



COLONIZATION AND DECOLONIZATION OF CO-OPERATIVES IN TANZANIA: AN ANALYSIS OF MEMBERS' OWNERSHIP AND CONTROL RIGHTS

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ABSTRACT

In Tanzania the colonization of co-operatives organisation happens where members who are the owners in co-operatives were found isolated in the decision-making machinery. The control rights in co-operatives which are vested to members who are the owners; such control rights have not yet been attained by members due to several factors. The paper was guide by two questions; what the root courses for co-operative colonization are and what available strategies for decolonization are in co-operative sector. The study used descriptive design that is based on qualitative analysis. Data collection was based on empirical review, focus group discussion with board and management of the SACCOS and AMCOS, key informant interviews with co-operative union managers and union board chairmen, and TCDC management. Interviews were done in the regions of Kilimanjaro, Manyara, Singida, Shinyanga, Kagera, Katavi and Tabora. The findings indicate that, before independent (1961) co-operative had no power over prices of their commodities and were promoted to strengthen the collection of cash crops to feed the capitalist economy. Co-operative as a member owned social-economic enterprise, its member democratic ownership and control is still in the hands of the state government which dictates the legal framework. Financial dependence in co-operatives has not been realised since most of these institutions depend on financial supports in terms of loans and donor funding. The decolonisation process realised which is the establishment of TCDC, revamping of SCULT, presidential efforts in co-operatives (2015-2020); can bring lights to the promotion of co-operative that are members owners and free from financial, managerial and technological dependence. The study concludes that, colonial masters did not have intension to develop citizens than gaining produce to feed their industries. The colonization through involvement of politicians in co-operatives, politics still dictated the fate of co-operative societies. The study recommends to the Tanzania Co-operative Development Commission that, the member driven model be adopted as opposed to the later. The responsible ministry for co-operative promotion and development to have programs for co-operative development programs that are grassroot based than top-down approach for promotion. Co-operative should increase their retained earnings to increase their capital structures which will alleviate external capitalization dependency syndromes.

Key words: Colonization of co-operatives, Decolonization of co-operatives, Member ownership

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1. INTRODUCTION

The co-operative model has been recognized globally as appropriate way to bring together people with shared vision to realize their expectations and needs. In nature, co-operative is voluntary association

where people can join together for the purpose of addressing their socio-economic needs and aspirations. This is attained through establishing a business enterprise that is owned and controlled by all members (Rwekaza and Anania, 2018; ILO, 2012). In many countries, co-operatives help in empowering communities both socially and economically and have become among the best way of organizing collective efforts to bring changes among people. In nature since their establishment, co-operatives are member-based institutions, whose control and ownership rights rest on members' discretion (Anania and Rwekaza, 2016). In this case, it may be argued that co-operatives are; formed by groups of people with common need or problem, they are organisations of freely joined members who contributed assets and finally, the formed organisation operate democratically to achieve desired objectives on equitable norms. In that sense, the co-operatives enjoy on none silence mode of colonization since members holds the stake in institutional decisions.

In Tanzania, co-operatives have existed for many years since colonial period and later after independence the model was sustained as part of promoting local development. In colonial period, agricultural co-operatives emerged where later the government used them as source of cheap raw materials for metropolitan industries. After independence, agricultural co-operatives become vehicles to promote socio-economic development and partners in implementing government policies. With efforts of the government over years, a number of other types of co-operatives emerged such as; savings and credit co-operatives (SACCOS), consumer, housing, transport, industrial and dairy co-operatives, co-operative banks and others. Recently other non-traditional types of co-operatives have been emerging. Regardless of the type, ownership and control rights are vested on members.

As part of promoting co-operatives, there are various efforts done by the government and other stakeholders since colonial era up to date. Among these include the provision of legislative and policy environment for co-operatives to operate. In colonial era, the Co-operative Societies Ordinance of 1932, apart from other things including cultivation of colonial exploitation, it laid the foundation of how co-operatives should operate. After independence, other co-operative laws were enacted including the Co-operative Societies Act of 1968, Ujamaa and Villagization Act of 1975, Co-operative Societies Act No 14 of 1982, Co-operative Societies Act No 15 of 1991, Co-operative Societies Act No 20 of 2003 and Co-operative Societies Act No.6 of 2013. Other effort includes forming the Co-operative Development Policies of 1997 and that of 2002 as well as Co-operative Regulations of 2004 and currently 2015. There was formation of various co-operative support institutions since independence include the Co-operative College Moshi (now Moshi Co-operative University), Co-operative Audit and Inspection Corporation (COASCO), Co-operative Department and the current Tanzania Co-operative Development Commission (TCDC). The co-operative unions, apex and federation were established by the as part of promoting the co-operative movement. Further, since independence there were various Presidential Commission formed to deal with members' complaints and impose other reforms in the co-operative movement for instance the; Mhavile Commission of 1966, Massomo Commission of 1975, Ngwilulupi Commission of 1981, Nyirabu Commission and later Presidential Committee of March, 2000. Given that all these efforts targeted to reform the co-operative movement other benefit including making members at grassroots level to take the lead of their organisation was expected. The question is to what extent such efforts have strengthened members' power in owning and controlling their organisations? Rwekaza and Nnko, (2012) argued that member ownership in co-operatives has continued to be the situation whereby members do not take full control of decision-making processes and over their institutional governance especially in ownership rights. They have remained members by service and not one who clearly know their rights and responsibilities and capable of demanding for accountability from board of directors and staff.

The co-operative situation in Tanzania as discussed by Urio (2011) and Kahama (2002) is that co-operative democratic practices and the legal framework are affected by Co-operative Policy, Acts, Rules and Regulations that provided the system of governance where members use agents to govern their institutions. Meghji and Tarimo (1992) confirm that Tanzania is among the third world countries where the co-operative legal framework makes it difficult for co-operative members to realize their ownership rights in governing their co-operatives with consistency and purpose for which they were established. For years different efforts have been done to promote co-operative to be an autonomous organisation, yet ownership and control of co-operatives by members have not yet fully attained. This calls critical analysis on what caused failure of members' control and ownership for all these years. This paper questions on why members can't have full ownership and control their co-operatives despite all efforts done? Therefore, the paper assesses the way changes in political systems, ideological issues and decisions, legislative environment and practices within the co-operative movement that have affected ownership and limited control rights among co-operative members from colonial era up to date. It also indicates efforts done to bring members take ownership and control of their co-operatives (here we conceptualize this process as "decolonization") and what need to be done further so that members can have full ownership and control of their co-operatives. The paper creates understanding on what happened and what is happening, which in one way or another have limited and keep limiting full access to ownership and control rights by member in co-operatives. Such knowledge will reflect similar phenomena of co-operative movements in Tanzania and in other parts of different continent experiencing cooperative members losing ownership and control rights and what can be done to improve the situation.

2. METHODS AND APPROACH

In nature the paper is descriptive and has adapted the qualitative approach. This paper was mainly written based on the critical assessment on various literature related to the co-operative movement. The review of various published papers and reports were done. To some extent, the review of some audio materials such as government speeches were done to justify some of the discussions made. The paper also draws findings from primary sources, mainly Focus Group Discussions (FGDs) were done with selected members from different primary co-operatives. These FGDs was conducted in the primary co-operatives based on Saving and Credit Co-operative Societies (SACCOS) and Agricultural Marketing Co-operative Societies (AMCOS) of Kagera, Shinyanga, Kilimanjaro and Manyara. Also, other information was collected from the FGD done in strengthening Rural SACCOS by Moshi Co-operative University (MoCU) under Market Infrastructure, Value Addition and Rural Finance (MIVARF) Programmes in Rukwa and Mbeya regions. Furthermore, key informant interviews were done with Moshi co-operative university lectures, Tanzania co-operative development commission, Kilimanjaro New Co-operative Initiative (KNCI) joint enterprise, Karagwe District Co-operative Union (KDCU), Singida Farmers' Co-operative Union (SIFACU), Kilimanjaro, native planters co-operative union (KNCU), Shinyanga Region Co-operative Union (SHIRECU), Rift Valley Co-operative Union (RIVACU), Kagera Co-operative Union, (KNCU). Also, Igembesabo co-operative union in Tabora region as well as Morogoro and Mara co-operative union key informant interviews were conducted with board and managers. Qualitative data helped in adding value to the discussions made. Also, other findings were based from authors' experience on the history and practice in the co-operative movement in Tanzania.

3. DISCUSSION

3.1 *The Colonization of Co-operatives in Tanzania*

3.1.1 *Member exploitation through colonial administration*

Co-operation as the bases for co-operatives model establishment had been in practice in Tanzania for years even before colonial time. Groves (1985) viewed co-operation as manner of associating a number of persons for their common benefits, collective action in pursuit of common wellbeing. Co-operation also

implies that nothing is really impossible if we put our minds in doing things and pool our efforts and resources (Wanyama, 2009). This mindset is assumed to have attracted indigenous farmers in Tanzania during colonial period when cash crops were introduced. According to Seimu (2017, 2015) in 1925 the indigenous coffee growers in Kilimanjaro established the Kilimanjaro Native Planters Association (KNPA). The colonial government allowed such co-operatives to exist as it needed cheap raw materials for its industries in Europe and needed people to be self-reliant as a way to reduce costs to the government. Based on the argument raised by the key informant from KNCI manager, KNPA was opposed by Asian middlemen and colonial settlers. The colonial government established the Co-operative Societies Ordinance of 1932 so as to effectively control the co-operatives and make them producers and collectors of cash crops. In this period, the members had no control of the prices for their produce. They were exploited in through low prices, forced to cultivate crop of colonial demand, sell all the produce to colonialists while getting agriculture inputs at higher prices. On their own costs, members had also to transport their produce from the farm/household to distant locations of the co-operative's societies.

The exploitation resulted into increase in number of co-operative organisations countrywide such as Native Growers Associations (NGA) in 1930s in Bukoba (Seimu, 2017; Birchall and Simmons, 2010). Other associations came later such as Kilimanjaro Native Co-operative Union (KNCU) in 1933 (from KNPA). The ownership of those associations was in the hands of members who formulated them to evade colonial exploitation on coffee marketing. The Co-operative Societies Ordinance did not provide much room to exercise democratic rights to co-operative members. Among interventions after the Ordinance was formation of The Native Coffee Ordinance (Control and Marketing) (1937), Bukoba District Coffee Board (BDCB), the Cotton Board of Tanganyika and other marketed crops under General Notice No. 329 of April 1941. This aimed to regulate marketing of crops by co-operatives hence democratic practices were controlled by colonial crop boards (Seimu, 2017; Kihemba, 1977; Bomani, 1960). The operations of all co-operatives societies and their Unions followed the colonial laws that dictate the model of business operation including making them remain as producers and collectors of produce for colonial industry abroad.

3.1.2 Colonization of Co-operatives by the Government after Independence

After independence in 1961, the government realized the need to promote co-operatives for national development (Rwekaza *et al.*, 2018). Among efforts done in this period was formation of Co-operative Union of Tanganyika in 1961, National Co-operative Bank in 192 and Moshi Co-operative College in 1963 and formation of other types of co-operatives such as Co-operative Supply Association of Tanganyika (COSATA) (Seimu, 2015). Co-operatives enjoyed the monopoly over all produce from peasants who had to market them through co-operatives. Co-operatives were formed countrywide including where they didn't exist before independence. Most of co-operatives in new areas had limited understanding on the nature of co-operatives, how they should function and duties of members and of the co-operative. Members in these areas didn't consider co-operatives as their property as they were pressurized to form them by the government, contract to the ICA principle on "voluntary and open membership".

Basing on the information provided by the KCU manager, the Co-operative Societies Act of 1968 directed all the co-operatives in each region to have one co-operative Union. Lack of professional staffs in primary co-operatives and co-operative department led to poor management of co-operatives. Also lack of storage warehouses resulted to poor storage and spoil of members/ produce. The members' lost ownership and control of co-operatives as the control power was in hand of the government. On the other hand, TCDC deputy registrar contend that, political interference such as pressure to establish new co-operatives (even without feasibility study) and using co-operatives as government machinery limited members' chance to

exercise ownership and control. In this phase, colonization of co-operatives was done through the legal framework as the government directly dictated the welfare of co-operative societies; member democratic process on determining who should be a member and define their common bond based on regional boundaries (Seimu, 2015; Maghimbi, 2007). The Presidential Committee of Enquiry was formed in 1966 due to members' complaints. Among the complaints from members included; low prices, lack of transparency on prices set by marketing boards (mostly export prices not known), numerous deductions on sold crops, over taxation and fixing produce prices that didn't consider costs of production.

Another colonization process happened during the Ujamaa and Villagization Act of 1975 where the designated villages became co-operatives, contrary to co-operative principles on voluntary membership and democratic participation (Rwekaza *et al.*, 2018; Rwekaza, 2013; Sizya, 2001). Each member in a village with 18 years became a co-operative member automatically (Meghji and Tarimo, 1992). The oppression of co-operatives continued in 1976 when the government abolished all Co-operatives Unions and their assets and operations were taken by the Crop Marketing Boards. This indicates more government intervening co-operatives and more government control over co-operatives that contravened members' ownership right. Further, implementation of the Act and its previous related activities done in early 1970s (Operation *Vijiji*) destructed the community settlement where people lost their farms due to shift of residences and also the impact of draught in 1973-75 caused agriculture production to be affected (Seimu, 2015; Rwekaza and Nko, 2012; Maghimbi, 2007; Maghimbi, 2010; Kimario, 1992). Collecting people with different backgrounds into a village co-operative harmed common bond and also using Chairmen and Secretaries of ruling party's branches to exercise title on co-operatives limited sense of ownership and commitment among members and considered co-operatives as political organisations.

3.1.3 Managerial Colonization and Decision-Making Structures

The democratic governance problems in co-operatives, among other things results from the structure of leading co-operatives where the agents dictate the members rights (Maghimbi, 2007). Since they are the owners, members need to have more power on decision making process and administrative machinery. From the FGD with Kishao AMCOS in Karagwe, board members argued that, limited membership power in some affairs results from lack of information and co-operative education among members hence fail to exercise full control and ownership of their co-operatives. Royer (1999) and Vitaliano (1983) argued that when co-operative challenge lacks member's inputs on their business, members will tend to under-invest in assets in long-term payoffs. Furthermore, KCU chairmen who were a key informant argued that when members do not become part of institutional solutions, Boards of directors and managers becomes under pressure to increase current payments (payment of meeting allowances and dividend) to members instead of investing in additional assets for capital expansion. Absence of member capacities in decision making leads to co-operatives to lack institutional capital base, hence financial dependence. On other hand, members are controlled by the agents, who are the managers that sometimes use the ignorance of the Board member to influence decision that favours their requirements. Again, Nugusse *et al.*, (2013) argued that, the Boards become more powerful than the members who elected them and gave them power to do things on their behalf. In most cases, in Tanzania, Board members have more power over the members. This is in line with the argument raised by the MoCU lecturers, who was the key informant with the argument that was based on the theory that, "in the Principal-agent theory, the managers are members' agents and the Board members employ the agents (the managers), co-operative leaders, especially board and managers do change positions once they are chosen and become members' bosses. This hinders co-operative sustainability since members use their democratic processes for electing their representatives to attain their goals while those elected not comply in the required manner.

The causes of conflicts between members and staffs in rural savings and credit co-operatives (RUSACCOS); the information raised by the Board members trained during MIVARF programme in Rukwa region indicated that there were cases where staffs (Managers, Loan officers etc) tend to feel superior than members hence may delay serving them, for instance when come to borrow or have any other problem. From the information with the FGD in Karambo district Rukwa region, members react negatively since they feel despised by employee of their organisation. Another case was encountered in Kalambo district in 2017. Leaders and staff of Tuinuane SACCOS used loans even to non-members while most of members needed loans and failed to get it and affected even warehouse receipts scheme run jointly with the agricultural marketing co-operative. This later resulted into conflicts which ended with collapse of the SACCOS performance.

From the arguments raised by the RIVACU manager who was a key informant, co-operative members have been contributing to the operations of various upper levels of the co-operative structure for years which they have less control their own assets and other benefits. The co-operative tier structure in Tanzania has been changing but some structures such as Unions and Federation (and recently abolished Apex) existed for years. Findings from kibosh central AMCOS in Moshi district argued that, members in primary co-operatives have been required to contribute to these structures. Unfortunately, less benefit has been attained to ordinary member despite what they support to make such institutions function; this situation is not promising for ordinary members in primary co-operatives to tell exactly the benefits that members gets from Unions or Federations. Also, members cannot tell; what are their rights in ownership and control on their Union, Apex and Federation. Members have been supporting these structures while such structures given less in return to members to ensure their existence. However, the situation is expected to keep changing as the new Co-operative Societies Act of 2013 has maintained a two-tier system where a primary can directly be a member of the Federation while the Union level is optional.

3.1.4 Financial Exploitation in Co-operatives

The co-operative members need to have awareness and knowledge on financial matters related to their co-operative. It is expected that with membership education that they should get, they can be able to make follow up on financial reports and other financial issues about their co-operative. Unfortunately, membership education is less provided due to different reasons, including budgetary deficit. Financial illiteracy is sometimes used by leaders, managers and other co-operatives stakeholders to take the advantage of members' ignorance in financial issues. The member's financial ignorance has led to financial embezzlement among co-operatives societies. Rwekaza *et al* (2018a) reported that theft and financial embezzlement experienced by co-operatives needs a deliberate strategy from the government and co-operatives themselves. These crimes are from the level of Primary, Union, and Federation. The crime doers are known, but who should take such responsibility of instituting the cases? The laws have weaknesses on the aspects that give members much freedom to decide on the welfare of their institutional fate. In most cases, members of the co-operatives did not have capacity to hold crime doers accountable using the democratic system that exist and they need to agree on the general meetings to decide about their fate. The legal process of endorsing surcharge to wrong doers did not provide grounds to institute measure to hold crime doers accountable for what crimes they had committed. That was due to the fact that at the end members were again given chances to decide using general meetings. There are many cases of financial embezzlement in co-operative such as the ongoing case in Kilimanjaro Native Co-operative Union (KNCU) which resulted also in to serious debt burden to members in primary co-operatives due to the loan it took from CRDB bank.

Mjema and Joseph, (2018) reported that KNCU Board and managers made improper payment to Oceanic Link Shipping Services company which led to the loss of TZS 2.9 Billion to the Union (KNCU).

Again, there is another corruption scandal at Tanzania Coffee Curing Company (TCCCo Ltd) which is partly owned by co-operatives. The management purchased coffee machine from Brazafric Company without following clearly the procurement process leading to the loss of TZS 1.67 Billion to the company (TCCCo Ltd) from the response provided by SHIRECU managers (key informant), members in co-operatives are exploited through interest rates place on their produce sold. On the side of agricultural marketing co-operatives, the some of their leaders (Board members) and staff or through their Unions used to take banks loans to finance purchase of members' produce. These loans taken, firstly they are mismanaged, secondly the interest is paid by members and thirdly when the co-operatives fail to pay the loan, assets used as collateral become confiscated while they belong to members.

On the other hand, from the information from Igembesabo Co-operative Union in Tabora region Union board member (key informant) provided the argument that, in tobacco farming buying companies in co-operation with banks tend to give members loans to do almost all activities related to tobacco; they collect money during harvest season making. This system trapped tobacco growers into debt burden and benefit less from their activities. On the other hand, Igembesabo Co-operative Union board member raised the concern that, farmers received loans on Tanzania Shillings while loan repayment was done in US Dollar, where if compare value and stability of the two currencies, then borrower (farmers) were on disadvantageous side. In this case, members lose control of their benefits to banks and buying companies, stay indebted every time hence fail to make significant change of their socio-economic status. In its nature, agricultural marketing co-operative (AMCOS) model aims collecting members' produce and look for market, however, banks colluded the model by offering the board and management loan so that the AMCOS to buys member produce which contrary to the model. This practice has isolated members from their institutional ownership and becomes banks agents.

In the Savings and Credit Co-operative Societies (SACCOS) the use internal capital to lend members is the basic tool for developing institutional financial independency. Such internal capital needs to be generated from members' savings. According to Metto, *et al*, (2020), Chambo and Dyamet (2011) and Maghimbi (2010) argued that, commercial banks have colluded with SACCOS' management and Boards to take loan from them and lend to SACCOS members. That has caused members in the SACCOS to become banks members impliedly and their SACCOS to become bank agents, issuing loans to members with higher interest than what should be offered by the SACCOS. If it has assets, the banks tend to convince SACCOS to use its valuable assets to back up bank loan. This creates room for possible confiscation of SACCOS' assets (owned by members) in case of loan defaults. From the argument raised by Karagwe women SACCOS (KAWOSA) manager who was a key informant with the argument that, there are cases of misuse of members' funds in SACCOS by leaders and staff leading to collapse or poor performance. According to Katundu (2018), in past few years many members lost their funds after embezzlement done by leaders of Wazalendo SACCOS in Moshi. Currently, the SACCOS has learnt its lesson and well stabilized its operation and governance. Mostly, leaders and staffs may take advantage of members' reluctance to make follow up on financial issues and use the gap to benefit them and without solid evidence; they end up walking free from the court. This implies co-operative member's lacks control of their financial assets and governance knowledge that end up with managerial financial embezzlement.

3.1.5 Assets Exploitation

The sustainability of co-operatives depends upon members' understanding of organisational assets and governing instruments. Since co-operatives are member-owned organisations, it is expected that members understand key aspects that lead to managing their firms. The study by Rwekaza *et al* (2018b) on AMCOS in Moshi and Bukoba districts indicated that, among issues to be known by members in co-operatives include; co-operatives by-laws, co-operatives physical assets register, the value and number of

shares, the land ownership contracts, the auditing report, house rent agreement contracts, meeting minutes, the planning budget, and expenditure budget. They also need to know the co-operatives membership registration in the Union and other institutions their co-operative is affiliated. The information from KNCU board members (key informant) argued that, absence of these documents and limited knowledge about them by members found to put assets security at risk. This was concurrent with the information provided by KNCI manager (key informant) with that argument that, Board and managers neglect to present assets status in the meetings that in turn made members to have little capacity of understanding their AMCOS. The board and managers do not disclose these assets and governing tools at disposal for increasing members' knowledge about their co-operatives, and this is done in order for board and managers to increase control over members. This constrains members' democratic ownership of their co-operatives.

From the argument raised during the FGD with Mudida primary AMCOS in Singida district, board members provided the argument that lack of ownership documents for the assets is due to board and management negligence despite being questioned frequently in general meetings. On such negligence members' reluctance and ignorance, assets of primary co-operative are mismanaged and few members enjoy the institutional assets at the expense of other members. From the FGD information from Mwika north primary AMCOS in Moshi district provided their concern that, confiscating members' assets happens even in primary co-operative levels where members lack power to do anything. This implies that members in primary AMCOS lacks power over their assets, the power is vested to the board and management.

In Tanzania, there are Unions owning different assets obtained through efforts by members in primary co-operatives. Unfortunately, it is very hard to determine how such members benefit from the asset's buildings, farms and land and financial assets etc. The revenues from these assets are mostly used to benefit Union leaders and staff in terms of salaries, allowances and other operational costs. The question is how much is given back to the owners of the assets in primary co-operatives? This questions remain answered for years. Unions such as KNCU, Rift Valley Co-operative Unions (RIVACU), Arusha Co-operative Union (ACU), Nyanza Co-operative Union, Kagera Co-operative Union and others have many valuable assets with minimal knowledge by their owners (members). The information from the TCDC management discussion indicated that, in some places in Tanzania Morogoro region being among them, primary co-operatives disbanded themselves from Unions but the Unions continued to exist. How can this be possible? Who will be the owner of assets in the Unions if primary co-operatives are not there? The Unions such as Mara Co-operative Union and Morogoro Co-operative Union have existed for years without serious involvement of primary co-operatives that formed them. This implies that, colonization of the primary AMCOS by the unions in some areas have resulted into total deprivation of primary AMCOS ownership powers and control rights.

3.1.6 Colonization through involvement of Politicians in Co-operatives

Almost in all countries where the co-operative movements exist, there has been a relationship between co-operatives and the government. However, the magnitude of autonomous and independence of co-operatives from the government differ among countries. In capitalist nations, co-operatives have been operating minimal interference from the government. In socialist/communist economies and even most of developing countries, co-operatives have been important vehicle for implementing government policies (and ideologies); hence governments treated co-operatives as their organisations. In similar aspects, there has been involvement of politicians in operations of co-operatives. The study by Chambo (2008) indicated that co-operatives in developing nations experience much government control through governed agency, policy and legal instruments governing co-operatives. Moreover, co-operatives in these nations are used

as a political ground due to the fact that, it has members from the majority of its citizens who are assumed to be voters on the political arena, therefore good for political capital.

From the information provided during interviews with KNCI manager (key informant) raised the argument that, in Tanzania, during the single party era Tanganyika African National Union (TANU) was ruling; in 1960s, the Chairmen and Secretaries of TANU branches held the same positions in co-operatives around their areas. Again, the formation of *WASHIRIKA* in 1976 which replaced the Federation became a political interference in co-operative sector in Tanzania. The *WASHIRIKA* as umbrella organisation for co-operatives was a wing of ruling party (TANU), meaning that co-operatives belonged to the ruling party. Basing on the information provided by KDCU chairman (a key informant) who provided the argument that, multipartyism practice in Tanzania did not remove politician from the co-operative governance, politicians interfered with affairs of co-operatives in their areas, even using them as political capital to earn their votes and popularity. This has been also the weakness of the previous Co-operative Societies Acts including that of 2003. To address this problem, the government through the Co-operative Societies Act No.16 of 2013 prohibits the involvement of politicians in all types and levels of co-operative including contesting for leadership positions. During the FGD with Kagera Co-operative Union (KCU) Board and managers, revealed that political leaders sometimes directed co-operatives, especially Unions to provide finances to fund their trips and other issues directed. These were done due to the absence of members understanding on co-operative management and chain of command and financial management of their co-operatives.

3.2 The Decolonization of Co-operatives Societies

The decolonization process of co-operatives had been taking a gradual pace due to the absence of member's knowledge on how best they can develop and own the decision-making organ of their enterprise. Decolonization process comprises of different strategies and mechanisms taken by members of the co-operative societies, co-operative movements, government, co-operative shareholders ensured ownership and control are in the hands of co-operative members.

3.2.1 Adaptation of Co-operative Principles, Values and Setting Legislative Framework

Member ownership in Co-operative Societies plays a major role to ensure members attain their social and economic needs. Members in the co-operatives are the principal owners, whereby ownership is governed by a democratic process of managing their co-operative. ICA (1995) provides co-operative principles which perpetuate co-operative democratic practices that increase business performance using member owned strategies that entail a democratic process. The provision of co-operatives principles (1995) and the adoption of these principles in the Tanzania Co-operative Policy (2002) and Tanzania Co-operative Society Act (2013) make a landmark for co-operatives development that is member focused. The establishing of the democratic process in co-operatives business operation will alienate co-operatives members from all means of expiation, and will empower members on aspects of institutional ownership.

3.2.2 Empowerment of the established Co-operative Support Institutions (CSI)

The establishment of Tanzania Co-operative Development Commission (TCDC) (headed by Registrar of Co-operatives) aimed at increasing viable co-operative institutions which are member owned and democratically sustainable. The TCDC which has the main office in Dodoma Tanzania has regional office with assistant registrar of co-operatives and co-operatives officer at the district level. All these staffs work as a team to ensure patronage of co-operatives enterprise is at the optima level. However, the TCDC is understaffed and it has little assets that can facilitate reaching the majority co-operatives firm established in the country.

The establishment of the Co-operatives University called Moshi Co-operatives University in 2014, the university that takes charge of the former Moshi University Collage of Co-operatives and Business studies of 2004 that also took the place of Co-operatives Collage. With all these transitions, this co-operatives institution has been charged with the task of transforming co-operatives into business centre and business unit that aimed at creating power to the members to own their co-operatives institutions. In the effort by the Moshi Co-operatives University to eradicate co-operatives exploitation has established 13 regional centres that is in Kilimanjaro, Tanga, Kibaha, Mtwara, Songea, Dodoma, Mbeya, Iringa, Singida, Tabora, Shinyanga, Mwanza and Kigoma. These regional centres among other activities, they support the grassroots communities with education on how they can best manage their co-operatives institutions. They run programs that had capacity building to different category on the co-operative's movements; there are programs designed for members, board and managers. This enables the co-operatives of all sectors from social-economic exploitation of all kind. The emphasis is on how members can best own and manage their institutions through their joint ownership. With the efforts done by the Moshi Co-operatives University through training research and consultancy, different co-operatives organisations have received the university service. Based on the service and product offered by the Moshi Co-operatives University, the university has become a centre of excellence in co-operatives education and practice.

3.2.3 National Level Programmes for Co-operative Promotion and Empowerment

Moreover, there are effort done to ensure members do not continue to be exploited in all sectors of co-operatives developments, these efforts have been made to ensure co-operatives embark on member ownership and democratic practices that lead to institutional business sustainability; efforts such as implementation of Member Empowerment in Co-operatives (MEMCOP) (2000-2005) aimed at empowering members to have a voice in co-operative decisions and establishment of Co-operative Reforms and Modernization Programme (CRMP) (2005 2010) (that remained a blueprint under ministry of agriculture and co-operative development) with effort such as "to initiate a comprehensive transformation of a co-operative to become organisations which are member owned and controlled competitively, viably, sustainably and with capability of fulfilling member economic social needs". These efforts have made some primary AMCOS especially in agricultural co-operatives of Kilimanjaro to get out of market exploitation of their members produce.

3.2.4 Efforts by Current Political Regime in Decolonization

Similarly, the decolonization in SACCOS was obtained after the government burn co-operatives to take loan from the financial banks. The loan delinquency in the banks as results of money borrowed by the SACOS had been increasing. When SACCOS fails to pay the loan, its assets was liquidated by the banks. And when interest increases the members were the one required paying them since its charged by increasing internal borrowing interest in the SACCOS or by reducing the dividends to cover the loan and its interest that need to be paid; When the government prohibit co-operatives institutions from external borrowing, and to direct them to use its establishment of collective effort, that will empower members to embark on SACCOS and other co-operatives model on their nature of their establishment. Directives that had been provided in co-operatives such as all strategic crops, including but not limited to coffee, cotton, tobacco and cashewnuts; this increases the AMCOS capacities to do crop business and more returns on members incomes.

3.2.5 Reforming union on their core functions

On agricultural marketing co-operatives, when unions were found not working properly, in some places members use the window of forming co-operatives network to market their produce, the prominent AMCOS network that existed was Kilimanjaro New Co-operative Initiative (KNCI), a Joint venture which

was famously known as G-32 with its members being primary AMCOS producing coffee in Moshi District, particularly those who shared their membership with KNCU (Rwekaza *et al.*, 2019). The member democratic process of making independent decisions decided to establish another secondary tier after the failure of the previous KNCU. This indicates member's capacity to deal with monopolistic tendencies of union being the controller of primary cooperatives in all governance dimensions, where members mobilised to form a joint venture to moderate and coordinate crop marketing.

In the financial decolonization efforts by co-operatives, the revamping of Saving and Credit Union League of Tanzania (SCULT), SCULTS increases its service delivery on the aspects of outreach by enhancing capacity building to SACCOS, networking, shared infrastructure as well as local and international linkage among SACCOS. Similarly, there is increase in the establishment of SACCOS network, some of these networks are such as *Umoja wa SAACOS za wakulima* (USAWA) of Arusha region and Kilimanjaro. Some of the co-operatives were facing the problem of being controlled and indebted by the financial banks, efforts were made to establish the co-operatives banks. Some banks established were Kilimanjaro Co-operatives Bank Limited (KCBL) (that runs its business through CRDB management) and Bukoba Co-operatives Bank (BCB), which is now being liquidated. However, these banks are facing with a lot of managerial challenges that indicated unremarkable impact in the co-operatives sector. These make some of the landmarks of decolonization process in Tanzania.

4. CONCLUSIONS

The colonization of co-operatives in Tanzania was found to feature in different dimensions; on member exploitation through colonial administration. The study concludes that, colonial masters did not have intention to develop citizens than gaining produce to feed their industries. On colonization of co-operatives by the government after independence, the study concludes that, government continued to use some components on the colonial co-operative acts that was not significantly develop co-operative societies. Similarly, with the regard of financial exploitation in co-operatives, the study concludes that, co-operative institutions had continued depending on external capitalization as a source of raising their capital structure. Further, the study concludes that, the colonization through involvement of politicians in co-operatives, politics still dictated the fate of co-operative societies.

5. RECOMMENDATIONS

The study has come out with recommendations based on the findings and conclusions made as follows: First, on member exploitation through colonial administration, the study recommends to the Tanzania Co-operative Development Commission that, despite co-operative model to be promoted by imperialism, where colonial governments promote co-operatives, the member driven model be adopted as opposed to the later. Secondly, on colonization of co-operatives by the government after independence; the study recommends to the responsible ministry for co-operative promotion and development to have programs for co-operative development programs that are grassroots based than top-down approach for promotion. On the managerial colonization and decision-making structures, co-operative boards and management, should take on board member-based decisions which originates from the shareholders. They should develop institutional accountability plans that will make them responsible to members. Similarly, on financial exploitation in co-operatives, co-operative should increase their retained earnings to increase their capital structures which will alleviate external capitalization dependency syndromes. Further, the colonization through involvement of politicians in co-operatives, Tanzania co-operative development commission should prepare programs that will enable Politician whom will include councilors, member of parliament and ministers to be educated on co-operative governments and practices.

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