



THE CO-OPERATIVE UNIVERSITY OF KENYA

Proceedings
of The Eighth Co-operative
University of Kenya (CUK)
Annual Scientific Conference &
The Third Co-operative Movement
stakeholders' Conference,

"THE JOINT CO-OPERATIVE CONFERENCE 2025"

ON

Co-operatives Build a
Better World: Re-energizing
the Collective Power of
Co-operatives in Africa

July 22nd-24th, 2025

Isaac K. Nyamongo - Editor

**REIMAGINING RURAL DEVELOPMENT POLICIES THROUGH A CO-
OPERATIVE LENS: ENHANCING SUSTAINABLE ECONOMIC
TRANSFORMATION IN TANZANIA**

Neema P. Kumburu^{1,*} and Alfred John Nchimbi²

^{1,*}Department of Human Capital Management and Administration, Moshi Co-operative University, Kilimanjaro Tanzania, Email: nkumburu1@gmail.com; nkumburu@yahoo.co.uk

²Department of Media and Library Studies, Open University of Tanzania, Dar es salaam, Tanzania, Email: alfred.nchimbi@out.ac.tz

ABSTRACT: Reimagining rural development in Tanzania through a co-operative lens is vital for fostering inclusive, sustainable economic transformation. Despite numerous policy interventions, rural areas continue to experience persistent underdevelopment, largely due to top-down approaches that neglect local contexts, indigenous institutions, and socio-cultural dynamics. This study bridges the policy-

practice gap by examining how co-operatives can serve as effective vehicles for community empowerment, equity, and institutional trust. A total of 40 peer-reviewed articles and policy documents were systematically reviewed to identify key trends, successes, and structural challenges. Findings reveal that co-operatives when grounded in local knowledge systems, traditional governance structures, and culturally rooted values promote deeper community participation, enhance rural innovation, and foster shared economic growth. However, challenges such as limited infrastructure, weak policy implementation, and financial exclusion continue to hinder transformation. The study recommends adopting hybrid policy frameworks, investing in co-operative capacity, and embedding participatory governance to align development policies with rural realities. Ultimately, repositioning co-operatives at the centre of rural development strategy offers a viable and culturally grounded pathway to sustainable economic transformation in Tanzania.

Keywords: Reimagining, Rural development, Co-operative, Sustainable Economic Transformation

INTRODUCTION

Rural development plays a pivotal role to Tanzania's socio-economic transformation programme, with approximately 65% of the the people residing in rural areas and with agriculture main source of livelihood contributing to almost 23% (Suleiman,2018; Kumburu). The Tanzanian government, for many years in partnership with development partners, has been executed range of rural development policies, programs and strategies ranging from the Ujamaa villagisation programme of the 1960s and 1970s to 1990 and 2000 agricultural modernization and decentralization initiatives (Mushi & Kundi, 2016). The main object of these initiatives is to improve rural incomes, enhancing agricultural productivity, and ensuring equitable access to social services. Achievements have been noted in infrastructure, primary education, and agricultural extension services. However, despite this effort rural communities in Tanzania still trapped in cycles of poverty, food insecurity, environmental degradation, and economic vulnerability (Msuha & Kissoly, 2024). Rural development initiatives rural Tanzania is for quite long now is affected by the disjoint between policy formulation and the lived realities of rural communities (Kumburu,2024). This is attributed by the fact that many rural development policies endorsed top-down approaches that overlook local knowledge systems, indigenous institutions, and the socio-cultural dynamics that influence development outcomes (Kumburu,2024). Additionally, rural development has often been interpreted narrowly through the lens of agricultural productivity and income generation, without sufficiently addressing structural inequalities, empowerment, and community ownership of development processes. It is against this fact that co-operatives are believed to be key instrument in facilitating rural development (Sumelius et al. (2013). In Tanzania historically, co-operatives are regarded as key device for economic transformation and social mobilisation in the agricultural sector (Mushi & Kundi (2016). During the post-independence era, co-operative unions was key instrument in organising farmers, enabling markets access, credit, and inputs, and upsurging collective bargaining power. For instance, the Kilimanjaro Coffee Planters Association, which was latter on transformed to Kilimanjaro Natives Coffee Union (KNCU) in 1932, was established by coffee farmers in Kilimanjaro region to advise, buy and market their coffee overseas (Munger, 1952). The effectiveness of the coffee trade

during the colonial period was attributed to the formation of cooperatives, which function as a response against unfair marketing practices. Co-operatives eased coffee trade, improved rural development, and solved the complications of capitalist development (Sumelius et al 2024). Co-operative institutions played a comprehensive role in villagelization, agricultural mechanization, income generation, agricultural input support, and the development of good governance mechanisms in Tanzanian communities (Kiongo, 1998; Maghimbi, 2007; World Bank, 1995). During the socialist period, the Ujamaa villages were the backbone of public policy in rural Tanzania. They targeted an upgrade of living conditions through resettlement in new villages, which were to provide modern infrastructure and social services (health and education). However, they were also the instrument for an increasing state control over the different aspects of production. As such, the Ujamaa experience was an encompassing rural development policy which went beyond rural areas, with an objective of reshaping the economy and the society (Losch & Michaud (2016). However, In the mid-1980s, Tanzania implemented structural adjustment programs overseen by the Washington Consensus, highlighting market forces and minimizing government control in the economy (Brooks, 2007; Sumelius et al 2024). These reforms, part of neoliberal policies, led to the liberalization of Tanzania's coffee sector. Market forces, determined pricing, and subventions for agricultural inputs were removed as the private sector took lead. The supremacy of cooperative unions in the coffee sector diminished as markets liberalized, divergent to expectations (Mkandya, et al., 2010). Market liberalization and technological progressions in another nation, led to a decline in Tanzania's coffee production and so co-operatives (Mhando and Itani, 2007). The first deregulation domestic coffee market happened in 1994, reducing state oversight of production and distribution. Private Coffee Buyers were more involved in various aspects of coffee production, although the government retained control by requiring PCBs to obtain licenses for purchasing coffee through the Tanzania Coffee Board (TCB) auction. The Coffee Industry Act of 2001 granted the TCB authority to auction all coffee produced in Tanzania (Mhando et al., 2013). Liberalization carried some challenges to the coffee industry. While some regions had economic benefits from the coffee industry before reforms, including cooperative organizations, subsidized inputs, stable prices, and local ownership, issues like bureaucratic tendencies and delayed payments persisted (Ponte, 2004). Liberalization produced mixed results; farmers received a larger percentage of export prices, but the quality of coffee declined, allowing foreign businesses to dominate the industry (Mhando et al., 2013; Ponte, 2001). The neoliberal policy trade regime in 1994/1995 opened the private coffee market to foreign and domestic investors. Various companies, such as Tchibo Estates, Soochak Bush, Dorman Ltd., Mazao Ltd., Africa Coffee Co. Ltd., Coffee Exporters Ltd., and the Tanzania Coffee Exporters Ltd. (TCE), entered the market. The privatization of the Kilimanjaro Cooperative Bank in 1995 completed the liberalization of the coffee business. New entrants, including Vertically Integrated Exporters (VIEs), small domestic exporters, private estates, traders, farmer organizations, and NGOs, led to increased competition (Brooks and Kessy, 2017). The liberalisation of the economy in the 1980s and 1990s disrupted the co-operative movement, leading to the collapse of many unions and the erosion of trust in co-operative governance structures. The 2000s was a decade of strong investment in designing visions and development plans. Following the Development Vision 2025 (2000), the National Rural Development Strategy was drafted in 2001, followed by the Agricultural Sector Development Strategy (ASDS) in 2003, and its operationalization through the Agricultural Sector Development Program (ASDP), adopted in 2006. As such,

actions in the agricultural sector progressively became a major component of the new National Strategy for Growth and Reduction of Poverty (NSGRP I and II).

Table1: Sequence of Rural Development policies in Tanzania

	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15
	J. Nyerere & A. Karume		J. Nyerere															A. Mwinyi										B. Mkapa					J. Kikwete																							
Tanzania	Independence & creation of Tanzania		Socialist period: self reliance and planned economy															First reforms towards liberalization										Structural adjustment and liberalization										Sectoral and poverty reduction strategies - "Mkukuta"																		

Source: Losch & Michaud (2016).

Table 2: Agriculture and rural development objectives

	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15
Policy orientations	Independence & creation of Tanzania		Socialist period: self reliance and planned economy															First reforms towards liberalization										Structural adjustment and liberalization										Sectoral and poverty reduction strategies - "Mkukuta"																		
Rural Development			Ujamaa doctrine: Forced villagization with resettlement, provision of services, communal production, collectivization of land															New Agricultural Policy (NAP) Progressive shift to market liberalization, land reform and cooperatives										New strategies for Rural and Agricultural development Agricultural Growth Corridor (SAGCOT) Cash transfer programs (TASAF)																												

Source: Losch & Michaud (2016).

Recently, Tanzanian Government and other development partners saw the need to revitalise co-operatives as institutions capable of promoting inclusive, people-centred development (Gagliardi, & Gindis, 2022). Since co-operatives are well-structured and democratically governed, have the potential to subsidize among other to economic empowerment, social cohesion, environmental stewardship, and community resilience (Jonathan & Kumburu, 2016). Notwithstanding the potential, co-operatives in Tanzania continue to be underutilised in national development planning, they have been demoted to less important sector without a strategic integration into broader rural development frameworks. It is against this fact that this work contends that reimagining rural development through a co-operative lens offers an inventive and contextually appropriate transitional pathway in achieving sustainable economic conversion in Tanzania (Golovina & Ruchkin 2023). Such an approach centres communal agency, equity, and institutional sustainability values and principles that in most cases are ignored in conventional development paradigms. Maghimbi (2010) asserted that by examining the intersection amongst co-operative models and rural development policies, the current study seeks to uncover how co-operatives can be repositioned as critical actors in driving transformative agenda, particularly in the face of emerging challenges such as climate change, youth unemployment, and the need for inclusive green growth. Mohammed & Lee (2015) opined that despite the historical significance and growing policy interest in co-operatives, engagement with their transformative potential within rural development strategies and policies remains limited. Existing studies regards co-operatives as technical or economic entities, concentrating mainly on their traditional role in enhancing productivity or facilitating market access. Scant attention has been given on how co-operatives can be a platform for participatory governance, knowledge exchange, and rural development planning.

Missing link is also prevalent among co-operative development and rural development policy frameworks. Although both function in overlapping spaces, policy documents do not clearly show the synergies among them. This resulted into fragmented and inefficient interferences. For instance, Castro-Arce & Vanclay (2020) noted that agricultural development plans may prioritise individual entrepreneurship and value chain integration, while overlooking the collective capacity of co-operatives to drive systemic change. Furthermore, empirical studies examining co-operatives in the contemporary Tanzanian context are too narrowly scoped and outdated (Parés, et al., 2017). There is a strong urge to have context-sensitive research examining how co-operatives are evolving in response to ever-changing socio-economic conditions such as digital economy, climate resilience, and gender inclusivity. Lastly, theoretical exploration on how co-operatives can be integrated into rural development models remains underdeveloped. The prevailing models often draw from Western paradigms with limited adaptation to the realities of the Global South, particularly Sub-Saharan Africa. This study seeks to bridge that gap by proposing a hybrid framework that draws from both indigenous co-operative traditions and contemporary policy needs. By addressing these gaps, the study aims to contribute to a more grounded, integrated, and forward-looking rural development discourse one that recognises co-operatives as strategic vehicles for achieving sustainable economic transformation in Tanzania.

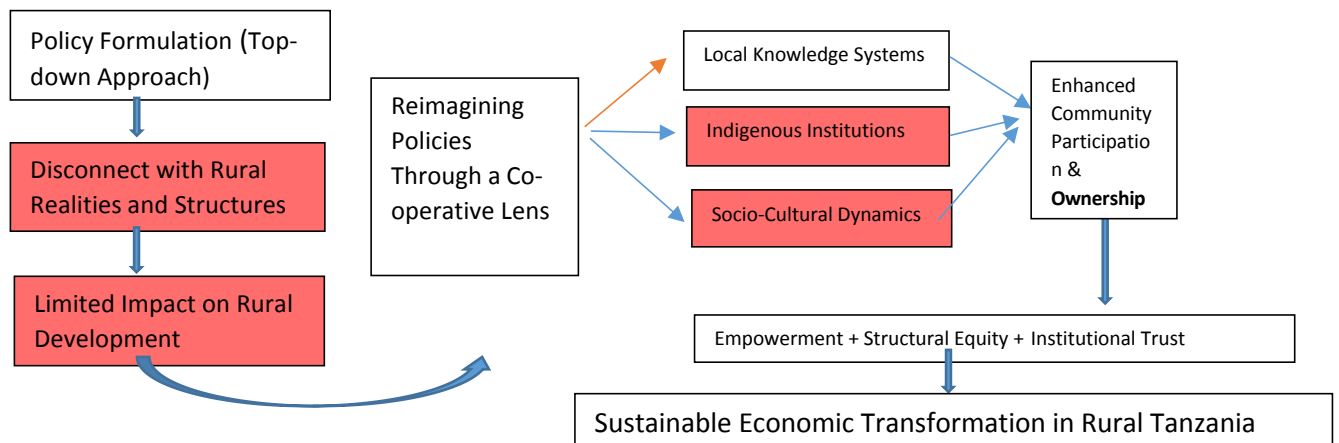
THEORETICAL AND CONCEPTUAL FRAMEWORK

This study based its assumptions on the recognition that rural development initiatives in Tanzania for many decades been hindered by a persistent disconnect between policy formulation and the lived realities of rural communities (Mohammed & Lee 2015). The mismatch is largely attributed to the dominant use of top-down (centralized) policy approaches that neglects engagement of local knowledge systems, indigenous institutions, and socio-cultural dynamics that shape development outcomes (Maldonado-Torres, 2019). Consequently, rural development has in most cases been fragmented and narrowly interpreted using the lens of agricultural productivity and income generation, without addressing deeper structural inequalities, power relations, and the need for community ownership of the development process. In order to revert these encounters, reimagining of rural development policies through a co-operative lens is proposed, owing to co-operatives are conceptualised as locally rooted institutions offering a bottom-up, participatory framework for rural transformation (Kumburu & Pande, 2020). Liu et al (2024) purported that co-operatives promote democratic decision-making, collective ownership, and social capital, thereby fostering a more inclusive, equitable, and sustainable form of development. Therefore, this study positions co-operatives as transformative agents capable of bridging the policy-practice divide. Magoqwana (2018) & Ndlovu-Gatsheni (2018) noted that integrating local knowledge, indigenous governance mechanisms, and community voices into the policy process, co-operatives assured rural development that is economically viable but also socially just and culturally grounded.

Integration of:



Proceedings of the 8th CUK Annual Scientific Conference, 2025, on Co-operatives Build a Better World: Re-energizing the Collective Power of Co-operatives in Africa.



Source: Authors construction

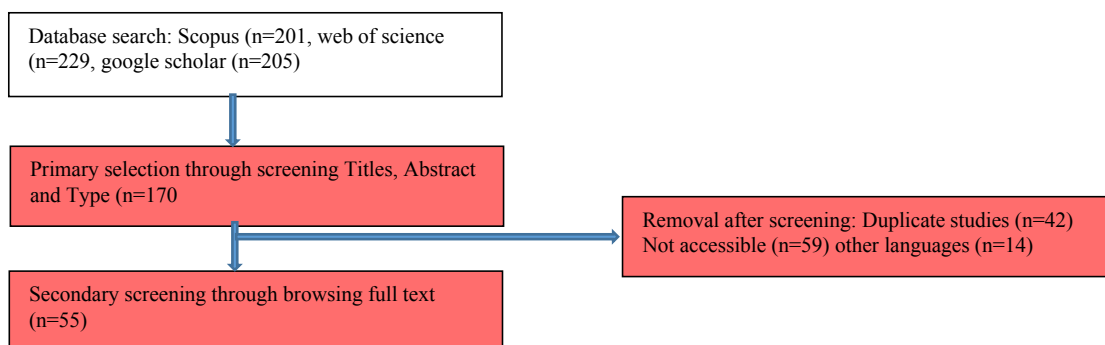
Furthermore, this study is grounded on four interrelated theoretical perspectives. These are Participatory Development Theory (PDT) as postulated by Roodt (2001), Pendirs (1996) Rahman, (1993) Chambers (1992). Conyers & Hills (1990) and Dodds, (1986). The authors, criticized the modernization school of thought that endorsed a top-down ethnocentric and patriarchal view of development. The top-down approach of persuasion models implicitly assumed that governments and agencies knowledge was correct, and that indigenous populations went either ignorant or had incorrect beliefs. This theory that provides a substance of comprehending the value of involving rural societies as active agents rather than inactive recipients in the development process. It subscribes the notion that evocative involvement results to more sustainable and accepted development outcomes. Considering the fact that co-operatives promote democratic decision-making, collective ownership, and social capital, thereby fostering a more inclusive, equitable, and sustainable form of development. This theory is however criticised as it suffers from tokenism, elite capture, and limited focus on broader structural and institutional challenges. Thus, SLF is integrated because it offers a more holistic, asset-based, and context-sensitive framework for enhancing Sustainable Economic Transformation in Tanzania. The Sustainable Livelihoods Framework (SLF) is employed because of its capacity to highlight the multiple assets rural people depend upon such as human, natural, social, physical, and financial it is also a good framework to showcase the role that co-operatives can play in strengthening access to and control over these assets within a dynamic vulnerability context (Natarajan,2022). The perspective of livelihood is crucial in elucidating the pathways toward achieving Sustainable Economic Transformation in Tanzania. Numerous prior studies (e.g., Lipton & Moore, 1972; Farmer, 1977; Long, 1984; Moock, 1986) have been informed by theoretical approaches rooted in livelihood discourse, which subsequently gained traction as sustainable livelihood (Bennett, 2010). The This people-centered development techniques, was prompted by the limitations observed in top-down, bureaucratic, and market-oriented strategies between the 1950s and 1970s. It involves an exploration of poverty from the vantage point of impoverished individuals. That's why when we are reimagination rural development, co-operative can be a

key on enhancing Sustainable Economic Transformation in Tanzania because they are member-owned organisation, an independent and democratic association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations (Bwana and Mwakujonga, 2013). They differ from the other private firms due to their connection to the community, rooting values, ethics and democratic principles (ILO, 2010). A Co-operative as a democratic organisation contributes to great members' participation and smooth flow of information among members and this, in turn, establishes less exploitative relations with stakeholders. This leads to the reduction of information asymmetry and enhances a more innovative community. Thus, co-operatives have been playing a vital role in the socio-economic development of the country. They are involved in numerous economic activities; for example, disbursement of credit, and distribution of agricultural inputs like seeds, fertiliser and agro chemicals, storage, processing and marketing of the produce. Furthermore, co-operatives enable farmers to get good quality inputs at a reasonable price as well as getting remunerative returns for their farm produce when marketed through the organisation. This paper situated sustainable livelihood within people-oriented strategies for development and that "livelihood comprises the capabilities, assets (including stores, resources, claims, and access), and activities required for a means of living; a livelihood is sustainable when Rural Development Policies (Kumburu and Komba 2023). The Sustainable Livelihoods Framework (SLF) while it provide comprehensive understanding of people's assets and vulnerabilities, it ignores the complexity as well as the dynamic role of institutions in shaping access to resources, power relations, and development outcomes. Thus, this study draws on Institutional Theory to explore how both formal and informal institutions shape sustainable development processes it also assumes institutions are neutral or static, failing and thus failed to comprehend how formal and informal institutional arrangements can either enable or constrain Sustainable Economic Transformation in Tanzania. In this regard the role of institutions in shaping sustainable practices has been widely debated over the past few decades (Bathelt and Glückler, 2014; Schulz et al., 2019). Scholars utilized the institutional theory to explain rural development (Walls and Paquin, 2015; Boons et al., 2016) Institutions differ from formal codified rules (e.g. constitutions, policies, laws, and regulations) to informal rules (e.g., traditions, customs, social conventions, and norms) Kaufmann et al., 2018). Mutually, they form the institutional environment that outlines and restricts on how economic actors make decisions on affects their development (Williamson, 2000; North, 1990). This paper focuses on formal institutions, precisely laws and regulations, because of their coercive traits that create the need for change for instance how Tanzania rural development policies affected ability of co-operatives to Enhancing Sustainable Economic Transformation in Tanzania. This because in this context, co-operatives are seen as hybrid institutions that mediate between state structures and local realities, fostering trust, accountability, and effective service delivery. Finally, the Transformational Development Theory provides a broader lens through which rural development is understood as a process of systemic change that advances dignity, empowerment, and human agency. Together, these theoretical perspectives inform a conceptual shift from conventional, externally driven models of rural development towards a more inclusive and locally anchored approach. By viewing rural development through a co-operative lens, the study aims to contribute to policy

and practice that support sustainable economic transformation rooted in community ownership, social justice, and long-term resilience.

METHODOLOGY

This paper reviewed and scrutinized secondary sources of data and information in order to review the rural development through a co-operative lens in an attempt to enhance Sustainable Economic Transformation in Rural Tanzania. In doing so three electronic databases (i.e., Web of Science, Scopus, and Google Scholar) were utilised to explore data and information before the execution of content analysis. Literature search was done by examining studies on areas of Rural Development Policies Co-operative, rural areas, policies and Sustainable Economic Transformation in Tanzania. Six terminologies were finally adopted to be key words for this study and thus were incorporated into the search criteria. The database searches were completed on June 10, 2025. The following criteria were observed and used for screening the articles: those connecting of Rural Development, Policies, Co-operative, rural areas, policies and Sustainable Economic Transformation in Tanzania; free-of-charge articles, available full-text English articles; and those subscribed to by the Moshi Co-operative University. After examining for significance and removing duplicates from the three databases, a total of 40 articles were included for further analysis. The techniques of examination were observed for the content of these themes and the degree to which they relate to Rural Development, Co-operative and rural areas, policies and Sustainable Economic Transformation in Tanzania. The Six themes were also applied in the presentation of the findings. Results were then deliberated in the framework in Fig. 2. On Reimagining Rural Development Policies Through a Co-operative Lens: Enhancing Sustainable Economic Transformation in Tanzania. The systematic review (SR) was preferred over other research designs such as case study, longitudinal, cross-sectional, or quasi-experimental because it delivers an apparent and all-inclusive overview of accessible substantiation on a given topic, is beneficial in identifying questions for which the available evidence provides clear answers and, thus, for which further research is not necessary. When compared to traditional narrative reviews, systematic review adopts a transparent, scientific, and replicable process, which increases the quality of the intended review process as well as the results.



/

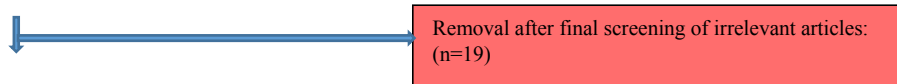


Figure1: Systematic review Process

FINDINGS AND DISCUSSIONS

This study set out to explore how rural development policies in Tanzania can be reimagined through a co-operative lens to enhance sustainable economic transformation. Through a systematic review of 40 peer-reviewed articles and policy documents. Results are presented in sub section below.

Policy Formulation (Top-down Approach): The literature highlights a significant mismatch between the centralized rural development policies in Tanzania and the realities faced by local communities. This gap basically is due to top-down decision-making that does not consider the socio-cultural and economic contexts of rural areas, resulting in ineffective interventions and reinforcing dependency among the populace. For instance, according Kicheleri et al. (2018) *centralized policies often overlook local needs, leading to fragmented interventions that do not resonate with community realities*. This is evidenced by the Ujamaa approach, while aiming for equity, has been criticized for insufficient focus on production, straining government planning capacities. Furthermore, the government took a centralised and often coercive role in agricultural production and marketing by setting production targets, determining crop choices, and controlling prices through programmes like the Maize National Program and Operation Kilimo. It replaced cooperatives with state parastatals such as the National Milling Corporation and banned private rural trade. These measures disrupted traditional practices, led to land shortages, irrational farming decisions, corruption, and black markets. On the other hand, concerning local community experiences, studies indicate that while some rural areas have seen improvements, these are often not reflected in national statistics, leading to underestimations of local potential (Coulson, 2022). Referring to the case of wildlife management areas such as Ngorongoro local communities reported worsening access to resources, with benefits accruing primarily to external investors and the government (Kicheleri et al., 2018) . *Cooperation plays a pivotal role in enhancing local knowledge systems, indigenous institutions, and socio-cultural dynamics, which are essential for fostering community participation and ownership in rural Tanzania*. This collaborative approach not only empowers communities but also promotes structural equity and institutional trust, ultimately leading to sustainable economic transformation. Transformation through Collaboration as advocated by Co-operative has historically been a tool for socio-economic advancement in Tanzania, enabling communities to collectively address their needs and challenges (Rwekaza & Mhihi, 2016). Through Trust and Collective Action co-operative can establish relational trust among community members enhances collaborative practices, particularly in natural resource management, which is crucial for sustainable development (Senga, n.d.). *Utilizing indigenous knowledge systems co-operative can sustain livelihoods*. This is because Indigenous Knowledge Systems (IKS) proved to improve farm productivity and resource management, hence, allowing communities to thrive despite limited resources (Hambati, 2022). Furthermore, integration of IKS with contemporary agricultural practices can enhance resilience against climate change, this is as demonstrated by community-based

environmental monitoring projects (Kom & Nethengwe, 2024; Shaffer, 2014). Co-operatives globally are known for its capability to deal with social and cultural dynamics through fostering community engagement via local governance structures that prioritize community input to ensure that rural development policies are aligned with the actual needs of the people in rural populations. Co-operative foster a sense of ownership needed for sustainable economic transformation in rural Tanzania (Forster & Maghimbi, 1998). Co-operatives promote cultural relevance through its ability to engage with local customs and practices thus strengthens community bonds and enhances the effectiveness of development initiatives (Chigbu, 2019). Contrariwise, while centralized policies may offer necessary resources for rural development, on the other hand they do criticized for lacking the local engagement required to address specific community needs that potentially exacerbating existing inequalities. This emphasizing on the need to balance top-down approaches with grassroots participation in order to attain Sustained Economic Transformation in Rural Tanzania. These results show a clear disconnect between Tanzania's centralised rural development policies and local community realities, reinforcing dependency and limiting effectiveness. This is supported by Participatory Development Theory, which advocates for community involvement in shaping interventions, and aligns with the Sustainable Livelihoods Framework by showing how top-down approaches undermine local assets and resilience. Furthermore, it reflects Institutional Theory, illustrating how imposed structures like parastatals disrupted local governance and trust. Transformational Development Theory is reinforced through evidence that co-operatives, when grounded in local knowledge and participation, can drive inclusive and sustainable socio-economic change.

Disconnect with Rural Realities and Structures: Sustainable rural transformation in Tanzania is significantly affected by the disconnect between rural realities and structures. The disconnect is shown through inadequate agricultural extension services, limited access to financial resources, and the uneven benefits of rural-urban linkages. These factors affect the potential for inclusive rural development and exacerbate inequalities among rural populations. For example, *disconnect in Agricultural Extension*, it is shown that in most cases extension services often fail to align with local farming practices, leading to ineffective recommendations that do not consider farmers' actual conditions (Nord et al.,). The misfits create barriers to sustainable agricultural practices, limiting farmers' ability to adopt innovative practices that could enhance productivity and sustainability. *On the other hand, Financial Accessibility*, Savings and Credit Cooperative Societies (SACCOS) have been shown to improve rural livelihoods by providing essential financial services (Kumburu & Pande, 2020). Majority of rural residents however, remain outside these systems, thus, limiting their access to capital necessary for agricultural investment and diversification. Finally, on *Rural-Urban Linkages*-While rural-urban connections can foster economic opportunities, they often benefit only a subset of the population, increasing local inequalities (Ørtenblad et al., 2019).

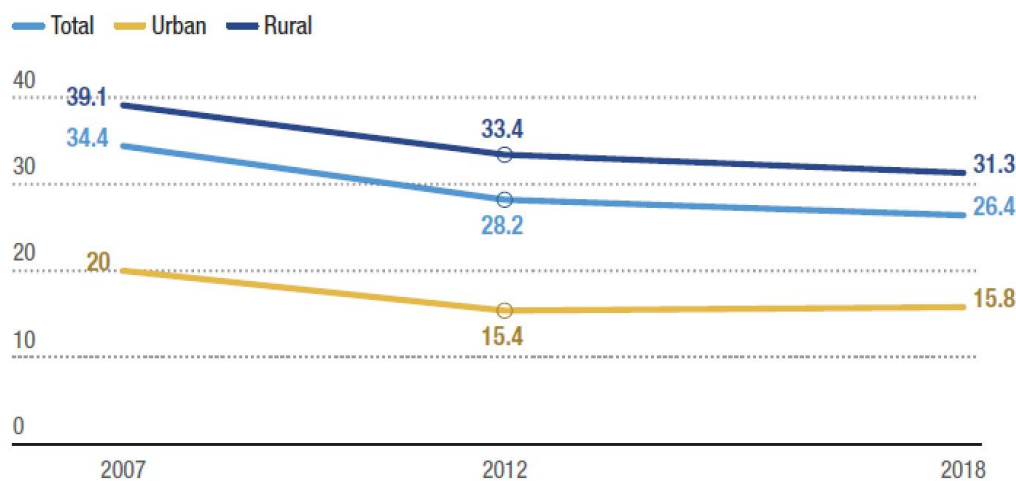


Figure 3: Rural Urban Poverty trends, national poverty line, 2007-2018

Between 2007 and 2018, Tanzania experienced a steady decline in poverty rates, with the national poverty level falling from 34.4% to 26.4%. Rural areas, however, consistently recorded higher poverty rates—39.1% in 2007 down to 31.3% in 2018—highlighting persistent disparities compared to urban areas, where poverty dropped from 20.0% in 2007 to 15.8% in 2018, though with a slight increase from 2012. The pattern indicates progress in poverty reduction nationally, but also reveals the need for targeted interventions in rural areas and close monitoring of urban poverty dynamics to ensure equitable and sustained development. Moreover, dynamics of these connections result to uneven socio-economic mobility, where some households thrive while others remain marginalized. Conversely, it is urged by some that, this disconnect may also spur innovation as communities adapt to challenges, potentially leading to unique local solutions that could enhance resilience and sustainability in rural areas. Misalignment between rural realities and structures in Tanzania might be circumvented by reimagining policies through a cooperative lens, this is because cooperatives integrate local knowledge systems, indigenous institutions, and socio-cultural dynamics. The approach is believed to foster enhanced communal participation and ownership, leading to empowerment, structural equity, institutional trust, and ultimately, sustainable economic transformation. In case of *Local Knowledge Systems*, local knowledge systems enhance sustainable rural development because they incorporate traditional practices and cultural heritage that resonate with community needs (Lončar & Istenič, 2017). Utilizing indigenous knowledge can improve agricultural productivity and sustainability, as evidenced by successful case studies in Tanzania (Forster & Maghimbi, 1998). Furthermore, *Indigenous Institutions co-operative inclusive* play a vital role in community governance and resource management therefore, promoting self-determination and resilience (Soni et al., 2024). This is so mainly due to the fact that collaborative partnerships between indigenous groups and external stakeholders can enhance empowerment and address interconnected challenges faced by these communities (Soni et al., 2024). On *Socio-Cultural Dynamics*, understanding socio-cultural dynamics is essential for fostering trust and cooperation within communities, which can lead to more effective decision-making processes (Wright, 2022). Empowerment strategies that are embodied in cultural diversity and local practices stimulate community

engagement and ownership of development projects (Mabhena & Moyo, 2014). This is crucial in ensuring sustainable rural transformation, while the integration of these elements presents a promising pathway for rural transformation, challenges such as bureaucratic resistance and the need for policy harmonization remain significant barriers to achieving these goals. This disconnect collaborates assumptions of Participatory Development Theory, the Sustainable Livelihoods Framework, Institutional Theory, and Transformational Development Theory, all of which underscore the importance of integrating local knowledge, indigenous institutions, and socio-cultural dynamics to foster empowerment, structural equity, and sustainable socio-economic transformation.

Limited Impact on Rural Development: The limited impact of rural development policies in Tanzania significantly affects sustainable economic transformation, as these policies are crucial for enhancing agricultural productivity, improving living standards, and ensuring food security. Despite various strategies and programs, the anticipated transformation in rural Tanzania has not been fully realized, which hinders sustainable economic growth. This is due to several factors, including inadequate policy implementation, insufficient infrastructure, and limited diversification of economic activities. These challenges need to be addressed to achieve sustainable economic transformation in rural Tanzania. *Concerning Challenges in Policy Implementation*, Rural development policies in Tanzania have faced challenges in implementation, leading to limited impact on agricultural productivity and rural transformation. Despite efforts to improve social services and infrastructure, the expected transformation in production structures has not been achieved (Lubawa, 1985). For example, the strategic plans by the African Union Commission emphasize the need for effective policy implementation to improve agricultural productivity and reduce rural poverty, but these have not been fully realized in Tanzania (Tambi, 2004). *On the infrastructure and economic diversification*. Access to infrastructure such as electricity and roads has improved, facilitating some economic activities. However, most rural products are still sold without value addition, limiting income generation and economic transformation (Nyabakora, 2023). Furthermore, Programs like conditional cash transfers have not significantly impacted income-generating activities, indicating persistent poverty and limited economic diversification in rural areas (Emmanuel & Hepelwa, 2024). A co-operative approach offers a fresh and promising way to address the longstanding challenges facing rural development in Tanzania. Rather than relying solely on centralised strategies that often overlook local realities, this approach shifts the focus to the people themselves placing their experiences, institutions, and cultural practices at the heart of development (Lubawa, 1985). By doing so, it creates space for genuine participation and empowers communities to shape their own futures. Central to this rethinking are three interwoven elements: local knowledge systems, indigenous institutions, and socio-cultural values. Local knowledge has been cultivated over generations in rural Tanzania. Farmers, herders, and other community members have deep-rooted understanding of the land, weather patterns, and natural resource management. Unfortunately, much of this wisdom is rarely considered in formal policy-making (Mabhena & Moyo, 2014). Co-operatives can help close this gap by acting as spaces where such knowledge is recognised, preserved, and combined with new techniques Like climate-smart

agriculture. They also provide environments that encourage peer learning and local innovation, ensuring that change is both adaptive and grounded in lived experience. At the same time, rural development cannot be effective without acknowledging the role of traditional and indigenous institutions. Structures such as clan councils, village elders, and community assemblies have long served as pillars of governance and dispute resolution. Co-operatives, when designed thoughtfully, can work in harmony with these institutions reinforcing shared values, strengthening accountability, and fostering a sense of collective responsibility. In doing so, they help bridge the often wide gap between local traditions and formal administrative systems. Equally important are the social and cultural dynamics that shape how people engage with development. Community relationships, roles, and norms deeply influence who participates, who leads, and who benefits. Co-operatives resonate with these dynamics because they are built on principles of solidarity, mutual support, and inclusivity. They naturally accommodate diverse leadership styles, providing meaningful roles for women, youth, and elders. Their democratic foundations reflect many aspects of traditional governance, which helps nurture trust and transparency. When policies are built on these foundations local knowledge, indigenous governance, and cultural understanding they encourage stronger community participation and genuine ownership. People are more likely to get involved in shaping interventions, take collective responsibility for outcomes, and speak up when institutions fail to deliver (Forster & Maghimbi, 1998). This deeper engagement leads to broader outcomes, including empowerment, fairness, and trust. Empowerment becomes visible when people gain access to skills, leadership opportunities, and financial tools that improve their livelihoods. Co-operatives offer all of these, especially to groups that are often marginalised. Structural fairness emerges as communities gain better access to markets, services, and opportunities helping to narrow the gap between rural and urban areas. Trust in institutions grows when governance is transparent and inclusive, making people feel heard, respected, and represented. Over time, these shifts set the stage for lasting transformation. Rural communities grow stronger and more self-reliant. Innovation flourishes, driven by local insight and collective action. Poverty is reduced, not through short-term aid, but through shared growth and sustainable development. Environmental stewardship improves as people take collective responsibility for managing their natural resources. Taken together, these changes illustrate how reimagining rural development through a co-operative lens is not just an alternative approach it is a pathway to a more equitable, resilient, and locally owned future for Tanzania's rural communities.

CONCLUSION AND RECOMMENDATIONS

Conclusion: The main objective of this study is to examine how rural development policies in Tanzania can be reimagined through a co-operative lens in order to foster sustainable economic transformation. Reviewed literature reveals a persistent mismatch between centralised policy frameworks and the lived experiences of rural communities. The disconnect is attributed by top-down policy formulation, inadequate extension services, weak financial accessibility, and poor infrastructure. This continues to constrain the transformative potential of rural Tanzania. A co-operative approach offers a compelling alternative. By putting at the centre development on local knowledge systems, indigenous institutions, and

socio-cultural values. Co-operatives promote inclusive participation, collective ownership, and local innovation. Co-operative not only as vehicles for economic cooperation but also as institutional platforms that foster trust, equity, and empowerment. They are uniquely positioned to align national policies with community realities, enabling more responsive governance and effective service delivery. Reimagining rural development through a co-operative framework therefore, offers a pathway to sustainable transformation that is grounded in the principles of solidarity, local autonomy, and resilience. This approach addresses structural inequities, bridges governance gaps, and supports the long-term goal of building prosperous, inclusive, and environmentally responsible rural communities in Tanzania.

Recommendations: Based on the findings and conclusions of this study, the following recommendations are offered:

- i. Adopt a Hybrid Policy Model- The Government of Tanzania should embrace a policy formulation model that balances top-down directives with bottom-up insights. This entails institutionalising participatory mechanisms within policy design to incorporate rural voices and contextual realities.
- ii. Institutionalise the Co-operative Model in Rural Development- National and regional development frameworks should mainstream co-operatives as central actors in rural development. This includes providing legal, financial, and technical support to enable co-operatives to function as platforms for knowledge sharing, inclusive decision-making, and value chain development.
- iii. Revive and Strengthen Indigenous Knowledge Systems (IKS)- Policy reforms should prioritise the integration of IKS in agricultural extension, environmental conservation, and conflict resolution. Co-operatives can be used to systematically document, preserve, and apply this knowledge in tandem with modern innovations to enhance climate resilience and productivity.
- iv. Empower Traditional and Indigenous Institutions- Traditional leadership and indigenous governance structures should be recognised as legitimate development stakeholders. Policies should facilitate partnerships between co-operatives and these institutions to ensure that rural development is not only effective but also culturally embedded and sustainable.
- v. Enhance Socio-Cultural Sensitivity in Development Initiatives- Development programmes must respect and reflect local social norms, identities, and roles. This can be achieved by using co-operatives to foster inclusive leadership models that actively involve women, youth, and elders in governance and service delivery.
- vi. Invest in Rural Infrastructure and Economic Diversification - To unlock the full potential of rural areas, targeted investments are needed in physical infrastructure (roads, electricity, ICT) and in promoting value addition and off-farm income opportunities. Co-operatives should be strategically supported to play a catalytic role in these areas.
- vii. Promote Financial Inclusion through Strengthened SACCOS - The reach and impact of Savings and Credit Co-operative Societies should be expanded to bridge the financial gap in rural communities. This includes capacity-building, regulatory reform, and linkages with formal financial institutions to increase access to affordable credit.

- viii. Facilitate Policy Harmonisation and Decentralisation- There is a need for coordinated rural development strategies that harmonise national priorities with local development plans. Decentralised governance should empower local authorities and co-operative structures to co-design and implement rural programmes tailored to local needs.

REFERENCES

- Castro-Arce, K., & Vanclay, F. (2020). Transformative social innovation for sustainable rural development: An analytical framework to assist community-based initiatives. *Journal of Rural Studies*, 74, 45-54.
- Chigbu, U. E. (2019). Concept and Approach to Land Management Interventions for Rural Development in Africa (pp. 1–14). IGI Global. <https://doi.org/10.4018/978-1-5225-5939-9.CH001>
- Coulson, A. (2022). Improvement and change in rural Tanzania. *Review of African Political Economy*, 49, 361–364. <https://doi.org/10.1080/03056244.2022.2083311>
- Crook, R. C. (2003). Decentralisation and poverty reduction in Africa: The politics of local–central relations. *Public Administration and Development: The International Journal of Management Research and Practice*, 23(1), 77-88. <https://doi.org/10.1002/pad.261>
- Emmanuel, F., & Hepelwa, A. (2024). The Effects of Integrated Conditional Cash Transfers and Public Works Programs on Household Income Generation in Rural Tanzania. *Tanzanian Economic Trends*, 14(1), 189–214. <https://doi.org/10.56279/ter.v14i1.150>
- Gagliardi, F., & Gindis, D. (2022). Co-operatives for sustainable development. *Journal of Co-Operative Studies*. <https://doi.org/10.61869/bird8830>
- Golovina, S., & Ruchkin, A. (2023). The role of cooperatives in the sustainable development of rural areas. *Agrarnaâ Nauka*, 6, 131–138. <https://doi.org/10.32634/0869-8155-2023-371-6-131-138>
- Gwaravanda, E. T. (2020). African Rurality and African Epistemology: Lessons for Universities in Africa. *Ruralty, Social Justice and Education in Sub-Saharan Africa Volume II: Theory and Practice in Higher Education*, 191-213
- Hambati, H. (2022). The Role of Indigenous Knowledge Systems (IKS) in Improving Farm Productivity in Kainam Village, Mbulu District –Tanzania. *University of Dar Es Salaam Library Journal*, 16(2), 34–52. <https://doi.org/10.4314/udslj.v16i2.4>
- Jonathan, S. M., & Kumburu, N. P. (2016). Lost Opportunity for Economic Empowerment: The Destruction of Cooperatives in Tanzania. *The Journal of Pan-African Studies*, 9(1), 159.
- Kicheleri, R. P., Treue, T., Nielsen, M. R., Kajembe, G. C., & Mombo, F. (2018). Institutional Rhetoric Versus Local Reality: A Case Study of Burunge Wildlife Management Area, Tanzania. *SAGE Open*, 8(2), 215824401877438.
- Kom, Z., & Nethengwe, N. S. (2024). Indigenous and Local Knowledge: Instruments towards Achieving SDG2: A Review in an African Context. *Sustainability*, 16(20), 9137. <https://doi.org/10.3390/su16209137>
- Kumburu, N. P., & Pande, V. (2020). Rural transformation through savings and credit cooperative societies in Moshi District, Tanzania. *The Palgrave Handbook of Agricultural and Rural Development in Africa*, 313-338.
- Kumburu, N. P., & Pande, V. S. (2020). *Rural Transformation Through Savings and Credit Cooperative Societies in Moshi District, Tanzania* (pp. 313–338). Palgrave Macmillan, Cham. https://doi.org/10.1007/978-3-030-41513-6_15

- Liu, Y., Garnevska, E., & Shadbolt, N. (2024). Journal of Co-operative Organization and Management. *Journal of Co-operative Organization and Management*, 12, 100246. <https://doi.org/10.1016/j.jcom.2024.100246>
- Lončar, S., & Poljak Istenič, S. (2017). Local (traditional) knowledge as the key for sustainable rural development: utopia or reality? 28(28), 11–20. <https://hrcak.srce.hr/ojs/index.php/sec/article/view/4954/2709>
- Lubawa, C. S. (1985). Rural development strategies: the case of Tanzania. *Research Papers in Economics*. <https://doi.org/10.22004/AG.ECON.11186>
- Mabhena, C., & Moyo, F. (2014). Community Share Ownership Trust scheme and empowerment: The case of Gwanda Rural district, Matabeleland South Province in Zimbabwe. *IOSR Journal of Humanities and Social Science*, 19(1), 72–85. <https://doi.org/10.9790/0837-191117285>
- Maghimbi, S. (2010). *Rural development in Tanzania: what exists behind institutions?* <https://repository.up.ac.za/handle/2263/57684>
- Mkandya, E., Kilima, F. T. M., Lazaro, E. A., & Makindara, J. R. (2010). The impact of market reform programmes on coffee prices in Tanzania. *Tanzania Journal of Agricultural Sciences*, 10(1).
- Mohammed, N., & Lee, B. W. (2015). Role of cooperatives in rural development, the case of south nations nationalities and people region, Ethiopia. *Science Journal of Business and Management*, 3(4), 102-108. [doi: 10.11648/j.sjbm.20150304.12](https://doi.org/10.11648/j.sjbm.20150304.12)
- Msuha, B., & Kissoly, L. D. (2024). Analysis of vulnerability to poverty and food insecurity among productive social safety net program participants in Tanzania. *Cogent Social Sciences*, 10(1). <https://doi.org/10.1080/23311886.2024.2329807>
- Mushi, D. P., & Kundi, B. (2016). Viable Approaches for Advancing Rural Livelihoods through Agriculture in Tanzania. *International Journal of Current Microbiology and Applied Sciences*, 5(4), 498–531. <https://doi.org/10.20546/IJCMAS.2016.504.059>
- Mushi, D. P., & Kundi, B. (2016). Viable Approaches for Advancing Rural Livelihoods through Agriculture in Tanzania. *International Journal of Current Microbiology and Applied Sciences*, 5(4), 498–531. <https://doi.org/10.20546/IJCMAS.2016.504.059>
- Natarajan, N., Newsham, A., Rigg, J., & Suhardiman, D. (2022). A sustainable livelihoods framework for the 21st century. *World Development*, 155, 105898. <https://doi.org/10.1016/j.worlddev.2022.105898>
- Nord, A., Bekunda, M., McCormack, C., & Snapp, S. (n.d.). Barriers to Sustainable Intensification: Overlooked Disconnects Between Agricultural Extension and Farmer Practice in Maize-Legume Cropping Systems in Tanzania. <https://doi.org/10.1080/14735903.2021.1961416>
- Nyabakora, W. I. (2023). The transformation of the tanzanian rural economy and social amenities. *Towards Excellence*, 527–546. <https://doi.org/10.37867/te150254>
- Ørtenblad, S. B., Birch-Thomsen, T., & Msese, L. R. (2019). Rural Transformation and Changing Rural–Urban Connections in a Dynamic Region in Tanzania: Perspectives on Processes of Inclusive Development. *The European Journal of Development Research*, 31(1), 118–138. <https://doi.org/10.1057/S41287-018-0177-9>
- Parés, M., Ospina, S. M., & Subirats, J. (Eds.). (2017). *Social innovation and democratic leadership: Communities and social change from below*. Edward Elgar Publishing.
- Rwekaza, G. C., & Mhihi, B. (2016). Co-Operative Development in Tanzania: A Tool for Equality and Socio-Economic Development. *Journal of Economics and Sustainable*

- Development, 7(6), 29–40.
<https://www.iiste.org/Journals/index.php/JEDS/article/download/29517/30307>
- Rweyendela, A. G., & Kombe, G. G. (2021). Institutional influences on circular economy: a Tanzanian perspective. *Sustainable Production and Consumption*, 26, 1062-1073. <https://doi.org/10.1016/j.spc.2021.01.013>
- Shaffer, L. J. (2014). Making Sense of Local Climate Change in Rural Tanzania Through Knowledge Co-Production. *Journal of Ethnobiology*, 34(3), 315–334. <https://doi.org/10.2993/0278-0771-34.3.315>
- Soni, A., Shaikh, Z. H., Irfan, M., & Bijja, V. (2024). Indigenous Empowerment as a Catalyst for Sustainable Development. *Advances in Finance, Accounting, and Economics Book Series*, 253–274. <https://doi.org/10.4018/979-8-3693-7924-0.ch012>
- Suleiman, R. (2018). Local and regional variations in conditions for agriculture and food security in Tanzania. *AgriFoSe2030 report*, (10). <https://pub.epsilon.slu.se/16577/>
- Sumelius, J., Tenaw, S., Bäckman, S., Bee, F., Chambo, S., Machimu, G., & Kumburu, N. (2013). Cooperatives as a tool for poverty reduction and promoting business in Tanzania. University of Helsinki, Department of Economics and Management Discussion Papers, 65.
- Wright, L. L. (2022). Building resilient communities by growing community assets, capacities, and trust (pp. 68–81). Routledge eBooks. <https://doi.org/10.4324/9781003241003-6>
- Losch, B., & Michaud, A. (2016). Evolution of rural development strategies and policies: lessons from Tanzania. Report for the OECD development centre project on “Rural development policies in perspective. From challenges to action”. Cirad, Montpellier.

The Co-operative University of Kenya
P.O. Box 24814-00502, KAREN, NAIROBI
TEL: +254 202430127/202679256
Mobile(office): +254 724311606
Conference link: <https://conference.cuk.ac.ke/>