

Fifty Years of Cooperatives and Economic Development in Tanzania (1961-2011)
By
Albert Omar Mruma
Moshi University College of Cooperative and Business Studies (MUCCoBS), 2014

Abstract

This paper has been prepared to document key contribution of co-operatives to socio economic development of Tanzania during fifty years of its independence. The paper is based on library research and the experience of the author on cooperative development and its role in economic development in Tanzania. Tanzania commemorated its fifty years of independence in 2011 and it was necessary to establish and document some of the contribution of cooperatives in economic development during that period of independence so as to create awareness to the government, cooperative stakeholders and scholars and motivate other people to conduct more studies. The historical background of cooperatives goes back to 1925 where small holder coffee farmers in Kilimanjaro started cooperatives and rapidly spread to other areas of Tanganyika. The performance of co-operatives was fairly good during the period of 1960 to 1976. Cooperative in Tanzania were abolished in 1976 and were reestablished in 1982 and its performance after its re establishment was not on the earlier successful footing. Until their abolition in 1976, co-operatives had played a great role in economic development in Tanzania. Ever since their abolition in 1976 and subsequent re establishment in 1982, co-operatives have faced a myriad of challenges including those arising from financial, structural, governance and policy framework. Fifty years of independence have witnessed poor management, corruption, embezzlement, inadequate capital, weak support institutions, inappropriate policies, poor members' education and stiff competition from the liberalized market economy of the 1990's. With the advent of the 21st century, co-operatives were given new life. The 2000 Special Presidential Committee on co-operatives was followed by the 2003 Cooperative Societies Act. Later on, a key strategic document- The Cooperative Reform and Modernization Programme (2005- 2015) was produced as a blue print for cooperative revival in Tanzania. To achieve their goals, co-operatives need to be commercially viable enterprises, able to compete in the liberalized market and prosper in the marketplace so as to achieve its purpose of fulfilling the members' economic and social needs.

Keywords: co-operatives, economic development, marketing, savings and credit, members' needs