the responses of the cooperators.

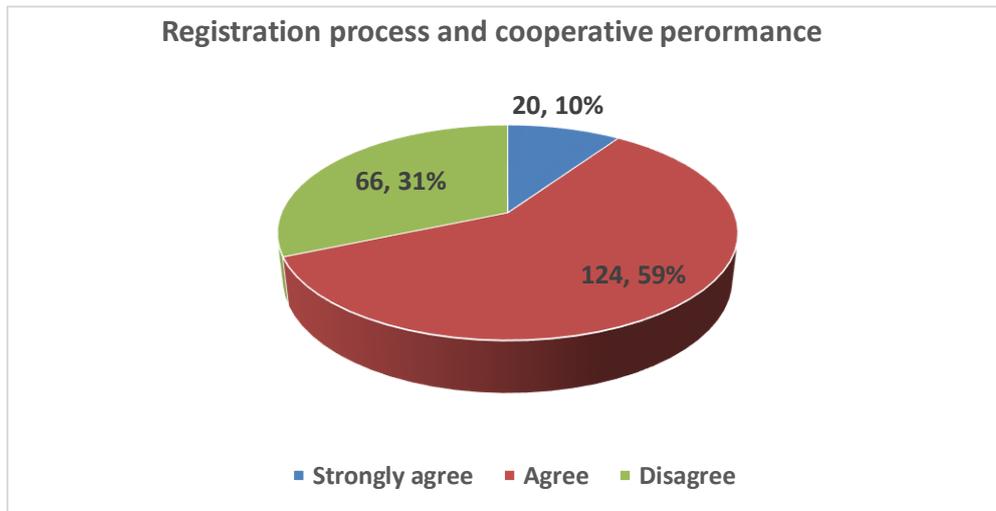


Figure 2. Registration Process and Cooperative Performance

Source: Field data, 2020

Affordability of the registration requirements

The process may be easy to undergo through. However, affordability is another dimension this test item intended to assess. It intended to test how affordable the registration requirements were to the cooperators. The findings are that 89

(42.4%) strongly agreed that the requirements were affordable, 101 (48.1%) agreed, 18 (8.6%) disagreed, and 2 (1.0%) strongly disagreed. This suggests that the registration is not only easy but generally very affordable to many cooperators. This is presented in Figure 3.

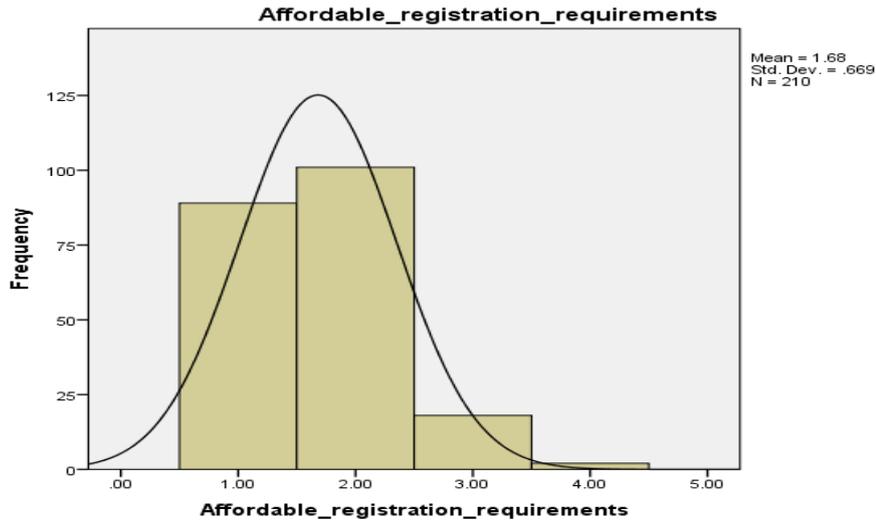


Figure 3. Affordability of the Registration Requirements

Source: Field data, 2020

Registration Process and How it Supports the Performance of the Cooperatives

It is always encouraging to have an easy and affordable registration process for cooperative societies in the country. However, it is another thing to have a registration process that supports the performance of the cooperatives. The test item intended to test the perception and experience of the cooperators on how the registration process supports the performance of the cooperatives.

The findings indicate that 36 (17.1%) strongly agreed that the process supports the cooperative performance, 55 (36.2%) agreed, 98 (46.7%) disagreed, and 21 (10.0%) strongly disagreed. Although the graph may show a slightly normal curve, a mean of 2.50 with a standard deviation of 0.893 suggests that a relatively bigger number does not agree that the registration process supports the performance of the cooperative societies, as presented in Figure 4.

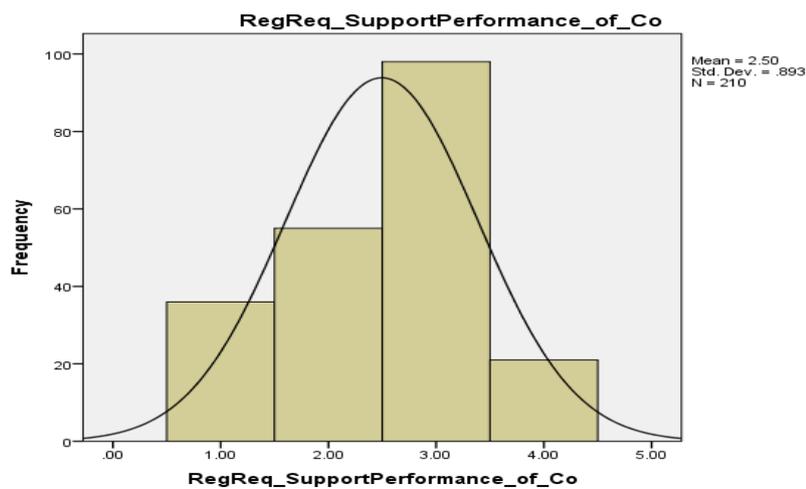


Figure 4. Registration Process Supports the Performance of the Cooperative

Source: Field data, 2020

Relationship between the Registration Process and Requirements, and the Future Performance of the Cooperatives

The entire registration process and requirements should have a direct implication on the performance of the cooperative. It is either the registration process, and requirements is meant to enhance the future performance of the cooperative society or a mere process for awarding of registration certificates. This test

item determined the relationship between the registration process and requirements and the future performance of the cooperatives. This study reveals that 52 (24.8%) of the respondents strongly agreed that there is a relationship, 59 (28.1%) agreed, 83 (39.5%) disagreed, and 16 (7.6%) strongly disagreed. Although the curve shows a relatively normal distribution, it does not explicitly indicate that there is a relationship. This is presented in Figure 5.

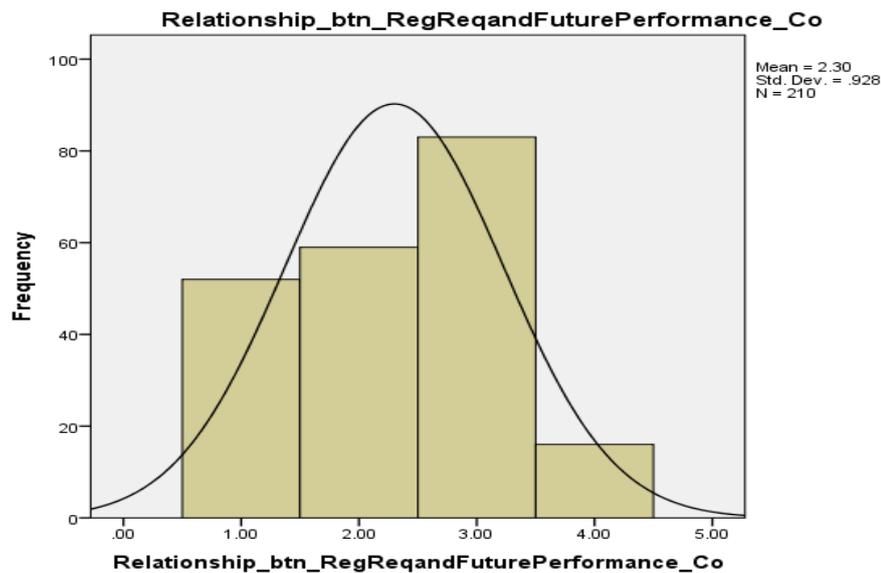


Figure 5: Registration Requirements Predict the Performance of the Cooperative

Source: Field data, 2020

Discussion and Interpretation of the Findings

Extent of the Registration Process in Supporting Cooperative Performance

Cooperative registration is one thing, cooperative performance is another. This objective, therefore, was intended to examine the extent to the registration process supports the performance of the cooperatives. It cannot be over-emphasized that every registered cooperative is expected to perform and contribute to the social and economic development of the community and nation at large. However, it is imperative to establish whether the registration process supports the cooperative performance.

It is well understood that the registration process goes with the registration requirements that every cooperative must meet. The findings indicate that the requirements are very affordable, and cooperators go through the registration process quite easily. However, the requirements must point to the expected performance indicators in the cooperative society to be registered.

Relevance of the Current Requirements on Cooperative Performance

This is the key question in discussing the first objective. Basically, only five requirements are currently needed for the cooperative society to be registered in Zambia. Do they really matter in adding value to the performance of the

agriculture cooperative societies afterwards? These five requirements are discussed below.

i. Four (4) copies of by laws

The by-laws spell out the dos and don'ts in the cooperatives, bring orderliness in the cooperative and ensure that the rights of everyone are protected. However, the by-laws may not point to or predict the future performance and growth of the cooperative society.

ii. Four (4) copies of minutes

The minutes as a requirement serve to document the proceedings of the meeting prior to the commencement of the cooperative. The minutes simply entails that the member met and agreed to form a cooperative and have nothing to do with or guaranteeing the future performance of the cooperative.

iii. Four (4) copies of the membership list

This requirement merely presents the details of the members of the cooperative society. The list may include the name of the co-operator, NRC, address, and phone number where possible.

iv. Four (4) copies of application forms

The application form for registration is obtained from the district cooperative office prior to registration. The form spells out the few requirements, physical address, and name of the cooperative society, among others. Although the application form indicates the type of cooperative and requirements, it does not show or provide the operational plan or guidelines to make the cooperative have a competitive edge and maximise the profits and shares of the co-operators.

v. Four (4) copies of ten members' National Registration Cards (NRCs) photocopies

These are personal identification documents proving the citizenship of the members of the cooperative to be registered. Despite the NRCs being used anywhere nationwide, they have no

contribution to the general performance of the cooperative society as they just serve the purpose of identifying individuals in the cooperative society.

Basically, these five documents and requirements are very relevant to the registration process. However, they have little contribution to the future performance of the cooperative as their usefulness ceases right at the registration stage except for the by-laws that are constantly referred to for guidance and when resolving internal disputes.

The registration process and requirements of the cooperative societies, therefore, need enhancement if they are to influence and predict the future performance of the cooperatives.

Possible Inclusions in the Cooperative Registration Requirements

Consequently, this study suggests two important documents to be included in the registration process as part of the requirements so as to guide the operation of the cooperatives, and further help predict their future performance. These are the strategic plan and the business plan.

The Business Plan

The business plan is a written document in which the cooperators describe the business they intend to start and how they are going to start it.

Following the shift of the Department of Cooperatives from the Ministry of Agriculture to the Ministry of Trade, Commerce and Industry so as to make cooperatives more commercial, there was also a need to change in the perception, requirements, and the registration process of the cooperatives.

The business plan should now become one of the key requirements in the registration process of cooperative societies for various reasons. The business plan spells out a number of key indicators and determinants of how successful the business is likely to be [20]. Below are the questions the business plan intends to tackle,

which are pivotal to the performance of the cooperative societies.

Where are we now?

There is a need for the cooperators to answer the above question before the cooperative is registered. This is the analysis of the current situation of the cooperative in terms of the

vision, the market place, the competition, the business concept, and the people involved. It may include any historical background relevant to the current state. Strengths and weaknesses must be analyzed as well as opportunities and threats. Table 5 presents a typical example of the situational analysis of a cooperative society.

Table 5. SWOT Analysis

Strengths	Weaknesses
The cooperative has the necessary skills	Increasing numbers of late payments and bad debts
Strong management team	Need for more training of staff
Modern machinery and technology	Communication systems need strengthening
Adequate capital	Tribalism, nepotism discrimination
Availability of (cheap) labour and land	Lack of entrepreneurial skills
Opportunities	Threats
Has an existing loyal customer base	Imported cheaper goods from overseas
There is demand for the new products/services	Workers demanding for higher wages
There is little local competition	Theft from community members
Availability of technical support	Droughts and floods
Population increase	Army worms and pests

Source: Research work, 2020

The above analysis tool will bring a full understanding of the exact current situation of the cooperative to the co-operators before they can embark on anything.

Where do we Intend to Go?

Only after knowing the current situation can one move to the next stage. At this stage, the co-operators need to visualize where they intend to go and be for a certain period of time. The direction the business intends to go needs to be clear and precise. Clear identification of likely changes to the business environment and assessment of possible threats to the business is vital.

How do we get there?

The ‘how’ question concludes the basis of the business plan. This calls for the clear setting of goals and objectives and the identification of possible causes of action to be taken. This leads

to a business plan which should show how to get there.

The cooperative society may start the business plan by designing a cover sheet that should provide the following information;

- i. The name of the business.
- ii. The name of the cooperative society (the owners).
- iii. Contact details, for example, telephone, postal and physical address, and email.
- iv. Logo or emblem of the business where possible.

The Need for the Strategic and Business Plan in Cooperative Registration

There are many reasons why the strategic and business plans should be among the requirements in the cooperative registration process so as to increase the performance of the cooperatives. Some of them include;

- i. They provide clearer and organized business ideas.
- ii. They are a road map that show how to reach the destination whereby foretelling the future performance of the cooperative society.
- iii. Ideas are put down in writing to check that they are being implemented logically at the implementation stage.
- iv. These are devised operational plans that show what must be done, how it must be done, and by who?
- v. They act as the basis for the evaluation of the cooperative society.
- vi. They are used to get loans from lending institutions.
- vii. They help to determine the viability of the business idea.
- viii. They show the profitability of the business.
- ix. They help in assessing the overall competence of the *cooperative* team.
- x. They predict the future performance of the cooperative society.
- xi. They answer 5 questions. These are;
 - a) *WHAT the cooperative plans to do.*
 - b) *WHERE the cooperative is going, the goals and vision of the business.*
 - c) *HOW the cooperative is going to start the business to reach the destination.*
 - d) *WHEN the cooperative intends to start the business.*
 - e) *WHY the cooperative thinks that the business will succeed?*

It may amount to nothing to organize a cooperative society without any plan showing where to start from, the expected destination, and how to get there. It is, therefore, imperative to help co-operators to enter into an association with a clear vision that is well enshrined in a five-year strategic and business plan. This should be verified and ratified right at the registration stage by experts [21].

Further, the groups intending to register a cooperative should be given a time frame in which they should show their seriousness with their intended business ideas. The registration

process and requirements should clearly state certain bench marks to be followed after which the group should meet for them to be recommended for registration. The findings in this study reveal that quite a good number of cooperatives that are hurriedly organized and registered lack substance and often do not go anywhere and are deregistered earlier than expected, while others continue depending on the Farmers Input Support Programme (FISP) where the government subsidizes on fertilizer and other farm inputs [22].

Conclusion and Recommendations

The findings reveal that there are basically five requirements in the registration process of the cooperatives namely, the by-laws, photocopies of ten NRCs, minutes from the meeting, the application form, and membership list. This study reveals that despite the relevance of these requirements, none of these are instrumental in facilitating the future performance of the cooperatives. The cooperative society is as good as its registration process. Every member of the community has a role to play to its well-being. In the same line, every cooperative is born with a role to play in alleviating the poverty levels and add a distinguished value to the general well-being of the members and the nation at large. This common understanding must be fundamental from cooperative registration to evaluation [23]. However, a cooperative remains a more united association in alleviating the poverty levels in rural Zambia and contribute exceptionally to the social and economic development of the nation.

Based on the research findings, this study recommends that to make the cooperative societies as good as their registration process, the registration requirements and process be revised so as to accommodate the strategic and business plans as basic requirements in the registration process. This will be making cooperators realise the core vision of the cooperative right from the beginning. These two will be additional to the by-laws, photocopies of ten NRCs, minutes from

the meeting, the application form, and membership list.

Conflict of Interest

It is important to disclose any conflict of interest that may have influenced either the conduct or the presentation of this paper, including academic interests and rivalries and any personal, religious, or political convictions relevant to the topic at hand. The study basically determined the current registration process and requirements of the cooperatives in Zambia and went further to examine the extent to which the registration process and requirements support

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the performance of the cooperatives. The study took the neutrality, and the researcher sought consent with the participants who are not revealed in any way and presented the findings and recommendations accordingly. Further, people's works are acknowledged.

Acknowledgement

In this article, I would like to acknowledge the Ministry of Commerce, Trade and Industry, the Cooperative Department of Central Province of Zambia, to be specific Kabwe and Kapiri Mposhi districts, for the support they rendered during the data collection process.

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