

# **Tanzania's Cooperative Movement 1932–1982: Policy and Politics**

**By**

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## **In Beyond Borders: Essays on Entrepreneurship, Co-operatives and Education in Sweden and Tanzania, 2021**

By the mid-1970s, Tanzania had the largest cooperative movement in Africa and the oldest in East Africa. Despite such an achievement, the literature on Tanzania's small-scale coffee and cotton cultivation and marketing cooperatives has suffered from a dearth of substantive historical accounts for decades. The available literature is fragmented along various academic disciplines, mostly political science and sociology. In addition, there is no historical study specifically dedicated to the cooperative movement since its inception in 1932. The neglect is more critical, given the current renaissance in Africa and the increasing international interest in the cooperative movement. This chapter seeks to fill this gap by utilizing primary sources from the Co-operative College archive in Manchester and the Tanzania National Archive (TNA) to examine and evaluate the policy and political aspects associated with the history of cooperatives in Tanzania from 1932 to 1982. Specifically, it explores the interlocking forces and policies that led to its growth and development. The development is also examined against the changing political and ideological influences during the interwar, post-war and independence periods.

This chapter narrates the history of cooperatives in Tanzania. It covers a period of 50 years with an emphasis on politics and policies behind promoting cooperatives. All started when the colonial government in Tanzania deployed three important interrelated policies in realization of the self-sufficiency policy that was required by each British colony. In meeting such obligations, the colonial government encouraged small-scale growers to produce food (beverage) and raw materials such as cotton and tobacco, which were all crucial in generating revenues to cover the administrative costs for the colonial government and limit the dependence on the United Kingdom Treasury (Herskovits, 1952: 219; Havinden & Meredith, 1993: 299–301; Frank, 2002: 16).

To achieve this self-sufficiency agenda, several different measures were deployed. First, the colonial authority provided small-scale growers with access to farming land by maintaining customary land tenure. Second, the government established research centres to develop suitable coffee, cotton and tobacco varieties. Third, the government supplied cotton (TNA, 19496) and tobacco seeds (TNA, 26054) as well as coffee seedlings to growers (Department of Agriculture, 1945). Fourth, the growers were encouraged to engage in the cash crops farming enterprise largely to suit the government's interest and commitment in realization of the self-sufficiency policy. Despite such a commitment, the colonial government did not consider modernizing farming tools, but instead kept on supplying hand-hoes to growers (Seimu, 2015; Rodney, 1973: 259). Fifth, compulsion measures were employed to engage smallscale native crop growers, mostly adults, to produce the desired cash crops. Such measures included a minimum cotton acreage (Seimu, 2015; Rodney, 1973: 259). Compulsion measures specified the number of, for example, coffee trees in Kagera and the minimum cotton acreage in the Western Cotton Growing Area (WCGA) that each adult must plant. The failure to meet the government expectations was treated as an offence subject to punishment through fines or imprisonment. Sixth, the cooperative ordinance set out a few provisions governing the organization of the

cooperative societies in, which native members must be at least sixteen years of age, or of taxable age. In conjunction with this, the 1932 cooperative legislation, particularly Section 36 and the government's marketing board legislation, provided a compulsion mechanism that compelled all growers to sell their produce to cooperatives (Seimu, 2015). From the onset, membership in a cooperative society became compulsory for all cash crop growers as provided under Section 36 of the cooperative ordinance.

The colonial cash crop production policies and the involvement of growers were perpetuated during the post-colonial era to facilitate foreign revenue. Moreover, the post-colonial government saw the cooperative movement, particularly the agricultural marketing cooperatives (AMCOS), as rural based organizations that could primarily contribute to the Africanization of the economy (Seimu, 2015). During that time, the modernization of the agricultural sector was a priority for the government. Farming among small-scale farmers was predominantly subsistence in non-cash crop producing areas, which created an unbalanced development between cash producing and noncash producing areas. The post-colonial government regarded agricultural primary cooperative societies as a means of promoting modernization since these have all along been operating within a village (URT, 1969).

By the mid-1970s, the attempts to build a socialist state by the post-colonial state using the inherited cooperative system proved to be a challenge. The cooperative movement, which was envisaged to be a key player by the postcolonial government, did not – according to the government – support this transformation. For example, the government viewed AMCOS' leaders as having a capitalist-oriented elements/mentality and they could not contribute to build the “ujamaa” ideology. It was also perceived that AMCOS accommodating and encouraging individualism contradicted their commitment to build a socialist state (Seimu, 2015). More importantly, the existence and persistence of such elements were assumed to undermine the steering of rural communities in a government-preferred direction and in delivering the envisioned communal way of life enshrined under Ujamaa (Reeves, 1950).

It was obvious that under such features, the government concluded that building a socialist rural community was unlikely. Therefore, the realization of such a policy development required a new orientation provided under the 1975 Villages and Ujamaa Villages (Registration, Designation and Administration) Act (popularly referred to as the Village Act). The legislation provided for setting up villages across the country, which became a new cooperative entity. Under Section 14 of the Village Act, all agricultural primary marketing cooperatives in the country became illegal following the abolition of all agriculture marketing secondary cooperative societies in 1976. Moreover, the 1975 Village Act stipulated that membership in a village was mandatory for all adults and each villager aged 18 or above. This was maintained under the 1982 cooperative legislation and in force until 1989 in the wake of embracing the liberalization of agricultural marketing policies. Consequently, compulsion cash crop marketing measures that were imposed during the colonial era were ironically enough perpetuated during the independence until the late 1980s.

This chapter shows how both the colonial and post-colonial authorities in Tanzania employed several policies to encourage cash crop development among small-scale growers. Cash crops produced by small-scale growers had to be marketed through private traders and later on cooperative societies.

## **Literature review**

The promotion of the cooperative movement in developing countries is extensively documented. For example, Rhodes (2012) and such cooperators as Digby (1960) and Strickland (1945) have a great deal in common in describing the cooperative movement in the British colonies. Rhodes completely ignores the growth and development of the cooperative movement in Tanzania despite its impressive progress. Digby briefly covers the development but fails to illuminate the colonial authority's policy and aspects of political intervention. Her discussion of Tanzania is predominantly about the Kilimanjaro Native Cooperative Union (KNCU) and the Ngoni-Matengo Co-operative Union (NGOMAT) but she mentions nothing about, for instance, the Bukoba Cooperative Union (BCU) and the Victoria Federation of Co-operative Unions (VFCUs) and its affiliated societies. Her focus is predominantly on the colonial 217 BEYOND BORDERS era and makes no reference to the post-colonial era. Gorst (1959) and Kimario (1992) illustrate the background to the development and progress of cooperatives in Tanzania without touching upon policy and political aspects in their narratives.

Ngeze's (1975) work provides a historical development of the cooperative movement in Tanzania. His work bears some similarities to that of Kimario (1992). CUT (1977) and Sadleir (1963) have not provided an account of why the promotion of the cooperative movement in Tanzania during the colonial era was characterized by uneven growth and development, whereas Eckert (2007), on the other hand, generalizes that the cooperative movement in Tanzania was mainly the result of growers' initiatives. Furthermore, Eckert (2007) maintains a contention that the cooperative movement was imposed on the colonized by the British, a statement, which is not entirely supported.

Dubell (1970) suggests that the Kilimanjaro Native Co-operative Union (KNCU) was crucial for the cooperative movement in Tanzania. This indicates that the growth of the KNCU was a stepping-stone towards the spread of the cooperative societies across the country. Apparently, this is misleading and constitutes a denial of the colonial officials' attitude that plays a part in undermining, and also slowing down, the development of cooperative societies outside Kilimanjaro, which contributed enormously to a stunted growth.

This chapter provides a departure from a disjointed and punctuated approach as well as misleading or incorrect arguments and evidence with muddled details dominant in the existing literature. It explores the interlocking forces and policies that led to its growth and development and related intricacies throughout the period under study. In addition, no work in the existing literature has examined or assessed the factors that led to a myriad of geographical differentiations in the development of the movement in the country and the timing of the emergence of co-operatives. A critical gap in the existing literature is on the overall background regarding political and policy decisions that led to the promulgation in 1932 of the cooperative legislation in Tanzania. Moreover, the chapter critically examines the promotion of cooperatives, and the restructuring during colonial and post-colonial periods.

## **Cooperative Movement in Tanzania**

### **The first phase, 1925–1932**

The promotion and encouragement of crop marketing cooperative societies in the country differed from one geographical area to another. This was partly prompted by local policies and approaches by colonial officials and marked the first and earliest phase in the history of the AMCOS in Tanzania. The movement started in 1925 with the formation of the native growers'

coffee marketing organization, the Kilimanjaro Planters Association (KNPA). The KNPA was one of the first ever indigenous associations in the country drawing membership from native small-scale coffee growers on the slopes of Mount Kilimanjaro and neighbouring locations such as the Mwanga, Same, and Arumeru districts in northern Tanzania as far as Mount Kenya (Westergaard, 1970).

The KNPA was registered in January 1925 under the provisions of Section 26 of the Indian Companies Act, 1913. The KNPA was primarily a coffee marketing organization aimed at defending members' interests against the settler community who opposed the fact that the government permitted natives to enter the industry because of fear of infecting their farms with diseases and pests and also claimed that they were inexperienced (TNA, 13060a). Moreover, and maybe more relevant, the settlers opposed the forming of the organization, because it could create problems in recruiting labourers among the natives (Seimu, 2015).

The KNPA was largely successful in providing a 'counterattack' on the settlers that infuriated the settlers' community and the pro-settlers' colonial officials who had to retaliate against the Association. For example, the District Office (DO) of Moshi pointed out that, 'the KNPA has outgrown its usefulness and is inefficient, unable to deal with cultivation and care of coffee plantations' (TNA, 11908a). Whereas the Northern Province Commissioner, Mr Hallier, alleged that the KNPA had a bad relationship with the Native Authorities (TNA, 12809a). Such opposition against the government's policies resulted in labelling the KNPA as a subversive organization that needed to be abolished.

It was not possible to ban an association because the League of Nations (later on the United Nations) provided protection of such associations across mandatory states. The Secretary for Native Affairs (SNA), Charles Dundas, had engineered its formation and remained supportive of the organization. However, the SNA considered that such an attack must be a failure and thus encouraged similar associations across the country. This was achieved through, first, the convening of the District Officers (DOS) and District Administrators (DAS) conference in October 1929 in Dar Es Salaam to discuss the promotion of cooperatives in the country. However, the agenda could not be achieved because none of the colonial officials in Tanzania had expertise on how to promote cooperatives, they lacked knowledge on how cooperatives were organized and had no knowledge in drafting a cooperative legislation.

During the late 1920s and the global economic recession of the early 1930s, KNPA faced economic troubles and this was regarded as a business failure by the colonial authority, which implicated their leaders with an embezzlement 219 BEYOND BORDERS that prompted a need to replace and even imprison them. The difficulties and the intervention by the government on the management of the KNPA paved the way for seeking assistance from the Colonial Office in London to promote cooperatives. In response, the Colonial Office (CO), liaised with Claude Francis Strickland (popularly, C.F. Strickland) the former Registrar of Co-operative Societies in Punjab (TNA, 19595a), drafted the cooperative legislation for Tanzania (TNA, 13698a). The Colonial Office (CO) and Tanzania's colonial authority gave Strickland the terms of reference for the assignment (TNA, 13698b). The terms highlighted an examination of coffee marketing specifically in Kilimanjaro (TNA, 13698c), which for a couple of years was under the monopoly of the KNPA. The terms and discussions between the colonial authority and Strickland revolved around creating a suitable mechanism that would pave the way for replacing the association by ensuring that growers had

the mandate to market their products through cooperative societies and not through KNPA (TNA, 13698d; TNA, 13060b).

By the early 1930s, the cooperative legislation provided as a legal ground for side-lining the association was approved by the Tanzanian Legislative Council (LEGCO). However, the CO, which was at the time controlled by the Labour Party, was reluctant to approve the legislation because there were no experts available in Tanzania to facilitate the promotion of cooperative societies. However, the promotion and registration of cooperative societies took a new turn due to the political development that occurred in Britain in 1931. The Conservative Party won the general elections held in October 1931 and launched a new policy for the colonies. The CO approved Tanzania's cooperative legislation by early 1932, which prompted the appointment of an acting registrar of cooperative societies. The political development in Britain coincided with a change of governorship in Tanzania that created an opportunity for the colonial authority to influence the CO to approve the application of the Co-operative Ordinance with effect from May 23 1932. It should be noted that the cooperative legislation, however, provided a politically expedient solution in side-lining the KNPA by the formation of the Kilimanjaro Native Co-operative Society (KNCS), which took over all functions of the association (Seimu, 2015).

The 1932 cooperative legislation did not only circumvent the KNPA, the growers were also compelled to be members of a cooperative society excluding KNPA. In effecting this decision, the registrar of Co-operative Societies was appointed by the Chief Secretary (CS), on behalf of the Governor on March 4 1932 to fill the position on a short-term basis (Seimu, 2015). In October 1932, the KNCS and its affiliated societies submitted registration applications with the help of a registrar (TNA, 25777a). At the same time, the KNCS changed its name to the Kilimanjaro Native Co-operative Union (KNCU), and the KNCU application for registration was duly accepted and registered in January 1933, along with 12 affiliated cooperative primary societies.

### **The second phase, 1933–1945**

The interwar phase contained decisions with a major impact on the general development of the cooperative movement. This section highlights policy, political decisions and their implementations particularly around the promotion and registration of AMCOS. Despite having the cooperative legislation and the Registrar of Co-operative Societies in place, the colonial authority was adamant to foster the spread of the cooperative movement in other parts of the country.

On his return in May 1935, the registrar published a report (TNA, 22919a) that recommended a clear road map for the cooperative development, and he proposed the introduction of new types of cooperatives – for instance credit, dairy and livestock – for the colony, and proper cooperative education. He also suggested setting up a Cooperative Department and a tertiary (apex body) society. In hindsight, Northcote's report was obviously wrongly timed.<sup>2</sup> In his comments on Northcote's report (TNA, 25147a), the acting CS, Gerald Fleming Sayers, was highly skeptical to the suggested cooperative policy. He pointed out that, 'it must be understood that, the government has no doctrinaire (or other) predilection for cooperation and has no wish to urge it on anyone (TNA, 22919b), nor on any group, European, Asiatic or African (TNA, 22919c). It was also insisted that no Cooperative Department should be set up, because nothing of that kind (whatsoever) was needed. Clearly, this was a major blow for the Registrar's

proposal. But the CS pointed out that, there should be a consideration if there is a genuine local desire' (TNA, 22919d). Furthermore, the CS opposed Northcote's recommendation to set up a Cooperative Department and for him 'to establish such a department will only result in drowning a possibly useful development in ink' (TNA, 22919e). Against this backdrop, Northcote's proposal was regarded as obsolete and it became difficult to promote the cooperative movement.

The CS authoritatively disclaimed any attempt to promote cooperation and he put Northcote's invitation on hold (TNA, 22919f). It was alleged by the CS that this would remain the position pending an approval from the Secretary of State (TNA, 22919f). It was insisted that cooperatives had to emerge spontaneously from the growers (TNA, 22919f). Ideally, a cooperative society should be a spontaneous growth, springing from the needs of the people/members with a determination to improve their economic conditions through the principle of mutuality. However, government support would facilitate the emergence of cooperatives. But this demonstrated the single-minded character of the CS that wanted to undermine the development of cooperatives in the entire country. The CS was determined to suppress any initiatives from the Provincial Commissioners who were informed by CS that 'Northcote was assigned other duties (not cooperation), which more of his time has to be devoted to' (TNA, 22919f). In short, Northcote's ambition failed to be a game changer for the development of the cooperative movement in Tanzania, partly due to the lack of policy or policy consistency and the non-existence of planning strategies.

The obstruction by the CS to promote cooperatives proved to be a failure in the Kagera region too. Following his attempt to have the Native Growers Association (NGA), which was led by Herbert Rugazibwa (president) and Clemens Kiiza (secretary), engage in coffee handling in a similar way as the KNPA in Kilimanjaro, the NGA imported a hulling plant for coffee processing, which was installed in the Mbatama village (TNA, 24545a). However, its license was withdrawn by the government in 1939 due to its involvement in protesting against coffee rules passed by the colonial authority in 1937 (TNA, 24545a). Notably, the NGA's attempts failed due to several policy obstructions (Seimu, 2015), for example, a geographical proximity to Uganda, which opened up an opportunity for a reliable water transport for the exports of coffee from the region through Lake Victoria and then rail transport to Mombasa, Kenya. Subsequently, such challenges forced Tanzania's colonial government to mandate Uganda to dictate a coffee marketing policy in the region. In addition, protests from Indian traders against the promotion of coffee from cooperative societies in Tanzania in the 1930s and the rejection of the cooperative bill in the LEGCO in 1935 and 1938 had a far-reaching effect on the region (Seimu, 2015). This development had differing impacts on the cooperative movements in various regions.

In the Kagera (Bukoba) region, the then PC, Lake Province Mr C. MacMahon, suspected the NGA of involvement in politics (TNA, 41011a) since both Herbert Rugazibwa and Clemens Kiiza were members of the Tanganyika African Association (TAA) committee. The association claimed to represent the interest of all Africans and aspired to represent African opinion in debates on governmental policies. In 1954, the association was transformed into a political party, Tanganyika African National Union (TANU). In this regard, TAA and NGA were connected to the opposition of the colonial rule. Thus, Northcote's idea to promote or to register spontaneous grower organizations like the NGA was ruled out. The PC decline was also driven by a fear that cooperatives could pose a threat to the British supremacy. Ostensibly, this would

disrupt the whole industry. For example, the PC argued further that: ‘promotion of cooperatives is nothing other than brewing unrest’ (TNA, 25777b). Other factors, such as opposition from the Director of Agriculture (DA), the provincial authorities as well as Indian traders who more or less controlled the coffee marketing in the region, halted the cooperative movement and in 1935, there was no single society that was registered in the country, outside Kilimanjaro.

Attempts to form a cotton marketing cooperative in the WCGA3 began in May 1932 by Chief Mgemela of Bakwimba in the Kwimba District (TNA, 20999b). His request occurred in the midst of the Great Depression, when growers’ income was seriously affected by the declining world price on cotton. For Chief Mgemela, cooperatives offered a solution to several problems, improving the growers’ income (TNA, 20999c) but also facilitating the building of a hospital in his Chiefdom, which had been promised by the government but cancelled due to lack of funds (TNA, 20999d). However, the attempt to promote cooperatives in the Kwimba district was unsuccessful due to, first, the cooperative legislation not yet having been approved (TNA, 20999b). Second, the DC of Kwimba stated that it was not necessary to form a cooperative society, as the Native Treasury No 2 Accounts had effectively been playing the same role (TNA, 20999b).

The failure to promote cotton-marketing cooperatives in the WCGA in the early 1930s was further endorsed by the Indian merchants in Tanzania and Uganda, who were dominating the cotton trade (Seimu, 2015). But the primary problem for the WCGA was policies and the understanding between the colonial authorities in Tanzania and Uganda, which stated that transports from the region should go through Uganda and since cooperatives were not yet allowed in that country, WCGA did not receive a permit. Thus, Uganda’s colonial government was dictating the cotton marketing policy in the WCGA. In addition, the Indian merchants in Uganda opposed a cooperative societies’ bill, which was presented to the LEGCO in 1935. Uganda’s Asian traders dominated the trade of agricultural commodities and controlled 90 per cent of the country’s trade (Hailey, 1957). In 1935, the bill was rejected but the colonial government in Uganda continued with the proposal and in 1938, it finally got approved, stating that cooperatives were an integral part of the development of the cash crop industry among small scale growers (Horrace Plunkent, 1949: 315).

In 1935, the rejection of the cooperative ordinance in Uganda had direct negative implications for the growth of cooperatives in the WCGA as the merchants from Uganda had a strong influence. Pressure was also exerted on the colonial authority in Tanzania where the merchants opposed the development of the cooperative movement. The Indian merchants in Tanzania urged the government to abandon its commitments to promote agricultural marketing cooperatives. According to them, a promotion implied participation by the colonial authority in commerce – which should be avoided – and the natives were – according to the merchants – not capable of handling cotton marketing (TNA, 35783a; Okereke, 1974: 20).

Despite obstructions by the CS, cooperatives were formed in other parts of Tanzania particularly in Ngara and Ruvuma. In 1936, coffee marketing societies were registered in the Ngara district under the umbrella of Bugufi (Tanganyika Territory, 1947). In the same year, tobacco-marketing societies were registered in the Ruvuma region to serve growers from the Songea and Mbinga districts, forming the Ngoni and Mtengo Co-operative Union (NGOMAT), which had affiliated societies operating in various rural areas where small-scale farmers produced tobacco (TNA, 37192a). The formation and registration of Bugufi and the NGOMAT

and their affiliated societies was not in defiance of the CS position. The promotion of cooperative societies implemented as part of the colonial self-sufficiency policy, encouraging cash crop production and ensuring the supply of agricultural raw materials. Initiatives of this nature rendered support from Britain, both politically and financially; for instance, Britain supplied £2,000 for promoting NGOMAT and its affiliated societies (TNA, 37192a). However, the funding obtained took the form of loans from the Colonial Development Fund, with a 3.5 per cent interest rate per annum (League of Nations, 1939). The Colonial Development Fund regarded loans as the most productive incentive to encourage small-scale growers to increase cash crops and provide them with marketing facilities for their products (TNA, 37192a). Other types of cooperatives also faced similar challenges.

In spite of the difficulties in receiving support from the colonial Development Fund, five credit cooperative societies were formed and registered in the 1930s and 1940s. The emergence of these societies can mainly be explained by support of capital from the His Highness Aga Khan Foundation. Three societies were registered in 1938; Tanganyika Ismailia Credit Co-operative Society Ltd (in Dar Es Salaam), Moshi Ismailia Credit Co-operative Society Ltd and Mwanza Credit Co-operative Society Ltd. After World War II, The Dodoma Ismailia Credit Co-operative Society Ltd was registered in 1946 and the Tanga Ismailia Credit Co-operative Society Ltd in 1947. Noticeably, the credit societies consisted of individuals from the Indian ethnic community, mainly the Ismailia sect (Tanganyika Territory, 1947 App. 4; Tanganyika Territory, 1949:8; Horrace Plunkent, 1947).

The political and policy decisions by senior colonial officials also had a major impact on the growth of other types of cooperatives, for instance in 1941 when the Chagga Transporters Co-operative Society was registered. The transport society's principal task was to transport coffee from various KNCU's affiliated primary societies and deliver this to the union warehouse in Moshi town. Individual members owned the vehicles serving the societies, and the assignment of the society was to note and arrange orders, purchase bulks of fuel and spare parts on behalf of the members (Horrace Plunkent, 1958: 307).

### **The post-war phase**

In post-war colonial Tanzania, new stakeholders entered the market and had a major impact on the cooperative promotion policies. In particular, stakeholders' such as the United National Organization (UNO), the International Labour Organization (ILO) and pressure groups such as the British Fabian Colonial Bureau, influenced the cooperative movement in the colonies. Pressure from these stakeholders prompted policy reforms in the Colonial Office and down to individual colonies. The process was sparked by the deployment of W. H. Campbell in East Africa to investigate the possibility to promote and strengthen the existing cooperative societies in line with the cash crop marketing policies.

UNO was one of the key stakeholders that changed the policy towards the promotion of cooperatives in the colonies. Most of the colonial powers were members of UNO and ratified the decision to promote the cooperative movement as a means of rebuilding the economy in the colonies. At the meeting in Hot Springs (US) in 1943, UNO decided that cooperatives should play a crucial role in the post-war reconstruction and for social and economic adjustments in the colonies. This decision stemmed from the experiences in Europe, where the cooperative movement supported the UNO in providing relief services, rehabilitation and reconstruction of communities during the war (and would continue to do so after the war) (ILO,



1955). It was also stressed by the UN agency the International Labour Organization (ILO) that the colonial authorities should play an integral part in promoting the cooperative movement in the post-war years (ILO, 1950). In general, the intervention in the promotion of cooperatives by the colonial authority in Tanzania – regardless of the slow and punctuated development – was indeed impressive as compared to other East African countries. The reason for this was that UNO, and ILO put pressure on the Colonial Office to change the conditions in Tanzania.

As a result of pressure from the UNO and ILO, in 1944, the Colonial Office appointed W. K. H. Campbell to investigate the opportunities for cooperative development in East African countries. Campbell identified five key factors that hampered the progress in Tanzania: shortage of staff, the KNPA experience as well as the uncertainty created by the 1937 coffee riots in Kilimanjaro, the inability of growers to manage societies, and fears that the movement would interfere with the affairs of the Native Authority. In his report, it was made clear that, ‘time was ripe to embark in promotion of cooperatives owing to the prevalence of embryonic associations that suggested some degree of spontaneous growth that required legislation and government guidance for their promotion, formation and registration’ (Campbell Report, 1944). Campbell further emphasized that cooperatives should be formed to accommodate soldiers returning from WWII battlefields, for instance from Ethiopia and Asia. The cooperative movement was expected to divert political tension and was viewed as an important tool for undermining the struggle against the colonial rule (Campbell Report, 1944). Campbell had also detected an inability among growers to form cooperatives without any government support. This was, in fact, a policy shift from the spontaneous growth view to a standpoint that the government should intervene. According to him ‘the government intervention is justified’, but the members of societies should decide on the operations of the organizations, not the government (TNA, 33017a).

The UN agencies and Campbell envisioned the formation of various kinds of cooperatives such as agricultural and animal production as well as consumer societies in developing countries. It was stated that the policy implementation would be hollow without any local initiatives, but the external impetus was regarded as vital to stimulate a change of attitudes and interests among colonial officials in the colonies. A Special Committee was set up in 1941 to analyze the achievements of the cooperatives and what they might achieve in the future. A member of the Special Committee was Arthur Creech Jones, MP who became Colonial Secretary in the Labour Government. The report was published in 1945 and recommended installing a cooperative department within the central Colonial Office (Fabian Colonial Bureau, 1945). Creech reorganized and reshaped the Colonial Office to reflect the demand for changes in the colonies and to accommodate both international and local pressure for promoting cooperatives (The Bombay Co-operative Quarterly, 1950). This was achieved by pressuring colonies to pass or amend the legislation to enable the establishment of cooperative departments in every colony, which were pivotal in fostering the cooperation. At this point, the Colonial Office policy towards the co-operatives was that ‘the value of co-operative societies is no longer a matter of any dispute’ (TNA, 19005b), and it was emphasized that cooperatives should be used as an instrument for the construction of a prosperous African community (TNA, 33017b).

### **Post-war development**

The promotion of the cooperative movement policy was embedded in the Colonial Office’s post-war marketing policy, which was circulated to all British colonies (TNA, 37192). The policy stressed that producers should be organized into producers’ associations, i.e. cooperatives. Colonial policies regarding cooperatives were adjusted to follow the Colonial

Office post-war marketing and development policy. The noted changes of the policy after the war increased the number of registered cooperative societies (TNA, 33017c). The first to be registered in Tanzania was the Mwanza African Traders Consumer Cooperative Society (MATCS) in 1946, which was important for the growth of the cotton marketing cooperatives in the WCGA.

Several other consumer cooperative societies were registered in 1946, for instance Chagga traders' consumer cooperative society, Tanganyika Co-operative Trading, and Tanga Co-operative Trading. The East African Co-operative Trading Society with its headquarters in Nairobi (Kenya) had branches in Tanzania, in Arusha and in Moshi. The Arusha Co-operative Stores Limited had exclusive membership confined to members of the Ithna-Ashri sect (Tanganyika Government, 1949:8).

The post-war era was coupled with pressure for agricultural policy reforms to align with the colonial powers' demand for raw materials. Agricultural marketing cooperatives were encouraged, and the Colonial Office (CO) recommended amendments of several cooperative legislation sections. One of these was Section 36 of the Co-operative Ordinance, No 7, of 1932, which was mainly in contradiction to the cooperative principles as it emphasized compulsive measures such as membership and the compulsion of growers to sell their produce through cooperative societies. Understandably, that function was handed over to the marketing boards. In addition, the changes constituted a means of streamlining the legislation in all British colonies but in practice, it meant that a new sweeping power was granted to the Registrar of Co-operative Societies. The power given to the registrar was to dissolve cooperative societies and appoint a supervising manager to monitor the management and affairs of any society.

Nevertheless, the attempts to form cooperatives proved futile in the second half of the 1930s and were disappointing for both growers and colonial officials in the Tanzania's Southern Highlands. The involvement of colonial officials was evident in the formation of cooperatives in the Southern Highland Province (SHP), particularly in the then Rungwe district. On December 14 1945, the Provincial Commissioner (PC) presented his proposal to the CS on the commitment to register cooperative societies in the province (TNA, 322997a). In his proposal, the PC outlined a detailed financial implications proposal for setting up cooperative societies, a task that was undertaken by a senior agricultural officer (TNA, 322997a). The PC proposed rice marketing cooperative societies in Kyela and coffee marketing cooperative societies in Mbozi and Rungwe (TNA, 322997a). All this demonstrates how the colonial authority exploited the Native Authority in the province to facilitate and implement the policy.

To evade previous disappointment, the PC identified, in his proposal, that a source of funding could be savings from the Native Authority Treasury No 2 Accounts. The savings consisted of accumulated funds from the marketing of coffee and rice produced by natives in the province. In principle, the CS accepted the idea and informed all PCs in the country that the accounts could be used to promote cooperatives in their provinces. On the other hand, the Registrar of Co-operative Societies pointed out that, 'whoever and wherever an attempt was made to promote cooperative societies setting up on the native control and marketing boards is a priority that should not be ignored' (TNA, 32997c). The DA also provided strong support for the promotion of rice marketing cooperative societies in Kyela and coffee marketing cooperative societies in Mbozi and Rungwe.

Consequently, in 1947 ten primary cooperative societies, of which four (4) were rice marketing cooperative societies, were registered in Kyela and six (6) coffee marketing cooperative societies were also registered for the purpose of undertaking bulk sales formerly conducted by the local administration through the special Account of the Native Authority. In the same year, 1947, six (6) coffee marketing cooperative societies in Rungwe and Mbozi were registered (Tanganyika Government, 1947).

The situation in Kagera on how to establish cooperatives was still uncertain for the colonial authority in the 1940s. The Bukoba Native Coffee Board (BNCB) had legal control of coffee marketing in the region. The power of control was provided under the Native Coffee (Control and Marketing) Ordinance, 1937, and halted any kind of promoting of cooperatives in the region (TNA, 29585). In 1947, the Co-operative Department deployed, Mr J.S. Elliott, a cooperative officer, to Kagera. However, the board did not cooperate with him owing to its entrenched attitude regarding the legal recognition of cooperatives. The board asserted that it was legally correct to reject Elliott's proposals, and continued to appoint agencies and contractors of its choice to market coffee produced by growers. In a further development, the registrar proposed the appointment of a cooperative officer, Mr A. Horley, to fill the post as Executive Officer of the BNCB when it was advertised (TNA, 11969/9a and b). The registrar managed to convince the government during the 1947 Provincial Commissioners conference to consider appointing Mr A. Horley as Executive Officer of the Board, as 'here would be more reality in the aiding of cooperative societies' (TNA, 11969/9a). This demonstrated the department's determination to overcome the obstruction that Elliott had encountered. It obviously envisioned that the appointment was an opportunity to stir enthusiasm within the board and to manipulate policies in favour of the registrar and the department to promote cooperative societies in the region. Mr T. M. Revington was recruited (TNA, 11969/9c) and the board assured the registrar that it would now facilitate the promotion of cooperative societies (TNA, 11969/9d). However, the board remained reluctant to foster cooperatives.

To counteract the resistance, the Registrar of Co-operative Societies was accorded powers provided under the African Agricultural (Control and Marketing) Ordinance No. 57, 1949 since there was no prospect for policy change. The root of this legislation originated in the Colonial Office post-war policy on agricultural development (TNA, 27317a and b). The Colonial Office's policy was key in facilitating and reinforcing the marketing legislation for cash crops. Under the legislation, the Department and Registrar of Co-operatives had to exert its dominance over policy decisions and directions ultimately in favour of promoting cooperative societies. The registrar had to ensure that it produced a comprehensive legislation that had to deal with all native/African produced cash crops, of which cooperative societies had to play a key role in handling/marketing them just as in Kilimanjaro and other areas in the country.

This was a significant step and necessary to weaken the powers of the colonial provincial administration and BNCB in preventing the promotion of cooperative societies. This represented the colonial government asserting its authority over the provincial administration and BNCB. As a result, the provincial administration and BNCB were both forced to promote cooperatives. Under the ordinance, the functions of the board were further extended to include the promotion and development of the cooperative movement (TNA, 11969/9d).

The legislation provided a means for exerting pressure on existing marketing boards, mainly the BNCB, to promote the cooperatives (Tanganyika Government, 1947). The objective of the

legislation was to foster cooperation (TNA, 24545). The marketing boards were created as an interim measure, pending the formation of producers' cooperatives and marketing boards, which were government instruments to promote such societies starting at the primary level for crop marketing, had taken definite steps. Consequently, the marketing legislation weakened the provincial administration and BNCB's powers to impede the Cooperative Department's attempts to promote cooperatives by compelling boards to appoint cooperative societies as their crop handling agencies.

It must be noted that the policy shift was significant and necessary not only in order to control agricultural products, but also to ensure that production and marketing played a part in the recovery of the post-war British economy. Additionally, the legislation went hand in hand with ensuring that surpluses that were accrued by the boards should be returned to growers through the cooperatives (TNA, 11969/9e). Thus, the boards did no longer retain control of the surpluses, which were now to be redistributed amongst growers as cooperative members in line with the ICA and Rochdale principles. Furthermore, the marketing boards were required to disburse part of the profits accrued from sales of coffee (TNA 24545).

This was a clear victory for the Cooperative Department, which was empowered by the colonial authority to engage itself directly in the promotion of cooperative societies. The government had implemented this change from a top-down basis (Tanganyika Government, 1951, paragraph 6). This approach was necessary due to the lack of enthusiasm from growers owing to some historical challenges from the outset of the commercialization of the coffee trade in Kagera. Yet in setting up cooperatives, the colonial authority, mainly the Cooperative Department, did not conduct any kind of education amongst the members. The establishment of cooperatives would likely have faced an opposition from traders whose control over coffee marketing would be threatened. The government's move towards this approach was also justified by its commitment or desire to have a single buyer for the region and attain policy consistency as in the Kilimanjaro, and Ruvuma regions where societies were an integral part of the marketing policy. In achieving their objective, 40 cooperative societies were registered by March 1950 and the number increased to 49 by the end of the year (TNA, 24545). The newly registered societies were formed in various villages across the region and the number continued to grow, 58 societies in 1954 and 73 societies in 1964 with 58,765 members (BCU, 1961–1963).

In the Western Cotton Growing Area (WCGA), a new and crucial development ushered in 1946 following the colonial authority intervention in the formation of cooperatives such as consumer societies that resulted in the registration of the Mwanza African Traders Consumer Co-operative Society (MATCS). In the early 1950s, several other organizations were founded with or without support from the colonial government. In the Geita District (TNA, 215/1423/C i) embryonic growers' associations were formed in 1952 in Buchosa and Karumo Chieftdom such as Wakulima wa Kiafrika, the Wafikiri African Union Association of Sengerema, Wakulima Stadi, the Sukuma Union and the Zinza Union. These societies in Geita went as far as forming a secondary society, the Mveli Co-operative Union. The members of societies formed in Geita were cotton growers who emerged from the post- World War II policy that promoted progressive farmers who enjoyed support from the colonial government, provided them with access to agricultural credit and high-yield cottonseed varieties (TNA, 215/A3/1 i). Thus, the support for a formation of cooperatives was partly an economic initiative as well as

a political one that aimed at accommodating soldiers returning from WWII to divert their political interest from engaging in the struggle against the colonial rule.

### **Pressure from below**

The unregistered societies in Ukerewe, for example, were also formed with an affiliation to the MATCS. The most prominent society was the Ukerewe Farmers Society, which demanded an entry into cotton marketing and, in some instances, did so illegally. Unlike in Geita, district colonial officials did not provide any support to any society in Ukerewe because the region was viewed as calamitous as far as cotton marketing was concerned. However, the colonial officials supported the continuation of cotton marketing by Indian traders, because they were regarded as crucial in generating governmental revenues. On the other hand, the growers formed groups, popularly referred to by the colonial authority as independent weighers groups or as the *avapimiva magafu* in Ukerewe and *mabebete* among Wasukuma. These groups were stationed at every cotton buying post as a way of avoiding those Indian traders cheated growers. The colonial officials, particularly in Ukerewe, viewed them as troublesome and a nuisance to cotton buyers (TNA, 215/1423/C iii).

The growing number of organizations in the WCGA with varied interests as far as cotton marketing was concerned was considered as a weak point to pressure the colonial government to promote the cooperative movement. This was realized by the MATCS's leaders that had to reconsider reorganizing the approach, following a rejection of its attempt by the colonial authority to market cotton that led to the formation of the Lake Province Growers Association (LPGA). The primary motivation for the formation of the LPGA was to enter and become a key participant in cotton marketing in the WCGA. Since the objective of the LPGA was to cover the entire WCGA, it became necessary to bring grassroots organizations and unregistered societies under its umbrella. Having organized various associations under the LPGA provided a pivotal base in pressing for opportunities to be open to native organizations. It began to challenge the existing colonial authority barriers that constituted an obstacle to entry for natives involved in the cotton trade. The LPGA, for example, protested against the exclusion of natives in cotton marketing that was provided under the cotton marketing policies.

The war and post-war policies indicated a lack of confidence in natives to be engaged in cotton trading. This was portrayed by the Cooperative Department, which was hesitant to register cotton marketing cooperative societies in the WCGA. Thus, the LPGA had an agenda to exert pressure on the colonial government by demanding a review of the colonial officials' attitude. This went hand in hand with a threat by the LPGA leaders to mobilize growers to boycott selling their products in 1953 (Seimu, 2015). The threat worked as the colonial government was forced to deploy the cooperative officer to promote cooperatives and register cooperative societies from 1953 to market cotton in the same year (TNA, 215/1423/C iv).

The newly registered societies in the WCGA proved their capacity to handle cotton from growers. The government supplied financial and logistical support to stabilize societies from the first season in marketing cotton for the Lint and Seed Marketing Board (LSMB), (TNA, 215/1423/C v). The government also raised a fund (£32,500) in 1953, where registered cooperative societies could borrow money to purchase equipment (TNA, 215/A3/1 i). A total

of £3,900 were allocated to purchase trucks for transporting cotton (TNA, 215/1423/C iii). In 1954, the LSMB provided loans to 65 societies for building cotton stores as well as to purchase capital equipment (TNA, 215/A3/1 i).

Further, in 1957 the LSMB lent 540,000 shillings to two societies in the Maswa district (Maswa District Annual Report, 1961). The support provided by the LSMB and the Cooperative Department mostly enabled societies to market their cotton more efficiently. In the early 1960s, the Maswa Cotton Cooperative Society business operations were extended to Iramba and Singida because growers in these districts had no outlets through, which they could sell their cotton products (Central Province Annual Report, 1961: 8). No single cooperative society was formed in these districts during the colonial rule. In the early 1960s, the Lutheran Mission provided support for the formation of cooperative societies connected to cattle marketing, oilseed and groundnuts (peanuts) but without any success (Central Province Annual Report, 1961: 8).

Within two seasons, a large number of societies were registered in the WCGA, at the beginning, under the umbrella of the LPGA, which was not a cooperative society. This was viewed as a poor manner of organizing emerging societies and without secondary societies to assist the needs of primary societies – for example marketing their crop – the creation was vulnerable. In this regard, the secondary cooperative society (Union) had to be formed to serve cotton producing and processing zones, reinforcing the primary societies' capacity (Seimu, 2015). The decision to form secondary societies was significant for primary societies' reliance on assistance from government institutions, the LSMB and the Co-operative Development Department. The process of forming unions was coordinated by the LPGA with support from the Cooperative Department and developed into a significant innovation with the creation of a unique cotton marketing structure that operated independently from one cotton production zone to the other. The cotton production zones were created from the 1930s to confine crop varieties within a specific location or climate conditions. Such reforms went hand in hand with recruiting personnel to manage the cotton marketing process to reinforce cooperatives capacities (Seimu, 2015).

In 1955, seven unions were formed and registered to operate in various WCGA locations. The unions were supposed to supervise the activities of affiliated societies but also acted as a link between societies and the ginners and controlled the transportation. As noted, the unions operated within cotton producing zones to avoid mixing crop varieties that might compromise the quality. The setting up of the unions created a need for an umbrella organization of affiliated primary and secondary societies, and to facilitate negotiations on behalf of the cotton growers with the government and the ginners, which at that time were dominated by Asian traders. This culminated in the LPGA transforming into an apex organization, which was renamed the Victoria Federation of Co-operative Unions (VFCUS) on May 15 1955. By 1963, the VFCUS had 21 affiliated cooperative unions (Seimu, 2015).

However, the formation of cooperatives during the post-war era was not successful everywhere. The evidence shows that in 1947, the native tobacco growers in Biharamulo, in the Lake Province and Kibondo division in the Western Province (today, Kigoma region) had shown a desire for the creation of a cooperative society/organization. But the capacity to operate a society was lacking because the standard of literacy was low and it was not possible to recruit clerical staff from the district (TNA, 36883a). Therefore, the board had to fill these

functions, which were provided under Section 6 of the Native Tobacco (control and marketing) ordinance (TNA, 36883b). However, according to the Commissioner of Co-operative Development, R. S. W Malcom regarded this as a failure to promote cooperative societies (TNA, 36883c). Understandably, the role of being a registrar of cooperative societies was not merely to register but also to establish, promote and strengthen cooperative societies.

## **The post-colonial phases**

### **Four phases can be distinguished in the post-colonial era.**

#### **The first phase**

The colonial post-war period signified a new chapter in the expansion of the cooperative movement, and covered such regions as Mbeya, Songwe, Kagera and WCGA. However, the post-colonial government inherited a movement limited to a few regions and non-existent in most parts of the country. This became a crucial topic for the new government. Following the independence from Britain in 1961, Tanzania's post-colonial government, under the TANU party, initially continued the colonial policy, but gradually 'transplanting' became the new policy. Politicians and government officials were deployed in rural areas to encourage growers to set up cooperatives in public meetings – the perception was that growers had limited knowledge and incentives to form their own societies. The common view was that governmental intervention was necessary to enhance social change and agricultural transformation. In short, the policy was successful and a large number of cooperatives covering a wide range of agricultural commodities were founded.

Further, the government sponsored the formation and registration of the apex cooperative body the Co-operative Union of Tanganyika (CUT) in 1962 that drew membership from all cooperative unions in the country and a total of 760 primary societies (Horace Plunkent Foundation, 1962: 242). CUT was charged with providing cooperative education and advisory services that replicated the British's cooperative union. The government's position was provided under the National Agricultural Products Board Act, 1962, which primarily envisioned the control of crops, implying a direct government involvement in agricultural marketing. To this effect, the government strengthened the administrative apparatus responsible for cooperation and adjusted the cooperative legislation to fit the new strategy. This brought the cooperatives under strictly political and ideological imperatives dictated by the Government.

Moreover, the government amended Section 50 of the cooperative legislation in November 1962 by the responsibilities of the Registrar of Co-operative Societies provided under the Co-operative Societies Ordinance (Cap. 211), No. 55, of December 3 1952 being handed over to the minister responsible for cooperatives. At this juncture, the minister approved societies. Under the amendment, the registrar's powers and functions were vested in politicians. Registration and promotion of the cooperatives became a political issue and a priority dominated by a desire to expand the footprint. The registrar's role was reduced to record keeping for registered societies and membership (Seimu, 2015).

The promotion of cooperatives, mostly the AMCOS, was considered as a key driving force in invigorating the rural development and the economy at large. The post-colonial government had to demonstrate its commitment by adopting a policy that provided for an increased expansion of the cooperative movement's footprints in the country, which implied drafting in

more members to the cooperative societies. This was viewed as important, mainly to mobilize and modernize agricultural and rural development that was in disarray following the years of colonization and perpetuated inequality, which were viewed as a threat to national unity and stability (Seimu, 2015).

The post-colonial government saw the cooperative movement as instrumental for the 'Africanization' of important economic sectors, the policy aimed directly at eliminating Asian traders from crop marketing. Not only was the aim to set-up cooperatives in every part of the country, but also for every economic sector in both urban and rural communities, for instance credit, industrial and supplier of consumer goods, and transport sectors previously dominated by Asians (CUT, 1977:55). The main objective was to seize control of the economic sectors that had been under the dominance of expatriates (URT, 1966: 5). Nevertheless, the promotion of AMCOS' initiatives was not always conducted with caution and undermined the International Co-operative Alliance's (ICA) procedures in creating cooperatives with longevity that have to pay attention to the interests of their members.

### **The second phase**

The First Five-year Plan marked a beginning of the political shift – by TANU – away from capitalism towards socialism, which was unveiled in the Arusha Declaration (ArD) of February 5 1967 (URT, 1964: 43; Nyerere, 1968: 13–37). Under the ArD, major means of production and exchange were nationalized and placed under the control of workers and peasants through the government and cooperatives. With the nationalization of estates and plantations, the government could not cope with managing nationalized farms due to the lack of staff and funding. Therefore, it had to rely on cooperatives, for example, the KNCU. It was envisioned that the cooperative movement – under the policy of socialism – would facilitate Tanzania's transition towards economic independence and self-reliance.

During the implementation of the First Five-Year Development Plan, the Presidential Special Committee of Enquiry into the Co-operatives Movement and Marketing Boards was appointed in 1966 amid complaints from growers and cooperative members about the terms of payments for their products. The commission recommended – among other things – a strengthening of the Cooperative Unions. Consequently, several developments took place; first, Paper No. 4 of 1967 was published that provided a new policy direction for the movement. Second, the policy recommended the creation of multi-purpose cooperative societies intended to replace 14,000 Asians that controlled the retail sector and 4,000 in wholesale businesses, where the involvement of Africans had been negligible (Albaum & Rutman, 1967: 54–58). Third, the commission report signified the beginning of the strangulation of AMCOS in the country. The report did, for example, recommend a restructuring of the ts and, as a result, in January 1968 the VFCUS, which was the largest growers' organization in Sub-Saharan Africa, was dismantled. The government's standpoint was that the VFCUS had lost its connections to their grassroots members, societies and the unions (CUT, 1977: 36). The VFCUS was renamed the Nyanza Co-operative Union (NCU) and followed by orders from the government to create cooperative unions in each region in the country.

Moreover, the commission recommended a restructuring of AMCOS, particularly the regional cooperative unions. This recommendation was implemented through the Government Notice No. 3 of 1966 and all cooperative unions in each region should be merged into one. The government viewed the amalgamation of the unions as cost-effective and as a measure to



resuscitate poor performing unions. The forced amalgamations were, however, carried out without the consent of the members. In implementing this order, the authority considered regional administrative boundaries as a primary factor but ignored key aspects such as business risks and prospects, and maybe even more importantly, members' interest and their commitment to the cooperative ideal.

### **The third phase**

The Second Five Year Development Plan (1969–1974) revolved around the ArD – building a socialist state. It also emphasized that cooperatives should be production-oriented to first contribute to general economic growth and second members' well-being' (Nyerere, 1968: 67, 352). This marked a clear disorientation of the cooperative purpose. The cooperative movement, in particular AMCOS, was perceived as key for the implementation of the socialist policy as well as a driver of rural development. With this shift, it became clear that the cooperatives' function was given a political role under the control of the party and the government (Seimu, 2015). This was a significant break from the International Co-operative Alliance's (ICA) cooperation model. Nyerere motivated this move by asserting that the government promoted cooperatives because that was the only way in, which to protect growers against exploitation.

### **The fourth phase**

A further shift was signalled in a policy document, *Socialism and Rural Development (Ujamaa na Maendeleo Vijijini)*, published in September 1967. The document was an integral part of the Arusha Declaration, addressing social and economic inequality in rural areas. The policy stressed the importance of rural transformation provided by Paper No. 4 on the Ujamaa villages where people in rural areas should live together, jointly owning means of production and working communally (URT, 1967). The Ujamaa villages constituted a model that borrowed some elements from the colonial era settlement schemes and resembled the Chinese and Israeli rural development programmes. The policy was provided by legal backing in 1975 under the Ujamaa Villages Act of 1975, giving legitimacy to all newly established villages. The Act designated villages as agents and basic crop collection points for crop authorities for Coffee and Cotton (formerly referred to as the marketing boards). In addition, newly formed institutions such as the National Milling Corporation (NMC) and the General Agricultural Export Company (GAPEX) created in 1973, were given responsibilities for production and development. In addition, the state took on the role of merchants in the form of crop authorities. Under the new marketing arrangement, the primary cooperative societies and unions were made redundant, thus paving the way for the government to intervene directly through its agencies in exploiting the growers (Seimu, 2015). The legislation replaced primary cooperative societies by villages recognized as the cooperative entities responsible for and acting as sub-agents of marketing boards with multi-purpose functions (marketing or collection of crops and input distribution). The regional cooperative unions do no longer have access to crops. This was also an indication of the declining governmental interest in the traditional model of cooperatives as both agents of social and economic change as well as for political purposes (Seimu, 2015).

The village was the lowest level in the government's hierarchical structure where – unlike cooperatives – it was more suitable to be incorporated with political control of the rural community and to be engaged in the supervision of crop production as well as marketing.

Under the villagization, membership became compulsory for all adults. At this juncture, the cooperative movement with capitalist-oriented elements was guided by principles that encourage individualism based on voluntary membership. Such features failed to deliver an envisioned communal way of life that was enshrined under Ujamaa. Additionally, each village became a political and ideological unit, and this undermined the cooperatives because the politicization was contrary to the cooperative principles (Seimu, 2015).

Sub-section 14 of the legislation indicated that a ‘cooperative society can operate within village’, but according to the law, primary cooperative societies were illegal in all villages across the country. The legislation framed and structured a village management by borrowing key elements from the cooperative legislation and the constitution of the ruling party. The Act provided the villages with an opportunity to buy crops from producers and directly market their products to the statutory crop authorities while denying the primary cooperative societies to do so. The Village and Ujamaa Village Act stipulated that the village assembly was to elect a chairman who also automatically became the chairman of the cooperative organization. The leadership and governance were not a product of democratic practice but imposed by the government (Seimu, 2015).

On May 15 1976, the government officially dissolved the AMCOS but the decision did not affect consumer, industrial and savings, and credit cooperatives. This marked the beginning of the entire rural community coming under direct control of the government. The decision meant that the agricultural sector was placed under the government’s socialist-planned and controlled economy (Seimu, 2015). This was the culmination of the government’s installation of socialistic cooperatives at the village level, the nationalization of the means of production and growers being detached from their assets and ownership.

However, the village cooperatives did neither have a legal basis nor by-laws for managing village cooperative businesses. The only guidance available was based on the village’s party branch powers, which had nothing to do with the cooperative. Thus, the cooperative model was shredded, crippled and became meaningless (Seimu, 2015). The policy also disempowered growers who were left without any institutional arrangements or forum to discuss their situation. Understandably, such functions were handed over to the village government with the expectations to operate like Israel’s kibbutz and Moshav (Owusu, 1999, p. 323; Jacob, Undated). The Ujamaa villages were designed to be production cooperatives, ideal for economies of scale by pooling resources together such as land and the use of modern farming machinery. Ideally, the primary objective was to meet the political demands of the ruling party. The party was committed to eradicate all types of exploitation of man by man, but the village leadership paid more attention to the ruling party’s interests than those of the cooperatives. Hence, the village as a cooperative or kibbutz and moshav concept failed to nurture or exploit skills, training and knowledge of the cooperative business (Seimu, 2015).

## **Conclusion**

This chapter concludes that the colonial and post-colonial authorities intervened in the formation of cooperatives because they were of economic strategic importance. However, the first phase was characterized by the colonial hesitancy to promote the policy based on political and private interests and granted them monopoly in handling and exporting small-scale produced coffee, cotton and tobacco. During the phases covered in this chapter, the established legislations reinforced the government control over the cooperative movement and, in turn, the

producers. Thus, the cooperative movement never attained an autonomous status and instead became part of the government machinery in extracting resources and exploiting small-scale growers. The post-war years witnessed of the colonial authority's persistent encouragement of agricultural marketing cooperatives. Importantly, this was a period when colonial policies regarding cooperatives and African produced marketing were being brought in line with the Colonial Office post-war marketing and development policy. The encouragement of the cooperative societies was mainly to facilitate marketing and sustain the post-war British economy. At this juncture, the growers and the Tanzanian agricultural industry were directly linked to the colonial power's post-war reconstruction. Against this background, the existing cooperative societies were maintained and new ones promoted to facilitate Great Britain's access to export crops and counteract British economic woes. The use of the cooperative movement was a viable way of further exploiting colonial resources. The post-colonial authority perpetuated the colonial policies in promoting cooperatives and interventions strengthened the governmental control over them. The cooperative movement became an integral part of the propagation of the socialist/ujamaa ideology.

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