

ACCOUNTABILITY OF BOARD AND MANAGEMENT TO MEMBERS IN PRIMARY AGRICULTURAL MARKETING COOPERATIVES SOCIETIES (AMCOS) IN TANZANIA, EVIDENCE FROM SELECTED AMCOS OF BUKOBA AND MOSHI DISTRICTS

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ABSTRACT

Co-operative democracy plays a key social function in the organization of economic relations that govern member owned firms where the aspect of managerial accountability is becoming important for co-operative to embark on sustainable democracy. In Tanzania, various efforts have been made to ensure primary Agriculture Marketing Co-operative Society (AMCOS) mainstream member ownership and democracy where Board and management accountable to members are apparent. The study used primary AMCOS of Bukoba and Moshi district. The study revealed that the management were much accountable to the Union in Bukoba district primary AMCOS as compared to Moshi district. The use of meetings, members opt the use general meeting to affect managerial accountability to AMCOS members. Education and training at the primary AMCOS was examined and most had no plan to obtain education and some primary AMCOS shows education were not provided but planned to be provided. Information dissemination was done by using village meetings as compared to the use of primary AMCOS notice Board. Also, decisions are not implemented as members agreed while few accepting meeting decisions to be implemented. Reasons limiting implementations being absence of implementation plans. The decision ownership powers were found to be on the hands of union in Bukoba district primary AMCOS by while Moshi district primary AMCOS Management had more ownership power. The membership rights also indicated the lowest percentage on right to chose leaders of the primary AMCOS, right to sell their produce in the primary AMCOS and right to co-operative education. The leadership succession planning had the lowest present, revealing no primary AMCOS has performed it and the reasons being youth migration to town. The study recommends that education co-operative governance to members be emphasised since it is important for next generation leaders who will become Board members capable of running their organisations

Keywords; Accountability of Board and Management, Primary Agricultural Marketing Cooperatives Societies.

1. BACKGROUND INFORMATION

Internationally, co-operatives are recognized as enterprises that are democratically owned and controlled by their members. The International Co-operative Alliance (ICA, 1995) defines a co-operative as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations, through a jointly owned and

democratically controlled enterprise. The joint ownership of members indicates collective efforts in the formation process of and governing the co-operatives that defines co-operative democracy. The democratic process in its formation necessitates the process of choosing leaders who leads these co-operatives on behalf of their members. Such practice requires leadership accountability to the owners.

Globally, the importance of a co-operative enterprise as a member owned and controlled social economic institution is becoming more visible under the current economic situation (Maghimbi, 2006; Ravensburg, 2009). Co-operative democracy plays a key social function in the organization of economic relations that govern member owned firms. Originally, co-operatives ensured balanced development of the financial economics and social needs of members in the new globalizing world organised democratically to ensure that the economy continues to serve the daily needs of the ordinary people (Schoolnik, 2006). Accordingly, Ravensburg (2009) noted that co-operatives as member owned and democratically controlled institutions play major roles in stabilizing and enhancing member financial growth. He noted that co-operative member ownership and democracy have proven to be highly effective as a mechanism to empower citizens in several Western European countries, North America, Asian tigers, India and in some African countries.

In most co-operatives in the third world countries; despite the fact that there are co-operative principles, values and ethics provided by ICA (1995); co-operative ownership is still in the hands of free riders (Sizya, 2001). These are members who are not interested in co-operative members' objectives; they rather use co-operatives as stepping stones to achieve their personal missions. In examining the ownership in third world agricultural marketing co-operatives, the position of ownership is based on historical imprints (Develtere *et al.*, 2008). It is based on the question of imposed nature of co-operatives that was adopted from the colonialists. The colonial co-operatives were established not for members, but to save the interests of the colonialists (Wanyama, 2009).

In Africa, co-operatives, especially primary AMCOS, have not fully developed strategies to tap ownership and democracy to their members (Birchall, 2011). What the countries have are haphazard policies, which do not really reflect the importance of member ownership and co-operative institutional democracy to enhance co-operative sustainability growth of African AMCOS. National programmes have been developed with the aim of increasing member driven strategies and participative activities by means of reforms, but these have proven to be not feasible or are disappointing (Lucky, 2011). There are numerous management long term training programmes that have been developed to strengthen marketing, and managerial skills, but these do not constitute member ownership capacity and democratic practices on decision power required from members to enhance member capacity in holding Board and managers' accountable. According to Bovens (2007) and Lloyd *et al.* (2007), confirm that the Global Accountability Framework presents four accountability dimensions these are: transparency, participation, evaluation, and complaint and response mechanisms. And these were assessed in measuring how Board and managers as members' agent were responsible to the shareholders in primary AMCOS to see whether co-operatives at primary level the ownership strategies enable members to hold management accountable.

The Tanzania co-operatives and ownership of primary agricultural marketing co-operatives are reflected in the formation of co-operative societies, during the annual general meeting and during selling of agricultural produce. In such conditions it will be difficult for primary co-operatives to attain democratic sustainability (Wanyama, 2009). Rwekaza (2012) describes

the aspect of member ownership in a primary AMCOS as a situation whereby members continue to be affected by decision making processes whereby members have little control over marketing their produce, members have remained members by service whose right is only on residual price of their produce sold, and not members who are aware of their rights and responsibility to demand for accountability from Board of directors and co-operative staff.

Bukoba and Moshi Districts have old co-operatives in Tanzania, dating back to the 1920s that started as associations and later on, in 1925, Kilimanjaro Native Planters Association (KNPA) was established and later Kilimanjaro Native Co-operative Union (KNCU) was registered in 1933 under Co-operative Legislation of 1932. In Kagera, the Native Growers Associations (NGA) was formed in the 1930s and later Bukoba Co-operative Union (BCU) was registered in 1950. Western Region Co-operative Union (WERECU) was formed in 1974 under Co-operative Act of 1968 and WERECU was re-established under new name Kagera Co-operative union KCU and registered in 1986. These unions were established with primary societies as members of the unions. Most of the primary societies continued to operate before and after independence (Seimu, 2015;2017; Rwekaza, 2012; Meghji and Tarimo, 1992). In all these historical changes in policy, legislation and management member decision in co-operatives remained in the hands of management. In Kilimanjaro some primary AMCOS operated by the use of network which is another union by the name G32 and members are primary AMCOS who do coffee business using that network. G32 members are not constant since primary AMCOS sometimes market their coffee using private buyers and sometimes use KNCU. The coffee market force and coffee business shape managerial decisions in effort to find better prices and lower transaction in attempt to raise member farm gate price. The co-operative movement on AMCOS in Tanzania is presented in a four-tier system; these are primary, secondary, apex and federation. The apex remained silent after the establishment of crop boards and crop committees. For the base of this study, a primary AMCOS was used as unit of analysis in assessing member ownership and democratic sustainability.

There have been a number of studies done to show what led some primary AMCOS in Tanzania to 'side-step' when promoting member ownership in co-operative for increasing democracy, but literature specifically in addressing ownership as a governance tool for co-operative democracy that mainstream managerial accountability to members is not apparent. Also, studies that looked into member ownership as a function of democracy for co-operative sustainability are inadequate. Available information does not specifically address the accountability of board and management to members in the primary AMCOS and how it impacts on the ownership and democratic sustainability of these primary AMCOS. The aim of this objective was to use primary AMCOS of Bukoba and Moshi to study the accountability of Board and management to members in understanding how these primary AMCOS can be sustainable in attaining members' needs.

The leadership accountability to members on effort to enhance ownership in primary Agricultural Marketing Co-operative Societies (AMCOS) has played major role to ensure democratic sustainability. Members in the primary AMCOS are the principal owners, where ownership is governed by a democratic process of managing their co-operative. ICA (1995) provides co-operative principles, and among those principles the second one perpetuates co-operative democratic member control that entails democratic process of members in exercising their ownership and management of co-operative is vested to members who are the owners; however the question of delegating co-operative management to the Board and managers as members agents on resulted into low member ownership and control that on the

other hand impinge sustainability of democratic rights of members in holding the management accountable to members. Tanzania Co-operative policy 2002, Tanzania Co-operative Society Act 2013 provides co-operative to operate within legal framework and policies that provide how best the AMCOS should be governed; however the democratic practice on how member can own their co-operative had not been in place as expected.

Various effort was made the ensure primary AMCOS embark on member ownership and democratic sustainability; efforts such as implementation of Member Empowerment in Co-operatives (MEMCOP) (2000-2005) aimed at empowering members to have a voice in co-operative decisions and establishment of Co-operative Reforms and Modernization Programme (CRMP) (2005 2010) (that remained proposal under the presided ministry) with effort such as “to initiate a comprehensive transformation of a co-operatives to become organizations which are member owned and controlled competitively, viably, sustainably, and with capability of fulfilling member economic social need”. Also, the establishment of Tanzania Co-operative Development Commission (TCDC) in Tanzania that aimed at increasing viable co-operative institution which are member owned and democratic sustainable where its leaders would be more accountable to members. With these efforts, one may wonder why there is low democratic practice among members in exercising their ownership rights as well as why the democratic practices and inability to hold their leaders accountable to them. In view of absence of empirical knowledge on low democratic sustainability and member ownership, this paper aimed at examining accountability of Board and management and their effects to democratic sustainability and member ownership among the members of AMCOS

2. THEORETICAL LITERATURE REVIEW

Different theory was adopted in this objective to try to understand managerial accountability to members in the primary AMCOS. These theories are Principal-agent theory, Stewardship theory, Stakeholder theory and Managerial hegemony theory. These theories demonstrate the role of Boards and management on performing institutional roles that aimed at attaining member’s objectives. Each implies different roles of how Boards work and the role of managers in ensuring owners objectives are met. The agency theory propounds the overall governing of the study as it cut across all the other supporting theories and principles. This is due to that fact that, co-operative societies are member owned institutions, but the ownership is delegated to the electorates (the Board) and the electorates employ managers who are experts to manage the institution.

Principal-agent theory was the dominant theory in assessing the accountability of managers and board to members. The theory assumes that the owners of an enterprise (the principal) and those that manage it (the agent) will have different interests (Berle and Means, 1932). Hence the owners or shareholders of any enterprise face a problem that managers are likely to act in their own interests rather than the shareholders (Keasey *et al.*, 1997). The theory was used in assessing its applicability in variables such as: managerial accountability assessment, decision ownership in the primary AMCOS and decision compliance in the primary AMCOS. In this context the agency theory assumes that the main interest of shareholders is to maximize prosperity and market control. In these theory managers faces two pressure forces; pressure from shareholders with the threat of takeover, as well as Board in monitoring to keep managers aligned to this organizational goal (Richards *et al.*, 1998).

The Stewardship theory, where theory based on human relations perspective and believes in opposite assumptions to agency theory that assumes managers performs better and act as

effective stewards in managing institutional resources. In that assumption management and shareholders (members in co-operatives) are partners. The theory presents the main function of the Board is not to ensure managerial compliance with shareholders (members) interests but to improve organizational performance (Muth and Donaldson, 1998). The theory was used in determining the primary AMCOS management and Board accountability to members. Stewardship theory states Board role being; to work with management to improve strategy and add value on decisions made by managers. In this context it is not surprising that management ideas and practices should be applied to governance. Chris (2004) presents the assumption to this theory that; Board members should be selected on the basis of their expertise so that they can add value to organization's decisions, Boards and managers should receive proper induction and training and they should know how to operate effectively as a team. The theory challenges in its applications is that; co-operatives societies have no guarantee that those members elected to the Board will have the skills the Board needs to be effective. The education and training to impart skills to Board and managers who will work to attain member's needs is not apparent.

The Stakeholder theory which is applied in governing different organizations is based on the premise that societies are responsible to a range of dynamic category of individuals who are the owners (stakeholders) in society other than organization's owners standing alone. In that theory the underlying assumption is that, incorporating different stakeholders on Boards it is expected and more likely to respond to broader social interests than the narrow interests of one group (Hung, 1998). The theory was used in assessing the implications of Membership rights in the primary AMCOS on assessing member ownership. This leads to a fundamental role of Board as negotiating and resolving the potentially conflicting interests of different stakeholder groups in order to determine the objectives of the society and set policy.

The Managerial hegemony theory or 'rubber stamp', the theory defines the shareholder (members) that may legally own but not effectively control them. The theory presents that, the control ceded to a new professional managerial class who manages the institutions on prescribed standards and given procedures that are not known to managers. In this theory the separation of members, who 'own' the organization, from those that control it, and the increasing growth and professionalism of management will bring managers to archive organizational objective (Berle and Means, 1932). The theory was used in assessing Decision compliance in primary AMCOS, especial managerial decisions, whether members who are principal owners accept the managerial decisions.

The underlying challenge is the involvement of ordinary members on the Boards of co-operatives, in that sense members are more likely to lack the knowledge and expertise to effectively challenge management proposals and decisions (Chris, 2004). Also the power and decision-making in co-operatives are concentrated with few hands (that is the Board and management). According to Anderson and Henehan (2005) Co-operative performance has for a long time been characterized by a lack of participation and sense of involvement. Statutory governing bodies exist to review past performance and to endorse management decisions rather than to challenge policies and strategies governing co-operatives.

3. METHODOLOGIES

The study was conducted in Bukoba and Moshi Districts. These areas had a long history way back in the 1920s on cooperation and co-operative establishment in Tanzania (Seimu, 2015; Rwekaza, 2012; Meghji and Tarimo, 1992; Kihemba *et al.*, 1977). Also, the consideration of the nature of the crop that is coffee in both districts provides a comparative study from the

same cash crop marketed by co-operatives in different geographical environments. In Kagera and Kilimanjaro regions, the study was done in two districts' AMCOS; the districts that were selected for the research were Bukoba District in Kagera Region and Moshi District in Kilimanjaro Region where AMCOS were found to operate their businesses under the umbrella of unions and networks. In Bukoba Districts the primary AMCOS were operating under Kagera Co-operative Union (KCU), while in Moshi District they were operating under Kilimanjaro Native Co-operative Union (KNCU). However, in Moshi District, some primary AMCOS were operating under a network known as G32. The number of primary AMCOS dealing with coffee in those districts was 50 in Bukoba District and 39 in Moshi District.

A cross-sectional design was used whereby data were collected once and were used as a basis for generalization. Member ownership and democratic sustainability concepts in the primary AMCOS of the studied areas could have similar results that fitted in other primary AMCOS in Tanzania and other countries that have similar characteristics. Bukoba and Moshi Districts' AMCOS at primary level were examined by taking five primary societies and a comparative analysis of dependent and independent variable was done. The use of cross-tabulation across districts and across primary AMCOS under cross-section design increases data validity and reliability for better results. The unit of analysis in this study were primary AMCOS members of Bukoba and Moshi Districts dealing with coffee.

The study used both probability and non-probability sampling methods in order to have objectivity and respondents representing the population from which the data were collected. Probability sampling was adopted so as to provide equal chances for every population element to be selected and to remove biasness, which might arise in the course of selection process to get respondents. Simple random sampling was used in selecting the primary AMCOS that were studied. KCU and KNCU provided lists of primary AMCOS in the districts from which the samples were selected. The primary AMCOS were categorised by division to have spread and optimal inclusion of samples.

In selecting members, randomisation was done by using lists of members from primary AMCOS registers. The managers and board members were identified basing on the villages where the members were coming from. The list was spread in all villages where the primary AMCOS operated. In non-probability sampling methods, purposive sampling technique was used in selecting key informants, who were selected from the co-operative stakeholders. They were organisations which dealt with co-operative undertakings. The list included co-operative movements that included KCU, KNCU, G32 TFC, district co-operative offices, Regional Assistant Co-operative Registrars, Tanzania Co-operative Development Commission, Tanzania Coffee Board, Co-operative Auditing and Supervision Company, Moshi Co-operative University lecturers, and Tanzania Coffee Development Fund.

The eligible sample was members of the primary AMCOS in Bukoba District of Kagera Region and Moshi District in Kilimanjaro Region of Tanzania. The population of the study was not known because members of the primary AMCOS in the studied areas had not been updated as from 1992 to 1994 when the new register was updated. With that respect, sample size was selected following the formula developed by Cochran (1977) for large populations (ten thousand and above):

$$n_0 = \frac{Z^2 pq}{e^2}$$

In which case, n_0 is the sample size; Z^2 is standard normal deviation, set at 1.96 or 2.0 which is equal to the desired confidence level of 95%; p is the estimated proportion of an attribute

that is present in the population (if not known 50% is used); and q is $1-p$. The value for Z is found in statistical tables and represents the area under the normal curve; and e is the desired level of precision which is set at 0.05.

Therefore, the sample size for this study was;

$$n = \frac{Z^2(0.5 \times 0.50)}{(0.05)^2} = \frac{4 \times 0.25}{0.0025} = \frac{1}{0.0025} = 400$$

Therefore, 400 members were selected from ten primary AMCOS (five from each district of Bukoba and Moshi). Moreover, 12 key informants were involved. These key informants were from the co-operative movement, the co-operative training institutions, co-operative departments, co-operative auditing firms and co-operative promoters.

As the research used a cross-sectional design, and the studied areas were in two districts, the methods that were used for data collection were household survey, interview and documentary review. As these data collection methods suit the nature of the study and bring data that are reliable and valid to study accountability of board and management to member to enhance democratic sustainability.

The main method of data collection was household survey, which was used because it is a data collection method that provides efficient ways of collecting responses from a large sample. This method was used to collect data by employing a structured questionnaire which contained a set of pre-coded close ended questions, and open ended questions developed in line with the specific objectives of the research. The respondents were selected members of AMCOS who were visited in their homes and interviewed. The household survey method was supported by two other methods of interview and documentary review.

Interviews were conducted to key informant. Also, FGDs were used to collect data from board and management of the studied AMCOS: Kagera Co-operative Union (KCU) and Kilimanjaro Native Co-operative Union (KNCU). Key informant interviews were held with managers of Tanzania Federation of Co-operatives (TFC), Tanzania Co-operative Development Commission (TCDC), Tanzania Coffee Board (TCB), Co-operative Audit and Supervision Company (COASCO) and lecturers at Moshi Co-operative University (MoCU) with the level of professor who were conversant with the co-operative profession.

Documentary review was done through the use of documents available in the primary AMCOS documents, including AMCOS Reports, AMCOS by-laws, primary AMCOS registers books, letter files and other information available at the AMCOS. Also, other documents reviewed were Tanzania Co-operative Policies, Tanzania Co-operative Societies Act, programme and project reports such as MEMCOP and CRMP. Moreover, Ministry budgetary reports, research reports, journal papers and books were used to supplement and support information of the primary sources.

Data were analyzed qualitatively and quantitatively. Qualitative analysis used content analysis whereby open ended questions were summarised and grouped. The procedures for content analysis included post coding whereby the researcher categorised opinions, comments and ideas from each statement made by respondents during Focus Group discussions and during key informant interviews. Various opinions, comments and ideas

were placed into appropriate themes/contents (Sekaran, Bougie, 2010; Yin, 2014). Quantitative analysis was done using descriptive analysis whereby frequencies, averages. Minimum and maximum values of individual variables were computed using SPSS and Excel software.

4.0. RESULTS AND DISCUSSION

4.1. Accountability of Board and Management to Members in primary AMCOS

The paper assessed the main concepts of accountability as a virtue and accountability as a set of standards for the evaluation of the behaviour of public actors. Accountability or, more precisely, being accountable, is seen as a positive quality of organisations or primary AMCOS officials. Hence, accountability studies often focus on normative issues, on the assessment of the actual and active behaviour of primary AMCOS agents. According to Bovens (2007) and Jos and Tompkins (2004), accountability is a virtue because it provides legitimacy to public officials and public organizations when managing organisations. Romzek (2000) argued that public trust in governing institutions is fragile and accountability in the sense of transparency, responsiveness, and answerability is meant to assure public confidence and bridge the gap between citizens.

According to the Global Accountability Framework (Jos and Tompkins, 2004; Bovens, 2007; World Economic and Social Survey (2013), accountability has been operationalised in four major catchy dimensions that make an organisation more accountable to its stakeholders: transparency, participation, evaluation, complaint and response mechanisms. Each of these four dimensions is formulated as a standard for accountable behaviour (Lloyd *et al.*, 2007). According to Bovens (2007), accountability is about engaging with, and being responsive to, stakeholders; taking into consideration their needs and views in decision making and providing an explanation as to why they were or were not taken on board. Basing on that, accountability is a mechanism of control and more a process for engaging stakeholders, creating a dialogue for interaction and generates ownership of decisions to enhance sustainability of activities (Blagescu *et al.*, 2005). The following sub sections present managerial accountability assessment, information dissemination, decision compliance, the decision making process, membership rights and leadership succession planning in primary agricultural co-operative societies

4.1.1. Managerial accountability assessment

The objective of the co-operative society is clearly defined by the Co-operative Societies Act (2013) in the schedule of amendments in section 3, (2) (h) and describes the co-operative society objective as an organization which works for sustainability of development of their communities through policies approved by their members. Also, Co-operative Societies Act (2013) in the third section, Sub-section two (2) explains that “every registered society shall establish a board to manage its day to today activities”. And section 4 (1) says “the Board shall exercise all powers necessary to ensure proper administration of the society, subject to the by-laws of the societies, the regulation and any resolution passed at the general meeting”. To that end, the board members are given powers by members to manage their primary AMCOS on their behalf. Management is supervised by the Board, and the management reports to the board as the immediate supervisor. Also, management reports to the general meeting on issues which is under their activities, they account issues based on job description and specification provided to them by the Board. Table 1 presents the points that were scored on a scale of managerial accountability to different organs.

Table 1: Management accountability to different organs (n = 400)

Bukoba district primary AMCOS managerial accountability organs	Minimum	Maximum	Mean	%
Board	0.00	2.00	0.16	8.0
Co-operative officers	0.00	2.00	0.11	5.5
Union	0.00	2.00	1.19	59.5
Members	0.00	1.00	0.19	9.5
Political leaders	0.00	1.00	0.08	40.0
Moshi district AMCOS Managerial accountability organs				
Board	0.00	2.00	0.35	17.5
Co-operative officers	0.00	2.00	0.26	13.0
Union	0.00	2.00	0.11	5.5
Members	0.00	1.00	0.25	12.5
Political leaders	0.00	1.00	0.21	10.5

The results in Table 1 show that management and members were more accountable to the Union (KCU) in Bukoba District primary AMCOS (59.5%) as compared to Moshi District primary AMCOS where managers were reported to be accountable to the Union (KNCU) by 5.5%. In Bukoba District primary AMCOS, the Union (KCU) dictates every decision of the primary AMCOS and the members of the primary AMCOS do not know how to deal with Union issues in protecting their power of primary AMCOS. The district primary AMCOS assessment indicates that management had little accountability to primary AMCOS members in Bukoba district primary AMCOS (9.5 % of the respondents) as compared to Moshi District primary AMCOS (12.5%). The managers in Bukoba District primary AMCOS received directives from the Union (KCU) and in any misconduct of the managers at the Primary AMCOS, the managers and the board were hold accountable by the union leaders. These are the owners of capital used at the primary AMCOS; with that they have more say than the members. Also, the proportion of managers' accountability to the Board in Bukoba District primary AMCOS had 8.0% as compared to Moshi District AMCOS (17.5%). Furthermore, political leaders' impact in Moshi district primary AMCOS were 10.5% as compared with Bukoba District primary AMCOS (40%). The findings indicate that managers were more accountable to organs which were outside the primary AMCOS such as AMCOS Union, political leaders (Chancellors, members of parliament, and ministers) and co-operative officers (at district and regional levels). It was expected that, since the immediate supervisor to managers was the Board, it could have more scores than the other items provided. In Bukoba District primary AMCOS union dictates everything, and primary societies are the buying posts of the Union. Also, politicians had much influence on primary society decisions (FGD with Board managers and members from Bukoba district primary AMCOS), unlike in Moshi district primary AMCOS where managers were accountable to the Board and co-operative officers. This might be due to different education programmes that had been conducted in Moshi district aimed at member empowerment (MEMCOP). This was supported by the account given by a Moshi Co-operative University Professor, who was the key informant that:

“..... Managers decide above the Board since they own financial control. Members have nothing to do with holding managers accountable since they don't know the powers and responsibilities of the managers and of the Board”.

In a Focus Group Discussion (FGD) with Tanzania Co-operative Development Commission (TCDC), it was said that managers are the experts and their tenure of office is on a longer

term compared to that of members of the Board; with that, they own much experience and knowledge; having these expertise, managers direct the Board on what to do and how things should be done that causes the Board members to be under the management since their tenure of office is between one year to three years as provided in the Co-operative Societies Act (20013). According to Berle and Means (1932), the agency theory shows two parties, members and management, whereby the owners of the co-operative society are the members (the principal). However, the members, despite being the owners, delegate the management of their co-operatives to the managers (the agent) to manage. In that aspect, managers use their expertise in the co-operatives to make decisions. The Co-operative Societies Act (2013) states that; members are the owners and shall hold the Board and managers accountable on different functions which were underperformed using co-operative general meetings. Different ways of holding management accountable were listed, and members identified the best ones in exercising managerial accountability as presented in Table 2.

Table 2: Ways in which members can hold managers accountable (n = 400)

Primary AMCOS	Variables					
	Through general meetings (%)	Through direct confrontation to the management (%)	By influencing Board to enforce laws to managers (%)	Through by-laws made, and followed (%)	By removing them from office through Board (%)	By special meeting called by member (%)
Kagege	77.5	0.0	10.0	22.5	22.5	17.5
Mweyanjale	77.5	2.5	7.5	25.0	5.0	22.5
Bumai	87.5	10.0	5.0	45.0	12.5	20.0
Kobunshwi	35.0	60.0	2.5	30.0	7.5	60.0
Lubale	80.0	10.0	5.0	20.0	7.5	22.5
Kilema North	77.5	0.0	10.0	22.5	22.5	17.5
Mwika North	77.5	2.5	7.5	25.0	5.0	22.5
Kiruwa Vunjo North	87.5	5.0	5.0	45.0	12.5	20.0
Kibosho Central	80.0	12.5	5.0	30.0	7.5	17.5
Mawela	80.0	15.0	12.5	20.0	7.5	35.0
All	76.0	11.8	7.0	28.5	11.0	25.5

The results in Table 2 indicate managerial accountability to primary AMCOS members was through general meetings (76%). During the general meetings, different reports were presented by responsible persons and then constructive criticisms as well as discussing out the way forward. However, other ways for members to hold managers accountable were: the use of by-laws established at the primary AMCOS (28.5%) and using special meetings called by members (25.5%). Using these items, it was found that members can exercise their decision power to hold managers accountable. The Co-operative Societies Act of 2013 provides members with a mandate to use special meetings whereby they can have access to rectify misconduct of the Board and management when the normal procedures fail; this were indicated in all co-operative by-laws. However, the special meetings guaranteed by the law are not exercised since members lack education on the modality of how it can be used to hold management accountable to them.

Board and management in the primary AMCOS are accountable to the members at the general meetings. The primary AMCOS management direct supervisor is the primary AMCOS Board, and the primary AMCOS Board are responsible for handling daily today activities of the primary AMCOS on behalf of members. The accountability score of Board and management was ranked by using different issues which Board and management performed in the primary AMCOS. The used measured items were measured separately to

understand which fare the most among the ten give test items. The results are presented in Table 3.

Table 3: Board and management duty accountability weighted aggregates in primary AMCOS (n = 400)

Items indicating accountability	Minimum	Maximum	Mean	%
The Board controls well the AMCOS budget	0.0	2.0	0.81	4.05
The members controls the Boards through annual meetings	0.0	2.0	0.43	2.15
The Boards control the management	0.0	2.0	0.47	2.35
The member receiving feedback of the decision made at the AGM	0.0	2.0	0.42	2.10
Implementation of the decisions made at the Annual General Meeting	0.0	2.0	0.61	3.05
Following the by-laws in decisions made by the Board members	0.0	2.0	0.31	1.55
Following the by-laws in decisions made by the managers	0.0	2.0	0.46	2.30
The members adherence to by-laws	0.0	1.0	0.44	2.20
Boards involving members on AMCOS assets maintenance	0.0	2.0	0.18	0.90
Members involvement in AMCOS assets maintenance	0.0	1.0	0.23	1.15
Overall score on accountability	0.0	16.0	4.38	21.90

In assessing the accountability of Board and management to members as a factor determining member ownership in the primary AMCOS, a ten-statement index summated scale was used. For each of the statements, the respondents were asked to respond not at all (0), little (1) and much (2). Therefore, the minimum possible score on the scale was zero if one chose not at all for all the statements, while the possible maximum score was twenty if one chose much for all the statements. The results in Table 3 show that the average score by all the respondents over the maximum of 20 was 4.38 which is equivalent to 21.9%, which means that the extent or prevalence of accountability of Board and management to members was 21.9% (i.e. $4.38/20 \times 100$). The highest levels of accountability were on the Board to control well the primary AMCOS budget (4.05%) and on implementation of the decisions made at the Annual General Meeting (3.05%). However, accountability of Board and managers to members had the lowest score on accountability items examined; Boards involving members on primary AMCOS assets maintenance (0.9%), members' involvement in primary AMCOS assets maintenance (1.15%) and following the by-laws in decisions made by the Board members (1.55%). The findings mean that the prevalence of Board and managers accountability was low which had impact on ownership of the members' primary AMCOS when co-operative members were striving for sustainable democracy.

The stewardship theory that is based on human relations perspective shows the managers being accountable to the stakeholders whereby the theory assumes that managers perform better and act as effective stewards in managing institutional resources, in that managers and members are partners (Muth and Donaldson, 1998; Groves, 1985). The main function of the Board is not to ensure managerial compliance with shareholders' (members) interests but to improve organizational performance (Fahlbeck, 2007). However, the agency problems come in between when members' interests are found not to be met; the managerial underperformance was indentified basing on the data above.

Also, the results showed lower managerial accountability to members, the researcher went further to assess whether members had access to training and education on co-operative management. Training and education to members make primary AMCOS members know their rights and obligations as well as understand primary AMCOS structure and its functions. The findings were as presented in Table 4.

Table 4: Members' status in training and education (n = 400)

Names of primary AMCOS	Response on training and education to members				
	Provided substantially	Provided a little	Are not provided	Are not provided but planned to be provided	No plan to provide at all
	(%)	(%)		(%)	(%)
Bukoba District AMCOS					
Kagege AMCOS	7.5	0.0	5.0	0.0	87.5
Mweyanjale AMCOS	2.5	0.0	2.5	5.0	90.0
Bumai AMCOS	2.5	0.0	7.5	2.5	87.5
Kobunshwi AMCOS	0.0	0.0	2.5	0.0	97.5
Lubale AMCOS	2.5	0.0	7.5	7.5	82.5
Bukoba District AMCOS					
Kilema North AMCOS	0.0	2.5	30.0	0.0	67.5
Mwika North AMCOS	0.0	65.0	0.0	35.0	0.0
Kiruwa Vunjo North	0.0	20.0	15.0	65.0	0.0
Kibosho Central AMCOS	0.0	52.5	5.0	42.5	0.0
Mawela AMCOS	0.0	37.5	12.5	50.0	0.0
All	1.5	17.8	8.8	20.8	51.2

In assessing individual primary AMCOS, (Table 4), it was identified that Mwika North AMCOS had received little education and training with 65% of the respondents saying so, followed by 52.5% of primary AMCOS members from Kibosho Central who also said so. In Kiruwa Vunjo AMCOS, education and training were not provided to primary AMCOS members, and it was reported by none that there was a plan to provide them to the members, followed by Mawela AMCOS. In most of Bukoba district AMCOS, there was no plan to place to provide education and training to members; this was reported by 82.5% (Lubale AMCOS) to 97.5% (Kobunshwi AMCOS) of the respondents. However, in Moshi district AMCOS, Kilema North AMCOS had higher percent of the respondents who said that there was no plan to provide education and training to primary AMCOS members. The results indicate that primary AMCOS are challenged in receiving co-operative education and training on the aspect of co-operative governance which would enable members to understand systems of holding managers accountable and have the best way to lead the primary AMCOS. Those who received education and training had received it during MEMCOP (in Moshi district primary AMCOS) and sometimes from co-operative officers in their general meetings.

The practice in the co-operative societies was that members who are the principle owners are denied education and training; the Board and management are the ones who enjoy these benefits. Members, who have the democratic right to receive training as they are the future leaders, do not become part of the co-operative priorities in obtaining education and training (Wakuru, 2016, Sizya 2001; Chris, 2004). Findings from FGD with TCDC indicated that education was seen as the best way to alleviate co-operative governance problems, that is why the co-operative department as well as the commission was established; among other things their main aim was to provide co-operative education to co-operative societies. However, since agriculture is the back bone of the economy of Tanzania, co-operatives being the driver of the majority of citizens' education to primary AMCOS, membership to primary AMCOS was identified as the best option to embark on empowering the agricultural sector.

Wakuru (2016) showed that those responsible for providing co-operative education are not providing such education to co-operative members; members do not know their rights and responsibilities in their co-operatives management. The management and Board members

were eager to get co-operative education in the co-operative management, but little effort was made to provide such education to those leaders. That in turn led to poor performance of the co-operative societies which limited members to get their democratic rights in their effort to exercise their decision rights.

4.1.2. Information dissemination in agricultural marketing co-operative societies

Information accountability was assessed as it brings awareness to members on what transpires in their primary AMCOS. Information is power as it creates member awareness in understanding their institutions. Primary AMCOS managers and Board were provided with the responsibility to make information available to members so that the members could understand their primary AMCOS. Table 5 presents the information dissemination system which was user friendly to reach the members.

Table 5: Information dissemination systems in the primary AMCOS (n = 400)

Response on information dissemination systems			
Name of the primary AMCOS	AMCOS meetings (%)	Notice Boards (%)	Village meetings (%)
Kagege AMCOS	7.5	35.0	57.5
Mweyanjale AMCOS	10.0	17.5	72.5
Bumai AMCOS	7.5	22.5	70.0
Kobunshwi AMCOS	0.0	7.5	92.5
Lubale AMCOS	5.0	7.5	87.5
Kilema North AMCOS	2.5	97.5	0.0
Mwika North AMCOS	67.5	32.5	0.0
Kiruwa Vunjo North	55.0	45.0	0.0
Kibosho Central AMCOS	65.0	35.0	0.0
Mawela AMCOS	57.5	42.5	0.0
All	27.8	34.2	38.0
District AMCOS			
Bukoba	6.0	18.0	76.0
Moshi	49.5	50.5	0.0
All	27.8	34.2	38.0

An assessment was done on Information dissemination to primary AMCOS members through meetings, notice Boards, and village meetings. The findings indicated that the most frequent way used to disseminate information was village meetings (38%) of the respondents, being followed by notice Boards (34.2%) and primary AMCOS meetings (27.7%). Members were expected to receive information using AMCOS meetings which was contrary to the findings. However, such forum of general meetings is not used to disseminate primary AMCOS information. Member discussed the agenda given at the meetings, and new agenda were not part of their rights that would have brought members to discuss different issues. Also, education on how they can create agenda using AOB was not known to members.

However, district cross-examination indicated that Bukoba district primary AMCOS entirely used village meetings to disseminate primary AMCOS information (up to 92.5% and 76% on average) as opposed to zero percent reported by Moshi district primary AMCOS. Moshi district primary AMCOS mostly used notice boards compared with Bukoba districts AMCOS which used notice boards quite often. The use of primary AMCOS meetings was higher in Moshi district AMCOS as compared to Bukoba district primary AMCOS. The primary AMCOS members and managers in Moshi district were found to be more informed and active in terms of abiding by procedures to manage primary AMCOS business. This might be due to programmes that had been undertaken in their areas as well as presence of the co-

operative university that can render daily consultations to the primary AMCOS on their regular visits during research and consultancy activities. The use of notice Board and AMCOS meeting had higher percent in Moshi district primary AMCOS since in Moshi districts members' capacity to demand was higher than those of Bukoba districts. Also since members are more interested to know primary AMCOS coffee indicative price and changes on the indicative price as to make selling choice, primary AMCOS had no option than using notice boards and meetings discussions. Similarly, education and training received in Moshi district primary AMCOS members were more than what Bukoba district primary AMCOS members received. This was supported by the argument given by Moshi Co-operative University Professor that:

“..... Information dissemination by the use of notice boards at the Primary AMCOS is to provide indicative prices of the produce and not financial statements. On the other hand, members expected to receive more detailed information in their meetings, but meetings are used as grounds for announcements and not grounds for discussion”.

The information dissemination in co-operatives in Tanzania is affected by low members' capacity to hold the Board and managers accountable (Gertler, 2001; Urio, 2011). The absence of managerial accountability to members creates a system whereby potential documents and information remain hidden and become a secret of the Board and managers (Wanyama *et al.*, 2009). Co-operatives are members owned institutions, and they are governed democratically. With that, it was expected that information would be at members' disposal for perusal so as to create owners' understanding on their co-operatives.

4.1.3. Decision compliance in co-operative societies

The accountability of managers and Board to members is upon decision compliance between decision implementers and those who make decisions. Membership decision making process in co-operative societies is vested in annual general meetings; such meetings have the power to make decisions basing on the democratic rights exercised by members. In the meetings is where different governing decisions are made and presented by Board and managers. The decisions made by managers and the Board receive consent from primary AMCOS members from meetings that become binding to primary AMCOS management in leading the co-operative society. Basing on the Agency theory, members are principle owners who delegate control rights to the agents; the agents control the co-operative society basing on the democratic decisions made by members. However, decisions made by members in meetings need to be assessed to determine whether there is compliance with what managers and Board do in managing the co-operative society as presented in Table 6.

Table 6: Leadership decisions compliance and meeting decisions implementation (n = 400)

Name of the primary AMCOS	Leadership decisions compliance				Meeting decisions implementation	
	Yes, they all do (%)	Yes, most of all do (%)	Yes, a few of them do (%)	None does (%)	Yes (%)	No (%)
Kagege AMCOS	5.0	5.0	87.5	2.5	15.0	85.0
Mweyanjale AMCOS	0.0	0.0	97.5	2.5	20.0	80.0
Bumai AMCOS	2.5	2.5	92.5	2.5	30.0	70.0
Kobunshwi AMCOS	0.0	15.0	85.0	0.0	0.0	100.0
Lubale AMCOS	2.5	5.0	90.0	2.5	32.5	67.5
Kilema North AMCOS	5.0	17.5	75.0	2.5	27.5	72.5
Mwika North AMCOS	0.0	50.0	47.5	2.5	55.0	45.0
Kiruwa Vunjo North AMCOS	0.0	55.0	42.5	2.5	57.5	42.5
Kibosho Central AMCOS	0.0	65.0	32.5	2.5	57.5	42.5
Mawela AMCOS	0.0	65.0	32.5	2.5	47.5	52.5
All	1.5	28.0	68.2	2.2	34.2	65.8
District AMCOS						
Bukoba	2.0	5.5	90.5	2.0	19.5	80.5
Moshi	1.0	50.5	46.0	2.5	49.0	51.0
All	1.5	28.0	68.2	2.2	34.2	65.8

An assessment was done to determine the extent of decision compliance on four items to assess whether: they all complied, most of them complied, few of them or none complied with decisions made by members. Table 6 shows that 68.2% of the respondents were of the view that few members complied with their leaders' decisions, as compared with 28% of the respondents who thought that most of the primary AMCOS members complied with leaders' decisions. The general members' characteristics indicated that Moshi districts primary AMCOS had more compliance than Bukoba district primary AMCOS. A cross-district primary AMCOS examination indicated that Bukoba AMCOS had few members' compliance with leader decisions as compared with Moshi district AMCOS. However, in assessing whether most of members had complied with leaders decision, it was found that Moshi district primary AMCOS had higher percent than Bukoba district primary AMCOS. The general district primary AMCOS analysis indicates leadership compliance to members had 1.5% that indicated member dissatisfaction. However, primary AMCOS members of Bukoba district showed the lowest percent on decision compliance since its primary AMCOS decisions were made by the Union as opposed to Moshi district primary AMCOS.

The stewardship theory requires managers to perform their duties to ensure the stakeholders' interests are met (Reed, 1997; Hung, 1998). The absence of members' decision compliance is caused by inefficient managerial stewardship which causes co-operatives to be characterised by various members' grievances. With respect to co-operatives in Tanzania, Wakuru (2016) reported that between 1994 and June 2000 almost 662 cases of financial embezzlement were reported that amounted to TZS 5.7 billion in co-operative institutions. Moreover, up to March 2016, almost 895 co-operative leaders were found guilty of financial embezzlement amounting to TZS 2.6 billion. There was also poor financial management in co-operatives, leading to increase in co-operatives' debts whereby in 2002 the debts reached TZS 48 billion. By December 2015, the debts rose up to TZS 80 billion. Similarly, all these debts were owned by members since they would be deducted from their produce after being sold through their primary AMCOS. This also indicates that decisions made by leaders were not considering members' idea; none of the members accepted such debts to increase, and

financial spending that caused these debts to increase. On the other hand, in paying these debts, members' sales of their produce were deducted; that affected farm gate price.

An assessment of implementation of meeting decisions in the primary AMCOS was done in managerial decisions control which is vested to members through the use of meetings, and the findings are presented in the Table 6 that shows that decisions were not implemented as members agreed. This was said by 65.8% of the respondents as compared with 34.2% of those who responded accepting that meeting decisions were implemented. However, in some primary AMCOS the proportions of the respondents who responded positively and those who responded negatively were much higher than the average proportions reported above. For example, 57.5% of the respondents from both Kibosho Central AMCOS and Kiruwa Vunjo AMCOS were of the opinion that the decisions were implemented. On the other hand, in Bukoba district, all (100%) the respondents from AMCOS Kobunshwi were of the opinion that none of the decisions was implemented, while the respondents from Kagege AMCOS had a similar opinion of decisions not being implemented. In district cross examination, Bukoba district primary AMCOS had 80.5% of the respondents who said that decisions arrived at in meetings were not implemented, while only 51.0% of the respondents in Moshi district said so. The decision implementation in Bukoba district AMCOS had similar characteristics with leadership compliance; Moshi district AMCOS were found to be better off due to their members' capacities to demand and understand the primary societies business due to knowledge received from the training received.

Berle and Means (1932) presented the Managerial hegemony theory that the shareholders (members) can legally own the firm but not effectively control the agents (managers). Basing on those descriptions, primary AMCOS members do not have democratic ownership since the meeting decisions are not implemented as members agreed. Members, being the principal agents, are denied their decision implementation rights despite the fact that management leads the co-operative on their behalf. The researcher went far by assessing the reasons that limit the decision implementation, and the findings were as presented by district primary AMCOS in Table 7.

Table 7: Reasons limiting decision implementation by district (n = 400)

Districts	Variables							
	Absence of implementation plans		Leaders lack commitment		Reluctance of Board and management		Absence of feedback on decisions made	
	Yes (%)	No (%)	Yes (%)	No (%)	Yes (%)	No (%)	Yes (%)	No (%)
Bukoba	44.7	55.3	31.1	68.9	36.0	64.0	33.5	66.5
Moshi	52.4	47.6	29.1	69.9	30.1	69.9	25.0	75.0
All	47.7	52.3	30.3	69.3	33.7	66.3	30.2	69.8

In assessing reasons that limit the implementation of meeting decisions, the respondents identified various factors, which included: absence of implementation plans, leaders lacking commitment, reluctance of Board and management to implement decisions and absence of feedback on decisions made. The results were as presented in Table 7 and show that absence of implementation plans was reported by 47.7% of the total primary AMCOS members. On the same, it was identified that in Moshi district primary AMCOS the respondents reported the absence of implementation plan by 52.4% as compared to Bukoba district AMCOS where the percent was 44.7%. Higher reluctance of Board and management was reported in Bukoba district primary AMCOS compared to Moshi district primary AMCOS where the percent was lower. Absence of leaders' commitment was said by 30.3% of the total primary AMCOS

respondents. The decision implementation becomes lower in all districts due to absence of member capacity to hold board and management accountable. Members are not part of decision making in their co-operative rather it is the duty of management board and sometimes the Union. Co-operative is governed by members through meetings (Roe, 2003). Decisions made in meetings dictate the daily operation of the co-operative business, and it is within co-operative meetings where different documents are discussed and receive members' consent (Develtere, 2008; Maghimbi, 2006). However, co-operatives were found not to abide by members' decisions that were discussed and passed in the co-operative meetings that affect members' democratic rights.

4.1.4. The decision making in the primary AMCOS

Accountability is determined by who has more power in decision making systems, and who has more influence in ownership and decision making. Power to make decision power in the co-operative society is a complex phenomenon, especially in agricultural marketing co-operative societies. The power to make decision in co-operatives is affected by internal and external factors that are within the co-operative societies. Therefore, an assessment was done to determine decision power ownership in the primary AMCOS. This was in extending the concern identified that members have less power on the decisions they make, and the decisions in the meetings are not implemented by the management. The decision power in the co-operative societies were described in the power relations in the Principal-agent theory as stated by Keasey *et al.* (1997) whereby members, as the principal owners of the co-operative, exercise their democratic ownership rights in making decisions. However, the delegated agents who are the Board and management had divergent interest that made members' decisions to be not respected. The responses on decision power assessment in the primary AMCOS were as presented in Table 8.

Table 8: Decision power by primary AMCOS and by districts (n = 400)

Name of the primary AMCOS	Response in decision power		
	Management (%)	Board (%)	Union (%)
Kagege AMCOS	20.0	12.5	67.5
Mweyanjale AMCOS	25.0	12.5	62.5
Bumai AMCOS	10.0	15.0	75.0
Kobunshwi AMCOS	17.5	15.0	67.5
Lubale AMCOS	20.0	17.5	62.5
Kilema North AMCOS	42.5	15.0	42.5
Mwika North AMCOS	65.0	32.5	2.5
Kiruwa Vunjo North AMCOS	65.0	35.0	0.0
Kibosho Central AMCOS	40.0	60.0	0.0
Mawela AMCOS	47.5	52.5	0.0
All	35.2	26.8	38.0
Districts			
Bukoba	18.5	14.5	67.0
Moshi	52.0	39.0	9.0
All	35.2	26.8	38.0

The AMCOS were assessed on decision ownership power whereby management, Board and union were examined, and the results were as presented in Table 8. The findings indicated that the highest decision powers were in the Union (38%) over management (35.2%) and Board (26.8%). However, the result showed that Bukoba district primary AMCOS had the highest percent in union decision power ownership over Moshi district primary AMCOS. On the other hand, Moshi district primary AMCOS Management had a higher percent than that

of Bukoba district primary AMCOS. Other elements indicate that Bukoba districts AMCOS had more decision power over management and Board. Moshi district primary AMCOS had higher decision making power over management as compared with Board and Union.

This was supported by the argument obtained from FGD with KNCU Board and Management members who supported that, in the Primary AMCOS in Kilimanjaro, the decision power is in the primary AMCOS; that had affected even the union incomes since most primary societies members decided to do coffee business on their own rather than using their union. It was reported that none of the primary AMCOS was paying union subscriptions. Therefore, it was impossible to make deduction from members' coffee sales, though they were still members of the union. The union operated by the use of some collections from the operation investments as the only income. The primary business of the union was representing the primary AMCOS on the government and other stakeholders' forum as well as supervising union investments.

In assessing individual primary AMCOS on power ownership, the results in Table 8 show that Bumai AMCOS indicate higher percent (75%) in primary AMCOS being controlled by the Union in Bukoba districts AMCOS, in this AMCOS members were not responsive to their co-operative society activities. Kilema North shows higher percent (42.5%) in Moshi district primary AMCOS due to the fact that, it was still tied to its coffee marketing business to KNCU, and information from the FGD with Board, managers and members was reported that they didn't know how they could be independent and how others had been trading using G32 and others doing business on their own. On the other hand, Moshi district primary AMCOS Board indicated more decision power as reported by Kibosho Central AMCOS; the management had higher percent in Mwika North and Kiruwa Vunjo AMCOS. The above results imply that Board and management had more power on members decisions in Moshi district AMCOS. The power differences were due to member education and awareness. The primary societies are superior to the union, however in Bukoba district primary AMCOS the vice versa was the practice.

The Principal-agency theory which is the dominant theory in the study indicates members assuming the principal ownership of the co-operatives. Members manage the co-operatives using meetings and meeting decisions. However, the management (the agent) uses their delegated control rights to take over principal rights of ownership (Berle and Means, 1932). Hence, the owners or shareholders in the primary AMCOS face ownership problem whereby managers are likely to act in their own interests rather than in the interest of the shareholders (Keasey *et al.*, 1997).

4.1.5 Membership rights in the primary AMCOS

The accountability of Board and managers to members is based on how members receive their rights in the primary AMCOS. The aspect of membership rights was given weight in determining their capacity to influence decisions in their primary AMCOS; a member right in the primary AMCOS was assessed to determine the extent to which they received their rights in their primary AMCOS. The rights that were used to assess members' rights access in primary AMCOS were: right to use primary AMCOS assets, right to have access to information, right of attending meetings, right to be heard in the meetings, right to get dividends, right to influence decisions on investments, right to co-operative education, right to sell their produce in the primary AMCOS, right to choose leaders of the primary AMCOS and right to be chosen as a leader in the primary AMCOS. Each right had a variable of "zero" for not at all, "one" for little and "two" for much applicability. There were ten items that had

from zero as minimum to twenty as a maximum score. However, the maximum score was 11 as presented by Table 9.

Table 9: Members rights access in the primary AMCOS (n = 400)

Primary AMCOS Members rights	Minimum	Maximum	Mean	%
Rights to use AMCOS assets	0.0	2.0	1.52	7.6
Rights to have access to information	0.0	1.0	0.21	1.05
Rights of attending meetings	0.0	2.0	1.65	8.25
Right to be heard in the meetings	0.0	2.0	1.23	6.15
Right to get dividend	0.0	1.0	0.31	1.55
Right to influence decisions on investments	0.0	1.0	0.09	0.45
Right to co-operative education	0.0	3.0	0.05	0.25
Right to sell their produce in the AMCOS	0.0	3.0	1.74	8.7
Right to chose leaders of the AMCOS	0.0	11.0	1.88	9.4
Right to be chosen as a leader in the AMCOS	0.0	3.0	1.66	8.3
Total rights score	0.0	20	10.38	51.9

Table 9 shows that membership right had 51.9% of the total primary AMCOS member respondents which is above the average. Also, the findings indicated that the lowest percent on individual items such as right to choose leaders of the primary AMCOS (9.4%) had higher percent followed by right to sell their produce in the primary AMCOS (8.7%). Similarly, members scored very low on the right to co-operative education and right to influence decisions on investments. On the other hand, it was noted that primary AMCOS members got access to the rights that were direct to general meetings and access to sell their produce in the primary AMCOS; other rights were denied to members. This is due to the fact that members expected the primary co-operative to assist them to market their produce, and at the same time members attended meetings to elect leaders. This was supported by the argument by Kagera Assistant Co-operative Registrar, who was a key informant and that:

“..... membership rights in the primary AMCOS are a bit complex; most of the rights in the AMCOS are in the hands of their unions especially in primary AMCOS trading their produce through the union but, generally, the membership rights are in the hands of management which decides and makes decisions on members' behalf and inform the Board. On the other hand, these rights are taken by the government which formulates policy, and makes laws which are given to co-operatives to implement without primary AMCOS members' concern”.

The Co-Operative Societies Act (2013) shows that most of the co-operative societies' rights are still under government hold; for instance, assets and financial investment decisions are made upon approval by the registrar of co-operatives. Section 120 of the Co-operative Societies Act 2013 explains that decision rights that are under the registrar such as investing in fixed assets, purchase of shares in stock exchange, purchase of government bonds and securities, investing in fixed assets on different projects and others will be provided in the government gazette. The stakeholder's theory would allow co-operatives to invest in other firms where they would become shareholders by enjoying the benefits from the invested capital (Hung, 1998) but, with this rubber stamp to members of primary AMCOS, decisions were found to be affected since member ownership power was found to be controlled by the agents (Management) and other stakeholders.

4.1.6 Leadership succession planning in primary co-operative societies

Leadership succession planning is a key aspect in ensuring organisation continuity and sustainability. The Board and managers in co-operatives should have a succession planning

policy that mentors and prepares future leaders. Assessment of the leadership succession planning was done to determine whether the primary AMCOS had any succession planning programmes. This was due to the fact that leaders need to be prepared in advance in order to take over responsibilities lead. There should be leadership willingness and preparedness to make other people come into office to discharge managerial functions on the available positions. The co-operative leadership position is defined in the Co-operative Societies Act (2013) and in the Co-operative by-laws. The findings on the possibility of leadership succession planning are presented in Table 10.

Table 10: Availability of succession leadership planning and reasons for its absence in the primary AMCOS (n = 400)

Name of primary AMCOS	Response on succession leadership planning		Reasons for absence of leadership succession plan				
	Yes (%)	No (%)	It is not known on how it can be done (%)	Youth are not interested in coffee (%)	Youth migration to town (%)	Youth do not have coffee farming (%)	Youth are not members of AMCOS (%)
Kagege AMCOS	2.5	97.5	61.5	51.3	46.2	10.3	7.7
Mweyanjale AMCOS	2.5	97.5	43.6	59.0	48.7	17.9	5.1
Bumai AMCOS	2.5	97.5	48.7	59.0	56.4	15.4	5.1
Kobunshwi AMCOS	0.0	100.0	36.8	42.1	60.5	15.8	15.8
Lubale AMCOS	2.5	97.5	25.0	52.5	55.0	25.0	7.5
Kilema North AMCOS	2.5	97.5	59.0	51.3	48.7	10.3	7.7
Mwika North AMCOS	2.5	97.5	43.6	64.1	53.8	23.1	5.1
Kiruwa Vunjo North AMCOS	2.5	97.5	48.7	59.0	56.4	35.9	5.1
Kibosho Central AMCOS	5.0	95.0	36.8	42.1	60.5	42.1	15.8
Mawela AMCOS	2.5	97.5	25.0	52.5	55.0	60.0	7.5
All	2.5	97.5	42.8	53.3	54.1	25.6	8.2

Table 10 shows that only 0.0% to 5.0% of the respondents said that there were plans for leadership succession planning. The absence of succession planning in the primary AMCOS had 95% to 97.5%. An FGD with the primary AMCOS Board management and members showed that Board and management did not have knowledge of what is leadership succession plan and how it can be implemented. The results from FGD with TCDC indicated that succession plan in primary societies need government directives that should be stated in the Co-operative Societies Act, Rules and Regulations that have also to state how it should be done. This was supported by an argument by Moshi Co-operative University Professor, who was a Key Informant who said that:

“..... in succession leadership planning, leaders want to remain in power. Therefore, they don't prepare future leaders. The absence of succession planning is due to lack of member education on primary co-operatives. On the other hand succession planning is not known on how it can be done by primary AMCOS leaders”.

In assessing the reasons as why there are no succession leadership planning in the primary AMCOS (Table 33) indicates that youth migration to town was the leading factor (54.1%). However, other factors that limit leadership succession planning were: youth had low interest in coffee, how the concept of succession planning could be implemented was not known,

absence of plots for coffee farming and youth membership absence. These findings were supported by an argument from FGD of primary AMCOS Board, management and members in Moshi and Bukoba district primary AMCOS that youth migration to town in search for white colour jobs was the leading factor for not engaging in leadership. Also, others commented that youth migrate in search for any employment available, and other factors were that youth don't like farming in rural areas, especially coffee farming that takes a longer time to harvest and needs permanent ownership of a farm. In that case, if youth do not grow primary AMCOS marketed produce and are not engaged in primary AMCOS businesses, automatically they cannot be members, and finally, they cannot be prepared to be leaders.

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

The democratic practice and good governance systems in primary AMCOS are the factors that make members to own their institutions. Absence of managerial accountability to members is caused by Policies, law and regulations which are not adhered by members, Board, managers, government and other co-operative stakeholders. Member education on co-operative business management and governance was not provided. However, it is a key factor for primary AMCOS to embark on member owned co-operative and to have sustainable democracy. The decision making processes in the primary AMCOS are not following the democratic practice that mainstream member decisions made at the primary AMCOS meetings. On the other hand succession planning in co-operatives is found to be the vital engine to ensure sustainability of co-operatives. Most of members in the studied co-operatives were of old age, and the Board members were of more or less the same age. Youth in primary AMCOS were few; the plan to have new blood in primary AMCOS need to be in place.

5.2 Recommendations

- ❖ Tanzania Co-operative Development Commission (TCDC) and co-operative departments in the local government should provide directives through circulars and directives to the primary AMCOS to ensure primary AMCOS prepare programmes that provide member education to enable them understands co-operative management practice.
- ❖ Co-operative promoters are required to learn co-operative business management so that they can promote good co-operative practice.
- ❖ Primary AMCOS should embark on effective use of notice Boards, village meetings, local authority notice Boards, religious meetings and other necessary areas where members can access information. Also, the co-operatives can have databases that are with members contacts where information can be sent for them.
- ❖ Primary AMCOS Board and managers should make use of documents which have been made and passed by members to comply with members' needs and aspirations. Documents such as meeting minutes, co-operative by-laws, business plans, co-operative work plans, budgets, and other member document for decisions should be available.
- ❖ With these succession plan challenges in primary AMCOS, multiple strategies need to be adopted by co-operative promotes, government and primary AMCOS themselves. Strategies should aim at increasing youth membership and preparing youth leadership positions. The ministry responsible for co-operatives, TCDC and Moshi Co-operative University should have programmes to the primary AMCOS education on succession plan to primary AMCOS members and Board. Also, policy makers should address

land ownership policy and to ensure youth own land and primary AMCOS should adopt new crops that are grown by youth in the primary AMCOS.

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