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**INTERNATIONAL CO-OPERATIVE ALLIANCE**  
**Regional Office for East, Central and Southern Africa**  
**P.O. Box 946, MOSHI, Tanzania.**

**REGIONAL CO-OPERATIVE DEVELOPMENT**  
**DECADE IN EAST, CENTRAL**  
**AND SOUTHERN AFRICA**  
**1985-1995**

**A Report on the ICA/FAO/ILO**  
**Inter-agency Mission to Tanzania in**  
**Support of Co-operative Development**

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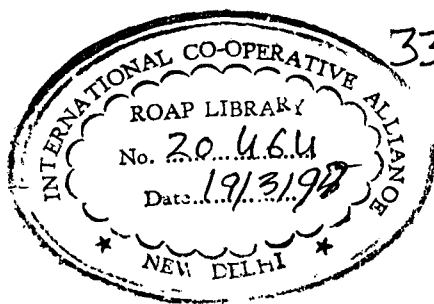
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**A Report on the ICA/FAO/ILO  
Inter-agency Mission to Tanzania in  
Support of Co-operative Development**



MAY 1986

**COUNTRIES SERVED BY THE ICA REGIONAL OFFICE, MOSHI**



**KEY:**

- Co-operative Movements are members of ICA
- Non-members but served by ICA Regional Office on Complementary basis.

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## ACRONYMS

AMSAC	Appropriate Management Systems for Agricultural Cooperatives
ASP	Afro-Shirazi Party
CASC	Cooperative Audit and Supervision Corporation
CCD	Commissioner for Cooperative Development
CCM	Chama Cha Mapinduzi
CRDB	Cooperative and Rural Development Bank
CUT	Cooperative Union of Tanzania
DCD	Department of Cooperative Development
EEC	European Economic Community
FAO	Food and Agriculture Organization
FES	Fredrich Ebert Stiftung
ICA	International Cooperative Alliance
ILO	International Labour Organisation
MATCOM	Materials and Techniques for Cooperative Management Training
NCDDC	National Cooperative Development Coordinating Committee
NEC	National Executive Committee
SCC	Swedish Cooperative Centre
SIDO	Small Industries Development Organisation
TANU	Tanganyika African National Union
UCS	Union of Cooperative Societies
WASHIRIKA	Cooperative Union of Tanzania/Union of Cooperative Societies
ZPP	Zanzibar Peoples Party
ZNP	Zanzibar National Party

## FOREWORD

The International Cooperative Alliance, through its Regional Office for East, Central and Southern Africa, convened in May 1984 the First African Ministerial Conference, bringing together top policy makers responsible for cooperative development in eleven countries in the Region. The Ministers decided to draft and adopt a Gaborone Declaration for a Regional Cooperative Development Decade 1985-1995 for East, Central and Southern Africa. This declaration confirmed the key role that cooperatives are playing in African countries and committed the governments of the Region to work for strong self-reliant cooperative movements in their countries.

An ICA Regional Cooperative Development Coordinating Committee was formed which has now met twice. At a meeting in Rome in June 1985, the ICA solicited the support of the FAO and ILO and as one immediate result, an ICA/FAO/ILO Inter-agency Mission was formed that visited Lesotho and Tanzania between July and September 1985 and then visited Tanzania for a second time for four weeks in April/May 1986.

This report by the Inter-agency Mission is in support of the Regional Cooperative Development Decade 1985-1995 and marks an important step to implement the Gaborone Declaration. The report is produced by a team consisting of Mr. Charles Gashumba, ICA (Team Leader), Mr. Colin McKone, FAO Consultant and Mr. William Craw, ILO Consultant. The Mission has during the period of six weeks studied the cooperative development in Tanzania and addressed itself to the following aspects, Government Policy and Support, Structure and Organisation of the Cooperative Movement, Progress towards Self-reliance and Coordination of Cooperative Development.

The report focuses attention on major policy issues relating to cooperative development in Tanzania. Whilst not claiming to be comprehensive in its treatment or to represent always the views of ICA, FAO, and ILO, the report is regarded by ICA and the two UN agencies involved as a first significant step in the process of continuing dialogue by all parties concerned with cooperative development. This dialogue would aim at formulating policies and programmes to promote and strengthen cooperatives and similar institutions in a fully participative way and directly related to co-priorities for national development.

Thanks to the support provided by leaders and policy makers, both from the cooperative movement and government ministries and institutions directly or indirectly responsible for cooperative development in Tanzania, and to the

experience and competence of the team members, the report presented provides a sound basis for further fact-finding and mutual consultation. The ICA, the FAO and the ILO are happy to present this report together also as a demonstration of how the UN agencies can support the ICA and its member organisations in the promotion of Cooperative Development in East, Central and Southern Africa. The circulation of this report remains restricted to Tanzania until such time as the authorities wish to make it more widely available.

We now suggest a follow-up through a National Workshop on Cooperative Development Policies and Programmes in Tanzania where the issues raised in the report could be further examined, clarified and developed as appropriate. Through its Regional Office Director in Moshi, the ICA will contact the relevant authorities in Tanzania about possible arrangements for holding such a workshop.

Charles Haba Gashumba  
*Acting Regional Director*

## P R E F A C E

The ICA/FAO/ILO Inter-agency Mission was constituted by the three agencies at the request of the ICA as a follow-up to the First African Ministerial Cooperative Conference held in Gaborone, Botswana in May, 1984. The Ministerial Conference declared a Cooperative Development Decade, 1985-1995, whose theme would be Progress Towards Self-Reliance of the cooperative movements in the countries of the East, Central and Southern Africa Region. The countries in the Region whose cooperative movements are members of the ICA are: Botswana, Kenya, Lesotho, Mauritius, Somalia, Sudan, Swaziland, Tanzania, Uganda and Zambia. Zimbabwe is in a process of becoming a member.

The Mission has visited Tanzania on two occasions in the course of preparing this report. The first visit was from 25 August to 7 September 1985, to conduct a pre-survey. The second visit was from 7 April to 5 May 1986, for an in-depth study. The prime purpose of the Mission was to review cooperative development in Tanzania in the context of the Regional Cooperative Development Decade as declared by the Ministerial Conference and in conformity with its terms of reference (See Appendix 1).

The Mission has not looked into the whole range of cooperative development issues, because of the time constraints, but rather has restricted itself to four critical areas: Government Policy and Support, Structure and Organisation of the Cooperative Movement, Progress towards Self-Reliance and Coordination of Cooperative Development.

The members of the Mission were drawn from the three agencies and the Cooperative Union of Tanzania and comprised:

- 1 Mr. Charles Haba Gashumba — ICA Consultant (Team Leader)
- 2 Mr. Colin E. McKone — FAO Consultant
- 3 Mr. W.M. Craw — ILO Consultant
- 4 Mr. H. Chibulunje — CUT Representative

In the course of conducting its work, the Mission had the opportunity of meeting and holding discussions with leaders and policy makers, both from the cooperative movement and government ministries and institutions directly or indirectly responsible for cooperative development. In addition, the Mission was able to consult with secondary cooperative unions and primary societies in seven regions on the Mainland, and also visited Zanzibar. It was possible to meet with several donor agencies supporting cooperative development. The reference literature and reports which were put at the disposal of the Mission by the institutions visited, were valuable supplements to the information gathered through discussions.

The Mission wishes to express its gratitude to Mr. D.W. Hollela, the Secretary General of the CUT, and his staff who played host to the Mission and for making



all the necessary arrangements and providing the needed logistic support. The Mission also wishes to express thanks to Mr. F.M. Tuniga, the Commissioner for Cooperative Development, Mainland, and Mr H Mauled, Commissioner for Cooperative Development, Isles, together with their respective members of staff for the willing support they provided. The Mission would wish to express its gratitude to the staff and, in some cases, members of the Board of the Regional unions and primary societies they visited for kindly and cooperatively making themselves available for interviews and also supplying the data required by the Mission.

The Mission would also wish to acknowledge the kind assistance and logistic support provided by the FAO and ILO Offices in Dar-es-Salaam and the ICA Regional Office, Moshi, and for its overall coordination. The Mission extends a particular word of thanks to Mr. G. Knutsson, the Regional Development Coordinator, for the many valuable suggestions he made to improve the report during a period of ten days he was made available by the ICA Regional Office to work with the Mission. The valuable information provided by all the persons the team met (See Appendix 2) is deeply appreciated. Finally, due acknowledgement goes to Mr. C.H. Gashumba for editing the final version of this report on behalf of the Mission.

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## 1. SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

The ICA/FAO/ILO Mission represents a unique approach in inter-agency collaboration in jointly reviewing cooperative development in Tanzania on the general theme of Progress Towards Self-Reliance. An Inter-agency approach contrasts with the tendency in the past, for external donor agencies at times, to provide assistance in an uncoordinated manner which has not always been in the best interests of the host country.

The Mission was assembled by the three agencies at the request of the ICA as a follow-up to the First African Ministerial Cooperative Conference held in Gaborone, Botswana, in May 1984, which declared a Cooperative Development Decade, 1985-1995, with the theme of Progress Towards Self-Reliance of the Cooperative Movement in the countries of the East, Central and Southern Africa Region.

- 1.1 The Mission supports the recommendation of the Gaborone Conference, that a clear and coherent cooperative development policy statement, providing written guidelines and an operational framework, is an indispensable means of securing coordinated and sustained cooperative growth in accordance with the political, economic and social objectives of a country. The Mission notes that apart from periodic announcements by Government and Party Directives, Tanzania has no formal statement of cooperative development policy. The Mission recommends that a National Workshop be organised at an early date to discuss the issues involved and to formulate policy recommendations. The Mission emphasises the essential need to organise this on a highly participative basis ensuring effective representation of the cooperative movement at all levels, together with Party and Government Leaders. The three organisations, ICA/FAO/ILO, are prepared to provide the support of experienced resource persons.
- 1.2 It is recommended that in Tanzania's new phase of cooperative development, the Department of Cooperative Development prepares a detailed plan for the progressive transfer of all but its purely statutory functions to the Cooperative Movement. An immediate start could be made by transferring guidance/supervisory functions to selected regional unions using, where necessary, temporary government subventions to the unions.
- 1.3 The Mission observes that the concept of a rural multi-purpose primary and a multi-purpose regional union is unnecessarily restrictive and serves to constrain development progress. The Mission recommends greater freedom at primary and secondary level for the registration of sectoral/specialised cooperatives.

- 1.4 The Mission accepts that Washirika is not a genuine national cooperative apex but currently performs a transitional caretaker role. The Mission is convinced that it would be inappropriate for a cooperative apex to be legislated into existence as is proposed by Washirika. The Mission recommends that there is a vital and urgent need to provide a forum for representatives of the cooperative movement, i.e. the primaries and the regional unions, to meet, discuss and take decisions about the kind of national apex organisation they want; and to apply for its registration under the existing cooperative law which already adequately provides for the creation of an apex.
- 1.5 The Mission believes that there is a need for structural change in the movement in Tanzania and offers two options to stimulate discussions:
- (a) at the primary and secondary level, there should be freedom for specialised cooperatives to be formed. For purely economic and business affairs, specialised secondaries should be allowed to form national sectoral organisations. This pattern in both Tanzania's Mainland and Isles would permit the formation of a federal apex for the United Republic for political, education and representation functions
  - (b) again at primary and secondary levels, specialised cooperatives would be permitted, but instead of secondaries forming national tertiary organisations, they might form national multi-purpose apexes with economic functions. The respective national apexes (Mainland and Isles) might then federate in a United Republic apex for political, information, education and representation functions.
- 1.6 The Mission notes with concern a fresh Party initiative to create production-oriented cooperatives on a communal basis. The government's own 1981 Village Survey indicated that less than 3% of the arable land in Tanzania was being farmed on a communal basis, demonstrating that the rural people were only participating on a "passive" basis if at all. The Mission is convinced that any pursuit of this policy must inevitably lead to a decline in food and cash crop production, which in turn will negatively affect the well-being of the people and the growth prospects of cooperatives in agriculture.
- 1.7 The Mission is equally concerned about the Party Directive, which calls for the sub-division of registered rural primary societies to allow a return to the concept of one village, one cooperative. The Directive does not assist the development of a viable cooperative movement.

- 1.8 The Mission has observed with encouragement, the enthusiasm and energy being devoted to the re-establishment of the regional unions but recommends review and action on the following points:
- a) Regional unions must be aware that they are owned by the primaries and their purpose is to serve the primaries, be responsible to their needs and promote their interests.
  - b) Primaries should seek to increase their shareholding and influence over the unions that they have created.
  - c) Cooperatives do not appear to be adequately represented in negotiations with government on producer prices.
  - d) The pursuit by the regional unions of income-generating activities, not directly related to the services that they are meant to provide to their members, may further distance them from the primaries
  - e) The Mission has observed with concern the rapid increase and diversification of the activities of regional unions in a brief time span. There is a real danger that their management, financial and other resource capabilities are being over-stretched. The regional unions would be prudent to concentrate on servicing the member needs of their primary societies.
- 1.9 The Mission was encouraged to note the progress with inter-cooperative trade being developed between the regional unions forming the basis for cooperative distribution system. A most effective way of stimulating agricultural production would be to make more readily available a range of essential and desirable consumer goods on which rural producers could spend their money — [See 1.12 (d)]. This creates a very strong case for rural industrialisation and particularly agro-processing through agricultural cooperatives supplemented by industrial cooperatives.
- 1.10 There is a need for both the individual society and the movement as a whole to identify and use indicators of progress towards self-reliance. More applied research on the operational problems of the cooperative movement is needed. A semi-autonomous research unit should be established and charged with this responsibility. The Cooperative College or the Apex organisation could provide a possible venue for the research unit.
- 1.11 In reviewing the need for assistance to the cooperative movement, the Mission concluded that much could be achieved internally by more effective coordination and deployment of existing resources. One of the important and pressing needs of the cooperative movement is access to

foreign exchange in order to obtain spare parts, vehicles, machinery for processing coffee, cotton and oil seeds etc

A widespread need exists for additional management advice and planning in the regional unions. Only eight of the twenty three unions presently benefit from this type of support under the Nordic Project (See Appendix 6 for the Nordic Project objectives). Zanzibar is in particular need of internal and external support to exploit its existing potential for successful cooperative development.

- 1 12 The Mission identified the need for detailed surveys/studies to determine
- a) manpower and training needs at all levels of the cooperative sector;
  - b) capital investment requirements as part of a national cooperative investment plan for external support;
  - c) strategies for improving the performance of the rural multi-purpose primary societies;
  - d) strategies and resources required to develop a viable network of consumer cooperatives in rural and urban Tanzania;
  - e) the establishment, funding and location of a semi-autonomous research unit and data bank for the cooperative movement.

National institution such as the Cooperative College, the Apex and the University, could undertake these studies with, in some cases, assistance from external agencies.

## 2.

### **BACKGROUND INFORMATION**

In May 1984, the International Co-operative Alliance, Regional Office for East, Central and Southern Africa, convened the First African Ministerial Conference bringing together top policy makers responsible for cooperative development in eleven countries in the Region.

This meeting was called for by the Regional Council which is the highest policy-making and advisory organ of the International Co-operative Alliance for this Region. Realising the positive role that governments play in the promotion of cooperatives, Ministers responsible for Cooperative Development, Commissioners and/or Directors of Cooperative Development, together with Chairmen and Chief Executives of the National Apex Organisations, were all invited to attend. The primary purpose of the conference was to provide an opportunity for the delegates to exchange views, experiences and knowledge, on matters and issues crucial to successful cooperative development.

Following two days of intensive discussions, the Ministers decided to draft and adopt a Gaborone Declaration for a Regional Co-operative Development Decade 1985-1995, for East, Central and Southern Africa. This declaration confirmed the key role that cooperatives are playing in African countries, and committed the governments of this Region to work for strong self-reliant cooperative movements in their countries, especially in the areas of finance, manpower training, diversification of services to members, all based on continuous growth and development.

The conference was also attended by representatives of leading international agencies closely concerned and supporting cooperative development programmes. Two of the agencies belonging to the UN system — the Food and Agriculture Organisation (FAO) and the International Labour Organisation (ILO) committed themselves to assisting the International Co-operative Alliance with the implementation of the Co-operative Development Decade. A meeting of the three agencies, ICA, FAO, ILO, took place in Rome in June, 1985. This meeting confirmed that the Decade offers an important opportunity for reviewing and assessing progress towards self-reliance of the cooperative movements, bearing in mind the mutuality of interests between governments and the cooperative movements. The three agencies committed themselves to work together and field an inter-agency Mission to two countries in the first instance, Lesotho and Tanzania.

The purpose of the Mission's visit to Tanzania was to hold discussions with representatives of the cooperative movement and government departments and agencies directly or indirectly involved with cooperative development. The theme of the discussions was 'Progress Towards Self-Reliance'. The report which follows contains the observations and recommendations of the Mission on a number of key issues whose resolution may facilitate the attainment of self-reliance by Tanzania's cooperatives.

A draft summary of the Mission's observations and recommendations was presented to a round-up meeting held in Dar-es-Salaam on 3 May 1986, which was chaired by the Commissioner for Cooperative Development and attended by representatives of the various organisations involved. The report was also reviewed by the three agencies at a meeting held at ICA Headquarters, Geneva, on 9 May 1986, before the formal submission of the report to the Cooperative Movement and the Government of Tanzania.

### 3. BRIEF HISTORY OF CO-OPERATIVE DEVELOPMENT IN TANZANIA

#### 3.1 Mainland

The history of the Co-operative Movement in Tanzania Mainland dates as far back as 1925 when an association known as the Kilimanjaro Native Planters Association was formed. In 1932, the first co-operative law, the Co-operative Societies' Ordinance, was passed and it paved the way for the formation of a number of Cooperative Societies and Unions. In 1933 came the formation of Kilimanjaro Native Co-operative Union with eleven (11) affiliated primary co-operative societies. Then followed the formation of Ngoni-Matengo Co-operative Union in Songea (1936), Rungwe African Co-operative Union in Mbeya (1947), Bukoba Co-operative Union in Kagera (1950), Victoria Federation of Co-operative Unions in Mwanza (1955) and Bugufi Co-operative Union in Ngara (1957). The Co-operative Movement continued to expand with forceful momentum and at the time of Independence, there were 38 Cooperative Unions and 691 Primary Societies. The National Cooperative Apex Organisation, Co-operative Union of Tanzania (CUT), was formed in 1961.

The Cooperative Movement, based on a three-tier system, continued to expand, both in strength and coverage, until 1976 when a major policy decision of the Party and Government was taken resulting in the dissolution of conventional cooperatives at all levels in the Agricultural Sector. By 1976, when the Unions were dissolved, there were 21 Cooperation Unions with an affiliation of 2000 Multi-purpose Primary Cooperative Societies. The dissolution of the Unions led to a two-tier system with the Village Cooperative Societies and other urban based cooperative societies directly affiliated to the Apex. The new Apex, the Union of Cooperative Societies (WASHIRIKA)\*, was formed in 1978 and an Act to legalise it was enacted in 1979. This new apex covered both Mainland and Isles. When the Cooperative Unions were dissolved, their assets, and control of input/output services, were transferred to state organs. High operating costs and a heavy bureaucracy saw those state organs absorb an increasing share of the value of the products they handled at the expense of both the farmers and the Government. Declining production in major crops and growing pressure from the farmers combined to make the position of the parastatals increasingly untenable.

\*WASHIRIKA has been interchangeably used to mean the Union of Co-operative Societies (UCS) and the Cooperative Union of Tanzania (CUT).

A decision was therefore taken in 1982 to restore the Cooperative Movement in a more or less conventional form. So, in 1982 a Cooperative Societies Act was passed with provisions for the revival of a three-tier system. At this point in time UCS, which was constituted as a Mass Organisation, changed its name to CUT and currently has a caretaker role as the apex organisation. Since the enactment of the 1982 Cooperative Societies Act, a total of some 2000 primary cooperative societies of different types and twenty three (23) cooperative unions have been registered. According to the Act, the apex organisation, "When formed and registered", would be expected to perform various functions to serve its members and hence fulfil the three-tier system stipulated in the law. Up to the time of writing this report, the apex organisation has not yet been registered.

### 3.2 Tanzania Isles

Unlike Tanzania Mainland, the Cooperative Movement in the Isles has its background in the Multi-party System which used to prevail in the past. Cooperative groupings operated on a Party basis whereby members of different political parties like ASP, APP, ZNP organised to form cooperative societies which were registered under Decree No. 4 of 1958. After Independence, such cooperative groupings died out due to various reasons ranging from mismanagement, dishonesty, lack of adequate accounting systems, etc. But more particularly, these cooperative groups died out because after independence, the new government decided to put all economic and social activities under state control and therefore allowing no other organisation, cooperatives included, to carry on economic and social functions. From the time of independence in 1963 up to 1978, after the merger of the two political parties, TANU and ASP to form CCM, there was no active Cooperative Movement in the Isles. Cooperative activities started again in 1978 in order to conform with the New Party Constitution which provided for the creation of five Mass Organisations, cooperatives being one of them.

In 1979, Decree No. 3 of the Zanzibar Government was passed in order to give room for registration of primary cooperative societies, mainly consumer societies, which had to be affiliated to the national apex — Union of Cooperative Societies — under a two-tier system covering both Mainland and Isles. Later on, a number of other types of cooperatives like fishing, industrial, production etc., were encouraged and formed in order to improve the cooperative structure. Up to March 1986, there



were 804 registered primary cooperative societies in Zanzibar Island and 434 in Pemba

A new Cooperative Societies Act, similar to the one on the Mainland, has been enacted by the Zanzibar Government in April 1986, providing for a three-tier system. Since the enactment of the law, one regional cooperative union in Zanzibar Urban West has been formed. According to the Act, there will also be an apex organisation for the Isles.

#### **4. GOVERNMENT POLICY AND SUPPORT**

##### **4.1 The Need for a National Cooperative Development Policy**

The First African Ministerial Cooperative Conference, held in Gaborone Botswana, in May 1984, while outlining the future strategies for cooperative development in the region observed that:

‘‘There must be a clear statement of policy regarding the development of cooperatives in each country of the Region. This policy statement must contain the economic, social and political objectives ‘

In the Gaborone Declaration for the Regional Cooperative Development Decade, the Conference echoed the same sentiment by acknowledging.

‘‘that necessary steps should be taken to enact appropriate legislation and cooperative development policies designed to create conditions conducive to accelerated cooperative development’’.

Such a clear and coherent policy statement providing written guidelines and an operational framework for long-term sustained cooperative development, however, does not exist in Tanzania. In the absence of such a policy document, policy decisions have been taken through periodic Party Directives and Government Pronouncements.

The Mission would wish to define a Cooperative Development Policy as a set of broad decisions made by the Government, after consultation with all concerned, indicating precise goals and the strategies for achieving those goals. It should be pointed out that, while goals may be reasonably stable over the long-term, the strategies will change in response to societal dynamics.

It is, therefore, the view of the Mission that a comprehensive and written Cooperative Development Policy should be formulated as a matter of urgency. A formal policy would:

- a) Facilitate cooperative development in the context of the overall national planning, thereby enabling the cooperative sector to pull together with other sectors of the economy.
- b) Provide tangible and widely acceptable goals to accelerate cooperative development.
- c) Remove inconsistencies and contradictions that might hinder cooperative development.

To be sufficiently comprehensive, and also ensure that it is widely supported, the formulation of such a policy must be undertaken on a highly participative basis involving the Cooperative Movement, the Party and the Government. The approach adopted in the formulation of the published Tanzania National Agricultural Policy in 1982 is a useful example whereby views and opinions were sought from a wide spectrum of the society.

The Mission notes that genuine attempts are being made to formulate a National Cooperative Development Policy. A draft policy proposal was written by the Cooperative College in August 1984 and passed to the CUT and the Department for Cooperative Development (DCD) for consideration. The Mission learned that the CUT has translated the document from English to Swahili and has circulated it to the cooperative unions for their comments. This document and comments should be tabled as a working paper for the National Workshop discussed below.

#### **4.2 The Case for a National Cooperative Workshop**

As pointed out above, in order to formulate a National Cooperative Development Policy, there is need for broad based and highly participative discussions. It is the considered opinion of the Mission that a National Cooperative Workshop should be organised without delay under the auspices of the National Cooperative Development Coordinating Committee (NCDCC) which is in the course of being formed, following the recommendation of the Ministerial Conference. (See p. 28,7, para 2, for more detail of composition and function of NCDCC).

The objectives of the workshop would be the formulation of a National Cooperative Development Policy; elaboration of strategies for implementation of the policy, giving due attention and discussion to an appropriate structure, in view of the crucial and pivotal role that

economically-viable cooperatives can play in stimulating and sustaining agricultural production and national economic development generally. There should also be discussions on the 1982 Cooperative Act and relevant Party and Government Pronouncements and Directives, with a view to harmonising their objectives and removing any contradictions and inconsistencies. An outline proposal for the organisation of a National Workshop is shown in Appendix 8.

#### 4.3 Cooperative Legislation

The enactment of a suitable cooperative law is one of the measures that a government takes in creating an environment in which cooperatives may prosper. Legal provisions are made to accommodate the unique nature of cooperatives and to offer those who participate certain incentives and protection. The re-establishment of the cooperative unions was made possible by the enactment of the 1982 Cooperative Societies Act which provides for a three-tier system. Two amendments were subsequently published. One was concerned with allowing voluntary membership of a primary society in place of compulsory membership. The second amendment permitted the registration of a primary society with membership taken from more than one village. This second amendment conflicts with the Local Government Act which provides that the Village Council is the sole authority through which economic enterprises are organised. For practical purposes, this anomaly is not preventing the registration of primary societies covering more than one village. So far, about 2000 primary societies have been registered using the criterion of economic viability as an essential requirement. Out of these, only 323 are based on single villages. However, the Village Council still retains responsibility for some economic activities within the village.

In April 1986, a Cooperative Societies Act was passed in Zanzibar covering the Islands, and the Mission has been advised that it is similar in all major respects to the 1982 Mainland Act (Copies of the Act were not available for study). The Zanzibar Act provides for the formation of regional unions and this is in progress with one union formed and four other unions under consideration. With similar legislation on both the Mainland and the Islands, there is provision for the regional unions to form their own cooperative apex organisations. In order to harmonise the political, social and economic environment in which cooperatives operate within the Union of Tanzania and Zanzibar, there could be an opportunity for the two apexes to form a federal apex, which could serve as a Mass Organisation as enshrined in the Party Constitution (See also chapter 5).

So far, the regional unions have not sought the registration of a cooperative apex organisation and the CUT is currently fulfilling this position on a caretaker basis. However, the CUT is not a cooperatively organised body but is one of five Mass Organisations constituted by the Party. The CUT is proposing that they be constituted as the national cooperative apex organisation under a separate act of parliament. The Mission believes that this is inappropriate as there is already adequate provision within the current Cooperative Act to register a National Cooperative Apex. The Mission understands that the CUT has proposed some further amendments to the existing Cooperative Societies Act 1982 but these have not been made available for study.

In addition to cooperative legislation, the Party issues Directives on decisions taken by the National Executive Committee (NEC). One such Directive (August 1985) concerns the implementation of production-oriented rural cooperatives and the Mission's views on this are discussed elsewhere in the report (See chapter 6.1). A paper presented at the annual symposium of the Cooperative College, Moshi, in 1984, by Hans-H. Munkner comments on the Cooperative Societies Act 1982 and the promotion of rural cooperatives in Tanzania. The paper also draws attention to the lack of a clear and consistent conceptual basis in the law and argues the case for a major revision.

#### **4.4 The Department of Cooperative Development (DCD)**

In Tanzania, as elsewhere in the ICA Region, the DCD is financed by the Government and charged with responsibility for the promotion, registration, supervision and general guidance of cooperatives. From the headquarters in Dodoma, the Commissioner for Cooperative Development (CCD) has staff decentralised to regions and districts. Details of the DCD staff strength are given in Appendix 7.

The Mission was encouraged to learn that the audit function, which usually is performed by the CCD's staff, is being progressively transferred to a recently created parastatal, the Cooperative Audit and Supervision Corporation (See chapter 6.4). This is a welcome development and the Corporation may prove to be the precursor of a national cooperative audit union organised by the Cooperative Movement itself. It has been the expressed intention in many countries that Cooperative Departments would divest themselves of all but their statutory functions as cooperative movements acquired the experience and resources to assume responsibility. In fact the opposite trend has been evident. Cooperative departments grow and become even more entangled in the

details of cooperative affairs. The DCD, Tanzania, is enjoying a second lease of life, and plans a considerable expansion in field staff of some 450 annually, for the coming years. The DCD should rather be prevailed upon to consciously, and deliberately, plan for the transfer of its developmental and supervisory functions to the movement. A start could be made immediately with the supervisory function in some areas. The Mission learned that DCD cooperative inspectors in numerous areas fail to get out to visit cooperatives as frequently as they should because of lack of transport and recurrent funds. Some regional unions, on the other hand, are employing their own supervisors to visit and guide the primaries whose financial and management fortunes are very much in the unions' interests. By making temporary subventions to regional unions, and cutting back on the number of staff employed by the DCD, the Government could make possible a better supervision, at less cost, of primary cooperative affairs.

## **5. STRUCTURE AND ORGANISATION OF THE COOPERATIVE MOVEMENT**

### **5.1 General**

In 1976, a significant policy decision of the Party and the Government resulted in the dissolution of conventional cooperatives at all levels in the agricultural sector, the sequestration of their assets and the transfer of control of input/output services to state organs. Poor performance by the parastatals, declining production in major crops and growing pressure from the farmers, combined in 1982 to make the Government to reverse the 1976 decision and permit the restoration of cooperatives in a more or less conventional form.

Cooperatives are widely acknowledged to be effective in bringing about a more equitable distribution of wealth by rejecting the exploitation of man by man in favour of sharing, based on the individual contribution to wealth creation. It is perhaps this characteristic of cooperatives in particular which persuades the Party in Tanzania to include cooperatives in its programme as vital instruments of socialist reconstruction. An equally important feature of the cooperative enterprise, however, is that it is democratically controlled. The rich members of a cooperative have no greater voting power than the lowly and the humble. Once one changes the democratic character of a cooperative, the uniqueness, and much of the potential of this type of human institution, is lost.

Just as individuals combine in cooperatives to benefit from their mutual strength, so cooperatives tend to join with other cooperatives, having similar objectives, to supply their respective members with goods and services which would not otherwise be available, or which could only be obtained by the individual cooperatives at higher cost. It is important to recognise that the growth and perpetuation of a cooperative structure through primary, secondary, tertiary and apex organisations, can only be properly sustained if the whole structure, from the base upwards, is democratically responsive and continues from the apex downwards to provide economic advantage or other critical benefit to those supporting the structure.

The Cooperative Societies Act of 1982 provides for a three-tier cooperative structure on Tanzania's Mainland. New legislation of April 1986, makes similar provision for Zanzibar. In rural areas, one multi-purpose primary only may be allowed to function in any delineated area of operations. Specialised primary cooperatives, e.g. consumer's, are permitted to register in urban areas but may not organise specialised secondary bodies. At the secondary level, each region has a multi-purpose cooperative union (three regions have two such unions) which is intended to service the needs of all types of primary, rural and urban, in the region. At the national level is an apex organisation, Washirika. A closer examination of each of these three levels of the cooperative structure is merited.

## 5.2 The Multi-Purpose Rural Primary Society

Some 2000 rural primary societies have been registered since 1982, the great majority of which cover more than one village. These primaries are intended to be the source of all group economic activity in the areas of operations. Thus the multi-purpose rural primary is expected to supply agricultural inputs, market crops of all kinds, run consumer shops, provide savings and credit facilities, and extend such other economic services as its members may require. Any groups with special needs, e.g. artisans, women, may form cooperative groups of the multi-purpose primary but may not establish their own special primary cooperative.

There is a considerable body of evidence accumulated supporting the view that cooperatives are more likely to succeed when the members constitute a relatively homogeneous group. The interests which the multi-purpose rural primaries are expected to serve are so diverse as to render highly unlikely, any substantial degree of homogeneity in the membership. Quite apart from the doubts about the existence of a

unifying common bond among members, the multi-purpose primaries appear to lack the trained manpower to manage such a complex package of activities.

It is almost certainly no coincidence that these primaries seem to concentrate the bulk of their energies and skills on the supply of agricultural inputs and the marketing of crops. These clearly represent the priority needs of the majority of members, and the limited resources of the primaries are rightly being committed to those services. Meantime, other sectors, which are potential generators of rural employment opportunities and additional income, e.g. industrial cooperatives, are being inevitably neglected. Other groups, e.g. skilled artisans, move out of the village to the nearest "urban" settlements, where they are permitted to register as a specialised primary, thus depriving the village(s) of their skills.

The Mission is of the view that greater freedom of action at the village level would produce a higher aggregate of development benefits even in the short-term. There is no apparent and over-riding reason why any group should not be permitted to apply for the registration of a primary cooperative. The critical yardstick to be applied when the authorities consider such applications is whether the group has reasonable prospect of attaining economic viability. It is unnecessarily bureaucratic, and developmentally self-defeating, for example, to prevent a group of like-minded citizens from opening a cooperative consumers' shop with the intention of satisfying only their members' relatively narrow needs as consumers. The purely theoretical arguments about the economic viability of production-oriented farming cooperatives on a communal basis are discussed in chapter 6.

### **5.3 The Multi-purpose Regional Cooperative Union**

The Mission would wish to note in passing that section 16 of the Cooperative Societies Act appears to permit primary cooperatives to form secondary cooperatives. Some doubt is, therefore, raised about the legal authority of the Commissioner for Cooperative Development to prevent specialised urban primary cooperatives, e.g. industrial cooperatives, from successfully seeking the registration of specialised secondary cooperatives.

As with the rural primary cooperatives, regional cooperative unions have been established throughout the country with multi-purpose responsibilities. There is some suggestion that an allegedly costly mushrooming of cooperative organisations at different levels, before

the dissolution in 1976, was an experience to be avoided in the post-1982 phase of cooperative development, and thus the insistence on multi-purpose organisations. Such a rigid stance, if true, could prove more costly than the alternative. As is the case with the rural primary societies, the regional unions are concentrating their special attention in support of agriculture. Substantial sums of money, most of it borrowed, are involved in supplying rural primaries with agricultural inputs and in marketing outputs. By any standards, regional unions are large agri-business enterprises whose proper management is difficult enough without loading them also with what remains theoretical responsibility for supplying urban consumer cooperatives, helping acquire raw materials and spares for industrial cooperatives, and securing loans for savings and credit cooperatives. These disparate tasks take no account of the large farms many unions are inheriting from former crop authorities with the expectation that the unions will successfully farm these estates where the crop authorities failed.

Reference has been made to the theoretical responsibility of the unions for other types of cooperatives. In practice, the major focus of union endeavours is the service of agriculture. Meanwhile, other sectors are neglected. Again, there appears to be no convincing reason why other types of primary societies should not be allowed to form themselves into secondary organisations. A group of urban consumer primary cooperatives is far more likely to obtain the goods and services they want from a regional consumer wholesale cooperative which they themselves have formed, finance and control. A multi-purpose regional union heavily engaged in agriculture, using an already over-stretched management team, is simply not going to satisfy the aspirations of urban consumers in a reasonable time frame. Even if the management had the capacity, there is still real doubt whether a rural based organisation can properly address the needs of urban consumers and vice versa.

Another case in point is the industrial cooperatives. Important potential generator of rural and urban employment, these cooperatives feel a special need to combine for the purpose of procuring raw materials and spare parts, and to actively promote the marketing of their products. Efforts on their part to secure the registration of regional and national industrial cooperatives have been resisted in spite of the fact that the multi-purpose regional unions are not in a position to provide meaningful assistance to them. Recently, it is understood, industrial cooperatives have been allowed to form associations at regional and national levels. Why associations, and not cooperatives, must remain difficult to fathom.



At all levels of the cooperative structure, the Party insists on a close liaison because cooperatives are one of the five Mass Organisations provided for in the Party constitution. At the rural primary level, the Chairman and Secretary sit on the committee of the local Party Branch. Where the primary covers more than one village, the committee members from each village represent the cooperative in their Party Branch. At the regional level, the Chairman of the regional union and the CUT regional secretary are members of the Regional Party Executive Committee.

The CUT regional secretary, inter-alia, is meant to act as a watchdog, protecting the members' interests in cooperatives. He also serves as secretary of the regional union board when it meets as the CUT's regional implementation committee. The Mission recognises the valuable role the Party can play, especially in assisting to formulate effective cooperative development policy. Implementation, of course, must be a matter for the professionals and the elected cooperative leaders.

#### **5.4 Washirika, the National Organisation**

Washirika, also known as the Cooperative Union of Tanzania (CUT), functions as the national cooperative apex organisation. However, it does not fully meet the requirements of a national apex in the proper sense of the term because of its current legal status. Before 1976, a national cooperative apex, registered under the cooperative law in the name of the Cooperative Union of Tanzania, did exist. Some time after the dissolution of conventional cooperatives in 1976, the Union of Cooperative Societies, or Washirika, was established by special Act of Parliament in 1979. This Act abolished the CUT and replaced it with a Mass Organisation, the U.C.S. having its links with the Ujamaa Village Cooperatives. Later, when cooperatives were restored in 1982, the new Cooperative Societies Act repealed the 1979 Act which created Washirika. The Mission understands that Washirika proposes to regularise its position by another special Act of parliament reaffirming Washirika's role as the national cooperative apex.

Washirika engages in a whole range of activities and presently employs in excess of three hundred people. An organisation chart for headquarters is shown in Appendix 4. Apart from printing books and stationery for cooperative societies, and providing insurance services through personnel attached to the offices of CUT regional secretaries,

the services of the other directorates of Washirika have yet to become fully operational. Views expressed to the Mission suggest that it could be some considerable time before Washirika develops the necessary expertise and resources to adequately fulfil the tasks it perceives as being suitable for a national cooperative apex. The precise tasks of a national cooperative apex remain yet to be decided by the regional unions when they seek the registration of a national apex.

#### 5.5. Possible Structural Changes

The case has earlier been argued in favour of greater freedom at rural primary, urban specialised primary, and regional multi-purpose levels, for prospective members and beneficiaries themselves to have the major say in the type of organisation they want to establish. At the national level, there is need for measures to be taken to ensure that the country's cooperatives have a genuine national cooperative apex which is subject to the will of affiliated cooperatives. It will not be in the interests of dynamic cooperative development to pursue the proposal to have Washirika declared the national cooperative apex by a special Act of parliament. Effective cooperatives, commanding the loyalty and support of their members, cannot be legislated into existence. To imagine that they can is to misunderstand or to misinterpret the principles and philosophy underlying cooperative action. Opportunities should be provided to enable elected representatives from cooperative organisations in the regions to meet, discuss and take democratic decisions about the nature, organisation and functions of a national cooperative apex and, if they so wish, to apply for the registration of such an organisation under the Cooperative Societies Act, 1982.

There are a number of possible options Tanzania might consider in any re-examination of the cooperative structure. The Mission would offer two such options, either one of which it believes would be more conducive to the promotion of strong and democratic cooperative enterprises (See diagram in Appendix 5).

The first model envisages freedom for specialised cooperatives to be formed at primary and secondary levels. For purely economic and business affairs, specialised secondaries should be free to form national, tertiary organisations. In the case of agricultural cooperatives, for instance, a national tertiary could assume responsibility for the

importation of agricultural inputs and for the export of crops. The national tertiary organisations on both the Mainland and the Isles would affiliate to form a federal cooperative apex whose main functions would be the political voice of cooperatives, publicity, education and international relations.

The second model also anticipates the establishment of specialised primaries and secondaries. Instead of secondaries forming national tertiary organisations, they might form national multi-purpose apexes with economic functions. As in model one, the national apexes would federate for purely political, information, education and representation functions.

If either or any model were to be adopted, appropriate mechanisms could readily be evolved to ensure the continued and active concern of the Party in cooperative policy matters.

## **6. PROGRESS TOWARDS SELF-RELIANCE**

### **6.1 Independence and Inter-dependence**

The people of Tanzania are no strangers to cooperation and a review of the history of cooperative development indicates considerable success in the earlier years with the organisation of primary and secondary marketing cooperatives. The traditional concept of cooperation embodies the formation of a self-help organisation controlled by the members in order to achieve their own economic and social goals. Whilst they often require an outside stimulus for their formation, such as assistance from government or other agencies, they strive to become self-reliant and to achieve an independence which allows them to sustain their activities on a long-term basis.

Cooperatives in Tanzania have received assistance from the government over the years in the form of legislation, training and a general environment which is conducive to cooperative development. The term "cooperative movement" implies a cooperative structure which exists on several levels of organisation, each of which is inter-dependent with the level above or below. In addition, the movement as a whole will often be inter-dependent with other bodies like statutory marketing boards, banking institutions, import/export organisations. Such is the case in Tanzania with the regional unions selling scheduled crops to the marketing boards and obtaining finance from the Cooperative and Rural Development Bank (CRDB) etc.

Successful cooperative development requires a political, social and economic environment which is wholly supportive and in which there is a mutuality of interests between the people who voluntarily join cooperatives, the cooperatives and their staff; the government department of cooperative development and the politicians who provide leadership in order to promote economic and social development. Such a harmonious relationship may be considered by some to be idealistic. Nevertheless, there is a need for a cohesiveness of ideas, consistent policies and a "pulling together" in the same direction in order to achieve a self-reliant cooperative movement, based not solely on economic objectives, but which recognises the social aspirations of the people and helps them to achieve their own priorities and plans for development through cooperative endeavour.

The fundamental human right of development from below, through grassroots action by the people, actively participating in development, is an essential ingredient of successful cooperative development leading to self-reliance.

In attempting to review and assess the progress towards self-reliance in Tanzania, the Mission found that the genuine involvement of the people in cooperative decision-making was not always present in practice. This can only adversely affect progress towards self-reliance.

The passing of the Cooperative Societies Act, 1982, permitted the formation of regional cooperative unions to market farmers crops assembled through rural primary cooperative societies. This system of cooperative development worked well in Tanzania before the dissolution of the cooperative unions in 1976 and has been proved elsewhere. In 1984/85, with greater freedom of action, and assisted by the new primary societies and the regional unions, farmers responded by increasing their food production. An important incentive was the knowledge that they would be paid for their crops in cash soon after harvest. The farmers appear again to appreciate the value of the service type of cooperatives.

In August 1985, the Party Directive on the implementation of production-oriented rural cooperatives based on one village only, was published and motivational seminars were started in the rural areas to persuade Party members to join together in communal farming. The Mission notes with concern, this fresh Party initiative to create production-oriented cooperatives on a communal basis. Evidence of the failure of this system in Tanzania and elsewhere is well known, both locally and internationally. The government's own 1981 Village Survey

indicated that less than 3% of the arable land in Tanzania was being farmed on a communal basis, indicating that the rural people were only participating, if at all, on a "passive" basis.

The Mission views this renewed attempt at communal farming as likely to lead to a decline in food production, and sees no reason why it should succeed now when it has failed in the past.

## 6.2 Economic Viability

In the context of this report, self-reliance is taken to mean a cooperative movement, which has achieved economic viability that enables it to provide support and services to its members, on a sustained basis, with *only nominal support from government and other external agencies*. The Commissioner for Cooperative Development and his staff are applying strict economic criteria when assessing the potential viability of a cooperative applying for registration. In this respect, the 23 regional unions have the potential for economic viability based on their main priority activity of input supply and marketing agricultural crops. The primary societies have been enabled to start up their regional unions rapidly due to the return of their original and other assets from the Crop Authorities. The marketing margins the unions negotiate and receive from the marketing boards are designed to cover their expenses for crop handling. This source of income depends on the crops produced by the affiliated primaries and in this respect, the volume of crops and turnover has to be sufficient to cover the expenditure of the union.

The Mission notes that the unions do not represent the primary societies in negotiations with government on producer prices. Nor do the primaries agree on the cost of marketing their crops through the unions. This situation can lead to a point where marketing costs are excessively high in relation to producer prices and may not encourage efficiency in operations.

The relationship between the primaries and the unions is further complicated by the fact that the primaries seem to have minimum shareholdings in the unions. The unions appear not to encourage more share capital from the primaries, possibly to avoid the greater influence that the primaries would have if they were larger shareholders and a major source of capital. It is, of course, to be expected that newly formed primaries will lack capital for investment in shareholdings. Nevertheless, the Mission believes that the primaries should seek to increase their equity and influence over the unions that they have created. In turn, the unions, for their own long-term advantage, should seek to influence farmers and their primary societies on the benefits of active union membership.

The Mission sees a danger that some unions are pursuing "income-generating" projects such as large scale farming enterprises and investments in joint ventures and companies. Whilst this may be prudent financial planning, the Mission believes that all union investments should be designed to serve the direct interests of the members and not to create an income that could enable the unions to operate independently of their member's need for services.

The Mission further notes that some unions are purchasing share-holdings in companies or forming new ventures under the Companies Act. This may be because they are anxious to avoid DCD approval of budgets, investments, inspection of books and records, even cheque signing, that would be the case if the enterprise was registered as a cooperative. In addition, it distances the business activity from the CUT Regional Secretary who would have no authority to attend a company board meeting.

The Cooperative Societies Act, 1982, under Section 18(d), gives the unions power, "to establish, operate and maintain large scale farms for agricultural production". This, in practice, allows the hand-over of large scale state farms to the cooperative unions. Some unions are considering joint ventures with companies. For example, a company processing oil seeds might enter into a joint venture with a union to grow oil seed crops on a large scale farm which would be processed by the non-cooperative partner. It has been suggested to the Mission that there is a danger that unions, which farm themselves, may accord higher priority for scarce agricultural inputs to their own farms before allocating to their primary members. In addition, there is no guarantee that large-scale farms run by cooperatives will be any more successful than the state farms which had many problems.

The Mission was encouraged to note the progress with inter-cooperative trade between unions, forming the basis for a cooperative distribution system. A most effective way of stimulating agricultural production would be to make more readily available a range of essential and desirable consumer goods on which rural producers could spend their money. The Mission, therefore, identifies the need for a detailed survey to determine the strategies and resources required to develop a viable network of consumer cooperatives in rural and urban Tanzania. This in turn creates a case for rural industrialisation and particularly agro-processing through agricultural cooperatives supplemented by industrial cooperatives.

The rapid growth of the unions has led to a situation where over-employment is occurring at some unions. This is partially due to their following a staff structure plan designed by the CUT as a model for all unions, regardless of size or activity. The Commissioner for Cooperative Development has produced more appropriate structures for smaller unions in order to prevent over-employment. In addition, the question of patronage and "finding jobs for people" cannot be ruled out in this situation. There is a danger that over-employment will result in excessive costs that ultimately will be paid for by the farmer. This was the case with the Crop Authorities and led to their demise.

Assessing the progress towards self-reliance of the primary societies was more difficult for the Mission. It is noted that the DCD applies the criterion of economic viability before registration. All the rural primary societies are affiliated to a union and there ought to be a mutuality of interests that should ensure progress towards self-reliance.

The confusion which exists at rural primary level between village-based production-oriented cooperatives on the one hand, and the economically viable rural primary societies on the other, has to be resolved before any real progress can be made towards self-reliance.

### **6.3 Benchmarks and Indicators for Self-Reliance**

Whilst most cooperatives measure their progress towards self-reliance, there is a need for both the individual societies, and the movement as a whole, to have indicators of progress towards this goal. A first step requires a baseline measurement of "where we are now". This could include, not only economic indicators such as assets, savings, turnover, surplus, payment of dividends, crops handled, goods produced, items sold etc. Equally important is the human side of development such as the numbers of people economically active, the significance of income earned, or benefit provided as a result of membership. Because of the multi-purpose nature of the rural cooperative, it should offer some opportunity to all members of the community. It is important to monitor and measure the effectiveness of representational democracy within the cooperative movement, within societies, between primaries and unions, and between regional unions and an apex. It should be possible to trace an effective linkage between the most distant member of a rural society and the apex in terms of services provided and decisions taken about them.

Following a baseline survey, all societies need to commit themselves to "progress towards self-reliance" and monitor at regular intervals,

verifiable indicators chosen by themselves, perhaps with advice from others more knowledgeable on questions of evaluation and monitoring. This progress could be reviewed by the National Cooperative Development Co-ordinating Committee at regular intervals (See Chapter 7)

#### 6.4 **Audit and Supervision**

In 1965, an Audit and Supervision Fund was established as a part of government within the Department of Cooperatives. In July 1985, the audit function passed from the government to a parastatal, Cooperative Audit and Supervision Corporation (CASC). This was made possible by an Act passed in 1982 which gave the Corporation the sole rights to audit cooperative societies in Tanzania. It is expected that over a period of time, it will be self-financing through the generation of audit fees. This is an encouraging development as it facilitates essential transfer of responsibility from the government to the cooperative movement and will eventually reduce the financial burden on government.

The Corporation is developing its network and has branch offices in the regions. In cases where it has insufficient auditing staff, it sub-contracts audits to private auditors who charge fees based on a standard scale. The Corporation recovers these fees from the cooperatives. This system is particularly used for regional unions which, because of their substantial business turnover, have the ability to pay commercial rates for auditing services.

The Mission was pleased to learn that the Corporation expects to complete audits and issue certificates within six months of the end of a financial year. It is considered essential that the regional unions publish audited accounts as soon as possible in order to demonstrate financial accountability to banks and development organisations from which they hope to attract loans and assistance. *Their primary society members will have a close interest in the financial affairs of their unions. The publication of audited accounts for an apex organisation is also of paramount importance if it is to retain the commitment and confidence of its members. In this respect, the Mission views with concern the fact that the CUT's accounts have not been audited since 1981*

The inspection and supervision of primary societies presents a greater problem as cooperative staff lack resources to enable them to undertake their work. In one region visited, there were 71 staff members for around 1200 rural primary and village societies and the Mission was informed that without adequate resources (transport and allowances), it



was difficult to visit each society more than once per year. In marked contrast, the Operations Manager and his staff at the union considered it essential to visit rural primary societies regularly to ensure that the cooperatives could fulfil their business obligations to the union. In this situation, the union's field staff with their transport had greater knowledge of the primary societies affairs than the Department. The Mission understands that the DCD Plans a significant field staff expansion in the years ahead. The Mission does not believe this is the right way to go. The present trend for unions to assume greater responsibility for the supervisory function is encouraging and is more likely to lead to self-reliance.

The Mission is convinced that there is real merit in progressively transferring trained cooperative supervisory staff from the Department to the regional unions. Provided with suitable transport (motorcycles), and field allowances when necessary, they could supervise and assist many more rural societies. This move should be of direct benefit to the societies concerned and to the unions. In addition, it should lead to a reduction in the expense of employing trained cooperative staff who are largely ineffective through lack of transport and other essential resources.

In the Party Directive concerning production-oriented rural cooperatives, there is a proposal for one auditor for each of the 8000 Mainland Village Cooperatives. The Mission believes that this is a totally unrealistic target and beyond the actual or potential training capability within the country. Furthermore, the auditors based at the village would have only limited value as internal auditors.

The Mission has been informed that many cooperative inspectors have failed to find employment after undergoing a two-year training course at the Cooperative College, Moshi. Local government authorities which are responsible for district level staff have been unable to find the funds necessary for their employment. The Mission views this pool of trained staff as potential employees for the Regional unions.

## 6.5 Research and Training

The Mission has identified a need for more applied research on the problems affecting the cooperative movement. There is a need for the cooperative movement to represent its farmer members in discussions with the government on the setting of crop procurement prices. If this dialogue is to be effective, there is a need for basic research on small farmer production costs to be carried out on an independent basis. One

approach to this would be the setting up and financing of a research unit perhaps at the Cooperative College. The cooperative movement would determine the research programme and commission studies based on their members' needs. The research unit would need to be semi-autonomous. The Mission considers it essential that policy documents and Party Directives on cooperatives should be backed by research and consultation with cooperators who are most closely affected by proposed cooperative policies.

The Mission has noted the urgent need for training programmes at all levels. As a matter of policy, cooperatives should allocate funds for training. Much of the staff training will need to be work-oriented, in-service training. There is a need to undertake a survey of manpower training requirements for the cooperative movement, particularly in view of the major changes that have taken place within the last 12 months and to mount appropriate training courses at the cooperative training institutions. Staff training should focus on already employed personnel and potential employees who conform with carefully designed requirements.

#### **6.6 Aid and Self-Reliance**

Because cooperatives are self-help organisations, special care is needed to ensure that any assistance requested or offered contributes to the attainment of self-reliance rather than erode their independence, or perhaps lead to a situation in which an activity can only be sustained by a continuous drip-feed of external aid.

Cooperatives in Tanzania have developed mainly with their own resources and making full use of the skills and talents of their members. The Mission has identified areas of need for technical and financial assistance for the cooperative movement. Some of the requirements can be met from internal sources whereas other needs will require external assistance and a foreign exchange component.

In identifying who can assist a cooperative most effectively, the Mission recommends that two criteria should be applied. The first is that assistance should be sought and accepted solely on the basis of the minimum necessary need to make an active contribution to self-reliance. The second is that assistance from agencies beyond the borders of Tanzania should only be sought or accepted if the finance, manpower, knowledge or skills cannot be identified within Tanzania.

If the two criteria are accepted, it implies that cooperators in Tanzania

must review critically, and monitor continuously, all forms of aid and assistance in progress and at the same time consider carefully, their real needs before seeking further assistance.

Cooperative members in Tanzania must ask themselves a series of questions and satisfy themselves that they have obtained the correct answers:

- 1 Does the assistance we are now receiving help our progress towards self-reliance?
- 2 Are we becoming dependent on a continuous drip-feed of assistance with no real prospect of attaining independence and economic viability?
3. Does the proposed form of assistance that we are seeking (or assistance that we are being offered) help our progress towards self-reliance?

#### **6.7 Internal Actions**

There are many ways in which cooperatives can assist themselves or be assisted to achieve self-reliance in Tanzania without recourse to external aid. First and foremost, there is a need to agree on cooperative policy on a participative basis and in a suitable forum that is truly representative of all the organisations involved and particularly the rural people who hold in their hands the future well-being of Tanzania. Only through their labour and commitment in producing food and cash crops can the nation lift itself out of the continuous deprivation and shortage of essential basic commodities. Cooperatives themselves can strengthen their linkages with their membership. Problems surrounding the formation of the apex need resolution. The inter-cooperative trade that has commenced between the unions is highly encouraging and should be developed further. The problem of supervision of rural primary societies must be overcome by expanding the role of the regional unions

These are examples of actions which do not require external aid. Indeed, there may be internal actions which may be considered necessary by external agencies before any application for external assistance could be considered.

#### **6.8 External Aid**

There are a number of external assistance programmes that are helping cooperatives in Tanzania either directly or indirectly. Firstly, the Nordic Project for Cooperative Development in Tanzania is assisting eight

regional unions. It is also providing some management assistance and training to the CUT, the Cooperative Education Centre (CEC), CRDB and CASC (See Appendix 6).

The EEC have a coffee rehabilitation programme operating in the three principal coffee growing regions of Tanzania. Dutch Government bilateral aid is assisting the rehabilitation of the cotton industry in Mwanza. The Swedish Cooperative Centre (SCC) have a "movement to movement" assistance programme assisting the Morogoro Cooperative Union and the CUT. The ILO have a MATCOM liaison officer in Dar-es-Salaam who is translating cooperative training materials into Kiswahili and introducing them into Training Programmes. At the Cooperative College, there is a national project officer responsible for the FAO AMSAC training programme. A Foundation, the Fredrich Ebert Stiftung, is assisting the CUT to provide services to industrial cooperatives. This list is not exhaustive and there may be other organisations assisting cooperatives that have not come to the attention of the Mission

One of the most important needs of the cooperative movement is access to foreign exchange in order to obtain spare parts, vehicles, machinery for processing cotton, coffee, oilseeds, etc. In some cases, the regional unions have the business turnover and finance to purchase these items providing they could obtain the necessary foreign exchange. SCC have provided small tools to Morogoro Union which have been sold locally to members.

The unions have a need to attract large scale investment loans for the new machinery that has to be purchased overseas with foreign exchange. Many unions are concerned about the shortage of simple consumer items that farmers need. Unions fear that lack of consumer items will depress crop production, for farmers are unlikely to be motivated to increase their income if the money earned cannot buy even basic consumer goods or has so little purchasing power. The Mission believes a study should be undertaken to determine the strategies and resources required to develop a viable network of consumer cooperatives in rural and urban Tanzania.

There is a widespread need for additional management advice and assistance with planning in the regional unions. The Nordic Project is assisting 8 out of 23 unions and therefore, 15 unions could benefit from external technical assistance. Zanzibar, in particular, is in need of internal and external support to exploit its potential for successful cooperative development

## 7. CO-ORDINATION OF CO-OPERATIVE DEVELOPMENT

As part of the follow-up action from the Ministerial Conference in Gaborone, the ICA Regional Office published "Guidelines for the Implementation of the Regional Co-operative Development Decade, 1985-1995" This was discussed at the follow-up meeting in Nairobi in November 1984.

The guidelines include a recommendation that a National Co-operative Development Co-ordinating Committee (NCDCC) be formed in each country of the Region. It is noted that the Commissioner for Cooperative Development has issued a letter advising cooperative organisations and other bodies of the intention to convene the NCDCC. The Mission recommends that an inaugural meeting be held as soon as possible to agree on the membership of the Committee and its Terms of Reference. It is expected that the Committee will have a major role in reconciling institutional interests and providing an effective forum for cooperative policy and planning issues.

The Mission realises that the committee will only be effective if there is a real commitment to objectives and the necessary authority to translate decisions into action. This will call for representation on the Committee at an appropriate level of seniority. Members include CUT, Department for Cooperative Development (Mainland and Isles), Cooperative College, SIDO, Ministry of Agriculture, Cotton and Coffee Marketing Boards, ILO, FAO and Nordic Project representatives and any other agencies assisting cooperatives. Other organisations would be included as deemed necessary e.g. the Cooperative and Rural Development Bank.

The first task of the committee will be to plan and organise a National Cooperative Development Workshop which will formulate policy guidelines and recommendations. Besides this task, its functions shall be discussed and agreed upon when it meets. There shall also be need for the committee to consider having a secretariat and where it would be based. The Mission suggests that if the DCD takes the chair, then the Secretariat should be based at the Apex. Also the formation of a Research Unit, its role and where it should be housed would be expected to be discussed by the committee.

**ICA/FAO/ILO Inter-Agency Mission to Tanzania in support of Regional Cooperative Development Decade: 1985-95 — Terms of Reference.**

In 1984, the International Cooperative Alliance convened a Ministerial Conference in Gaborone to review and discuss cooperative development in East, Central and Southern Africa. Representatives from the ten ICA Member countries attended, including Zimbabwe as an observer. This meeting resulted in the Gaborone Declaration calling for a Regional Cooperative Development Decade 1985-95. The purpose of the Decade is to lend emphasis and focus attention on planned cooperative development in member countries.

The food crisis in Africa promotes a sense of urgency in involving people's organisations, and particularly cooperatives, in their role of assisting small farmers and disadvantaged groups in rural areas to participate in the planning and implementation of self-help development organisations. The Decade offers an important opportunity for reviewing and assessing progress towards self-reliance for the cooperative movements bearing in mind the mutuality of interests between governments and the cooperative movements. The commitment of the three agencies ICA/FAO/ILO to work together and field an inter-agency mission to two countries in the first instance, Lesotho and Tanzania, represents a significant contribution to the Regional Cooperative Development Decade.

- 1 The mission will consist of a team of three persons (Gashumba — ICA, McKone — FAO and Craw — ILO). The assignment will be for one month (7 April to 6 May 1986).
- 2 Discussions will be held in Tanzania with representatives of the cooperative movement and all government departments and agencies that are directly or indirectly involved with cooperative development.
- 3 The theme of the discussions will be "Progress towards self-reliance of the cooperative movement, bearing in mind the mutuality of interests between the government and the movement".
- 4 The mission will sensitize and create awareness on the part of government and non-government organisations to the need for qualitative and quantitative progress towards self-reliance for the cooperative movement.
- 5 The mission will gather information and data on the current state of cooperative development, paying particular attention to existing policy statements. They will attempt to assess the performance and progress of cooperative development in relation to policy statements and as measured against the objectives set by the Gaborone Declaration.

- 6 Particular attention will be paid to the way in which the cooperative movement in supporting self-reliance and growth with equity for small farmers and the poorer sectors of the rural community through participation in cooperative development and other appropriate peoples' organisations.
- 7 The mission will attempt to identify current benchmarks and indicators of progress towards self-reliance and discuss practical targets and desirable objectives to be achieved during the ten year development decade.
8. At the end of each country visit, a final meeting will be convened by the mission to review discussions held and try to reach agreement on further action. Special emphasis will be placed on the importance of the development decade and the opportunities it presents for national cooperative development.
- 9 The mission will indicate that the three agencies concerned will look favourably on any requests for assistance, with the planning of the national response to the cooperative development decade, and the monitoring of progress throughout the ten-year period. It will, however, discourage general shopping lists for project support and concentrate on possible forms of technical assistance for the planning and monitoring of cooperative development.

## LIST OF PERSONS MET

- D.W. Hollela** – Secretary General, Cooperative Union of Tanzania
- C.W. Ngibbombi** – Deputy Secretary General, C.U.T., Mainland
- Shehe Khamisi** – Deputy Secretary General, C.U.T., Isles
- G. Semakula** – Administrative Manager, C.U.T.
- Adam Shafi** – Director, Publicity, Public and International Relations, C.U.T.
- F.M. Tuniga** – Commissioner for Coop. Development & Registrar of Cooperative Societies, Mainland
- Hassan F. Maulidi** – Director, Department of Coop. Societies and Registrar of Cooperative Societies, Isles
- Verner Jensen** – Project Coordinator, Nordic Project for Cooperative Development in Tanzania
- Bakari Jecha** – Minister of State in the Chief Ministers Office responsible for Local Government and Cooperative Societies
- L.D. Mlaki** – CUT Regional Secretary, Iringa
- J.M. Mgimiloko** – Ag. General Manager, Iringa/Mufindi Coop. Union
- B.C. Belege** – Chairman, Morogoro Region Coop. Union (1984) Ltd.
- Mr. Chilambo** – Ag. CUT Regional Secretary, Morogoro
- K.B. Mangweha** – Regional Cooperative Officer, Mbeya Region
- L.D.N. Simkoko** – General Manager, Mbeya Cooperative Union Ltd.
- J. Mkisi** – General Manager, Central Region Coop. Union (1984) Ltd Dodoma
- Masururu Feruzi** – Chairman, Zanzibar Urban West Region Coop. Union (newly formed)
- Ndende Juma Haji** – CUT Regional Chairman, Zanzibar North Region
- Haji Salehe Mganga** – CUT Regional Secretary, Zanzibar North Region
- A. Mashamba** – General Manager, Nyanza Coop. Union (1984) Ltd.
- A. Manyilizu** – Ag. CUT Regional Secretary, Mwanza Region
- Bjorn Hagen** – General Management Nordic Adviser, Nyanza Coop. Union (1984)
- F.K. Temu** – General Manager, Arusha Region Coop. Union (1984) Ltd.
- H. Mwawado** – Ag. CUT Regional Secretary, Arusha Region
- H. Msuya** – Regional Cooperative Officer, Kilimanjaro Region
- B.M. Tungaraza** – Ag. General Manager, K.N.C.U. (1984) Ltd.



- D.M. Mtambalike** – Ag. CUT Regional Secretary, Kilimanjaro Region
- P.A. Magani** – Chairman & Managing Director, Coop. & Rural Development Bank
- T.J. Mahuwi** – Principal, Tanzania Cooperative College, Moshi
- Mr. Winani** – Cooperative Zonal Audit and Supervision Accountant, Moshi
- Mr. Rulagora** – SIDO, Director of Operation Services
- Dr. Komba** – Ag. Regional Development Director, Iringa Region
- E. Staki** – CCM Regional Chairman, Iringa Region
- A. Kwilasa** – CCM Regional Secretary, Iringa Region
- P. Siyovelwa** – Member of CCM National Executive Committee (NEC)
- Mrs. M. Katele** – CCM Regional Secretary, Morogoro
- Shaweji Abdalla** – Member of CCM National Executive Committee (NEC)
- Joshua Kileo** – Regional Planning Officer, Mwanza Region
- T. Banda** – Director, Marketing Development Bureau
- R. Kuringe** – Coordinator of Cooperatives, SIDO.
- C. Macculloch** – FAO Resident Representative
- O. Hughes** – FAO Programme Officer
- J. Seal** – ILO Area Director
- S. Ursino** – UNDP Senior Programme Officer.

## REGISTERED COOPERATIVE SOCIETIES IN TANZANIA

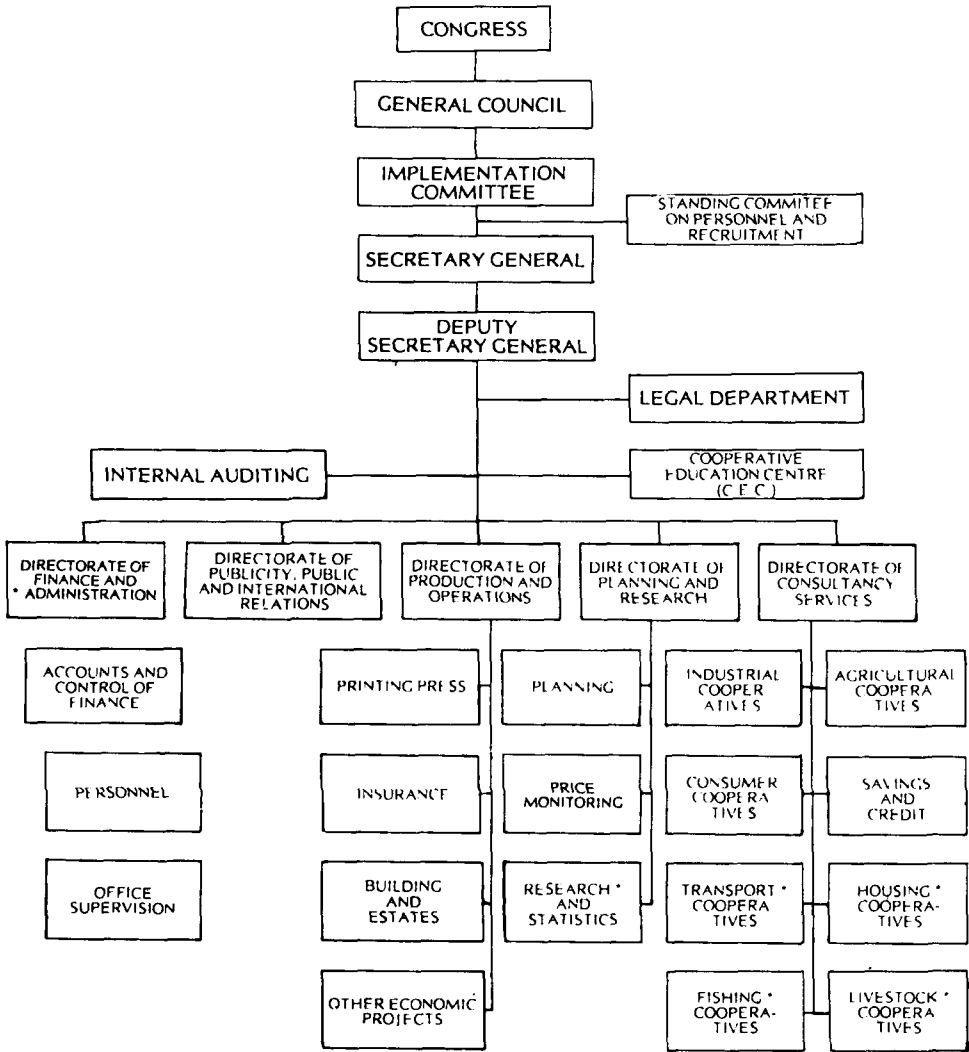
## A: Mainland

REGION	TYPES OF SOCIETIES										Total
	Rural Societies	Consumers	Savings & Credit	Industrial	Transport	Building & Housing	Services	Other Primaries	Union	Apex	
Arusha	76	97	10	19	1	2	6	3	1	—	215
D'Salaam	21	361	97	53	6	23	33	3	1	—	598
Dodoma	83	88	24	8	—	11	—	2	1	—	217
Iringa	197	63	10	13	—	2	—	2	2	—	289
Kagera	151	28	66	—	1	—	—	—	1	—	247
Kigoma	75	42	3	2	—	1	—	—	1	—	124
Kilimanjaro	90	61	36	10	1	—	—	5	2	—	205
Lindi	75	29	7	10	—	1	—	8	1	—	131
Mara	135	42	18	7	1	1	—	8	1	—	213
Mbeya	108	145	16	18	—	3	1	9	2	—	302
Morogoro	60	59	16	12	5	3	6	13	1	—	175
Mtwara	77	11	9	3	1	4	—	3	1	—	109
Mwanza	265	68	11	16	1	2	—	4	1	—	368
Pwani (Coast)	84	37	6	3	—	1	—	6	1	—	138
Rukwa	50	37	3	5	—	—	2	1	1	—	99
Ruvuma	75	22	16	5	—	3	1	2	1	—	125
Shinyanga	210	49	10	9	3	—	2	4	1	—	288
Singida	54	29	4	11	1	5	1	2	1	—	108
Tabora	88	150	3	9	—	2	4	4	1	—	261
Tanga	61	81	27	34	1	8	6	9	1	—	228
National	2035	1499	392	247	22	72	62	88	23	—	4440

## B: ISLES

REGION	TYPES OF CO-OPERATIVES										Total
	Rural Societies	Consumers	Savings & Credit	Industrial	Transport	Building & Housing	Services	Other Primaries	Union	Apex	
(a) ZANZIBAR ISLAND											
Urban West	1	253	7	26	2	1	3	7	1	—	301
Zanzibar North	1	265	2	6	2	—	1	10	—	—	287
Zanzibar South	2	194	—	—	6	—	2	13	—	—	217
SUB-TOTAL	4	712	9	32	10	1	6	30	1	—	805
(b) PEMBA ISLAND											
Pemba South	10	199	9	7	—	—	2	10	—	—	237
Pemba North	1	186	4	—	2	1	—	3	—	—	197
SUB-TOTAL	11	385	13	7	2	1	2	13	—	—	434
TOTAL	15	1097	22	39	12	2	8	43	1	—	1239





\* Indicates sections not yet operational

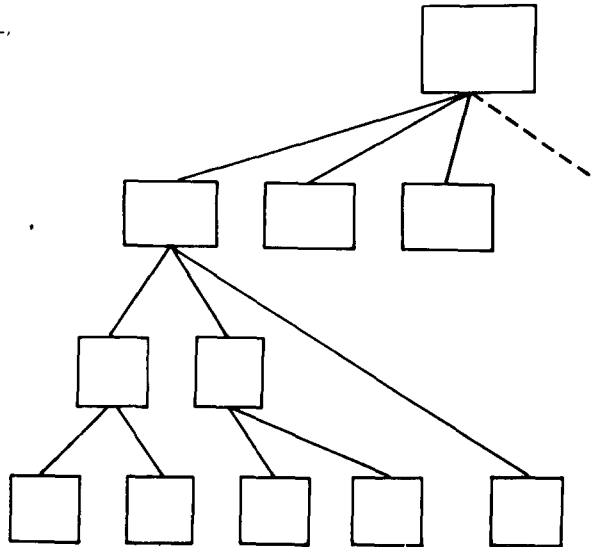
**PROPOSED/POSSIBLE CO-OPERATIVE STRUCTURE**

a) FEDERAL APEX FOR POLITICAL, REPRESENTATIONAL AND EDUCATIONAL FUNCTIONS

SPECIALISED NATIONAL TERTIARY CO-OPERATIVES WITH ECONOMIC FUNCTIONS.

SPECIALISED SECONDARY CO-OPERATIVES WITH ECONOMIC FUNCTIONS.

SPECIALISED PRIMARIES WITH ECONOMIC FUNCTIONS.

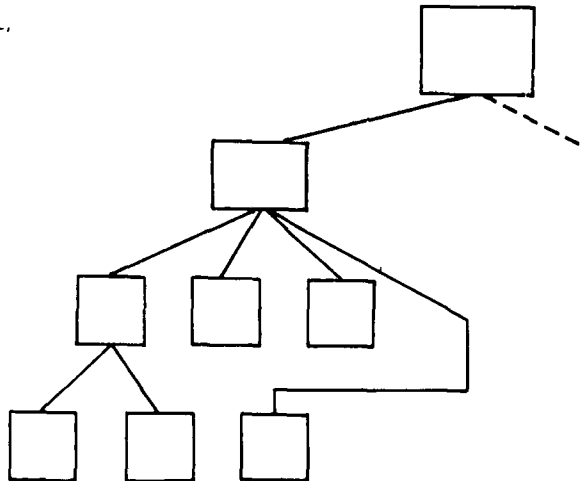


b) FEDERAL APEX FOR POLITICAL, REPRESENTATIONAL AND EDUCATIONAL FUNCTIONS

NATIONAL MULTI-PURPOSE APEX ORGANISATION WITH ECONOMIC FUNCTIONS.

SPECIALISED SECONDARY CO-OPERATIVES WITH ECONOMIC FUNCTIONS

SPECIALISED PRIMARIES WITH ECONOMIC FUNCTIONS.



## OBJECTIVES AND STRATEGIES OF THE NORDIC PROJECT

### Long-Term Objective and Strategies

The long-term objective of the Project is to support the establishment and strengthening of a self-reliant Cooperative Movement in Tanzania working according to internationally recognized cooperative principles.

### Short-Term Objective and Strategies

The short-term objective of the Project is:

- (a) To promote production of cash crops for export as well as food crops for local consumption through provision of financial and personnel assistance to Cooperative Unions and Societies in selected high potential regions, so as to contribute to the creation of an efficient cooperative infrastructure for marketing, primary processing and farm input supply services to farmers.
- (b) To ensure that the agricultural and other cooperatives in the Nordic Project Priority Regions receive efficient supportive services in the following fields:
  - training and education
  - provision of stationery
  - credit services
  - audit and supervision

These objectives are achieved through personnel and financial assistance given to:

- The Cooperative Unions in Nordic Project Priority Regions
- The Cooperative Apex Organisation (CUT)
- The Cooperative Education Centre (CEC)
- The Department of Cooperative Development (DCD)
- The Cooperative Audit and Supervision Corporation (CASC)
- The Cooperative and Rural Development Bank (CRDB)
- The Cooperative College
- The Kizumbi Training Institute.

The personnel assistance is used for the development and implementation of management systems to be used by the cooperatives and for training of staff working in the cooperatives.

The financial assistance is given to support the above mentioned activities. Also financial assistance is given to support the Cooperative Unions in their initial

financing and to supply the Unions with foreign exchange needed for importation of production equipment (as per pages 14 and 15 in this Plan).

To secure a strong impact of the Nordic Project in the Priority Regions, a major part of the resources available is allocated directly to the Cooperative Movement, while less resources are allocated to the Cooperative Department.

The major part of the resources are channelled to the Cooperative Unions. At a later stage, when the Cooperative Apex Organisation, CUT, completes its reorganisation, the needs for further assistance to this organisation should be looked into.

Geographically, the Nordic Project concentrates its resources to a few regions called Nordic Project Priority Regions\*. These regions are selected taking into consideration the following factors:

- Immediate potential for earning of foreign exchange and/or sales of cash and food crops
- Need and request for assistance
- Working conditions/possibilities (factors like housing, fuel, office, counterparts).

The support is given in a way which ensures a sound economic development of the cooperatives and which makes a phasing out of the Nordic assistance possible. The Nordic support to a region will be phased out when the Regional Union is self-reliant in the sense that it is able to handle the activities which have been supported.

Professional areas supported reflect the needs and requests by the Unions from the Nordic Project Priority Regions.

Coordination of the development activities in the Cooperative Sector with other relevant institutions and aid organisations is given priority.

\*These regions are: Arusha, Kagera, Kilimanjaro, Mara, Mwanza, Shinyanga and Tabora.

**DEPARTMENT OF COOPERATIVE DEVELOPMENT  
STAFF DISPOSITION AS AT DECEMBER 1985**

REGION/DIST	TOTAL	SCO 1	SCO II	CO I	CO II	CO III	ACO	TOTAL
Arusha	66	—	1	1	7	18	39	66
Dar-es-Salaam	82	—	1	3	3	14	61	82
Dodoma	78	—	2	—	4	13	59	78
Iringa	73	—	1	2	9	15	46	73
Kagera	65	—	1	2	5	12	45	65
Kigoma	46	—	1	2	4	8	31	46
Kilimanjaro	72	—	1	1	7	19	44	72
Lindi	39	—	1	—	5	9	24	39
Mara	52	—	2	1	7	7	35	52
Mbeya	72	—	3	2	7	20	40	72
Mtwara	54	—	1	—	7	11	35	54
Morogoro	65	—	2	2	6	13	42	65
Pwani	58	—	1	—	6	12	39	58
Rukwa	40	—	2	1	2	4	31	40
Ruvuma	51	—	1	—	3	13	34	51
Shinyanga	68	—	2	3	—	15	48	68
Singida	49	—	1	1	4	9	34	49
Tabora	46	—	2	3	2	14	25	46
Tanga	65	—	2	3	7	16	37	65
Mwanza	60	—	2	2	5	20	31	60
<b>TOTAL</b>	<b>1201</b>	<b>—</b>	<b>30</b>	<b>29</b>	<b>100</b>	<b>262</b>	<b>780</b>	<b>1201</b>

Key: SCO — Senior Cooperative Officer  
CO — Cooperative Officer  
ACO — Assistant Cooperative Officer

## OUTLINE PROPOSAL FOR A NATIONAL COOPERATIVE WORKSHOP

### 1. Background

An ICA/FAO/ILO inter-agency Mission visited Tanzania in April/May 1986 to review the progress of Tanzania's cooperative movement towards self-reliance in the context of the Regional Cooperative Development Decade 1985-1995.

Among the Mission's proposals for follow-up action is the convening of a National Co-operative Workshop.

### 2. Objectives

The objectives of the workshop would be the formulation of a National Cooperative Development Policy, elaboration of strategies for implementation of the policy, giving due attention and discussion to an appropriate structure in view of the crucial and pivotal role that economically-viable cooperatives can play in stimulating and sustaining agricultural production and national economic development generally. There should also be discussions on the Cooperative Societies Act 1982 and relevant Party and Government Pronouncements and Directives, with a view to harmonising their objectives and removing any contradictions and inconsistencies.

### 3. Working Documents

- Inter-agency Mission Report, May 1986
- Cooperative Societies Act, 1982
- Review of Act by H. Munkner
- CUT proposed amendments to the Act
- CUT draft Bill constituting an apex
- Draft policy document by Cooperative College
- Party Directives on Cooperatives
- Any additional working papers which may be identified by the National Cooperative Development Coordinating Committee (NCDCC).

### 4. Organisation

Responsibility for the organisation of the workshop would be with the NCDCC. The ICA/FAO/ILO are ready to provide resource persons for the workshop. The NCDCC will need executive support for the two months, covering the period before, during, and immediately after the workshop, to



assist with production of the necessary working documents, the organisation of the workshop and the preparation of the final report. The arrangement should include consultations in the Regions, prior to the workshop involving as many board members and Cooperative staff as possible. The consultations and discussions should be based on summaries of the crucial issues to be taken up at the National Workshop.

**5. Participants**

Participants should be drawn from all levels of the cooperative movement, the Party, Government institutions associated with cooperative development, related Ministries, and representatives of the major donor agencies supporting cooperative development. Participants should not exceed 200.

**6. Timing**

The Mission has been advised that October 1986 is a suitable time to hold the Workshop. A three-day Workshop is envisaged.

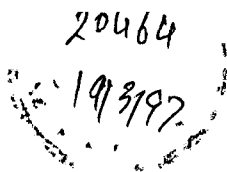
**7. Budget**

<i>External Inputs</i>	US \$
ICA Resource person 5 weeks .....	12,500
Miscellaneous expenses .....	3,000
FAO Resource person 5 weeks .....	12,500
Miscellaneous expenses .....	3,000
ILO Resource person 5 weeks .....	12,500
Miscellaneous expenses .....	3,000
	<u>46,500</u>
<i>Local Inputs</i>	
Meals and accommodation (200 delegates) .....	20,000
Resource persons .....	3,000
Local transport .....	6,000
	<u>29,000</u>

**LIST OF DOCUMENTS REVIEWED**

1. Tanzania Country Information Notes, 1983, COPAC, ROME
2. Draft Proposal for Cooperative Development Policy, Cooperative College, August 1984
3. Cooperative Societies Act, 1982
4. The Agricultural Policy of Tanzania, Ministry of Agriculture, March 1983
5. Guideline for the Implementation of the Regional Cooperative Development Decade, ICA Regional Office, December 1984
6. Proceedings of the First African Ministerial Cooperative Conference Gaborone, Botswana, ICA Regional Office Moshi, May 1984
7. Consultation on Cooperative Management Team Development, York University/Moshi Cooperative College, March 1984
8. Cooperative Agricultural Inputs Implements Supply System, ICA Regional Office, Moshi
9. Lending to the Cooperatives, Tanzania Rural Development Bank
10. Application of Industrial Cooperatives in Tanzania, SIDO
11. Identification of Income Generating Activities for the CUT, ICA Regional Office, Moshi, December 1984
12. Price Policy Recommendations for the 1984 Agricultural Price Review, MDB 1984
13. Cooperative Team Building Project, Report of Zanzibar Workshop, 21-25 January 1985
14. Report on the Standing Committee on Domestic Resource Mobilization, Bank of Tanzania, 1985
15. Union of Cooperative Societies, Tanzania (WASHIRIKA) Project Proposals for Technical Cooperation
16. A Report on the ICA/FAO/ILO Inter-Agency Mission to Lesotho in Support of Cooperative Development, August 1985
17. Small Industries Development Organisation, Application of Industrial Cooperatives in Tanzania
18. WASHIRIKA BIMA LTD. (Cooperative Insurance)

Appendix 9 (Continued)



19. Bill Proposal to recognise CUT (WASHIRIKA) as a Legal Body
20. CUT Organisation Charts and Schemes of Service
21. *Proceedings of the First CUT Congress, February 25th to March 1st 1985*
22. The Commission of CUT National Implementation Committee (CUT Board Members)
23. Report of Kilimanjaro Team Building Workshop
24. Aid Modalities in the United Republic of Tanzania
25. Identification of income-generating activities for Kenya National Federation of Cooperatives Ltd, ICA Regional Office, Moshi, October 1984
26. C.U.T Rules
27. United National Conference on the Least Developed Countries, Country Review Meetings, Country presentation, United Republic of Tanzania
  
28. Report on Income and Expenditure, 1/7/85-31/1/86, Iringa/Mufindi Cooperative Union Ltd.
29. Model By-Laws of Cooperative Unions
30. Model By-Laws of Primary Cooperative Societies
31. Union of Cooperative Societies consolidated balance sheet as at 30th June 1981
32. Implementation of the decisions taken by NEC on Production-Oriented Rural Cooperatives
33. Registrar's Circular No. 4 of 1985, Guidelines on the Production-Oriented Rural Cooperatives
34. A Report on the Approach adopted by the ICA/FAO/ILO Inter-Agency Mission to Lesotho and Tanzania, August 1985
35. Ministry of Local Government and Cooperative Development Booklets
  - (a) List of Registered Rural Primary Cooperative Societies up to 31st October 1985
  - (b) List of Registered Urban Cooperative Societies up to 31st October 1985.