

**How Informal Cooperation is Informal in the Entrepreneurship ERA  
Lessons Informal Groups in Sukuma and Chagga Communities**

**By**

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**Abstract**

This paper is an attempt to assess the roles and functionality of the informal (traditional) cooperation (IFC) for creating innovation for addressing people's social and economic needs. The paper is based on the study of IFCs done in Misungwi and Rombo District in Mwanza and Kilimanjaro Region respectively. The study emanated from the assumptions that mutual and informal organizations are prominent and spread all over the country, but is neglected by development partners and policy makers (Meshah & Antonh, 2005).

The study involved 61 respondents who were members and non-members of the IFCs. Purposive and random sampling methods were adopted in selecting respondents. The study was mainly qualitative, and methods used in collecting data comprised semi-structured interview, in-depth interviews, focus group discussions and participant observation. A questionnaire survey and consultation of secondary sources were used to concretize information collected.

The study observed that, the small sized; informal groups are governed by norms and values which bind them, making them long lasting (sustainable) and beneficial to their members. They are useful instruments in addressing members' and community needs and problems, and contribute in entrepreneurial innovations. Research findings also indicated that, although the IFCs are useful organisations, they are not given due attention as essential peoples' organisations by the development partners and policy makers. They are neglected due to their informality status.

The researchers urge policy makers, supporting institutions and development partners to pay attention, recognise them and provide the required support to ensure they grow and accomplish their vision and mission, and eventually enter the mainstream economic and social legal entities.

**Key words:** Co-operatives, informal cooperation, IFC, members' needs