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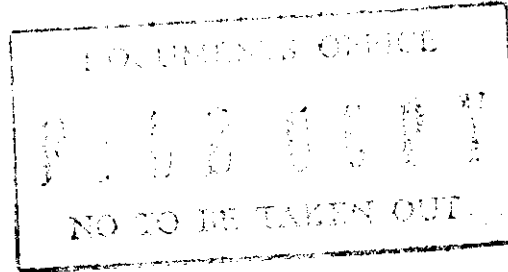


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INDIGENOUS SAVINGS ASSOCIATIONS IN EASTERN AFRICA AND THE
MOBILIZATION OF DOMESTIC SAVINGS

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INTRODUCTION

This study was done mostly between January and March 1968, but material was added up to August of the same year. It necessitated personal travel within all the four countries concerned, and consultation with persons from government and university level to the officers of associations. A list is appended of those who contributed to the actual material or to discussion concerning it, to whom, as well as to those who smoothed the administrative path, I tender my grateful thanks. A list is also given of the main written material consulted, most of it provided by the university colleges and governments of the four countries.

However, this study is very far from exhaustive. It can only claim to throw some light on indigenous associations which are involved in saving, and on the attitudes to saving of the ordinary citizen, in Ethiopia, Kenya, Tanzania and Uganda. Its chief value indeed would seem to be in the numbers of questions it may raise rather than in the number it attempts to answer.

INDIGENOUS SAVINGS ASSOCIATIONS IN EASTERN AFRICA AND THE
MOBILIZATION OF DOMESTIC SAVINGS*

PART I

EASTERN AFRICAN SOCIETIES AND SOCIAL CHANGE

Introduction

1. Throughout this paper the term "Eastern Africa" refers to Ethiopia, Uganda, Kenya and Tanzania as a unit. "East Africa" refers to the last three countries only.
2. In the sense of being unaffected by modern industrial techniques and Western values, there are probably no longer any people living a purely traditional life in Eastern Africa. Therefore "traditional" is here taken to refer to the "pre-contact period", which usually came to an end some time during the nineteenth century, but varied from place to place. This usage is purely a device to clarify what I am writing about, and does not imply that there was no change before then. It also does not imply that all the change which has taken place since then is due to the passive absorption of Western or other non-traditional techniques and ideas. People respond to innovation actively, themselves creating something new. For these reasons I shall use the term "indigenous" when describing the new forms of organization and co-operation produced by African peoples at the grassroots level, as part of their response to the modern world. I shall not use the term "indigenous" for formal Government-sponsored organizations such as Credit Unions and trade unions, unless there seems to be evidence that in any particular case their principles have been thoroughly assimilated and re-created in a grassroots organization. As I have been asked to cover savings and savings organizations at the grassroots level, I shall refer to the position of the upper salaried groups only for comparative purposes or where individuals from these groups directly concern themselves with grassroots organizations.
3. "Tribal" and "tribalism" are rapidly becoming mere terms of abuse. It is also no longer clear to sociologists just how far, if at all, a "tribe" differs from any other small-scale society. I shall therefore generally use the word "society" or "people" instead, as "Luo society" or "African peoples". An "indigenous society" is one of these as it exists today, when by definition it is no longer "traditional".

"Association" will be used for small institutionalized groups within societies - as "mutual aid association" or "young people's association". A "location association" is one specifically based on residence within a small rural area, usually the smallest local government unit.

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The views expressed in this document are not necessarily those of the Commission secretariat.

The traditional roots of mutual aid

4. Traditionally, Eastern African societies with few exceptions were rural and based on agriculture, cattle-keeping, fishing and hunting. Some were nomadic and depended entirely on cattle or, occasionally, entirely on hunting and the gathering of wild foods. However, all along the coastline Islamized societies grew up which were involved in trade from some centuries back, and which formed communities which might be described as urban. It was, however, an urbanism quite unlike that of an industrialized country. In Ethiopia also Christian Amharic civilization led to the growth of more densely populated areas centred round feudal landowners. These seem to have been primarily agricultural communities whose members were also involved in trade, craftsmanship, warfare and personal services.
5. From the Islamic hinterland, especially in what became Kenya and Tanzania, trade routes had developed into the interior by the beginning of the nineteenth century at least, fostered by the demand for copper and ivory. This trade was often initiated by the people of societies dwelling in the interior (such as the Nyamwezi of Tanzania). The Arabs came later. ^{1/} Along these routes settlements also formed which were involved in trade although the bulk of the members were also agriculturalists. The present large towns of Eastern Africa are, with the exception of Mombasa and Addis Ababa, and the partial exception of Dar-es-Salaam, late nineteenth-century or twentieth-century results of the irruption of the Western cash-economy, followed more recently by industrialization. Even nowadays, as I shall explain, the degree of "industrial urbanization" of their population is a subject of some debate.
6. Nearly all Eastern African societies were not only primarily rural but were also founded on various types of the extended family, which formed a co-operative unit protecting and assisting the individual. The commonest form of the extended family was one in which there were close socio-economic ties between a man, his wife, his adult sons, his brothers, his wife's father and his mother's brother, and the spouses and children of each. The group was held together by the inheritance of rights to the use of land, (usually in the male line), and in the case of in-laws and mother's kin by a recognition that one was indebted to these groups for the women responsible for one's own existence and for that of one's descendants. The extended family might be further enlarged in some cases by marriage with more than one wife, and very often by the inclusion of all male descendants of one's father's father. There was often a tendency for those in the direct male line (the lineage) to live adjacently, due to common interests in land and cattle, in time forming a settlement whose common ancestor lived five generations or

^{1/} "The East African Slave Trade", E.A. Alpers

so back. Sometimes settlements were themselves grouped in larger clusters whose common ancestor lived yet longer ago, and these clusters again into clans within which it might be impossible any longer to trace everyone's exact relationship to each other. There was a tendency for "kin-based societies" of this type to be without any centralized form of government, disputes being settled by councils of elders, the collective grandfathers of those between whom they arbitrated. The same elders were responsible for tasks in the settlement or cluster beyond the capability of individual families - roadmaking, housebuilding, harvesting, bush-clearing, funerals and other ceremonies. Examples of Eastern African societies which engaged in largescale co-operation on extended family lines were the Gurage of Ethiopia ^{1/} and the Luo and Luyia of Kenya. The Kikuyu of Kenya depended largely on extended family co-operation of this kind, although the population was also divided into organized age-grades for government and defence. There was the same sort of co-operation, although on a smaller scale, among the Teso and other peoples of Northern Uganda and the Nyaturu of Tanzania. In fact, a very large number of Eastern African societies were of this type, especially in Kenya and Tanzania.

7. The price of intensive co-operation in such societies was the obverse - competition. Although social pressure saw to it that each man co-operated in many tasks essential to the community as a whole, or to his lineage-settlement as a whole, in day-to-day life his prime duty was to his own household as the source of a future lineage branch and therefore of the continuing basis of society. To this end he might compete with his more distant brothers, and sometimes even with his own brothers, over the acquisition of land or cattle, and if the situation became too tense or the land was too overcrowded, he might move out of the settlement and start a new one elsewhere, of which he would be remembered as the founder. Such competition is partly the reason for the scattered pattern of rural homesteads in Eastern Africa: unlike many West Africans, people prefer not to be too near their relations although they also prefer not to be too far away.

8. In other sorts of societies, although the extended family remained important to its individual members, as a method of largescale co-operation at settlement level it might play a small part. In some such societies nearly everyone in the settlement might be related in various different ways, mostly through intermarriage, but would not all belong to one lineage. They often owed allegiance to a headman who acted as executive officer for the elders. In "neighbourhoods", as such settlements are often called, largescale co-operative work in housebuilding and agriculture might be carried out by organized age-groups of young men and women (less formal than the age-grades of the Kikuyu), and sometimes by young peoples' voluntary dance associations which might recruit their membership from over quite a large area. A society formed on such principles was that of the Sukuma of Tanzania.

^{1/} "The Gurage", by W.A. Shack.

9. In yet other societies the extended family was less important still as far as the settlement was concerned. The Ganda of Uganda used plantains as a subsistence crop, and it was said that one woman single-handed could grow enough to feed ten men. Consequently there was little need even for individual households to co-operate with others to feed their families, and it seems that households in a settlement were very independent. Large-scale co-operation on public works, such as roadmaking, took place on behalf of the chief or king, and was done by his subjects drawn from a particular area, regardless of any family relationship questions. Neither were family ties with the chief of first importance, for prestige and material reward depended on each man's attaching himself, as a social inferior, to a patron (headman, chief or other influential person) upon whose favours he depended in return for personal services.
10. The Amhara society of Ethiopia was perhaps more like that of some parts of Northern Africa and Asia Minor than of other parts of Africa south of the Sahara. The Amhara extended family was small, because both sides of the family, whether traced through the father or the mother, were of equal importance, and in such circumstances it is impossible to keep track of a great many relatives nor for many of them to live close together. Again there was often a patron-client relationship with a landlord, which decided the settlement in which a man should live. Co-operation for agricultural purposes in a settlement - for ploughing or harvesting - was arranged by an individual household head who approached a respected elder as go-between. In return the household head must provide food, and help in the same sort of work those who had helped him. Attendance of the whole settlement at funerals and at gatherings to help those overtaken by misfortune was an obligation laid upon everyone by the Ethiopian Church, to which every Amhara belonged, and the central figure on such occasions was very often a priest.
11. Contact with industrialism and modern urbanization has tended to reduce the size and functions of the traditional extended family, which nevertheless shows remarkable vitality and remains important, although transformed, even in urban areas. There seems little doubt also that some societies originally based on largescale extended family co-operation have responded more quickly and positively to modern changes than some other societies not so based. Perhaps this is partly due to the kind of personality such societies tend to produce - rather self-assertive, yet with a strong sense of obligation to those to whom he feels he has duties based on kinship or on common membership of one small area; with little respect for authority that is not founded on such kinship or common membership coupled with purely personal ability; and with a noticeable interest in business and commerce. Members of such societies in urban surroundings tend also to be pioneers in founding well-organized Mutual Aid Associations which make use of kinship or area of origin as a membership principle, and which foster strong attachments to the home area. In East Africa at least, members of some of these societies also play a leading part in largescale non-ethnic organizations such as trade unions and chambers of commerce.

Urbanization in Eastern Africa

12. Much used to be heard about "urbanization" as a process of "detrabalization", which was seen as social disintegration in which the individual was reduced to a kind of rootless atomized existence. The process was either deplored as a degradation of social life, or hailed as the only way to build up a modern society. Nowadays ideas about the whole matter are being considerably revised.

13. If the sign of urbanization is seen not merely as a willingness to spend a large part of one's working life in a large city, but instead as the substitution of interests based on a primary attachment to the large city for interests based on primary attachment to a rural area (which would include a desire to spend even one's retirement in the city) then "urbanization" in East Africa would seem to be making slow progress. In Mombasa and Dar-es-Salaam there are small numbers of Arabs, "true Swahili", and the descendants of freed slaves such as the Manyema, besides of course the Asians, who have for generations been urban dwellers, but studies now in progress suggest that very few other people are primarily oriented to the city. In Nairobi, however, there are peripheral "slum" areas, such as Mathari Valley,^{1/} where some people state that they never want to leave, which are not in the least like slums as these are known in large Western cities. In Mathari the people have produced a complex community pattern of their own, including a local government organization, which is quite unlike that of a conventionally-pictured urban area. It is, in fact, a new creation, a kind of urban village, which claims the people's loyalty although the city as a whole does not. A similar development has been noted in Kampala.

14. The main proof of lack of "urbanization" in the sense given above is the common reluctance of immigrants, even when provided with facilities, to build houses in urban areas primarily for occupation by themselves and their families as distinct from letting out for profit. This applies even to most members of professional classes. They invest their savings in another house outside the city, preferably on family land. I did however find professionals and civil servants expressing a desire to retire in Kisumu, the small Kenyan lakeside town (about 30,000 inhabitants), the "home town" of Luo society. Those who wished to retire there were themselves Luo whose relatives lived in the adjacent rural area. In Kampala much land is owned by Ganda because the city was built in Ganda country, but it is complained that the landowners put up fine houses for rent while themselves remaining with their families in very poor urban housing - it is suggested, because they finally intend to retire outside. The same tendency is found in most of Nairobi.

^{1/} "Mathari Valley"; Ross and Hake.

15. In Addis Ababa the position appears to be somewhat different. In 1962 only 2.3 per cent of urban residents professed any desire to return to the rural area even in old age. This may be partly due to the fact that the residential core of Addis Ababa is still in many ways a very large village whose centre is the Emperor surrounded by some of his landlords, on whose land many of the ordinary people are effectually tenants. Soldiers and white-collar workers in the Imperial administration still form the largest employment categories. On the other hand, apparently restless movement within the city appears to be due to the people's attempts to re-sort themselves into a new form of the extended family, living in adjacent houses, and surrounded by "good neighbours" as in an ideal Amhara village. Once again, urbanization in Eastern Africa may turn out to be a different sort of urbanization from that familiar in the West. 1/

16. It also now seems doubtful if there is any such thing as "detrribalization" in the old sense. People do not break their ties with their home area on coming into a city, neither do they remain attached merely to their "tribes". Instead, to primary attachments to their kinsfolk and area of origin they add new attachments to new institutions such as the business in which they take up work and the trade union which they must join. Within these largescale institutions they make friendships with persons from different rural societies and may find that they have developed a wider conception of some larger common end. However, it is attachment to the home area and to kin or friends who may be either there or in the city, which has remained for most urban workers the strongest sentiment. In their spare time people still tend to associate mostly with others from the same society. In Nairobi it has been found that degree of education and size of income does not affect the proportion of a man's friends who come from the same society as himself. The same has been found to hold in Nigeria, Boston, New York and Philadelphia. 2/

17. A good deal has been written in the past about the attraction of "bright lights" and of the possibilities of escape from social sanctions as being potent reasons for urban immigration. However, accounts collected by myself suggest that for many emigration from the country is often considered to be a regrettable necessity, once one is married and with a young family, imposed by lack of cash and the low rewards of subsistence farming. Some Luo have expressed that investment in modern agriculture is nowadays surer way of providing for the future than underpaid wage employment, and may quote money figures in support of their calculations. One comes to town to earn enough money to provide the guarantee of good faith required by the Kenyan Government before one can obtain a loan for the purchase, registration and fencing of land, and provision of ox-ploughs. One may also start a rural business with one's savings. During leave from the city one returns home to carry negotiations a stage further or to place relatives or employees in temporary charge of the new project.

1/ "Social Survey of Addis Ababa", UNECA and University College of Addis Ababa.

2/ "Ethnicity as a Continuing Factor", M.H. Ross.

18. The consequence of all this activity is a continual flow of persons, goods and services between the town and the rural area. For the members of some societies, such as the Luo working outside Kenya, this is an exchange which transcends national boundaries. Moreover, it is not a passive escape from the necessity to settle down in one place or the other, but an active transference of ideas, institutions and cash from the urban to the rural areas, and of food, moral support and strongly-held values from the rural to the urban area. The end result is continuing change in both. The following account of this process was given by a Luo in Kampala.

19. "Urban life does not draw relatives apart, it draws them together. In our country brothers quarrel over land and property; but in the town there is none to quarrel over and they come to each other for protection. When a man migrates, especially if he is married, he thinks, 'I might die tomorrow - who could take me home to bury me?'. So he may write first to someone in Kampala who comes from the same rural location in Kenya, and tells him he is coming. This man may be a brother or mother's brother real or distant, but this need not be so. The important thing is that he should know him very well, and it is difficult to know anyone very well unless he has been your neighbour for some time".

20. The new migrant stays with his host, getting free food and lodging, until he finds work. He may continue to remain in the same house until he gets lodgings of his own. Whether this time he pays or not depends on the closeness of the relationship. With very close relations, including brothers-in-law, "the things you give him are not counted". His host will of course expect help from him, in cash or kind, if the host should need help in future. The return again is not usually exactly calculated if it is very small. Nowadays however men are more inclined to ask for receipts if the amount is over about 50/- or 100/-, expecting a return at some time or other. Men who have still not paid their full brideprice may ask the brother-in-law who is borrowing to furnish such a receipt, acknowledging that the amount will be deducted from what is still owing. When the lender goes home he produces this paper to his parents so that they can see that there has been a reduction in what they have to hand over.

21. Among the Luo schoolfees are nowadays primarily the responsibility of in-laws. A father-in-law can write even to a son-in-law studying in the USA, asking for help with schoolfees for his wife's, or prospective wife's, brothers or sisters. This too may be counted against the brideprice. This responsibility of a man for the schooling of his wife's relations is also recognized by the Nyaturu of Tanzania, where brothers-in-law accommodate and feed their wives' younger brothers and sisters if they happen to live near a suitable boarding school. Reciprocal help in some other matter may be claimed by the wife's husband from her brothers and sisters when they have grown up.

22. An organization of this sort is often described sociologically as a "kinship network". This description is not quite accurate if the members may sometimes be only friends, but for convenience I shall retain it in this account. Networks of this kind exist in all parts of Eastern Africa, covering both the urban and the rural area of origin. A Nairobi informant told me that he had investigated one person's network and found that in the city alone it consisted of at least a hundred persons. It is this sort of network which is partially responsible, on the negative side, for a man's being practically without money a day or two after he has received his pay-packet, but on the positive side it also helps to account for his being able to pay, with considerable regularity, large monthly subscriptions to a Housing Association or instalments on a radio set and in the meantime being able to live on credit or gifts from the rural area insofar as food is concerned.

PART IV

THE MOBILIZATION OF SAVINGS IN INDIGENOUS SOCIETIES TODAY

The attitude to savings in agricultural societies

23. There have always been savings, investment and credit in kind in Eastern African societies wherever a surplus has been produced, even if the savings have been very short-term. However, in the absence of a fully developed cash economy the economic sides of life were not strictly separable from the social and religious sides. Most, if not all, Eastern African societies have no terms in their traditional languages for such concepts as savings or investment. Nevertheless, it can be said that co-operative credit, in the sense that life itself was based on the understanding that in time of need members of a particular community could draw on resources to which all had in some ways contributed, was the basis of these societies originally and still is to a considerable extent. Misunderstanding of these facts has led in the past to all sorts of misconceptions by Europeans and others and the inventions of misleading anglicanisms such as "brideprice". Brides were of course not "sold", though the movement of a woman whose chief occupation was agricultural production from one family to another inevitably had an economic aspect when the existence of the family depended largely on her efforts. The cattle or other objects used in the brideprice were the symbols of the setting up of a system of reciprocity between two families - economic, social and religious. When the brideprice gets transformed into hard cash, as it often has been nowadays, the transaction becomes more economic in tone, but even then it may not be nearly so purely economic as outsiders often suppose.

24. Traditional savings were first in the form of crop surpluses, especially grain, which could be stored for the next season. The final disposal of this surplus grain might again have economic, social and religious aspects - for instance, it might be used to feed a harvesting party, which included one's in-laws, at which the ancestors were honoured. Once livestock were obtained a much more convenient, durable and portable method of investing savings was available. (I shall from this point concentrate on the economic aspects of these objects and transactions, as though they were the only ones). Surplus grain is still very commonly exchangeable for livestock. Moreover a cow can reproduce at the rate of 100 per cent per annum, at compound interest. Village people are well aware of the general rate of increase of different livestock and consequent increase in wealth. At the base of this system one often finds the humble chicken, which feeds on the chaff from the pounded grain. Among the Nyaturu of Tanzania, a newlyborn boy is presented with chickens by his relations. These increase under the care of his parents until they can be exchanged for a goat or sheep which goes into the family herd. The progeny of the goat is exchanged for a cow. This animal forms the nucleus of those the boy will need in order to obtain a bride.

25. Where the ivory trade flourished in the nineteenth century, so the economic importance of cattle and grain increased, because they were in demand for provisioning caravans. They were exchanged for cloth, exotic beads and copper wire, once these articles became valued. Among the Nyaturu of Tanzania some of these beads have now become family heirlooms and are valued in terms of cattle. Among these people in 1968 grain, cattle of various types, goats, sheep, poultry, honey and other articles can now all be valued both in terms of each other and in money terms. Cattle and other livestock remain of central importance in many Eastern African societies, and among the older people especially are still the first choice for investment of savings because they may still be the most generally useful one.

26. In addition, in coastal areas of East Africa and in Ethiopia, there has long been saving in the form of gold and silver ornaments and tooth-fillings.

27. In East Africa coinage first came into general use as a result of forced labour on roads, buildings and in plantations, and in the forced sale of cattle. The people were then required to pay it back in the form of taxation. At first there was indeed little other use for it, and it is not surprising that it was buried or hidden under the thatch until required. Its next use was for the new consumer and minor capital goods which people had already obtained under the barter system; cloth, beads and hoes. Later, aluminium cooking utensils, more refined flour than could be produced at home, and tea and sugar were added. Emigration to towns encouraged the growth of commercial beer brewing and tastes for other new foods. Radios, bicycles and cars have been added since 1945. In remoter areas these may still be owned only by salaried government staff.

28. The earlier uses of money laid the foundations for attitudes about its proper purpose which still exist among many people. The purpose of money was considered to be primarily to buy exotic goods connected with the new cash economy, including new kinds of food useful for entertaining visitors. Money was not for buying basic foodstuffs normally grown at home, for these should not have to be paid for. Money was also primarily something to be spent, for all the interesting new goods could only be obtained by spending money. Modern savings institutions were at first non-existent, and when they did appear Africans were often discouraged from using them. Money, too, like goods used in barter, acquired from the traditional society a social as well as an economic aspect when used in some transactions where the social value of the original goods was much stressed: for instance, at funerals, when used in brideprice, and in the forging of links between kin or friends. Nowadays a small loan may be asked for with the object of establishing a relationship which is as much social as economic. The generous man, as in traditional society,

is still the most admired person. Just to whom he should be generous varies from almost anyone who might conceivably be attached to one's society (as among the Luo and Nyaturu) to a select circle of close kin and friends (as among the Amhara and to some extent the Ganda). These attitudes are often still prominent among urban immigrants at the grass-roots level.

29. Connected with the ideal of generosity is the attitude that exactitude in money matters is not so very important. Among close kin especially, food and other things that have been lent are rarely expected to be returned at any specific time and often not to any specified amount. This attitude is often extended to money. Students on a Credit Union course were found to express surprise that 95 per cent accuracy in their book-keeping lessons was not considered sufficient (though this was connected also with a lack of realization of the difference between a school exercise and a real life situation). However, under changing conditions villagers and urban wage earners are increasingly coming to realize the necessity for strict accounting. The strict cross-checking in some Associations described in the third part of this report are typical of many other small organizations. Even in remote areas there is a keen interest among adults in learning arithmetic.

30. Village people are also becoming aware of the distinction between money given as between kinsmen and that whose use is more impersonal. In Nyanza Province, Kenya, a joint business on an extended family basis ran into difficulties when, at the request of older women who felt they were not sharing in the general benefits, the officers lent them money. As members of the family, the women felt no responsibility to return the money at any particular time and the business consequently collapsed. However the group realized its mistake and started again on new lines. In the coastal area near Dar-es-Salaam, where cash has been used for a long time, small fishing businesses are always formed between friends, never between close kin, because, the people say, true brothers will never make a proper business agreement. It has been suggested to me that Credit Unions could be run within small lineage groups whose members have strongly defined traditional duties to each other, but I have my doubts. The extensive claims that very close kin may have on each other is liable to conflict painfully with the necessity for a working business arrangement. ^{1/} This does not however necessarily apply within larger groups of people related through more distant ties, as happens in some of the Location Associations described later.

31. Returning to the incentives for saving money as compared with spending it, I think that people in East African villages are probably more likely to save if their savings can be spent on something which brings them social

^{1/} "African City Life", P. Morris.

approval and prestige as well as individual benefit. This is one of the reasons for the popularity of public buildings as an investment, even when they do not seem to be very useful. The puritanic individualistic attitude implied in the Thrift and Loans Societies movement of the 1950s., with its emphasis on thrift as good in itself, is meaningless to people who depend upon, and enjoy, the good-will of their neighbours. Indeed, it is sometimes difficult to find socially acceptable channels for the investment of cash savings in societies which have not yet changed a good deal through modern development. Women may be particularly affected. In the coastal area of Kenya and Tanzania, where women are already in petty trade, their investment of savings in wholesale buying may be acceptable, but not in some inland areas where women still rarely handle cash. The investment by women in private, as distinct from public, building is still so new that the few women who do so may be regarded with suspicion.

Savings and housing

32. Private housing at first sight seems an obvious field for the investment of savings in rural areas. The only figure for improved housing in such areas that I have found is .03 per cent for part of the comparatively well-developed Nyanza Province of Kenya. ^{1/} This included the simpler changes, such as the insertion of wooden frame windows in a traditional house. However, the percentage of improved housing must be much higher for the Central Province of Kenya while in Buganda, Uganda, no traditional private housing remains. The same is true of the Kilimanjaro area in Tanzania, where the old traditional house has now become the cowshed. These last three areas are among the most advanced in East Africa, where cash incomes and savings are probably the highest. In the Central Province of Kenya savings have been given as 12 per cent of the cash income. Land tenure, too, has become individualized there, which may mean that social pressures against changing one's house style, as is the case with new settlement schemes, have become inoperative. If a man feels strongly enough about such matters he can sell up and move elsewhere.

33. In many rural areas of Eastern Africa, however, changes in traditional housing may be one of the more difficult achievements. Part of the problem is the sheer expense of the present ideal of a really modern rural house, meaning by that a well-built concrete structure with steel-frame windows, substantial roofing, a number of rooms including accommodation for guests, and a kitchen, bathroom and latrine. Such a building cannot be built privately for much less than 10,000/- E.A. Even the Credit Unions I met did not profess to be able to do much more than lend enough money for galvanized roofing and the cement facing of a building of sun-dried brick. Really modern houses are at present within the reach of only the wealthier people who can afford loans from building societies. In addition, rural houses are not a very productive investment. Many are built by salary-earners for future retirement, and although they are usually able to let them in the meantime the rents obtained will be much lower than in urban areas.

^{1/} Government Statistician, Kisumu.

34. The chief difficulty, however, lies in the central place of the traditional house in the still partly traditional society. Its layout and its compound are very closely connected with the subsistence economy, and in spite of all appearances often well adapted to it. In addition, the homestead may be the centre of rituals concerning the fertility of people and crops, which cannot be carried out in a different type of homestead. In some cases the layout may even symbolize the people's ideas of the constitution of the universe, in which case each wooden pole, the wall, the roof, may all carry important meanings. Even where these ideas have been largely replaced by others, as is usually the case, the sentiments connected with them may remain strong for some time longer. Above all, the traditional house is erected with the co-operation of important kingroups or the members of one's neighbourhood. Only among comparatively few peoples such as the Ganda, Amhara and coastal Swahili has the traditional house been erected only by the family which is to occupy it, with the assistance of perhaps one or two close relations. Even seemingly small changes, such as building a house with sun-dried bricks instead of with wattle-and-daub, or putting corrugated iron on the roof, are major changes so far as co-operative work groups are concerned. The latter task is beyond their competency, while in some areas the making of sun-dried bricks, though a simple operation easily learned, rapidly becomes claimed as a special skill by someone who then expects cash as well as kind in return for his work. The African respect for the man with special skill ensures such persons a new place in the community. Relations may then refuse to build part of the house if they receive only food and drink in return, when they see that others who do not belong to the recognized house-building group are given that valuable commodity, money. The would-be housebuilder finds that if he is to invest his savings in these improvements then he must lose both the economic and the social support of people whose co-operation in other sides of life he is loath to lose. In extreme cases, he may even be ostracized on the grounds of selfishness, or his house set on fire.

35. However, in most cases what happens is that change in building techniques do take place, but at first slowly. They are also confined to easy alterations, such as putting in holes to let in the light after the communal workparty has departed. More audacious builders are men who are at present working in cities and who build for retirement, because they only come down during vacations to supervise and are economically and socially protected from continuous local pressure. Partly for the same reasons, new-type housing is most thickly clustered on the perimeter of townships and round missions, schools and local government centres. It is safe to say too that up to the present most new-type rural housing in Eastern Africa is only semi-permanent and in a poor state of repair. This is because unlike the traditional house cash is required for repairs as well as for building, and the old folk who may be left in charge do not always know how to set about finding and supervising the workmen even if their sons send them the money.

36. A study among the Nyaturu made by myself in 1965 ^{1/} suggests that improved housing is closely connected with both a regular family cash income, even if small, and with the education of the wife. In the present stage of development, if a man wants an educated wife he must provide something approximating the kind of house she wants. Otherwise, nowadays, she is liable to go off to the town to work. Among younger men with more than one wife, the senior wife is usually the best educated and gets the best house. The education of the husband is not, by itself, so important. Some of the best improved complete homesteads (including improved accommodation for livestock) were built by wealthy illiterates with great pride in a large extended family. They had obtained their savings from educated sons (who had often erected their own individual improved house inside the compound), from salary savings as old-time government messengers, and from selling off some of their own large herds and stores of grain. This means it is not necessary to wait for a higher standard of education before any housing improvements can be made. Such earlier improvements, however, are more likely to take place if the changes at which they aim can be presented as an extension of traditional values centred round a large family and many cattle. Among the Nyaturu (and probably in a good many other areas where both cattle keeping and the residential extended family are important) it is also easier to encourage improvement of individual buildings if it is not suggested that the general plan of the homestead as a whole is interfered with.

37. Usually, the earliest desired change in rural housing seems to be the corrugated iron roof, though not everyone can afford it first. This will even be put on a round house, in spite of fitting difficulties. While it is undoubtedly useful it also has drawbacks and is expensive. Another early change is the building of rectangular instead of round houses, with a multiplication of the number of rooms. The chief reason for building a rectangular house with a pitched roof of corrugated iron seems to be social: This is the kind of house that proclaims a man's acceptance of the modern world. After this, a cement floor, cement facing and wooden frame windows are added. In most areas, few houses get to this stage.

Land tenure and improved housing

38. It is often suggested that one cannot expect improved housing without a fully individualized land tenure system, in which the owner can sell the land if he chooses and can therefore use it as security in order to raise funds. Most land tenure in Eastern Africa is customary, which means that land is not saleable (although it may often be leased in various ways), because it is inheritable and there is a varying amount of social control over its disposal.

^{1/} "Social Change in Singida", M.R.Jellicoe

39. This difficulty may be exaggerated. It was pointed out to me by several persons that the security demanded in the past from farmers by government before the granting of loans for improvement purposes in fact nearly always proved fallacious when it came to actual enforcement. This was because in a peasant society one cannot take up the security without depriving the farmer either of his effectual livelihood or of his self-respect, and undermining what one has helped to build. The value of the security arrangements were in fact purely psychological, and a great many loans were not repaid, not even in districts such as Moshi, Tanzania, where land tenure had become fully individualized. Under Eastern African conditions it seems that social pressure is still often the best security for credit, as it still often is for good behaviour. This underlines the value of loans for housing being channelled through co-operative or mutual aid organizations of various sorts - provided the members of the organization really do have genuine control and therefore responsibility.

40. Houses are often saleable nowadays when the land is not. Among the Nyaturu I have known a man sell a traditional house for 30/- because he was going away to work. In this case the house would fall down in a few years, and the buyer would not be considered to have any automatic right to use the adjoining land after this, nor to build a new house. There are good houses, ranging in value from 9,000/- upwards, going up in the coastal area near Dar-es-Salaam. They are built on land held by customary tenure, whose holder asks for a small present, in cash or in kind, and expects a gift as "ground-rent" every now and then. The only stipulation he makes is that cashew-nut trees (a valuable permanent cash crop) should not be planted on the plot, because it is felt that the ownership of these is less easily separable from that of the land. There is an informal agreement that the house belongs to the builder as long as he or she wants to use it or until it falls down. This is a system that has obviously developed from the various customary "tenancy" arrangements found all over the country, in which the basis of the understanding between landlord and owner-builder is a personal one.

41. In the Mombasa hinterland the process has gone further, so that one has a "customary Swahili tenure" system of long standing, in which land is saleable. The landlord may build a house (often a good solid structure of coral rag and cement) which he may let to another through verbal unwritten agreement (before witnesses) for, apparently, quite reasonable rents. These agreements may last for many years; all depends on the good relationship between the landlord and his tenant. The Municipality Housing Department have made use of this custom on the outskirts of the city to produce a low-cost housing system which they think is working far more satisfactorily than any of the more formal types. Here the landlord who wishes to build must now first inform the Municipality when he will be helped to lay out his land in suitable plots. A good traditional type of building is stipulated. If he does not build on the land himself, the landlord will allow others to do so, charging a customary "premium" of about 300/-. The builder (who is often the occupier, for this is effectually a rural area), then pays a "ground-rent" of about 10/- to 15/- a month. The house remains his own. "The only trouble about these houses", I was told, "is that there are not enough of them".

42. This seems to be the sort of system that is required and is lacking in the one-mile perimeter strip round Kisumu township, over which the Council (unlike the Mombasa Municipality) has no control, where the builder is not usually the occupier, and where there is no tradition of satisfactory semi-permanent building. Here the customary landowner makes an agreement with the builder before the District Commissioner, in which the builder agrees to pay a "premium" of about 300/-, and owns the building until his death. The buildings put up are, however, extremely poor, a mere block of single rooms, for each of which 100/- a month may be charged.

43. Nowhere in rural East Africa, as far as I could discover, is land yet viewed as primarily a marketable commodity; it is still something for use, which sometimes one may sell, not to get a large profit but to get enough money to buy another plot elsewhere. Even in the individualized land tenure areas of Kenya the present adult generation at least appear to be buying land with the prime purpose of remaining on it and of settling their sons there. On the other hand in the urban areas, where land is unconnected with agriculture, the attitude may be purely exploitative. This may be part of the reason for the general lack of public interest in site-and-service schemes, and for the failure of the self-help schemes in Dar-es-Salaam. It might be found, however, that the attitude to housing in the Mathari Valley settlement of Nairobi, where the people have developed a new society of their own, may not be so purely exploitative.

44. There is a very great incentive to save in order to invest in urban building, therefore, but the motive is usually as a means to an end which still lies in the rural areas. Consequently, encouragement of saving for investment in urban housing should not only go hand in hand with well thought-out and enforceable town planning regulations, but with deliberate attempts to encourage the growth of communities such as that of the Mathari Valley where housing may come to be wanted primarily as homes.

Hoarding

45. One still often hears it said that people in rural areas often bury money, put it in the rafters or hide it in the bed. Every now and then a spectacular story appears in the papers about someone who has lost all his savings because they have been eaten by rats. During the East African currency change-overs, too, one heard stories of embarrassed hoarders bringing loads of old notes to the bank. Old people everywhere tend to hoard money, but otherwise, in spite of these accounts, there does not seem much foundation for the idea that the general population nowadays is given to long-term hoarding, as distinct from short-term putting aside in the absence of sufficient savings facilities. If they did, the results would be seen in the circulation figures more often than they apparently are, although I understand that in Ethiopia 50-cent pieces do tend to disappear from circulation.

46. In rural areas in general there is still often a great lack of facilities for safe-keeping. In some of the underdeveloped areas of Tanzania, for instance, the only bank and post office may be 100 miles away. In the Nyanza Province of Kenya, on the other hand, there are claimed to be bank agencies only 10 miles apart. But even 10 miles seems a long way to village people when the agency opens only once a week, one has to walk there and back, and there is urgent planting to do or it is the day to take one's turn in the cattle-herding rota. All primary Co-operative Societies in Tanzania claim to have safes where rural Credit Unions may also keep their funds, and in Uganda the Co-operative Societies are also to be provided with safes. But not everyone can be allowed to put his private cash in the Co-operative safe. Originally, local government headquarters used sometimes to keep cash belonging to women's clubs, but this had to be stopped owing to abuses. Therefore, in many places, certainly in Tanzania, missions, Asian storekeepers and private employers have most often been approached for safekeeping facilities. Now, however, such people are increasingly reluctant to keep money because of the growing risk of theft.

47. Thus short-term hoarding may be largely involuntary and should easily be reduced if there were better facilities. The lack of these, it should be noted, increases the incentive to divert one's savings into the most readily available investment, the traditional cow or goat - especially in areas such as Buganda, where housebreaking for cash has reached alarming proportions.

Attitudes towards modern savings institutions

48. One reason for the selection of shopkeepers, missionaries and employers as safe-keepers of savings is the personal touch and the confidence that they are unlikely to be tempted to go off with one's savings because they are by comparison well-off themselves. The members of one Credit Union I met firmly refused to leave their money in the co-operative safe because in that area there had been abuses by treasurers in some of the other primary societies. They pressed their money on a reluctant priest instead. There was no bank or post office within 30 miles, but when the money had accumulated to the point that the priest protested, the treasurer would cycle to the township and bank it.

49. Where there are post offices these are still popular in rural areas, because they are always there and one knows the staff personally, and that they send and receive one's letters which usually arrive safely. The low rate of interest ($2\frac{1}{2}$ per cent) on a post office savings account is not important to a man with very little who would otherwise leave his small savings at home. The chief disincentive to post office saving seems to be that one has to fill in a form and wait whenever one wants to get any money out, and under rural conditions one can rarely foresee when this will be.

50. In pre-independence days commercial banks were often considered special institutions for the European, where he could get unlimited credit which was not allowed to the African. In Kenya especially Africans were not encouraged even to go into banks. Neither were there many rural agencies. Since independence the mutual attitude of banks and ordinary people has changed, especially among urban workers and organizations. In urban areas people sometimes realize that the rate of interest on a bank savings account is slightly higher than in a post office and that the bank in some circumstances will allow an overdraft. The chief incentive, however, seems to be the ease of deposit and withdrawal. As bank branches have increased they have become more familiar as well as more accessible. The bank agency in rural areas seems popular with small depositors wherever it is opened, in all four East African countries; one in the Kisumu area claimed 20 new depositors a week. Some commercial banks claim that the fixed agency is more popular than the travelling bank, because people are sometimes distrustful of a man who takes their money and then drives away. In urban areas, the Location Associations put their money into the savings accounts of commercial banks because they can always get it out again so easily, important where funerals are concerned. In Addis Ababa, the State Commercial Bank of Ethiopia keeps open in the evenings.

51. A reason for the popularity of the commercial banks with the salary earners is that after independence in East Africa governments started paying salaries through banks. Although this caused some inconvenience at first, people later appreciated the advantages. In Uganda, there is a transfer savings scheme by which a stated part of one's salary or wages can now be automatically credited to a savings account in the Uganda Commercial Bank, which is state-owned. This has proved very popular 1/ - as are many "check-off" systems when those concerned are fully confident of the receiving end.

52. Commercial banks admit that they lose on savings accounts, because the amounts deposited are small though the number of accounts is high, and because there are so many withdrawals, which show a markedly seasonal pattern even among wage earners. One bank manager complained that even salary earners seemed to forget to allow in advance for school fees, so that he had requests for overdrafts for very small amounts such as 60/- or 100/- or so.

53. Most people have only small savings that they may want to withdraw quickly. The extra $\frac{1}{2}$ per cent paid on a bank deposit account does not seem a great attraction for such small savers, but only for those who have accumulated funds they do not want to use urgently. These are mostly the middle-level salary earners and the larger associations. It is at this point, too, that the salary earners seem to begin to look for somewhere else to invest their savings, possibly because at this level they become more aware of the possibilities of earning interest on larger amounts, and of linking savings with credit.

1/ "Monetary System in East Africa", J. Loxley.

54. Building societies in pre-independence East Africa were institutions used only by Europeans and Asians, and were badly hit by mass withdrawals at independence. Their offices were tucked away in corners in the larger towns, and like banks, with the exception of the East African Building Society they had made little attempt to appeal to Africans. Since independence they have received government backing or become nationalized, and have deliberately appealed to African savers. They now provide a growingly popular means of saving for middle-income groups, as they pay a higher interest than the banks and savings may be linked with mortgages for good quality building.

55. Life insurance is now extremely popular with salary earners in Eastern Africa, although it is rather new in Ethiopia. The possibility of entering the CUNA Life Insurance scheme is a motive behind the attempt of at least one Uganda Thrift and Loan Society to become part of the CUNA movement. Many university graduates in East Africa are said to become insured as soon as they get their first post. In Kisumu, a private life insurance company claims that they have recruited about all the 38,000 teachers in Nyanza Province. Premiums of from 10/- to 40/- are deducted from their salaries by arrangement with the education authorities. Uganda now has a State-owned life insurance company, while in Tanzania life insurance has been nationalized.

56. Compulsory national insurance is now being initiated, in its elementary stages, among lower income wage earners in all three East African countries. In Kenya this provides for a 5 per cent deduction from wages, to which the employer contributes another 5 per cent, the total being repaid to the worker, with the addition of $2\frac{1}{2}$ per cent interest, at the age of 60 or whenever he is incapacitated. A similar scheme in Uganda brings benefits at 65. In Uganda it has been reported as not popular yet, because few men foresee themselves living to 65, even though there are provisions for payment to a deceased man's family.

57. Premium Bonds, Government Bonds, Treasury Bills and Stock Exchange transactions scarcely affect the small saver. An increasingly brisk trade in local investments by people in Uganda and Kenya is done on the Nairobi Stock Exchange, but these are by persons in the upper income groups. In part of rural Tanzania in 1965, Premium Bonds were regarded as another form of taxation. However, Uganda Electricity Board bonds in Uganda have become popular with at least one of the newly-metamorphosed Thrift and Loan Societies which have become credit unions, in preference to bank deposit accounts. Ethiopia has a small and new Stock Exchange which is concentrating on encouraging insurance companies to invest their proceeds profitably. Tanzania has no stock exchange, savings being mobilized upwards in various State-owned or parastatal organizations.

58. In Uganda State Lotteries, at 1/- a ticket, are popular with all income groups in both urban and rural areas. In fact their popularity as compared with Premium Bonds has been causing some concern.

Co-operative produce and marketing societies

59. In Uganda, dependent as it is on two main cash crops - cotton and coffee - Agricultural Co-operatives are probably by far the biggest channel of rural savings. The co-operative movement dates from the 1950s, Uganda having been fairly early regarded by the British as a country which should be developed by small peasant farmers. In 1965 there were about 2,000 primary societies, a large number for so small a country, with a share capital of 11,000,000/- E.A.; all owned by the members. Due to the wide coverage and density of population, a primary society usually has only 250-300 members, though in some very densely populated areas there may be 1,000. Agricultural credit schemes are now being channelled through the Uganda Co-operative Bank, which will use the Uganda Commercial Bank (a State institution) as its agent. In 1966 loans totalling 8,000,000/- E.A., involving 35,000 farmers, had "good repayments", representing a saving. The Rural Thrift and Credit Scheme, on the other hand, has not been much of a success, probably because until now it has not been sufficiently linked with credit. 35 Co-operative Thrift and Loan Societies, independent organizations for salaried workers, were first founded in the 1950s, and never appealed. They are now being gradually turned over to more of a Credit Union type of organization. Though there are no overall figures, the one or two that seem to be doing really well (usually among teachers, who pay in regular amounts from their salaries through the "check-off" system) still appear to have difficulty in deciding what to do with accumulated funds. School savings groups are now also envisaged.

60. In Kenya the co-operative movement is very new, for it was deliberately not encouraged by the settler-dominated pre-independence government. 1,100 societies had in 1965 14,700,000/- E.A. in members' capital. However, nearly as much capital again was contributed through deposits and loans from "relatively better-off non-members". This fact underlines the greater inequalities of income level in Kenya than in the other two countries, wealthy farmers making a profit of from 20,000/- E.A. a year upwards existing close to small independent peasants. Agricultural credit comes from very many sources. Various government agencies provide medium- and long-term loans, while the commercial banks provide short-term loans but will still rarely make such loans to small farmers. However, from 1966 the Ministry of Agriculture is giving short-term credit to 17,000 small farmers who have a registered title of land ownership, but apparently not channelled through the co-operatives. Overall figures of repayments could not be obtained, but they are apparently not as satisfactory as those in Uganda. The writer's general impression, perhaps biased, is that small farmers in some areas look on co-operatives as government affairs, to which they owe no direct responsibility. However, a new credit scheme for channelling short-term credit through co-operatives

is to be tried out.^{1/} The old Thrift and Loan Societies were no more of a success in Kenya than elsewhere, but CUNA-type Credit unions, among urban workers especially, are now being encouraged with the help of the Catholic Relief Services. In 1967 there were 62 with savings of 1,500,000/- E.A. and a membership of about 2,700.

61. In Tanzania, like Uganda, the Co-operative movement has a long history, though at first it was confined to the wealthier areas. Their great period of spread in a country 94 per cent of whose population is engaged in farming, has been since independence. At the end of 1967 there were 1,649 co-operative organizations (excluding Credit Unions) with over 500,000 members. Of these, 1,555 were Marketing Co-operatives. There were also 175 registered CUNA-type Credit Unions, (an increase of 45 per cent over the previous year) with a membership of 21,484 and 2,573,000/- E.A. in members' savings. Loans outstanding were 3,850,000/-. The Credit Union movement started in Tanzania in 1960, and by 1964 they were already organized in a Credit Union League. General supervision and control is with the Co-operative Department, which employs a special inspectorate, though making much use of voluntary agencies, especially missions, for local supervision and training. It is considered desirable that Credit Unions should operate separately from the Marketing Co-operatives in order to define responsibility and to avoid any possibility of misuse of funds. All co-operative organizations in Tanzania are mobilized in a Co-operative Union, and all co-operatives of any kind (excluding Credit Unions) are financed by the National Co-operative and Development Bank (founded in 1964), which is now a subsidiary of the National Bank of Tanzania, all private banking having been nationalized. Tanzania's Co-operative problems are largely connected with the huge size of the country (equivalent to that of the Nigerian Federation), the often sparse population, poor communications and shortage of sufficient trained staff.^{2/}

62. Ethiopia's Co-operative Marketing movement is very new. However, by 1966 there were already 14 societies with over 3,000 members and a share capital of 403,200/- E.A. They are all except one in the coffee-growing areas of the periphery. A number of smaller co-operatives have recently grown up with the encouragement of community development officers. There are 2 recently-formed Credit Unions, among middle-income employees in Addis Ababa. A major problem is that the National Development Bank (Government sponsored), which finances the marketing co-operatives, is under-capitalized and therefore, cannot provide all the loans required.

^{1/} "Co-operative Mobilization of Local Savings", d'Souza.

^{2/} Figures provided by the Ministry of Commerce and Co-operatives, 1968.

Self-help schemes

63. In all four countries governments encourage voluntary effort in farming communal plots on unused land, and in building roads, dispensaries, schools and community centres, as well as in providing money for teachers' salaries in the case of voluntary harambee and TAPA schools of Kenya and Tanzania. In Ethiopia all or most contributions appear to be in cash for the payment of labour: a figure of about \$2,000,000 E. is given for the efforts of the Gurage mahaber over a number of years. In Kenya and Uganda contributions are in mixed cash or kind, and in Tanzania much the greater part is in free labour. Under such conditions it is virtually impossible to fix a cash value to the people's efforts. Under this heading would come the improvement efforts of Location Associations as well as individual contributions, mostly from urban areas, the total of which is unknown.

Direct taxation

64. This is a compulsory savings which cannot go unmentioned because the ordinary peasant and urban worker pays it direct. All the three East African countries admit that such taxation is at present regressive and hope to improve the system as soon as possible. In a central Tanzanian district in 1965, one of the poorer areas where the per capita cash income was estimated at about 30/- per annum, each adult paid an annual local tax of 36/-, plus cattle tax at 2/- a head for each animal kept as well as various other dues. As everywhere in the world, direct taxation is unpopular enough for village people to go to some lengths to avoid it especially as they still find it difficult to understand how they themselves benefit from it.

Schoolfees

65. I include these as savings, because to most parents in East Africa at least they are still, among other things, an investment on behalf of the family. One still as a rule expects the help of one's children in old age, and it is very common for young people especially to send home a considerable part of their wages as an acknowledgement of their parents' sacrifices. I could find no figures for total school fees paid by parents or relatives. In the Nyanza Province, Kenya, where there is great pressure for education, from 200/- to 450/- per annum is charged by grant-aided secondary schools: The harambee schools, which get no grant, charge 800/-. Fees are paid by instalment, and children often are sent back home to collect fees before being allowed to sit for their School Certificate examination. Much money for schoolfees may flow in from urban areas, both from individuals and through Location Associations.

Other investment of savings

66. There are obviously other savings, especially in Kenya and Uganda, which do not flow through recorded channels. An unofficial estimate for the rural areas of the Central Province of Kenya gives a 12 per cent saving on cash income, which is a high figure. In the urban areas of Nairobi, it is believed to be 10 per cent. Most of the savers in this case are probably Kikuyu, who are everywhere known as hard workers and persistent savers, the chief incentive being to buy agricultural land. In all the four countries investment in urban housing, with the prime aim of letting for rent, has gone up steadily since independence, even though the housing situation remains very serious and the housing built is often so poor. The estimated value of private housing built in all the main towns of Uganda in 1966, was £2,223 M. E.A. Here the small saver as well as the larger one plays his part. In a case which recently came to my notice, a house on the outskirts of Kampala built for 500/- by a refugee from Burundi was resold for 600/- to a personal servant, and was expected to bring him in a monthly income from rentals of 180/-.

67. Gifts given to friends and relations (4.7 per cent of a man's income in Kampala in 1964 ^{1/}) are not counted as savings by the people making them. However, they would seem to be savings insofar as they represent a "good-will" investment in the kinship network. The total average income in that year is given as 139.04/- a month, with the total average expenditure of 159.17/-, ^{2/} which suggests that investment in the kinship network might be well worthwhile. The small shopkeeper is also "saving" by allowing his customers to overspend, and borrows from wholesalers, who in turn borrow from commercial banks, in order to make this possible.

68. However, most of the unaccounted-for savings may go into the numerous small businesses in Kenya and Uganda. Most of the Kenyan ones may be unregistered, because they have less than 10 members. A study done recently in Embu District in the Central Province of Kenya suggests that a system of joint ownership, in which the biggest investor becomes manager, is commonest. Investors share in the profits through complicated calculations of which no records may be kept, the smaller investors sometimes getting their profits only in kind (e.g., free beer from a jointly-owned bar). Buses, shops, bars, sugar-cane and water mills are often owned in this way. ^{3/} Then there are the possibly numerous unregistered "credit unions", which may sometimes be little different from money-lending businesses.

^{1/} and ^{2/} Statistical Abstracts, Uganda, 1966.

^{3/} "Small-scale Businesses in Embu District", J.Wills.

69. All this activity has its negative as well as its positive side. In 1964 it could be said ^{1/} that the money-lender was still an unimportant figure in East Africa, but from the information I obtained this might no longer be the case in 1968. Money-lenders are also now sometimes Africans. Cashiers in charge of paying wages are said to often act as money-lenders (at 10 per cent or 12 per cent per month). There is also increasing litigation over land in those parts of Kenya where there is much consolidation and registration.

Conclusions and suggestions

70. Thrift with credit, in terms of material goods and services, has always existed in East Africa as part of the basic way of life. Nowadays people want money to produce wealth, not simply to put by for some long-term emergency which they are not sure will ever arise. Once they become aware of the connexion between thrift and credit in money terms - as they are now very rapidly becoming aware - the pressure for credit becomes great and there is also a greater incentive to save, especially for agriculture, education, more expensive consumption goods, and housing.

71. To make the fullest use of these incentives to save, however, would involve major adjustments in government policy, as well as the acceptance of certain facts. The first fact is the existence and toughness of rural-urban ties, which suggests that for some time to come many persons immigrating into the large urban areas will continue to show strong attachments to their rural areas of origin. This implies that most private housing in such urban areas will for some time continue to be valued mainly for rental; and that even in owner-occupied low-cost housing the lodger is, as the manager of the Tanzanian National Housing Corporation said to me, "a socio-economic necessity at present", for whom accommodation must be provided. On the other hand, new small urban communities seem to be growing up within city boundaries whose own boundaries probably do not coincide with the ward system, which could be used as centres for the encouragement of genuine urbanization of a possibly quite new pattern.

72. In rural areas, on the other hand, the most suitable improved housing for most people at present would seem to be (again for socio-economic reasons) of a temporary nature, built to last for a maximum of about 30 years. As the kind of house needed will be very different at the end of that time, while the land tenure system will also have changed, this semi-permanent nature of new housing should perhaps be looked upon as a positive advantage in the circumstances. Intensive research is needed into the present kind of house desired by people in different rural areas, including research into local materials and building techniques, as well as into

1/ "Monetary System in East Africa", J.Loxley.

feasible and acceptable methods of erecting new type houses. Liaison with village-level organizations of all kinds would be needed in order to put over the results of such research, perhaps including the dissemination of plans. Here much could be learnt from the Village Development Committee organization of Tanzania. Kenya is in fact about to inaugurate a similar system.

73. On the urban side, it would seem that the dominant profit motive for building houses will somehow have to be accommodated, or at least fully realized. Not even the highly efficient National Housing Corporation of Tanzania can manage to accommodate more than one-sixth of the annual immigrants into Dar-es-Salaam. Housing Associations, as well as Location Associations, Rotating Credit Associations and Credit Unions should all be fostered and guided as potential sources of saving and investment for housing in both urban and rural areas, but after a fresh look at what they are trying to achieve and why they use certain methods in order to do it.

74. Finally, one would think that in countries where the rural-urban linkage is strong a decentralization of industry and the consequent encouragement of small towns instead of large urban conurbations would be to the advantage of both town and country. For example, there would seem to be more chance of encouraging urban workers to settle permanently in small towns, not too far from their original home areas. Moreover, from there they could continue to take a leading part in both town and country affairs, consequently speeding up development, more efficiently than they could when living either in a remote village or in a large city. In such a setting, too, small Location Associations with an interest in rural improvement might be more likely to develop than large specifically tribally-based organizations.

75. Turning to the problem of mobilizing savings in general in rural areas, the expansion of more safe-keeping facilities giving a small rate of interest to the individual and to small organizations would seem an important part of local development. From the point of view of ordinary people, the existing commercial bank branches are not nearly sufficient, and the banks themselves admit that small savings are not profitable. There would seem to be room for another type of non-profit-making co-operative banking organization for the small saver, providing a more personalized service which might be linked with advice on financial problems, and which could also take charge of the local funds of Credit Unions, Mutual Aid Associations and small businesses. Savings through such an organization could also more easily be mobilized for national development than those made through private banks.

76. It seems that there may also be room for a Co-operative Loans organization which could finance all kinds of small rural organizations through, again, a decentralized service. If it could be combined with or work through the savings bank organization suggested, this would bring it nearer to the people. An organization somewhat on these lines has already been suggested for Kenya.^{1/} This organization is envisaged as obtaining its capital through

^{1/} "The Case for Co-operative Loans Associations in Kenya", N.O. Jorgensen.

bonds which would be sold through various existing localized agencies, and which would depend for their attraction to the small investor on appreciation in value rather than on interest. The organization must be backed by government which should also be an investor. The members of the Co-operative Loans Association would, of course, be the organizations entitled to loans, which could be "large and heterogenous". Therefore, Credit Union Leagues, associations of small businesses, and federations of Location Associations and so on, could form the membership.

77. Finally, such lower level organizations, not being privately-owned, can be themselves more easily backed by higher level government sponsored organizations, leading up to the national banks and on to the proposed East African Bank under the East African Community, and so to the African Bank.

PART III

INDIGENOUS SAVING ORGANIZATIONS

Preamble:

78. The rural-urban kinship network illustrates how under the impact of urban conditions people do not become "detrribalized", but "tribalism" itself becomes transformed. Indeed under urban conditions the best words to use are "ethnic" and "ethnicity", words which can equally well be applied to Jewish, Scottish, Indian or other immigrant communities in any city in the world. All such communities form organizations for mutual support and protection. The distinctive feature of many African organizations of this kind is their close association with the rural area of origin, connected with the strength of kinship ties and face-to-face contacts in their particular societies.

79. Most East African cities today have very large numbers of very varied voluntary associations. Over 500 have recently been recorded in Mombasa. In Nairobi, small independent credit organizations on an ethnic basis, unregistered by Government and unregulated by the Ministry of Co-operatives, are known to exist in some numbers. In Kampala, Location Associations are increasing, and it is known that the total number of voluntary associations of all kinds must be large. This is far from being an entirely new development in East Africa, for the great variety, often multipurpose nature and sometimes considerable wealth of African associations were remarked upon in Kenya soon after the Second World War.^{1/} They already included the large Tribal Unions and political associations. Nowadays Tribal Unions may proliferate independent Location Associations, which in turn generate credit organizations and small and large businesses, rural or urban, which may have both co-operative and competitive features. Membership of budded-off organizations may be the same as that of the parent body, or may partly overlap. The new organization may be completely independent of the parent body, or it may be run as a subsidiary and the profits ploughed back. The death rate of associations is naturally rather high. Nevertheless the enthusiasm and spontaneity expressed in these attempts illustrate the interest in new ideas and a willingness to risk much in trying them out.

80. So far, this many-sided development does not seem to have taken place in Ethiopia, in that there does not appear to be the same multiplicity of small organizations apart from Mutual Aid Associations. This impression may, however, be due to lack of insufficient knowledge. I was told, however, that small businesses are most usually started by individuals breaking away from the professional or commercial firm in which they are employed and starting off on the same lines on their own account. This suggests that such entrepreneurs may be persons who already have capital. In contrast,

^{1/} "History of East Africa," Vol. II., Harlow & Chilver, pp. 388-389.

in East Africa even a private business seems usually to start as a partnership or joint business - in the latter case often on the basis of common residence.

81. In Eastern Africa, there are two main types of indigenous associations which are involved in saving money - Mutual Aid Associations and Rotating Credit Associations. In general form, both are world-wide. Mutual Aid Associations are expected to be permanent bodies and have wider aims than Rotating Credit Associations. Consequently, they can amass more funds for more varied objects for a longer period. Mutual Aid Associations are often compared with the old English Friendly Society which first appeared during the sixteenth century as a result of increasing landlessness and dependence on cash earnings. However, although the form is somewhat similar the bond between members is quite different. As this difference is easily overlooked, especially by overseas advisers charged with the promotion of Credit Unions and similar bodies, I shall first expound this difference by quoting from a report on Friendly Societies in what was then the Gold Coast: 1/

"The underlying principle upon which all these (indigenous) societies work is the essentially African conception of the responsibility of the group for the individual. The security they offer is the security which comes from the collective support of the members of the group. Benefits are not paid from accumulated or invested funds belonging to the association but by means of extra so-called voluntary contributions from the members individually. The Association may guarantee that a certain sum of money will be given to meet a certain emergency but the money is in fact provided by a per capita levy which is considered obligatory. Good management and a common bond between members are necessary to hold the group together and maintain interest; should that fail and the group disintegrate there would be no other security....

"The Friendly Societies in the United Kingdom were based on rather a different principle, the responsibility of the individual to provide for himself and his family. The advantages which co-operation offered for this purpose led to the formation of Societies whose interest was to safeguard savings and increase them by wise investment. Sound management of finances was of primary importance rather than the group spirit. Members had a responsibility to their group but not to each other individually."

General development in East Africa

82. The Manyema of Dar-es-Salaam (who are the descendants of freed slaves from the Congo) claim to have had a Burial Association "from earliest days". This might mean the end of the nineteenth century. Apart from this example,

1/ Enquiry with regard to mutual benefit groups in the Gold Coast: Government Printer, Accra.

there is no evidence of spontaneous indigenous African Mutual Aid organizations accumulating or lending money (as distinct from goods in kind) until shortly before the First World War of 1914-18. This was the Pogoro Association, again in Dar-es-Salaam, founded in 1912. It was followed by a Chagga Association in 1919 and a Sudanese Association in 1921. It has recently been suggested that the Gurage of Ethiopia may have formed their first Burial Associations in 1917, as a response to the influenza epidemic, though no evidence has so far been produced. The next people to appear on the scene are the Luo of Kenya, who formed an association in Mombasa sometime in the 1920s. They had migrated there as dock labour, and at first tended to live and eat together in one quarter, because they felt insecure among strange people and so far from home. Among the Kikuyu of Kenya Mutual Aid associations seem to have grown out of the early political movements of the 1920s. Although there was a developing cash economy in Uganda by the first decade of the twentieth century, organized Mutual Aid Associations do not appear to have been recorded until after the Second World War, when the Luo Union was one of the first to appear. This may be because of the leading part played before this time by the Ganda, in whose society the patron-client relationship could replace Mutual Aid Associations.

83. In East Africa the Second World War (1939-45), and in Ethiopia the Italian occupation (1936-41), were followed by a burst of activity in the voluntary association field. Another rise in the level of activity followed independence in East Africa, in the early 1960s. The earlier burst of activity was marked by the proliferation of ethnically-based Mutual Aid Associations in East Africa, and by their appearance as important organizations in Ethiopia. After independence these associations were joined by a multitude of larger-scale organizations such as co-operatives, trade unions, professional associations and so on.

84. I shall now outline developments country by country. In Ethiopia, the general opinion is that the Gurage Mutual Aid Associations (idir) did not really emerge, or at least become important, until the Italian invasion of 1936, and that the same applied to Rotating Credit Associations (ikub). The number of human bodies that had to be buried, the dead cattle that had to be replaced and the food that had to be bought because crops had been destroyed, called out a creative response which used the resources of a newly-developed cash economy, the long experience of commerce and of emigration for work in Addis Ababa, and the habits of close co-operation in everyday rural life, which were characteristic of the Gurage. From the Gurage the Associations spread to other societies, the rate accelerating after 1960. In Amharized areas, sentiments and habits of association connected with membership of the Ethiopian Church undoubtedly played a part.

85. In Kenya, the Luo Union in its present form was founded in 1946 against a background of twenty years' associational activity and a traditional basis of large-scale kinship group co-operation, as well as emigration for work and close association with the educational efforts of missions. The Luo Union seems to have been conceived of as primarily a co-ordinating organization which also raised funds for the education of members' children,

and "to link villagers with townsmen". ^{1/} Among its supporters were ex-soldiers, who had learnt new habits of co-operation in a large-scale impersonal institution, the army. Based on Kisumu, the home town of the Luo people, it soon produced branches in all the main towns of East Africa - in all of whom there are Luo migrants - and is now the largest and most important ethnically-based association in East Africa. There is also a Luyia Union, with a similar organization, the Luyia being neighbours and traditional rivals of the Luo. The Kikuyu Association, with branches in most of the main towns of Kenya and Uganda, appeared at about the same time. The other larger associations are the Kamba and Teso Associations. The Teso straddle the Kenya-Uganda border, and therefore even in their homeland they are an inter-territorial group. They are also migratory urban workers although on a smaller scale than the others. Most of the local branches of these large Unions seem to have banked their funds since the 1950s.

86. The great development of Mutual Aid Associations in Kampala, Uganda, between 1951 and 1960 may have been partly due to the interest taken in them by the wardens of the Community Centres. Associations were encouraged to affiliate to these centres, receiving in return the use of the hall for meetings, the right to have a representative on the committee managing the centres, and advice from the warden. A chief incentive in founding associations was emulation and a desire to express unused organizational gifts, especially among office workers and skilled and semi-skilled tradesmen. For instance, a leader of one association explained:

"A fellow at my office used to be the Secretary of his tribal association and he used to work hard for it, such as writing letters, sending out circulars and making contacts with others in his association and with outside authorities. I envied him very much and got an idea to do the same for my people and started our association." ^{2/}

By 1962 there were in Kampala at least 17 different ethnic associations, most of them formed by immigrants from kinship-based societies of various parts of Uganda, but including the Luo and Kikuyu from Kenya. The Luo by 1968 also had small associations in all the smaller towns of Uganda. By the same year the Teso and Luyia were becoming more prominent in Kampala itself. Among the original Ugandan kingdoms only the Nyoro had any Mutual Aid Association, and its functions seemed, in fact, more those of a social club. There was in 1962 an all-over association of some kind for the comparatively few Tanganyikans in Kampala, but no details are known.

87. In a rural area of Uganda, empty and tsetse-infected, the colonial government had encouraged immigration from Luyia country in Kenya in an effort to open up and settle a difficult patch. The independent government has encouraged this movement. There is now what appears to be an offshoot

^{1/} "Not Yet Uhuru," Oginga Odinga.

^{2/} "Characteristics of Tribal Associations in Kampala": B.W. Dahya.

of the Luyia Tribal Association in this rural area, whose local internal sub-branches, in membership and officers, coincide with the organization of the 14 or more independent churches which have followed the settlers from their original home. ^{1/} Some Luyia have also formed an independent association in a sugar factory in another rural area, as have Lugbara from north-west Uganda. A questionnaire circulated to Makerere College students suggest that Mutual Aid Associations and businesses on a clan basis are also appearing in other parts of rural Uganda, Kenya and Tanzania.

88. Turning to Tanganyika, the first association, that of the Manyema, still had their own cemetery in Dar-es-Salaam in 1956. The Pogoro, only four years before they formed their association in 1912 had been involved in the Maji-Maji Rebellion against the Germans. This suggests a people used to responding actively in adverse conditions. The Chagga Association which appeared after the First World War, and the Pare Association of a little later, were formed by government clerks who came from comparatively developed areas and who enjoyed secure jobs. They were conscious of their difference as Western-educated and Christian peoples as compared with the bulk of the Moslem population of Dar-es-Salaam. Their associations were found in 1956 to resemble the European Clubs, being largely devoted to sports and socials, while their officers were Government officials. Later Nyakyusa, Luguru, Nyamwezi, Fipa, Nyiramba, Mbaha and Ngonyama Associations are mentioned, most if not all formed after the Second World War, and all of them except the Ngonyama representing Tanganyikan peoples from the interior. At least the leadership of these organizations was formed of literate persons employed as clerks or skilled artisans. Several of these associations were in fact formed of a group of neighbouring peoples: the Nyiramba Association included also Gogo, Nyaturu and Rangi; the Ngonyama Association included Ngoni, "Nyasa" and Matengo from the Tanganyika-Nyasaland border; while the Nyamwezi Association also included the few Sukuma immigrants. This tendency to grouping may to some degree reflect the comparative lack of strongly-marked ethnic boundaries in Tanganyika, but was probably also the result of the immigration of only small numbers from each society. These associations in the 1950s are described as resembling the older type of Tribal Union, which concentrated more on the carrying out of traditional ceremonies. ^{2/}

89. By 1956 the Dar-es-Salaam Tribal Unions were already described as generally in a state of decay. In 1968 I found little recent information on indigenous Mutual Aid Associations in that city. The Luo Union, which as elsewhere appeared in its earlier forms in the 1920s with the dock and railway workers, had disappeared a few years ago, but I am reliably informed that nevertheless Location-level Associations operate here as elsewhere. There were also some other organizations in 1968 formed by peoples from Tanzanian rural areas, especially the Fipa. Present government policy lays heavy emphasis on the need to think on non-ethnic lines and there is strong encouragement of Trade Unions and of Credit Union movement as an alternative to ethnically-based organizations.

^{1/} Personal communication from Simon Charsley.

^{2/} "Social Survey of Dar-es-Salaam," J.K. Leslie.

90. In the hinterland of Mwanza township, since 1945 there has been a development of rural associations among the Sukuma people, which has probably been associated with the development of cotton as a cash crop. Once some farmers acquired larger areas of land and individualistic cash-cropping started, it no longer seemed appropriate for the neighbourhood-based young people's age-group association (page 3), whose membership was in fact compulsory in that it was based on social pressure, to assist in return for food only, someone whose main aim was cash profit. They therefore started claiming money as well as food. The independent dance associations, however, with their individual and voluntary membership, were in a position to offer free group work to members and to charge cash to outsiders. As they were well-disciplined bodies of strong young men, they became popular as work-parties and this side of the neighbourhood organization's activities declined. By 1963 these dance societies claimed to the writer that most of them were also Mutual Aid Associations setting aside some of their cash and loaning it to members in need. The most popular dance associations were no longer the traditional ones, but new ones which had started to appear about 1946. Prominent among these was the Bagobogobo. By 1963, as well as the dance societies there were small independent Mutual Aid Associations of varied form.

91. The available evidence suggests that Rotating Credit Associations grew up simultaneously with Mutual Aid Associations. Personally, however, I find it hard to believe that they have not existed for some time longer in merchant circles in Ethiopia and in the coastal cultures of East Africa. They are now found in all large towns and in some rural areas as well. Their organization, together with that of Mutual Aid Associations, will now be described in detail.

THE SCOPE, ORGANIZATION, METHODS OF WORK & EXTERNAL RELATIONSHIPS OF INDIGENOUS SAVINGS ASSOCIATIONS

East Africa

A. Mutual Aid Associations: I. Luo and Luyia Tribal Associations

92. The most elaborate and successful forms of Mutual Aid Association in East Africa have so far been the so-called "Tribal Unions" or "Tribal Associations" (together with their modern offshoots the Location Associations) pioneered by the Luo and Luyia peoples, followed by the more specialized organizations pioneered by the Kikuyu. Under the following heading: "Formal Structure" and "Aims", appears material collected by various persons as well as myself mainly from the Luo organizations. ^{1/} It appears however to apply in general to other "ethnic" associations of this type.

^{1/} For much of the detail under Aims, Formal Structure and Elections I am indebted to "Tribal Associations in Kampala", B.W. Danya.

Aims of Associations

93. Tribal Associations have written constitutions, which may be in both English and the language of the members. These are samples of the stated aims: "To help members in time of emergency such as sickness and death"; "to promote education and social well-being of members"; "to help members in case of death and burial; for education and to create the idea of community feeling among them"; "to aid Luo in case of death or sickness and to train Luo to be good citizens"; "we started as a football team but now we give help to members in case of death and sickness". "Help in case of death" includes participation by members in mourning, financial assistance towards the cost of burial and assistance for dependants. In all cases investigated this help must be contributed publicly and directly by each member, even if a bank reserve has first to be called upon. It also in many cases includes the transportation of the body back to the rural area for burial. "Assistance in sickness" means primarily visits of sympathy, including visits to hospital, with financial assistance if needed. "Assistance in emergency" may include the payment of fines and help for those who have got into trouble due to non-payment of taxes.

Formal Structure

94. Large Tribal Associations have a hierarchy of branches which form an electoral college for the governing organization. These are the Associations commonly called "Tribal Unions". However, the day-to-day relationship between "higher" and "lower" branches often seems loose and informal and in many ways they are semi-independent bodies linked through the electoral system and by much informal consultation. The headquarters office is usually in the main town of the rural home area of the society concerned. Some of the larger Unions have lavished much money on their headquarters buildings, the erection of which is considered a priority. Each of the large cities (e.g. Nairobi, Mombasa, Kampala, Dar-es-Salaam) which receives many immigrants from the society concerned has a subsidiary headquarters. Within these cities there are subdivisions based on residential membership of an urban section (these subdivisions for the purpose of this report are called "urban branches"). These urban branches do not usually have formal offices. In smaller towns there will only be a town headquarters.

95. This is the Tribal Union proper, the overall "umbrella" organization. Historically, it seems to be a development of an original loose association of migrants in any particular town without any organized central rural headquarters. The town organizations were then multipurpose, attempting to execute all or most of the aims given above, as well as carrying out traditional ceremonies. The growth of a rural headquarters and of internal urban branches allowed for the production of a co-ordinated policy and an organization through which government could be approached on behalf of all the people of a given society. It also allowed for the devolution of functions to urban branches, especially in such matters as burials, which need prompt executive action. The earlier organization was kept going

through traditional elders, who were placed in charge of particular urban areas and travelled round their area to keep in touch with members, reporting to the city headquarters. The later organization, the Tribal Union proper, needed a modern constitution and committee operated by the educated, although the elders retained a place of respect. The modern type of Union after it appeared about 1946 was extensively used by the colonial administration for repatriating destitutes and unmarried women. Such Unions even had their own police.

Location Associations, anyhow in Kampala, do not seem to have begun to develop until 1958-59, and started to proliferate after 1964. They are practically independent organizations founded on quite different principles of recruitment compared with the main organization. They have roughly the same sort of constitution, aims and rules as the Tribal Union itself but in fact nowadays carry out most of the actual mutual aid functions. They will be discussed in some detail later.

Elections, organization of Meetings and finance

96. All constitutions lay down rules for the conduct of meetings, including speaking, behaviour and general procedure; define the duties of office-bearers; lay down the procedure for elections, changes in the constitution, the role of the committee, and so on. They circularize agenda before meetings, which are typed in their own language. The larger branches have many officers which include a President, Vice-President, Chairman, Secretary, Vice-Secretary, Treasurer, Vice-Treasurer, Organizing Secretary, Sports Secretary, Social Secretary, Publicity Secretary and one or two Committee members. Urban branches are said to meet monthly on the Sunday nearest the end of the month in order to encourage the payment of subscriptions and arrears. In Kampala they used to meet in the Community Centres to which they were affiliated but since independence this practice seems to have ceased. Most meet under trees or in members' houses. The City Branch of the Luo Union in Kampala, however, is said to meet very rarely nowadays, often only once a year for the annual meeting or for some special purpose. Election to the main organization at Kisumu is through a series of nominations and elections starting at the Urban Branch level, from where the successful candidate's name is sent on to the City Branch level to be voted on with the names of other candidates from other Urban Branches, and so on to the top. Meetings are formal.

97. Subscriptions to City Branches are annual, about 10/- for men, 5/- for women. For other branches (including Location Associations) there is said to be an entrance fee of from 2/- to 10/-, together with a monthly subscription of from 50 cents (1962) to 3/- (1968). All money is collected and recorded in public, and takes up much of the time of a meeting. All urban associations bank their funds in commercial banks' savings accounts. In Kampala different tribal organizations patronize different banks. It has proved impossible to get overall figures for the amounts of reserve funds banked. All that can be said is that the Luo Tribal Union, for example, must as an overall body be extremely wealthy. One of the Mombasa

branches, as long ago as 1939, raised 35,000/- for a Union building in Kisumu. The Kisumu organization also owns its own printing press as well as a number of businesses, some of which were started 20 years ago.

Membership

98. All the Associations require a formal application for enrolment and most go to considerable pains to see that undesirable persons are not admitted. The Tanganyika African Association in Kampala in 1962 required applicants to prove that they had good grounds for being in Kampala, had not run away with someone's wife, and were not on the list of police suspects. Associations expel members, not only those who do not keep the rules but those who do not keep the recognized standards of behaviour. The Luo organization expels habitual thieves and those who run away with other people's wives. Other Associations also expel members who burn property or fight or use abusive language at meetings. Leaders especially are expected to be trustworthy and of good behaviour.

99. East African Tribal Associations are primarily men's organizations. However there are signs of a change. A recently-formed Luo Location Association in Kampala enrolls both husband and wife if they are both in town. The wife however is not encouraged to attend meetings, although she is involved in funeral ceremonies. The Tribal Union in 1962 however had two women on its City Branch executive, one of them the wife of the Chairman. The Mombasa Branch of the Luo Union seems to have long admitted both men and women, but the women have had a separate Women's Association since 1963 whose main function is to run dances to raise funds.

100. Membership of Tribal Unions does not appear to be large. Figures for Kampala in 1962 give 200 for the Sudanese Association, 111 for the Aholi Association and only 100 for the Luo Union (estimated urban Luo population being 10-15,000 at that time). The last figure is I consider certainly an underestimate even at that time. In 1968, if the Location Associations are included as being under the general protection of the Luo Union, membership must run into several hundreds at least. Nevertheless, Tribal Unions have probably never had a large membership, due to the selective nature of recruitment. They act essentially as core leadership groups, and as such wield an influence out of all proportion to their membership numbers. In the Location Associations non-members are not excluded from meetings as visitors provided a member introduces them. Non-members may also be assisted if they have been of known good behaviour, and among the Luo it is said to be very unusual for any one, member or non-member, to be refused proper burial. Effectually honorary membership of this kind is a characteristic of many East African voluntary organizations, including women's clubs. Becoming a member sometimes seems to be more of a continuous process rather than something which one either is or is not. Persons who have just come into the city and do not belong to a Tribal Association often attend informal meetings of migrants, especially of those who come from the same rural location (smallest local government unit). It is obvious that such meetings might form a starting point for a new branch or Location Association.

101. Kampala members of Tribal Unions in 1962 were found to be mostly men between 20 and 40 years of age, who were employed in clerical posts in government departments or quasi-government organizations. Some of the leaders were active members of trade unions, a few were active in political parties, others belonged to elite charitable organizations such as the Red Cross, the Legion of Mary or the Discharged Prisoners' Aid Society. They were usually radical in outlook and the researcher considered they had little to do with the mass of their fellows who might be labourers or semi-skilled workers.^{1/} My own records for 1968 are confined to two Location Associations of the Luo Union. Members were again between 20 and 40 (three were over 50), and married, but most were illiterate - carpenters, cooks, watchmen, laundrymen, waiters, with a few clerks. The Secretary was a Government clerk, the Treasurer a Bank Clerk, the Auditor an official in a University residential hall. The Chairman was a watchman with the East African Railways & Harbours, and illiterate; he was chosen to balance the literate committee and because of his age and the general respect in which he was held. The second Association had a University lecturer on its Committee. Two other University academic staff were claimed to be Luo Union members. In Mombasa, the Chairman of the City Branch of the Luo Union in 1968 was an important employee in the East African Railways & Harbours, and other members of the Union were strong in the United Africa Company, the Chamber of Commerce, the National Council of Social Service, and churches.^{2/} It seems that there is little evidence that the younger and more educated are beginning to leave the organization as a whole, though it may well be that they are now more interested in the Location Associations, where they find more scope for practical leadership and planning. Youths, however, have never joined the Luo Associations to any degree. They wait until they are married, when they incur responsibilities as family heads.

Luo Location Associations

102. Although other Tribal Unions, especially the Luyia, also have Location Associations, the material from which the following description is drawn, is from those organized by the Luo in Kampala.

The members of a Location Association all come from the same area within a location in Luo country, where each man has a right to the use of land. Their place of residence in the town is immaterial. Sometimes, though rarely, a whole location is covered by one organization in any one town. Usually, however, the location is too big and the urban membership would be too large. Consequently, there may be several Location Associations covering the different subdivisions in one location; or alternatively one Association may have several internal "sub-committees", which bank their funds for rural development separately but may share the same reserve funds for funerals and have an overall committee. Although any one resident in a particular location is entitled to membership, due to the pattern of residence in locations within Luo country

^{1/} Tribal Associations in Kampala, B.W. Dahya.

^{2/} Personal communication from Richard Stren.

most of the members will be related to each other through the father's or mother's line, and others through marriage. Persons from adjoining locations which do not yet have their own Location Association because their numbers are few may sometimes become temporary members until they feel confident enough to set up their own organization. Luo Location Associations are known to members by the name of the kinship group in whom the right to allocate the land of the home area is traditionally vested.

103. The rise of the Luo Location Associations seems to be connected with the decline in the power of the overall Luo Union after 1952, when the Mau-Mau Rebellion in Kenya produced repressive legislation, and especially after 1958 when after a brief rise due to its part in the Independence movement the Union again declined in influence. However, it seems that the most influential factor has probably been increased immigration into cities of members of the society concerned. This has made the Tribal Union too unwieldy, both because there are too many members and because the purely cultural links between the branch members became too weak for effective action. This would apply especially to the central function of burial but also to the more sophisticated economic ventures in which members are now more interested. At the same time, the expansion of social services which could take the place of Tribal Associations has not been fast enough to compete. 1/ Better urban bus services and more frequent ownership of bicycles make it easier now for members to meet even if scattered over Kampala, while the custom of meeting in members' houses in rotation also evens out the inconveniences of travel. Finally, there seems to be some evidence that in Kampala, Addis Ababa and Nairobi there is a tendency for immigrants to regroup themselves anew into a residence pattern in which ethnically close peoples cluster together, producing the "urban villages" already described. 2/ This, of course, makes it even easier for Location Associations to communicate.

104. The size of Location Associations tends to fluctuate as eligible persons immigrate, perhaps temporarily, and move out again. Present information suggests that their stable core figure, once they are well established, is about 50. There seems to be some evidence that 50-100 members is the most frequent size for Mutual Aid Associations in West as well as East Africa. 3/ This includes the informal Credit Unions of Biafra. 4/ There may well be an important factor operating here, perhaps connected with the importance of face-to-face relationships, of particular importance to Credit Union advisers. Groups of Location Associations, even from different cities, who together represent one larger rural area, may co-operate as shareholders in a new rural business. Liaison is effected through each Association sending representatives to a joint meeting in one of the cities. There is also said to be an annual gathering of members from a larger rural area, in the rural area itself, usually about Christmas when a number of the

1/ "Trade Unions & Ethnicity in Uganda", Roger Scott.

2/ "African City Life", Peter Marris (Nairobi); "Social Survey of Addis Ababa," UNECA; personal communication from Regina Solzbacher (Kampala).

3/ Personal communication from Joseph Gugler.

4/ "Credit Unions in Developing Countries," S. Van Den Dries.

members have a holiday. However, I think this is at present probably an informal clan gathering, within which a number of Location Association members may well form a hard core of leadership. It may, in the future, develop into something more organized on the rural side.

105. Location Associations are nowadays also the basis for membership of football teams. Each Association should have its own team, from which members may be selected to play in teams formed by a group of Associations, and so on up to the Luo Football Team itself.

106. Location Associations appear to be taking over more and more of the mutual aid functions formerly exercised by the Luo Union, especially those exercised by the urban branches. Location Associations may or may not be known to the Union City Branch, and the loyalty owed to the Union is a moral one, and varies from Association to Association according to the sentiments of the members. Location Associations have no function in the electoral hierarchy, only members who also belong to urban branches having any right to vote. However, the Union is still generally respected because it still performs useful functions for those under its umbrella, although one also hears plenty of criticism nowadays of the laziness and inefficiency at higher levels. The Union itself still takes the whole responsibility for the repatriation through social pressure of young Luo girls who come to the city without work, though such pressure is rapidly becoming less successful. The girl's father will receive a letter from the City Headquarters informing him of the public shame his daughter is bringing on the whole community, and offering to send her back at the expense of the Union. In the case of a young man who continually gets into trouble, the Location Association to whose members' home area he belongs will call in officers of other Location Associations whose members have close kinship links with the first, and they will then approach the City Branch as well if necessary. The combined pressure is said to be often effective, accompanied as it is by a letter to the father and free transport home. However, it is clearly less effective nowadays. The same sort of pressure is the sanction for the good behaviour of members and officers, especially in financial matters. I was told that an absconding treasurer would find it difficult to return home, "as at least twenty letters would have gone back to people in his home area telling them all about him. Then if he returned people would express surprise that he dared to come, and elders would pull his chair from under him." Pressure in this case appears to be more effective; in fact, one officer in the younger age group declared that there was really very little need for stringent rules, and that he knew of an Association which had run for some years with success, now had 35,000/- in the bank, and had never kept any written accounts. It may be noted that if a man is expelled from a Location Association there is no other that he can join in the same city.

107. The Annual Meeting of the Luo Union City Branch is the commonest occasion for forming a Location Association. People go round comparing genealogies and those who discover that they come from the same lineage branch and location fix the place and time for a general meeting. After this, new members are recruited by being brought along by their relations, especially those with whom they have been staying as lodgers. They may then

be invited to join, by letter - for there is great stress on the use of literacy and the need to put everything properly in writing. However, suitable but indigent persons are not pressed to join if no "brothers" volunteer to pay for them. In such circumstances, he would not be refused assistance from the benevolent fund if necessary. He would not, however, be eligible to take a loan from the Credit Fund, except at the higher interest rates that some arrange for non-members.

108. A number of Location Associations in Kampala have now started credit facilities for members. Those who wish to join pay 50/- as a share. The money is banked in a deposit account separate from the one used for benevolent purposes. Loans are for private purposes, such as buying a bicycle, or sometimes for schoolfees. 12 per cent or even 20 per cent per month is charged for a loan for a private purpose, but nothing is usually charged when the loan is for schoolfees. It was explained, "We are trying to help people. Only a business organization should charge interest on money for schoolfees." If a man leaves the Association he is given back his share money.

109. A third bank account is nowadays kept for funds for improvement projects in rural areas. However, money is raised separately for each accredited appeal, members paying anything from 5/- to 50/- a month, depending on what they can afford. Usually a group of representatives of the Association, on receiving an appeal go direct to inspect and discuss the matter in the home area. If they bring back a satisfactory report funds are then collected to match those raised by the people in the home area. The commonest projects are the building of teachers' houses for harambee (self-help) schools, salaries of teachers in the same schools, assistance to the national women's organization, the construction of dams and roads, and recently scholarships for overseas students. Some officers of Location Associations realize that efforts are not as well co-ordinated as they might be, especially when several Associations cover one location. The setting up of a rural organization as counterpart of its urban opposite is for this reason being considered. It is realized that Government may otherwise not have enough field staff to supervise all the completed projects. One officer suggested that there should be a training scheme for some of the young educated people in rural areas to act as supernumerary assistants to government staff.

110. Other Location Associations have started businesses with the aim of making money for the funds, especially for financing the credit side. In Mombasa, one has opened a grocery shop and a bar, and owns several market stalls. Nine Associations combined to start trading organizations in their home area. Another runs a quite successful co-operative retail shop. Shares in some of these businesses are advertised at the annual Union meetings. I think it is probable that sometimes the profits of such businesses, instead of being ploughed back into the Association, are distributed among those members who have contributed to the capital.

111. It has been observed in Mombasa that the most effective Location Associations are those which are in close touch with at least one another. This sets up a spirit of competition, and the Luo thrive on competition. It may take the form of a competition in generosity among the better-off members in donating gifts of money to their respective Associations. 1/ This competitive giving of wealth is an indigenous custom, and is considered a matter of "Luo pride". Some Associations may spend a good deal of money on entertaining important visitors; others, however, claim to be more parsimonious with their funds.

Life and Aspirations of a Location Association Officer

112. This account is founded on information given by an officer of a Luo Location Association, who will be called J., and is largely in his own words.

J. has been working in Kampala for 12 years, at various clerical jobs. He is now 38, with 4 children, and considers it is time he returned home to farm. His father, who worked on a sisal plantation, also returned home after all his children were born and farmed 147 acres for 30 years after that. J. has had to leave this farm, which he inherited, to the womenfolk to look after and they cannot manage even a small portion without paid help. His wife and family have been living at home for some time now, because he could not afford the cash to keep them in Kampala, because his wife can help on the farm, and because school in Kenya is more suitable for Swahili-speaking children. In Kampala they would have to start learning in the Ganda language.

J. is now working in one of the halls of residence at the University college. He finds this very useful. Many people are able to give him information about how to set about his project of converting his farm on modern up-to-date lines. His chief aim now is to earn enough money to get his land properly registered and fenced and to buy oxen and ploughs. One can get a loan from the Kenya Government provided one puts down some money first (about 2,000/- E.A. was mentioned) But the extra expense of having to buy all his own food instead of getting it free as at home as well as having to pay his children's schoolfees has meant that he has not been able to save enough. Now the students in the hall where he works talk to him and lend him books on agriculture. He has also been able to read some of the magazines in the college library, and to talk to people in the Department of Agriculture. At the College, too, he has found a relative who has professional work, and who has told him about his own Location Association and his own plans to finally retire to farming. They have also discussed how their two Associations, or some of the members, could co-operate in starting a trading business in their home area. J. says there is already a very profitable co-operative trading business in his home area which belongs entirely to the married womenfolk, although their male

1/ Personal communication from Richard Stren.

relatives are on the committee. Their organization trades in maize. They own a lorry, for which they paid 19,000/- in instalments, and are now considering buying a second. He knows a woman relative who joined only recently and now has 1,575/- in savings. This idea, he says, came from town in 1961.

This is one of the kinds of project, J. says, which is now being discussed by members of Location Associations, and this is one reason why such Associations are so useful. For as everyone comes from the home area and many are related, it is not only easy to discuss matters but to see how they could be worked out in a setting which they all know, where they all own some land, and where they all have influence of some kind. The great problem has been to know where to look for good advice. High-level government officers, he feels, do not always understand what people want and only want to run things in the way in which they have been taught. Any how they don't seem very interested in small things like Location Associations or small businesses. Government officers whom he approached in Kampala for information on how his Association could start and register a Credit Union, told him that the time was inopportune because of the Buganda Emergency. So he has obtained some pamphlets from a friend on how to start a Credit Union, and is translating them into Luo so that he can distribute copies to his Association and also take some with him when he goes home. There he will get in touch with some school teachers who he thinks will prove good local leaders.

How a Location Association Runs & How it Organizes a Funeral

113. The same officer's account is continued.

"There are 42 members in our Association. Every year we elect our own officers. We have a Chairman, a Secretary, a Treasurer and an Auditor as well as some other officials. We elect people by show of hands. This is better than secret ballot, because those standing for election can ask publicly, and be answered publicly, why so and so does not vote for him. If election is secret this leads to a lot of suspicion and quarrelling. Frankness is much better.

"Meetings are once a month on the Sunday nearest payday. This is so everyone will have enough to pay his subscription. The Committee however meets on the 15th to draw up the agenda. The Secretary then writes to the members sending the agenda and telling them in whose house we are going to meet. This man will be notified at the same time, for we all do this job in turn. The man's wife will make tea for us all: beer is too expensive.

"The Secretary first gets everyone to write down his name on a sheet of foolscap. Non-members often come: we welcome them if it is because they cannot find money to join. People come up to the table and pay the money to the Secretary. He writes down the amount in the cashbook. He then gives the cash to the Treasurer, who writes a duplicate receipt, one for the payer and one which he gives the Secretary who files it. All this must be done in public, so that people can see who pays and who takes the money.

"All cash must be put in a locked cashbox by the Treasurer who must pay it into the bank on Monday. After twenty-four hours the Auditor may visit him, require him to open the cashbox, and demand to see the receipt from the bank. If all is not well the Auditor writes a report to the Secretary and Chairman. It is true that some Treasurers have taken money: this is because members have not taken sufficient care to see that the money is banked quickly. In a smaller town it is rare for there to be any trouble, because a man is too well known. If a man takes money, or doesn't pay his fees, we write to his father, who will pay so that his son does not 'spoil the country.'

"After the money is collected, we discuss our community, the behaviour of our members and their wives, and about those who come from our location - whether members or not - who do not send their children to school, or whether some young men are living like thieves. The older men will be sent to talk to a woman's husband; if a youth is behaving badly, his father will be written to at home and we are willing to give him money to go back.

"A popular member of our Association died recently. He was a Labour Officer. The work took all our free time for about a week. First, we took money from the bank, and sent a 10/- telegram home to notify the death to his relatives. We also sent a telegram to Radio Kenya so that they could announce his death all over the country. We got a coffin for 450/- from the Public Works Department, which we always have to carry ourselves to the dead person's house first so that the relatives can approve it. Then we hired a lorry for 600/-, and there was another 350/- paid to the widow and his mother, which included the children's schoolfees for the near future. The lorry took the coffin to the hospital and brought the body back to the dead person's house. There it was put outside the door.

"Because he was very well known all Luo people had been notified through the Union, and other people as well. They gathered outside the house, bringing money which they put on a plate. The Secretary of the Association wrote down the names and how much each person gave. At the end of the day he must read everything out, to all the people assembled. Some of the money collected was used for food for the mourners, all close relatives and members of the Association, who according to our custom must keep the bereaved persons company for four nights if the dead person was a man, for three nights if a woman. Some more of the money may be used to pay his debts, and to pay the rent for his house until his family are able to leave it. Anything left over goes to the widow. If in this particular case there had not been enough to do this, we should have called a special meeting, and everyone would have paid a special subscription until the bank balance was the same as when the man had died.

"All this time other members were making arrangements to transport the body. This is a very important matter, as a dead body must not pass through Luo country by daylight if the crops are standing in the fields. If it does, they will be spoilt. We have to work out the distance carefully,

so that if the home area is very far away (about 300 miles) the lorry may leave by 2 p.m. although this is not as it should be, because by custom the body should lie outside the house for one whole day. If the lorry should get to Luo country before dark, it must stay by the roadside some distance away from the border until the sun has set, and must arrive at the dead person's home before sunrise.

"The Committee decides who should go on the lorry, to mourn with the widow and children. They must be from the father's family (lineage) of the dead person. There are always a number of women, who start wailing as soon as they approach the village, so everyone knows that the body is coming. Because of the telegram, all has been prepared. When the lorry arrives, it drives right into the compound through a hole cut in the euphorbia hedge. The people who cut the hole must have a ram given to them to eat.

"A married man must be buried in front of his own house. If he had not yet built a house of his own, the people will make a house of grass for him, but outside the village, and there he will be buried. It is impossible for adult Luo persons to be buried anywhere except at home, though occasionally a man dies in town whose relatives we cannot trace in time and he has to be buried there. There are no churchyards in Luo country though many people are Christians.

"After the burial, a chicken is killed for those who dug the grave and the mourners who came from the town, including the driver (who is usually a Ganda). All must eat some of it. They may then stay a little, or return to the town, leaving the widow and children behind.

"If the man was a Catholic, then the family will also be helped by the Catholic burial organization. This is something that has grown out of Catholic Action. Every congregation has one. There is a secretary who collects subscriptions, 2/- a time, after church, the priest acting as treasurer. The money is used to build up a small fund for cloth to wrap bodies in, for saying masses, and for entertaining the mourners. Those who join are mostly women, because they feel sad more readily than men. Men don't like donating to these funds. So among Catholics in the country it is the woman head of the family who becomes responsible for most of the work at funerals. In the town I also belong to a Catholic society which says masses for the dead. We pay 15/- a month and the money is kept by a priest. All the Luo men have a separate fund kept for them, the Luyia have another, and so on.

"Back in the city, we go to the bank and ask for the dead person's bank book. Then we go to the Luo Union, so that the Chairman and Secretary can take the family of the dead person to the Bank Manager who advises them how they can draw the deceased's money by authority from the government. They have to go to their (Ugandan) local headmen with their polltax receipts. He writes to the government and confirms that they should receive the money."

II. Kikuyu Tribal and Location Associations

114. Much of Kikuyu society was violently dislocated and destroyed during the Mau-Mau Rebellion, following on years of more gradual attrition. Their present cohesiveness must be attributed mostly to modern causes - common opposition to the common enemy (the European settlers), coupled with acute observation that it was these settlers' ability to co-operate for necessary common ends, including commercial ends, that gave them their power. There was also the practical experience of organized opposition during the Rebellion and in the nationalist movement, as well as participation in land settlement schemes since then. 1/ The older men who formed the core of the Housing Association described on page 51, who nearly all come from Nyeri, the centre of the Rebellion, must have been among those deeply affected. As will be seen on the same page, sentiment for the land is still extremely strong, exacerbated as it has been by many years of virtual deprivation.

115. There are a number of Kikuyu "welfare associations" in Nairobi, as well as numerous business organizations which seem to appeal to them most. It is not certain at the time of writing whether they include burial among their functions. Nor is it known whether these Associations are hierarchically organized or not. It does appear however that in Nairobi also Kikuyu organizations may be showing the same tendency as in Kampala to reform themselves into smaller Associations on a basis of residence in the rural area. 2/ Members in such Associations are unlikely to be close kin as the new settlements at least are not formed on a kinship basis.

116. Kikuyu rural areas are known to be full of small business organizations of all conceivable kinds, membership being usually on a neighbourhood or smaller family basis. 3/ It is not known at present whether there are any rural Mutual Aid Associations.

III. The Nyoro Tribal Association

117. The only Tribal Association (as distinct from small social clubs) that I have yet been able to record for one of the former Ugandan kingdoms is said to be formed by the Nyoro. However it is possible that this Association has disappeared recently. The headquarters office is, or was, in the home town, and there are branches in the two most important small towns in the home area, as well as one in Kampala, where there are also Urban Branches. However there are no Location Associations. This may be because of the limitation of functions. These are the organization of sports, the running of socials and visiting the sick. There is no burial organization, for various reasons. It is said to be no longer important that a person should be buried at home - in fact, some people specify in their wills that they should be buried in a Christian churchyard - and in any case the home area is not far from Kampala. In urban areas the

1/ The various novels by James Ngugi, listed under References, give a vivid description of these struggles.

2/ Based on a letter to the "East African Standard", describing a break-up into groups based on area of origin in the Central Province.

3/ "Small-scale Enterprise in Taba District, "J. Wills.

responsibility for a person's funeral is primarily a family one, lying with a man's sons or his brothers. However, if a poor man dies in town and there is difficulty over his burial, the Tribal Association branch in the area where he lived may make an ad hoc collection to help, but no special funds are set aside for this purpose.

Membership is open to any interested Nyoro who happens to live in the area. There is an entrance fee of 5/- and an annual subscription of 3/-.

IV. Mutual Aid Associations in Mwanza District, Tanzania

118. Neighbourhood-based societies in East Africa do not appear to produce Tribal Associations, though if far from home their members may have small independent associations which usually do not seem either very large or very stable. Emigrant Sukuma and Nyamwezi apparently do not consider it very important that a body should be buried in its country of origin. In any case, all the large towns except Mwanza are impossibly far from the home country.

119. The rural Mutual Aid Associations of the Sukuma in the Mwanza hinterland are of two main types: Dance Associations such as the Bagobogobo, which is a modern growth with traditional roots, and unattached organizations of more recent origin which nevertheless shown their local origin. Although little is known about the financial affairs of the Bagobogobo, a short outline of the structure of such Associations, as given to the writer by the members themselves in 1963, might be illuminating.

Dance Associations

120. Each modern Dance Association claims to have a centralized organization modelled on the old chiefly system, culminating in the malamala, who may live anywhere in Sukuma country. The malamala has an adviser called the mundeeba, and a number of messengers (bashilikile), who also keep order at meetings. Under the malamala comes the kingi (apparently the English word "king"), who operates with a similar set of officers at roughly District level; the ntemi (literally, "ritual chief") - who is sometimes called the Surgeon instead - appears at roughly the old chiefdom level also together with a similar set of officials. The ntwale and his officers are at the old gunguli level (the area covered by a traditional headman). All these officials are said to be elected by the membership and to call meetings at any level to discuss the internal affairs of associations within their area. The malamala is said to call members from all over Sukumaland. Each malamala is in some way attached to the inner circle of either the Bagika or the Bagalu, who are the two ultimate sponsoring organizations of all Dance Associations (traditional or modern) in Sukumaland. By joining a modern Dance Association a member becomes an adopted descendant of either Gika or Ngalu. The first was a prominent practitioner of traditional medicine and the second was his rebellious disciple. Associations belonging to the Bagika compete with those belonging to the Bagalu.

121. The operative group is a small Association which is one among a number in the area of one ntwale. A man may join any group within his area of residence. Dance Associations are young people's activities: older married men do not belong and women should leave on marriage. Each group is headed by a songleader, or ningi, who is skilled both in singing and dancing. He has a number of disciples who form the dance troupe and act as his assistants. On the skill and personality of a songleader depends the size and success of his group. Competitive dances are held most nights in the dry season between all the various local Associations. Songs and dances of modern Associations are new creations with both a modern and a traditional flavour. Small congratulatory gifts are made to an admired songleader by spectators. It is probably redistributed or used for feasting, but the amounts collected are very small as it is an insult to offer too much. The dance performances of several such Associations were attended during rehearsals for Independence Day celebrations in 1963. They were held in a public hall in Mwanza township, showed evidence of considerable organization, and charged an entrance fee (with tickets) collected at the door.

122. The mutual aid side of these Associations stems from their use as agricultural work parties. A member's fields are hoed free although he invariably gives a feast. Other persons may call on an Association's services in return for payment, which is roughly 40/- or 50/-, plus food, for one or two acres. A large company may turn out, who hoe in time to drum music and songs led by the ningi. They frequently march to their assignment in semi-military formation, dressed in uniforms, carrying their hoes and a flag embroidered with the name of the Association, and singing as they go.

123. In 1963 all these modern-type Dance Associations claimed to have started a loans side to whom a member applied for help in case of need. The funds from agricultural work, which had originally all been spent on feasting, were now said to be in part set aside for this new purpose. They were certainly not banked, and no interest was charged to the applicant. If however a man took a long time to pay back he would be reminded and a definite date fixed, after which deadline he might find himself expected to pay back double.

124. The social cohesion of such a Dance Association derives from the age-group system, combined with membership of a group of well-defined neighbourhoods, respect for the songleader's authority, and the pride taken in the competitive dancing, singing and work-parties.

125. The Agriculture Department does not look with favour on these Dance Associations, because their methods of agricultural work - which involve a display of speed in getting through their task - are, they claim, inconsistent with the care required to prepare land for cotton-planting. There have therefore been recent attempts by the Department of Culture to canalise their interests and energies into the formation of traditional dance troupes. The most prominent of the Associations, the Bagobogobo, was founded about 1945 and was still in operation in 1968.

Unattached Mutual Aid Organizations

126. There appear to be many small Mutual Aid organizations in the Mwanza area, usually with a small membership, without any centralized organization, not necessarily connected with age-groups, and sometimes short-lived. All or most derive their funds from communal agricultural work (which however is not popular with the older members), and may have an elementary credit side. If there is a dancing side, this is usually of a semi-modern variety such as "African twist". One of the most interesting of these Associations, the Witoghwa wa Bukumbi (Bukumbi Brotherhood) has been the subject of a case study by one of the lecturers of the Nyegezi Social Training Centre near Mwanza, as well as by others. ^{1/} The following description is largely from the lecturer's account but includes personal observations made in 1963 and 1968. It illustrates how an Association formed for primarily mutual aid purposes may develop a modern Credit Union side yet retain the original functions.

Witoghwa wa Bukumbi: (i) The Initial Mutual Aid Association

127. The Association grew out of the Catholic Action Movement of about 1947, which encouraged parishioners to take an interest in each other's practical problems and to report any urgent need to the priest. However, it is said that the priest himself neither encouraged nor discouraged this organization. A number of parishioners decided to form a Mutual Aid Association which would provide cash assistance to cover hospital, transport and medical costs for sick members, and also to pay for masses for deceased members or their close relations. There was an annual subscription of 1/10, but the bulk of the funds were raised by the traditional method of hiring themselves out as an agricultural work party at 50/- a day. Members could also call on the Association to cultivate their own fields free of charge. There were 35 members to begin with. The funds were looked after by the parish priest, who kept them in his house.

(ii) Growth of the credit side

128. In 1958 the Association opened a cotton farm, saving most of the proceeds. Unfortunately in 1962 they had to give up the farm because of the local scarcity of land. (In this District the temporary loan of unused land to any applicant of good repute is established custom). By 1959, the Association had a balance of 3,000/-. They now decided to start an elementary credit scheme, by which members could deposit their savings with the Association, and borrow at 10 per cent per year. However in 1960 the new parish priest was disturbed at the idea of keeping so much money in his house, due to the risk of theft. It was therefore decided to divide the funds and to keep the bulk in the Secretary's house, leaving 450/- with the priest for current expenses. The Association was now named

^{1/} "Sukumaland Co-operative Institutions," Lang & Roth, and Paper on the "Witoghwa wa Bukumbi", T. Bakilane

Ipelelo - "the refuge of those needing help". It was felt that there was greater risk of theft at the Secretary's house, so borrowing was encouraged. The interest rate was also raised to 12 per cent (the rate advised by the CUNA Credit Union movement). In 1961 it was raised to 18 per cent because of a run on savings, perhaps due to impending Independence celebrations. In the same year a Catholic priest suggested that they should register a Credit Union. The Registrar of Co-operatives and a lecturer from Nyegezi were visited to explain and advise, and the Association was duly registered in 1962 as the Witoghwa wa Bukumbi Credit Union Ltd.

The Dual Association: (i) Ipelelo

129. In 1965, when the study was made by Nyegezi Social Training Centre, the Association had become a "Siamese twin" organization, instead of becoming completely transformed into a Credit Union. One side, the Ipelelo Association, retained its religious and benevolent aims and remained the main shareholder and depositor on the Credit Union side. The 61 Ipelelo Association members (all Catholics) now contributed 12/- a year each for masses and medical assistance, kept in a separate account. They still took part in communal cultivation, now charging non-members 55/- a day (but apparently not asking for food or drink). A work party member who did not attend after agreement to do so was fined 5/-. The 55/- was divided as follows:-

30/- to the Credit Union
 20/- for beer for the workers
 5/- for those workers who did not take beer.

Members who had assisted at workparties during the year could draw 15/- for transport and medicine when necessary, but those who did not attend (probably the older members) got 10/-. If a member or close relative died 15/- was paid for a mass. Once a year, a 15/- mass was paid for all deceased members.

130. By 1965, the Ipelelo Association had deposited 2,259/- with the Credit Union from their work party proceeds. This money was not however completely merged with Credit Union funds. The membership, though overlapping, was not identical, because, obedient to Co-operative Department recommendation, the Union had thrown itself open to a wider membership dependent neither on religion nor on residence, except that members should come from Bukumbi Division, an area of considerable extent. Ipelelo members it appeared still wished to retain control over what they felt they had earned themselves. If this was so, they were using the Credit Union as a savings bank. It is not stated whether they got interest or not. The same year there was some discussion about using this money for trading in cassava - a very profitable business - though it is not clear whether this was to be on behalf of Ipelelo only, or on behalf of both bodies. However, the suggestion never materialized and the money seems to have remained in the Credit Union.

131. The funds used for masses and medical expenses were kept with the Credit Union (or at times with the parish priest) but separate books were kept and the Ipelelo Association had its own separate officers. These officers were all farmers. The Treasurer (Standard IV education) was also President of the Credit Union, and thus formed a connecting link between the two committees and as already seen had charge of the Ipelelo funds used for benevolent purposes. The Chairman (illiterate) organized the communal cultivation parties in the same way as the officer in charge of the traditional neighbourhood organization for young people (Kisumba). The Secretary (Standard III) kept records and noted absentees from cultivation work. The Askari ("watchman" or "policeman") supervised communal work. There were also 7 committee members. Each committee member was responsible for contacting specific members when the Association was called upon to cultivate. Committee and officers met together to decide on applications for the payment of funds for masses or for medical treatment.

The Dual Association: (ii) The Credit Union

132. This had 81 members (unfortunately it is not stated how many were also Ipelelo members). There had been a large membership turnover since inception, due to resignation, death, change of residence and expulsion due to non-repayment of loans. All except 5 members were Catholics and most were farmers with no other occupations. However 30 out of the 81 had other occupations as well as being farmers, which meant a steadier cash income, though some of these occupations were also seasonal. Among these members, 10 were in the building trade, 7 were fishermen, and 2 were carpenters. There was also 1 teacher, 1 Co-operative Union Inspector (the Treasurer), 2 office messengers, a tax collector (Secretary), a laboratory assistant and Co-operative Weighing Clerk. The work of this Committee appeared to be entirely financial. They approved applications for loans and exercised a general supervision over the Union's assets. The Secretary had been trained on a book-keeping course, and was supposed to give monthly statements, but in fact did not do so. A Co-operative Inspector inspected twice a year. The Treasurer handled account books and cash. Cash went into a savings account with the National Co-operative & Development Bank in Mwanza (27 miles).

133. Each member paid an entrance fee of 5/- and bought a share of 10/-, on which no interest was paid. The rest of the working capital came from members' savings (on which they are paid 6 per cent interest) and from the profit on loans (12 per cent interest per year). In 1965 it was decided that all members should deposit savings of at least 50/- a year. At the end of 1966 the total assets were 6,200/- in the bank, with 5,678/- in loans outstanding for that year. However, 15 members had still not paid 1965 loans, which meant that there was approximately 3,500/- outstanding.

In order to obtain a loan, a member:

- (a) Must have deposited at least 50/- with the Union
- (b) Must have repaid all other loans.
- (c) Must state purpose of the loan and what security was offered.
- (d) Must have two witnesses to countersign a promissory note.
- (e) Must apply in writing.

In 1965, 53 members out of the 81 took out loans, out of a total amount available decided on beforehand by the Committee. Loans were given out once a year, at planting time (the hungry season). Those who did not take out loans (except one) were either new members or had not repaid the previous one. All others had taken out loans "because members feel they must borrow from their Credit Union, because they say it is a society for borrowing and lending." The implication was that it had no purpose if this function was not being obviously fulfilled.

134. The researcher could find no correlation between the standard of education of the applicant, and the purpose for which he said he needed the loan. In fact nearly all claimed that they wanted it to pay voluntary associations for cultivation work, although a few asked for loans in order to pay schoolfees and one fisherman in order to buy nets. The researcher felt that it was unlikely in fact that more than half the loans were spent on cultivation, and came to the conclusion that there was no sign that the Credit Union "was an indispensable institution". He added that the people were very proud of having "built a strong association" but that their pride was mingled with concealed self-interest.

135. All meetings of both the Ipelelo and, it seems, of the Credit Union were opened by prayer and an invocation of the patron saint adopted at the foundation of the original association some 20 years before, although the twin associations are no longer in any way associated with the Catholic Action Movement.

The Witoghwa wa Bukumbi in 1968

136. I paid a Saturday visit to the Witoghwa in February 1968, accompanied by a Co-operative official who had been regretting that the society seemed to meet very seldom now. One committee member was found, who was busy mixing cement and sand to face the earth walls of a small new building. He said that the Witoghwa were tired of depending on schools and missions for their meeting place. So they had decided to build one of their own. It would cost them very little, because all members who had any skills were taking it in turn to build. This was his turn. He pointed out a locked cupboard where they intended to keep the Association's books.

137. The total membership of the Credit Union side was now 105. At one time they had had a teacher who had now been transferred. (Another informant told me that the teacher's son had been allowed to borrow 300/- which he had never repaid). All the members are now farmers at least part

of their time. There had always been regular weekly meetings, but as they are on Sundays after mass they seldom manage to meet Government officers. Attendance varies widely according to seasonal work demands and seasonal availability of cash. Just before the cotton crop comes in hardly anyone comes, because they owe money everywhere, including the Credit Union, and are ashamed to come if they cannot pay the money back. Members are now (it appears) allowed to take out loans at any time of the year provided they have paid the previous loan back, but they are not allowed to take out loans any larger than their deposits. The Co-operative official told me that it was general government policy to encourage a constant flow of lending and repayment, in order to increase savings through interest and assist the flow of cash. The problem seemed to be that the seasonal nature of the main income of members meant that they found it difficult to pay back their loans fast enough not to bog themselves down in a mounting debt. When they found themselves unable to repay they just gave up. As in all such rural societies, there is nothing of value that can be disclosed upon without worsening not only the position of the individual and his immediate family, but of his neighbours as well, except perhaps the forfeiture of his deposit. But then he is lost to the Credit Union.

138. The Committee member said that the bulk of the funds were banked in Mwanza, recently-collected funds being kept at the mission. The Association preferred to keep them there rather than put them in the safe of the local Co-operative Society.

V. Housing Associations

139. The East African pioneers in this type of Mutual Aid Association appear to be the Kikuyu of Kenya who live in Nairobi and the Asian Ismaili Community, which is strongly represented in all three capitals. The Kikuyu associations are genuinely spontaneous, although formal registration requirements in Kenya soon bring them under government supervision.

140. There are three known African Associations in Nairobi. The oldest was started in 1962 by 10 illegal squatters in the Gikomba area of Nairobi, with the stated purpose of providing low-cost housing for their members, who are self-employed or casual labourers, and was registered as a Co-operative Society in 1965, by which time it had 50 members. The Association was allocated plots under the City Council's Site & Service Scheme, and to date has finished building three houses, while about half a dozen more are in various stages of completion. The first house cost 14,800/-, all of the money being contributed by the members. On completion it was let to three non-member families for 120/- a month each. With this income, and more subscriptions, two more houses were built, which have been let in the same way, providing funds for yet further building.

141. Another association was founded in 1964 by 400 illegal squatters in the Mathari Valley - already noted as an example of a "slum" which has nevertheless become a genuine community due to internal voluntary effort.

It appears that most members are from the Central Province. The purpose was to buy the land in which they were squatting in order to avoid eviction. By 1968 they had bought the land for about 25,000/-, all of it collected by themselves. Now that actual building is in sight some problems have arisen - each member of the Association, even if he belongs to the same family, wants a house built for himself, while in order to increase their capital sufficiently to buy the land members were recruited from outside the area. But for these members there is now no land.

142. I personally attended a meeting of the third Association, which was founded in 1967, early in 1968. There were 150 members, of whom about 40 attended, nearly all of them older men. The few younger men who spoke did so rather tentatively. The meeting was conducted with great self-assurance, and the amount of business knowledge among the members was obviously considerable. Nearly all the members came from one location in Nyeri District - one of the most advanced Kikuyu farming districts - but they said that none of them were related. (This suggested to me that whether they were in fact related or not, it did not seem meaningful to them in the context of this particular Association). The language used throughout was Kikuyu, although it was obvious that many members knew both English and Swahili as well. Some of the members were still farming in the location, but most of them were employees of the city council or the government, with average wages of 400/- to 500/- a month. The jobs of the Committee members were: charcoal dealer, hotel cook, lorry driver, dairy worker, used clothing dealer, a transporter owning two trucks, and four fairly wealthy Nyeri farmers who were apparently still based in their home area (90 miles away). The Association had already collected 50,000/- and bought one house, which was being rented out to non-members in the same way as those built by other Associations, and for the same purpose - to build more houses in order to get more money from rents. When it was explained to them that public loans were given only for houses for one's own occupation, the members said that they would arrange for one member to live in a portion of each house. We were told that a further aim was to open a bar, also for profit. Finally one elderly man got up and said, "We are not really working for ourselves at all. What we all want to do is for each of us to get enough money to buy some land outside Nairobi where our children and grandchildren may settle".

143. These examples suggest that at present indigenous urban Housing Associations, like other indigenous Mutual Aid Associations, will tend to be formed on the basis of either rural residence, or of both urban and rural residence, because this method provides a group whose members have sufficient in common to make mutual understanding comparatively easy. It would however be useful to know more about the 400 Mathari Valley squatters who bought their own land. Perhaps in this case, unlike the others, they will be found to be building primarily for their own family accommodation in a permanent settlement of a new type.

144. The housing programme of the wealthy and very well organized Ismaili community (with its socio-religious headquarters in Pakistan) has built 350 middle standard houses in Nairobi through three housing schemes. Money was loaned by a commercial bank and possibly backed by the Diamond Jubilee Trust controlled by the community's head, the Aga Khan. The houses are on a tenant-purchase system at a rent of £12 to £16 a month. It is claimed that all of the Ismaili community who wanted such houses have now obtained them. Altogether there are about 3,000 such houses in East Africa. They are administered by paid housing managers, who meet as a body every four months, in each of the capitals in turn. The Ismailis of Nairobi also run a large Consumers' Co-operative shop.

B. Rotating Credit Associations

145. A Rotating Credit Association is formed of a group of persons who each agree to make regular contributions to a fund which is given, in whole or in part, to each contributor in rotation. This form of Association, like Mutual Aid Associations, is worldwide. It is not necessarily found in cash economies only, societies existing in which it is customary for contributions to be in kind. In some parts of the world Rotating Credit Associations can be very elaborate, including a subsidiary credit-giving organization, social activities and even a uniform. 1/

146. The East African Rotating Credit Associations, however, appear so far to be simple and informal. The contributions are fixed and equal, seem always to be in cash, and are usually paid in and drawn weekly or monthly. After every person has had his turn the group may then reform (with perhaps some new and more reliable members), or it may lapse. Collection of money is done in public at a full meeting and all is paid to a respected member who hands over the total then and there to the person whose turn it is to receive it.

147. Unlike some other parts of the world, the use of a lottery to determine one's position in the rota appears to be uncommon in East Africa, except to determine who shall start. Most informants appeared shocked at the idea, which was new to them. They expressed the opinion that this was a very impersonal way of deciding who among a group of friends needed the money soonest. One's place was better decided through mutual agreement, and could always be revised. The idea of selling one's share to another member also did not seem acceptable. This probably underlines the still strong community feeling, perhaps reinforced by national ideologies.

148. A number of people in all the three countries who said that they had never heard of Rotating Credit Associations with a number of members, nevertheless added that it is very common for two close friends to agree to augment each other's salary in turn in essentially the same way. Occasionally three friends are involved. This type of Association has been recorded also for Zambia and Rhodesia, and has specifically been noted in Jinja, Uganda. 2/ One or two other people who also had not heard of Rotating

1/ "Rotating Credit Associations," S. Ardener.

2/ See foot note 1/

Credit Associations, spontaneously remarked the similarity of the principle to that of the rotating herding associations known all over East Africa, in which it is the task that rotates among the members. I was also told of the household of a wealthy shopkeeper in the Central Province of Kenya, in which the husband regularly gave the housekeeping money to the senior wife, but she then gave it to each of the junior wives in turn, who thereupon cooked all the food for the whole of the family for the relevant period. This was a new idea, quite unlike traditional cooking customs in that area. ^{1/} However many other tasks in rural East Africa are essentially rotatory. Personally, I consider this type of organization might have appeared independently in different areas. It is particularly useful for persons with such small means that they otherwise have little chance of obtaining a good sum of money, or at the other end of the scale for traders or merchants who wish to obtain capital for wholesale buying.

149. Especially in urban areas, the great danger in such an organization is default, especially of the first few people who have drawn their lump sum. Consequently members must know each other well enough to be able to judge of each others' commercial honesty and reliability. It is also necessary that members have regular cash incomes of a sufficiently similar level to minimise the temptation. Consequently the most popular form in East Africa is one formed among employees in government and commercial offices; groups of employees at different salary levels belong to different Associations. In Nairobi these are said to be very widespread. Sometimes the members collect in a bar on pay-day, but in many cases - at least in commercial firms - the amounts may be automatically deducted from salaries by the pay-clerk, who hands over the lump sum to the person whose turn it is. The motive here is to get capital for radios, repayment of debts, or for payment of hire purchase instalments on cars. I could get no evidence of the existence of such Associations among the office workers of Dar-es-Salaam, though they no doubt exist. Possibly the informants feared that they might be contrary to the Arusha Declaration.

150. Among the self-employed and small wage-earners stricter discipline is necessary. Here again the Associations are occupational, but this is sometimes combined with ethnicity. In Kampala they are found among the wealthier Ganda shopkeepers, the purpose being restocking and the payment of debts. A man who does not keep up his payments is liable to have his goods taken by the rest. Here the ethnic tie doubtless makes such extreme disciplinary action possible. In Kampala such Associations are also run among porters and medical orderlies in two hospitals, who put in one-quarter to one-third of their monthly wages. The sanction here is the liability of being beaten up if one defaults. ^{2/} Nairobi shoeblacks run Associations on a daily basis, as their earnings are small and also daily. There are also known to be Associations in Dodoma, Central Tanzania, and all along the Central Railway Line which passes through this town. ^{3/}

^{1/} Personal communication, from J. Wills.

^{2/} "Townsmen in the Making," Southall & Gutkind.

^{3/} "Rotating Credit Associations," S. Ardenet.

151. The only rural Associations of whose existence I have actual proof are run by the Zaramo women near Dar-es-Salaam. The area has known the use of cash since the middle of the nineteenth century, and other forms of currency before then. Women trade in vegetables, eggs, dried fish and cakes. There are about 10 women in a group, who each put in 5/- weekly. The women all live in one neighbourhood and know each other well, but they are not necessarily related in any way. If a woman proves unreliable she finds herself dropped out when the group reforms. In one Association two husbands (one of them a shopkeeper) were also said to be members, probably to ensure some control over the use of the proceeds. The women say that they use the lump sums to buy cloth and cooking utensils. They probably also use them to buy trading stocks and for the numerous and expensive traditional ceremonies, at which the exchange of goods (nowadays purchasable only by cash) is one of the main means whereby members of this coastal society renew their social ties. These Associations are claimed to have existed for a very long time. I consider they are probably widespread among other coastal Islamic communities, including those in the hinterland of Mombasa, where the women also trade.

152. I was also told that school teachers in the rural areas of Central Nyanza District, Kenya, also run these Associations between themselves.

C. Credit Unions

153. I heard a great deal about Credit Unions or credit organizations for mutual aid purposes, because in different forms the principle of encouraging combined savings and credit organizations for consumer purposes has been accepted by all three governments. Although Credit Unions of the type being officially encouraged are not "indigenous" as I have defined this, and therefore to some degree fall outside the scope of this report, it has been shown that the Credit Union idea is already widespread, so that credit sides are in fact being added to all sorts of voluntary organizations. I have also traced one independent credit organization which was not the result of any outside stimulus in the first place, and was also unattached to any Mutual Aid Association. This is one run by the Luyia workers of a sugar factory in Uganda. However, its principles were unorthodox according to recognized practice, as I shall show later.

154. In Kenya and Tanzania, the independent Credit Union made popular through the Credit Union National Association of Canada and the USA, is the type officially sponsored. Its sponsors emphasize the importance of an internal spirit of brotherhood in each Union, and therefore the importance of a sound social basis as well as a sound financial basis. They stress the importance of occupation and residence as cohesive factors. Loans should not be limited to the amount of a man's savings, but should be given only to members. Interest rates for loans should be 12 per cent per annum only (thus discouraging resort to money-lenders), and outside assistance in the form of extra credit should come from Credit Union Leagues set up by the organization itself. In both countries overall supervision and control

are exercised through the Co-operative Department, which in Tanzania now provides specially-trained Credit Union Inspectors, but much use is being made of voluntary assistance, especially that afforded by the Catholic Church through the Catholic Relief Services. In Uganda, the approach has been more cautious and the authorities have looked with less favour on independent organizations and voluntary sponsorship. So far they have preferred to develop the existing Thrift & Credit Societies for salary and wage earners, and in rural areas to provide credit and savings facilities through existing marketing co-operatives. The reason given is a desire to mobilize the savings movement more effectively. Uganda has had a particular need to avoid factionalism of any kind.

155. In Tanzania, some of the most successful Credit Unions appear to be those run among the Chagga coffee farmers. Some probably significant factors in this success may be briefly noted. Nearly all the people are literate and they have had long experience in co-operative management; they have a common economic interest in coffee farming and there are also a number of subsidiary trades and occupations that help to make cash income more regular than usual; the extended family is of diminishing, and neighbourhood ties of increasing, importance; and the population is dense enough to allow sufficiently large associations in only a small area. In addition, nearly all the Credit Unions are on the Catholic side of the mountain, and appear to be formed on a parish basis, so that most members will attend one church while the parish priest (trained in Credit Union principles) is continually available for advice. This also means that most Credit Union members would be attending the marriages, christenings and funerals in the families of most other members, and frequently contributing to the cost, even though this is not actually done through the Credit Union. Thus the Union may be seen as an extra organization developing within a community already on the way towards being a modern peasant neighbourhood. If these Kilimanjaro Credit Unions are indeed as successful as they seem, their success should be compared with the troubles of the Witoghwa Union when, encouraged no doubt with the best motives, they attempted to spread themselves too widely in an attempt to obtain a wider financial basis.

156. The most successful Credit Union met by the writer was a small one in a small Tanzanian township. The membership of 35 were the total employees of two businesses owned by Asian brothers, one a printing works and the other a newsagent's. One of the brothers took a keen interest in the Union and was himself a member in that he made regular contributions while leaving the management to his employees who obviously liked and trusted him. The 35 members were at all levels of employment; their Chairman, a man of about 30 from another district, was also the Chairman of the local Printers' Trade Union. In spite of differences in wage level, all members had managed to buy a 20/- share every month as well as paying 7/- for entry. Payments were quite regular, because they had all agreed for the money to be deducted from their salaries through the check-off system. Repayments of loans were also made through the same system. Loans, which were given for bicycles and autocycles needed for

work, schoolfees, minor house repairs and hospital charges, were whenever possible given in kind. This included the vehicles, several of which I was shown.

157. Confidence based on good leadership and efficient financial management due largely to the check-off system; the small size of the group and their daily face-to-face relationship in common employment, together with a good employer-employee relationship, had provided a fertile ground in which the Union could take root. Loans were limited to 500/-, and were more often 250/-.

158. Now, however, the Union was beginning to grow discontented. This took the form of envy of an enormous though disastrous Credit Union in the same town, claiming 750 widely-scattered members employed in branches of the same business but with greatly different rates of pay. Their treasurer had been paid, given an office, and allowed to work on Credit Union business in his other employers' time. The smaller Union now aspired to these same facilities which their small employers could not provide. They also wished that they could have many more members so that they could get larger loans - this, again, in spite of the disaster which had recently overtaken the large Union through following this very path. They had been considering inviting the employees of another printing firm to join them, to begin with. However, this firm was a rival of the one in which they were working, and it was clear that the members felt that their interests conflicted with personal loyalty to their employer who was moreover a shareholder. The Credit Union Inspector who was present at the time told them that the purpose for which they would be bringing in the new members should not conflict with this loyalty. However, the members clearly still felt uneasy about it. At one point a man remarked that if they remained a separate organization their employer might invest more funds. This suggestion was disapproved of by the rest. The Union was about to join the Credit Union League recently set up in Tanzania, and it was decided that they would wait a little to see whether they might not be able to get credit from this organization.

Ethiopia

A. Mutual Aid Associations: I. Idir

159. In Ethiopia Mutual Aid Associations of the type known as Tribal Unions or Tribal Associations are called Idir. However, it appears that in Ethiopia not all Idir are necessarily ethnically-based, as appears to be always the case with Mutual Aid Associations in East Africa.

160. The most important Tribal Organizations are those of the Gurage, Dorze and Wallaga. These were all, traditionally, societies depending on large-scale kinship co-operation in the same way as the Luo of Kenya. The Gurage in particular have for long been a trading people who emigrated extensively to Addis Ababa, and who were noted for their elaborate co-operative activities in house-building, village road-making and the

organization of very large markets, long before the modern developments which have produced Tribal Associations. 1/ There is no information concerning the general structure of these Associations, but the suggestion is that they do not have a rural headquarters and are organized separately for each town or city, having no internal branches within the town. The "Community Idir" described below is therefore an independent organization. However, I should not be surprised if further research did not show little essential difference between their organization and that of the Luo Union, for example. The Tribal Idir in the town is said to be initiated by traditional elders, who themselves elect a temporary chairman, secretary and committee who then draw up the rules. Membership is open to any member of the society concerned, but his character is investigated first. If a man resigns he forfeits all his funds and the advantages of membership.

161. The functions of a Tribal Association (as given in 1958) 2/ are assistance during sickness or unemployment and for weddings, funerals and schoolfees. Members may also be set up in trade. I could not in 1968 get any confirmation that members were ever helped with school fees, as was stated in 1958.

162. Meetings are monthly or fortnightly, and non-attenders are fined. Each member pays an entrance fee of E.\$6.25 (Sh.EA 18/30 in 1968), of which E\$4 goes to capital formation, E\$2 to the benevolent fund, and E\$0.25 to stationery. After joining, there is a monthly subscription of E\$2 (EA Sh 5/60). All money is given to the Treasurer, who himself issues receipts.

163. The "Community Idir" is, however, said to be the commonest form of Mutual Aid Association and to have become established "all over the country in villages, towns and city quarters", in many cases since 1960. In Addis Ababa in that year 125 households out of 600 were Idir members. 3/ This is an astonishing spread unmatched in any part of East Africa, so far as I am aware.

164. It appears that originally, and still as a rule, the urban Community Idir are usually inclusive in that they comprise every householder, rich or poor, living in a particular quarter, together with his wife as a separate member. "If a man did not join", I was told, "he and his relations would never be buried and no one would come to his funeral". If this is so, they are, strictly speaking, "non-tribal", although the pattern of residential settlement in Addis Ababa often means that most of the members will belong to one rural society. On the other hand, the writer was told by a local researcher that there have been recent signs of urban Community Idir getting a "tribal" connotation, regrouping themselves on

1/ "The Gurage", by W.A. Shack.

2/ "Selfhelp in Ethiopia", R. Pankhurst.

3/ Social Survey of Addis Ababa, UNECA & University College of Addis Ababa.

primarily "tribal" lines within particular areas and giving themselves an ethnic name. If so, this may be partly due, as in East Africa, to the need for greater control as functions become more complex and immigration greater. It may also be connected with internal movements in the city already noted which seem to be connected with a desire to reform the extended family on new lines, and may possibly be leading to a new urban "village" community on primarily Amharic lines (page 6). As in East Africa, it may also point to the failure of modern social services to keep pace with urban needs. The problem of size is an especially likely one as Community Idir are said to most commonly have 100 to 500 members, and sometimes up to 1,000. Such a large group must be especially difficult to manage if it should be formed of people whose only common tie is residence in a specific urban district.

165. A Community Idir has a President, Treasurer, clerk and a committee of 12. Government is strict, and fining and expulsion are fairly readily resorted to. A man expelled from two Idir will find it almost impossible to join a third. There is a small weekly or monthly subscription of from 10-75 cents (Sh. EA -/25 to 2/-). Urban Idir of all kinds now usually bank their funds.

166. The core function of a Community Idir, whether membership is largely Amharic or not, is the organization of funerals, including assistance towards the cost, and assistance for the bereaved family. Bodies are apparently always buried in the town. For the Christians, burial in a churchyard is of course essential, preferably one close by, and the idea of transporting bodies to bury them in any particular rural area was represented to me as appearing to them as both odd and distasteful.

If bank reserve funds are insufficient to pay the cost of the burial, an additional levy is made, which is fixed in amount according to whether the deceased was a wife of a member (E\$1), his father (E\$.50) or his child (E\$0.25). Other members of the family are not mentioned, (because otherwise it would drain the Association of money and ruin it). Women members of the Idir also visit the bereaved and bring food to the family of the deceased for some days after the funeral. In rural Gurage areas, the family will be rehabilitated by the community, whose members of both sexes will do any urgent agricultural work that is necessary, bring food and firewood, and rebuild the house if required. In such a rural area an Idir will almost certainly coincide with a neighbourhood and, presumably, in the case of the Gurage with a residential lineage.

167. All members of an Idir must attend the funeral of any other member or his relative. This is very important. Urban Idir, and possibly those in Amharic villages, have their own grave-digging equipment and all the things needed for customary mourning. Members often dig the grave themselves, each man digging in turn. Sometimes a very poor member acts as gravedigger in lieu of paying a subscription.

168. Idir may also help members when ill or unemployed, and will cancel fines providing they consider that the member concerned is not seriously at fault.

In 1958 there were also Idir in various institutions, but their functions are not described. In 1968 I was told by taxi drivers that they also had their own Idir. There are separate Idir for the drivers of the large expensive taxis and for the small cheap ones, on the grounds that the death rate of drivers of the smaller ones is higher. Besides funerals, they seem to have the same functions as other Idir. Presumably these Idir are not on an ethnic basis.

169. The Ras Desta Sefer Social Centre in Addis Ababa has built its Community Centre Association through the membership of 16 Idir in the neighbourhood. These Idir have an urban residential membership, each covering a defined area so that there is no overlapping, but membership appears to be mostly Gurage and Derge. The land was donated by Ras Desta after which the Idir were approached. Between them, through the Idir machinery, they collected half the cost of the Centre, the Government providing the other half. Each Idir elects three members to represent their neighbourhood in the Community Centre Association, which then elects its own Chairman from among them. The present Chairman is a University lecturer who is resident in the area and an Idir member. In 1963 when the Community Centre Association was formed, the Idir were purely funeral associations, and still retain this function. The Centre Association has worked through the Idir to interest the people in other projects, which are managed by four committees of the Community Centre Association. They have not attempted to "build on" the Idir, nor to replace them.

170. Theft is a problem, which is dealt with by the Security Sub-Committee. Through Idir machinery, 6 men are chosen in each Idir neighbourhood to work as night watchmen on a rota basis. As membership of the neighbourhood coincides with that of the Idir, these watchmen easily pick out suspicious strangers, whom they conduct to the police. They also take stray animals to them. Idir are also encouraged to discuss common problems such as sanitation and the shortage of schools and to hand their complaints on to the Education & Health Sub-Committee. In this way help has been obtained from a Swedish voluntary association in running a day care centre for children between 3 and 5. The Roads, Light & Water Sub-Committee has succeeded in getting a new road made, served by electricity, through the same procedure. The fourth sub-committee is the Co-ordinating Committee, which is very important. It bears the responsibility for communication between the Central Committee and the people, including those in areas not yet represented on the main Committee through Idir.

171. Although in many ways they have similar functions to the Location Associations of East Africa, the Community Idir do not as yet appear to have any improvement functions. These are left to the Regional Associations.

II. Regional Associations 1/

172. These first appeared in the 1950s., but became popular after 1960. They are simply called Mahaber, but are quite distinct from the Ethiopian Church Mutual Aid Associations called by the latter name. The initiators are said to have been the Gurage, who still have the largest and wealthiest Associations of this kind. The best-known one was organized to build a road from Alam Gana to Wallamo Soddo, and included Galla and Wallamo as well as Gurage. It had collected by 1965 well over one million Ethiopian dollars (nearly three million East African shillings) and had completed a bridge. It is said that this Association has now become more specifically Gurage and has moreover divided itself into seven groups to fit in with Gurage residential organization. This may again be connected with an attempt to form a stronger organization, perhaps all the more likely as the central organizations of these Regional Associations are far away in Addis Ababa, and not in rural areas as in East Africa. In the city they meet weekly, usually on Sundays near one of the churches, to discuss projects and make financial contributions. It was said in 1965 that although financially successful, sometimes their meetings were rather formal, the bulk of the members rather passively assenting to the decisions of their superiors. If so, apparent recent "tribalization" may also be an effort at "democratization".

III. Church Associations

173. There are a number of traditional associations connected with the Ethiopian Church which may make ad hoc collections for charitable or mutual aid purposes, although they do not appear to be savings organizations in the strict sense, as money is not banked or put aside for future use. The best known is the Mahaber, which is formed of persons who feel a spiritual kinship with each other because of their common devotion to a particular saint. They meet on the saint's day, which in the Ethiopian Calender occurs once every lunar month, in the house of each member in turn, who provides a feast. Nowadays, however, a cash collection is often made to cover the cost of the feast. It is a great sin for members to quarrel, and the organization provides for mediation. All members must help each other in any hardship, such as assisting to rebuild a burnt house, look after a widow, and so on.

174. The Sembete is an association whose members take it in turn to bring food and drink every Sunday to church. After the ceremony, travellers and poor people are invited to eat. A Sembete may be composed of either men or women, and members also help each other in case of need. A somewhat similar organization is the Serkehebest, known in Gojjam and elsewhere, with both men and women as members. Again each member provides a feast in turn on Sunday, which is displayed by the roadside, messengers being sent out to invite travellers to stop and eat. The quality and quantity of food is carefully inspected by the members.

1/ "Wax & Gold." Levine.

IV Other indigenous Mutual Aid Associations

175. The Gossa is a Mutual Aid Association found among the Galla of Harar Province, and also among the Oromo, Wallago, Illubabar and Kaffa. There are three officials, a Secretary, a Treasurer and a Head who is called the Garada. Membership is purely voluntary, "from a sense of brotherhood." It only operates if a member becomes destitute. Members then contribute money or livestock, and the member is set up again with oxen, sheep and goats, and a field may be rented for him for a couple of years. If he needs food, he gets it, the wealthy giving more than the poor. If necessary he also gets help with cultivation work or herding. The Gossa also provides brideprice and is said to be a very important institution in Harar because there brideprice is essential and poorer men frequently cannot afford it. The Gossa also appears to organize funerals in much the same way as an Idir, and possibly is a more inclusive form of that organization peculiar to particular areas.

176. Informal ploughing and spinning parties are found in most parts of Ethiopia. To spin for a whole family takes a long time and conflicts with other work. Consequently the women form small co-operatives, and draw lots. The first woman whose name is drawn prepares food for the rest and gets her cotton ready. The other women come and spin it all for her. All then move on to the house of the next woman whose name is drawn, and so on to the last.

V Rotating Credit Associations (Ikub)

177. These are much more highly organized than in East Africa and also more commercialized, although members also make a social occasion out of the meetings. Written rules and regulations are drawn up, which lay down the frequency of payment and the time and place of meeting. A President or "judge" and a money collector are elected from among the most respected members, and each member has to bring two guarantors who are responsible for payment if he should default. On payment day the Secretary calls the roll, and the specified sum is handed by each person to the President. The winner is drawn by lot. The writer was informed by several persons that a man sometimes sells his share to a needy member, and as this allows him to compete again in the lottery, a further element of speculation is introduced. Also in some cases the officers are paid. Fines for failure to attend are kept separately by the President, and used for a celebration when the particular Ikub finally winds up.

178. In Addis Ababa in 1960 it was found that out of a sample of 600 households 161 had savings in ikub, most of them of up to E\$19. ^{1/} In 1965 Ikub had been established by members of virtually all lower- and middle-income groups - clerks, merchants, servants, policemen and also peasants.

^{1/} "Social Survey of Addis Ababa", UNECA & University College of Addis Ababa.

VI Credit Unions etc.

179. Ethiopian policy is somewhat similar to that of Uganda. In rural areas multipurpose co-operative societies are being encouraged, which will include a thrift and credit side. In urban areas, however, this is not possible, and here attempts are being made to encourage CUNA-type organizations. Two in Addis Ababa are awaiting registration, both formed of government staff.

180. Co-operative marketing societies are still in an elementary stage, and are mostly concentrated in the coffee-growing areas in Sidamo and Kaffa, though there is a Grain Marketing Society in an Amhara area. Until these marketing societies are well established they are not likely to be encouraged to provide credit facilities other than for agricultural purposes.

Credit Unions and Co-operatives come under the overall umbrella of Community Development and they share the same training centre.

THE PRESENT SITUATION AND FUTURE PROSPECTS OF THE
INDIGENOUS SAVINGS MOVEMENT

181. Since 1960 the indigenous Mutual Aid Associations in Ethiopia seem to have been viewed on the whole with approval by Government, as possibly useful instruments of peaceful development. Most officials have a knowledge of them, a number are themselves members of idir and ikub, and there has been an attempt to link up official Community Development and Co-operative organizations over the encouragement, development and control of Mutual Aid Associations, as in the Ras Desta Sefer Social Centre.
182. Approved voluntary associations are registered with the Social Defence and Voluntary Agencies Co-ordination Section, but the smaller idir, as well as the Tribal Associations, do not appear to be on the list. As until recently there was no friendly societies legislation it must, as in Uganda, have been very difficult to keep in official touch with them. The Societies Registration Order (modelled on the Ghana Ordinance) will come into force in 1968. It provides for the appointment of trustees, requires the Treasurers of Mutual Aid Associations to give security, and allows the Committee of the Mutual Aid Association to amend the draft rules. It also gives the Minister fairly wide powers of dissolution.
183. On the other hand, little research has been done on these organizations. Except for those who are themselves members of Mutual Aid Associations, many people's information originates from a handful of documents in the University library, whose contents become continually reproduced (this includes much of the information in this report). Yet I met several young Ethiopian graduates eager to do problem-oriented research into Mutual Aid Associations, given moral and financial support. The Social Work Training School at the university seems to have pioneered this interest.
184. More knowledge is needed of these savings movements as well as of all sorts of spontaneous organizations in order to judge their practical use in social and economic development as a whole, of which their use for mobilizing savings or underpinning improved housing schemes is but a part. I am acutely aware that in a short study such as this, in a country with which I am unfamiliar, I can do nothing more than suggest a few lines of approach.
185. A first need would be a national survey to discover the different types of Mutual Aid Association; their distribution; membership in such general terms as numbers, age, sex, occupation and ethnic affiliation; and figures of savings made by the Association for different purposes. In such a survey university students and secondary school leavers could be employed to collect the basic data. However, effective registration under the new Societies Order would be a prerequisite. If registration of Rotating Credit Societies is not included under this Order, they will probably prove to be difficult to trace.

186. The second need would be a study of samples of the different types of associations in different areas, to determine their purpose, organization and methods of work. Particular attention should be paid to the social, as well as the economic, needs being met by the Association, including the production of ancillary organizations of all kinds. The rise, growth and decline of different types of association should be correlated with changes in the needs they fulfil. Detailed studies will now be required of members and officers, to discover individual motivations and the people's own views of how they have or have not benefitted.

187. Although the survey would logically come first, there is nothing to prevent exploratory studies of the second type being undertaken first. Indeed, they could provide a basis for the kind of questions that should be asked in the first.

188. Finally, an overall view should be taken of all the material collected with the object of deciding not only what is the present place of these Associations in the national society, but what is their social and economic cost as weighed against the present and probable future cost, in both social and economic terms, of the public services that might be expected to take their place.

189. This research could well be carried out through the University (especially the Social Work School) in co-operation with United Nations' organizations, as has been done hitherto for urban surveys. Arrangements for liaison with the University of East Africa should prove very useful, especially for any joint research plans covering Eastern Africa and for obtaining comparative material which might illuminate what is going on in Ethiopia. Finally, if Ethiopia joins the East African Community, a step which appears to be in prospect, a fruitful field for joint enterprise with East African governments could be opened up. This is discussed in more detail below.

190. The same kind of research is needed in East Africa, although here there is more material already available. Yet in all three East African countries there appears to be a widespread lack of knowledge at the higher levels of the civil service, including overseas advisers, as well as among members of the general public who are not involved, about indigenous savings and Mutual Aid Associations of all kinds. My impression is that this is partly due to the small social circles in which many people move (professional and cultural as well as ethnic). Also there is no easy way of getting an overall view of the efforts of Mutual Aid Associations of the Location Association type, because they themselves have no co-ordinated organization. Bureaucracies are seldom interested in such organizations, because they are not easily classified and their functions often seem vague. National Councils of Social Service fight shy of them, because they carry the stigma of "tribalism". In fact the basic reason for their neglect, leading to lack of concrete knowledge of their purpose and achievements, is that East African governments are at present necessarily engrossed in building up national unity within boundaries containing many diverse peoples. They therefore feel it best to encourage associations which seem to them capable of being built on a non-ethnic basis. This is one reason why the Credit Union movement has received so much attention.

191. Lack of knowledge, however, is liable to lead to misapprehensions. I found that some people believe that Mutual Aid Associations generally are groups of old men carrying out tribal ceremonies in inappropriate circumstances, and that treasurers of such organizations are more liable to peculate the funds than more educated treasurers under government supervision. This last view is the same as the upper-class view of the viability of the early working-class organizations in Britain, and there seems no reason to suppose that it is any better founded.

192. This lack of knowledge is encouraged by the way in which Mutual Aid Associations are registered. In Uganda there is no Friendly Societies Ordinance at all, and although associations collecting money must register with the police to protect the public, they themselves have no legal protection as corporate bodies unless they are "approved voluntary associations" in the National Council of Social Services. As far as I could discover, no Mutual Aid Associations are thus approved in any of the three countries. In Kenya and Tanzania only the Co-operative Departments have any formal official duties in connexion with voluntary associations that have a mutual aid aspect, and these are in relation only to those that can be registered as "co-operatives" under the umbrella of the Co-operatives Acts, including the old Thrift and Loans Societies, Co-operative Housing Associations, and Credit Unions. In Uganda the Community Development Department used to encourage Mutual Aid Associations to affiliate to Community Centres, but no longer do so actively. In Kenya and Tanzania there appears to be no contact of any kind between Community Development Departments and Mutual Aid Associations or Credit Unions, sometimes on the ground that these are "economic" and not "social" organizations. This is in spite of the fact that one of the declared aims of Credit Unions is to "encourage a spirit of brotherhood", while a slight knowledge of Mutual Aid Associations reveals their strong social basis. In Kenya Mutual Aid Associations are registered with the Attorney-General's Office as Public Trustee, whose organization naturally is not qualified to give them other than legal advice. In Tanzania, they come under the Ministry of Home Affairs, where they are classed with the return of undesirables and the repatriation of destitutes. The existence of Rotating Credit Associations seems to be ignored officially in all three countries.

193. It is obvious that the future of indigenous Mutual Aid and other Associations in Eastern Africa can only be decided by the governments and peoples concerned. However, as I have been asked to make suggestions, I will give some tentative ones. First, I will summarize the advantages and disadvantages of Mutual Aid Associations, Rotating Credit Associations and Credit Unions, as I have seen them. On the Mutual Aid side I shall focus on the Location Associations because these seem to me to be a modern development much more promising as an instrument of social and economic development than the older forms of Mutual Aid Association.

194. Location Associations appeal to a wide range of people, literate and illiterate, of all social classes, who need a comprehensive urban welfare service not yet provided by public bodies, yet who still for the most part wish to keep in touch with their home areas and who are vitally interested in both social and economic developments there. The rural residential basis of the organization certainly helps to keep alive extended family and even clan ties, where the rural society retains this pattern, yet any one living in the particular location may become a member. The present social composition of rural areas dictates the social composition of the urban association. This very composition is also at present an important factor in securing the social cohesion and workability of Location Associations at both the urban and rural ends. However, the recent development of improvement functions, involving the collection of quite large sums of money and their investment in the rural area on agricultural, economic and social welfare projects, should automatically encourage rural development which will of itself finally change the present ethnic basis of rural society and therefore the ethnic basis of the Location Associations themselves. It is difficult to see how at present enthusiasm and interest in grassroots projects in rural areas can be mobilized sufficiently to ensure the voluntary subscription of adequate funds from urban areas, except through an organization based on rural residence, appealing to strongly-felt emotional commitment. Many of these remarks would apply also to the Ethiopian Regional Associations.

195. Location Associations are also valuable in that through their residential basis they cut across growing class barriers and encourage those with special skills to give their services as officers and advisers. They are also proved useful training grounds for largescale organizations such as trade unions and chambers of commerce.^{1/} They have a proved ability to survive discouraging conditions without official support, either moral or financial. On the economic side, they afford valuable practical training, at no cost to government, for all sorts of economic activities, including saving. They are now showing strong interest in the Credit Union idea to provide ancillary organizations to increase the savings of members and for providing loans for individual purposes. But as Location Associations (in East Africa at least) are effectually cut off from expert guidance in this much more technical activity, this side could develop into a money-lending organization exploiting the non-member. This, by the way, is a development to which even government-supervised Credit Unions seem prone.

196. The case against the encouragement of indigenous Mutual Aid Associations seems therefore to be a political one only. This is a problem which only East African governments, alone or in association, can solve.

^{1/} "Trade Unions and Ethnicity in Uganda", Roger Scott.

197. The most comprehensive worldwide survey to date of Rotating Credit Associations ^{1/} notes the following useful functions of these organizations:

198. Rotating Credit Associations create savings without withdrawing money from circulation and at a minimum risk of embezzlement. Even when part of the fund is kept by a treasurer, the evidence suggests that sanctions are normally strong enough to make the risk of embezzlement fairly low. Members themselves often consider the advantages of these Associations greater than those afforded by post office and other savings banks because they do not fear the loss of their money through confiscation by government or tax authorities. They also prefer the greater personal touch of Rotating Credit Associations, even in those countries where their procedure is relatively complex. Sometimes post office and bank facilities for savings are inaccessible; yet even where they are the Rotating Credit Association is often preferred. An instance is even quoted where a group of bank employees created a Rotating Credit Association, one member paying his contributions with a series of post-dated cheques. This incident brought out the feature, which my own observations bear out, of the great popularity of compulsory saving.

199. Rotating Credit Associations provide credit on a small scale which banks do not usually provide. A Rotating Credit Associations charge interest, but this is much lower than that charged by money-lenders. Such Associations are also a form of insurance when the personal needs of the member are taken into consideration in readjusting the timing of his turn to draw. In an Ibo community, Rotating Credit Associations have allowed the less wealthy to accumulate cash and compete with richer persons. Finally, Rotating Credit Associations function to some extent as money markets, because persons needing cash may sometimes obtain a loan from those who have just received their lump sum.

200. Turning to the social aspects of Rotating Credit Associations, although in some parts of China they are based on groups of close kin this is not so in West Africa, where it is felt that close kin obligations are inconsistent with membership of such Associations. Even in China, it was found that in economic depressions these Associations disrupted the kinship ties between their members. In urban areas of Java and South Africa these Associations have been noted as important factors in building up new urban neighbourhoods, and that when collections for burials are made members of Rotating Credit Associations are approached first of all. Membership has also been found, in Africa, to enhance social prestige.

201. Credit Unions in urban areas, like Rotating Credit Associations, can in some circumstances cut across ethnic differences. But because such ties are in fact still strong in many parts of Eastern Africa, these circumstances

^{1/} "Rotating Credit Associations"; Shirley Ardener.

seem at present rather limited, especially in the three East African countries. It may be for this reason that Rotating Credit Associations in East Africa are at present usually small, uncomplicated and rather evanescent institutions which do not bank any funds.

202. Urban Credit Unions seem most successful within the complex organizations of modern commerce, administration and industry, such as the civil service, trade unions and the teaching service. Here much of their success in Eastern Africa seems due to the check-off system, introducing the compulsory saving element and ensuring the collection of money by someone under formal supervision and with suitable safekeeping facilities. In such conditions they are obviously useful in training people to recognize the value of joint saving and investment through bank accounts for individual purposes, and to see the usefulness of a strictly business approach.

203. While urban Credit Unions can avoid an ethnic basis they must at present substitute an occupational and, very often, an income-level and therefore incipient class basis, in order to ensure sufficient common interests between members. Both incipient social classes and trade unions have on occasion, in East Africa, proved as inimical to political stability as ethnic groups. The members of the few Credit Unions I met appeared to be organized round a primarily individual economic interest. Operating by themselves and in their present form, I personally feel inclined to doubt their potentiality for "forging bonds of brotherhood" under present East African conditions. As they are now presented, they were designed for a very different situation in Europe and America. Their organizers admit that for success they require a good standard of literacy, good training in book-keeping, careful and regular supervision, and enforceable legislation. It is also difficult to see how an urban Credit Union could be used as an instrument for mobilizing savings in urban areas of development in rural areas.

204. In most rural areas (excluding of course new settlements) Credit Unions must be as ethnically-based as any urban Location Association or rural Rotating Credit Association simply because such rural neighbourhoods are still largely peopled by members of the same society. The only difference is that ethnicity is not highlighted in a rural area because members of any Association do not face ethnically-based hostility from their immediate neighbours.

205. The less developed rural neighbourhood is generally admitted to be an unsuitable milieu for a Credit Union. In such surroundings it is very obviously an alien institution, geared to a fully developed cash economy and based on the assumption that each member acts in economic matters as the quite independent head of a nuclear family. But I have yet to find in East Africa, any professedly benevolent institution on mutual aid lines which has been able to bring itself to give a repayable loan at 12 per cent per month to a bereaved member in order to bury his relation. The independent unregistered Credit Union in an Uganda sugar factory, mentioned

on page 52, not only makes a free gift of the money asked for, but adds 12 per cent extra as well. Where rural Credit Unions are successful the members seem to have other ties in common arising out of modern development, especially membership of a supra-economic organization such as a catholic or independent church which has itself developed a mutual aid organization for joint action in the case of bereavement or other disaster.

206. My final conclusion is that in East Africa Mutual Aid Associations in their locational form, Rotating Credit Associations and Credit Unions have all much to offer. The world-wide distribution of the first two, especially in developing countries, underlines that they have something of continuing value to offer. The interest displayed in the Credit Union idea in East Africa is also significant, but possibly even more significant is the tendency to assimilate or convert it to another type of organization with wider aims, when its application is not strictly supervised by government agents.

207. I suggest that the best way to ensure a thorough "indigenization" of the Credit Union idea, is to bring together the leadership of all three types of association under both more controlled and more protected conditions. In this way something yet newer and more satisfactory than any existing form of organization may emerge, worked out by the members themselves through practical experimentation with guiding ideas given them by their supervisors.

208. The most suitable sponsoring body for this task would seem to be a supra-national one, the new East African Community, which at present includes the three East African countries and may soon include Ethiopia and Zambia. Under its overall umbrella the membership of Location Associations especially - many of them with common ties in at least three countries - should feel more secure than they do at present. Out of joint meetings and consultations at the Community Headquarters recommendations from the association leadership could be made for suitable uniform legislation covering all three types of association in all the East African Community countries. Under such sponsorship, such legislation could afford to be more permissive and experimental than at present, allowing for example all types of registered Benevolent Associations included in the Act to experiment legally with attached credit organizations providing this side of their activities was under supervision in the same way as formal Credit Unions. The legislation finally drawn up might also stand a better chance than much legislation hitherto, of being formulated in local terms and according to local conceptions.

209. With the leadership of associations thus placed on an equality, suitable joint training programmes could be arranged, (also under the aegis of the East African Community but at a suitable permanent Centre administered by some other body) at which there should be ample opportunity for the discussion of common problems. The long-term aim should be the growth of permanent inter-associational organizations at all levels, from the international, through the national, down to the level of the individual associations themselves.

210. The actual administration of legislation and the giving of day-to-day advice, for all types of association, would almost certainly have to be on a country basis, although the East African Community (perhaps with the assistance of the United Nations) might provide one or two consultative experts. At the country level the problem would be to provide the necessary personalized and sympathetic advice required not only by the more "grassroots" Mutual Aid and Rotating Credit organizations, but Credit Unions as well. I do not myself think this can be effectively done alone by organizations such as Co-operative Departments. They are often badly understaffed and already loaded with large and expanding economic responsibilities in the vital field of encouraging further agricultural production. Moreover, they have what in the circumstances is perhaps an inevitable bias towards regulation which fits ill with spontaneous grassroots activities. Government Community Development organizations also now seem to be developing on more specialized lines. The best solution might prove to be a special national public body, responsible to parliament, within which the appropriate National Council of Social Services (with widely extended responsibilities and representation), the Co-operative and Community Development Departments, the Adult Education Institutes of universities, and the CUNA organization where it exists, must all be represented. This body would have to employ "grassroots" supervisory staff, whose training should be received at the East African Community-sponsored Centre already mentioned.

ANNEX I

LIST OF PERSONS CONSULTED

ETHIOPIA

Ato Aberra Moltot, Assistant Minister, Ministry of National Community Development and Co-operatives.

Mr. S. Dyer, United Nations Adviser on Co-operatives and Credit Unions to the Ministry of National Community Development and Co-operatives.

Ato Getachew, General Manager, Imperial Savings and Home Ownership Public Association.

Ato Kassa Kebede, Chief of Social Defence and Voluntary Agencies Co-ordination Section, Ministry of National Community Development.

Ato Makonnen Tekle Georgis, Officer in Charge of the Ras Desta Sefer Centre, Addis Ababa, and members of his staff.

Mr. B. Oliver, General Manager, Ethiopian Investment Corporation.

Dr. R. Pankhurst, Institute of Ethiopian Studies, University of Addis Ababa.

Mr. O. Spencer, UNDP Opex Adviser in Economic and Fiscal Affairs, Ministry of Finance.

Staff of the Kolfi Housing Estate, Addis Ababa.

Members of the public.

ECA staff

Mr. Arthur Carney, Industry and Housing Division.

Dr. Peter Omari, Social Development Section.

Professor L.M. Geirtz, Industry and Housing Division.

KENYA

Nairobi and Kampala

Mrs. E.M. Ankrah, Ministry of Co-operatives and Social Services.

Miss F. Carter, Research Worker, University College of Nairobi.

Father J. Van den Dries, Catholic Relief Services.

Nairobi and Kampala (cont'd)

Mr. A.P. d'Souza, Co-operative Savings and Credit Section, Department of Co-operative Development, and his staff.

Mr. Niels O. Jorgensen, Housing Development and Research Unit, University College of Nairobi.

Mrs. Luseno National Council of Social Service.

Mr. Gibson Maina, Ministry of Housing.

Mr. Mambo, Industrial Training Team, National Christian Council of Kenya.

Messrs J. Mbithi, J. Moris and J. Njuki, and Miss J. Wills, Department of Rural Economy and Extension, Faculty of Agriculture, Makerere University College, Kampala.

Mr. Mbogo, Public Relations Officer, Ministry of Labour.

Mr. Hans Mommen, Housing Development and Research Unit, University College of Nairobi.

Mr. Akbarali Nanji, Chairman of the Platinum Housing Society, Ismaili Community.

Mr. J. Njenga, Director of Community Development, and his staff, Ministry of Co-operatives and Social Services.

Officers and members of the Gikombi Housing Association.

Undergraduate student (Makerere): Mr. I.E.M. Musuva.

Mombasa

Mrs. Maggie Gona, President of Maendeleo ya Wanawake.

Mr. Vance Jones, Municipal Housing Officer, Municipal Council.

Sister Rose, Star of the Sea Convent.

Mr. Richard Stren, Research Worker, University College of Nairobi.

Mr. Peter Wanyonyi, Provincial Co-operative Officer.

Kisumu

Mr. Gumbe, Housing Officer, and the Treasurer, Municipal Council.

Mr. Okot p'Bitek, Adult Education Centre.

Mr. J.P. Oleche, Government Statistician, Ministry of Planning.

Mr. M.G. Saini, Provincial Agriculture Office.

Nordic Adviser, Department of Co-operatives.

Provincial Schools Examinations Officer, Department of Education.

Manager of the Jubilee Insurance Company.

Manager of Barclays Bank.

TANZANIA

Dar-es-Salaam

Mr. M. Altan, Research Manager, National Bank of Tanzania, and his staff.

Messrs A. Hamersley and M. Collinson, National Co-operative and Development Bank.

Messrs V.E. Kombe, E.P. Mwashu and A.S. Walker of the Co-operative Development Division.

Mr. E.E. Lyimo, Ministry of Home Affairs.

Mr. F.J. Mchauru, Permanent Secretary, Ministry of Local Government and Rural Development.

Mrs. M. Swantz, Sociological Research Worker, and academic staff of the University College of Dar-es-Salaam.

Director, National Housing Corporation, and his staff.

Members of the Catholic Secretariat.

African Studies Programme (Makerere): Mr. Mbagu.

Undergraduate Student (Makerere): Mr. M.A.C. Musikira

Mwanza

Messrs J.V. Lwabati, Kamara and F.M. Walubela, Department of Co-operatives.

Father J. Lavoie and Father Moroney, Social Training Centre, Nyegezi.

The Parish Priest, Bukumbi.

The Tutor, Extra-Mural Studies Centre.

A Committee Member of the Witoghwa wa Bukumbi Credit Union Ltd.

Officers of the Victoria Nyanza Credit Union, and of another urban Credit Union.

UGANDA

Kampala

Messrs C. Campbell, Principal Co-operative Officer, and W. Slotter, USAID, Department of Co-operative Development, and their staff.

Father Kibirige, Catholic Secretariat, Rubaga.

Mr. S.R. Kibuka-Musoke, Uganda Building Society.

Mrs. H. Kibuka-Musoke, Organizing Secretary, National Council of Voluntary Services, and many members of her organization outside Kampala.

Miss R. Solzbacher, Department of Sociology, Makerere University College.

Miss M. Senkatuka, Ministry of Community Development.

Makerere Institute of Social Research:

Misses D. Hunt, C. Hutton, A. Sharman, and R. Yeld; Mrs. Frances Taylor; Messrs S. Charsley and E. Charle.

Undergraduate Students: Messrs W. Wanyama (Lugazi), A.W. Nyangan-Ulama (West Nile), J.A. Biretwa (Bunyoro), J.B. Othieno (Bukedi), D.E. Nsabimana (Kigezi), F.T. Batumbya-Kwebiha (Bunyoro), S.P.M. Mukama (Iganga), Miss A.M. Namazzi-Bajjabayira (Masaka).

Officers of Location Associations in Kampala, (who wish to remain anonymous).

GENERAL AND COMPARATIVE

Professor R. Apthorpe, Department of Sociology, Makerere University
College.

Dr. J. Gugler, Department of Sociology, Makerere University College.

Mr. O. Okereke, Department of Economics, Makerere University College.

ANNEX II

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