

Governance in Co-operatives and the Competitive Business Environment in Africa

By

Eligius Benjamin Danda

Department of Outreach programmes MUCCoBS

Mushumbusi Bamanyisa

Department of Documentation and Publications, MUCCoBS

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Organizations, mostly agricultural-based, have pioneered the provision of important social and services for their members, albeit to some limited extent largely in rural Africa as well as in urban Rural smallholder agricultural producers in sub-Saharan Africa (SSA) through their cooperatives, contribute immensely to the overall economic growth, but are in the least remunerative sector in the economy. Most if not all countries in SSA witnessed, in pre and post independence epochs, attempts to tailor co-operatives vehicles for development in their countries. Along the path of revitalizing and reforming co-operatives, varied presidential commissions were mandated to advise policy makers with limited successes or in some implementation of recommendations resulted in dismal performance. Advent of economic liberalization in terms of Structural Adjustment Programmes (SAPs), brainchild of World Bank and International Monetary Fund (IMF), and ushering in of globalization of the world economic system complicated further the situation of co-operatives.

Like forms of enterprises, cooperatives create opportunity for income generation employment, increase the availability of goods and services and contribute to economic growth. Most co-operatives are facing vagaries and challenges of changing business environment that demands new business skills, managerial practices, and new approaches in co-operative development and management by the government on the one hand forming external environment, while the internal environment involves principal-agency relationship concerning owners who are co-operative members and agents comprising leaders and management on the other. One emerging role is advocacy. Advocacy in its generic sense is increasingly becoming fundamental and centre stage now, than at any time in the struggle for member-based co-operative entrepreneurial growth in Africa.

Agricultural co-operatives in SSA lead transformation and modernization of rural economy, national economic growth, sustained reduction of mass poverty and ward of food insecurity; and are associated with agricultural green's revolutions; given different names like Kilimo Kwanza

(Agriculture First) Resolution in Tanzania, which require re-considering the role of cooperatives and the way they carryout their business