

Business Enterprise Development, Governance and Gender Mainstreaming Among Rural Producer Organisations in Tanzania

By

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Abstract

Tanzania is an agrarian economy. On the average, the agricultural sector accounts for about 50% of the Gross Domestic Product (GDP) and 80% of the recoded export earnings per year (Kashuliza and Ngailo, 2000). According to the Agricultural Sector Development Strategy (2001), agriculture employs about 82% of the country's labour force, the majority of who are rural small holds farmers who operate between 0.2 and 20 hectares. The small holds farmers have formed rural producer organizations (RPOs) for addressing problems associated with economic activities and other welfare issues. The RPO is the only platform whereby people in the associative economy can voice their own interests and be heard. They are the only organisations that can lead to social and economic development in the total areas. These rural producers' organisations are formed such that the small scale farmers realize economics of scale and reduce transaction costs in marketing and supply of inputs.

The rural producer organizations also generate social capital amongst communities and households so as to improve the individual social and economic well-being (Davis and Aldrich, 2000).

The Tanzanian government has formulated policies that focus on rural development at macro-level which support the formation of rural producer organizations like the Rural Development Strategy (URT, 2000) and the Cooperative Development Policy (URT, 2004). In these policies RPOs have been seen as the only tools that can be used to improve the standards of living and empower the economically active poor, women and youth in the rural areas. The focal point of the policies is the commitment of the government to institutes instruments for gender mainstreaming, good governance and best business practices in the rural areas. However, the process of moving from policy formulation to operational instruments for transformation of the rural economy is much slower compared to the urban based economy. Rural producer organizations are therefore expected to be the best players in reducing the gap between rural and urban development but minimal efforts have been done.

The most popular rural producer organizations that have existed in Tanzania are the cooperatives that deal with both economic and social issues. Operations of these cooperatives have been affected by social, political and economic reforms and unstable policies at micro and macro level that have been taking place. Decrease in agricultural productivity in rural areas has also had adverse effects on cooperatives and other rural producer organizations in terms of performance and membership. These multidimensional factors have affected not only the participants of women, men and youth, but also governance structures and business development in the RPOs.

The major objective of this study is to analyze the extent to which good governance best business practices and gender have been considered in rural producer organizations Specific objects are:

- i) To assess the extent to which RPOs are designed and implementing business practices that respond to the short and long term needs of the members.
- ii) To explore the extent to which RPOs are implementing pillars overgood governance
- iii) To analyze organizational effectiveness and the linkage between organisati0ns
- iv) To explore the extent to which the RPOs have been able to mainstream gender issues in their activities.

The following research questions are investigated:

- i) How have RPOs been effective in operationalizing the pillars of good governance which are transparency, member participation, predictability and democracy.
- ii) How have the RPOs mainstreamed gender in its organizational structures.
- iii) How have RPOs taken into account the attributes of enterprise development, which are innovation, creativity, fast feedback and the art of prediction.
- iv) How have the RPOs mainstreamed gender and youth in business.
- v) Have the RPOs organized adequate effective linkages for better business performance.