



The PRINCE Cooperative in Kenya: The ‘Good, Bad, and Ugly’

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Abstract:

Action research in Kenya is reported as the author and a team of business collaborators labored with a poor Christian community by doing pro bono consulting to counter extreme poverty and create employment with indigenous people who were struggling. The mechanism for achieving all this was the establishment of a worker-owned collective enterprise in Kenya designated as the PRINCE Cooperative. Core elements that are documented below include data on the economic need, expert field research, initial game plans, decisions to register and incorporate, operational principles and assumptions, detailed strategies, and more. Factors are identified leading to its start-up success and subsequent problems.

Keywords: Worker Ownership, Cooperatives, Kenyan Poverty, Christian Cooperation, Critique

The basics of this research began two decades ago in 2000, when I worked with business colleagues to help combat poverty in Kenya as we sought to assist citizens struggling for a better life. It suggests important lessons for those doing international development throughout the world, but especially among those who the United Nations has long called “the poorest of the poor.” We begin with the great Indian political and spiritual leader, Mahatma Gandhi: “Poverty is the worst form of violence” (Gandhi, LSE 2019).

From 1990-2000, I had labored in other areas of Africa, establishing microenterprises and generating millions of new jobs for the rural poor. In Mali, for instance, with U.S. colleagues, we established an NGO to empower struggling villagers in the extremely impoverished West African region where French Europeans had exploited the people for a century. It was the huge, largely destitute area in southern Mali. I worked with hundreds of associates to reduce suffering in what had been designated by the United Nations as the third poorest nation on earth. Through my role as a business management professor at the Marriott School of Business in Utah, USA, we mobilized American Muslims, Christians, and more to join the

cause. Through those years, I had served on our US board of trustees in helping to raise millions of dollars and overseeing initiatives like the following: Recruited and trained students from my school, the University of Utah, Harvard, and beyond in addressing the West Africans’ poor health with building new rural health clinics and training health care workers in some 30 villages. We helped build schools in two dozen villages where there had been none. We helped organize women’s agricultural cooperatives and secured a system so they could market all the excess produce beyond community needs at good prices. Later, we designed and rolled out the launch of microcredit strategies to generate thousands of jobs, steady incomes, and more.

Around 1998 to 2000, other colleagues and I first established an NGO called Unitus, meaning “UNITE-US” to build solidarity and assist Christians around the world. We initially began in Mexico by providing microcredit, tiny loans to impoverished Catholic women in the area of Tula where there are now over a hundred thousand families with better jobs and incomes. However, after beginning there in 1998, we turned to Kenya in East Africa, this time, to work in urban areas within the giant city of Nairobi. It was better off than Mali, but Kenya had still suffered most of its natural resources to be stripped away by Great Britain during its colonial empire of exploitation around the entire globe. So, this study reported below is derived from our action research there for several years.

In this article’s Kenya case, the focus was on mostly one thing, the design and establishing of a community bakery cooperative to be called the PRINCE Cooperative of Nairobi: Its initial success but subsequent failure. It was motivated by the Christian faith of our new board of innovators, traditionally called Mormons. The formal name of the faith is that of the Church of Jesus Christ of Latter-day Saints. Its members distinguish themselves by believing that the early church established by Jesus in the Meridian of Time some two thousand years ago consisted, as the Bible says, of early followers, called “saint,” seeking to



established God's kingdom on earth back then. Later, beginning in the 1800s, a new prophet, Joseph Smith, arose to help restore the modern church, made up of believers and missionaries known as "Latter-day Saints." Hence the church's name.

My ancestors in early Utah were among these Mormon pioneers who because of their faith were persecuted from state to state, had their properties taken lives threatened or actually killed, their Prophet Joseph Smith, a martyr among them. Eventually, tens of thousands of Mormons crossed the American plains in covered wagons as refugees, holding the few things they still possessed. They began to secure an area now known as Utah and the surrounding area where they eventually founded some 400 cities under the leadership of their new prophet, Brigham Young, the well-known colonizer of western America—places like Las Vegas, Nevada, San Bernadino and San Francisco, California, as well as Salt Lake City, the capital of Utah.

We launch into this paper by pointing out that Mormonism has a rich history in social justice and economic equality by pursuing the vision of cooperation. Virtually every strategy employed by top church leaders from 1830 to 1900 was to produce economic progress by eliminating poverty through the design of enterprises based on the principles of cooperation, that is, collective businesses that are owned and managed democratically by the group, large or small. Today, worker co-ops across the USA total some 30,000 serving several million people. Even more around the world. As the United Nations pointed out last year there are several million cooperatives globally supporting close to a billion people in over a hundred countries (United Nations, 2022).

Among the Mormons in the pioneer West of America, if you were to travel back in time to the Utah Territory in the late 19th Century, virtually every enterprise you'd encounter would bear the name "cooperative." In fact, back in his day in a discourse in the Great Salt Lake City, as it was originally known, Brigham Young saw this method of development as having both spiritual, as well as economic purposes. "This cooperative movement," he preached, "is only a steppingstone to... the order of Heaven" (Young, 1868, p. 32).

A Cooperative to be Established in Kenya

The focus of this article highlights such an organizational and economic set of values that

became known as the establishment of the PRINCE Cooperative in East Africa among Mormon converts. In the late 1990s, I began doing some nonprofit work in East Africa, in Nairobi, Kenya in particular. Some of it was with several microfinance organizations there, one called by its Swedish Founder, Ingrid Munro, who founded it, Jamii Bora Trust. Munro established it as an MFI that offered microloans to create jobs in urban Nairobi for Kenyans struggling to build better lives from their abject suffering in the largest slum in Africa, Kibera. Its 250,000 residents eke out existences in the largest, most desperate place of urban squalor and crime in all Africa.

Another Kenya program was launched by my good friend and Utah entrepreneur, Louis Pope, which he named Yehu Village Bank, based south of Nairobi in the country's second largest city, Mombasa. Louis sold his firm, U.S. Synthetic, a national leader in producing innovative, high-quality diamond cutters, valves, bearings, and other tools for oil exploration projects. He then gave up a comfortable life and spent years living in Kenya, helping the poor with microcredit, as well as financing Kenyan farmers for growing crops to produce essential oils that became sold heavily in Europe and across the USA.

But rather than describing the hugely successful efforts of these two colleagues, this article will discuss a worker-owned cooperative established by an enterprising group of Latter-day Saint entrepreneurs living in the United States, spread from east to west, coast to coast, as they sought to aid Kenyan Latter-day Saints in far off Africa. Our group was called Unitus, and I served as the first chair of the board of trustees (Woodworth, 2021).

A major question we wrestled with as the church some of us belonged to, the Mormons, had begun growing there in East Africa yet so many converts in Kenya struggled with terrible poverty. They were baptized and were living their new faith, yet remained hungry, tired and unemployed. Several of us did field surveys of the majority of new converts in Nairobi and observed that over seventy percent were poor and struggling (Woodworth, 1998). Like many Mormon pioneers in early Utah, they saw that much of their efforts to escape from poverty was in the hands of the national economy, big employers, or outside capital that kept them from producing resources that existed within their own group. Their predicament reminded me of what Brigham Young once said: "All the capital there is



upon the earth is the bone and sinew of workingmen and women” (Young, 1997, p. 229).

As a historical note, it’s important to realize that the Mormon converts of the 1800s had been forced to flee their communities as persecution accelerated. Yet each time, those enterprising pioneers shifted from complete destitution to relative wealth within the span of a few short years. How? Those capable converts didn’t separate after Sunday church services to face their problems alone. They faced them *collectively. Cooperatively.* And therein lies a key for our new Kenyan friends to access the capital necessary to aid the poor in the modern world (Woodworth, 1996).

In early Utah, the people established cooperative stores, including the large Zion’s Co-operative Mercantile Institution (ZCMD), which became the first department store in America. It supplied products and services to the growing population, as well as to other cooperative establishments with wholesale items. The network grew to several huge wholesalers and hundreds of smaller stores throughout pioneer settlements in Arizona, Nevada, and California. A few outside businessmen cried foul at the initial success of the cooperative stores, complaining that Mormons were monopolizing the “free market.” However, most communities sought greater economic cooperation. They sought “jobs for everyone” in pursuit of social and economic equality. Local production, organizational democracy including voting for co-op managers, all helped protect them from the “ravenous wolves” of outside, larger markets (Bradley, 1991).

The cooperative network of the 1870s dwindled under pressures from antipolygamy legislation in the 1880s and an economic depression in the 1890s, as spelled out by the eminent Harvard historian, Leonard Arrington (1976), along with Kears and others, (1980).

Establishing An Independent Modern Mormon Cooperative in Kenya

To demonstrate the potential for cooperative solutions, I’ll use this article to describe a project in Africa that I’ve both helped as a cofounder and supported with wealthy associates for a time. While focused on this case where a worker cooperative was used, I should initially add that there are a multitude of hybrids of and co-op combinations which been tried by Catholics,

Protestants Muslims, Jews and secular socialists. The latter, of course, would include the kibbutz, hundreds of which were established both before, during, and after the creation of the state of Israel in the Middle East.

The idea for the PRINCE project began on one of my exploratory trips to Kenya in 1998 when I attended an LDS church service in the Upper Hills branch of newly converted members. Around a hundred folks were in attendance. Most were converts of less than 4-5 years. Most appeared quite poor, and following the worship service, some men gathered in a circle outside on the building’s lawn. They began an interaction they called “Financial Merry-Go-Round. Each had a few Kenyan shillings in their hands, and they counted and called out numbers. He who was most accurate would win the few coins so as to be able to feed his family with a bit more food over the next days. On the other lawn, the women were a bit more focused on helping she who was the most in financial need that Sunday. The lady who had been ill and unable to work, or the new mother who just had a baby, would describe her struggles. Then, amazingly to me, the ladies would all pool their monies to help that beleaguered church “sister” in their midst. I later observed and learned simply attending religious services each Sunday would require many members to walk long kilometers to be able to return home.

It was a shock. Such sacrifices! This included single moms carrying their own small babies’ long distances. Or men with a wife and 4-5 young children, doing the same, ambling along dusty, unpaved “roads.” In a specific case I’ve never forgotten, two Mormon women who were themselves twins from birth, but both abandoned by husbands and quite destitute before joining the LDS Church, informed, when I enquired, that they had to walk to and from the Upper Hills branch meetings on Sunday. It was some 10 kilometers round trip (approximately 6 miles). I was more shocked when I realized they had 2 babies and 3 other young children between them!

After the worship service in the chapel, the members and I went into the Sunday school class. During class discussion led by a recent convert as the ordained teacher volunteering her time, I noted the extraordinary level of scriptural knowledge participants had acquired in their brief time as baptized LDS members. Women quoted from the Bible, men cited relevant stories from Mormon



history. Many who spoke were very articulate—speaking in a beautiful accent that was at once English and African. We got to know some of the members. Here was a man with a college degree in marketing. There was a woman trained as a nurse. Another was a skilled technician. Almost everyone present read easily from their copies of the scriptures.

Sadly, we learned after the meetings that 70 percent of the Upper Hills congregation were unemployed. Most foraged for work that would employ them for a day or two here and there. Few found jobs that utilized their unique training.

As the meetings concluded, we watched the members disperse to their homes. Something was different as they moved away. Minutes earlier, assembled in the chapel, they had seemed vibrant, united and powerful. As they went their separate ways, they looked small, lonely and weak. They filed off to face their solitary discouragement. The next day, on Monday morning they would stand alone against a broken economy, a corrupt government and hollow prospects. What a waste, we thought, to have all this talent and capacity sitting idle. And even worse, what is wrong that these collectively powerful people were being divided and conquered in the way they face their common problems?

The PRINCE Cooperative: Born at the Turn of the New Millennium: 1999-2000

We sensed that day that there was far more potential in their unity than the sum of their individual efforts. So that very day my traveling colleagues and I, all from Utah, began thinking of ways that our Kenyan brothers and sisters could benefit from their combined potential. As we considered the options available for Nairobi, we reflected on the inspiring stories of Utah's pioneer leaders who found themselves in similar situations, faced similar challenges, and achieved marvelous results. These included improved lives and socioeconomic impacts achieved by collective finance that produced economic and social impacts. So, after returning from our initial work in Kenya, we began debating how we of Unitus could help the impoverished Africans in Nairobi. We felt that if success took hold there, such efforts could potentially spread to LDS church members across the globe.

So, in the late 1990s, my Unitus colleagues and I in Utah began discussing this notion of establishing cooperative systems by drawing on LDS history to empower church members in Africa as to how they could perhaps begin a modern worker cooperative structure for a better life. In sharing our initial research in Nairobi, many Kenyan converts to the church were intrigued. We related to them examples from our LDS heritage of cooperative economic strategies. We shared detailed descriptions of the work done by our Catholic "cousins" in the Mondragon cooperatives in the Basque regions of northern Spain (Woodworth, 1986). Little by little, the idea took hold. Hope increased. A spirit of cooperation and trust grew.

PRINCE Kenya Co-op Game Plan

In our initial approach from our base in Utah in 1998, we prepared a list of action plans that included the following:

1. Map things out from next May through November (1998)
2. Next work to create a new Kenyan organization
3. Orient potential leaders
4. Create proposal for potential co-operative enterprises
5. Engage the entire community in evaluating and organizing next steps
6. Seek funding for selected enterprise(s)
7. Create and support the new infrastructure
8. Generate ongoing development strategies
9. Launch approved start-up
10. Conduct impact assessments for the businesses, and
11. Conduct enterprise level audits

We sent one of my MBA students named Harrison Luvai—himself a native of Kenya—home to Kenya for a few months. He and some of us as Unitus leaders conducted household surveys with church members in Nairobi. Below is a summary of research topics about LDS church members' poverty in Nairobi. The questionnaire (in English) included inquiring on a scale of 1-4 information about *Household Food Security, Health, Housing, Education, and for women only: Empowerment and Social Capital*.

After we reviewed the rough data from LDS interviewees, seeing how abysmally impoverished LDS church members there were, we began to hold weekly training sessions with over 200 Nairobi LDS saints. Summaries of the findings are referenced in this document (Unitus, 2001). So, for most of 1998, in these Africa sessions they studied cooperative



business practices. They learned to develop rudimentary business plans. They practiced assessing various business opportunities. They started to think like investors. By July, as we worked together in Kenya, various rough business plans were being developed for over a dozen different prospective enterprises.

In July 1999, a partner of mine named Joseph Grenny and I returned to Nairobi to consult with church members seeking a better quality of life for themselves and their families. He was a *New York Times* best-selling business author and one of our group of entrepreneurs based in Utah. For a year or so, approximately 130 of these members had been meeting in intensive sessions to hammer out bylaws and to select the first business they would start. Finally, in a large LDS gathering that July, seven members were ultimately elected to act as a Managing Committee for a new enterprise. A number of these seven set aside their own jobs to work in assisting the group in the difficult task of forming a new worker-owned cooperative. Among them, for example, was Hesbon Usi, a branch president and local architect who surrendered his profession to provide leadership and benefit the saints in Nairobi. An LDS woman, Merab Poche offered her skills as a retired banker by acting as treasurer. The Managing Committee was tasked with refining the initial co-op business plan we had roughed out, collect members' initial capital contributions, and interface with our new NGO called Unitus which was based in the U.S. The Nairobi Managing Committee had worked feverishly for almost a year with no compensation in hopes of creating a better future for all members.

Thus, on July 24, 1999, Utah's official Pioneer Day which even Mormons in far off Kenya celebrate, the PRINCE Multipurpose Cooperative Society of Kenya, Ltd., was born! We sang pioneer songs of the early Utahns, and officially inaugurated the launch of this promising cooperative by African Latter-day Saint pioneers. The name PRINCE was derived from the values the Nairobi cooperators adopted: Purity, Responsibility, Initiative, Cooperation/Charity, and Equality. A snapshot of some ways these principles were expressed in their bylaws is included below.

A PRINCE or PCE (Prince Cooperative Enterprise) organizational mission was debated and finally agreed upon to guide our roll out. It was as follows: "To develop a strategy for uniting Nairobi saints to

significantly improve their economic well-being with 24 months through cooperative effort."

PRINCE Principles and Assumptions:

The groups and committees had worked on PRINCE values that ultimately included the following:

Purity: Material problems have spiritual roots. Personal purity is a condition of community prosperity.

Responsibility: Clear responsibility, both individual and group, is the foundation of accountability and productivity

Initiative: Personal initiative—or self-help—is the common ingredient of all progress. Initiative turns excuses into experience, and roadblocks into building blocks.

Charity: Charity, the pure love of Christ, is the most important capacity we can develop on earth. It suits us for our ultimate purpose—to become like Him.

Equality Voluntary relationships based on principles of equality and fairness produce cooperation and prosperity that can never be achieved through exploitive and unequal relations.

Cooperation Cooperative effort releases enormous hidden potential that can never be obtained through individual effort.

Altogether, these values constituted the name for this new co-op, PRINCE.

At the July 1999 organizing meeting, after much discussion and debate, cooperators agreed to first start a large bakery as their first major enterprise. This, they believed, was a business that could pay well enough to get workers out of the slum, and yet was not so complex that they could not rise to its challenge with their existing skills and experience. They knew most residents of their huge city bought and consumed bread nearly every day. It was not an occasional luxury good, but a practical matter of daily consumption.

During the next 12 months, PRINCE members missed meals, walked instead of riding buses, and in other ways economized from their already lean lifestyles to save the \$70 per person that was their initial capital investment. To get the business started, all who participated made extensive sacrifices.

To achieve the launch of their new co-op structure, members became committed to do all they could, individually and collectively, as early LDS pioneers had done a century-plus earlier.



Membership Commitments of Potential New Co-op Members:

- Managing Committee members sacrificed time and money for almost a year with neither compensation nor expense reimbursement while organizing and leading the co-op.
- Better-off Kenyan members joined the cooperative so they could invest money in the capital fund for the benefit of the poorer members of their branch.
- Members agreed to take jobs in the cooperative which paid less than they were making elsewhere because they had talents crucial to the success of PRINCE. Some successful businesspeople also gave freely of their time by serving on an official advisory board. Their role was to help guide the process forward, step by step, like the 1840s-50s in pioneer Utah as American pioneer settlers began trekking across the plains on foot, or pulling a handcart, or driving a team of oxen in a large covered wagon.
- All PRINCE members agreed to maintain a basic wage with no raises (even if the bakery were to initially make money) so that profits could be used to expand the bakery until all who wanted were given jobs.
- Some well-trained or formally educated saints were employed in the co-op as controllers or managers for their expertise. To emphasize equality among all, they agreed their wages would be equal to those of unskilled members until the bakery employed all members who had invested in this radical new venture. These various features were both innovative aspects of modern Kenyan converts, yet they also hearkened back to the pioneer forefathers of many of us who had established Unitus in Utah.

While cooperation among Kenyan saints was the essential ingredient in starting PRINCE, uniting with our group of outsiders, we who were from the U.S. and Canada, helped accelerate progress. Once the Kenyan members had saved 10 percent of the needed capital, our NGO, Unitus, extended a loan for the remaining 90 percent at reasonable interest rates. This loan came from the Unitus' "Perpetual Capital Fund" we had begun to establish with several million U.S. dollars. As the loan was to be repaid, those funds were to once again become available so that Unitus could support additional worker-owned cooperatives to begin around the world.

Mormon Church officials in Nairobi fully backed this new venture, not with money, but with their personal blessings. The US LDS mission president at this time in Kenya, Uganda, Tanzania and Ethiopia, was very supportive of the effort—as were the local Kenyan district president, later becoming a church official serving around the globe, but based in Salt Lake City. Also sustaining PRINCE, were various other local ecclesiastical leaders. Their support primarily took the form of advice and encouragement, not as co-op members of officials. We sought to keep the co-op separate and independent from the institutional LDS church. The formation of PRINCE in Kenya would also have not happened without the tireless help of an LDS Employment Missionary couple in Nairobi at the time. He was a retired accountant who helped ensure that financial records were carefully kept. He counseled the Managing Committee as they faced challenges in forming themselves into an effective leadership group. Happily, this project began as a great example of how the official church and private member efforts could work hand in glove to accomplish more than either could alone.

Unitus also helped PRINCE find a business mentor. A proprietor of a successful, large group of bakeries in Utah, gave generously of his time and talents to help prepare for, build and open the bakery. During the early start-up phase, his advice and training bolstered the confidence of PRINCE members and increased their likelihood of success. When the bakery officially opened, a retired LDS couple from the state of Washington traveled far to Kenya and spent months there providing business advice and independent oversight. In addition, three BYU college students paid their own way to Kenya to volunteer as consultants in building effective problem-solving, teamwork and customer service capabilities. None of these individuals were officially-designated LDS representatives, but their hearts possessed the same amount of service, love and spirit as any others.

An underlying theme of this article is the somewhat radical idea that it takes unity to ultimately eliminate poverty. It is hard to imagine a strategy more inclined to make the Kenyans, or people anywhere, to become of one heart and one mind than a cooperative business. Along the way, the PRINCE members discovered that greater closeness as LDS brothers and sisters brings risks as well as rewards. Since a worker-owned cooperative consists of imperfect human beings, problems were sure to occur. This is true of the millions of new business



start-ups annually that are launched by people around the world. Some folks work harder than others. Some are tempted to steal cooperative assets. Some make groundless accusations against a co-worker. Jealousies arise. Conflict is always on the horizon. Yes, even among Latter-day Saints, or Christians in general. The quest for greater unity can be either refining or divisive—depending upon the level of commitment of the cooperators.

The PRINCE Cooperative became a work-in-progress. The power of cooperation was an established fact. As Christians in Kenya, or anywhere else, for that matter, seek a model of economic development, it requires the following, at least in our experience.

PRINCE Features as a Modern Worker Cooperative: Produces economic as well as spiritual growth; Can thrive in a global capitalist economy; Integrates the poor into the mainstream economy; Has the potential of moving many people quickly from poverty to the middleclass; Produces rather than consumes capital; Can begin at the initiative of the poor with no outside resources
If these elements are present, then the PRINCE (PCE) approach of forming a worker-owned cooperative seemed to fit the bill, as defined by its worker-owners.

PRINCE's Overarching Strategies

1. Create a for-profit organization called PRINCE Cooperative Enterprises (PCE)
 - a. Establish ownership
 - i. 50% employee owned from the outset
 - ii. 50% equity position for capital providers—to be bought out as loan repaid at fair interest rate
 - b. Identify Board of Directors, 3 US and 3 Kenyan members
 - i. First board task is to create governance and policy for PCE
 - c. Central bank for savings, investment, retirement, social security
2. Create PCE
 - a. Establish basic policies
 - i. Enterprise startups funded by bank through loans with 1-24 month payback depending on earned “Responsibility” of leaders.
 - ii. Complete fiscal visibility and group accountability
 1. Weekly revenue reporting from units to PCE and from PCE to units
 2. Monthly group meetings and financial reviews
 - iii. Cooperative growth

1. 70% of profits to responsible enterprise Stewards
2. 30% to savings, investment and group social security
3. Orient potential enterprise leaders among Nairobi saints
 - a. Identify potential leaders among 7 Church branches
 - b. Educate them about cooperative development strategies (Mondragon, Grameen, FINCA, early LDS, etc.)
 - c. Share criteria for Enterprise selection
- i. Synergy: Does it complement other divisions of PCE?
- ii. Leverage: What is the capital/jobs ratio?
- iii. Ability: Do we have existing capability?
- iv. Risk: What are the risks? Can they be reduced?
- v. Potential: What is the growth and return potential?
4. Create proposals for potential enterprises
 - a. Potential members self-organize to create proposals for cooperative enterprises that maximize SLARP criteria
5. Engage entire community in evaluating and organizing
 - a. Large group conference involving all in understanding their past and present and creating their future through PCE
- i. Mission, Structure, Principles, Policies, Enterprises, Staffing
 - b. Gather baseline data for impact assessment
6. Seek funding for selected enterprises
 - a. Potential members self-organize to create proposals for cooperative enterprises that maximize SLARP criteria
7. Create support infrastructure
 - a. Accounting and control systems
 - b. Communication systems
 - c. Purchasing/Marketing, etc.
8. Create ongoing development strategies
 - a. Training in basic principles
 - b. Mentoring from within and outside PCE
 - c. Consulting at enterprise level
 - d. New enterprise selection, creation and support
9. Launch approved enterprises
10. Conduct regular impact assessment and PCE-level + enterprise level audits

For deeply interested readers, the sentences below convey a few edited and shortened key principles in establishing PRINCE as a worker-owned cooperative (edited for length here). In fact, some details from this case have been used by other



groups attempting their own pioneer co-op systems in Guatemala, Mexico, and elsewhere.

PRINCE Cooperative Principles:

1. The Cooperator agrees to adopt bylaws and business practices that are consistent with PRINCE International values. The values are: Purity, Responsibility, Initiative, Cooperation, Charity and Equality.

2. The Cooperator agrees to implement practices and bylaws that maintain the ethics of the cooperative through openness and visibility with all fiscal and operational information to members. For example: The Cooperator agrees to external audits by PRINCE International every 2 years, and to engage its own audit through a certified outside Kenyan accountant every year.

3. The Cooperator agrees to implement bylaws and practices that foster personal responsibility. Specifically, those that:

Hold team members strictly accountable for violating values. For example, dishonesty, chronic lateness, laziness, or poor quality work would be causes for dismissal. To clarify this important point, a team member is an individual who has fully paid his or her capital contribution and then received a paid position in a business owned by the Cooperator.

New members will show personal responsibility for bettering their condition by making a capital investment equal to one year's basic wages for the lowest paid team member in order to become full members of the Cooperator. A portion of this can be financed through a loan from the local PRINCE Cooperative.

4. The Cooperator agrees to implement practices and bylaws that take initiative for securing the short and vitality of the enterprise.

5. The Cooperator agrees to foster practices and uphold bylaws to maintain and increase the spirit of cooperation in the organization. Minimally: The Cooperator agrees to maintain equal wages for all team members at a basic salary level until all members who fully pay their capital investment before the first business is started are offered team member positions.

6. PRINCE Cooperators also implement bylaws and practices that demonstrate charity. The goal of PRINCE is *not* ever higher wages, but spiritual growth and economic security for people worldwide. Ten percent of the surplus is put in a Social Fund for investment in the local community at the discretion of the Cooperator. Ten percent of surplus is contributed to Perpetual Capital Fund of

PRINCE International for assisting in startups around the world.

7. The Cooperator agrees to create a culture and spirit of equality in cooperative businesses by implementing practices and bylaws that encourage it. At a minimum, cooperators will: Involve all PRINCE team members in assessing the relative contributions of their coworkers—irrespective of title—at least twice a year. These relative rankings are used to determine the relative pay levels of all team members. Set the maximum wage differential between lowest and highest paid team members at 1:3.

Assign one vote, and no more, to each member in General Meeting proceedings. No matter the total capital an individual holds in the cooperative, he or she is never entitled to any more than one vote in the General Meeting.

There were many wonderful successes as PRINCE began securing purchase contracts for its many types of baked breads. Baking thousands of loaves, as well as rolls and other delicious products was amazing. To expedite getting its breads throughout Nairobi, Unitus furnished two new modern vans. They became delivery trucks to get the bakery products to numerous customer stores throughout Nairobi, a bustling city with over 3 million people, "all of whom need to eat," as a colleague wryly observed.

Per its co-op values such as moving toward equality, PRINCE International, while focused primarily on its larger-scale cooperative, also realized it needed to have something to offer those who were last in line for jobs in the bakery. So, the management council began to offer microcredit loans to poorer members so as to purchase bicycles and start their own bread delivery business. By doing so, some of the less skilled, but hardworking co-op members could expand their own family incomes while assisting PRINCE as a whole in its primary mission to deliver loaves even to small neighborhood grocers, not just huge supermarkets. It must needs be reported that the shared hopes and dreams of this effort were not for Kenyans to become wealthy, but to at least be able to have a decent income, feed their children two meals per day, clothe them when cold, and send them to school with required books and if needed, a school uniform. Maybe even more.



In wrapping up this article, I hope to share a bit of the “blood, sweat and tears” of this example from Kenya with methods of working with the poor.

A Critique of the PRINCE Cooperative

The Kenyan co-op effort had some successes, but also pain-filled failures. To be open and honest, below are my criticisms of the PRINCE project for the Africa foundation. As I originally worked with two colleagues in documenting our efforts with PRINCE, the bakery was just opening. My Unitus associates and I were hopeful, but also aware that problems would arise. So, dear reader, read the following with this intent in mind. Admittedly, I do *not* care to convince anyone that our critique of this specific project was perfectly accurate. But only to instead demonstrate how cooperative principles and strategies may be used in the future to design and improve upon economic development efforts around the world.

Over the decades, leading up to our founding of Unitus (which has succeeded enormously for two decades now) and PRINCE (not so much), I have studied and advised dozens of large and medium-sized businesses using various cooperative principles and methods, many of which grew significantly and created jobs for Americans, Europeans, and in developing nations (Woodworth, 1986; 1996; 1998; 2001).

However, for various reasons, in the case of PRINCE, the outcome did not last. It simply couldn't survive the corruption of a handful of co-op members within the Kenyan enterprise, nor the outside political pressure from BYU's university president and LDS church bureaucrats in Salt Lake City. Our board cowered at the first complaints by whining officials, and then ran for cover in hopes their “good standing” would perhaps affect their church standing. So, sadly, the PRINCE Cooperative didn't survive. It's taken me some 20 years to finally put on paper this fact. It was snuffed out by several factors.

One was the 3 Kenyan men who were irresponsible co-op members, but were the type of workers many people have had to deal with. Slackers. They took advantage of the good will and support of a hundred other Mormons who committed to building PRINCE into an economically viable system for believers in God. If successful, it would have become a showcase for hundreds of thousands of new LDS converts across Africa who could have benefitted from this effort. Unfortunately, most church members on the African continent still live in squalor. They are largely

uneducated and unemployed. If PRINCE had succeeded, they would likely have lives and a culture of mutual support through co-op principles and become stronger economies that, to some degree, would parallel the descendants of community-building in Utah and other mountain states like Arizona, New Mexico, Colorado, Wyoming, Idaho, and Nevada where unemployment is around 4 percent, where schools are plenty and where the quality of life is pretty sweet.

I'm still angry that those 3 men stopped working while claiming they should be paid no matter what. As the PRINCE by laws held and all members/workers signed contracts to be personally responsible in their work at the bakery. Specifically, the organization agreed to “Hold team members strictly accountable for violating values. For example, dishonesty, chronic lateness, laziness, or poor-quality work would be causes for dismissal.” When the PRINCE management council of the men's peers kicked them out, they first complained to the LDS Church's top leaders in Utah who then ordered PRINCE to be disbanded. Not knowing any details other than the fact that 3 members felt picked on, a decree was issued, and PRINCE's leadership council was ordered to disband.

I was disappointed that our Unitus board turned tail and ran when church officials told everyone to dismantle the worker cooperative.

We've seen such tensions down through LDS history, but it was a tragic decision in 1999. The head of LDS church Welfare Department, along with BYU's president at the time were apparently instrumental in blackmailing the cooperative effort as well, giving bad information to church leaders in Salt Lake's headquarters. Both had opposed Unitus' initial formation. And in the case of BYU's leadership, the school's president had seemed jealous and resentful of our work educating and mobilizing amazing students to have earlier established NGOs in the Philippines, Honduras, etc. with huge success. He supposedly received a PhD in economics at MIT, but only knew how to help big business, in his case, the Mars candy company. Our Unitus work to build a co-op strategy to empower faithful church members whose children suffered a lack of brain development due to severe malnutrition, whose kids had few opportunities to attend a school and become literate, and whose parents were largely unable to obtain jobs, was of little or no concern. The important thing to both



these “leaders” was to play it safe, be good bureaucrats, and never rock the boat.

The final point of this article I’ve written because of its Kenyan creativity and LDS economic values and strategies may be the following conclusion. We should use what is working, even though it may not be perfect, or, as illustrated above, even successful, as the PRINCE cooperative case was shutdown. I believe that Christians and their neighbors everywhere should attempt to use co-op principles to inspire new social inventions which are better, faster and cheaper at lifting the poor than huge, top-down expensive and bureaucratic strategies. We should not sit passively waiting for the institutional church bureaucracies, nor that of the U.S. government, United Nations, or the World Bank to save the global poor. In conclusion, I quote two heroes of mine about poverty and taking action.

First, from the great Nelson Mandela, imprisoned for years, but who was eventually freed and became the president of South Africa: “As long as poverty, injustice and gross inequality exist in our world, none of us can truly rest” (Mandela, 2011).

Second, I embrace the call to action by a pioneer apostle of the early Mormon church, George Q. Cannon, who in 1869 declared that God will inspire us “to solve these ‘knotty problems’ that have troubled the brains and afflicted the children of men for so many centuries” (Cannon, 1869, p. 89). So, to my friends and readers today, I say let’s have the pioneer guts to actually take heroic action!

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