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# Cooperatives and Sustainable Development: the Case of Coffee Marketing in the Matengo Highlands in Tanzania

*Osmund M. Kapinga & Victoria A. Gores*

*St. Augustine University of Tanzania*

## ABSTRACT

This paper historically dissects the contribution of cooperative movement in sustainable development of the Matengo Highlands. The main objectives were to examine the evolution and development of the coffee farming in the Matengo Highlands. This examination is important as it directly relates to the formation, evolution and formation of cooperative movement as a colonial strategy in controlling production and marketing of coffee as an export crop which earned the colonial power raw materials and foreign exchange. This contribution was also important to the paper to address so that it is able to know how cooperative movement was instrumental in bringing about sustainable development through the handling of coffee farming and the marketing thereof. In this case the role of the state in the promotion of cooperative movement through enactment of laws, legislations and passing of policies was also under focus in this paper. The paper benefited from a research which was structured in a historical design so that to capture the dynamics of changes and transformations through which coffee production and marketing was implemented in the Matengo Highlands in Tanzania. The research was basically qualitative in nature due to the types of historical sources to be used in developing this paper both primary and secondary sources.

*Keywords:* Matengo Highlands, cooperative movement, sustainable development, coffee production, AMCOS.

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# Cooperatives and Sustainable Development: the Case of Coffee Marketing in the Matengo Highlands in Tanzania

Osmund M. Kapinga<sup>α</sup> & Victoria A. Gores<sup>σ</sup>

## ABSTRACT

*This paper historically dissects the contribution of cooperative movement in sustainable development of the Matengo Highlands. The main objectives were to examine the evolution and development of the coffee farming in the Matengo Highlands. This examination is important as it directly relates to the formation, evolution and formation of cooperative movement as a colonial strategy in controlling production and marketing of coffee as an export crop which earned the colonial power raw materials and foreign exchange. This contribution was also important to the paper to address so that it is able to know how cooperative movement was instrumental in bringing about sustainable development through the handling of coffee farming and the marketing thereof. In this case the role of the state in the promotion of cooperative movement through enactment of laws, legislations and passing of policies was also under focus in this paper. The paper benefited from a research which was structured in a historical design so that to capture the dynamics of changes and transformations through which coffee production and marketing was implemented in the Matengo Highlands in Tanzania. The research was basically qualitative in nature due to the types of historical sources to be used in developing this paper both primary and secondary sources. The main argument of this paper is that cooperative life in the Matengo Highlands has been marked by a series of changes emanating from legislation, policies and statements. Cooperation here had existed in the pre colonial period as an economic production and socio-economic strategy. Cooperation was self-sustaining given*

*the economic and historical conditions obtained in the Matengo Highlands. The colonial state during the British administration institutionalized cooperative movement for the purpose of promoting the export crop economy. Postcolonial state inherited the colonial system of suppressing farmers' cooperative movement to allow the state to accumulate surplus value. The situation was much more precarious during the so-called mlango mmoja cooperative movement under the Agricultural Marketing Cooperative Societies. As a result, AMCOs are no longer organs for sustainable development of the people who were systematically reduced to poverty-stricken situations.*

**Keywords:** Matengo Highlands, cooperative movement, sustainable development, coffee production, AMCOs.

**Author α:** St. Augustine University of Tanzania.

**σ:** Mwenge Catholic University.

## I. INTRODUCTION

This paper examines the introduction and development of coffee production and on the other side the formation and the development of cooperative movement in the Matengo Highlands to 2019. Agricultural production and cooperation among the Matengo Highlands dwellers have been a common practice and indeed one of their traditional values. They used to cultivate the highlands with their unique *ngolo* farming method growing a variety of crops including but not limited to maize, beans, legumes, tubers, vegetables and wheat. The labour process had developed a kind of cooperative work spirit popularly known as *ngokela*. Cooperation and crop cultivation were based on the subsistence

needs of the society. The coming of the colonialists engendered in transformation of the people in the Matengo Highlands. The crop which the colonialists introduced was an arabica coffee cash crop highly demanded in the world market. A crop which was not for subsistence of the people in the Matengo Highlands. The cooperation which was introduced through an alien cooperative movement from Europe was essentially for cash crop marketing. This was contrary to the traditional cooperation of ngokela which was based on the producer initiative.<sup>1</sup>

The modern marketing cooperatives were launched as part of the colonial economic strategy to control the coffee industry hence it was institutionalized through cooperatives and marketing policies and government legislation of 1932. More specifically section 36 of 1932 cooperative legislation<sup>2</sup> and was further reinforced by policies of Coffee rules passed by the Wamatengo Native Authority conferred by section 15 of the Native Authority Ordinance of 30<sup>th</sup> August 1933 as it was amended by the Redrafted Umatengo Coffee Rules of 1938. It was further agreed that the Coffee Industry (Improvement and Registration) Ordinance of 1936 be applied to the Matengo Highlands.<sup>3</sup> By this ordinance, coffee growers in the Matengo Highlands were obligated to sell their coffee through cooperative union. Through the African Agricultural (Control and Marketing) Ordinance in 1949 a separate Department of Cooperative was established in Tanganyika which accelerated the increase of the number of marketing cooperatives.<sup>4</sup> Other laws include the 1968 Cooperative Act which repealed the 1932 Cooperative Ordinance, in order to establish multipurpose cooperative societies, the

1982 Act which reestablished cooperative societies as Rural Primary Cooperative Societies after being abolished in 1976 geared towards implementing socialism and self-reliance policy. The 1991 Cooperative Societies Act, which prompted the registration of Agricultural Farmers' Cooperative Societies (AMCOS) in order to operate against CPBs allowed by the 1993 government circular which permitted private buyers to buy coffee direct from farmers through liberalization of the coffee market.<sup>5</sup> The 2017 Prime Minister directive on *mlango mmoja* marketing of coffee through the AMCOS and the subsequent directives from TCB infringed upon the working of cooperative general principles. In 2020 the minister of agriculture allowed private buyers to operate alongside the AMCOS. This has been the situation of coffee producers in the Matengo Highlands for the whole period they have been engaging in coffee production and its marketing.

## II. BACKGROUND TO THE PROBLEM

Cooperatives have a long history in Tanzania as they flourished after independence, but then became part of state structures in a top-down approach and were used as a tool for government policy. Marketing cooperatives expanded their business tremendously in the early 1960s. One source indicates that in 1966 there were 1,616 registered cooperatives and out of these 1,339 were engaged in the marketing of agricultural products. In 1960 cooperatives handled 145,000 tons of produce, in 1965 they handled 496,000 tons, and in 1966 they handled 628,833 tons of produce, which was worth TZS 605,200,500. By 1967 the cooperative movement had 3,000,000 members in rural areas.<sup>6</sup> The data quantify that the cooperatives sector was making huge business and members benefited from it.

Despite all changes in the operation of production and marketing of coffee, Matengo Highlands has been undergoing a lot of transformations in this process. Cooperative societies in the marketing of

<sup>1</sup> M.O.Kapinga, Capitalism and the Disintegration of Pre capitalist Social Formation: the Case of Cash Crop Production in the Matengo Highlands, MA Dissertation UDSM, 1993, pg. 39.

<sup>2</sup> Cooperative Societies Ordinance Cap 211, Laws of Tanganyika of 1932.

<sup>3</sup> TNA, 155/A.3/22.

<sup>4</sup> Tanganyika (Cooperative Enterprise) HC Deb 13 December 1957 Vol. 579 cc 1714-26, cf Herbert Ndomba, A History of Peasant Tobacco Production in Ruvuma Region, Tanzania, c. 1930 – 2016, PhD Dissertation, Stellenbosch University, 2018 pg 168.

<sup>5</sup> National Records Center (NRC) Dodoma, Several Cooperative societies files.

<sup>6</sup> Ally M. Kimario, *Marketing Cooperatives in Tanzania: Problems and Prospects*, (Dar Es Salaam: Dar Es Salaam University Press, 1992): 27.

Matengo coffee started by the unregistered Ngaka society in 1926 selling its coffee through NGOMAT. This society was formed to market coffee produced by themselves instead of middle men who were exploiting the farmers. Given the well organized operation of cooperative movement in coffee marketing the people of Matengo Highlands had achieved tremendous economic development as it was manifested in the pattern of consumption.<sup>7</sup>

Colonialists institutionalized cooperative societies for their own advantage through legislation, policies and other instruments. Post-colonial state consolidated cooperatives for its policy implementation strategies as witnessed in the changing policies, laws and circulars. From the late 1980s Tanzania introduced SAPs and subsequent liberalization of coffee marketing in 1993 onwards dealt a death blow to cooperatives which seemingly relied on government subsidies which were now withdrawn. Private buyers were allowed to buy coffee but unlike Cooperatives which failed to compete with private traders.<sup>8</sup> This was a condition which reverted to the pre-cooperative era when farmers were vulnerable to unscrupulous greedy traders.

In 2018 the government issued an order that the marketing of coffee should be done through one door/channel (*mlango mmoja*) that is the Cooperative movement through Agricultural Marketing Cooperative Societies–AMCOS. This decision seemed inconsistent to the general principles of cooperative movement based on voluntary membership; democratic decisions; members benefit; cooperatives are independent; cooperatives provide education, training and information; cooperatives work together and cooperatives work for their communities.<sup>9</sup> The results of which was resistance from peasants which culminated into the government deploying extraordinary power to suppress the rebelling masses.

<sup>7</sup> M.O.Kapinga 1993 op. cit. pg 39.

<sup>8</sup> Wazungu liberalization of coffee marketing.

<sup>9</sup> Tanzania Cooperative Development, A Simplified Guide for Cooperative Development Policies and the Cooperative Societies Act of Tanzania Mainland 2006 pp. 2-3.

The worst scenario in the Matengo Highlands happened in July 2019 where police from Mbinga invaded and rampaged Mahiro village in Kitura ward Mbinga district. The police pursued the citizens all around apprehending several including the councilor of Kitura Ward,<sup>10</sup> the village chairperson, members of the village government and other citizens. Six of them were locked in for 72 hours without any charge under the District Commissioner's order accused of subverting cooperative movement. A case was instituted against them for sabotage of cooperative movement through incitement. In Langiro village leaders including the party chairman had a case pending in the district court for subverting cooperative movement.<sup>11</sup> In both cases the claimants were the government agents who apparently were not members of any of the AMCOS. The Kipololo leaders including the counselor were locked in for subverting cooperative unions.<sup>12</sup> In Ngima and Kihereketi the AMCOS leaders were arraigned for embezzling member's money but it seemed that the district cooperative office was in support of the culprits.

This research wants to investigate several issues on cooperatives and coffee marketing as a strategy for sustainable development. given the fact that the Matengo Highlands is one area where cooperative movement found its place way back in the pre-colonial period and 1926 through the Ngaka Cooperative Society.

### III. LITERATURE REVIEW

The underlying theory on the development of cooperative movement, the operation of and theory underlying cooperatives in Tanzania have been adopted both from the Rochdale Pioneers in England as well as the Chayanov's theory of peasants' cooperatives, which advocate for agricultural cooperation among small-scale farmers. This theory addresses how farmers' cooperatives can enhance their sustainability under pressure from large-scale production

<sup>10</sup> Alex Ngui councilor Kitura ward October 2019 Mbinga.

<sup>11</sup> Adam Mkilima Party Chairperson Langiro branch interviewed October 2019.

<sup>12</sup> Angelus Nchimbi, Councilor Kipololo Ward, interviewed in October 2019, Mbinga.

organizations and private traders, who, in most cases, are more organized than the small-scale farmers. It promotes the idea of producers' cooperatives as forms of horizontal integration in agriculture. Furthermore, it operates on the assumption that cooperatives are formed by groups of individual farmers or small agricultural cooperatives for the purpose of large-scale marketing, purchasing agricultural inputs, acquiring credit, and marketing the produce. Thus, agricultural production activities are best organized in small individual units to preserve incentives; however, in some areas, voluntary cooperation among such units is necessary to achieve the advantages associated with economies of scale<sup>13</sup>. Thus, given the characteristics of the small-scale farmers in Tanzania, Chayanov's theory is appropriate and applicable to this paper.

Cooperatives have long history with vital contribution to the rural population<sup>14</sup> Weak organizational structure, and inferior financial position, poor management structure based on inherited organizational structure and attitudes from the past.<sup>15</sup> However, from the 1980s the cooperatives have a negative image and are unable to cope with socio-economic challenges of members. Most of them are associated with poor administration, poor leadership, poor business practices, corruption and embezzlement of member's resources.<sup>16</sup> With liberalization of coffee marketing in 1993 private coffee buyers became very aggressive in collecting and buying coffee from farmers, something very uncommon to cooperatives. The single marketing channel popularly known as *mlango mmoja* in the

Matengo Highlands completely paralyzed the cooperative societies.

With this order in place confusion ensued in the marketing of coffee in the Matengo Highlands. Against the cooperative principles the government forced all coffee to be marketed through AMCOS. The implementation of this order was compulsory by ordering the formation of AMCOS where they did not exist. Where AMCOS existed, all farmers of coffee were forced to register to the existing cooperatives. All coffee farmers were forced to join cooperative societies with no regard for principles of cooperative principles.

Thus, in 1982 Cooperative Societies Act resulted in the reestablishment of cooperatives but they were placed under the patronage of the ruling party, making membership almost compulsory. As a matter of fact, the cooperatives were under the close supervision of the government and the ruling party (CCM), which appointed leaders and controlled their daily activities. That means, the cooperatives were introduced from the top and not from the grassroots, which was contrary to the principles of cooperatives.

On his trip to southern region the president disclosed that more than 1.2 billion shs belonging to farmers have been eaten by AMCOS body members. He called upon the relevant security officers to follow up the matter and arraign all the culprits. On 26th October, 2019 the Minister for Home Affairs speaking in Bunda but addressing the all nation urged the people who have eaten the farmers' money across the country to be apprehended. The District Commissioner of Mbinga admitted that farmers should be prepared for their money being stolen by the body members.<sup>17</sup> A suggestion was thus posited to institute a cooperative regulatory framework if modernization of cooperative movement is to be rescued.<sup>18</sup> This should go alongside a launching of cooperative transformation by focusing on principles that cooperatives are owned and controlled by their members so that they can be

<sup>13</sup> Chayanov, Alexander *The Theory of Peasant Co-operatives*. translated by David Wedgwood Benn : Ohio State University Press Columbus 1991, pp 10-11.

<sup>14</sup> Methew Mrema, *Coffee marketing System in Rombo*, MA MoCOBS Moshi, 2017.

<sup>15</sup> Damian Sambuo and Juda Msaki, Mechanism for Co-operative Revitalization in Tanzania: a Policy Review *Journal of Co-operative and Business Studies (JCBS)* Vol.4, Issue 2, 2019: pg. 1

<sup>16</sup> Albert Omar Mruma, *Fifty Years of Cooperatives and Economic Development in Tanzania (1961-2011)*, Moshi University College of Cooperative and Business Studies, P.O. Box 474, Moshi, Tanzania, *European Journal of Business and Management* www.iiste.org, Vol.6, No.13, 2014 pg. 88.

<sup>17</sup> Mwananchi Sunday 27.10.2019 and Mtanzania Monday 28.10.2019.

<sup>18</sup> Sambuo and Msaki, op. cit. pg. 28.

able to meet their social and economic needs.<sup>19</sup> Most of the suggestions put forward are too technocratic and legally based. There was little regard for the members who are basically not knowledgeable on the basics of the ideal cooperative movement. The cooperative officer at the district level was not helpful in disseminating cooperative education due to their small number and lack of interest.<sup>20</sup> This paper is a pioneering attempt to use cooperative movement in the Matengo Highland to test the suggestions on how best to revive cooperative societies among coffee producers.

#### IV. METHODOLOGY

The research was conducted in the Matengo Highlands in Mbinga district of Ruvuma region in Tanzania. This geographical area was among the early producers of coffee and founded one of the earliest cooperative societies. Furthermore, despite all those pioneering endeavors Matengo Highlands has reverted to impoverishment unable to achieve sustainable development as envisioned by the millennium goals. The research was structured in a historical design so as to capture the dynamics of changes and transformations through which coffee production and marketing was implemented in one of the principal coffee producing zones in Tanzania.<sup>21</sup> The research was basically qualitative in nature due to the types of historical sources to be used in developing this study. The bulk of information and data were generated from the National Archives of Tanzania (TNA) where most of the colonial records on coffee farming and marketing were accessed, the research also accessed data from the Director, President's Office Records Center, Dodoma where most post-colonial records on cooperative movement and marketing of coffee have been housed and The Registrar, Cooperative Societies, Dodoma office where most of the authoritative documents on cooperatives were accessed. Mbinga District Council and Town Council authorities provided the necessary information

and documents. MBIFACU provided the historical documents on coffee growing and the changing systems of marketing of the product from Tanzania Coffee Board (TCB) Mbinga branch. Furthermore, Mbinga provided the majority population for interviews from pioneer veterans, coffee farmers, members of societies and leaders on behalf of the government and volunteered a lot of valuable information on the production and marketing of coffee. The Coffee Curing factories gave valuable information on the processing and grading of coffee before taking the processed coffee to the auction. AMCOS leaders and members from sampled wards were used to provide contemporary information about cooperative movement, District Administrative Secretary of Mbinga and The District Commissioner (DC) provided valuable information on how they oversaw the production of coffee in the Matengo Highlands. The data collected were then arranged according to the research questions and interpreted using a qualitative approach.

#### V. MATERIALS AND DISCUSSION

##### 5.1 *The formation and adoption of cooperative societies*

##### 5.1.1 *Origin of Cooperation in the Matengo Highlands*

A cooperative is a group of people who work together voluntarily to meet their common economic, social, and cultural needs through a jointly owned and democratically controlled enterprise. Cooperatives are based on the values of self-help, self-responsibility, democracy, equality and solidarity. Cooperative members believe in honesty, openness, social responsibility and caring for others.<sup>22</sup> Cooperatives are organizations in which a group of people come together to achieve a particular economic goal for all members of the group.<sup>23</sup> These organizations achieve their objectives through a democratic process in which each member has an equal voice.

<sup>19</sup> Mruma, op. cit. pg. 11.

<sup>20</sup> Interview with Cooperative officers at Mbinga DC in October 2019.

<sup>21</sup> By the 1920s the missionaries and the colonial officers experimented with coffee production.

<sup>22</sup> Tanzanian Federation of Cooperatives (TFC) in Collaboration with the Cooperative Development Department - October 2006.

<sup>23</sup> G. R. Cloulte, 1987. Co-operatives and rural development. *Develo- pment Southern Africa*, 4(3): 543–552.

Thus, members not only participate in discussions regarding economic interests, they also engage in and nurture a democratic process for doing so. The primary goal of any cooperative is to meet the needs of its members in a cost effective manner.<sup>24</sup> The cooperatives, as well as their underlying principles, are rooted in the philosophy of the Rochdale Pioneers in England, who established a consumer cooperative store in 1884. Thus, the Rochdale organization and its operational patterns have been used as a prototype for all contemporary cooperatives worldwide.<sup>25</sup>

However, the modern concept of cooperation was the result of the great Industrial Revolution of Great Britain. It was somewhat different from the earlier concept and denoted a special method of doing business.<sup>26</sup> It was a new ideology developed as a solution to the domination and exploitation in the industrialist era. Cooperation emerged as a defense against the early abuses of the rigors of the capitalist industrial system.<sup>27</sup> Robert Owen (1771- 1858) came as a messiah with certain plans to reorganize the people on a cooperative basis.<sup>28</sup> This idea came to dominate the thinking of the exploited working class who started subscribing to cooperation as a way to improve their working condition .

The concern of this paper is to ascertain the course of development of cooperative societies in the Matengo Highlands. Several phases are identified and an in depth tracing will be engaged. The traditional or local cooperation among the Wamatengo existed before the advent of the British in the form of *ngokela* as the first form of cooperation. Cooperative societies in the Matengo High lands were indeed conceived by the indigenous population through their traditional

spirit of *ngokela*. This was essentially producer cooperation. Better conceived as the producer cooperative endeavor in a traditional fashion. *Ngokela* was based on a communal mutual help system among the clan members.<sup>29</sup> This cooperation simplified work and guaranteed the reproduction and security of the clan and society at large by saving it from food shortage.

Under the *ngokela* system work was organized on a family basis whereby when farming, weeding and harvesting seasons came the work was rotational. Starting from the first family to the last family on the order they had agreed. Even when a member of the clan falls sick, the clan members under the spirit of *ngokela* will attend his farm. In the case of harvesting the members of *ngokela* will carry home part of the produce from the farm they had spent their labour on that day. as a token appreciation of existing cooperation. The owner of the farm would prepare food and local beer for the participants. However, this was not payment, instead one has to reciprocate in terms of labour supply. The process of cooperation in different activities would continue until all the clan farms are completely worked on.

There also existed another form of cooperation in the social arena through traditional dances whereby several groups of *maboma* from different villages were invited to perform in *mangengesa/mhambo, mganda and kihola* in a competitive manner. The guest *boma* would upon receiving an invitation which indicated the dates for the dance. Upon arrival of the guest, they will line up for the hosts to *sanga* them. The event will continue until all guests from all guest bomas have been accorded an accommodation. If there were ten groups each member of the host boma would have accommodated ten guests. An arrangement would be made by leaders of the host boma to host them.

The other form of social cooperation was that of *matola/majamanda* involving friendship affection emanating from dance friendship, wedding, *zawadi* for an important event such as birth, baptismal, wedding, death or just *ukosi*.

<sup>24</sup> F. F Lyimo., 2012. *Rural Cooperation in the Cooperative Movement in Tanzania*. Mkuki Na Nyota Publishers Ltd., Dar es Salaam.

<sup>25</sup> Brett Fairbairn, The Meaning of Rochdale: The Rochdale Pioneers and the Co-operative Principles, Occasional Paper Series, Center for the Studies of Cooperatives University of Saskatchewan, 1994, pg. 8

<sup>26</sup> Cooperation in India (MacLagan) Committee 1914-1915: Report. Simla, 1915,

<sup>27</sup> D.R. Gadgil, *Towards a Cooperative Commonwealth*, Punjab University, Chandgarh, 1961, pg. 67).

<sup>28</sup> John Winfred, 1987.

<sup>29</sup> Kapinga op. cit. pg 39.



Normally, these events were conducted in a reciprocal manner. A host will be informed by the wouldbe guest of their intention to make a friendship visit or to join them in an event they have prepared. This cooperation intended to forge cooperation between the two families or the two parties. Further to this cooperation is also engendered by the visitor inviting friends and family members for an escort to the host. Each member will carry some- thing ranging from maize, flour, beans, hens, and even money. The host will have to reciprocate at a later date during a similar or related event.

This practice perhaps was a very crucial foundation for the peasants who organized themselves in formation of cooperative societies, the example of Ngaka cooperative society formed in 1926 is a case in point. It started operating as an unregistered society charged with assisting the marketing of coffee in resistance to the exploitative individual buyers who used to provide a very low price for coffee produce.

### 5.1.2 Co-operation under German colonial period

The German era witnessed the systematic effort to incorporate the Matengo Highlands into the colonial economy. The German rule started by issuing bank notes as a medium of exchange. In 1898 poll tax and hut tax were introduced to be paid in kind. The local people were supposed to pay tax on food stuff, hoes, and livestock. These items were sent to the German headquarters in Songea. Cash was also used to pay tax, the tax rate was fixed at three rupees per hut, house or building.<sup>30</sup> The Germans also established government-controlled market halls and customs posts to handle business. African and Asian itinerant traders from Ungoni travelled to Matengo Highlands carrying with them different merchandise including iron goods, soap, utensils, lamps, kerosine, sugar, beads and cloth.<sup>31</sup> Mission centers at Lituhi, Kigonsera, Peramiho and Litembo developed as marketing institutions where items

traded included onions, potatoes, and wheat. Songea *boma* administrative workers, Europeans, *akidas* and *jumbes*, was another market place for goods from Matengo Highlands. Coffee as an important export crop did not form part of the German colonial economy in Matengo Highlands. It was until the British colonial period that coffee became one of the important cash crops produced in the area.

### 5.1.3 Cooperation under British colonial period

During the British period wheat production formed one of the important export produce. It was the British government which encouraged wheat production for export.<sup>32</sup> Wheat was marketed through the mission centers; small milling machine was installed at Litembo and a large milling machine was installed at Peramiho. The local demand was limited to 10 kilos and external buyers could not be accessed easily because of transport costs hence the price to farmers dropped and farmers could no longer continue producing wheat.<sup>33</sup>

The British had to supervise not only the production of coffee in the Matengo Highlands, but they had to set cooperative unions as a mechanism to market the coffee crop in the Matengo Highlands. Potential cash crop was coffee which was first marketed by unregistered Ngaka Cooperative Society through the registered cooperative union the Ngoni Matengo Cooperative Marketing Union (NGOMAT) with its three affiliated primary cooperatives (Mbinga Society 1937, Mbagamao Society 1938, and Tingi Society 1938) was registered in 1936.<sup>34</sup> In 1942 Chrisostomus Makita initiated the formation of the Matengo marketing cooperative. This was so because the Coffee Industry (Improvement and Registration) Ordinance 1936 among other things required growers to sell their coffee through a

<sup>30</sup> Doris Schimied Subsistence Cultivation, market Production and Agricultural Development in Ruvuma Region, Southern Tanzania, Southern Tanzania, Bay Renth African Studies Series 1986, pg 66.

<sup>31</sup> Kapinga, 1993, op.cit. pg. 53.

<sup>32</sup> TNA Songea District Book MF 40 sheet 27, 1929.

<sup>33</sup> TNA Acc. 155. 11/126/1952.

<sup>34</sup> Sam Maghimbi, Cooperatives in Tanzania Mainland: Revival and Growth, Coop Africa Working Paper, ILO 2010: pg 1 cf. Tanganyika Annual report of Co-operative Department, (Dar Es Salaam: Government Printer, 1947),

cooperative union. Unregistered farmers were to sell their crop to any individual licensed dealer.<sup>35</sup>

The colonial intervention came in with a strategy of controlling cooperatives through the infamous Cooperative Societies Ordinance of 1932 together with the formation of the office of Registrar of Cooperatives and its application in the Matengo Highlands. The justification of which was the claim of modernization of cooperatives in order to facilitate the marketing of coffee crops in the Matengo Highlands. The Matengo chose local chairmen 1934 who later formed Ngaka Cooperative Society which sold coffee through NGOMAT which dealt with selling of tobacco crop in Songea<sup>36</sup> The Ngaka society of 1926 still unregistered was supposed to be abolished<sup>37</sup>

Post-World War II years coffee prices went skyrocketing from 53 cents per kilogram in 1936 to 5.50 shillings per kilogram in 1950 this rise led to expansion of planting, the number of trees increased the number of villages increased, the number of coffee growers increased, coffee growing to non-traditional coffee areas.<sup>38</sup> Apart from the registered Ngaka society, more primary societies were formed to handle coffee production and marketing in the Matengo Highlands.<sup>39</sup> The primary societies were united to form a union with the Matengo Native Cooperative Union. MANCU transferred all activities pertaining to coffee from NGOMAT Songea to MANCU at Mkinga in the Matengo Highlands. The contribution of the colonial state in promoting cooperative movement during this period was quite remarkable by enacting a Cooperative Development Act which empowered the Department of Cooperative to coordinate, promote and register the development of African cooperative societies in Tanganyika.<sup>40</sup> Laws,

<sup>35</sup> TNA Acc. 155. Coop/27/110.

<sup>36</sup> John Iliffe, *A Modern History of Tanganyika*, TPH, 1979, pg 295.

<sup>37</sup> TNA Acc 115, Coop/11/27/125.

<sup>38</sup> TNA 155.11/260/50.

<sup>39</sup> NRC Ngaka 1947, Kitumbalomo 1960, Pilikano 1952, Mhagawa 1953, Nyoni 1959, Mtua, Liture 1959, Mhagawa Asili 1960, Lipumba 1937, Coffee Growers Societies were formed and registered in the Matengo Highlands.

<sup>40</sup> Herbert Ndomba, Tobacco Production in Songea op. cit.pg.169.

policies and legislations were passed to effect institutionalization of cooperatives. Appointments of the registrar and assistant registrar were implemented in 1938.<sup>41</sup>

#### 5.1.4 *The Matengo cooperative movement in postcolonial period*

The postcolonial state perpetuated the colonial policies and legislations in promoting cooperatives and the control of marketing under the National Agricultural Products Board (Control and marketing) Act of 1962 by strengthening the control and state intervention. The necessity to control export earnings called for increased promotion and direction of cooperative movement. The cooperatives were privileged to be given monopoly to handle export crops that led to the government getting central control. Strengthened through agriculture marketing legislation that provides power to the marketing boards from as early as the 1960s to 1980s. For example, the National Agricultural Products Board (NAPB) was established and became the only legal channel for agricultural marketing which provided for the national wide boards The Tanganyika Coffee Board 1962. The performance of cooperatives was fairly good during the period of 1960 to 1976. The 1963 Cooperative Ordinance was aimed at assisting the spread of cooperative societies to non-cash crop producing areas, hence a strategy towards rural transformation.<sup>42</sup> The frequent changes of laws and policies related to cooperative societies prompted a top down setting in the running of cooperative societies contrary to the principles of running cooperatives.<sup>43</sup>

Further to that it was the Cooperative Societies Act of 1968 which dealt a death blow to cooperative movement by assigning powers to the registrars over the cooperative societies thus failing to serve the farmers. In 1968, in response

<sup>41</sup>NRC Dodoma, File Appointment of Registrar and Assistant Registrar of Cooperative Societies.

<sup>42</sup> Gongwe Mhando, Conflict as Motivation for Change: the Case of Coffee Farmers' Cooperatives in Moshi, Tanzania, African study monographs. Supplementary issue (2014), 50, pg 141.

<sup>43</sup> F.F Lyimo *Rural Cooperation in the Cooperative Movement in Tanzania*. Mkuki Na Nyota Publishers Ltd., Dar es Salaam. 2012,

to problems caused primarily by rapid growth, the 1932 legislation was replaced by an Act which greatly strengthened the power of the government to intervene in Cooperative affairs. Cooperatives were organized at regional level (Ruvuma Region Cooperative Union - RURECU) with no regard for economic viability as required by the law.<sup>44</sup> RURECU was registered in September 1972 with its headquarters at Songea after the cancellation of three unions in Songea, Mbinga and Tunduru.<sup>45</sup> In a situation like this the power of the central government over cooperative societies was entrenched.

The Arusha declaration had a serious impact on this reorganization. The policy of rural development was to be implemented through the hitherto cooperative societies. The Villages and Ujamaa Villages (Registration, Recognition and Administration) Act 1975 dealt a death blow to the cooperative movement because cooperative societies and their union (MANCU) were now abolished and reorganized by the government so that they can implement ujamaa policies. Every 250 households were to constitute a village and registered as a multipurpose cooperative society. These villages in the Matengo Highlands were then affiliated to Coffee Authority which was a government parastatal formed in 1976 to involve in coffee marketing and related issues as agents. The mould-breaking Villages and Ujamaa Villages Act made each village into a single corporation responsible both for the administrative functions of local government and the commercial functions hitherto carried out by Cooperatives. Coffee Authority was formed to promote coffee farming and marketing through overseeing and following up the activities of extension officers and delivery of agricultural inputs to coffee farmers. Villages were entrusted with the work of coffee marketing through their Economic and Planning Committee<sup>46</sup>

The Cooperative movement between 1976 and 1982 reflected more government control than before, the primary societies were not members of the Coffee Authority. The villages had no say or control over the Coffee Authority; they were only buying posts of coffee. The functions of cooperative unions were taken over by crop authorities, which had to buy crops directly from villagers. were taken over by state owned companies, such as the Regional Trading Companies and District Development Corporations. The crop authorities failed in buying peasant crops and in providing price incentives. They did badly in the supply of farm inputs and credit. Cooperatives were reestablished by the Cooperative Societies Act of 1982 and its performance after its re-establishment was not on the earlier successful footing. Ever since their abolition in 1976 and subsequent reestablishment in 1982, cooperatives have faced a myriad of challenges including those arising from financial, structural, governance and policy framework.<sup>46</sup> There was a challenge based on increased politicization of cooperative movement by the ruling TANU encouraged the formation of the apex organ Cooperative Union of Tanganyika (CUT) in 1963. The CUT placed regional cooperative unions under its umbrella and therefore facilitated incorporation into the government and ruling party machinery. Following the Arusha Declaration cooperatives became the tool of building socialism and self-reliance policy regardless of how compatible they were.<sup>47</sup> This politicization was finalized in 1979 when the CUT was renamed *Jumuiya ya Washirika* (Union of Co-operative Societies - UCS) and officially became an arm of the ruling party, Chama cha Mapinduzi (CCM) charged with mobilization, providing guidance and supervision of growers during the implementation of the ideology and the 1976 ujamaa villages policy.<sup>48</sup>

<sup>44</sup> National Records Center (NRC) Dodoma, Kimuli and Matiri Agricultural Marketing Cooperative Society (AMCOS) one condition for a society to be registered has to prove that it is economically viable.

<sup>45</sup> NRC, Box 244 2/7/02, CCU/R/80/37 F II, Annual Reports from D.C.Os 1972. *Taarifa ya mwaka unaoishia tarehe 31 Desemba 1972, Idara ya Ushirika Mbinga*

<sup>46</sup> Albert Omar Mruma, Fifty Years of Cooperatives and Economic Development in Tanzania (1961-2011), *European Journal of Business and Management* www.iiste.org/Vol.6, No.13, 2014, pg. 7.

<sup>47</sup> Gerald Albaum and Gilbert L. Rutman, The Cooperative-Based Marketing System in Tanganyika *Journal of Marketing*, Vol. 31, No. 4, Part 1 (Oct., 1967), pg. 58

<sup>48</sup> Seimu Somo Makanyaga Liheta, The Growth and Development of Coffee and Cotton Marketing Co-operatives

The 1982 Cooperative Act on the reestablishment of the cooperative movement but were put under the patronage of the ruling party. MBICU in the Matengo highlands was a victim of this threat when the management was at loggerheads with politician until its liquidation in 1993<sup>49</sup> The 1982 Act, which was discussed in January 1986 brought Tanzania more than half-way back to cooperative orthodoxy. The principles of cooperative movement according to the International Cooperative Alliance (I.C.A.) cooperative activity in a village should be under the umbrella of one multi-purpose cooperative supervised by the Cooperative Development Committee.<sup>50</sup> There was practical support for small group enterprise since groups with specialized skills were allowed to register with as few as four members. All villagers were automatically cooperative members, the village economic development committee of the village government automatically assumed a cooperative function, and the village government became in charge of the cooperative movement at the village level. The cooperative societies registered under the 1982 act were referred to as Rural Primary Cooperative Societies.<sup>51</sup> The nature of the formation and operation, no wonder explains why most of them were unable to function as marketing cooperative societies due to lack of working capital for crop purchase, processing, marketing and supply of agricultural inputs.

### *5.1.5 Cooperatives and Coffee marketing during Liberalization*

Mbinga Cooperative Union Ltd (MBICU) was established in 1989 after Ruvuma Region Cooperative Union (RCU) was found unable to cater for the needs of coffee farmers in the Matengo Highlands. The Mbinga Cooperative Union (MBICU) was formed by the Ministry of Co-operatives to cater for the financial needs of

coffee producers in the region, particularly the Matengo Highlands where coffee was the main export crop.

After the Tanzanian government liberalised the domestic coffee market in 1993,<sup>52</sup> MBICU had difficult economic power and could not compete with the private coffee buyers and hence went bankrupt.<sup>53</sup> In 1994/95 season MBICU purchased 1,790 tons of coffee equivalent to 20% only, while the private sector the remaining 80%. MBICU projects in distribution, transportation, Ugano Coffee Estate, Bar and Guest House, and purchase of crops were faring badly. Besides these problems MBICU was at loggerheads with political figures especially the Regional Commissioner and the District Commissioner because of personal grudges with MBICU manager.<sup>54</sup>

Before liberalization of the trade cooperatives were not purchasing coffee from farmers but collected and sold it at the auction on behalf of the farmers. Currently, cooperatives must compete on equal footing with private buyers in the liberalized coffee environment. Thus, cooperatives, while unable to use three tiers payment systems, must purchase coffee from farmers and sell at the auction.<sup>55</sup>

During coffee liberalization the relationship between cooperatives and farmers was based on marketing of coffee. Farmers depended on primary society as their initial marketing point. Primary societies collected coffee from farmers and sold it directly at the auction through TCB. Farmers expected to be paid by instalments. The situation was made worse because primary societies did not assist farmers in the purchase and distribution of agricultural inputs.

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in Tanzania, c.1932-1982, PhD Dissertation, University of Central Lancashire, 2015, pg. 155.

<sup>49</sup> NRC Dodoma, The MBICU Manager had serious bickering with the then RC and DC.

<sup>50</sup> Tanzanian Affairs, The New Co-operative Societies Act, 1992, September 1, 1992 at 12:52 am, Filed under Issue 43, Politics.

<sup>51</sup> NRC Box 210 2/6/2, have records of Mbangamao, Mkwaya, Mahilo, Kitanda, Liparamba, Ndongosi, Rural Primary Cooperative Societies, all were registered in 1987 and 1988.

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<sup>52</sup> NRC

<sup>53</sup> Mark Napier, Making financial services work in rural Tanzania on 3 September 2010.

<sup>54</sup> NRC, Box 69 2/2/03/ MBICU Ltd (1989) Estimates and Expenditure 1990-1993.

<sup>55</sup> NRC ibid Masharti mapya ya uuzaji zao la Kahawa kwa njia ya mnada.

Private Coffee buyers purchased coffee from farmers and marketed it at the auction.<sup>56</sup> They are the result of privatization of domestic coffee marketing. In some cases, private traders have brought competition at the present coffee marketing environment, but in other cases where there are no cooperatives, they have created monopoly and offered farmers very low prices as the case of Mbinga in 1995. Besides, PCBs have been criticized for not assisting farmers in the production process, and thus, farmers were left alone to produce with limited use of agricultural inputs, only to meet farmers during marketing.

PCBs and farmers related mostly during the harvesting and marketing time and there was no legal obligation between them. Farmers sold coffee to PCBs in times of hardship and were paid only once. PCBs purchased coffee from farmers and did not assist them in the production process. However, PCBs expected farmers to use income accrued from coffee sales to purchase agricultural inputs and continued with coffee production. PCBs did not issue receipts and paid only once. Even when PCBs realized the high price at the auction, they didn't pay farmers another increment since they did not have records which show where the coffee was purchased. Thus, farmers take advantage of this by selling low quality coffee to PCBs which buy coffee regardless of its quality.

The PCB pressure on MBICU led to its collapse and hence liquidation in 1996/97 season and a new Union in the name of MBIFACU was registered under the 1991 Cooperative Societies Act.<sup>57</sup> Together with this new registration the Rural Primary Cooperative societies in the Matengo Highlands were not faring well due to lack of working capital. They were unable to live to their by-laws and promised to serve the members by promoting their wellbeing.

The new Cooperative Societies 1991 Act permitted members to shape their own Cooperatives and it

<sup>56</sup> NRC Dodoma, The regional authorities of Ruvuma issued a Circular allowing private buyers to buy coffee from farmers along with MBICU 1993.

<sup>57</sup> NRC, A study of Financial Position of Cooperative Unions 1995/96/,/1998/99, Mbinga Agricultural Cooperative Union (1993) Ltd.

also called for additional Cooperative education. Educators put before the members ideas associated with Socialism and Ujamaa as well as those associated with Free Market and Competition, unless people are encouraged to look at ideas from both sources, the chances that they will create cooperatives that meet their needs will be unnecessarily reduced. The result of this education together with the needs of the new law, primary societies were to be reconstructed and registered under the Cooperative Societies 1991 Act as Agricultural Marketing Cooperative Societies.<sup>58</sup> AMCOS was formed on the basis of amalgamation of several primary societies which can meet the economic viability criterion. KIMULI was an amalgamation of economically weak primary societies of Kitanda, Mtama, Utiri and Lipumba.<sup>59</sup> Matiri AMCOS was an amalgamation of Kilindi Rural Primary Cooperative Society, Mhongosi Rural Primary Society and Matiri Rural Primary Cooperative Society.<sup>60</sup> This exercise of registering AMCOS went across the Matengo Highlands among coffee growers.

Mbinga Farmers Cooperative Union Limited 2000 (MBIFACU) was formed in order to stand for coffee farmers in Matengo Highlands against the exploitation of PCB.<sup>61</sup> The union relation with farmers and their primary societies did not fare very well on the grounds that farmers were suspicious at it based on the experience of the performance of preceding union MBICU. It received little cooperation from farmers who continued trusting the PCB though a better devil. Unlike MBICU, the private coffee buyers did not supply the necessary agricultural inputs at the detriment of coffee quality and consequently impoverishment of the Matengo coffee farmers. The coffee trade by private buyers begins immediately when flowering starts. Buyers approach farmers by entering into contract with these farmers who are already impoverished. The buyers make an advance for the forthcoming crop

<sup>58</sup> NRC Box 253 2/7/04, Matiri and Kimuli Agricultural Marketing Cooperative Societies.

<sup>59</sup> NRC, RVR 380, Box 253 2/7/04

<sup>60</sup> NRC RVR 379,

<sup>61</sup> MBIFACU, By-laws approved by the General Assembly Mach 2018.

produce at a very low price. When time of harvest comes, buyers make a shunt to collecting their illegal proceeds from already poor farmers. They normally had their shadow governments by which they arrested and punished defaulters of the illegal contacts. This illegal practice in the Matengo Highlands was normally called *magoma*.

### 5.1.6 *The Mlango mmoja cooperative and coffee marketing*

In February 2018, the Tanzanian government issued new directives which were to be used to guide coffee marketing from the 2018/19 season.<sup>62</sup> Under the directives, coffee was to be purchased/collected through one channel or gate (*mlango mmoja*) from farmers by the cooperatives (AMCOS) only. At the surface the spirit was to protect coffee farmers from unscrupulous PCBs. Farmers' groups and private traders were not allowed to collect and purchase coffee from farmers. Cooperatives will take coffee to curing factories and thereafter, sell it at the TCB auction in Mbinga.<sup>63</sup> All licensed private traders will purchase coffee at the auction only. These directives were aimed at increasing prices of coffee received by farmers by abolishing middlemen who were claimed to reduce farmers' income.

The implementation of this directive revealed several challenges including the AMCOS being unable or being late to pay advance payment to farmers, coffee delayed to be sent to the market due long value chain of coffee and problem of liquidity to many AMCOS. When the government dictated these guidelines, they did not consider non-member coffee farmers who were in any way forced to join existing AMCOS. In most AMCOS the few members dictated terms especially concealing necessary information about sensitive trans- actions and even the by-laws.<sup>64</sup>

The other side of the government's good intention was to make intervention in the coffee trade as a

strategic crop for government earnings. By using *mlango mmoja* the government was able to make collections out of coffee proceeds. The chain was as follows, MBIFACU the union, District Council, TCB, TFD, and the banks. This chain, which was extracting a percentage from one kilogram of a poor farmer's coffee, was just too long.<sup>65</sup>

Bwambo, and Huka show how Kimuli AMCOS assisted its members accessing coffee farm inputs at reasonable prices compared to other shops in the village or town centre. The inputs sold included improved seeds, farm tools and pesticides. Hence, farmers who were members of AMCOS could access the inputs conveniently and even by credit when they do not have cash. This allowed them to start production at the right time. Other services provided were market information and services, extension services, temporary storage and processing services. The services provided farmers with an opportunity to improve their production practices and adopt the best practices to increase productivity.<sup>66</sup> This best practice did not extend to other AMCOS in the Matengo Highlands.

For many years, stakeholders of the coffee industry have been complaining about the number of government and district council taxes and licensing fees which they were required by the law to pay.<sup>67</sup> These taxes and fees were mostly charged to coffee traders and eventually passed to coffee farmers as reflected by the low producer price that farmers were getting. These taxes and fees are said to be a burden to small holder farmers as they decrease the profit margin expected by these farmers.

From the 2018/19 coffee season, the government decided to abolish some of these taxes and license fees in order to increase revenue accrued by farmers as well as increasing efficiency along the chain. To start with, from the 2018/19 coffee season, TCB abolished all licensing fees in the

<sup>62</sup> Bodi ya Kahawa Tanzania, Mwongozo Kuhusu Maboresho ya Taratibu za Mfumo wa masoko ya Kahawa Machi 2018, cf Prime Minister Speech.

<sup>63</sup> From 2019 the Matengo Highlands coffee was auctioned at Mbinga.

<sup>64</sup> Mahilo, Kipololo, Ngima, Hagati, Kipela AMCOS were plunged into very serious conflicts.

<sup>65</sup> Interviews Noel Ngailo, Kisima at Mbinga DC 2019 October.

<sup>66</sup> M. Bwabo, A. Mchopa and H. Huka, Agricultural Productivity, Co-Operatives and Organisational Innovations: A Case of Selected Coffee Production Communities in Mbinga District Tanzania, (n.d.) pg 7.

<sup>67</sup> Tanzania Coffee Board, 2017.

coffee sector for the companies which fulfilled the conditions for trading on coffee. Ruben *et al.* indicated the number of taxes and licensing fees on the coffee industry before 2016/17 and after abolition in the 2018/19 coffee season.<sup>68</sup>

Likewise, stakeholders complained about the presence of multiple regulatory bodies (TCB, TDFA, Districts councils, curing factories - MCS, MCCCCO, DAE) which almost performed similar functions and thus, creating unnecessary bureaucracy which was not conducive for the smooth operation and efficiency of coffee sector.<sup>69</sup> From 2017/18, the government reduced the tax burden to the stakeholders of the coffee industry. Only 4 taxes and cess remained in the coffee industry. These were the district cess taxation (3 percent of sold beans at the auction; reduced from 5 percent), research contribution tax (0.375 percent of sold beans), the contribution to the trust fund (0.1 percent by farmer and 0.1 percent by the exporter).<sup>70</sup> It was expected that reduction of the taxes, cess and license fees which were a burden to farmers will increase prices of coffee and benefit to farmers along the value chain and not benefit the traders who have been exempted but end up paying farmers as it was before abolition.<sup>71</sup> Both cooperatives and the private sector were involved in transporting coffee in forms of cherries and parchment. TCB on behalf of the Tanzanian government issued licenses to coffee exporters who were allowed to purchase coffee from the coffee auction in Mbinga and export it. That is, exporters have met all the requirements for an export license. Coffee exporters (cooperatives and private traders) were members of the TCB auction which was conducted once a week on Thursdays. The main actors at the auctions were licensed exporters who purchased coffees from the auction for export, farmer's groups/primary societies who sold their coffee at

the auction and cooperative unions purchased from farmers and sold at the auction.

Although the 2002 Coffee Industry Act prohibits possession of multiple licenses in order to increase competition at the auction, PCBs have designed a way of possessing multiple licenses. This was done through establishment of sister's companies which operate in the same premises but perform different functions (one purchasing parchment coffee from farmers and another purchasing coffee from the auction and export). It was reported that initially, the relationship between the sister companies was a secret, but eventually it has become public. For example, at the auction, the sister company with the exporter license purchases coffee at the auction, which is sold by its sister company, leading to what was now called reposition of coffee. Sister companies operated along the coffee chain freely, purchasing their own coffee. The effects in the coffee chain have been the lack of competition among buyers, decreasing price and income to producers.<sup>72</sup>

The Cooperative Reform and Modernization Programme (2005- 2015) was produced as a blueprint for cooperative revival in Tanzania. To achieve their goals, cooperatives need to be commercially viable enterprises, able to compete in the liberalized market and prosper in the marketplace so as to achieve its purpose of fulfilling the members' economic and social needs.<sup>73</sup>

## VI. CONCLUSION

The role of the state in production, processing, marketing and supervision of coffee in the Matengo Highlands from 1926 to 2018 for sustainable development have long history. Sustainability is recognized as one of the five pillars of the International Co-operative Alliance's (ICA) Blueprint for a Cooperative Decade, which aims to position cooperatives as builders of economic, social and environmental sustainability

<sup>68</sup> Ruben, R., Allen, C., Boureima, F., Mhando, D., Dijkxhoorn, Y. 2018. Coffee Value Chain Analysis in the Southern Highlands of Tanzania. Report for the European Commission, DG-DEVCO. Value Chain Analysis for Development Project, (VCA4D CTR 2018) pg 44

<sup>69</sup> Interview with farmers at Mbinga in October 2019.

<sup>70</sup> Ruben op. cit. pg 45.

<sup>71</sup> The coffee auction at Mbinga October 2019 this author attended, the highest price was 5000/= shs per kilogram before the statutory deductions were effected.

<sup>72</sup> Soochak Bush and Company Ltd, Tropex Ltd, 2001

<sup>73</sup> Albert Omar Mruma, Fifty Years of Cooperatives and Economic Development in Tanzania (1961-2011), *European Journal of Business and Management* www.iiste.org Vol.6, No.13, 2014

by 2020.<sup>74</sup> To evaluate the nature and significance in the form of quality, ability and extent of quality, ability and extent in the enactment of ordinances, laws, policies and other supervisory instruments like departments, and cooperative machineries.

Cooperatives societies in the Matengo Highlands were indeed conceived by the indigenous population through their traditional spirit of *ngokela*. The colonial government thought of suppressing revolutionary peasant cooperation hence decided to impose a control mechanism to curtail the revolutionary nature of cooperation. The Matengo Highlands adopted the new system hence came under the umbrella of colonial supervision. Postcolonial state despite revolutionary rhetoric did much worse in improving the Matengo living conditions through the new cooperative movement. Many cooperative policies, rules, regulations and laws passed were in spirit aimed at controlling Matengo coffee farmers. The orthodox of cooperative movement was not practiced in its ideal concept. The impoverishment was alarming and the cooperative movement was turned into an instrument of exploitation rather than liberation. The claim of sustainable development just ended into a myth rather than a reality. At the end of the day the coffee industry in the Matengo Highlands had produced the cluster of people grouped as follows: the coffee farmers or producers were the toilers, no say, no decision making, slaves who were easily manipulated by other clusters. The regulators like Tanzania Coffee Board used to pass laws, regulations, licenses, and orders on how coffee should be marketed. The cooperative offices served as marketing agents or middlemen. The politicians manipulated other stakeholders including the farmers and cooperatives and the TCB for their own good. There were other parasitic organs, banks, coffee curers who also benefited from the sweat of the coffee growers in one way or another.

<sup>74</sup> ILO and COOP ICA Cooperatives and Sustainable Development Goals, 2015, pg.1

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