

Fostering Rural Development and Social Inclusion in East Africa: Interrogating the Role of Cooperatives

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Abstract

Cooperatives are autonomous organizations of people built on internationally recognized principles and core values. There are various types of cooperatives in East Africa largely dominated by the Agricultural Marketing Co-operatives (AMCOS). For decades, cooperatives have been fighting against inequalities by promoting members' socio-economic development, democracy, and increasing people's control over local economies. They also provide other opportunities such as inputs, and better negotiation position. Despite these efforts, rural poverty and inequality in East Africa is still high. This chapter presents a review of literature on the role of cooperatives in reducing rural poverty and enhancing social inclusion in East Africa, using Tanzania, Kenya, and Uganda as case studies. These three countries present good cases because, despite having a large population of people and cooperatives, their people still suffer from abject poverty. In this study, it has been established that, cooperatives are an organ for rural development in whichever form and model and can contribute to rural development whether they are weak or strong. This chapter promotes the use of Integrated Co-operative Model (ICM), which has proved to be effective in linking the rural poor in terms of production, marketing support, and financial services. It recommends member-based education to be given priority especially on how co-operatives can work in an ICM. Training is also needed on member's roles and responsibilities, knowledge of production, marketing and management. Likewise, it recommends a positive government intervention on punishing the criminals who misused the cooperative funds.