



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

POTENTIALS AND CHALLENGES FOR THE GROWTH OF CO-OPERATIVE SOCIETIES IN TANZANIA

Neema Kumburu, Ernest Hizza, Baltazary Namwata and Isaack Kazungu
Moshi Co-operative University
WE EFFECT, Contact: nkumburu1@gmail.com

ABSTRACT: Co-operatives in Tanzania, particularly in the agriculture sector, hold significant potential for economic empowerment, social inclusion, and sustainable development. By pooling resources, co-operatives help improve the economic status of their members through access to markets, credit facilities, and training programs. They also foster social cohesion, contributing to poverty reduction, job creation, and improved living standards. Agricultural co-operatives, such as AMCOS, enhance productivity, product quality, and marketability by providing access to inputs, technology, and knowledge-sharing. These organizations also promote sustainable practices, contributing to long-term environmental and economic stability. Government support, such as the Co-operative Development Policy, provides a critical framework for cooperative growth. Despite these opportunities, gaps in empirical research on the performance and trends of co-operatives, especially regarding gender equality and inclusivity, remain. Furthermore, the adaptation and mitigation strategies for climate change impacts on co-operative members, especially in agriculture, require urgent attention. There is also a need for comprehensive policy initiatives to address the unique challenges faced by different types of co-operatives in Tanzania. The primary objective of this study was to assess the potential and challenges for the growth of cooperatives in Tanzania. Specifically, the study determines the trends and performance of co-operatives in the country, determines the potentials and challenges for the growth of co-operatives in the country, examine adaptation and mitigation mechanisms to climate change impacts by co-operative members, and examine policy implications on enhancing the performance of co-operative in the country. The study utilized a mixed-methods approach to gather data from smallholder farmers across key agricultural regions including Kilimanjaro, Mbeya, Songwe, Tabora, and Kyela. A total of 548 participants were surveyed, including members from AMCOS (443), dairy co-operatives (29), fish co-operatives (20), and SACCOS (56). Qualitative and quantitative data analysis techniques were employed.

Key Findings

1. Trends and Performance of Co-operatives: AMCOS demonstrated moderate growth in geographical expansion and product diversification, aligning with national policies. However, other co-operatives, including dairy, fish, and SACCOS, struggled with limited progress due to resource and funding constraints. AMCOS showed improvements in customer satisfaction, operational efficiency, and technology adoption, but challenges such as mixed return rates, overall member dissatisfaction, and declining volunteer engagement persisted.
2. Opportunities for Growth: AMCOS leveraged government support and strategic partnerships to expand. However, all co-operative sectors face challenges, such as financial constraints, infrastructure gaps, weak leadership, and limited access to technology. The external environment, including government policies, access to finance, and economic stability, plays a crucial role in fostering co-operative growth.

3. **Adaptation and Mitigation Mechanisms:** The study found that co-operatives, especially AMCOS, face significant barriers to climate change adaptation, including limited access to agricultural inputs, poor infrastructure, and weak market linkages. The demand for inputs has increased, but issues like high costs, transportation challenges, and inconsistent pricing hinder access to inputs and market opportunities.

Recommendations

1. To Policymakers:

- Enhance policy support, financial and technical resources, and improve the regulatory framework to promote co-operative growth, particularly for dairy, fish, and SACCOS.
- Provide incentives for technology adoption and streamline loan requirements to improve access to finance for co-operatives.
- Invest in rural infrastructure, including transport and digital connectivity, to improve market access and input supply chains.

2. To NGOs and other stakeholders:

- Facilitate capacity-building programs focused on governance, leadership, and technology adoption, particularly for smaller co-operatives.
- Support market linkages by connecting co-operatives to regional and international markets and advocating for policy reforms to reduce regulatory burdens.

3. To Co-operatives:

- Strengthen member engagement and governance through regular feedback mechanisms and leadership training.
- Promote sustainable farming practices and invest in technology partnerships to improve productivity and product quality.

4. For Climate Change Adaptation:

- Develop policies encouraging sustainable agricultural practices and improve access to extension services to bridge the knowledge gap.
- Increase financial inclusion by expanding tailored financial products to high-risk sectors like fisheries and cash crops.

Standardize loan awareness campaigns and ensure transparent interest rates to alleviate financial stress on co-operatives.

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/>